

**2022** CHINA CONSTRUCTION BANK  
**GREEN, SOCIAL, SUSTAINABILITY AND  
SUSTAINABILITY-LINKED BONDS  
ANNUAL REPORT**



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**Since 2018**, China Construction Bank Corporation (hereinafter referred to as “CCB” or the “Bank”) issued 6 green bonds, 1 sustainability bond and 1 sustainability-linked bond. As stated in the *China Construction Bank Green, Social, Sustainability and Sustainability-Linked Bond Framework* (hereinafter referred to as “*Framework*”), the Bank hereby provide Green, Social, Sustainability and Sustainability-Linked Bonds (hereinafter referred to as “GSSS bonds”) Annual Report, disclosing the allocation of the proceeds of GSSS bonds as well as the environmental and/or social impacts of the eligible projects as of 31 December 2022.



## 1. Green, Social, Sustainability and Sustainability-Linked Bonds Issued by the End of 2022

Bonds	Hong Kong Branch 2018 Sustainability Bond	Luxemburg Branch 2018 Green Bond
ISIN	XS1880301228	XS1877506367
Issue Date	17/9/2018 (Expired)	17/9/2018 (Expired)
Maturity (year)	3	3
Size	USD 1,000,000,000	EUR 500,000,000
External review	Ernst & Young Hua Ming LLP	Ernst & Young Hua Ming LLP
CBI certification	/	Obtained the Climate Bond Certification on 5 September 2018

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Bonds	Hong Kong Branch 2019 Green Bond	Luxembourg Branch 2019 Green Bond	Hong Kong Branch 2020 Green Bond	
ISIN	XS2066780466	XS2066776274	XS2208843503	XS2208844493
Issue Date	15/10/2019(Expired)	15/10/2019(Expired)	28/7/2020	28/7/2020
Maturity (year)	3	3	3	5
Size	USD 1,000,000,000	EUR 500,000,000	USD 500,000,000	USD 700,000,000
External review	Ernst & Young Hua Ming LLP	Ernst & Young Hua Ming LLP	Ernst & Young Hua Ming LLP	
CBI certification	Obtained the Climate Bond Certification on 11 October 2019	Obtained the Climate Bond Certification on 11 October 2019	Obtained the Climate Bond Certification on 21 July 2020	

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<b>Bonds</b>	<b>Hong Kong Branch 2021 Sustainability-Linked Bond</b>		<b>Luxemburg Branch 2021 Green Bond</b>
<b>ISIN</b>	XS2331713011	XS2331713102	XS2331604079
<b>Issue Date</b>	15/4/2021	15/4/2021	15/4/2021
<b>Maturity (year)</b>	3	5	3
<b>Size</b>	USD 600,000,000	USD 550,000,000	EUR 800,000,000
<b>External review</b>	Ernst & Young Hua Ming LLP		Ernst & Young Hua Ming LLP
<b>CBI certification</b>	/		/

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<b>Bonds</b>	<b>London Branch 2022 Green Bond</b>	
<b>ISIN</b>	HK0000849247	XS2479371028
<b>Issue Date</b>	17/5/2022	17/5/2022
<b>Maturity (year)</b>	2	3
<b>Size</b>	CNY 1,000,000,000	USD 1,000,000,000
<b>External review</b>	Ernst & Young Hua Ming LLP	Ernst & Young Hua Ming LLP
<b>CBI certification</b>	/	/



### 2.1 Framework Overview

The GSSS Bond Framework of China Construction Bank (the “Framework”) provides guidelines for all domestic and overseas branches and subsidiaries of China Construction Bank (the “Bank”) to issue GSSS bonds, i.e. green bonds, social bonds, sustainability bonds and sustainability-linked bonds, for the financing or refinancing of eligible assets/projects, so as to fulfil CCB’s strategies of corporate social responsibility to serve the public, promote livelihoods, and become a low-carbon and environmental friendly bank for sustainable development.

