

2025

Green, Social and Sustainability Bond Impact Report¹

Industrial Bank Co., Ltd.

¹ *IB Green, Social and Sustainability Bond Impact Report 2025* (the “2025 Report”) is drafted by Industrial Bank Co., Ltd. to fulfill the reporting requirement of IB’s Green, Social and Sustainability Bonds (the “Sustainable Bonds”) issued under the *Green, Social and Sustainability Bond Framework for Industrial Bank Co., Ltd.* dated in June 2024 (the “Framework”).

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Introduction: About IB

Industrial Bank Co., Ltd. (hereinafter referred to as IB) 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. 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 20 banks in the world and Fortune Global 500. In 2025, IB maintained the AAA level in MSCI ESG Ratings which is the highest level in global banking industry for the second consecutive year, and became the only bank to keep the highest rating in the domestic banking industry for seven consecutive years.

Banking as Its Main Business



Sustainable Finance Practice of IB

Industrial Bank was the first commercial bank in China to fully embrace sustainable development and Green finance. Industrial Bank will issue Green, Social or Sustainability Bonds to finance and/or refinance new and/or existing green and/or social projects and businesses with environmental and/or social benefits, so as to fulfil IB's strategies of corporate social responsibility and promote sustainable development. IB issued the first green finance bond in China in 2016, followed by the four offshore Green Bonds issued in 2018, 2020, 2021, 2022 and one offshore Social Bond issued in 2024.

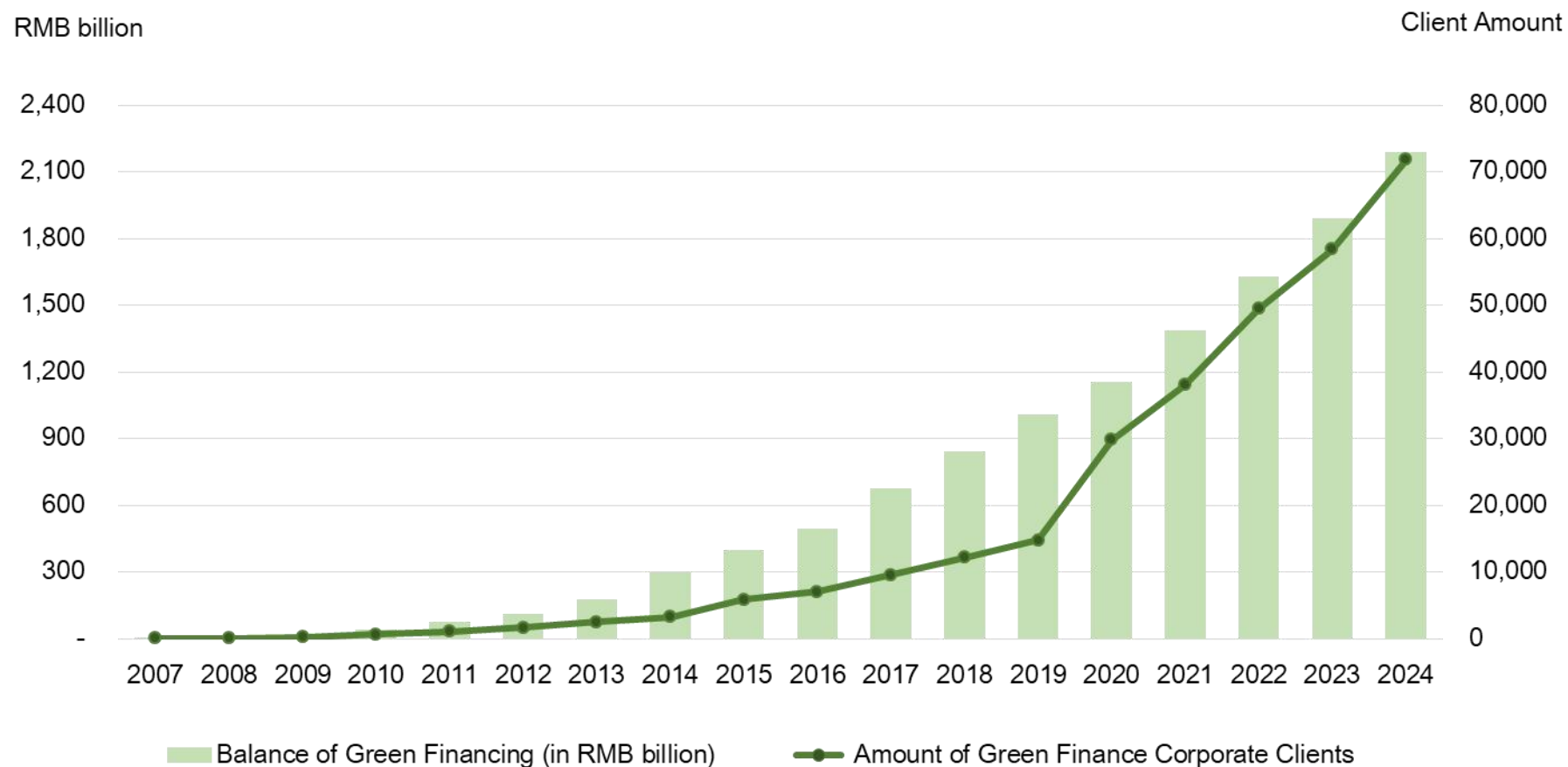
China's financial market has experienced a green shift since the declaration of carbon peaking and carbon neutrality goals. Major green finance instruments, including green loans and green bonds, have experienced significant growth in issuance. IB is further committed to becoming a leader in green finance by promoting the group's "All-Green" transformation. Based on the principle of being more proactive, IB clearly defined the major green finance business targets for each year, optimized the Group's green finance product system and institutional mechanisms. Being a first mover and a one-stop financial service provider in green finance, IB obtains significant return. In 2025, IB's Green Financing Portfolio totaled **RMB 2.46 trillion²** and IB had **90.3 thousand** Green Finance Corporate Clients. Both figures have been growing at over **20% CAGR** since 2013.

