

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

**Green Bond Principles
External Reviews &
Opinion**

Beijing Zhongcai Green Financing Consultant Ltd.



ICBC 2025 Green Bond (Carbon Neutrality Bond)

Green Bond Principles

External Reviews & Opinion

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7th April 2025

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Scope of Work

The Industrial and Commercial Bank of China (hereinafter referred to as the “Issuer” or “ICBC”) is considering the issuance of a Green Bond¹ (Carbon Neutrality Bond) (hereinafter referred to as the “Bond”), and the Issuer undertakes that 100% of the funds raised by the Bond will be invested in green projects with certain environmental benefits, including clean energy projects and green transportation projects.

Beijing Zhongcai Green Financing Consultant Ltd. (hereinafter referred to as the “External Reviewer”) has been commissioned by the Issuer to provide the pre-issuance external reviews of the Bond. The external reviews are performed in accordance with the “China Green Bond Principles” issued by China Green Bond Standard Committee and the “Green Bond Principles (GBP) 2021” issued by the International Capital Market Association (ICMA).

¹ According to the “China Green Bond Principles”, green bonds are any type of bond instrument which the proceeds will be exclusively applied to support green industries, green projects, or green economic activities that meet the prescribed conditions and are issued according to legal procedures and repay principal and interest as agreed.

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. Green Bond Standard Committee's "China Green Bond Principles" 2. The PBoC, the NDRC and the CSRC Announcement No.96 [2021] for "Green Bonds Endorsed Projects Catalogue (2021 Edition)" 3. ICMA's "Green Bond Principles (2021)" 4. "Green Bond Framework for Industrial and Commercial Bank of China (2021 Edition)"
Scope of work	Assess the compliance of the proposed green financial bonds with the "China Green Bond Principles", the "Green Bond Principles (2021)" and the "Green Bond Framework for Industrial and Commercial Bank of China (2021 Edition)"
Types of reports	External Reviews Reports
Types of external reviews	Pre-issuance verification
Time of external reviews	10 th March 2025 - 7 th April 2025
Reviewers	Xinyu Fan, Huixin Liu, Zhou Zhou
Final reviewers	Ying Cui, Yujie Ren
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 intends to issue the Bond. The Issuer undertakes that 100% of the bond proceeds will be invested in green projects with certain environmental benefits, involving clean energy projects and clean transportation projects.

The projects (hereinafter also referred to as the “green projects” or the “eligible green assets”) include clean energy projects (photovoltaic and wind power projects) and clean transportation projects (urban rail transit), and the basic information of the projects in the reserve asset pool is shown in Table 1.

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 CO2e 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.
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 CO2e 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

3.1 Use of proceeds

The Issuer intends to issue the Bond, and undertakes that 100% of the bond proceeds will be invested in clean energy projects (photovoltaic and wind power projects) and clean transportation projects (urban rail transit).

3.1.1 Compliance of the Use of Proceeds with the “China Green Bond Principles”

According to the requirements of the Green Bond Standard Committee’s “China Green Bond Principles” on the scope of identified green projects: the scope identified of green projects shall be in accordance with the “Green Bonds Endorsed Projects Catalogue (2021 Edition)” by the PBoC, the NDRC and the CSRC (Yinfa No. 96 [2021]).

The Issuer has commissioned an external independent third-party verification agency to issue a green bond verification statement, which has identified the green and carbon-neutral attributes of the projects, and the projects are in compliance with the “Green Bonds Endorsed Projects Catalogue (2021 Edition)” and the Notice by NAFMII on “Clarifying Mechanisms in Relation to Carbon Neutrality Bonds”.

3.1.2 Compliance of the Uses of Proceeds with ICMA’s “Green Bond Principles (2021)”

According to ICMA’s “Green Bond Principles (2021)”, the eligible green projects categories, include, but are not limited to:

- Renewable energy;
- Energy efficiency;
- Pollution prevention and control;
- Environmentally sustainable management of living natural resources and land use;
- Terrestrial and aquatic biodiversity conservation;
- Clean transportation;

- Sustainable water and wastewater management;
- Climate change adaptation;
- Circular economy adapted products, production technologies and processes;
- Green buildings that meet regional, national or internationally recognised standards or certifications for environmental performance.