### 2.2 Green, Social and Sustainability (“GSS”) Bonds

The issuance of green bonds, social bonds and sustainability bonds under this Framework are in line with the Green Bond Principles, the Social Bond Principles and the Sustainability Bond Guidelines of the International Capital Market Association (ICMA) respectively, and the green projects located in Mainland China need to be in line with the Green Bond Endorsed Project Catalogue issued by the Green Finance Committee of the People’s Bank of China (PBoC) and other industrial criteria issued by relevant authorities. For each GSS bond, the following key principles will be adopted:






- I. Use of Proceeds
- II. Process for Project Evaluation and Selection
- III. Management of Proceeds, and
- IV. Reporting




#### 2.2.1 Use of Proceeds



The net proceeds from Green, Social and Sustainability (“GSS”) bonds issued under this Framework will be earmarked for the financing and/or refinancing of the following eligible assets or projects.

- The net proceeds from green bonds will be allocated to Green Eligible Categories
- The net proceeds from social bonds will be allocated to Social Eligible Categories
- The net proceeds from sustainability bonds will be allocated to Green Eligible Categories and Social Eligible Categories

## Green Eligible Categories

Green Bond Principles Categories	Sustainable Development Goals Categories	Eligibility Criteria
<b>Renewable energy</b>		<ul style="list-style-type: none"> <li>• Production and transmission of renewable energy               <ul style="list-style-type: none"> <li>- Examples include wind power, photovoltaic power, solar thermal utilization, hydropower, biomass energy, renewable energy promotion projects and the utilizations of other renewable energy (the utilizations of geothermal energy, ocean energy, air source heat energy and other renewable energy sources)</li> </ul> </li> <li>• Infrastructure construction related to renewable energy, such as land development, construction of transport networks and base stations</li> </ul>
<b>Energy efficiency</b>		<ul style="list-style-type: none"> <li>• Energy saving and emission reduction               <ul style="list-style-type: none"> <li>- Examples include industrial energy conservation, energy management centres, urban-rural infrastructure construction with energy saving and emission reduction, reduction of pollutants</li> <li>- Examples include smart grids, energy internet, distributed energy infrastructure</li> </ul> </li> </ul>
<b>Pollution prevention and control</b>		<ul style="list-style-type: none"> <li>• Pollution prevention and environmental restoration projects               <ul style="list-style-type: none"> <li>- Examples include industrial solid waste and waste gas (liquid) recycle and resource utilization, recycling and reprocessing of renewable resources, recycling of biomass resources, soil remediation and decontamination of hazardous sewage</li> </ul> </li> </ul>
<b>Clean transportation</b>	 	<ul style="list-style-type: none"> <li>• Rolling stocks and public transport vehicles               <ul style="list-style-type: none"> <li>- Purchase and maintenance of rolling stocks for express railway, metro, light railway and urban railway which use only electricity</li> <li>- Purchase of electric buses and trolleys</li> </ul> </li> <li>• Public rail infrastructure</li> </ul>






		<ul style="list-style-type: none"> <li>- Construction and maintenance of tracks</li> <li>- Modernisation, maintenance and upgrades to electric line networks</li> <li>• Associated rail infrastructures <ul style="list-style-type: none"> <li>- Maintenance and upgrade of communication systems, signal systems, ventilation and drainage systems</li> <li>- Upgrades of lighting systems, such as installing LED lightings</li> </ul> </li> <li>• Maintenance of public transport system's operation sites, BRT systems, and waterway regulation, etc.</li> </ul>
<p><b>Sustainable water and wastewater management</b></p>	 	<ul style="list-style-type: none"> <li>• Water saving and the use of unconventional water, such as industrial water-saving technology transformation, agriculture and animal husbandry water-saving irrigation project, seawater desalination, etc.</li> <li>• Construction and maintenance of sustainable clean water and/or drinking water infrastructure, such as the construction and maintenance of urban water networks, etc.</li> <li>• Sewage treatment and recycling, comprehensive treatment of river basin, water pollution treatment and decontamination of hazardous waste water, etc.</li> <li>• Flood control and disaster contingency works, including flood basin works, construction of embankments for major rivers and river channel treatment, etc.</li> </ul>
<p><b>Green buildings</b></p>		<ul style="list-style-type: none"> <li>• Energy-efficient modification of new/existing buildings that meet the following criteria: <ul style="list-style-type: none"> <li>- Chinese Green Building Evaluation Label - 2 Star or above</li> <li>- U.S. Leadership in Energy and Environmental Design (LEED) – Silver or above</li> <li>- Building Research Establishment Environmental Assessment Method (BREEAM) – Very Good or above</li> <li>- Other equivalent international standards</li> </ul> </li> </ul>

