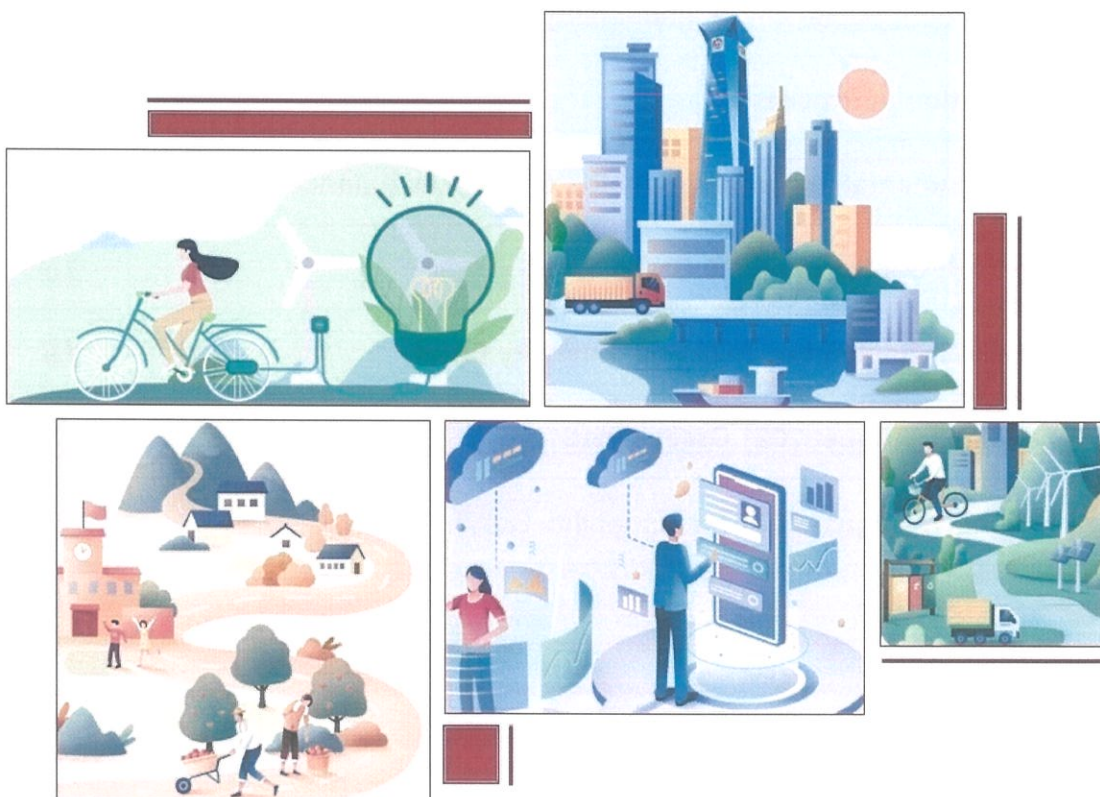




Annual Report on China Merchants Bank's Sustainability

Series Bonds



CONTENTS

1. Introduction	1
2. Summary of 2020 and 2021 Green, Social and Sustainability Bond Issuance	1
3. The Green, Social and Sustainability Bond Framework	2
4. Allocation of Proceeds	8
5. Environmental and Social Benefits of Projects Financed	12
Appendix I: September 2020 Green Bond	18
Appendix II: September 2020 Sustainability Bond	19
Appendix III: August 2021 Green Bond	21
Appendix IV: August 2021 Sustainability Bond	22

1. Introduction

In 2021, China Merchants Bank Corporation Limited (“CMB” or the “Bank”) continued with the efforts of protecting environment and making contribution to ecological civilization. CMB strives to extend our corporate social responsibility practices and our core value of “Taking root in the society and giving back to the society”, and to contribute to the sustainable development of the economy, society and environment. Therefore, we issued green and sustainability bonds, which serve as new financial instruments, to finance projects and businesses with environmental and/or social benefits.

CMB published the *CMB Green, Social and Sustainability Bond Framework* (the “Framework”) in September 2020, which sets out how CMB intends to issue green, social and sustainability (GSS) bonds for financing or refinancing of eligible assets and projects with environmental or social benefits.

As stated in the *CMB Green, Social and Sustainability Bond Management Statement*, we hereby provide this Annual Report on China Merchants Bank's Sustainability Series Bonds (the “Report”) to disclose the allocation of the green, social and sustainability bond proceeds as well as the environmental and social impacts of the Eligible Projects for the year ended 31 December 2021.

2. Summary of 2020 and 2021 GSS Bonds Issuance

In 2020 and 2021, CMB issued GSS bonds in accordance with the Framework.

