

**ICBC 2025 Green Bond (Carbon
Neutrality Bond)**

**Multi-jurisdiction
Common Ground
Taxonomy
External Reviews
& Opinion**

Beijing Zhongcai Green Financing Consultant Ltd.

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Contents

Part I Basic Information	1
Part II Basic Information of the Projects	2
Part III Use of proceeds	4
Part IV Project evaluation and selection.....	6
Part V Management of proceeds.....	7
Part VI Reporting.....	8
Part VII Conclusions.....	9
Part VIII External Reviewer Statement.....	11
Part IX Document List	12

Scope of Work

The Industrial and Commercial Bank of China (hereinafter referred to as the "Issuer" or "ICBC") intends to issue a carbon neutrality themed green bond (hereinafter referred to as the "Bond") in the offshore market. The Issuer has committed that 100% of the proceeds from the Bond will be allocated to green projects that deliver carbon reduction benefits, specifically in the sectors of clean energy and green transportation.

The Issuer has engaged an external, independent third-party institution to provide assessment and verification for this Bond and has obtained the corresponding green bond assessment and verification report. This report confirms that the Bond's framework is in alignment with the *Green Bond Principles (2021)* published by the International Capital Market Association (ICMA) and the *China Green Bond Principles* formulated by the Green Bond Standard Committee. Furthermore, the report verifies that the use of proceeds for this Bond demonstrates clear green and carbon neutrality attributes, and is in compliance with the relevant requirements of the *Green Bond Endorsed Project Catalogue (2021 Edition)* and the *Notice on Clarifying Mechanisms in Relation to Carbon Neutrality Bonds* issued by the National Association of Financial Market Institutional Investors (NAFMII).

Building on these existing certifications, and in order to establish the international comparability of the Bond's green attributes, this assessment is intended to independently and objectively evaluate the Bond's alignment with the Multi-jurisdiction Common Ground Taxonomy (hereinafter referred to as the "M-CGT") developed under the International Platform on Sustainable Finance (IPSF). To this end, the Issuer has commissioned Beijing Zhongcai Green Financing Consultant Ltd. (hereinafter referred to as the "External Reviewer") to conduct an independent assessment of the alignment of the Bond's use of proceeds—specifically the underlying economic activities and technical screening criteria—with the requirements set out in the M-CGT.

Part I Basic Information

1.1 Basic Information for this External Reviews

Organisation of external reviews	Beijing Zhongcai Green Financing Consultant Ltd. is a green bond verification agency registered by the Green Bond Standard Committee of National Association of Financial Market Institutional Investors (NAFMII), also accredited by the Climate Bond Initiative (CBI) as an international green bond verifier. The International Institute of Green Finance (IIGF) of the Central University of Finance and Economics, with which Beijing Zhongcai Green Financing Consultant Ltd. affiliates, is the Chinese Observer for the Green Bond Principles (GBP) of the International Capital Market Association (ICMA).
Key elements of the external reviews	<ol style="list-style-type: none"> 1. Use of proceeds 2. Project evaluation and selection 3. Management of proceeds 4. Reporting
Criteria	<ol style="list-style-type: none"> 1. IPSF "Multi-jurisdiction Common Ground Taxonomy" 2. The PBoC, the NDRC and the CSRC Announcement No.96 [2021] for "Green Bonds Endorsed Projects Catalogue (2021 Edition)"
Types of reports	External Reviews Reports
Types of external reviews	Pre-issuance verification
Time of external reviews	28 th June 2025 - 15 th July 2025
Reviewers	Huixin Liu, Xinrui Pang
Final reviewers	Ying Cui, Xinyu Fan
Verification Method	Review of project documents, relevant systems and documents of the Issuer, interviews with management and stakeholders of the Issuer, written communication by email, etc.
The External Reviewer's duties	Based on the information provided by ICBC and other relevant parties, complete the work independently, objectively and impartially and provide the external reviews report on time.