<p><b>Environmentally sustainable management of living natural resources and land resources</b></p>		<ul style="list-style-type: none"> <li>• Ecological protection, ecological restoration, vegetation protection, certified ecological agriculture, husbandry and fishery, sustainable forestry development, etc.</li> <li>• Development of blue economy, i.e. certified sustainable fishery management programme, population reconstruction and ecological value chain improvement, etc.</li> </ul>
<p><b>Conservation of Terrestrial and Marine Biodiversity</b></p>		<ul style="list-style-type: none"> <li>• Environmental protection, treatment and restoration in relation to the sea, coastlines and coastal areas, such as reservoir renovation, reserve construction, vegetation restoration and shoreline erosion prevention facilities, etc. in coastal areas</li> <li>• Marine biodiversity protection, such as fisheries enhancement and release of eggs, larvae or adults of aquatic animals into the ocean to restore or increase population, improve and optimise the aquatic biological community structure, construct and operate aquafarm</li> </ul>

**Social Eligible Categories**

<p><b>Social Bond Principles Categories</b></p>	<p><b>Sustainable Development Goals Categories</b></p>	<p><b>Eligibility Criteria</b></p>
<p><b>Employment Generation through the Potential Effect of SME Financing and Microfinance</b></p>		<p>Loans relating to Inclusive Finance (refer to Appendix I) :</p> <ul style="list-style-type: none"> <li>• Enterprises <ul style="list-style-type: none"> <li>- SMEs are defined by China's National Development and Reform Commission, Ministry of Industry and Information Technology, Ministry of Commerce, and National Bureau of Statistics (refer to Appendix II)</li> </ul> </li> <li>• Individuals <ul style="list-style-type: none"> <li>- Operation loans for business owned by individuals</li> <li>- Operation loans for SMEs</li> <li>- Operation loans for farmers</li> <li>- Entrepreneurship guarantee (for laid-off workers) loans</li> <li>- Consumption loans to registered poverty-stricken populations</li> </ul> </li> </ul>



		<ul style="list-style-type: none"> <li>- Poverty alleviation loans</li> <li>- Loans to Agriculture, Rural Areas and Farmers, etc.</li> </ul>
<b>Affordable basic infrastructure</b>	  	<ul style="list-style-type: none"> <li>- Indemnificatory housing programme such as public rental housing (refer to Appendix III)</li> <li>- Basic rural living facilities, such as rural biogas, development of power grids in rural area, rural garbage collection and treatment, etc.</li> </ul>
<b>Access to essential services (Including Health, Education, Career Training, and Health care)</b>	 	<ul style="list-style-type: none"> <li>- Education infrastructure construction</li> <li>- Medical infrastructure construction</li> <li>- Career training loan</li> </ul>

### Exclusions

The following sectors will be excluded from Green and Social Eligible Categories:

- Sectors which are prohibited by laws and regulation in China, such as gambling industry, adult entertainment, child labour and corporations involved in illegal activities
- Luxury sectors such as precious metals, precious artworks & antiques, golf course services
- Distillation, rectification and mixed alcoholic beverages
- Production of tobacco and tobacco products
- Hydro power with installed capacity >20MW
- Biomass which is suitable for food source
- Mining, quarrying and fossil fuels related assets
- Nuclear fuels
- Weapons and ammunitions
- Companies or activities involved in the production, distribution or storage of hazardous chemicals and radioactive substances