Bonds	Hong Kong Branch 2020 Green Bond	Luxembourg Branch 2020 Sustainability Bond	Luxembourg Branch 2021 Green Bond	Luxembourg Branch 2021 Sustainability Bond
Amount (million)	USD 800	USD 300	USD 300	USD 300
CNY (million) Equivalent Amount	CNY 5,424.06	CNY 2,029.41	CNY 1,928.60	CNY 1,937.49
Tenor	5-year	3-year	5-year	2-year
Issue Date	2 September 2020	22 September 2020	25 August 2021	25 August 2021
Maturity Date	10 September 2025	25 September 2023	1 September 2026	1 September 2023
Coupon Type	Fixed	Fixed	Fixed	Fixed
External review	Ernst & Young Hua Ming LLP	Ernst & Young Hua Ming LLP	Ernst & Young Hua Ming LLP	Ernst & Young Hua Ming LLP



3. The Green, Social and Sustainability Bond Framework

The Framework, and any bond issued under it, is in line with the Green Bond Principles (GBP), Social Bond Principles (SBP) and Sustainability Bond Guidelines (SBG) of the International Capital Market Association (ICMA). Additionally, the Green Bond-Supported Projects Catalogue issued by the Green Finance Committee of the People's Bank of China as well as other relevant industry standards from competent ministries and commissions are adopted and aligned for those green projects being financed in the mainland China.



3.1 Use of Proceeds




The net proceeds of GSS bonds will be allocated to finance and/or refinance, in full or in part, loans to customers involved in as well as the Bank's own operational activities in Eligible Green Projects and Eligible Social Projects (Eligible Projects) in one or more of the following categories. In order to response to the Sustainable Development Goals (SDGs) promoted by the United Nations, CMB's Eligible Project categories are also mapped and aligned with SDGs.

➤ Eligible Green Project

Eligible Green Project Category	Alignment with SDGs ¹	Eligibility Criteria and Examples
Renewable energy		<ul style="list-style-type: none"> The construction, operation and maintenance of renewable energy plants, e.g., wind power, solar power, photovoltaic power, hydropower, biomass energy; and other projects which promote the use of renewable energy Infrastructure construction related to renewable energy, such as land development, construction of transport networks and base stations
Energy efficiency		<ul style="list-style-type: none"> Infrastructure construction with energy saving and emission reduction Application of energy conservation and emission reduction technologies; construction of green manufacturing systems; technological transformation and upgrading in traditional manufacturing sectors which can achieve an energy

¹ High-Level Mapping to the Sustainable Development Goals by ICMA: <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/mapping-to-the-sustainable-development-goals/>





Eligible Green Project Category	Alignment with SDGs ¹	Eligibility Criteria and Examples
		efficiency improvement of at least 15 percent
Pollution prevention and control	 	<ul style="list-style-type: none"> Recycling and reuse of industrial solid, gas and liquid wastes; waste segregation, reprocessing of reusable resources for recycling purposes Soil pollution management and remediation
Sustainable water and wastewater management	 	<ul style="list-style-type: none"> Sewage treatment and recycling; comprehensive restoration of river basin, water pollution remediation and disposal and decontamination of hazardous wastewater Water saving, such as water-saving technology, irrigation projects for water saving purposes Sustainable water management, including smart water supply system and seawater desalination projects Flood prevention, and the prevention and control of disaster emergency situations, including the construction of flood basins, river embankment, and river management projects
Clean transportation		<ul style="list-style-type: none"> Projects related to the building of urban electric vehicle network, including electrical vehicles charging stations Urban public electric transportation projects, including railways, light rails, subways, and the associated rail infrastructures Electric bus rapid transit ("BRT")
Green buildings		<ul style="list-style-type: none"> New construction and renovation work of existing buildings which obtained or are expected to obtain one or more of the following green building certifications and respective level: <ul style="list-style-type: none"> Chinese Green Building Evaluation Label – 2 star or above

Eligible Green Project Category	Alignment with SDGs ¹	Eligibility Criteria and Examples
Environmentally sustainable management of living natural resources	  	<ul style="list-style-type: none"> ○ U.S. Leadership in Energy and Environmental Design (LEED) – Gold or above ○ Building Research Establishment Environmental Assessment Method (BREEAM) – Excellent or above ○ Other equivalent international standards
		<ul style="list-style-type: none"> • Ecological protection and restoration of the natural ecology and vegetation; certified sustainable agriculture and animal husbandry, sustainable forestry development, etc. • Development of blue economy, i.e., certified sustainable fisheries management plans, Aquaculture Stewardship Counsel label and Marine Stewardship Counsel label, projects for stock rebuilding and improving value chain of the ecosystem

➤ **Eligible Social Projects**

Eligible Social Project Category	Alignment with SDGs ²	Eligibility Criteria and Examples
Employment generation including through the potential effect of SME financing and microfinance	 	<ul style="list-style-type: none"> • Loans to promote inclusive finance: <ul style="list-style-type: none"> SMEs <ul style="list-style-type: none"> ○ Operational loans for SMEs ○ Supply chain financing ○ Loan with interest subsidies to small and micro enterprises ○ High-tech small business loans Individuals <ul style="list-style-type: none"> ○ Loans for individual-owned businesses

² High-Level Mapping to the Sustainable Development Goals by ICMA: <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/mapping-to-the-sustainable-development-goals/>

