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Introduction: About IB

Industrial Bank Co., Ltd. (hereinafter referred to as Industrial Bank) was established in Fuzhou City, Fujian Province in 1988 with a registered capital of 20.774 billion yuan and listed on the Shanghai Stock Exchange in 2007 (stock code: 601166). It's one of the first joint-stock commercial banks approved by the State Council and the People's Bank of China, and it's also the first Equator Bank in China. Now it has grown into a mainstream commercial banking group with banking as its main business and multiple fields such as trust, financial lease, funds, futures, asset management, consumer finance, research and consulting, and digital finance covered, ranking among the top 30 banks in the world and Fortune Global 500.

Banking as Its Main Business



Trust



Financial Lease



Funds



Futures



Asset Management



Consumer Finance



Research and Consulting



Digital Finance

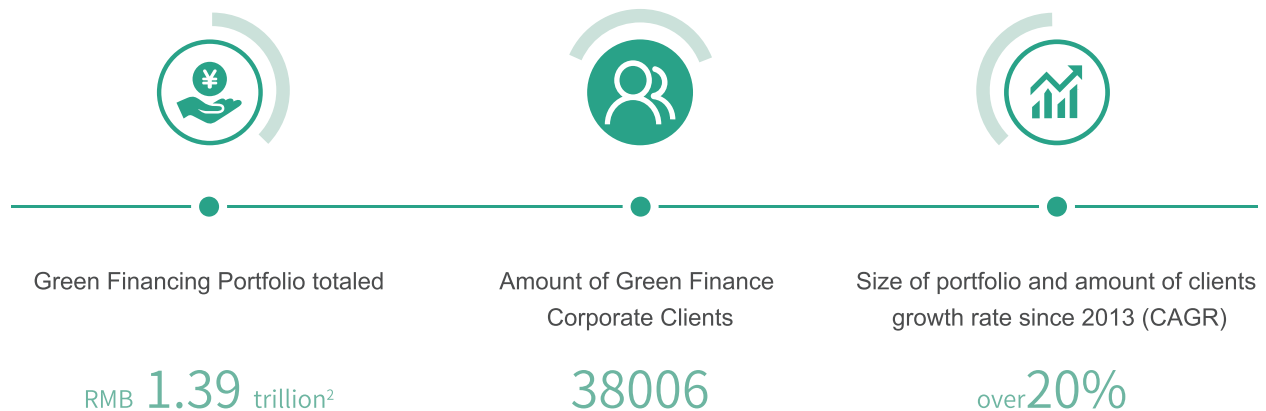
Green Finance Practice of IB

Chinese financial market has experienced a green shift since the declaration of carbon peaking and neutrality goals. Major green finance instruments, including green loans and green bonds, have experienced significant growth in issuance. Policy guidance has never been clearer before as regulators unveiled dozens of policy tools, including the launch of carbon emission reduction facility (CERF) as well as the opening of national wide carbon trading market, to tilt funding into green industries.

As for IB, its effort to explore new paths of combining commercial banking with environmental considerations started over a decade ago. IB was the first commercial bank in China to fully embrace sustainable development and Green finance. The Bank announced the adoption of the Equator Principles in 2008, becoming the first bank in China that integrated an advanced international environmental and social risk management framework into its daily business. In China, as the Vice Secretary-General of the Green Finance Committee (GFC) established under China Financial Forum, the Bank has been proactively promoting Green finance as part of the national agenda, contributing to the drafting of several key policies.

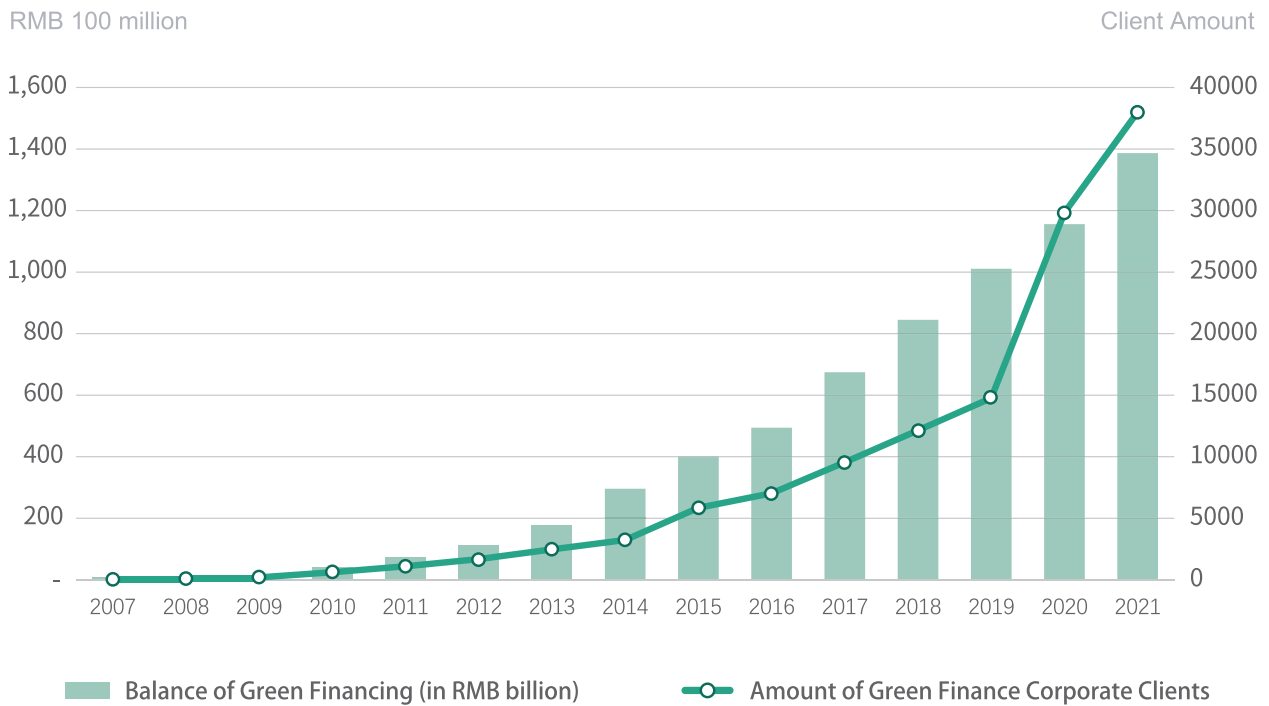
In order to serve financing demands of its clients in environment friendly aspects, IB has innovatively mobilized its branches and subsidiaries to provide not only traditional loan financing, but also other types of financial tools, including debt underwriting, equity investment, financial leasing and asset securitization.