IB also puts a great emphasis on social development and fulfils its responsibility as a domestically systemically important bank. Notably, inclusive loans for small and micro enterprises (SMEs) grew faster than the overall loan growth rate. Sci-tech innovation finance loans, green loans, and loans to the manufacturing industry all expanded significantly.

IB continues to play a greater role in supporting the development of SMEs by making its financial services more accessible, comprehensive and targeted. IB has enriched the supply of inclusive finance products for SMEs, and empowered the high-quality development of the real economy. By the end of 2025, the Inclusive SMEs loan balance grew to **RMB 596.067 billion**.

² 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



IB's Green, Social and Sustainability Bond Framework (June 2024)

IB treats sustainable 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 sustainable projects as well as delivering the bank's consistent effort in Sustainable Finance to its investors and support them to meet their goals in the expanding sustainable economy.

IB first published its *Green Bond Framework* in October 2018 and updated it in October 2020. Subsequently, in June 2024, IB published the ***Green, Social and Sustainability Bond Framework for Industrial Bank Co., Ltd.*** (the "Framework"), further expanding the scope of the Framework to include additional Eligible Social Asset Categories.

The Framework demonstrates how IB will issue offshore Green, Social, and Sustainability Bond to finance or refinance eligible green and/or social projects. The Framework covers six Eligible Green Asset Categories, namely "Renewable Energy", "Emerging Low-Carbon Technologies", "Low Carbon and Low Emission Transportation", "Green Buildings", "Sustainable Water and Wastewater Management" and "Climate Change Adaptation", and two Eligible Social Asset Categories, including "Indirect Employment Generation through the Provision of Loans to Small and Micro Enterprises (SMEs)" and "Affordable Basic Infrastructure".

Summary of Sustainable Bonds Issuance

As of December 31st, 2025, the "Tech SMEs Themed" Social Bond issued in August 2024 remains outstanding, with a face value of **USD 500 million**. This Social Bond was issued under the updated *Green, Social and Sustainability Bond Framework*, whose proceeds will be allocated to the category of "Indirect Employment Generation through the Provision of Loans to Small and Micro Enterprises (SMEs)", focusing on eligible Tech SMEs projects.