## 2.2.2 Process for Project Evaluation and Selection

The Bank will follow the procedures below to evaluate and select potential eligible projects:

<p><b><i>Preliminary Screening</i></b></p>	<p>The Bank established a “GSS Bond Working Group” (“GSSBWG”) to review the preliminary list of Green and Social Projects proposed by the business lines and domestic branches of CCB. The GSSBWG will select the Eligible Green Projects and Eligible Social Projects that meet the Eligibility Criteria in the Use of Proceeds section under the GSSS Bond Framework of China Construction Bank, and best reflect the characteristics of CCB, by considering the following factors:</p> <ul style="list-style-type: none"> <li>• Whether the technology used in Green Projects is more advanced than other available technologies</li> <li>• The pre and post certification for the Green Projects</li> <li>• Whether the Social Projects provide clear social benefits</li> <li>• Whether the Green Projects and Social Projects comply with the development policy and strategy of CCB</li> <li>• Whether the characteristics of CCB are reflected by the Green Projects and Social Projects</li> </ul> <p>If a project is identified as Eligible Project under the GSSS Bond Framework of China Construction Bank by the GSSBWG, the project will be “marked” as Eligible Green Project or Eligible Social Project.</p>
<p><b><i>Establishing Project List</i></b></p>	<p>A list of projects financed by “GSS bonds” is established to facilitate bond duration management. The GSSBWG is responsible for the bookkeeping and tracking of eligible projects and for ensuring all information is true and accurate in the process.</p>
<p><b><i>Update and Maintenance</i></b></p>	<p>The GSSBWG reviews the allocation of funds raised by GSS bonds annually to ensure appropriate allocation to Eligible Green and Social Projects, and to assist with the preparation for disclosures in annual reports.</p>

### 2.2.3 Management of Proceeds

<b>Management of Separate Register</b>	<p>The proceeds of each bond will be deposited in the general funding accounts. CCB will maintain a register to keep track of the use of proceeds from each bond. The register will contain the following information:</p> <ul style="list-style-type: none"><li>• Type of Funding Transaction:<ul style="list-style-type: none"><li>- Key information includes transaction date, (net) amount of proceeds, maturity date, coupon, type of bond, pricing date and the ISIN number.</li></ul></li><li>• Allocation of proceeds<ul style="list-style-type: none"><li>- Name and description of Eligible Projects to which the proceeds of GSS bonds have been allocated in accordance with the Framework</li><li>- Allocation of the proceeds from GSS bonds to Eligible Projects</li><li>- The balance of unallocated proceeds</li><li>- Use of unallocated proceeds</li></ul></li></ul>
<b>Use of Unallocated Proceeds</b>	<p>Any balance of issuance proceeds which are not yet allocated to Eligible Green and Social Projects will be held in accordance with CCB's normal liquidity management policy. CCB undertakes not to invest unallocated proceeds in sectors set out in Exclusions.</p>

### 2.2.4 Reporting

CCB will publish reports on the use of proceeds from the issuance of GSS bonds on an annual basis on the official website of the Bank. The report will contain information on allocation and environmental and/or social impacts.

## 2.3 Sustainability-Linked Bonds (SLBs)

The issuance of sustainability-linked bonds (SLB) under this Framework shall be in line with ICMA's Sustainability-Linked Bond Principles (SLBP, 2020), including the following specific requirements:

### 2.3.1 Selection of Key Performance Indicators (KPIs)

When issuing each SLB, CCB will define the KPIs which will be selected according to CCB's prevailing sustainable development strategy. CCB endeavours to select Environmental and/or Social KPIs which are included in sustainability reports and/or annual reports and verified externally for three consecutive years.

### **2.3.2 Calibration of Sustainability Performance Targets (SPTs)**

CCB will calibrate the selected SPTs in terms of their consistency with CCB's sustainable development strategy, plans to meet the SPTs, relevant controls, critical factors, and force majeure.