Being a first mover and a one-stop financial service provider in green finance, IB obtains significant return. In 2021, IB's Green Financing Portfolio totaled RMB**1.39** trillion¹ and IB had **38006** Green Finance Corporate Clients. Both figures have been growing at over **20%** CAGR since 2013.



¹ Including loans, debt investment, bond investment, financing leasing, managed class assets, and equity investment that aligned with IB's green financing standards (the "IB green finance standards"). IB green finance standards is a series of self-developed standards which are drafted based on domestic and international green finance standards and industrial standards.

Green Financing Portfolio and Amount of Green Finance Corporate Clients

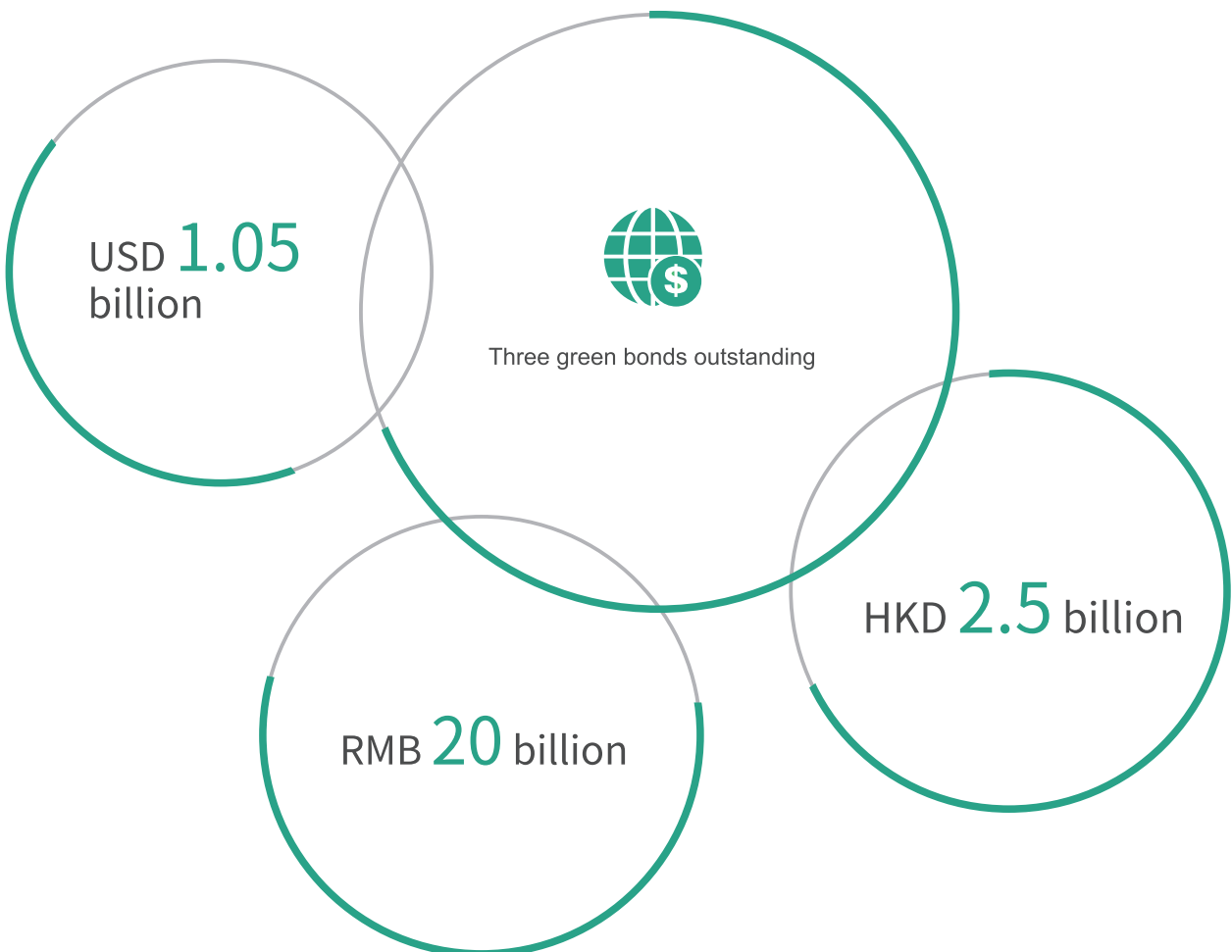




Green Bonds Issuance

IB treats green bonds as a further elaboration of the Bank's sustainable development strategy. They serve the purposes of providing long-term, stable fund for IB to finance its green projects as well as delivering the bank's consistent effort in Green Finance to its investors and support them to meet their goals in the expanding green economy.

IB issued the first Green finance bond in China in 2016. By the end of 2021, IB has RMB 20 billion green bond listed domestically, and three offshore green bonds listed in Hong Kong/Macao with a total face value of USD 1.05 billion and HKD 2.50 billion. Funds are raised to finance and refinance projects in renewable energy, energy efficiency, low carbon and low emission transportation, sustainable water and wastewater management, sustainable marine economy, marine environmental protection and coastal climate change adaption, and other industries that are included in Chinese domestic and international green bond standards.



Green Bond Issued under the *Green Bond Framework for IB*

In 2018, IB announced *Green Bond Framework for Industrial Bank Co., Ltd.* (the "Framework") and updated it on October 2020 (Version 2020.10). The framework defines the use of proceeds, project evaluation and selection process, management of proceeds and reporting of IB's offshore green bonds.¹

As of Dec 31st 2021, two offshore green bonds issued under the framework remains outstanding, which include three tranches with face values of USD 1.05 billion and HKD 2.50 billion.

During the year of 2021, one offshore green bond issued under the framework matured, which include two tranches with face values of over USD 600 million and EUR 300 million.

