



Green, Social and Sustainability Bond Framework
for Industrial Bank Co., Ltd.

June 2024

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Purpose

This Green, Social and Sustainability Bond framework (the “**Framework**”) has been prepared to demonstrate how Industrial Bank Co., Ltd. (“**IB**” or the “**Bank**”) will issue offshore Green, Social and 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.

The name of this Framework implies that IB can issue green bonds, social bonds, or sustainability bonds (collectively referred to as “**Sustainable Bonds**”), and the Sustainable Bonds issued under this Framework will be aligned with the following sustainable finance principles (and any updated version going forward):

- Green Bonds in line with the Green Bond Principles (“**GBP**”) 2021 (with June 2022 Appendix 1)¹ published by the International Capital Market Association (“**ICMA**”);
- Social Bonds in line with the Social Bond Principles (“**SBP**”) 2023² published by ICMA; and
- Sustainability Bonds in line with the Sustainability Bond Guidelines (“**SBG**”) 2021³ published by ICMA (collectively referred to as “**ICMA Principles**”).

To further promote credibility and consistency of IB’s green strategy particularly in Hong Kong, IB may launch Hong Kong Taxonomy-aligned Sustainable Bond(s), where applicable and feasible, by applying the additional criteria from Hong Kong Taxonomy for Sustainable Finance⁴ (“**Hong Kong Taxonomy**”) listed out in the Appendix when selecting potential eligible assets.

¹ ICMA Green Bond Principles, June 2021 (with June 2022 Appendix 1), <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>

² ICMA Social Bond Principles, June 2023, <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/social-bond-principles-sbp/>

³ ICMA Sustainability Bond Guidelines, June 2021, <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/sustainability-bond-guidelines-sbg/>

⁴ Hong Kong Taxonomy for Sustainable Finance, May 2024, <https://www.hkma.gov.hk/media/eng/doc/key-information/guidelines-and-circular/2024/20240503e1.pdf>

Assertions from the Management

For each Sustainable Bonds issued by IB as per this Framework, IB's management asserts that it will:

(A) Disclose the intended Eligible Green and/or Social Asset categories in the Use of Proceeds section of the Sustainable Bonds' documentation,

(B) Establish an internal process for Asset Evaluation and Selection,

(C) Establish an appropriate tracking process for the Management of Proceeds,

(D) Make and keep readily available up-to-date Reporting on the use of proceeds and the environmental and/or social benefits of the Green and/or Social Assets.

Background

Founded in August 1988 and headquartered in Fuzhou, Fujian Province, Industrial Bank is one of the first batch of joint-stock commercial banks approved by the State Council and the People's Bank of China. On February 5, 2007, IB was listed on Shanghai Stock Exchange (Stock Code: 601166). At present, IB has become a national joint-stock commercial bank with sound governance, distinctive characteristics, great strength and quality service.

Over the last 30+ years, IB has been advocating the philosophy of "Sincere Service, Growing Together" and endeavored to offer comprehensive, top-quality, and high-efficient financial service for customers. By adhering to the road of differentiated development, IB continually strengthened its competitive edges. By the end of 2023, the total assets of IB reached RMB 10 trillion, operating income was RMB 210.8 billion, the net profits attributable to the parent company across the year amounted to RMB 77.1 billion.

Market position and brand influence kept rising. The Bank once again earning "the Bank of the Year" for China 2023 from the Banker, and becoming one of the first domestic listed banks to receive an ESG rating of AA from MSCI. The Bank also ranks No. 55 among "Global 2000" and "2023 Forbes China ESG Innovation Enterprises" by Forbes, and No.22 of Best China Brands by Interbrand.

Rationale of the IB Green, Social and Sustainability Bonds

IB has evolved and advanced its corporate governance philosophy from "shareholders' interests foremost" to "giving consideration to the interests of stakeholders", and to "harmonious unification of economy, society and environment and sustainable development of bank".