All proceeds from the Bond will be invested in photovoltaic, wind power and urban rail transit projects, which meets the requirements of ICMA's "Green Bond Principles (2021)" for the "Renewable energy" and "Clean transportation" category of eligible green projects.

3.1.3 Compliance of the Use of Proceeds with the "Green Bond Framework for Industrial and Commercial Bank of China (2021 Edition)"

According to the "Green Bond Framework for Industrial and Commercial Bank of China (2021 Edition)", eligible green asset categories include:

- Renewable energy;
- Clean transportation;
- Energy efficiency;
- Sustainable water and wastewater management;

In any case, the eligible green assets shall exclude the assets that are involved in the following sectors or activates below:

- Fossil fuel related assets;
- Nuclear and nuclear related assets;
- Biomass/feedstock that will be derived from sources that compete with food production; will be grown in areas with currently or previously high in biodiversity; will decrease carbon pools in soil.

All proceeds from the Bond will be invested in photovoltaic, wind power and urban rail transit projects, which meets the requirements of "Green Bond Framework for Industrial and Commercial Bank of China (2021 Edition)" for the "Renewable energy" and "Clean transportation" category of eligible green projects.


In the opinion of the External Reviewer, the use of proceeds from the Issuer's proposed Green Bond (Carbon Neutrality Bond) is in compliance with the requirements of the NAFMII on "Clarifying Mechanisms in Relation to Carbon Neutrality Bonds", the PBoC, the NDRC and the CSRC for "Green Bonds Endorsed Projects Catalogue (2021 Edition)", Green Bond Standard Committee's "China Green Bond Principles", ICMA's "Green Bond Principles (2021)" and "Green Bond Framework for Industrial and Commercial Bank of China (2021 Edition)" .


Part IV Project evaluation and selection

The Issuer has established the “Green Bond Framework for Industrial and Commercial Bank of China (2021 Edition)” and has commissioned an external independent institution to issue a Second-Party Opinion (SPO) on the Framework, which clarifies the evaluation and selection process of green projects. In addition, the Issuer has commissioned an external independent third-party assessment institution to assess and certify the consistency of the evaluation and selection process of green projects for the Bond with the processes required under the “Green Bond Framework for Industrial and Commercial Bank of China (2021 Edition)”, which is in line with the requirements of the Green Bond Standard Committee’s “China Green Bond Principles” for project evaluation and selection. Meanwhile, the Issuer has established a dedicated Green Bond working group at ICBC Head Office to review the project evaluation and selection, which is a risk management mechanism that will effectively identify and manage the social and environmental risks associated with the project. Moreover, according to the “ICBC Green Bond Framework Second-Party Opinion (Sustainalytics)”, the Issuer’s project evaluation and selection complies with the requirements of the ICMA’s “Green Bond Principles (2021)”.

The bond proceeds will be fully invested in photovoltaic, wind power and urban rail transit projects, which will help achieve the United Nations Sustainable Development Goals (SDGs), and the match with the categories of the UN SDGs is shown in Table 2.

Table 2 Projects to support the achievement of UNSDGs

Project name	UNSDG Alignment	Environmental Objectives
17 projects for the construction and operation of wind power and solar energy utilisation facilities	 Target 7: Ensure access to affordable, reliable, sustainable and modern energy for all.	Climate change mitigation

Project name	UNSDG Alignment	Environmental Objectives
4 projects for the construction and operation of urban and rural public transportation systems	 <p>Target 11: Make cities and human settlements inclusive, safe, resilient and sustainable.</p>	Climate change mitigation and Pollution prevention & control

In the opinion of the External Reviewer, the Issuer has established a comprehensive selection and decision-making process for the evaluation and selection of green projects, and that the projects are legally compliant and in line with the relevant requirements of the Green Bond Standard Committee's "China Green Bond Principles" and ICMA's "Green Bond Principles (2021)" with respect to the project evaluation and selection process.