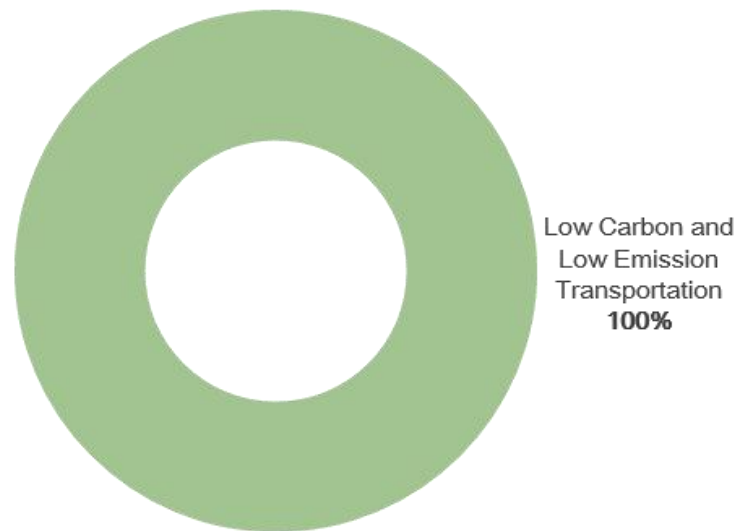
During the year of 2025, the "China-EU Common Ground Taxonomy" Themed Green Bond issued in May 2022 matured, with a face value of **USD 650 million**.

Bond Name	2022 "China-EU Common Ground Taxonomy" Themed Green Bond	2024 "Tech SMEs Themed" Social Bond
Issue Type	Senior Unsecured Bond	Senior Unsecured Bond
Issue Format	Reg S	Reg S
Issue Rating	Baa2 (Moody's)	BBB (Fitch)
ISIN	XS2447552089	XS2873463793
Issue Date	2022/5/18	2024/8/14
Maturity Date	2025/5/18	2027/8/14
Issue	USD 3Y Fixed	USD 3Y Floating Rate
Size	USD \$650,000,000.00	USD \$500,000,000.00
Issue Price	99.816 per cent. of the Aggregate Nominal Amount	100
Benchmark	/	/
Coupon Rate	3.25%	SOFR Compounded Index + 56bps
Listing Venue	HKEX	HKEX
Use of Proceeds	The net proceeds will be used for the financing and/or refinancing of Eligible Green Assets in relation to wind and solar power generation projects as defined under the "Renewable Energy" and electrified rail and metro projects under the "Low Carbon and Low Emission Transportation" categories of the Green Bond Framework for Industrial Bank Co., Ltd	The net proceeds will be used to finance and/or refinance Eligible Social Assets as defined under the "Indirect Employment Generation through the Provision of Loans to Small and Micro Enterprises (SMEs)" category of the Green, Social and Sustainability Bond Framework for Industrial Bank Co., Ltd. (Version 2024.06)
Total Proceeds Raised (in million USD)	648.80	500.00
Allocated Proceeds as of Dec 31 2025 (in million USD)	646.60	500.00
Date of full allocation	2022 Q4	2024 Q3
% of proceeds allocated	99.66%	100%
Special features	"China-EU Common Ground Taxonomy" themed Green Bond with use of proceeds focus on assets that are in line with the prudent green standards set in the China-EU CGT, including low carbon and low emission transportation, and renewable energy	"Tech SMEs Themed" Social Bond whose net proceeds will be dedicated to eligible Tech SMEs projects, supporting the development of inclusive finance