IB was the first commercial bank in China to fully embrace sustainable development and Green finance. In 2007, the Bank attended the United Nations Environment Programme (“**UNEP**”) Global Roundtable and signed the “UNEP Statement by Financial Institutions on the Environment & Sustainable Development”. In 2015, the Bank became the first financial institution in China to sign the “Statement by Financial Institutions on Energy Efficiency” initiated by the G20 Energy Efficiency Finance Task Group. In China, as the Vice Secretary-General of the Green Finance Committee (“GFC”) of China Society for Finance and Banking, the Bank has been proactively promoting green finance as part of the national agenda, contributing to the drafting of key policies such as the Green Bond Issuance Guidelines by the PBoC; Guidelines for Establishing the Green Financial System by seven ministerial agencies including the PBoC and Ministry of Finance; and participating in GFC’s activities such as policy promotion, research, capacity building and international cooperation.

IB strives to build a market-leading “Green Bank Group”. Based on the principle of being more proactive, IB clearly defined the major green finance business targets for 2023, optimized the Group’s green finance product system, and optimized institutional mechanisms. In terms of guiding the Group’s green business, IB issued the Notice on Issuing Green Finance Marketing Service Guidelines (2023) which clarifies the main direction of annual green finance services, including basic requirements, basic goals, key areas, and key products. By the end of 2023, IB’s green financing portfolio has reached RMB 1.89 trillion.

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

IB continues to play a greater role in serving the SMEs by making its financial services more accessible, comprehensive and targeted. IB has enriched the supply of inclusive finance products for SMEs, and empower the high-quality development of the real economy. By the end of 2023, the Inclusive SMEs loan balance grew to RMB 501.0 billion.

IB is highly dedicated to safeguarding the “agriculture, rural areas, and farmers” foundation and supporting the development of a strong agricultural sector to promote rural revitalization. Throughout the year, IB actively explored CIB-specialized and impactful financial service models tailored to the unique needs of rural communities. As of the end of 2023, the outstanding agricultural loans reached RMB 664.8 billion.

To support sci-tech innovation and accelerate digital transformation, IB strives to build a comprehensive, multi-level, and wide-coverage sci-tech financial service system, and strengthen the synergy between commercial banking, investment banking, and private banking services to provide diversified financial services throughout the entire lifecycle of technology companies’ businesses. By the end of 2023, the amount of sci-tech finance loan reached RMB 453.2 billion.

UN Sustainable Development Goals (“SDGs”)

On September 25th 2015, the UN General Assembly adopted a set of goals, the SDGs, to end poverty, protect the planet and ensure prosperity for all as part of a new sustainable development agenda. Each goal has specific targets to be achieved.



IB's activities support many of SDGs. In particular, the most material SDGs that the Bank makes a positive contribution to with its Sustainable Bonds issuance are:


- SDG 6: Clean Water and Sanitation
- SDG 7: Affordable and Clean Energy
- SDG 8: Decent Work and Economics Growth
- SDG 9: Industry, Innovation and Infrastructure
- SDG 11: Sustainable Cities and Communities
- SDG 13: Climate Action

Framework Overview



IB has established this Framework under which it plans to finance and/or refinance, in whole or in part, eligible green and/or social assets as defined below ("**Eligible Assets**").

Financing and/or refinancing of Eligible Assets will be subject to a lookback period of 24 months.


1. Use of Proceeds

Eligible Green Asset Categories	Eligible Green Asset Criteria and Examples	Alignment with GBP, SDGs ⁵ and Environmental Objectives
Renewable Energy	<p>Loans or other types of financings to support:</p> <ul style="list-style-type: none"> • Generation and transmission of renewable energy • Construction, operation, and maintenance of facilities or infrastructure related to renewable energy and transmission of renewable energy • Manufacture of components of renewable energy technology • Scope of renewable energy includes: <ul style="list-style-type: none"> ○ Solar, ○ Onshore and offshore wind, ○ Tidal, ○ Biomass from agricultural wastes or kitchen wastes for municipal wastes (emissions from facilities producing liquid biofuel, solid and gaseous biomass for heating and co-generation <16.0gCO₂e/MJ and emission from facilities producing biofuel for transport <18.8gCO₂e/MJ), and ○ Hydropower (run-of-river hydropower and no artificial reservoir; power density above 5 W/m² or lifecycle GHG emissions below 100g CO₂e/kWh)(less than 20MW) 	<p><u>GBP Alignment:</u> Renewable Energy</p> <p><u>SDG Goal 7:</u> Ensure access to affordable, reliable, sustainable and modern energy for all</p> <div data-bbox="1203 734 1369 898">  <p>7 AFFORDABLE AND CLEAN ENERGY</p> </div> <p><u>Environmental Objective:</u> Climate Change Mitigation</p>