In June 2021, IB issued a dual-currency "Carbon Neutrality" Themed Green Bond, which proceeds raised will be allocated to eligible green projects with significant carbon emission reduction.

Bond Name	2018 Green Bond		2020 Green Bond (Blue Bond)	2021 "Carbon Neutrality" Themed Green Bond	
Issue Type	Senior Unsecured Bond				
Issue Format	MTN Reg S				
Issue Rating	Baa2 (Moody's)				
ISIN	XS1898122301	XS1898123374	XS2244313685	XS2345988211	HK0000732815
Issue Date	2018/11/20	2018/11/20	2020/11/6	2021/6/10	2021/6/10
Maturity Date	2021/11/20	2021/11/20	2023/11/6	2024/6/10	2024/6/10
Issue	USD 3Y FRN	EUR 3Y FRN	USD 3Y Fixed	USD 3Y Fixed	HKD 3Y Fixed
Size	USD \$600,000,000.00	EUR €300,000,000.00	USD \$450,000,000.00	USD \$600,000,000.00	HKD \$2,500,000,000.00
Issue Price	100	100	99.81	100	100
Benchmark	3-Month USD LIBOR	3-Month EUR EURIBOR	/	/	/
Coupon Rate	3M-LIBOR + 85bps	3M-EURIBOR + 85bps	1.125%	0.875%	0.750%
Listing Venue	HKEX	LuxSE	HKEX/MOX	HKEX	HKEX
Use of Proceeds	To finance and refinance, in whole or in part, eligible Green assets as defined in the Framework		To finance and/or refinance Eligible Green Assets which are water and/or marine related, as defined in the Green Bond Framework	To finance and/or refinance Eligible Green Assets with significant carbon emission reduction, as defined in the Green Bond Framework	
Total Proceeds Raised (in million USD) ²	943.93		450.00	922.20	
Allocated Proceeds as of Dec 31 2021 (in million USD)	943.93		450.00	922.20	
Date of full allocation	2018/12/31		2020/12/31	2021/12/31	
% of proceeds allocated	100.00%		100%	100%	
Special features	Climate Bonds Certified (pre-issuance)		"Blue Bond" with use of proceeds focus on water-related assets	"Carbon Neutrality" Themed Green Bond with use of proceeds focus on assets that have significant carbon emission reduction	

¹ IB's RMB 20 billion domestically issued green financial bonds, which are traded on China Inter-Bank Bond Market, are not issued under the framework, and therefore not covered in this report. Domestically issued green bonds are subjected to green bonds regulatory requirements proposed by Chinese domestic financial regulators, including People's Bank of China (PBoC, 中国人民银行) and China Banking and Insurance Regulatory Commission (CBIRC, 中国银行保险监督管理委员会). Corresponding green bond reports are posted on www.chinabond.com.cn as of regulatory requirements.