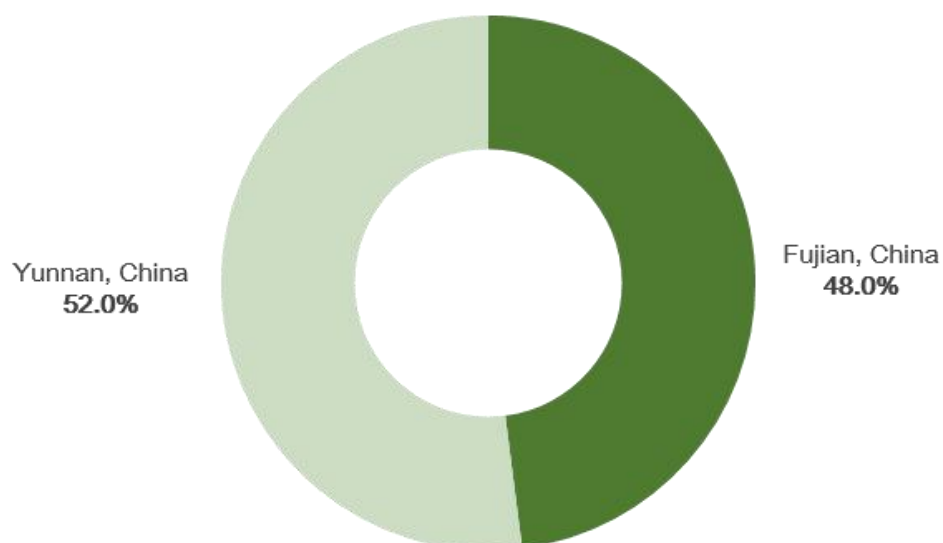
Allocation of Proceeds

99.66% of the total fund raised by the **Green Bond** issued in May 2022, which is USD 646.60 million worth, had been allocated to 2 Low Carbon and Low Emission Transportation projects by the maturity date. Unallocated proceeds during the year (if any) were kept in Industrial Bank's general account with no temporary investments. **0%** of the total fund is used for refinancing.

Allocation of Proceeds by Eligible Green Asset Category

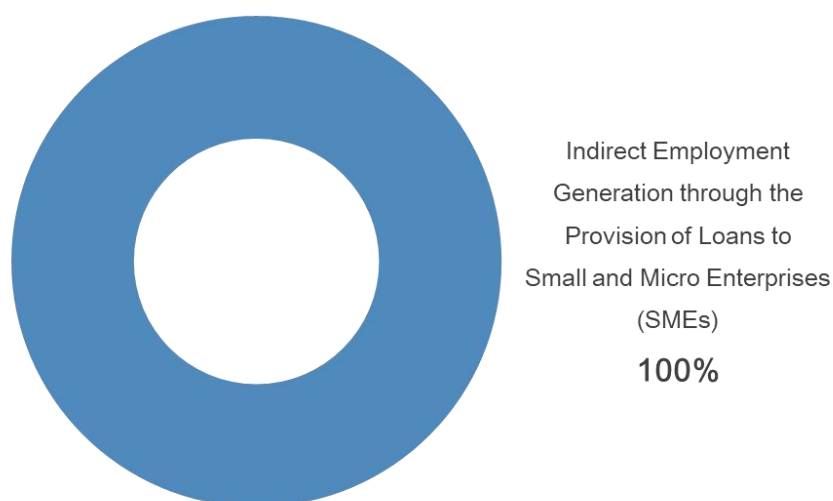


Allocation of Proceeds by Region

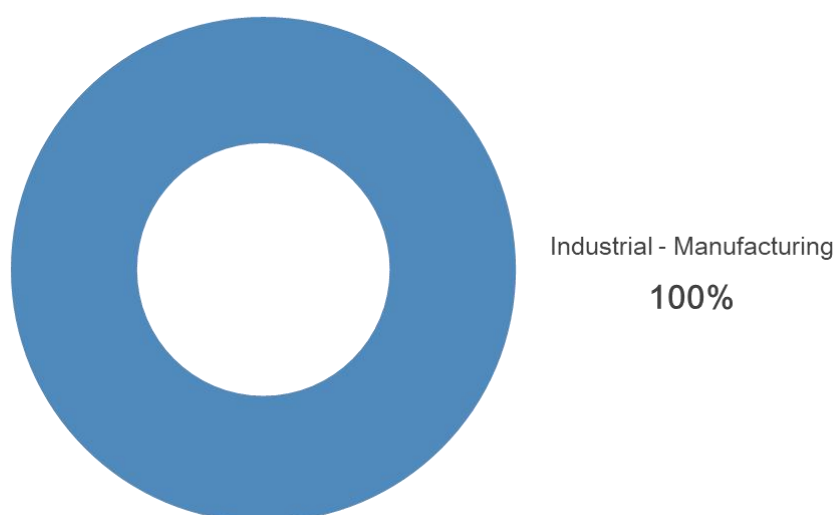


100.00% of the total fund raised by the **Social Bond** issued in August 2024, which is USD 500.00 million worth, had been allocated to **640** loans to SMEs by Dec 31st, 2025, which meet the eligibility criteria defined in the “Indirect Employment Generation through the Provision of Loans to Small and Micro Enterprises (SMEs)” category in the *Green, Social and Sustainability Bond Framework for Industrial Bank Co., Ltd.* **0%** of the total fund is used for refinancing.