### **2.3.3 Bond Characteristics**

CCB will describe the variation of the financial and/or structural characteristics to be triggered by the failure to meet the predefined SPT(s) for KPI(s) in the offering documents.

### **2.3.4 Reporting**

CCB will publish reports on SLBs, which will include the following information:

- transaction details, including transaction date, (net) amount of proceeds, maturity date, coupon, type of bond, pricing date and the ISIN number
- up-to-date information on the performance of the selected KPIs, including baselines where relevant
- any information enabling investors to monitor the ambition level of the SPTs

The Sustainability-Linked Bond Report will be updated annually and published on CCB's website ([www.ccb.com](http://www.ccb.com)).

### **2.3.5 Verification**

CCB will engage an independent third party to independently verify its performance level against each SPT for each KPI, at least once a year since the bond is issued. The relevant report will be published on CCB's website ([www.ccb.com](http://www.ccb.com)).

## **2.4 External Review**

CCB engaged Ernst & Young Hua Ming LLP on an ongoing basis to provide independent review. External review will cover pre-issuance assurance, post-issuance assurance, an assurance report on the use of proceeds. The external review report will be publicly available on the official website of the Bank.



### 3. Allocation of Proceeds from GSS Bonds

#### 3.1 Allocation Overview

As of 31 December 2022, the total net proceeds of CNY **22.34** billion raised by GSS bonds were fully allocated to eligible green and social projects.

✓ <b>Total net proceeds raised</b>	equivalent CNY <b>22.34</b> billion
✓ <b>Allocated amount</b>	equivalent CNY <b>22.34</b> billion
✓ <b>Unallocated proceeds</b>	CNY <b>0</b> billion

#### 3.2 Category Breakdown

The eligible green and social projects fall into 4 categories including clean transportation, renewable energy, sewage treatment and river regulation, with detailed information presented as below:

Number of Projects	Category	Allocated Amount (CNY million)	Proportion
<b>6</b>	<i>Clean transportation</i>	8,344.16	37.36%
<b>15</b>	<i>Renewable energy</i>	7,756.99	34.73%
<b>12</b>	<i>Sewage treatment</i>	3,726.40	16.68%
<b>5</b>	<i>River regulation</i>	2,508.01	11.23%

### 3.3 Location Breakdown

Number of Projects	Location	Allocated Amount (CNY million)	Proportion
<b>6</b>	<i>Northern China</i>	3,316.74	14.85%
<b>6</b>	<i>Northwest China</i>	3,515.01	15.74%
<b>12</b>	<i>Southern China</i>	5,365.61	24.02%
<b>14</b>	<i>Central China</i>	10,138.20	45.39%



## 4. Environmental and Social Impacts of GSS Bonds

Due to the considerations of confidentiality for our loan clients, the impact results of the eligible projects are disclosed on a portfolio basis. For the year ended 31 December 2022, the eligible green and social projects helped to:

✓	reduce a total CO <sub>2</sub> emission of <b>2,305,762</b> tons, including <b>2,296,587</b> tons for renewable energy projects <sup>1</sup> and <b>9,175</b> tons for clean transportation projects <sup>2</sup>
✓	reduce COD of <b>84,856</b> tons, NH <sub>3</sub> -N of <b>15,100</b> tons for sustainable water and wastewater management projects <sup>3</sup>
✓	river regulation length <b>92</b> km
✓	annual electricity generation <sup>4</sup> of <b>2,886,128</b> MWh, added renewable energy capacity <sup>5</sup> of <b>1,097</b> MW for energy projects

<sup>1</sup> The environmental impact is calculated based on the UNFCCC CDM methodology ACM 0002 Grid-connected electricity generation from renewable sources.

<sup>2</sup> The environmental impact is calculated based on ACM0016 Mass rapid transit projects and Green credit project energy-saving emission reduction measurement guidelines.