² Exchange rate applied: USD/EUR=1.1464 for 2018 issues and USD/HKD=0.1289 for 2021 issues

Impact Report Highlights

Renewable Energy Projects

9 projects in progress



1,360.80 MW
renewable capacity from wind power generators



75,128.19 tce
avoided/saved

SO₂
78.42 tons
of SO₂ emission equivalent avoided per year



300 MW
Copper Indium Gallium Diselenide Solar Cells (CIGS) and 5GW monocrystalline silicon solar cells manufacturing capacity per year



4,406.24 GWh
annual renewable energy generated



209,934.45 tons
of CO₂ emission equivalent avoided per year

NO_x
64.31 tons
of NO_x emission equivalent avoided per year

Low Carbon and Low Emission Transportation

6 projects in progress



186.95 km
of track built



12 GW
lithium EV power battery manufacturing capacity per year



2,121.33 million
Passengers to be transported per year by 2045

Sustainable Marine Economy, Marine Environmental Protection and Coastal Climate Change Adaption

10 projects in progress



276.11 km
of River Training

34.40 km
of Dam/Levees Construction and Reinforcement



458.91 km
of Wastewater Pipelines

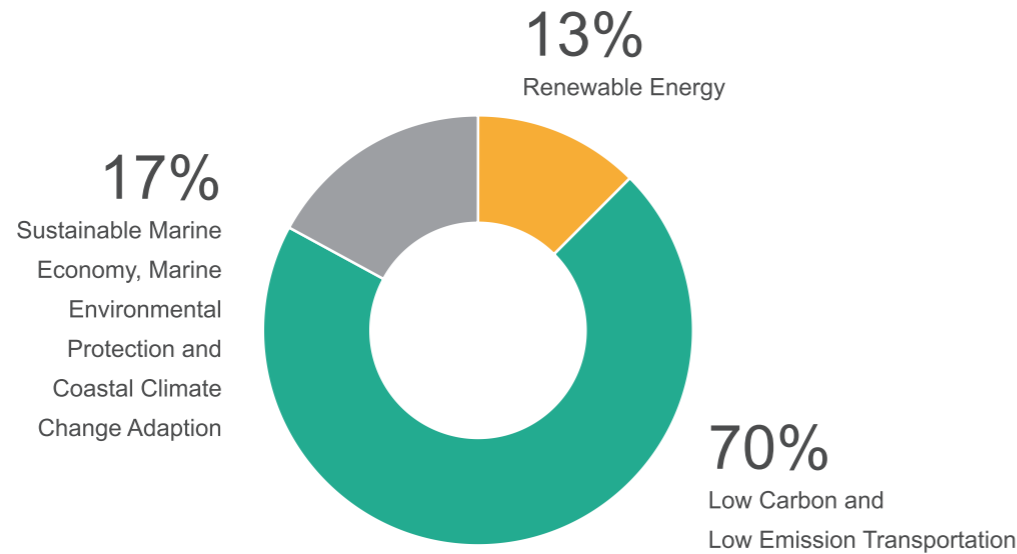
600.80 thousand m³/day
Wastewater Treatment Capacity



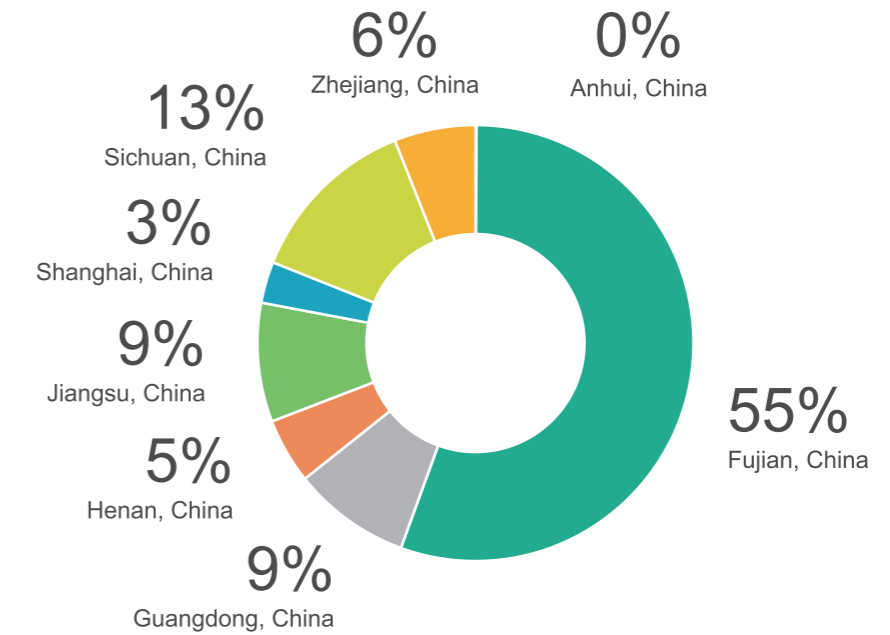
Allocation of Proceeds

100.00% of the total fund raised by the Green Bonds, which is USD 2316.13 million worth, had been allocated to 9 Renewable Energy projects, 6 Low Carbon and Low Emission Transportation projects and 10 Sustainable Marine Economy, Marine Environmental Protection and Coastal Climate Change Adaption projects by Dec 31st, 2021. Unallocated proceeds during the year (if any) were kept in Industrial Bank's general account with no temporary investments.

