

Appendix I

Description on Bank of China Sydney Branch's 2022 Green Deposit

Bank of China Limited Sydney Branch (the "Bank") plans to issue Bank of China Sydney Branch's 2022 Green Deposit ("2022 Green Deposit"). The Bank has established the *ESG Deposit Product Management Rules and Operating Procedures* (the "Procedures"). This Procedures has been prepared to demonstrate the Bank will issue green deposit in accordance with the *Green Bond Principles 2021* published by International Capital Market Association. This 2022 Green Deposit will also be issued in accordance with Common Ground Taxonomy - Climate Change Mitigation (updated) (the "CGT") released by International Platform on Sustainable Finance (IPSF) Taxonomy Working Group co-chaired by the EU and China.

Use of Proceeds

All the net proceeds of the green deposit will be allocated to the Eligible Projects as defined in the *Green Bond Principles 2021* and the *CGT*.

Eligible Projects include:

- Renewable energy
- Energy efficiency
- Pollution prevention and control
- Clean transportation
- Sustainable water and wastewater management
- Environmentally sustainable management of living natural resources and land use
- Terrestrial and aquatic biodiversity
- Green buildings
- Climate change adaptation
- Circular economy adapted products, production technologies and processes

Process for Project Evaluation and Selection

In accordance with the Procedures, the bank determined the themes of green deposit. Based on the project compliance documents and referring to criteria and standards of Eligible Projects categories defined in the Procedures, the Bank conduct preliminary screening of eligible projects, to form the list of nominated projects.

The bank shall work with professional third-party agencies and screen out the final Eligible Projects List, and links with the corresponding theme according to the use of proceeds.

Management of Proceeds

In accordance with the Procedures, the Bank shall record the allocation of proceeds in a separate ledger management system to ensure that all the net proceeds of the green deposit are allocated to the Eligible Green Projects as the described in the “Use of Proceeds” section. The Bank will review and update the ledger monthly. If the loan balance decreases due to project expiration or other reasons, the bank should add new projects to corresponding themes to restore the total balance. The bank should inform investors of the temporary investment direction plan of the unallocated proceeds.

Reporting

The Bank will disclose the green deposit related information on an annual basis on its official website. The contents include project introduction, use of proceeds, management of proceeds and process for project evaluation and selection.

Eligible Project List

The Bank has established a list of eligible projects, with an approximated total value of AUD 259.43 million. Nominated projects list may evolve over time. The following is detailed information of the eligible projects.

Eligible Project List

NO.	Region	Project	CGT Categories	Eligible Project Categories	Loan Amount (AUD million)
1	Germany	Wind power project	D1.3 Electricity generation from wind power	Renewable energy	36.13
2	Australia	Wind power project	D1.3 Electricity generation from wind power	Renewable energy	62.00
3	Australia	Public transportation project	H1.1 Construction and operation of public transportation system in urban and rural areas	Clean transportation	110.36
4	Australia	Photovoltaic power project	D1.1 Electricity generation using solar photovoltaic technology	Renewable energy	50.94
Total Loan Amount (AUD million)					259.43

Project List by CGT Categories

CGT Categories	Loan Amount (AUD million)	Number of Projects	Loan Proportion
D1.3 Electricity generation from wind power	98.13	2	37.82%
D1.1 Electricity generation using solar photovoltaic technology	50.94	1	19.64%
H1.1 Construction and operation of public transportation system in urban and rural areas	110.36	1	42.54%
Total	259.43	4	100.00%

Project List by Eligible Project Categories

Eligible Project Categories	Loan Amount (AUD million)	Number of Projects	Loan Proportion
Renewable energy	149.07	3	57.46%
Clean transportation	110.36	1	42.54%
Total	259.43	4	100.00%

The following set forth certain information of sample eligible projects:

- A wind power project located in Germany. The project's total capacity is 400MW. The electricity generation of the project to the grid is 1,527,300,000 kWh annually, which will result in standard coal reduction of about 468,881.10 t/a, CO₂ emission reduction of about 953,035.20 t/a, SO₂ emission reduction of about 133.91 t/a, NO_x emission reduction of 216.62 t/a.
- A solar photovoltaic power project located in Australia. The project's total capacity is 333MW. The electricity generation of the project to the grid is 705,900,000,000 kWh annually, which will result in standard coal reduction of about 216,711,300 t/a, CO₂ emission reduction of about 147,533,100 t/a, SO₂ emission reduction of about 61,891.51 t/a, NO_x emission reduction of 100,118.62 t/a. The minimum photoelectric conversion efficiency of this project's polycrystalline silicon cell modules are more than 17% and the decay rates will not be higher than 2.5% in the first year, and not higher than 0.7% per year, and not higher than 20% within the period of 25 years.
- An electric train project located in Australia. The project involves the delivery and operation of 65 electronic high capacity metro trains. The Project will boost capacity on the line allowing 11,000 extra passengers to be accommodated in the morning peak. The annual saving is about 1,666.23 tons of standard coal, and the carbon dioxide emission reduction is 3,682.36 tons.



Bank of China Limited Sydney Branch

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