Part II Basic Information of the Projects

The Issuer's proposed carbon neutrality themed green bond (the "Bond") commits to allocating 100% of its proceeds to green industry projects that deliver carbon reduction benefits. The specific projects fall under the categories of clean energy and clean transportation.

The projects to be financed by the Bond's proceeds (hereinafter also referred to as "Green Projects" or "Eligible Green Assets") consist of clean energy projects (solar and wind power) and clean transportation projects (urban rail transit). The basic details of the projects within the green project reserve pool are presented in Table 1. As of the end of September 2024, the outstanding loan balance of this green project reserve pool stood at RMB 39.533 billion, equivalent to USD 5.573 billion. The Issuer plans a total issuance size for this Bond of an equivalent of USD 1.5 billion.

Table1 Basic information of the Projects

Type of Project		Project Details	Loan Balance
Clean energy industry (clean energy projects)	Construction and operation of wind power and solar energy utilisation facilities	The reserve asset pool contains 17 wind power and solar energy facility construction and operation projects. The funds are mainly used to support the construction and operation of offshore and onshore wind power facilities and solar energy utilization facilities both domestically and internationally. Once operational, these projects can generate clean electricity, reducing carbon emissions by replacing forms of power generation such as thermal power. The estimated annual CO ₂ e emission reduction is 3.2496 million tons.	As of the end of September 2024, the total loan balance for these 17 projects is 21.469 billion RMB, equivalent to 3.027 billion USD.

Type of Project		Project Details	Loan Balance
Green upgrading of infrastructure (clean transportation projects)	Construction and operation of urban and rural public transportation systems	The reserve asset pool contains 4 urban and rural public transportation system construction and operation projects. The funds are mainly used to support the construction and operation of rail transit projects in different cities. The estimated annual CO ₂ e emission reduction is 58,100 tons.	As of the end of September 2024, the total loan balance for these 4 projects is 18.064 billion RMB, equivalent to 2.547 billion USD.

Part III Use of proceeds

While complying with the requirements of China's *Green Bond Endorsed Project Catalogue (2021 Edition)*, the use of proceeds for this Bond also maps to the economic activities defined in the M-CGT. This assessment has conducted a comparative analysis of this alignment, with the specific details as follows:

3.1 Mapping of the Use of Proceeds to M-CGT Economic Activities

The External Reviewer has reviewed the use of proceeds for this Bond and confirms that it can be mapped to the economic activity categories defined in the M-CGT.

- **Clean Energy Projects:** The use of proceeds is intended to support solar photovoltaic and wind power generation facilities, which maps to "D1.1 Electricity generation from solar photovoltaic" and "D1.3 Electricity generation from wind power" in the M-CGT.
- **Clean Transportation Projects:** The use of proceeds is intended to support urban rail transit infrastructure, which maps to "F2.1 Infrastructure for low-carbon road transport" in the M-CGT.

3.2 Alignment of the Use of Proceeds with M-CGT Substantial Contribution Criteria

Following our assessment, the use of proceeds for this Bond, through the specific technical solutions of its supported projects, meets the substantial contribution criteria set for the corresponding economic activities in the M-CGT.

Clean Energy:

- **D1.1 Electricity generation from solar photovoltaic:** The M-CGT defines "Electricity generation from solar photovoltaic" as a Scenario 2 activity, where the criteria of the China Taxonomy are the most stringent. The portion of the Bond's proceeds used to support solar

photovoltaic power generation is allocated to projects that meet these most stringent technical screening criteria, namely those of China's *Green Bond Endorsed Project Catalogue (2021 Edition)*. Therefore, this use of proceeds aligns with the substantial contribution criteria.

- **D1.3 Electricity generation from wind power:** The M-CGT defines "Electricity generation from wind power" as a Scenario 1 activity, where the criteria across all taxonomies are consistent, deeming the activity "directly eligible". The portion of the Bond's proceeds used to support wind power generation is allocated to projects that meet the criteria of China's *Green Bond Endorsed Project Catalogue (2021 Edition)*. Therefore, this use of proceeds aligns with the substantial contribution criteria.