Allocation of Proceeds by Sector



Allocation of Proceeds by Region



Allocation of Proceeds by Sector and Region

2021 Ref. No	Type	Category	Location	Allocation	Financing Period	Project Status	Allocated Amount (RMB million)	Allocated Amount (USD million eq.) ¹
Project 1	Renewable Energy	Onshore Wind Power	Fujian, China	2018 Green Bond	2017-2029	Fully operational	73.13	10.54
Project 2			Fujian, China	2018 Green Bond	2017-2030	Fully operational	142.87	20.59
Project 3			Fujian, China	2021 "Carbon Neutrality" Themed Green Bond	2019-2032	Fully operational	69.35	10.85
Project 4		Offshore Wind Power	Fujian, China	2020 Green Bond (Blue Bond)	2017-2039	Fully operational	314.00	46.89
Project 5			Fujian, China	2020 Green Bond (Blue Bond)	2020-2034	Fully operational	66.05	9.86
Project 6			Fujian, China	2021 "Carbon Neutrality" Themed Green Bond	2021-2022	Under construction	50.00	7.82
Project 7			Shanghai, China	2021 "Carbon Neutrality" Themed Green Bond	2021-2037	Fully operational	473.89	74.16

¹ Exchange rate applied: USD/CNY=0.1441 for 2018 issues, USD/CNY=0.1493 for 2020 issues and USD/CNY=0.1565 for 2021 issues

Allocation of Proceeds by Sector and Region

2021 Ref. No	Type	Category	Location	Allocation	Financing Period	Project Status	Allocated Amount (RMB million)	Allocated Amount (USD million eq.) ¹
Project 8	Renewable Energy	Manufacture of solar cell and relevant equipment for solar energy	Jiangsu, China	2021 "Carbon Neutrality" Themed Green Bond	2021-2026	Fully operational	337.50	52.81
Project 9			Jiangsu, China	2021 "Carbon Neutrality" Themed Green Bond	2021-2026	Under construction	400.00	62.59
	Subtotal						1,926.78	296.12
Project 10	Low Carbon and Low Emission Transportation	Metro	Henan, China	2018 Green Bond	2019-2047	Fully operational	750.00	108.08
Project 11			Guangdong, China	2018 Green Bond	2018-2037	Under construction	420.00	60.52
Project 12			Fujian, China	2018 Green Bond	2017-2047	Under construction	5,164.24	744.20
				2021 "Carbon Neutrality" Themed Green Bond			1,135.13	177.63
Project 13			Guangdong, China	2021 "Carbon Neutrality" Themed Green Bond	2021-2046	Under construction	816.00	127.69
Project 14			Fujian, China	2021 "Carbon Neutrality" Themed Green Bond	2021-2022	Under construction	611.37	95.67
Project 15		Manufacture of power battery dedicated for EVs	Sichuan, China	2021 "Carbon Neutrality" Themed Green Bond	2020-2028	Under construction	2,000.00	312.97
	Subtotal						10,896.74	1,626.77
Project 16	Sustainable Marine Economy, Marine Environmental Protection and Coastal Climate Change Adaption	Coastal Area Flood Control Facilities Construction	Jiangsu, China	2020 Green Bond (Blue Bond)	2016-2024	Fully operational	157.50	23.52
Project 17			Fujian, China	2020 Green Bond (Blue Bond)	2017-2037	Fully operational	338.33	50.52
Project 18			Fujian, China	2020 Green Bond (Blue Bond)	2017-2032	Fully operational	610.00	91.09
Project 19			Zhejiang, China	2020 Green Bond (Blue Bond)	2020-2038	Under construction	134.00	20.01
Project 20		Coastal Sewage Treatment	Jiangsu, China	2020 Green Bond (Blue Bond)	2015-2022	Fully operational	70.00	10.45
Project 21			Zhejiang, China	2020 Green Bond (Blue Bond)	2017-2030	Fully operational	159.50	23.82
Project 22			Zhejiang, China	2020 Green Bond (Blue Bond)	2019-2028	Under construction	637.10	95.14
Project 23			Guangdong, China	2020 Green Bond (Blue Bond)	2020-2031	Fully operational	116.00	17.32
Project 24			Jiangsu, China	2020 Green Bond (Blue Bond)	2020-2028	Fully operational	398.11	59.45
Project 25		Port Pollution Prevention	Anhui, China	2020 Green Bond (Blue Bond)	2020-2025	Fully operational	12.79	1.91
	Subtotal						2,633.33	393.25
	Total Allocation						15,456.85	2,316.13