Allocation of Proceeds by Eligible Social Asset Category



Allocation of Proceeds by SMEs Industry



Allocation of Proceeds Green Bond - by Category and Region

2025 Ref. No	Category	Type	Region	Allocation	Financing Period ³	Project Status	Allocated Amount (RMB million)	Allocated Amount (USD million eq.) ⁴
Project 1	Low Carbon and Low Emission Transportation	Metro	Fujian, China	2022 "China-EU Common Ground Taxonomy" Themed Green Bond	2017-2047	Under construction	2,087.79	310.25
Project 2			Yunnan, China	2022 "China-EU Common Ground Taxonomy" Themed Green Bond	2020-2041	Fully operational	2,263.35	336.34
	Subtotal						4,351.14	646.60
	Total Allocation						4,351.14	646.60

Allocation of Proceeds Social Bond - by Category and SMEs Industry

2025 Ref. No	Category	Type	Allocation	Allocated Amount (RMB million)	Allocated Amount (USD million eq.)	Estimated Number of Jobs Supported
Loan 1 ~ 640	Indirect Employment Generation through the Provision of Loans to Small and Micro Enterprises (SMEs)	Industrial – Manufacturing	2024 "Tech SMES Themed" Social Bond	3,600.00	500.00	61,659
	Total Allocation			3,600.00	500.00	61,659

For the type of “Industrial-Manufacturing”, examples include SME loans to support communication system equipment manufacturing.

³ *Financing Period* refers to the years between financial close and mature of loans.

⁴ Exchange rate applied: RMB/USD=6.7293 for 2022 issues

Eligible Assets Summary

Green - Low Carbon and Low Emission Transportation

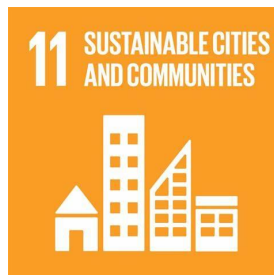
Quantitative Relationships	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	
	Asset Information			Proceeds Allocation				Impact Factors			
Ref. No & Reported level	Type	Region	Project Description	Total investment (RMB million)	Allocated Amount (RMB million)	Allocated Amount (USD million eq.)	IB current share	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 8	Metro	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	2,087.79	310.25	7.17%	36.72	146.58	332.15	/
Project 9		Yunnan, China	This electrified urban metro project, with 43.38 km in length, locates in one of the major city in west-southern China. The project contains 27 stations, which includes 23 underground stations and 4 elevated stations. The estimated transportation capacity is expected to reach 492.1 thousand passengers per day in 2023 and 1085.7 thousand passengers per day in 2045.	30,302.41	2,263.35	336.34	7.47%	43.38	/	396.28	
Total	/	/	/	59,436.25	4,351.14	646.60	/	80.10	146.58	728.43	/

Impact Report Highlights

Eligible Green Asset Category:

Low Carbon and Low Emission Transportation

2 projects in progress



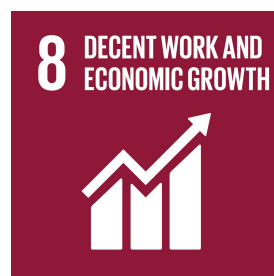
80.10 km of track built

728.43 million Passengers to be transported per year by 2045

Eligible Social Asset Category:

Indirect Employment Generation through the Provision of Loans to Small and Micro Enterprises (“SMEs”)

640 SME loans



3.60 billion Loans disbursed to SMEs (RMB)

640 SMEs financed

61,659 estimated Jobs Supported

Third-party Engagements, Disclosure and Reporting

	Framework SPO: IB has engaged Moody's Ratings to act as an external reviewer and second-party opinion ("SPO") provider of the Green, Social and Sustainability Bond Framework for Industrial Bank Co., Ltd. (Version 2024.06). Moody's Ratings confirms that the Framework is aligned with the four core components of the International Capital Market Association's (ICMA) Green Bond Principles (GBP) 2021 (with June 2022 Appendix 1), Social Bond Principles (SBP) 2023 and Sustainability Bond Guidelines (SBG) 2021. The framework demonstrates a significant contribution to sustainability.
	Pre-issuance Certifications: "Tech SMEs Themed" Social Bond issued in August 2024 has obtained Hong Kong Quality Assurance Agency ("HKQAA") Green and Sustainable Finance Certification (Pre-issuance Stage).
	Post-issuance Certifications: IB has engaged CCX Green Finance International Limited ("CCXGFI") as an independent third party to provide Assessment Reports on allocation of proceeds and impacts of its offshore sustainable bonds.

