

## Verification Report

HKQAA Verification Team Leader	Ms. Grace Lai
Name of Issuer	Industrial Bank Co., Ltd. (the “Issuer”, “IB”)
Name of Credit Facilities	<ul style="list-style-type: none"> <li>2021 “Carbon Neutrality” Themed Green Bond (ISIN: XS2345988211 &amp; HK0000732815)</li> <li>2022 “China-EU Common Ground Taxonomy” Themed Green Bond (ISIN: XS2447552089)</li> <li>2024 “Tech SMEs Themed” Social Bond (ISIN: XS2873463793)</li> </ul>
Scope and Boundary	To perform independent verification of the Green and Social bond Issuance during the period from 01 January 2024 to 31 December 2024 reported in Industrial Bank Co., Ltd. ‘s 2024 Green, Social and Sustainability Bond Impact Report (the “Report”) using the Green, Social and Sustainability Bond Framework for Industrial Bank Co., Ltd., June 2024 (the “Framework”), as criteria.
Period	01 January 2024 to 31 December 2024
Criteria	<ul style="list-style-type: none"> <li>Green Bonds in line with the Green Bond Principles ( “GBP” ) 2021 (with June 2022 Appendix 1) published by ICMA.</li> <li>Social Bonds in line with the Social Bond Principles ( “SBP” ) 2023 published by ICMA</li> </ul>
Exclusion	<ul style="list-style-type: none"> <li>This Verification Report is subject to certain limitations and does not cover the verification of certain data, including but not limited to financial data, revenues, output units, or any other related/similar computation data, etc.</li> <li>Verification of financial information including reporting against which require information to be assured against source data compiled using definitions and estimation methods that are developed by the reporting entity are excluded.</li> <li>Verification of information and data outside the reporting scope and reporting period are excluded.</li> </ul>
Level of Assurance	Limited Assurance
Assurance Approach	Refer to ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information

### Part 1: Feedback from the client on pervious verification (if applicable)

Comment from last verifier: Nil
Feedback from Client: Nil
HKQAA comment: (if any) N/A (First Verification)

Part 2: Verification

No.	Criteria from ICMA GBP, 2021 & ICMA SBP, 2023	Observation from HKQAA	Feedback from Client
1	<p>Use of Proceeds</p> <ul style="list-style-type: none"> <li>Utilize the proceeds of the bond for eligible Projects</li> <li>Provide clear environmental/ Social benefits for all eligible Projects.</li> <li>Provide an estimate of the share of financing versus refinancing. Where appropriate, they should also clarify on which investments or project portfolios may be refinanced, and, to the extent relevant, the expected look-back period for refinanced eligible Projects.</li> </ul>	<p><u>Green Bonds</u></p> <p>99.84% of the total proceeds raised from Green Bonds (ISIN: XS2345988211, HK0000732815 XS2447552089) were allocated to financing 3 renewable energy projects and 7 low carbon and low emission transportation projects during reporting period. The projects are found complied to the definition of the Eligible Green Assets Categories under the Framework with expected look-back period of 24 months. 0 % of the total fund is used for refinancing.</p> <p><u>Social Bond</u></p> <p>All the proceeds raised from Social Bond (ISIN: XS2873463793) were allocated to financing 481 loans to SMEs during the reporting period. The loans are fulfilled the criteria of the Eligible Social Assets Categories under the Framework with expected look-back period of 24 months. 0 % of the total fund is used for refinancing.</p> <p>At least one potential environmental or social benefit from each eligible asset was reported, which are found aligning with the Green Bond Principles (GBP)/ Social Bond Principles (SBP), and Sustainable Development Goals (SDGs).</p> <p>Based on the above summary, the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the selected information has not been prepared, utilized in eligible projects, in accordance with the reporting criteria and is not materially correct.</p>	
2	<p>Process for Project Evaluation and Selection</p> <p>Clearly communicate to its lenders:</p> <ul style="list-style-type: none"> <li>the environmental / Social sustainability objective(s) of the Projects.</li> </ul>	<p><u>Green Bonds</u></p> <p>The eligible green assets listed in the Green Bond summary provided by the issuer were sample checked in accordance with the eligible green category criteria defined in the framework. Based on the project descriptions and photos of three sampled assets, the green assets align with the environmental objectives specified in the framework.</p>	