Eligible Projects Summary

Renewable Energy

Quantitative Relationships	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)=(i)*(g)	(l)	(m)=(l)*(g)	(n)	(o)=(n)*(g)	(p)	(q)=(g)*(g)	(r)	(s)
	Asset Information			Proceeds Allocation				Impact Factors											
Ref. No & Reported level	Category	Location	Project Description	Total investment (RMB million)	Allocated Amount (RMB million)	Allocated Amount (USD million eq.)	IB current share	Generator Capacity (MW)	Annual Power Output (GWh)	Tce saved/avoided (tons/yr)		CO2 Emission Eq. avoided (tons/yr)		SO2 Emission Eq. avoided (ton/yr)		NOx Emission Eq. avoided (tons/yr)		Other Impacts	
	/	/	/	/	/	/	/	Project level	Project level	Project level	IB share	Project level	IB share	Project level	IB share	Project level	IB share	Project level	
Project 1	Onshore Wind Power	Fujian, China	This onshore wind power project locates in south-eastern China with a site area about 5.0km ² . The project plans to install 20 sets of 2.0MW wind power generator sets with a construction scale of 40MW. The annual power output is 84.69 GWh with 2059.09 GEAH when running at full capacity.	338.26	73.125	10.54	21.62%	40.00	84.69	26,200.00	5,663.91	76,400.00	16,516.14	10.09	2.18	14.41	3.12	/	
Project 2		Fujian, China	This onshore wind power project locates in south-eastern China. The project plans to install 24 sets of 2.0MW wind power generator sets and one 110kV booster station. The annual power output is 116.23 GWh with 2333.54 GEAH when running at full capacity.	442.79	142.87	20.59	32.27%	48.40	116.23	36,500.00	11,776.81	103,900.00	33,523.57	30.90	9.97	39.20	12.65	/	
Project 3		Fujian, China	This onshore wind power project locates in south-eastern China. The project plans to install 28 sets of 2.5MW wind power generator sets and one 115kV booster station. The annual power output is 149.48 GWh with 2194.41 GEAH when running at full capacity.	632.84	69.35	10.85	10.96%	70.00	149.48	47,500.00	5,204.99	138,600.00	15,187.61	18.31	2.01	26.16	2.87	/	
Project 4		Fujian, China	This offshore wind power project locates near the coastline of south-eastern China. The project plans to install 50 sets of 6.0MW offshore wind power generator sets and one onshore 220kV booster station. The annual power output is 1057.95 GWh with 3526 GEAH when running at full capacity.	5,276.61	314.00	46.89	5.95%	300.00	1,057.96	319,200.00	18,994.92	939,100.00	55,883.87	570.00	33.92	280.00	16.66	/	
Project 5		Fujian, China	This offshore wind power project locates near the coastline of south-eastern China. The project plans to install 40 sets of 5.0MW offshore wind power generator sets and one 220kV booster station. The annual power output is 621.905 GWh with 3109 GEAH when running at full capacity.	3,690.00	66.05	9.86	1.79%	200.00	621.90	195,900.00	3,506.56	401,100.00	7,179.58	290.00	5.19	270.00	4.83	/	
Project 6		Offshore Wind Power	This offshore wind power project locates in south-eastern China. The project plans to install 62 sets of 8MW wind power generator sets, one 220kV offshore booster station and one onshore central controlling station. The annual power output is 1739.15 GWh with 3506 GEAH when running at full capacity.	10,404.71	50.00	7.82	0.48%	496.00	1,739.15	535,000.00	2,570.95	1,515,500.00	7,282.76	466.88	2.24	448.93	2.16	/	
Project 7		Shanghai, China	This offshore wind power project locates in eastern China. The project plans to install 32 sets of 6.45MW wind power generator sets, one 220kV offshore booster station and one onshore central controlling station. The annual power output is 636.82 GWh with 3085 GEAH when running at full capacity.	3,402.48	473.89	74.16	13.93%	206.40	636.82	196,800.00	27,410.05	533,900.00	74,360.91	164.49	22.91	158.18	22.03	/	
Project 8	Manufacture of solar cell and relevant equipment for solar energy	Jiangsu, China	The project financing supports the construction of a new solar cell manufacturing facility in Jiangsu. The facility aims to reach a capacity of manufacturing and assembling 300MW Copper Indium Gallium Diselenide Solar Cells (CIGS) per year.	526.95	337.50	52.81	64.05%	/	/	/	/	/	/	/	/	/	/	Capacity of manufacturing 300MW Copper Indium Gallium Diselenide Solar Cells (CIGS) per year	
Project 9		Jiangsu, China	The project financing supports the construction of a new solar cell manufacturing facility in Jiangsu. The facility aims to reach a capacity of manufacturing and assembling 5GW monocrystalline silicon solar cells per year.	2,095.00	400.00	62.59	19.09%	/	/	/	/	/	/	/	/	/	/	Capacity of manufacturing 5GW monocrystalline silicon solar cells per year	
Total	/	/	/	26,809.64	1,926.78	296.12	/	1,360.80	4,406.24	1,357,100.00	75,128.19	3,708,500.00	209,934.45	1,550.67	78.42	1,236.88	64.31	/	