Part V Management of proceeds

The Issuer intends to issue the Bond and undertakes that 100% of the proceeds will be invested in green projects with certain environmental benefits, with specific projects relating to clean energy projects (photovoltaic and wind power projects) and clean transportation projects (urban rail transit). A Green Bond allocation register (the “Register”) will be established to record the allocation of green bond proceeds. The proceeds will be deposited in the general funding accounts and “earmarked” pending allocation. Any balance of issuance proceeds not allocated to eligible green assets will be held in accordance with ICBC’s normal sound and prudent liquidity management policy. The unallocated proceeds could be temporarily used domestically and internationally in money market instruments with good credit rating and market liquidity until they are allocated to eligible green assets.

In the opinion of the External Reviewer, the Issuer has established a sound system for the management of proceeds, set up a Green Bond allocation register and recorded the allocation of green bond proceeds, and complied with the relevant requirements of the Green Bond Standard Committee’s “China Green Bond Principles” and ICMA’s “Green Bond Principles (2021)” on management of proceeds.

Part VI Reporting

The Issuer commits to publish a Green Bond Annual Report which will provide information on allocation and impacts on an annual basis. Allocation Reporting contains the following information: (i) aggregate amount allocated to the various Eligible Green Asset Categories; (ii) remaining balance of funds which have not yet been allocated; (iii) geographical distribution of the proceeds (on country level); (iv) examples of Eligible Green Assets (subject to confidentiality disclosures). Meanwhile, the Issuer commits to provide timely updates of the projects in case of significant events, to ensure that the information disclosed is true, accurate, complete and free from falsehoods, misleading statements or material omissions. As of the date of issuance of the Bond, the Issuer has disclosed the Annual Green Bond Report of ICBC for the years 2017-2023, and has commissioned an independent third-party assessment institution to issue a third-party assessment opinion in respect of the relevant Annual Green Bond Report, and the disclosure report can be found on the official website of ICBC at www.icbc-ltd.com. In addition, the Issuer will confirm that the use of the proceeds is in line with the “Green Bond Framework for Industrial and Commercial Bank of China (2021 Edition)”.

In the opinion of the External Reviewer, the information disclosure arrangements formulated by the Issuer in respect of the management and use of proceeds, the status of green projects supported by proceeds, and the implementation of information disclosure system are clear and reasonable, and are in compliance with the requirements of the Green Bond Standard Committee’s “China Green Bond Principles” and ICMA’s “Green Bond Principles (2021)” on reporting.

Part VII The Issuer's Sustainability Strategy

ICBC was established on January 1st 1984. On October 27th, 2006, ICBC was successfully listed on both Shanghai Stock Exchange and the Stock Exchange of Hong Kong Limited.

In terms of ICBC Business Philosophy, ICBC has always adhered to the business philosophy of developing 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. ICBC is dedicated to protecting the environment, growing the economy, creating jobs and removing poverty all at the same time through financial means.

In terms of Strategic Governance Structure, in 2007, ICBC took the lead in China to announce the development concept of "Green Credit" and vigorously promote the development of green finance in a top-down manner.

In terms of Long-Term Management Mechanism, ICBC has formed a green finance strategic development mechanism under the overall leadership of the Green Finance Committee of the head office, with 23 departments collaborating and dividing the work, domestic and overseas branches proactively innovating and all staff participating in the process. On this basis, ICBC has continuously increased its financial support with differentiated policies and incorporated the concept of green development into every aspect of financial services and operation management to ensure the effective implementation of the green finance strategy.

In terms of Green Business and Activities, ICBC has established a comprehensive green finance service system through multiple channels, and covering products including green loans, green bonds, industrial funds, asset securitization, trusts and leasing.

