

Appendix I

Description on China Construction Bank London Branch's 2022 Green Bond

China Construction Bank Limited (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 London Branch's 2022 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 USD 1.82 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 (USD million)
1	Gansu	Photovoltaic power project	Renewable energy	39.98
2	Guangxi	Wind power project	Renewable energy	40.85
3	Guangxi	Wind power project	Renewable energy	39.28
4	Guangxi	Wind power project	Renewable energy	33.16
5	Inner Mongolia	Wind power project	Renewable energy	117.65
6	Inner Mongolia	Wind power project	Renewable energy	77.94
7	Inner Mongolia	Wind power project	Renewable energy	63.05
8	Inner Mongolia	Wind power project	Renewable energy	61.13
9	Inner Mongolia	Wind power project	Renewable energy	56.66
10	Inner Mongolia	Wind power project	Renewable energy	44.83
11	Inner Mongolia	Wind power project/Photovoltaic power project	Renewable energy	40.79
12	Inner Mongolia	Wind power project	Renewable energy	37.88
13	Qinghai	Wind power project	Renewable energy	114.71
14	Qinghai	Wind power project	Renewable energy	72.28

No.	Region	Project	Eligible Project Categories	Loan Amount (USD million)
15	Qinghai	Wind power project	Renewable energy	57.83
16	Qinghai	Photovoltaic power project	Renewable energy	54.68
17	Qinghai	Photovoltaic power project	Renewable energy	54.37
18	Qinghai	Photovoltaic power project	Renewable energy	46.82
19	Shanxi	Photovoltaic power project	Renewable energy	65.56
20	Xinjiang	Wind power project	Renewable energy	160.91
21	Xinjiang	Wind power project	Renewable energy	126.10
22	Xinjiang	Wind power project	Renewable energy	56.07
23	Chongqing	Photovoltaic power project	Renewable energy	63.17
24	Kyrgyzstan	Photovoltaic power project	Renewable energy	268.62
25	Malaysia	Green building project	Green building	21.68
Total Loan Amount				1,816.00

Category	Loan Amount (USD million)	Number of Projects	Loan Proportion
Renewable Energy	1,794.32	24	98.81%
Green building	21.68	1	1.19%
Total	1,816.00	25	100.00%

The following set forth certain information of sample eligible projects:

- The wind power project is located in Inner Mongolia Province of Northern China. So far, this project has already been put into operation. The project, with total capacity of 1,100 MW, consists of 209 wind turbines with per capacity of 4,500 kW and 50 wind turbines with per capacity of 3,200 kW. This project generates about 3,619,807 MWh electricity annually, which will result in the reduction of standard coal consumption about 1,111,281 tons/year, the reduction of carbon dioxide emission about 2,993,218 tons/year, the reduction of sulfur dioxide emission about 3,174 tons/year, the reduction of nitrogen oxides emission about 5,134 tons/year.
- The photovoltaic project is located in Kyrgyzstan, with total capacity of 500 MW, with a production around 1,063,567 MWh, with a reduction of 326,500 tons of standard coal, with a reduction of 828,900 tons of carbon dioxide, with a reduction of 933 tons of sulfur dioxide and with a reduction of 1,508 tons of nitrogen oxides annually.

China Construction Bank London Branch



9 May 2022

