

## **Appendix I**

### **Description on China Construction Bank Corporation London Branch's 2023 Green Bond**

China Construction Bank Corporation (the "Bank") has established the *China Construction Bank Green, Social, Sustainability and Sustainability-Linked ("GSSS") Bond Framework* (the "Framework"). In preparing the use of proceeds, process for project evaluation and selection, management of proceeds, and reporting of China Construction Bank Corporation London Branch's 2023 Green Bond, the Bank applied the *Green Bond Principles 2021* published by International Capital Market Association (the "Criteria").

#### **Use of Proceeds**

All the net proceeds of the green bond will be allocated to the Eligible Projects as defined in the *Green Bond Principles 2021*.

The following sectors will be excluded from Green Eligible Categories:

- Sectors which are prohibited by laws and regulation in China, such as gambling industry, adult entertainment, child labour and corporations involved in illegal activities
- Luxury sectors such as precious metals, precious artworks & antiques, golf course services
- Distillation, rectification and mixed alcoholic beverages
- Production of tobacco and tobacco products
- Hydro power with installed capacity >20MW
- Biomass which is suitable for food source
- Mining, quarrying and fossil fuels related assets
- Nuclear fuels
- Weapons and ammunitions
- Companies or activities involved in the production, distribution or storage of hazardous chemicals and radioactive substances

#### **Process for Project Evaluation and Selection**

##### **1. Preliminary Screening**

The Bank established a "GSS Bond Working Group" ("GSSWG") to review the preliminary list of Green Projects proposed by the business lines and domestic branches of the Bank. The GSSBWG will select the Eligible Green Projects that meet the Eligibility Criteria in the Use of Proceeds section under the GSSS Bond Framework of China Construction Bank, and best reflect the characteristics of the Bank, by considering the following factors:

- Whether the technology used in Green Projects is more advanced than other available technologies
- The pre and post certification for the Green Projects
- Whether the Green Projects comply with the development policy and strategy of the Bank
- Whether the characteristics of the Bank are reflected by the Green Projects

If a project is identified as Eligible Project under the GSSS Bond Framework of China Construction Bank by the GSSBWG, the project will be “marked” as Eligible Green Project.

## 2. Establishing Project List

A list of projects financed by “GSS bonds” is established to facilitate bond duration management. The GSSBWG is responsible for the bookkeeping and tracking of eligible projects and for ensuring all information is true and accurate in the process.

## 3. Update and Maintenance

The GSSBWG reviews the allocation of funds raised by GSS bonds annually to ensure appropriate allocation to Eligible Green Projects, and to assist with the preparation for disclosures in annual reports.

## **Management of Proceeds**

### 1. Management of Separate Register

The proceeds of each bond will be deposited in the general funding accounts. The Bank will maintain a register to keep track of the use of proceeds from each bond. The register will contain the following information:

- Type of Funding Transaction:
  - Key information includes transaction date, (net) amount of proceeds, maturity date, coupon, type of bond, pricing date and the ISIN number.
- Allocation of proceeds
  - Name and description of Eligible Projects to which the proceeds of GSS bonds have been allocated in accordance with the Framework
  - Allocation of the proceeds from GSS bonds to Eligible Projects
  - The balance of unallocated proceeds
  - Use of unallocated proceeds

### 2. Use of Unallocated Proceeds

Any balance of issuance proceeds which are not yet allocated to Eligible Green Projects will be held in accordance with the Bank’s normal liquidity management policy. The Bank undertakes not to invest unallocated proceeds in sectors set out in Exclusions.

## Reporting

The Bank will publish reports on the use of proceeds from the issuance of GSS bonds on an annual basis on the official website of the Bank. The report will contain information on allocation and environmental impacts.

## Eligible Project List

The Bank has established a list of eligible projects, with total value of RMB 3.10 billion. Nominated projects list may evolve over time. The following is detailed information of the eligible project.

### Eligible Project List

No.	Region	Project	Eligible Project Categories	Loan Amount (RMB million)
1	Northern China	Wind power project	Renewable energy	986.00
2	Northern China	Wind power project	Renewable energy	594.00
3	Northwest China	Wind power project	Renewable energy	953.00
4	Northwest China	Wind power project	Renewable energy	571.30
Total Loan Amount				3,104.30

Category	Loan Amount (RMB million)	Number of Projects	Loan Proportion
Renewable Energy	3,104.30	4	100.00%
Total	3,104.30	4	100.00%

The following set forth certain information of sample eligible project:

- The wind power project (the “Wind Power Project I”) is located in Inner Mongolia. Wind Power Project I , with total capacity of 1000 MW, consists of 192 wind turbines with per-turbine capacity of 3,400 kW and 97 wind turbines with per-turbine capacity of 3,600 kW. Annually, Wind Power Project I generates around 3,130,340 MWh electricity per year, reducing carbon dioxide emission about 2,588,478 tons/year.
- The wind power project( the “Wind Power Project II”) is located in Inner Mongolia. Wind Power Project II , with total capacity of 2000 MW, consists of 231 wind turbines with per-turbine capacity of 3,400 kW and 270 wind turbines with per-turbine capacity of 4,500 kW. Annually, Wind Power Project II generates around 6,058,451 MWh electricity per year, reducing carbon dioxide emission about 5,009,733 tons/year.

China Construction Bank Corporation London Branch

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