

## Green Bond / Green Bond Programme

### External Review Form

#### Section 1. Basic Information

**Issuer name:** Industrial and Commercial Bank of China (ICBC)

**Green Bond ISIN or Issuer Green Bond Framework Name, if applicable:** Green Bond Framework for ICBC

**Review provider's name:** CICERO

**Completion date of this form:** 22 September 2017

**Publication date of review publication:** Planned for 25 September 2017

#### Section 2. Review overview

##### SCOPE OF REVIEW

*The following may be used or adapted, where appropriate, to summarise the scope of the review.*

The review assessed the following elements and confirmed their alignment with the GBPs:

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Use of Proceeds        | <input checked="" type="checkbox"/> Process for Project Evaluation and Selection |
| <input checked="" type="checkbox"/> Management of Proceeds | <input checked="" type="checkbox"/> Reporting                                    |

##### ROLE(S) OF REVIEW PROVIDER

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Consultancy (incl. 2 <sup>nd</sup> opinion) | <input type="checkbox"/> Certification     |
| <input type="checkbox"/> Verification   | <input checked="" type="checkbox"/> Rating |
| <input type="checkbox"/> Other ( <i>please specify</i> ):                       |  |

*Note: In case of multiple reviews / different providers, please provide separate forms for each review.*

##### EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW (*if applicable*)

www.icbc-ltd.com

### Section 3. Detailed review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

#### 1. USE OF PROCEEDS

**Overall comment on section (if applicable):** The Eligible Green Asset Categories include a broad range of project types in the categories: renewable energy, clean transportation, energy efficiency and sustainable water and wastewater management. The Framework explicitly excludes fossil fuel related assets, nuclear and hydro over 20 MW.

#### Use of proceeds categories as per GBP:

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> Renewable energy   | <input checked="" type="checkbox"/> Energy efficiency                       |
| <input type="checkbox"/> Pollution prevention and control  | <input type="checkbox"/> Sustainable management of living natural resources |
| <input type="checkbox"/> Terrestrial and aquatic biodiversity conservation   | <input checked="" type="checkbox"/> Clean transportation                    |
| <input checked="" type="checkbox"/> Sustainable water management   | <input type="checkbox"/> Climate change adaptation                          |
| <input type="checkbox"/> Eco-efficient products, production technologies and processes   | <input type="checkbox"/> Other (please specify):                            |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBPs |   |

If applicable please specify the environmental taxonomy, if other than GBPs:

#### 2. PROCESS FOR PROJECT EVALUATION AND SELECTION

**Overall comment on section (if applicable):**  
The Green Bond Working Group is responsible for selecting eligible projects that align with the green credit policy. The Working Group will also annually review the allocation of the proceeds to determine eligibility as green assets. The Eligible Green Asset Categories cover a broad range of project types. This places a large share of responsibility of the Working Group to select and follow up on eligible projects. The Working Group covers a wide range of departments and appears to contain environmental expertise. Veto power is given to environmental experts.

#### Evaluation and selection

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Defined and transparent criteria for projects eligible for Green Bond proceeds | <input type="checkbox"/> Documented process to determine that projects fit within defined categories |
| <input checked="" type="checkbox"/> Summary criteria for project evaluation and selection publicly available       | <input type="checkbox"/> Other (please specify):   |

### Information on Responsibilities and Accountability

- |   |   |
|---|---|
| <input type="checkbox"/> Evaluation / Selection criteria subject to external advice or verification | <input checked="" type="checkbox"/> In-house assessment |
| <input type="checkbox"/> Other <i>(please specify)</i> :  |   |

### 3. MANAGEMENT OF PROCEEDS

**Overall comment on section** *(if applicable)*:

The issuer will establish a register to record the allocation of green bond proceeds. The proceeds of each ICBC Green Bond will be deposited in the general funding accounts and “earmarked” pending allocation. The Register will contain, for each Green Bond issued, information including: details of the green bond and the Eligible Green Asset List.