⁵ The mapping to SDGs is partially applied for demonstration only. For full mapping please refer to: <https://www.icmagroup.org/green-social-and-sustainability-bonds/mapping-to-the-sustainable-development-goals/>



<p>Emerging Low-Carbon Technologies</p>	<p>Loans or other types of financing to support:</p> <ul style="list-style-type: none"> Emerging Low-Carbon Technologies, including carbon capture, utilisation and storage⁶ <ul style="list-style-type: none"> Transportation of captured CO₂ (Leakage/tonne of CO₂ transported is below 0.5% and pipeline leads all CO₂ to an eligible permanent sequestration site) Permanent Sequestration of captured CO₂ (with appropriate leakage detection systems are implemented during operations, and complies with ISO 27914:2017 for geological storage of CO₂ in third countries) Research, development and innovation for direct air capture of CO₂ technologies, products or other solutions (result in overall net GHG emissions reductions once commercialised) 	<p><u>GBP Alignment:</u> Energy Efficiency</p> <p><u>SDG Goal 9:</u> Build resilient infrastructure, promote sustainable industrialization and foster innovation</p>  <p><u>Environmental Objective:</u> Climate Change Mitigation</p>
<p>Low Carbon and Low Emission Transportation</p>	<p>Loans or other types of financing to support:</p> <ul style="list-style-type: none"> Construction, maintenance, research and development of zero direct emission transportation facilities and infrastructure Manufacture of key assets, systems, and components dedicated to zero direct emission vehicles. Example includes power batteries. Construction and development of facilities and infrastructure dedicated to the charging of electricity and alternative fuels. Example includes 	<p><u>GBP Alignment:</u> Clean Transportation</p> <p><u>SDG Goal 11:</u> Make cities and human settlements inclusive, safe, resilient and sustainable</p>  <p><u>Environmental Objectives:</u> (i) Climate Change Mitigation;</p>

⁶ The use of CCUS for fossil-fueled power generation is not considered to be eligible

	<p>charging stations.</p> <ul style="list-style-type: none"> • Scope of clean transportation includes: <ul style="list-style-type: none"> ○ Electric or green hydrogen-powered vehicles, ○ Electric rail transportation projects, including railway, rail trams, and metros, ○ Bus rapid transit systems (BRT) • Excluding any infrastructure or rail transportation projects used for the transportation of fossil fuel and mining products 	(ii) Pollution Prevention and Control
Green Buildings	<p>Loans or other types of financing to support:</p> <ul style="list-style-type: none"> • Zero carbon building that meets the technical criteria specified in the Technical standard for nearly zero energy buildings⁷ • Green buildings that have or expected to receive regional, national, or international certifications, including: <ul style="list-style-type: none"> ○ Chinese Green Building Evaluation Label – 2 Star or above; or ○ U.S. Leadership in Energy and Environmental Design (LEED) – Gold or above; or ○ Hong Kong Green Building Council BEAM Plus Standards – Gold or above 	<p><u>GBP Alignment:</u> Green Buildings</p> <p><u>SDG Goal 11:</u> Make cities and human settlements inclusive, safe, resilient and sustainable</p>  <p><u>Environmental Objective:</u> (i) Climate Change Adaptation (ii) Natural Resource Conservation</p>
Sustainable Water and Wastewater Management	<p>Loans or other types of financing to support:</p> <ul style="list-style-type: none"> • Construction, operation and 	<p><u>GBP Alignment:</u> Sustainable Water and Wastewater Management</p>