Eligible Social Project Category	Alignment with SDGs ²	Eligibility Criteria and Examples
		<ul style="list-style-type: none"> ○ Consumption loans for registered poverty-stricken populations ○ Poverty alleviation loan
Access to essential services (Education)		<ul style="list-style-type: none"> • Construction of public education infrastructure • Projects to provide targeted support and scholarship programs to local poverty-stricken students • Career training loans to targeted populations, such as people living below the poverty line and the unemployed, etc.
Access to essential services (Healthcare services)		<ul style="list-style-type: none"> • Construction of public medical infrastructure • Procurement of public medical equipment and pharmaceutical supplies • Production of public medical supplies and equipment • Loans or other financial support to small and micro enterprises facing financial stress as a result of preventive measures (social distancing) and/or the general economic downturn caused by pandemics
Affordable basic infrastructure		<ul style="list-style-type: none"> • Clean drinking water facilities • Basic rural living facilities, such as rural biogas, development of renewable energy power grids in rural area, rural garbage collection, sorting and treatment.
Affordable housing		<ul style="list-style-type: none"> • Social housing programs such as public rental housing • Social housing programs are defined by local governments or regulatory agencies

➤ Exclusion

The Framework includes a list of excluded sectors or projects for use of proceeds. The following examples are excluded from Eligible Project categories:

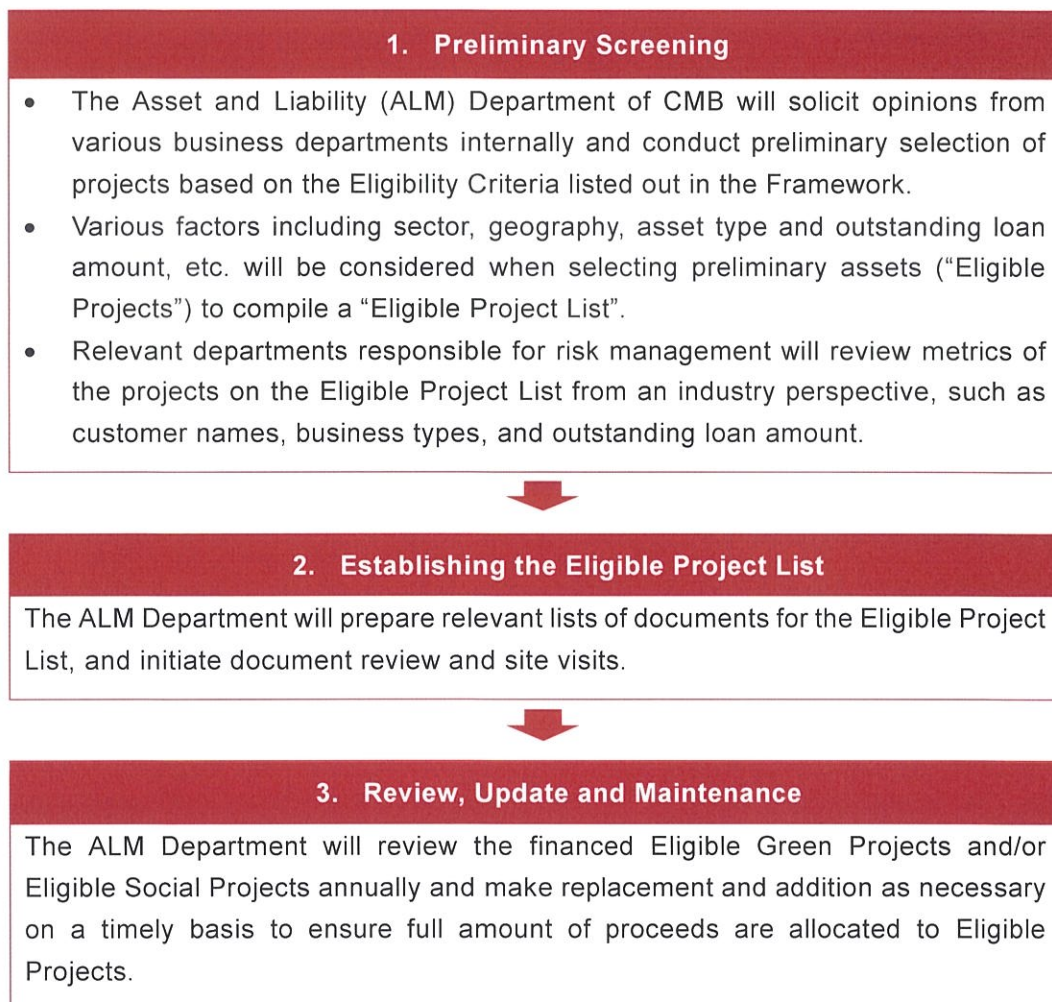
- Sectors which are prohibited by laws and regulations in China, such as child labor, gambling industry, adult entertainment and corporations which are in association with illegal activities
- Distillation, rectification and mixed alcoholic beverages

- Production and trade of tobacco and tobacco products
- Weapon and ammunition
- Nuclear energy and nuclear related assets
- Mining and quarrying
- All fossil fuel-related assets and activities, such as clean coal projects and rail projects carrying fossil fuels
- Commercial lumbering in primary tropical rainforest
- Unsustainable forest wood production and trade

(Please refer to the Framework for a full list of excluded use of proceeds)

3.2 Process for Project Evaluation and Selection

CMB understands that ensuring whether the eligibility of the financed projects is aligned with the eligibility criteria set out in the Framework is critical. We strictly follow standardised procedures as outlined in the Framework to evaluate and select potential projects. Procedures include:



3.3 Management of Proceeds

During the outstanding period of each GSS bond, the ALM Department of CMB Head Office and the Treasury Department of the bond-issuing branch will dynamically manage the proceeds.