Clean Transportation:

- **F2.1 Infrastructure for low-carbon road transport:** The M-CGT defines "Infrastructure for low-carbon road transport" as a Scenario 3 activity, where the criteria of the EU and Singapore taxonomies are equally stringent and both are more stringent than China's. The M-CGT specifies that the substantial contribution criteria for this economic activity include the construction and operation of "d) infrastructure and installations dedicated to urban and suburban public passenger transport (including associated signalling systems for metro, tram and rail systems)"; it also requires that "in all cases, the infrastructure is not dedicated to the transport or storage of fossil fuels." The clean transportation use of proceeds for this Bond is dedicated exclusively to supporting the construction and operation of urban rail transit systems, which is in full alignment with the aforementioned M-CGT provisions and does not involve any transport or storage of fossil fuels. Therefore, this use of proceeds meets the substantial contribution criteria.

The External Reviewer is of the opinion that the use of proceeds for the Issuer's proposed Bond is consistent with the M-CGT in terms of both the scope of economic activities and the technical screening criteria.

Part IV Project evaluation and selection

The Issuer has established the *ICBC Green Bond Framework (2021)* and has engaged an external independent institution to issue a Second Party Opinion (SPO) on this framework. The SPO confirms the framework's alignment with the relevant requirements of the *Green Bond Principles (2021)* published by the International Capital Market Association (ICMA). Concurrently, the Issuer has established a specialized "Green Bond Working Group" to oversee project evaluation and selection. This risk management mechanism will effectively identify and manage project-related social and environmental risks.

To ensure a high degree of alignment between the Bond's use of proceeds and the M-CGT, the Issuer, building on its existing procedures, identifies and selects eligible green assets in accordance with the M-CGT's technical screening criteria.

The External Reviewer is of the opinion that for its green projects, the Issuer has established a robust selection and decision-making process. Furthermore, it has implemented a specialized and enhanced project evaluation and selection process specifically targeting alignment with the M-CGT.

Part V Management of proceeds

The Issuer commits to the dedicated management of this Bond's proceeds. It will establish a "Green Bond Proceeds Allocation Ledger" (the "Ledger") to track the allocation and use of the proceeds. The funds raised from the green bond will be deposited into general funding accounts and will be tracked until they are allocated to support Eligible Green Assets, ensuring that 100% of the proceeds are used to support assets compliant with the M-CGT's technical screening criteria. Any temporarily unallocated proceeds will be managed in accordance with ICBC's prudent liquidity management strategy and in compliance with the relevant green bond standards of the jurisdiction of issuance. Such funds may be invested in money market instruments with high credit ratings and good liquidity in domestic and international markets, pending their allocation to Eligible Green Assets.

The External Reviewer is of the opinion that the Issuer has established a robust management system for the use of proceeds. This system includes the establishment of a proceeds allocation ledger to track their use and allocation, ensuring that the proceeds are ultimately and fully allocated to support Eligible Green Assets that have been selected in accordance with the M-CGT's criteria.

Part VI Reporting

The Issuer commits to publishing an annual green bond report that will provide information on fund allocation and project impacts. The allocation report will include the following information: (i) the cumulative amount allocated to each category of Eligible Green Assets compliant with the M-CGT; (ii) the balance of unallocated proceeds; (iii) the geographical distribution of the use of proceeds by country and region; and (iv) where confidentiality agreements permit, case studies of projects that meet the M-CGT's technical screening criteria.

Furthermore, the Issuer commits to providing timely updates in the event of any material developments, ensuring that the disclosed information is true, accurate, and complete, and contains no false records, misleading statements, or material omissions. As of the completion date of this report, the Issuer has disclosed the annual green bond reports for Industrial and Commercial Bank of China Limited for the years 2017-2024. It has also engaged an independent third-party assessment and verification institution to issue a third-party opinion on the relevant annual green bond reports. These disclosure reports are available on ICBC's official global website: www.icbc-ltd.com. Additionally, the Issuer will confirm that the use of proceeds is in alignment with the ICBC Green Bond Framework (2021).