	<ul style="list-style-type: none"> <li>the process by which the Issuer determines how the project(s) to be funded fits within the eligible Projects categories; and</li> <li>complementary information on the processes by which the Issuer identifies and manages perceived, actual or potential environmental and social risks associated with the relevant project(s).</li> </ul>	<p>Potential environmental impact data of eligible green assets were reported are ex-ante estimations during project design mostly for direct project impacts once projects are at normal operating capacity. The extract of Environmental Impact Assessment of 2 eligible green assets were presented for review. Nil abnormality observed.</p> <p><u>Social Bond</u></p> <p>The eligible social assets listed in the Social Bond summary provided by Issuer were sample checked in accordance with the eligible social category criteria as defined in the framework. The below sampled social assets were located in Mainland China and found fulfilled to the definition of Small and micro enterprises i.a.w. 中国内地中小企业定义.</p> <table border="1"> <thead> <tr> <th>序号</th><th>贷款发放日期</th><th>公司所属行业按《国民经济行业分类(GB/T 4754-2017)》定义</th><th>公司所属行业按《统计上大中小微型企业划分办法(2017)》定义</th></tr> </thead> <tbody> <tr> <td>119</td><td>2023 年 11 月 13 日</td><td>C3562--半导体器件专用设备制造</td><td>工业 - 制造业</td></tr> <tr> <td>175</td><td>2024 年 3 月 29 日</td><td>C3744--航空相关设备制造</td><td>工业 - 制造业</td></tr> <tr> <td>265</td><td>2023 年 6 月 30 日</td><td>C3591--环境保护专用设备制造</td><td>工业 - 制造业</td></tr> </tbody> </table> <p>Potential Social benefits of eligible social assets were reported and found complied with the eligible categories in according to the Framework.</p> <p>Based on the above summary, nothing has come to our attention that causes us to believe that the eligible green projects are not aligned with the project evaluation and selection process as defined in Framework.</p>	序号	贷款发放日期	公司所属行业按《国民经济行业分类(GB/T 4754-2017)》定义	公司所属行业按《统计上大中小微型企业划分办法(2017)》定义	119	2023 年 11 月 13 日	C3562--半导体器件专用设备制造	工业 - 制造业	175	2024 年 3 月 29 日	C3744--航空相关设备制造	工业 - 制造业	265	2023 年 6 月 30 日	C3591--环境保护专用设备制造	工业 - 制造业	
序号	贷款发放日期	公司所属行业按《国民经济行业分类(GB/T 4754-2017)》定义	公司所属行业按《统计上大中小微型企业划分办法(2017)》定义																
119	2023 年 11 月 13 日	C3562--半导体器件专用设备制造	工业 - 制造业																
175	2024 年 3 月 29 日	C3744--航空相关设备制造	工业 - 制造业																
265	2023 年 6 月 30 日	C3591--环境保护专用设备制造	工业 - 制造业																
3	<p>Management of Proceeds</p> <ul style="list-style-type: none"> <li>The proceeds of bond should be credited to a dedicated account or otherwise tracked by the Issuer in an appropriate manner.</li> <li>The Issuer should make known to the lenders any intended types of temporary placement for the balance of unallocated proceeds.</li> </ul>	<p>Based on the supporting information provided, 99.84% of the proceed raised from green bonds and 100% of the proceed raised from social bond were allocated to financing the Eligible Assets. According to Issuer, the unallocated green bond proceeds were kept in IB's general account with no temporary investments. Nil abnormality observed.</p> <p>With limited assurance procedures and based on the Green / Social Bond Summary which summarizes the allocation of proceeds as evidence for this verification against ICMA GBP 2021 and ICMA SBP 2023, no major concern that causes us to believe that the selected</p>																	