The ALM Department sets up project management ledgers for eligible projects and is responsible on updating project information in the ledgers regularly and on a timely basis.

If a material event occurred to an Eligible Project during the bond tenor, relevant line departments will formulate a remediation plan with the ALM Department; if there are no material changes, relevant line departments will provide updated information on Eligible Projects to the ALM Department on an annual basis.

The ledger includes the following information:

- Transaction information
- Proceeds allocation information
 - Project background of various Eligible Projects allocated
 - Amount allocated to the Eligible Projects
 - Amount of unallocated proceeds
 - Use of unallocated proceeds

Any proceeds that are temporarily unallocated to Eligible Projects will be held and managed by the ALM Department in accordance with CMB's liquidity management policy. CMB is committed that no temporarily unallocated proceeds will be invested in the industries and activities in the exclusion list as described above.

3.4 Reporting

CMB will publish annual reports regarding the proceeds allocation of its GSS bond(s) on CMB official website. The report will contain information on the allocation of the proceeds (such as amount of proceeds to be allocated, any temporary treatment, project examples) and expected environmental benefits of the Eligible Projects on an annual basis.

3.5 External Review

CMB has engaged Ernst & Young Hua Ming LLP for independent review and assurance services for pre-issuance and post-issuance to ensure the alignment with the GBP, SBP, and SBG. Assurance reports on the use of proceeds are provided accordingly. The external assurance report will be publicly available on CMB official website.

4. Allocation of Proceeds

4.1 Proceeds Allocation Overview

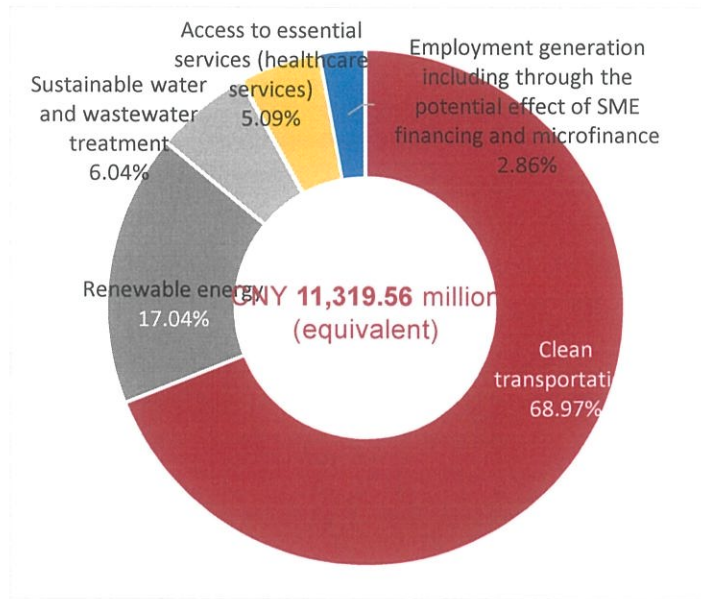
For the year ended 31 December 2021, the total net proceeds raised by GSS bonds, amounting to CNY **11,319.56** million (equivalent), have been fully allocated to Eligible Projects. No remaining balance of unallocated proceeds at the reporting period end.

Bonds	Hong Kong Branch 2020 Green Bond	Luxembourg Branch 2020 Sustainability Bond	Luxembourg Branch 2021 Green Bond	Luxembourg Branch 2021 Sustainability Bond	Total
Total net proceeds (million CNY equivalent)	5,424.06	2,029.41	1,928.60	1,937.49	11,319.56
Allocated amount (million CNY equivalent)	5,424.06	2,029.41	1,928.60	1,937.49	11,319.56
Unallocated proceeds (CNY equivalent)	0	0	0	0	0

4.2 Proceeds Allocation Breakdown by Project Category

An amount equivalent to the total net proceeds has been allocated to 176 projects that fall under five Eligible Project categories, namely clean transportation, access to essential services, renewable energy, sustainable water and wastewater treatment, employment generation including through the potential effect of SME financing and microfinance, as defined in the Framework. Detailed information of proceeds allocation by Eligible Project category is presented below:

GSS Bonds Proceeds by Eligible Projects

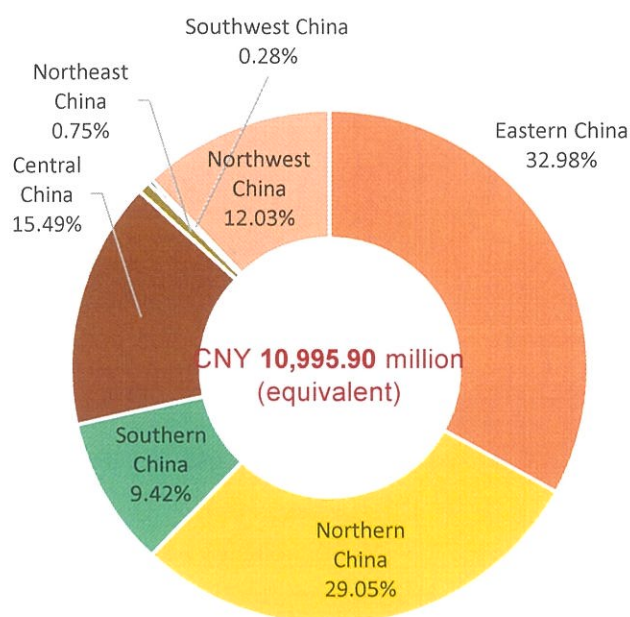


Bonds Issued	No. of Projects	Project Category	Allocated Amount (CNY million)	Proportion
Hong Kong – 2020 Green Bond	7	Clean transportation (Metro projects)	5,424.06	47.92%
Luxembourg – 2020 Sustainability Bond	1	Clean transportation (Metro projects)	1,453.38	12.84%
	5	Access to essential services (Healthcare services)	576.03	5.09%
Luxembourg – 2021 Green Bond	5	Renewable Energy	1,928.60	17.04%
Luxembourg – 2021 Sustainability Bond	1	Clean transportation	930.00	8.22%
	1	Sustainable water and wastewater treatment	683.83	6.04%
	156	Employment generation including through the potential effect of SME financing and microfinance	323.66	2.86%
TOTAL	176	-	11,319.56	100.00%

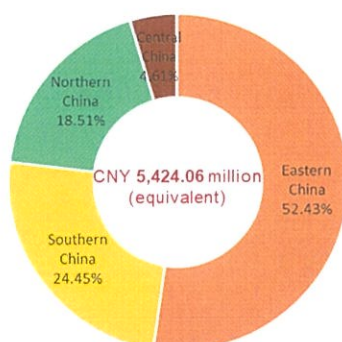
4.3 Proceeds Allocation Breakdown by Project Location

The total net proceeds from CMB GSS Bonds have been fully allocated to the projects in mainland China. Detailed information of proceeds allocation by project location is presented below:

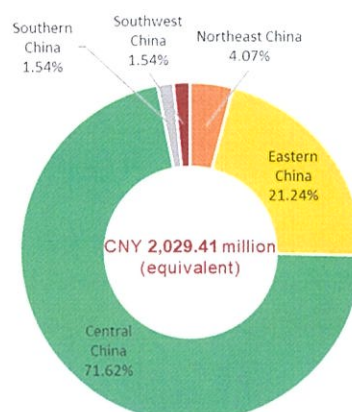
GSS Bond Proceeds Allocation by Project Location³



2020 Green Bond Proceeds Allocation by Project Location

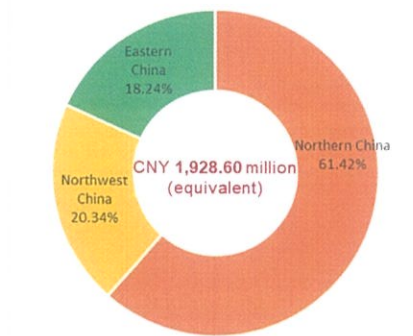


2020 Sustainability Bond Proceeds Allocation by Project Location

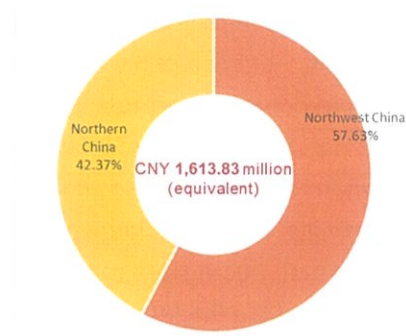


³ Social projects in 2021 sustainability bond are not included

2021 Green Bond Proceeds Allocation by Project Location



2021 Sustainability Bond - Green Eligible Projects Proceeds Allocation by Project Location



No. of Projects	Location	Allocated Amount (CNY million)	Proportion
6	Eastern China	3,626.75	32.98%
6	Northern China	3,194.90	29.05%
2	Central China	1,703.38	15.49%
2	Northwest China	1,322.30	12.03%
2	Southern China	1,035.27	9.42%
1	Northeast China	82.50	0.75%
1	Southwest China	31.20	0.28%
20	-	10,995.90	100.00%

5. Environmental and Social Benefits of Projects Financed

Summary of Environmental & Social Benefits of Projects Financed Impact Reporting

The environmental impact	The social impact
Due to the considerations of confidentiality for our loan clients, the environmental impact results of the Green projects are disclosed on a portfolio basis. For each of the indicators in the table, the project-by-project results include only the pro-rated share (as a percentage of the issuer's share of the total financing) of the total projects' results; these individual pro-rata project impacts are then aggregated to indicate the overall impact of the funded projects in a certain category.	/
The environmental impact is calculated as:	The social impact is evaluated as:
For Renewable Energy Projects, the environmental impact is calculated based on the UNFCCC CDM methodology ACM 0002 Grid-connected electricity generation from renewable sources (version 20.0).	For employment generation, the mainly social impact is employment generation through providing loan to micro, small and medium-sized enterprises (Micro-SMEs).
For Wastewater Treatment Projects, the environmental impact is calculated based on the capacity of the treatment effectiveness (wastewater treatment = treatment capacity of the facility (influent quality - effluent quality)).	For access to essential services (healthcare services), the mainly social impact is to provide hospital beds and serve patients.
For Clean Transportation Projects, the environmental impact is calculated based on ACM0016 Mass rapid transit projects (version 5.0).	