In terms of International Cooperation, ICBC proactively engaged in international governance for sustainable development and promoted global green and low-carbon development through platforms such as Belt and Road Inter-bank Regular Cooperation ("BRBR"). In 2018, ICBC assisted Green

Finance Committee of China Finance Society and the City of London to jointly draft the Green Investment Principles for the Belt and Road Initiative, and became the first signatory.

In terms of Risk Management Mechanism, ICBC continued to strengthen the management of investment and financing risks in environmentally sensitive areas, embedded the environmental, social and climate risk assessment requirements into the entire investment and financing business approval and management process, in which ICBC implements the green one-vote veto mechanism throughout the entire process. The Bank continuously improved the risk management mechanism, conducted special green credit audits, strengthened green credit assessment, and comprehensively improved environmental (climate) and social risk management. By the end of 2023, the Bank's green bonds issued previously have cumulatively won 17 international awards. ICBC gained extensive social recognition by its good performance in social responsibility and green finance strategy.

Part VIII Introduction of the External Reviewer

Beijing Zhongcai Green Financing Consultant Ltd. was established in 2006, which is one of the earliest institutions in China to carry out the verification of green bonds. The External Reviewer 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).

In terms of system and mechanism construction, the External Reviewer has established “Green Bond Verification Process”, “Green Bond Verification Standard”, “Green Bond Verification Criteria”, “Green Bond Verification Methodology System”, “Green Bond Verification Charging Standard and Basis”, “Green Bond Verification Work Code”, “Internal Management System”, “Green Bond Verification Quality Control System”, “Professional Liability Insurance System” and other relevant systems necessary for carrying out the green bond Verification business.

In terms of practice qualification and professional staffing, the External Reviewer is staffed with professionals in the fields of accounting, finance, energy, climate or environment to carry out green bond verification, all of whom have a master’s degree or higher, with solid professional knowledge in the fields of environmental protection, energy, low carbon, green finance, ESG and other related fields, and with extensive practical experience in domestic and overseas green bond verification, green finance standard research, international cooperation and other projects.

In terms of green bond verification, 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 other related businesses. Since the start of China’s green bond verification market in 2016, the External Reviewer has conducted pre-issuance verification

for more than 50 green bonds, with a scale of more than 100 billion yuan, including green financial bonds, green credit backed securities, green debt financing instruments, green corporate bonds, green ABS, etc., and has supported the issuance of a number of first bonds of their kinds in the market. For example, Industrial Bank Co., Ltd. 2016 Green Financial Bond is the first labelled green financial bond in China; the External Reviewer also deeply participated in the issuance of green offshore bonds of ICBC, and provided verification services aligned with Climate Bond Standard (CBS) for ICBC's first One-Belt-One-Road green bond, which is the first green climate bond verified by CBI and was awarded the "Best Green Bond" by *The Asset*, the "Best Environmental, Social and Governance Deal" (Best ESG Deal) by the *Finance Asia*, and the "2017 Best Socially Responsible Investing Bond" (Best SRI Bond) by the *IFR Asia*.

Part IX Description for External Reviews

The External Reviewer complies with ICMA's "Guidelines for Green, Social, Sustainability and Sustainability Linked Bonds External Reviews (2022)" (hereinafter referred to as the "External Reviews Guidelines") in the issuance of this report. According to the External Reviews Guidelines, the external reviews categories include the following:

1. **Second Party Opinion:** An institution with environmental /social/sustainability expertise that is independent from the issuer may provide a Second Party Opinion. The institution should be independent from the issuer's adviser for its Green, Social and Sustainability Bond and Sustainability-Linked Bond framework or climate transition strategy, or appropriate procedures such as information barriers will have been implemented within the institution to ensure the independence of the Second Party Opinion.
2. **Verification:** An issuer can obtain independent verification against a designated set of criteria, typically pertaining to environmental /social/sustainability or KPI performance and sustainability targets for the SLBs.
3. **Certification:** An issuer can have its green, social, sustainability and sustainability-linked bond or associated green, social, sustainability and sustainability-linked bond framework or Use of Proceeds or Key Performance Indicators (KPIs) and Sustainability Performance targets (SPTs) certified against a recognised external green/social/ sustainability standard or label.
4. **Green, Social, Sustainability and Sustainability-Linked Bond Scoring/Rating:** An issuer can have its green, social, sustainability and sustainability-linked bond associated framework or a key feature such as Use of Proceeds, selection of KPIs, calibration of the level of ambitiousness of SPTs, evaluated or assessed by third parties, such as specialised research providers or rating agencies, according to an established scoring/rating methodology.