⁷ Technical Standard for Nearly Zero Energy Buildings (2019)
<https://www.mohurd.gov.cn/file/old/2019/20190530/GBT%2051350-2019%20%E8%BF%91%E9%9B%B6%E8%83%BD%E8%80%97%E5%BB%BA%E7%AD%91%E6%8A%80%E6%9C%AF%E6%A0%87%E5%87%86.pdf?n=%E8%BF%91%E9%9B%B6%E8%83%BD%E8%80%97%E5%BB%BA%E7%AD%91%E6%8A%80%E6%9C%AF%E6%A0%87%E5%87%86>

	<p>maintenance of sustainable water and wastewater management related facilities and infrastructure</p> <ul style="list-style-type: none"> ○ Examples include: wastewater pipe and treatment plant facilities, water recycling systems, and water / rainwater collection pipes and facilities <ul style="list-style-type: none"> • Construction, operation, maintenance and reinforcement of sustainable urban drainage systems, river training and ecological management projects, and water conservancy projects for flooding mitigation <ul style="list-style-type: none"> ○ Examples include: urban drainage systems, dams, levees and other forms of flooding mitigation facilities 	<p><u>SDG Goal 6:</u> Ensure availability and sustainable management of water and sanitation for all</p>  <p><u>SDG Goal 11:</u> Make cities and human settlements inclusive, safe, resilient and sustainable</p>  <p><u>Environmental Objective:</u> Pollution Prevention and Control</p>
Climate Change Adaptation	<p>Loans or other types of financing to support:</p> <ul style="list-style-type: none"> • Design, construction, maintenance and operation of infrastructure, buildings and installations for combating climate change and extreme weather and climate events: sea level rise, extreme rainstorms, tropical cyclones, drought and heat <ul style="list-style-type: none"> ○ Examples include: extreme weather and climate early warning systems 	<p><u>GBP Alignment:</u> Climate Change Adaptation</p> <p><u>SDG Goal 13:</u> Take urgent action to combat climate change and its impacts</p>  <p><u>Environmental Objective:</u> Climate Change Adaptation</p>

Eligible Social Asset Category	Eligible Social Asset Criteria	Alignment with SBP, and SDGs ⁸ and Social Objectives
Indirect Employment Generation through the Provision of Loans to Small and Micro Enterprises (“SMEs”)	<ul style="list-style-type: none"> Loans to small and micro enterprises⁹ and innovative enterprises to promote inclusive finance¹⁰ <p><u>Target Population:</u></p> <ul style="list-style-type: none"> Small and micro enterprises Innovative enterprises 	<p><u>SBP Alignment:</u></p> <p>Employment generation and programmes designed to prevent and/or alleviate unemployment (such provision and/or promotion could include SME financing and microfinance)</p> <p><u>SDG Goal 8:</u></p> <p>Decent Work and Economics Growth</p>  <p><u>Social Objective:</u></p> <p>Support Small and Micro Businesses and Alleviate Unemployment</p>
Affordable basic infrastructure	<ul style="list-style-type: none"> Facilities to provide affordable basic amenities e.g., clean drinking water, underground sewers, sanitation, transportation, energy transmission) for underdeveloped, targeted rural areas <p><u>Target Population:</u></p> <ul style="list-style-type: none"> People in underdeveloped and rural areas 	<p><u>SBP Alignment:</u></p> <p>Affordable basic infrastructure (e.g. clean drinking water, sewers, sanitation, transport, energy)</p> <p><u>SDG Goal 6:</u></p> <p>Ensure availability and sustainable management of water and sanitation for all</p> 

⁸ The mapping to SDGs is partially applied for demonstration only. For full mapping please refer to: <https://www.icmagroup.org/green-social-and-sustainability-bonds/mapping-to-the-sustainable-development-goals/>

⁹ For “Small and Micro Enterprises” located in the Mainland China, the definition of SMEs is given by the China National Development and Reform Commission, Ministry of Industry and Information Technology, Ministry of Commerce and the National Bureau of Statistics. For details, please refer to: https://www.gov.cn/zwgk/2011-07/04/content_1898747.htm. 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 Hong Kong SAR government. For details, please refer to: https://www.success.tid.gov.hk/english/aboutus/what_are_sme.html

¹⁰ 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).