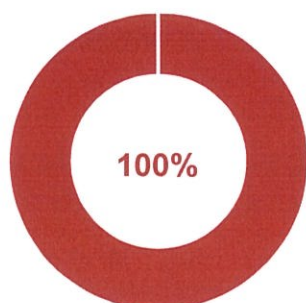
Below show the expected environmental and social impacts in detail.

Bonds	Environmental Impact	Social Impact
2020 Green Bond	Provided CNY 5,424.60 million to finance 7 metro projects	
	Helped reduce 233,776 CO₂e tons of GHG emission per year	

2020 Sustainability Bond	<p>Provided CNY 1,453.38 million to finance 1 metro project</p> <p>Supported a carrying capacity of 141.62 million passengers per year</p> <p>Helped reduce 37,558 CO₂e tons of GHG emission per year</p>	<p>Provided CNY 576.03 million to finance 5 hospital expansion and relocation projects</p> <p>Hospitals with a total floor area of 634,769 m² provided 3,828 beds</p> <p>Allowed a total serving capacity of 13,985 patients per day</p>
2021 Green Bond	<p>Provided CNY 1,928.60 million to finance 5 renewable projects</p> <p>Helped reduce 3,686,196 CO₂e tons of GHG emission per year</p>	
2021 Sustainability Bond	<p>Provided CNY 930.00 million to finance 1 metro project</p> <p>Supported a carrying capacity of 472.53 million passengers per year</p> <p>Helped reduce 125,315 CO₂e tons of GHG emission per year</p> <p>Provided CNY 683.83 million to finance 1 water treatment project</p> <p>Reduced COD 59,600 tons per year, BOD₅ 33,900 tons per year, SS 33,900 tons per year, NH₃-N 5,300 tons per year, TP 700 tons per year</p>	<p>Provided CNY 323.66 million to finance 156 micro and small-sized enterprises projects</p> <p>Generated 6,088 employments</p>

5.1 Hong Kong Branch 2020 Green Bond

Clean Transportation



Proceeds allocated:

CNY 5,424.60 million

Major impacts:

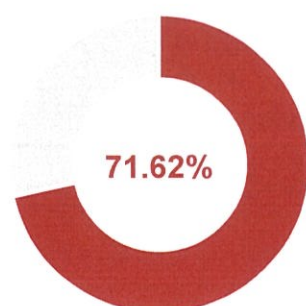
- ✓ Support 7 metro systems with a total of 226.89km and 116 stations
- ✓ Supported a carrying capacity of 881.51 million passengers per year
- ✓ Reduce or avoid 233,776 ⁴ tons of greenhouses gas emission per year, in carbon dioxide equivalent (CO₂e)

A Rail Transit Line 3 Phase I Project

A Rail Transit Line 3 located in Henan Province, China. It started operating on 26 December 2020. The total length of the line is 25.488km providing 21 stations to cater a carrying capacity of 127.75 million passengers yearly as reported. The expected annual CO₂ reduction is 33,879 tons. CMB offered loan to this project accounting for approximately 3.13% of the total project investment, which is expected to contribute for 1,059 tons/year of CO₂e reduction.

5.2 Luxembourg Branch 2020 Sustainability Bond

Clean Transportation



Proceeds allocated:

CNY 1,453.38 million

Major impacts:

- ✓ Supported 1 metro system construction with a total of 29.29km and 27 stations
- ✓ Supported a carrying capacity of 141.62 million passengers
- ✓ Reduce or avoid 37,558 ⁵ tons of greenhouses gas emission per year, in carbon dioxide equivalent (CO₂e)

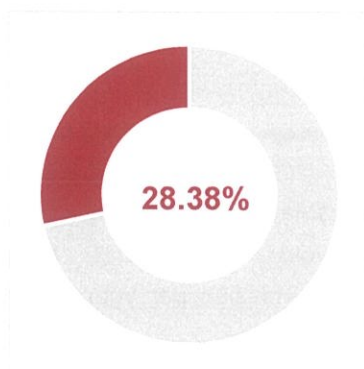
A Rail Transit Line 4 Project

A Rail Transit Line 4 located in Henan Province, China. It started operating on 26 December 2020. The total length of the line is 29.287km providing 27 stations to cater a carrying capacity of 141.62 million passengers yearly as reported. The expected annual CO₂ reduction is 37,558 tons. CMB offered loan to this project accounting for approximately 8.31% of the total project investment, which is expected to contribute for 3,119 tons/year of CO₂ reduction.

⁴ Calculated by the whole projects, not the loan percentage.

⁵ Calculated by the whole projects, not the loan percentage.