Eligible Projects Summary

Low Carbon and Low Emission Transportation







Quantitative Relationships	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	
	Asset Information			Proceeds Allocation				Impact Factors			
Ref. No & Reported level	Category	Location	Project Description	Total investment (RMB million)	Allocated Amount (RMB million)	Allocated Amount (USD million eq.)	IB current share	Length of track (km)	Passenger Transported by 2020 (million/yr)	Passenger Transported by 2045 (million/yr)	Other Impacts
	/	/	/	/	/	/	/	Project level	Project level	Project level	Project level
Project 10	Metro	Henan, China	This electrified urban metro project locates in one of the major city in central China. The project is 9.461 km in length and contains 6 underground stations. The cost of the construction of stations is not covered by this green bond offering. The project is designed to meet the growing needs of urban transportation and reduce local people's reliance on other carbon-intensive transportations.	5,836.44	750.00	108.08	12.85%	9.46	53.15	117.78	/
Project 11		Guangdong, China	This electrified urban metro project locates in one of the major coastal city in south-eastern China. The project is 43.2 km in length and contains 32 underground stations. The transportation capacity is expected to reach 1.24 million passengers per day in 2021 and 2.45 million passengers per day in 2043. The project is designed as a ring line around the most populated area of the city in order to meet the growing demand of urban transportation and to reduce local people's high reliance on carbon-intensive transportations, especially private automobiles and motorcycles.	42,058.43	420.00	60.52	1.00%	43.20	451.51	895.71	/
Project 12		Fujian, China	This electrified urban metro project locates in one of the major coastal city in south-eastern China. The project is designed to connect the local high-speed railway station and the new city airport which is currently under construction. It is expected to benefit both local residence and regional travelers. The project is 36.7 km in length, which includes 29.2km underground section and 6.92km elevated section. The project also contains 26 stations. The transportation capacity is expected to reach 400 thousand passengers per day in 2023 and 910 thousand passengers per day in 2045.	29,133.84	6,299.37	921.83	21.62%	36.72	146.58	332.15	/
Project 13		Guangdong, China	This electrified urban metro project locates in one of the major coastal city in south-eastern China. The project is 71.3 km in length, which includes 65.8km underground section, 4.8km elevated section and 0.7km transition section. The project also contains 36 stations. The metro project can offer a maximum transportation capacity of 34.5 thousand passengers per hour after it becomes fully operational.	41,987.00	816.00	127.69	1.94%	71.30	179.69	500.85	/
Project 14		Fujian, China	This electrified urban metro project locates in one of the major coastal city in south-eastern China. It is an all-underground rail traffic system with 26.265 km in length and contains 22 stations. The estimated transportation capacity is 753 thousand passengers per day after the peoject becomes fully operational.	14,960.00	611.37	95.67	4.09%	26.27	110.23	274.85	/
Project 15		Sichuan, China	The project financing supports the construction of a new lithium battery manufacturing facility locates in Sichuan. The facility aims to reach a capacity of manufacturing and assembling 12GW lithium EV power battery each year.	3,999.70	2,000.00	312.97	50.00%	/	/	/	12GW lithium EV power battery manufacturing capacity
Total	/	/	/	137,975.41	10,896.74	1,626.77	/	941.16	137,975.41	2,121.33	/

Eligible Projects Summary

Sustainable Marine Economy, Marine Environmental Protection and Coastal Climate Change Adaption

Quantitative Relationships	(a)	(b)	(c)	(d)	(e)	(f)	(g)=(e)/(d)	(h)	(i)	(j)	(k)
	Asset Information			Proceeds Allocation				Impact Factors			
Ref. No & Reported level	Category	Location	Project Description	Total investment (RMB million)	Allocated Amount (RMB million)	Allocated Amount (USD million eq.)	IB current share	River Training (km)	Construction or Reinforcement of Dam and Levees (km)	Construction or Renovation of Wastewater Treatment Capacity (thous m3/d)	Construction of Wastewater Pipelines (km)
	/	/	/	/	/	/	/	Project level	Project level	Project level	Project level
Project 16	Coastal Area Flood Control Facilities Construction	Jiangsu, China	This is a river training project locates in eastern China. The project aims to recover the ecological functions and enhance the capacity of flood control of 33 local small rivers by conducting river training, trees planting and ecological retaining wall construction.	1,215.16	157.50	23.52	12.96%	128.81	/	/	/
Project 17		Fujian, China	This is a river training project locates in southeastern China. The purpose of the project is to enhance local flood mitigation capacity when facing extreme climate conditions. The project includes river training to 9 local rivers.	932.31	338.33	50.52	36.29%	131.30	/	/	/
Project 18		Fujian, China	This is a river training project locates in southeastern China. The project consists of river training, levee construction and water ecosystem recovery.	1,614.65	610.00	91.09	37.78%	16.00	22.27	/	/
Project 19		Zhejiang, China	This is a flood mitigation project locates in eastern China. The project intend enhance flood mitigation capacity of local rivers by constructing and reinforcing dam and levees.	835.16	134.00	20.01	16.04%	/	12.13	/	/
Project 20	Coastal Sewage Treatment	Jiangsu, China	The Project consists of a sewage treatment facility and wastewater pipelines.	491.77	70.00	10.45	14.23%	/	/	150.00	67.18
Project 21		Zhejiang, China	The Project is a sewage treatment facility locals in eastern China	395.59	159.50	23.82	40.32%	/	/	250.00	/
Project 22		Zhejiang, China	The Project is a sewage treatment facility locals in eastern China	1,320.00	637.10	95.14	48.27%	/	/	86.00	/
Project 23		Guangdong, China	The Project is a sewage treatment facility locals in southern China	247.18	116.00	17.32	46.93%	/	/	110.00	/
Project 24		Jiangsu, China	This is a wastewater pineline construction project for a mid-size city in eastern China. The project consists construction of 391km wastewater pineline and anxillary facilities.	800.00	398.11	59.45	49.76%	/	/	/	391.73
Project 25	Port Pollution Prevention	Anhui, China	The project will construct air pollution wand water treatment facility for one of the largest port in northern China. The project adds 12 sets of dust-removing devices, an additional 200 m3/h waste water treatment capacity , as well as other auxiliary equipments to the port.	62.00	12.79	1.91	20.62%	/	/	4.8	/
Total	/	/		7,913.82	2,633.33	393.25	/	276.11	34.40	600.80	458.91