**Tracking of proceeds:**

- |   |
|---|
| <input checked="" type="checkbox"/> Green Bond proceeds segregated or tracked by the issuer in a systematic manner            |
| <input checked="" type="checkbox"/> Disclosure of intended types of temporary investment instruments for unallocated proceeds |
| <input type="checkbox"/> Other <i>(please specify)</i> :  |

**Additional disclosure:**

- |   |   |
|---|---|
| <input type="checkbox"/> Allocations to future investments only                             | <input checked="" type="checkbox"/> Allocations to both existing and future investments |
| <input type="checkbox"/> Allocation to individual disbursements                             | <input checked="" type="checkbox"/> Allocation to a portfolio of disbursements          |
| <input checked="" type="checkbox"/> Disclosure of portfolio balance of unallocated proceeds | <input type="checkbox"/> Other <i>(please specify)</i> :                                |

### 4. REPORTING

**Overall comment on section** *(if applicable)*:

ICBC commits to publish an Annual Green Bond Report with use of proceeds and impact reporting. The bank will provide information on amounts allocated to the various Eligible Green Assets Categories and amount not yet allocated. The Annual Green Bond Report will be made public via annual updates on ICBC website. The framework includes impressive environmental impact reporting. ICBC will engage an independent third party to provide assurance on its annual Green Bond Report.

**Use of proceeds reporting:**

- |  |  |
|--|--|
| <input type="checkbox"/> Project-by-project            | <input checked="" type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other <i>(please specify)</i> :         |

**Information reported:**

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Allocated amounts | <input type="checkbox"/> GB financed share of total investment |
|---|--|

Other (please specify):

**Frequency:**

Annual

Semi-annual

Other (please specify):

**Impact reporting:**

Project-by-project

On a project portfolio basis

Linkage to individual bond(s)

Other (please specify):

**Frequency:**

Annual

Semi-annual

Other (please specify):

**Information reported (expected or ex-post):**

GHG Emissions / Savings

Energy Savings

Other ESG indicators (please specify):  
Framework specifies metrics for each category including e.g. amount of waste recycled, buildings that received 3<sup>rd</sup> party verification, etc.

**Means of Disclosure**

Information published in financial report

Information published in sustainability report

Information published in ad hoc documents

Other (please specify): Annual Green Bond report

Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review): an independent 3<sup>rd</sup> party will provide assurance on the Annual Green Bond Report which will provide information on allocation and impacts.

Where appropriate, please specify name and date of publication in the useful links section.

**USEFUL LINKS** (e.g. to review provider methodology or credentials, to issuer's documentation, etc.)

**SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE**

**Type(s) of Review provided:**

Consultancy (incl. 2<sup>nd</sup> opinion)

Certification

Verification / Audit

Rating

Other (please specify):

**Review provider(s):**

CICERO

**Date of publication:**

22 September, 2017

## **ABOUT ROLE(S) OF REVIEW PROVIDERS AS DEFINED BY THE GBP**

- (i) Consultant Review: An issuer can seek advice from consultants and/or institutions with recognized expertise in environmental sustainability or other aspects of the issuance of a Green Bond, such as the establishment/review of an issuer's Green Bond framework. "Second opinions" may fall into this category.
- (ii) Verification: An issuer can have its Green Bond, associated Green Bond framework, or underlying assets independently verified by qualified parties, such as auditors. In contrast to certification, verification may focus on alignment with internal standards or claims made by the issuer. Evaluation of the environmentally sustainable features of underlying assets may be termed verification and may reference external criteria.
- (iii) Certification: An issuer can have its Green Bond or associated Green Bond framework or Use of Proceeds certified against an external green assessment standard. An assessment standard defines criteria, and alignment with such criteria is tested by qualified third parties / certifiers.
- (iv) Rating: An issuer can have its Green Bond or associated Green Bond framework rated by qualified third parties, such as specialised research providers or rating agencies. Green Bond ratings are separate from an issuer's ESG rating as they typically apply to individual securities or Green Bond frameworks / programmes.