		<p><u>SDG Goal 11:</u> Make cities and human settlements inclusive, safe, resilient and sustainable</p>  <p><u>Social Objective:</u> Facilitate the access to affordable basic amenities in underdeveloped and rural areas</p>
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For eligible green assets, the priority shall be offered to green assets that voluntarily adopt power/electricity input from renewable energy, provided options to choose between energy providers are available.

In any case, the Eligible Green and Social Assets shall exclude the below (“**Exclusionary List**”):

- 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.

2. Process for Asset Evaluation and Selection

I. Preliminary Screening

Domestic and oversea branches of IB shall carry responsibility for a preliminary screening of potential assets in accordance with the criteria and standards set out in IB's internal regulations. When selecting Eligible Green Assets, IB will first refer to the People Bank of China's Circular on the establishment of a special statistical system for green loans No.326 [2019] and any updated version going forward. Where applicable and feasible, IB may reference the additional taxonomies such as the Common Ground Taxonomy and the Hong Kong Taxonomy in selecting assets especially in the context of international issuances. Sustainable finance product managers of each branch, who will conduct detailed works of the screening, shall receive specific trainings from IB's Headquarters periodically. Potential assets will then be submitted to IB's Headquarters for review and approval.

II. Review and Approval

A working group which comprises sustainable finance, environment, social and industry experts at IB's Headquarters (the "**Sustainable Bond Working Group**"), will review the pre-selected assets to determine their compliance with IB's internal regulations and the Eligible Asset categories as described in this Framework and form an eligible asset list (the "**Eligible Asset List**"). The decision by each expert of the Sustainable Bond Working Group to form the Eligible Asset List must be unanimous. Each expert enjoys a veto power to the final decision on the selection. The assets vetoed by any expert shall be excluded from the Eligible Asset list.

The Sustainable Bond Working Group will identify and assess the perceived social and environmental risks associated with the selected Eligible Assets, and recognize the suitable mitigants to the identified risks of negative social and/or environmental impacts from the selected Eligible Assets.

III. Update and Maintenance

The Sustainable Bond Working Group shall review the Eligible Asset list on a quarterly basis and determine if any changes are necessary, which may include changes in value of Eligible Assets due to asset amortization, prepayment or sales or changes in eligibility due to other reasons. The Sustainable Bond Working Group shall make updates to the Eligible Asset List,

including replacement, deletion, or addition of projects, based on the review to maintain the eligibility of the Use of Proceeds.

3. Management of Proceeds

I. Planning for Use of Proceeds

Prior to the issuance of a Sustainable Bond, IB shall evaluate the recent and pipeline capital spending and develop a preliminary Eligible Asset List in accordance with the procedures as described in the Asset Evaluation and Selection section to ensure that the Sustainable Bond proceeds can be allocated to the Eligible Assets in a timely manner.

II. Management of Separate Ledger

IB shall establish a separate “Sustainable Bond Ledger” (the “Ledger”) to record the source and allocation of proceeds to ensure that all net proceeds of the Sustainable Bonds are used to finance and/or refinance Eligible Assets. The proceeds of each IB Sustainable Bond will be deposited in the general funding account and “earmarked” pending allocation.

The Ledger will contain, for each Sustainable Bond issued, information including:

(1) Details of Sustainable Bond: ISIN, date of issuance, maturity date, amount of issuance, currency, coupon rate, specific theme (if any), etc.

(2) Fund allocation to Eligible Assets, including:

- Names of the Eligible Assets
- Names of borrowers
- Asset descriptions
- Asset categories
- Initial balance
- Remaining balance
- Release date(s)
- Repayment date(s)
- Interest rate
- Estimated beneficial environmental and/or social impact of Eligible Assets
- Other necessary information

(3) Amount and use of proceeds of unallocated funds

IB will review and update the Ledger on a quarterly basis.

III. Use of Unallocated Proceeds

IB commits to have any remaining balance of unallocated proceeds allocated to Eligible Assets in a timely manner.

Unallocated proceeds will be held in accordance with IB's prudent liquidity management policy. It could be temporarily invested in Sustainable Bonds issued by non-financial institutions in domestic or international markets, or in money market instruments with good credit rating and market liquidity until they are allocated to Eligible Assets. It will not be invested in energy intensive, highly polluting nor greenhouse gas intensive projects and will subject to the Exclusionary List.