		information was not presented, in all material respects, in accordance with the reporting requirements set out in the framework in respect of the allocation of green bond proceeds.	
4	<p>Reporting</p> <ul style="list-style-type: none"> <li>The Issuer should make, and keep, readily available up to date information on the use of proceeds, such information to be renewed annually. It should include a brief description of the projects, the amounts allocated and their expected impact.</li> </ul>	<p>According to the Green, Social, and Sustainability Bond Framework for Industrial Bank Co., Ltd, IB has committed to publishing an annual Sustainable Bond report on its official website until the bond matures.</p> <p>As part of this commitment, the use of proceeds and the environmental and/or social impacts are reported and included in this report, with no abnormalities observed.</p> <p>Based on the above summary, nothing has come to our attention that causes us to believe that the eligible green projects are not aligned with the project evaluation and selection process as defined in Framework.</p>	

**Documents reviewed:**

- 1) Green, Social and Sustainability Bond Framework for Industrial Bank Co., Ltd. June 2024
- 2) 2024 Green, Social and Sustainability Bond Impact Report\_20250515
- 3) Allocation Data\_Green Bond\_20241231(1)
- 4) Allocation Data\_Social Bond\_20241231(2)
- 5) Certificate of Registration of Non-Hong Kong Company\_Industrial Bank Co., Ltd.
- 6) Question List from HKQAA\_IB Reply
- 7) Project 1 EIA Report
- 8) Project 9 EIA Report
- 9) Q6. Project Hing 2022 - Offering Circular (2 June 2021)
- 10) Q6. Project Hing 2022 - Supplemental Disclosure
- 11) Q6. Project Hing 2024 - Programme Offering Circular
- 12) Q10. EIA Report Screenshot
- 13) Q11. Project 1 photo 1-3
- 14) Q11. Project 8 photo 1-3
- 15) Q11. Project 9 photo 1-4

**Assessor Comment:**

**Summary:**

This is the verification report for the 2024 Green, Social, and Sustainability Bond Impact Report of Industrial Bank Co., Ltd., and the corresponding green and social bond issuance for the reporting period. The processes for project evaluation and selection, management of proceeds, and reporting were implemented in accordance with the Green, Social, and Sustainability Bond Framework for Industrial Bank Co., Ltd., June 2024. These processes align with the Green Bond Principles (GBP) 2021 and the Social Bond Principles (SBP) 2023 published by ICMA. The key environmental and social features and impacts of the projects were reviewed, and the reported data and information were verified with no abnormalities observed.


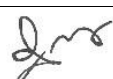
**Result:**

The 2024 Green, Social, and Sustainability Bond Impact Report of Industrial Bank Co., Ltd. has been verified against the framework with no issues identified that would cause the verification team to raise concerns. The report aligns with the Green Bond Principles (GBP) 2021 and the Social Bond Principles (SBP) 2023.

**Follow-up issue:** Nil from this Verification Report.

**Opinion by Assessor**

<b>Limitations</b>	There are inherent limitations in performing the assessment. Assurance engagements are based on selective testing of the information and data being examined. It is possible that fraud, error or non-compliance may occur and not be detected. The assessment did not provide assurance on information outside the defined reporting boundary and period. There are additional inherent risks associated with assurance over the information presented in this form against the requirements/criteria. Such assurance requires information to be assured against source data compiled using definitions and estimation methods developed by the Issuer or lender. Finally, assessment of this form against the criteria is subjective and will be interpreted differently by different stakeholder groups.
<b>Conclusion</b>	Based on the procedures we have performed and the evidence we have obtained, no major concern has come to our attention that causes us to believe that the selected information reported in the Industrial Bank Co., Ltd. 's 2024 Green, Social and Sustainability Bond Impact Report has not been prepared, in all material respects, in accordance with the reporting criteria.

<b>Signature</b>		<b>Signature</b>	
<b>Name of HKQAA Assessor:</b>	Ms. Grace Lai	<b>Name of Reviewer:</b>	Ms. Ivy Leung
<b>Date of the Assessment:</b>	16 May 2025	<b>Date of the Review:</b>	30 May 2025

**End of report.**