The External Reviewer is of the opinion that the Issuer's information disclosure arrangements are clear and reasonable. These arrangements cover the management and use of the Bond's proceeds, the status of projects supported by the proceeds that are compliant with the M-CGT, and the overall disclosure system and its implementation.

Part VII Conclusions

Through methods including the review of project documents, examination of the Issuer's relevant systems and files, and interviews with the Issuer's management, the External Reviewer has found no evidence of misrepresentation or potential material errors that would cause this Bond or its financed projects to be non-compliant with the relevant requirements of the M-CGT.

Based on a comprehensive assessment of the four core components—Use of Proceeds, Process for Project Evaluation and Selection, Management of Proceeds, and Reporting—the following conclusions have been reached:

1. **Use of Proceeds:** The use of proceeds for the Issuer's proposed Bond is consistent with the M-CGT in terms of both the scope of economic activities and the technical screening criteria.
2. **Process for Project Evaluation and Selection:** For its green projects, the Issuer has established a robust selection and decision-making process. Furthermore, it has implemented a specialized and enhanced project evaluation and selection process specifically targeting alignment with the M-CGT.
3. **Management of Proceeds:** The Issuer has established a robust management system for the use of proceeds. This system includes the establishment of a proceeds allocation ledger to track their use and allocation, ensuring that the proceeds are ultimately and fully allocated to support Eligible Green Assets that have been selected in accordance with the M-CGT's criteria.
4. **Reporting:** The Issuer's information disclosure arrangements are clear and reasonable. These arrangements cover the management and use of the Bond's proceeds, the status of projects supported by the proceeds that are compliant with the M-CGT, and the overall disclosure system and its implementation.

In summary, the Issuer's proposed carbon neutrality themed green bond is in alignment with the relevant requirements of the M-CGT.

Beijing Zhongcai Green Financing Consultant Ltd. (Official Stamp) :

Signature of Reviewers:

Hulxin

Liu

Xinrui Fang

Signature of Final Reviewers:

Ying Cui

Xihyu Fan

Signature of Head of Business:

Ying Cui

Date of External Reviews & Opinion: 15th July 2025

Part VIII External Reviewer Statement

The External Reviewer adheres to the fundamental ethical and professional principles of "Integrity, Objectivity, Professional, Due Care, Confidentiality" to carry out green bond verification and follows relevant laws, regulations and self-regulatory rules.

The External Reviewer and its personnel do not have any conflict of interest with the parties concerned that may affect the results of the verification. On the premise that the Issuer guarantees that the basic information provided is true, accurate and complete, the External Reviewer confirms to the maximum extent that there are no false, misleading statements or major omissions in the assessment and verification content. The authenticity, accuracy and completeness of the information provided by the issuer, underwriter and other relevant institutions shall be the responsibility of the provider.

The External Reviewer has paid necessary attention to the four core elements of the Green Bond (Carbon Neutrality Bond) in terms of the use of proceeds, project evaluation and selection, management of proceeds and reporting. The External Reviewer provides information only in the above areas and no liability for damages based on this opinion and its information is accepted.

The External Reviewer is not to be construed as any indication or guarantee of the investment decision of the relevant bonds and in no event shall this opinion be taken as an explanation or guarantee of the economic performance, credit assessment and actual use of the proceeds of the bond.

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Part IX Document List

The documents provided by the issuer are as follows.

1. List of green assets and summary table of green asset data
2. Project Compliance Documents and Project Introduction
3. Project Compliance Documents and Project Introduction
4. ICBC Green Bond Framework Second-Party Opinion (Sustainalytics)
5. Green Bond Framework for Industrial and Commercial Bank of China Assessment Report (Beijing Zhongcai Green Financing Consultant Ltd.)
6. ICBC Green Bond / Green Bond Programme External Review Form
7. Industrial and Commercial Bank of China Limited 2024 Green Bond Report