IB intends to reach full allocation of net proceeds for each Sustainable Bond within 24 months after issuance.

4. Reporting

IB commits to publish an annual Sustainable Bond report (the “**Annual Sustainable Bond Report**”, or the “**Report**”) on its official website until bond maturity.

The Report will provide information on proceeds allocation and Environmental impacts by the time point the report is composed. IB will also make disclosure through other channels where feasible, such as annual reports and sustainability reports, which will also be published on its official website (www.cib.com.cn).

I. Use of Proceeds Reporting

Information will be provided on amounts equal to the net proceeds of the Sustainable Bond issued and provide:

(1) Aggregate amount and percentage allocated to the various Eligible Asset Categories

(2) Remaining balance of unallocated funds and the types of temporary investment, if applicable

(3) Proportion between financing and refinancing

(4) Any material developments, issues, or controversies related to the allocated Eligible Assets

(5) Description of significant Eligible Assets, defined as projects ranks top 10% in the remaining balance of all the Eligible Assets, or with remaining

balance larger than RMB 50 million, or with remaining balance larger than 10% of the sum of outstanding balance of the all Sustainable Bonds (subject to confidentiality disclosures).

II. Environmental and/or Social Impact Reporting

When possible, IB shall report environmental and/or social impact resulting from Eligible Assets, in accordance with the Harmonized Framework for Impact Reporting issued by ICMA. Subject to the categories of Eligible Assets and the availability of information, IB aims to include, but not limited to, the following Impact Indicators:

Eligible Green Asset Categories	Potential Impact Indicators
Renewable Energy	<ul style="list-style-type: none"> Annual renewable energy generation (kWh / MWh for electricity) (GJ for other energy) Annual GHG emissions reduced/avoided (tonnes of CO₂ equivalent) Capacity of renewable energy plant(s) constructed or rehabilitated (MW)
Emerging Low-Carbon Technologies	<ul style="list-style-type: none"> Annual GHG emissions reduced/avoided (tonnes of CO₂ equivalent)
Green Buildings	<ul style="list-style-type: none"> Types of green building scheme and certification level Annual GHG emissions reduced/avoided (tCO₂ equivalent) Expected energy savings (KWh) per square meter
Low Carbon and Low Emission Transportation	<ul style="list-style-type: none"> Annual GHG emissions reduced/avoided (tonnes of CO₂ equivalent) Length of new tracks or dedicated lanes built (km), applicable to Rail Tram, Metro and Bus Rapid Transit Systems No. of passengers transported, applicable to Rail Tram, Metro and Bus Rapid Transit Systems No. of vehicles purchased, built or served, applicable to EVs and hydrogen vehicles No. of EVs charging stations and hydrogen refueling stations built
Sustainable Water and Wastewater	<ul style="list-style-type: none"> Amount of water saved / recycled (m³) Amount of wastewater treated (m³)

Management	
Climate Change Adaptation	<ul style="list-style-type: none"> Number and type of adaptation and resilience measures or systems installed

Eligible Social Asset Category	Potential Impact Indicators
Indirect Employment Generation through the Provision of Loans to Small and Micro Enterprises (“SMEs”)	<ul style="list-style-type: none"> Number of loans disbursed to qualified SMEs Number of employment opportunities created
Affordable Basic Infrastructure	<ul style="list-style-type: none"> Number of new/upgraded infrastructure facilities Number of beneficiaries with access to water connections

External Review

IB has engaged Moody’s Ratings to provide a Second Party Opinion for ICMA Principles alignment of this Framework. The Second Party Opinion report will be published on IB’s official website (www.cib.com.cn).

IB will also engage an independent third party to provide assurance / annual review report (the “**Assurance Report**” or “**Annual Review Report**”) on its Annual Sustainable Bond Report which will provide information on allocation and impacts. The Assessment Report / Annual Review Report will be published on IB official global website (www.cib.com.cn) together with the Annual Sustainable Bond Report.