<sup>3</sup> The environmental impact is calculated based on Green credit project energy-saving emission reduction measurement guidelines.

<sup>4</sup> Annual generation is the sum of electricity supplied to local grid from all renewable projects funded.

<sup>5</sup> Renewable energy capacity added is sum of capacity add for all renewable projects funded.



## Appendix I: Hong Kong Branch's 2020 Green Bond

**On 28 July 2020** CCB Hong Kong Branch issued green Bond. As of 31 December 2022, all net proceeds of this bond have been utilized to fund 6 clean transportation projects.

**Table I-1 Detailed Information**

ISIN Code	Maturity (year)	Coupon Type	Amount (USD million)	Net Amount (USD million)	FX Rate	Net CNY Equivalent Amount (CNY million)
XS2208843503	3	Fixed	500	498.15	6.9803	3,477.20
XS2208844493	5	Fixed	700	697.24	6.9803	4,866.96
<b>Total</b>						<b>8,344.16</b>

**Table I -2 Proceeds Allocation in Terms of Category**

Category	Allocated Amount (CNY million)	Number of Projects	Proportion
Clean transportation	<b>8,344.16</b>	6	100.00%
<b>Total</b>	<b>8,344.16</b>	<b>6</b>	<b>100.00%</b>

**Table I -3 Proceeds Allocation in Terms of Location**

Location	Allocated Amount (CNY million)	Number of Projects	Proportion
Central China	7,174.16	5	85.98%
Southern China	1,170.00	1	14.02%
<b>Total</b>	<b>8,344.16</b>	<b>6</b>	<b>100.00%</b>

**Table I -4 Environmental Impact**

For the year ended 31 December 2022:

Category	Environmental Impact
Clean transportation	GHG emissions reduced (CO <sub>2</sub> tons)
	9,175



**Example (clean transportation – metro project)**

The metro project is located in Central China. The total length of the metro in operation is 49.02 km with 41 stations, and the construction of project is complete, the expected recent, interim and forward capacity of this line is 252 , 368 and 506 million passengers a year. This line is expected to reduce CO<sub>2</sub> by 30,109 tons a year. The Bank's loan to this project accounted for approximately 12.68% of the total project investment, which is expected to reduce CO<sub>2</sub> by 3,818 tons a year.





## Appendix II: Luxembourg Branch's 2021 Green Bond

**On 15 April 2021** CCB Luxembourg Branch issued green Bond. As of 31 December 2022, all net proceeds of this bond have been utilized to fund 12 sewage treatment projects and 5 river regulation projects.

**Table II -1 Detailed Information**

ISIN Code	Maturity (year)	Coupon Type	Amount (EUR million)	Net Amount (EUR million)	FX Rate	Net CNY Equivalent Amount (CNY million)
XS2331604079	3	Fixed	800	798.17	7.8109	6,234.41

**Table II -2 Proceeds Allocation in Terms of Category**

Category	Allocated Amount (CNY million)	Number of Projects	Proportion
Sewage treatment	3,726.40	12	59.77%
River regulation	2,508.01	5	40.23%
<b>Total</b>	<b>6,234.41</b>	<b>17</b>	<b>100.00%</b>

**Table II -3 Proceeds Allocation in Terms of Location**

Location	Allocated Amount (CNY million)	Number of Projects	Proportion
Southern China	3,732.81	9	59.87%
Central China	2,501.60	8	40.13%
<b>Total</b>	<b>6,234.41</b>	<b>17</b>	<b>100.00%</b>

**Table II -4 Environmental Impact**

For the year ended 31 December 2022:

Category	Environmental Impact	
River regulation	Length of comprehensive river regulation(km)	
	91.60	
Sustainable water and wastewater management	COD prevention(tons)	NH <sub>3</sub> -N prevention(tons)
	84,855.75	15,100.40

**Example (sustainable water and wastewater management – sewage treatment project)**

The sewage treatment project is located in Central China. So far, the project is in operation. The sewage treatment capacity of the project is 73.00 million tons annually. The Branch's loan accounted for approximately 28.56% of the total project investment, which reduced COD by 17,863.11 tons/year and NH<sub>3</sub>-N by 2,325.69 tons/year.