The Issuer has commissioned an independent external institution to issue a Second-Party Opinion on the compliance of its “Green Bond Framework for Industrial and Commercial Bank of China (2021 Edition)” with the ICMA’s “Green Bond Principles (2021)”, which confirms the Framework’s compliance with the ICMA’s “Green Bond Principles (2021)”.

Part X Conclusions

The External Reviewer has not found any misrepresentation that could lead to non-compliance with the relevant assessment criteria such as the NAFMII on “Clarifying Mechanisms in Relation to Carbon Neutrality Bonds”, the PBoC, the NDRC and the CSRC for “Green Bonds Endorsed Projects Catalogue (2021 Edition)”, Green Bond Standard Committee’s “China Green Bond Principles”, ICMA’s “Green Bond Principles (2021)” and “Green Bond Framework for Industrial and Commercial Bank of China (2021 Edition)” and other relevant criteria for the Bond and the projects through the review of project documents, Issuer’s relevant policy documents, interviews with the management of the Issuer, etc. Based on the comprehensive assessment of the four core elements, including the use of proceeds, project evaluation and selection, management of proceeds and reporting, the following conclusions are drawn:

1. The use of proceeds from the Issuer’s proposed Green Bond (Carbon Neutrality Bond) is in compliance with the requirements of the NAFMII on “Clarifying Mechanisms in Relation to Carbon Neutrality Bonds”, the PBoC, the NDRC and the CSRC for “Green Bonds Endorsed Projects Catalogue (2021 Edition)”, Green Bond Standard Committee’s “China Green Bond Principles”, ICMA’s “Green Bond Principles (2021)” and “Green Bond Framework for Industrial and Commercial Bank of China (2021 Edition)”.
2. The Issuer has established a comprehensive selection and decision-making process for the evaluation and selection of green projects, and that the projects are legally compliant and in line with the relevant requirements of the Green Bond Standard Committee’s “China Green Bond Principles” and ICMA’s “Green Bond Principles (2021)” with respect to the project evaluation and selection process.
3. The Issuer has established a sound system for the management of proceeds, set up a Green Bond allocation register and recorded the allocation of green bond proceeds, and complied with the relevant requirements of the Green Bond Standard Committee’s “China Green Bond Principles” and ICMA’s “Green Bond Principles (2021)” on management of proceeds.

4. The information disclosure arrangements formulated by the Issuer in respect of the management and use of proceeds, the status of green projects supported by proceeds, and the implementation of information disclosure system are clear and reasonable, and are in compliance with the requirements of the Green Bond Standard Committee's "China Green Bond Principles" and ICMA's "Green Bond Principles (2021)" on reporting.
5. The bond proceeds will be fully invested in photovoltaic, wind power and urban rail transit projects, which will help achieve the United Nations Sustainable Development Goals (SDGs), especially the SDG 7: Affordable and Clean Energy and SDG 11: Sustainable Cities and Communities.

In summary, the Issuer's proposed Green Bond (Carbon Neutrality Bond) is in compliance with the relevant requirements of the Green Bond Standard Committee's "China Green Bond Principles", ICMA's "Green Bond Principles (2021)" for green bonds.

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

Signature of Reviewers:  *Aihua Fan* *Huixia Liu* *zhu*

Signature of Final Reviewers: *Ying Cui* *Yujie Ren*

Signature of Head of Business: *Ying Cui*

Date of External Reviews & Opinion: 7th April 2025

Part XI 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 XII 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 2023 Green Bond Report