Maintenance and Update of the Framework

IB shall review and update this framework in a timely manner based on consideration of IB’s recent and pipeline capital spending, environmental and social policy and external standards. Date of updates and major changes shall be disclosed in this section:

Date	Major Update(s)
November 2018	<ul style="list-style-type: none"> First version of Green Bond Framework launched

October 2020	<ul style="list-style-type: none"> • Updates to Use of Proceeds: <ul style="list-style-type: none"> ○ Detailed clarification on Eligible Green Asset Criteria and Example Eligible Asset ○ Inclusion of marine-related eligible asset for Green Bond issuance • Updates to Process for Project Evaluation and Selection: <ul style="list-style-type: none"> ○ Minor adjustments to accommodate changes in Use of Proceeds • Updates to Management of Proceeds: <ul style="list-style-type: none"> ○ Minor adjustments to accommodate changes in Use of Proceeds • Updates to Reporting: <ul style="list-style-type: none"> ○ Additional impact indicators added. • New section added: Maintenance and Update of the Framework
June 2024	<ul style="list-style-type: none"> • Added descriptions on Hong Kong Taxonomy alignment • Updates to Use of Proceeds: <ul style="list-style-type: none"> ○ Revisions on Eligible Green Asset Category ○ New section added: Eligible Social Asset Category ○ New element added: Lookback period • Updates to Management of Proceeds: <ul style="list-style-type: none"> ○ New element added: Full allocation period • Updates to Process for Asset Evaluation and Selection: <ul style="list-style-type: none"> ○ New element added: Identification and assessment of the perceived social and environmental risks associated with the selected Eligible Assets • Updates to Reporting: <ul style="list-style-type: none"> ○ Additional impact indicators for eligible social asset categories added

Appendix - Additional Criteria to align with the Hong Kong Taxonomy for Sustainable Finance (“Hong Kong Taxonomy”)

I. Electricity generation using concentrated solar power technology

- Corresponding eligible green asset category in the framework:
Renewable Energy

	Criteria and Thresholds in Hong Kong Taxonomy
Main Criteria	Automatically eligible if Use of Proceeds comply with activity description

II. Electricity generation using solar photovoltaic technology

- Corresponding eligible green asset category in the framework:
Renewable Energy

	Criteria and Thresholds in Hong Kong Taxonomy
Main Criteria	<ol style="list-style-type: none"> The minimum photoelectric conversion efficiency of polycrystalline silicon cells and monocrystalline silicon cells shall not be less than 19% and 21% respectively; The minimum photoelectric conversion efficiency of polycrystalline silicon cell modules and single crystal silicon battery modules shall not be less than 17% and 17.8% respectively; The minimum photoelectric conversion efficiency of silicon-based, CIGS, CdTe and other thin-film battery modules shall not be less than 12%, 14%, 14%, 12%; The decay rates of polycrystalline silicon battery modules and monocrystalline silicon battery modules shall not be higher than 2.5% and 3% in the first year, and not higher than 0.7% per year, and not higher than 20% within the period of 25 years; the attenuation rate of thin-film battery module shall not be more than 5% in the first year, no more than 0.4% per year in the following year, no more than 15% within the period of 25 years

III. Electricity generation from wind power

- Corresponding eligible green asset category in the framework:
Renewable Energy

	Criteria and Thresholds in Hong Kong Taxonomy
Main Criteria	Automatically eligible if Use of Proceeds comply with activity description

IV. Construction and operation of public transportation system in urban and rural areas

- Corresponding eligible green asset category in the framework: Low Carbon and Low Emission Transportation

	Criteria and Thresholds in Hong Kong Taxonomy
Main Criteria	The trains and passenger coaches have zero direct (tailpipe) CO ₂ emissions
Additional Requirements and Comments	<p>Specific criteria for projects in the EU to align with EU Taxonomy: Other fleets/trains are eligible if direct emissions are below 50 gCO₂e/pkm until 2025 (non-eligible thereafter).</p> <p>The threshold of 50 gCO₂e/pkm until 2025 ensures that the carbon intensity remains similar to criteria for eligible road vehicles with low occupation factor (50 gCO₂/vkm) and significantly lower than emissions for an average car.</p>