## Appendix III: Hong Kong Branch's 2021 Sustainability-Linked Bond

**On 15 April 2021** CCB Hong Kong Branch issued Sustainability-Linked Bond. As of 31 December 2022. The KPI reached the sustainability performance targets (SPT)

**Table V-1 Detailed Information**

ISIN Code	Maturity (year)	Coupon Type	Amount (USD million)	Net Amount (USD million)	FX Rate	Net CNY Equivalent Amount (CNY million)
XS2331713011	3	Fixed	USD 600	599.082	6.4902	3,888.16
XS2331713102	5	Fixed	USD 550	548.867	6.4902	3,562.26
						<b>7,450.42</b>

### 1. Selection of Key Performance Indicators

The Bank has selected the percentage of the Balance of Green Loans to Adjusted Gross Loans and Advance to Customers as the key performance indicator (KPI) in connection with the issuance of the Sustainability-Linked Bonds.

“Balance of Green Loans” is the line item with the corresponding caption of the Bank as of 31 December of each year in the Bank’s corporate social responsibility report as published annually on the website of The Stock Exchange of Hong Kong Limited and as prepared by the Bank in accordance with, and recognised by CBIRC under, the Green Credit Statistics System.<sup>6</sup>

“Adjusted Gross Loans and Advances to Customers” means the line item with the caption “Gross Loans and Advances to Customers” in the notes to the published audited financial statements of the Bank as of 31 December of each year under the section entitled “Risk Management”, as audited by the Bank’s independent auditors in accordance with the International Financial Reporting Standards and for references purposes only, as further adjusted to deduct the loans and

<sup>6</sup> “Green Credit Statistics System” means the regulatory framework as set out in the Notice of the General Office of China Banking Regulatory Commission on the Submission of Green Credit Statistics Form (《中国银行业监督管理委员会关于报送绿色信贷统计表的通知》)(银监办发〔2013〕185号) and the Notice on the Submission of Green Credit Statistics Form 《关于报送绿色信贷统计表的通知》(银监统通[2014]60号) and the Notice on Work Related to Green Financing Statistics Rules (《中国银保监会办公厅关于绿色融资统计制度有关工作的通知关于绿色融资统计制度有关工作的通知》) issued by CBIRC as amended, novated, supplemented, restated or replaced by any other notices, directives or official interpretation as published by CBIRC from time to time.

advances to customers attributable to the Subsidiaries and the Bank's branches located outside the PRC.

Baseline Values:

	As at 31 December
	2017
Balance of Green Loans (RMB100 million) 1.....	10,025
Adjusted Gross Loans and Advance to Customers (RMB100 million) <sup>1</sup> .....	117,599
Percentage of Balance of Green Loans to Adjusted Gross Loans and Advance to Customers.....	8.52%

## 2. Calibration of Sustainability Performance Targets

The Bank will calibrate selected sustainability performance targets (SPT) that are consistent with the Bank's sustainable development strategy, and provide plans for meeting the sustainability performance targets, relevant controls, critical factors and force majeure events.

The Bank's SPT in connection with the issuance of the Series A Notes will be measured as a percentage of the Balance of Green Loans to Adjusted Gross Loans and Advance to Customers. The Bank's SPT will be of an amount equal to or higher than 9.5% by 31 December 2022, an increasing of 0.98 percentage points compared with the 2017 baseline.

The Bank's SPT in connection with the issuance of the Series B Notes will be measured as a percentage of the Balance of Green Loans to Adjusted Gross Loans and Advance to Customers. The Bank's SPT will be of an amount equal to or higher than 10% by 31 December 2023, an increasing of 1.48 percentage points compared with the 2017 baseline.