Third-party Engagements, Disclosure and Reporting

	<p>Framework SPO:</p> <p>IB has engaged Sustainalytics to act as an external reviewer and second-party opinion (“SPO”) provider of this <i>Green Bond Framework</i> (Version 2020.10) for Green Bond Principles (“GBP”) alignment. Sustainalytics finds the Framework to be “credible and impactful and aligns with the four core components of the Green Bond Principles 2018”.</p>
 	<p>Pre-issuance Certifications:</p> <p>Green Bonds issued in Nov 2018 are Climate Bonds Certified (pre-issuance).</p> <p>The USD tranche of Green Bonds issued in Nov 2018, Green Bonds issued in Oct 2020 and Jun 2021 have obtained Hong Kong Quality Assurance Agency (“HKQAA”) Green Finance Certification (Pre-issuance Stage).</p>
	<p>Post-issuance Certifications:</p> <p>IB has engaged Sustainalytics as an independent third party to provide Assessment Reports (the “Assessment Reports”) on allocation of proceeds and impacts of its offshore green bonds.</p>
 	<p>The framework, Second Opinion report, Certifications, Verification Letter, Letter of Approving and Assessment Report are publicly available on IB’s website at: https://www.cib.com.cn/cn/GreenFinance/Reports/OffshoreGreenBond.html</p>



Appendix 1: Impact Reporting Methodology

Ex-ante Projections

Environmental impact data reported for IB's general green finance portfolio as well as green bond allocation are ex-ante estimations during project design mostly for direct project impacts once projects are at normal operating capacity. They are prepared using the combination of national standards and IB's self-developed methodology. IB commits to reflect the environmental effect of eligible assets at its best effort, but does not guarantee the accuracy of data and applicability of the methodologies.

Regulations and Standards Applied

Environmental impacts are either directly extracted from or calculated by data provided in "Project feasible study reports (项目可行性研究报告)", which is prepared by professional third-parties as a prerequisite for all project investment according to national regulation. IB will only approve project financing whose feasible study reports as well as environmental impacts projections has been reviewed and approved by National and Local Development and Reform Commission (NDRC, 国家发展改革委员会) or other official agencies.

The calculation of environmental impacts based on "Project feasible study reports" has applied the following standards:

Guidelines for Calculation Energy Saving and Emission Reduction for Green Credit Projects (节能量测量和验证技术通则) by China Banking and Insurance Regulatory Commission's (CBIRC, 中国银行保险监督管理委员会)

General Technical Rules for measurement and verification of energy saving GB_T 28750-2012 (节能减排量测算指引) and *General Principles for calculation of the comprehensive energy consumption GB_T 2589-2020*

(综合能耗计算通则) by China Administration of Quality Supervision, Inspection and Quarantine (AQSIQ, 中国国家质量监督检验检疫总局).

The method involves calculation of baseline settings, absolute and relative emission, and is similar to EIB Carbon Footprint Methodology.

Reporting for co-financed projects

IB usually co-finance projects with local business owners or other lenders. In order to reflect IB's participations in environmental benefits generated by these projects more accurately, IB reports environmental impacts at both project level and IB share level. Dividable impact factors, including tce saved/avoided, CO₂ emission reduction, SO₂ emission reduction and NO_x emission reduction are reported at both project level and IB share level on a pro rata basis. IB share level is calculated by Project level impact result*(Amount allocated/Total investment). Non-dividable impact factors, including generator capacity, annual power output, solar cells manufacturing capacity, length of tracks, passengers transported per year, EV power battery manufacturing capacity, length of river training, length of dam and levees, capacity of wastewater treatment capacity, and length of wastewater pipelines are reported at project level only.

Appendix 2: List of Abbreviations

CBI	Climate Bond Initiative
CBIRC	China Banking and Insurance Regulatory Commission
CO ₂	Carbon dioxide
COD	Chemical oxygen demand
CIGS	Copper Indium Gallium Diselenide Solar Cells
eq.	Equivalent
EUR	Euro
EURIBOR	Euro Interbank Offered Rate
EV	Electric vehicle
FRN	Floating-Rate Note
GBP	Green Bond Principles
GEAH	Generating Equipment Availability Hours
GFC	China Green Finance Committee
GHE	Greenhouse effect
GHG	Greenhouse gas
GWh	Gigawatt hours (equal to 1,000 MWh or 1,000,000 kWh)
HKD	Hong Kong dollar
HKQAA	Hong Kong Quality Assurance Agency
IB, or Industrial Bank	Industrial Bank Co., Ltd.
km	Kilometers
km ²	Square kilometers
kV	Kilovolts
kW	Kilowatt
kWh	Kilowatt hours
LIBOR	London Interbank Offered Rate
MTN	Medium Term Note
MW	Megawatts
MWh	Megawatts hours
NH ₃ -n	Ammonia nitrogen
NO _x	Nitrogen oxide
PBoC	People's Bank of China
Reg S	Regulation S
RMB	Renminbi
SO ₂	Sulfur dioxide
SPO	Second party opinion
tce	Tons of coal equivalent
USD	US dollar
yr	years



Green Finance Department

Industrial Bank Co., Ltd.

No.154 Hudong Road
Fuzhou, Fujian Province
P.R.China

Contact:

E: sfd@cib.com.cn

T: +86-10-59886666-103367

W: www.cib.com.cn

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