Access to Essential Services (Healthcare Services)



Proceeds allocated:

CNY 576.03 million

Major impacts:

- ✓ A total floor area of 634,769 m²
- ✓ Provide 3,828 hospital beds
- ✓ Allow a total serving capacity of 13,985 patients per day

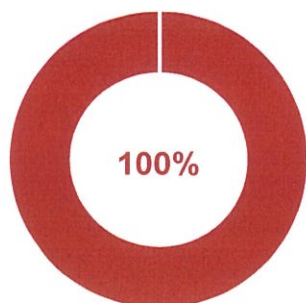
The Relocation Project of a hospital'

The hospital is located in Jiangsu province, China. The hospital has a total floor area of 194,219m² and is currently providing 1,128 beds after relocation and expansion. As of December 2021, the hospital served 651,418 patients annually (i.e. 1,785 patients per day on average). The project has largely enhanced the quality of healthcare services locally and provided advanced medical support to the citizens in the City.



5.3 Luxembourg Branch 2021 Green Bond

Renewable Energy



Proceeds allocated:

CNY 1,928.60 million

Major impacts:

- ✓ Support 5 renewable energy projects
- ✓ Reduce or avoid 3,686,196 ⁶ tons of greenhouses gas emission per year, in carbon dioxide equivalent (CO₂e)

Wind Power Project

A wind power project located in Shandong Province of Eastern China. The project, with total capacity of 100 MW, consists of 40 wind turbines with per capacity of 2,500 kW. The electricity generation of the project is about 216,529 MWh annually, which will result in the CO₂ emissions reduction about 95,424 tons/year. The Bank's loan to this project accounted for approximately 45.76% of the total project investment, which is expected to reduce CO₂ by 43,665 tons/year.

5.4 Luxembourg Branch 2021 Sustainability Bond

Clean Transportation



Proceeds allocated:

CNY 930.00 million

Major impacts:

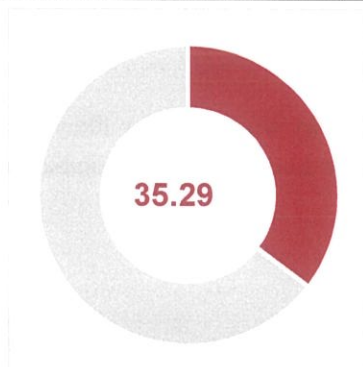
- ✓ Supported 1 metro system construction with a total of 6.9km and 4 stations
- ✓ Reduce or avoid 125,315 tons of greenhouses gas emission per year, in carbon dioxide equivalent (CO₂e)

A Metro Project

A metro project located in Shaanxi Province of Northwest China. The total length of the metro is 6.9 km with 4 stations, and the expected capacity of this project is 472.53 million passengers/year in primary stage. This project is expected to reduce CO₂ by 125,315 tons/year. The Bank's loan to this project accounted for approximately 18.60% of the total project investment, which is expected to reduce CO₂ by 23,309 tons/year.

⁶ Calculated by the whole projects, not the loan percentage.

Sustainable water and wastewater treatment



Proceeds allocated:
CNY 683.83 million

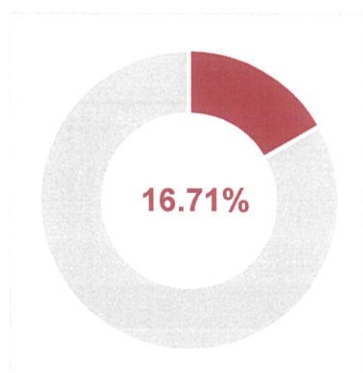
Major impacts:

- ✓ Reduce COD 59,600 tons per year, BOD₅ 33,900 tons per year, SS 33,900 tons per year, NH₃-N 5,300 tons per year, TP 700 tons per year⁷

A Water Treatment Project

A sewage treatment project located in Shanxi Province of Northern China. The project built a sewage treatment plant with total treatment capacity of 320,000 m³/day. The direct reduction of pollutants of the sewage treatment project is as follows: COD 59,600 tons/year, BOD₅ 33,900 tons/year, SS 33,900 tons/year, NH₃-N 5,300 tons/year, TP 700 tons/year. The Bank's loan to this project accounted for approximately 27.95% of the total project investment, which is expected to reduce COD 16,657 tons/year, BOD₅ 9,474 tons/year, SS 9,474 tons/year, NH₃-N 1,481 tons/year, TP 196 tons/year.

Employment generation including through the potential effect of SME financing and microfinance



Proceeds allocated:
CNY 323.66 million

Major impacts:

- ✓ Support 156 Micro and Small sized enterprises
- ✓ Provide 6,088 jobs

Micro and Small Sized Enterprises

The main social impact of the eligible social projects is employment generation through providing loan to 156 micro and small-sized enterprises in China⁸. The eligible social projects provide 6,088 employment in China.

⁷ Calculated by the whole projects, not the loan percentage.

⁸ For the definition of micro and small-sized enterprise in China, refer to National Bureau of Statistics No.213/2017, *The Statistical Classification of Micro, Small, Medium and Large Enterprises (2017)*



Appendix I: September 2020 Green Bond

On 2 September 2020, CMB Hong Kong Branch issued a green bond. For the year ended 31 December 2021, all net proceeds of this bond have been used to finance eligible projects related to clean transportation.