## 3. Bond Characteristics

If the selected KPI for Series A Notes has not been reached the predefined SPT, the Sustainability-Linked Bond's financial characteristics will change, then the coupon of the Sustainability-Linked Bond will step up by 25 bps with effect from (and including) the Interest Payment Date in October 2023 to (but excluding) the date of redemption of the Series A Notes, provided that such increase in the interest rate may occur no more than once. If, following an increase in the interest rate after a Trigger Event, the Group achieves the Sustainability Performance Target and the Trigger Event is no longer continuing, the interest rate of the Series A Notes will remain unchanged and, there will be not be any decrease to the interest rate of the Series A Notes.

If the selected KPI for Series B Notes has not been reached the predefined SPT, the Sustainability-Linked Bond's financial characteristics will change, then the coupon of the Sustainability-Linked Bond will step up by 25 bps with effect from (and including) the Interest Payment Date in October 2024 to (but excluding) the date of redemption of the Series B Notes, provided that such increase in the interest rate may occur no more than once. If, following an increase in the interest rate after a Trigger Event, the Group achieves the Sustainability Performance Target and the Trigger Event is no longer continuing, the interest rate of the Series B Notes will remain unchanged and, there will be not be any decrease to the interest rate of the Series B Notes.

As of the end of 2022, the position of Key Performance Indicators is as follows:

	As at 31 December
	2022
Balance of Green Loans (RMB 100 million) <sup>1</sup> .....	27,501
Adjusted Gross Loans and Advance to Customers (RMB 100 million) <sup>1</sup> .....	203,546
Percentage of Balance of Green Loans to Adjusted Gross Loans and Advance to Customers.....	13.51%

As the selected KPI (13.51%) for Series A Notes has been reached the predefined SPT(equal to or higher than 9.5% by 31 December 2022), the Sustainability-Linked Bond's financial characteristics will not change.



## Appendix IV: London Branch's 2022 Green Bond

**On 17 May 2022** CCB London Branch issued green Bond. As of 31 December 2022, all net proceeds of this bond have been utilized to fund 15 Renewable Energy projects.

**Table IV-1 Detailed Information**

ISIN Code	Maturity (year)	Coupon Type	Amount (million)	Net Amount (million)	FX Rate	Net CNY Equivalent Amount (CNY million)
HK0000849247	2	Fixed	1000(CNY)	999.00(CNY)	1	999.00
XS2479371028	3	Fixed	1000(USD)	995.96(USD)	6.7854	6,757.99
<b>Total</b>						<b>7,756.99</b>

**Table IV -2 Proceeds Allocation in Terms of Category**

Category	Allocated Amount (CNY million)	Number of Projects	Proportion
Renewable Energy	<b>7,756.99</b>	15	100.00%
<b>Total</b>	<b>7,756.99</b>	<b>15</b>	<b>100.00%</b>

**Table IV -3 Proceeds Allocation in Terms of Location**

Location	Allocated Amount (CNY million)	Number of Projects	Proportion
Northern	3,316.74	6	42.76%
Southern	462.80	2	5.97%
Northwest	3,515.01	6	45.31%
Central	462.44	1	5.96%
<b>Total</b>	<b>7,756.99</b>	<b>15</b>	<b>100.00%</b>

**Table IV -4 Environmental Impact**

For the year ended 31 December 2022:

Category	Environmental Impact		
Renewable energy (Wind& Photovoltaic energy)	Annual generation (MWh)	Renewable energy capacity added (MW)	Annual GHG emissions reduced* (CO <sub>2</sub> tons)
	2,886,128.40	1,097.15	2,296,587.01

**Example (renewable energy – wind power)**

The wind power project is located in Northern China. This project has already been put into operation. The project, with total capacity of 1,100 MW, consists of 153 wind turbines with per capacity of 4,500 kW and 50 wind turbines with per capacity of 3,200 kW. The Branch's loan accounted for approximately 10.28% of the total project investment, which reduced carbon dioxide emission by 307,769 tons/year.