V. Construction and operation of personal mobility devices, cycle logistics

- Corresponding eligible green asset category in the framework: Low Carbon and Low Emission Transportation

	Criteria and Thresholds in Hong Kong Taxonomy
Main Criteria	<p>The propulsion of personal mobility devices comes from the physical activity of the user, from a zero-emissions motor, or a mix of zero-emissions motor and physical activity</p> <p>The personal mobility devices are allowed to be operated on the same public infrastructure as bikes or pedestrians</p>

VI. Sewage sludge treatment – anaerobic digestion or co-digestion

- Corresponding eligible green asset category in the framework: Sustainable Water and Wastewater Management

	Criteria and Thresholds
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Main Criteria	<ul style="list-style-type: none"> • A monitoring and contingency plan is in place in order to minimise methane leakage at the facility • The majority of the produced biogas is used directly for the generation of electricity or heat, or injection into the city gas network, or used as vehicle fuel or as fuel/feedstock in city gas production. In the unlikely event of equipment breakdown, unconsumed biogas will be safely flared
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VII. Renovation of existing buildings

- Corresponding eligible green asset category in the framework: Green Buildings

	Criteria and Thresholds
Main Criteria	<p>For the renovation of existing <u>commercial</u> buildings:</p> <ul style="list-style-type: none"> • The building renovation leads to a reduction of primary energy demand, energy consumption, or direct GHG emissions of at least 30% against the building's historic average, or • Use HKGBC's Zero-Carbon-Ready Building: Must be at least Extra Low or Level 2 improvement (i.e., 25% reduction) according to Zero-Carbon-ready building Certification Scheme. <p>For the renovation of existing <u>residential</u> buildings:</p> <ul style="list-style-type: none"> • The building renovation leads to a reduction of primary energy demand, energy consumption, or direct GHG emissions of at least 30% against the building's historic average. This is proven with measured and verified data.

VIII. Construction of new buildings

	Criteria and Thresholds in Hong Kong Taxonomy
Main Criteria	<p>For the construction of new <u>commercial</u> buildings in Hong Kong:</p> <ul style="list-style-type: none"> • Buildings must be BEAM Plus certified (to either gold or above) or designed to certify as such, and the Energy Use component of applicant's BEAM Plus Certification must meet at least a minimum of 10 credits under EU2 (Reduction of CO2 Emissions) and a minimum score of 70% in Energy Use category and, either: <ol style="list-style-type: none"> a. For projects certified under BEAM Plus 1.2: 30% energy

	<p>saving against the BEC 2018 baseline, or</p> <p>b. For projects certified under BEAM Plus 2.0, 20% energy saving against BEC 2021 baseline.</p> <ul style="list-style-type: none"> • Or buildings certified at least Extra Low in EUI or level 2 improvement (i.e. 25% reduction) in Energy Performance Certification under the Zero-Carbon-Ready Building Certification Scheme <p>For the construction of new <u>residential</u> buildings in Hong Kong:</p> <ul style="list-style-type: none"> • Buildings must be BEAM Plus certified (to either gold or above) or designed to certify as such, and the Energy Use component of applicant's BEAM Plus Certification must meet at least a minimum of 10 credits under EU2 (Reduction of CO2 Emissions) and a minimum score of 70% in Energy Use category and, either: <ul style="list-style-type: none"> a. For projects certified under BEAM Plus 1.2: 30% energy saving against the BEC 2018 baseline, or b. For projects certified under BEAM Plus 2.0, 20% energy saving against BEC 2021 baseline. • Or buildings certified at least Extra Low in EUI or level 2 improvement (i.e. 25% reduction) in Energy Performance Certification under the Zero-Carbon-Ready Building Certification Scheme. <p>Construction of new <u>commercial and residential</u> buildings in Mainland</p> <ul style="list-style-type: none"> • Projects should be rated to the third-level of Mainland China's Three Star System
Additional Requirements and Comments	<p>For the construction of new <u>residential</u> buildings outside of Hong Kong:</p> <ul style="list-style-type: none"> • The criteria for construction of new residential buildings outside of Hong Kong reference international best practices.