Table I-1 Detailed Information

ISIN Code	Tenor (year)	Coupon Type	Amount (USD million)	Net Amount (USD million)	FX Rate	Net CNY Equivalent Amount (CNY million)
XS2227827321	5	Fixed	800	793.79	6.8331	5,424.06

Table I-2 Proceeds Allocation in Terms of Category

Category	Allocated Amount (CNY million)	Number of Projects	Proportion
Clean transportation	5,424.06	7	100.00%
Total	5,424.06	7	100.00%

Table I-3 Proceeds Allocation in Terms of Location

Location	Allocated Amount (CNY million)	Number of Projects	Proportion
Eastern China	2,844.03	3	52.43%
Southern China	1,326.09	2	24.45%
Northern China	1,003.94	1	18.51%
Central China	250.00	1	4.61%
Total	5,424.06	7	100.00%

Table I-4 Environmental Impacts

Category	Environmental Impacts
Clean transportation	GHG emissions reduced (CO ₂ e tons) per year
	233,776
	GHG emissions reduced (CO ₂ e tons) by loan percentage per year
	8,125



Appendix II: September 2020 Sustainability Bond

On 22 September 2020, CMB Luxembourg Branch issued a sustainability bond. For the year ended 31 December 2021, all net proceeds of this bond have been used to finance eligible projects related to access to essential services (healthcare services).

Table II-1 Detailed Information

ISIN Code	Maturity (year)	Coupon Type	Amount (USD million)	Net Amount (USD million)	FX Rate	Net CNY Equivalent Amount (CNY million)
XS2232108055	3	Fixed	300	297.91	6.8121	2,029.41

Table II-2 Proceeds Allocation in Terms of Category

Category	Allocated Amount (CNY million)	Number of Projects	Proportion
Clean transportation	1,453.38	1	71.62%
Access to essential services (healthcare services)	576.03	5	28.38%
Total	2,029.41	6	100.00%

Table II-3 Proceeds Allocation in Terms of Location

Location	Allocated Amount (CNY million)	Number of Projects	Proportion
Central China	1,453.38	1	71.62%
Eastern China	431.00	2	21.24%
Northeast China	82.50	1	4.07%
Southern China	31.33	1	1.54%
Southwest China	31.20	1	1.54%
Total	2,029.41	6	100.00%

Table II-4 Environmental Impacts

Category	Environmental Impacts
Clean transportation	GHG emissions reduced (CO ₂ e tons) per year
	37,558
	GHG emissions reduced (CO ₂ e tons) by loan percentage per year
	3,119



Appendix IV: August 2021 Sustainability Bond

On 25 August 2021, CMB Luxembourg Branch issued a sustainability bond. For the period from 1 September 2021 to 31 December 2021, all net proceeds of this bond have been used to finance eligible projects related clean transportation, sustainable water and wastewater treatment and employment generation including through the potential effect of SME financing and microfinance.

Table IV-1 Detailed Information

ISIN Code	Maturity (year)	Coupon Type	Amount (USD million)	Net Amount (USD million)	FX Rate	Net CNY Equivalent Amount (CNY million)
XS2379392124	2	Fixed	300	299.55	6.4680	1,937.49

Table IV-2 Proceeds Allocation in Terms of Category

Category	Allocated Amount (CNY million)	Number of Projects	Proportion
Clean transportation	930.00	1	48.00%
Sustainable water and wastewater treatment	683.83	1	35.29%
Employment generation including through the potential effect of SME financing and microfinance	323.66	156	16.71%
Total	1,937.49	158	100.00%

Table IV-3 Proceeds Allocation of Eligible Green Projects in Terms of Location

Location	Allocated Amount (CNY million)	Number of Projects	Proportion
Northwest China	930.00	1	57.63%
Northern China	683.83	1	42.37%
Total	1,613.83	2	100.00%

Table IV-4 Proceeds Allocation of Eligible Social Projects in Terms of Sector

Sector	Allocated Amount (CNY million)	Number of Projects	Proportion
Construction industry	194.30	105	60.03%

Manufacturing	50.59	16	15.63%
Water, environment and utilities management	40.39	14	12.48%
Scientific research and technical services	24.68	11	7.62%
Production and supply of electricity, heat, gas and water	12.91	8	3.99%
Agriculture, forestry, farming and fishery	0.79	2	0.25%
Total	323.66	156	100.00%

Table IV-5 Environmental Impacts

Category	Environmental Impacts
Clean transportation	GHG emissions reduced (CO ₂ e) tons per year
	125,315
	GHG emissions reduced (CO ₂ e tons) by loan percentage per year
	23,309
Sustainable water and wastewater treatment	Reduced COD 59,600 tons, BOD ₅ 33,900 tons, SS 33,900 tons, NH ₃ -N 5,300 tons, TP 700 tons per year
	Reduced COD 16,657 tons, BOD ₅ 9,474 tons, SS 9,474 tons, NH ₃ -N 1,481 tons, TP 196 tons by loan percentage per year

Table IV-6 Social Impacts

Category	Social Impacts
Employment generation including through the potential effect of SME financing and microfinance	Numbers of jobs 6,088

China Merchants Bank

28 March 2022