The framework, SPO report, Certifications, Verification Letter, Letter of Approving and Assessment Reports are publicly available on IB's website at:
<https://www.cib.com.cn/cn/GreenFinance/Reports/OffshoreGreenBond.html>
<https://www.cib.com.cn/cn/aboutCIB/ESG/news/20240805.html>

Appendix 1: Impact Reporting Methodology

Green Bond

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 (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 (绿色信贷项目节能减排量测算指引) by former China Banking and Insurance Regulatory Commission's (原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 (节能量测量和验证技术通则) and ***General Principles for calculation of the comprehensive energy consumption GB_T 2589-2008 (综合能耗计算通则)*** by China Administration of Quality Supervision, Inspection and Quarantine (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 NOx 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.

Social Bond

Description of eligibility criteria

The eligible criteria are limiting to loans to SMEs and innovative enterprises to promote inclusive finance. Eligible Project shall both fulfill innovative enterprises and SMEs criteria.

Regulations and Standards Applied

For SMEs located in the Mainland China, the definition is given by the Ministry of Industry and Information Technology, National Bureau of Statistics, National Development and Reform Commission, and Ministry of Finance. For details, please refer to: https://www.gov.cn/zwgk/2011-07/04/content_1898747.htm (中小企业划型标准规定 (工信部联企业[2011]300 号))

While SMEs located in Hong Kong are defined as any manufacturing businesses which employ fewer than 100 persons in Hong Kong; or any non-manufacturing businesses which employ fewer than 50 persons in Hong Kong. This definition is given by the Trade and Industry Department of the HKSAR government. For details, please refer to: https://www.success.tid.gov.hk/english/aboutus/what_are_sme.html

For the definition of "inclusive finance", please refer to the *Notice of the People's Bank of China on Matters related to the Financial Statistics System of Financial Institutions in 2019 (Yinfa [2018] No.346)* (《中国人民银行关于 2019 年金融机构金融统计制度有关事项的通知》(银发[2018]346 号)).

The category of "Specialized, Refined, Featured, and Original Micro and Small Enterprises" ("专精特新"小微企业) aligns with the lists provided by the local provinces' industry and information technology departments in the People's Republic of China.

Exclusion Criteria

In any case, the Eligible Assets shall exclude the below:

- Fossil fuel related assets, as well as infrastructure or rolling stock assets used for the transportation of fossil fuel and related products
- Nuclear and nuclear related assets
- Biomass which is suitable for food source
- Activity considered as illegal under host country laws or regulations or international conventions and agreements, or subject to international bans; Production or trade in weapons and munitions
- Production or trade in tobacco, alcoholic beverages (excluding beer and wine)
- Gambling, casinos and equivalent enterprises
- Production or trade in radioactive materials
- Production or activities involving harmful or exploitative forms of forced labor or harmful child labor
- Commercial logging operations for use in primary tropical moist forest
- Production or trade in wood or other forestry products other than from sustainably managed forests
- Palm oil related projects.

Appendix 2: List of Abbreviations

CAGR	Compound Annual Growth Rate
CCXGFI	CCX Green Finance International Limited
CO ₂	Carbon dioxide
eq.	Equivalent
EIB	European Investment Bank
GBP	Green Bond Principles
HKD	Hong Kong dollar
HKEX	Hong Kong Exchanges and Clearing Limited
HKQAA	Hong Kong Quality Assurance Agency
HKSAR	Hong Kong Special Administrative Region
IB, or Industrial Bank	Industrial Bank Co., Ltd.
ICMA	International Capital Market Association
km	Kilometers
NO _x	Nitrogen oxide
Reg S	Regulation S
RMB	Renminbi
SBG	Sustainability Bond Guidelines
SBP	Social Bond Principles
SMEs	Small and Micro Enterprises
SO ₂	Sulfur dioxide
SPO	Second party opinion
tce	Tons of coal equivalent
USD	US dollar
yr	years



Industrial Bank Co., Ltd.

Industrial Bank Tower, 398 Middle Jiangbin Blvd.,
Taijiang District, Fuzhou, Fujian, 350014,
P.R.China

Contact:

E: sfd@cib.com.cn

T: +86-10-59886666-103367

W: www.cib.com.cn

We welcome your feedback and views on this report.

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