Ping An of China Asset Management Fund –

China Green Bond Fund

Annual Green Impact Report

2021-2022

PING AN
Expertise Creates Value

35th
1988-2023

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平安海外控股
PING AN OVERSEAS HOLDINGS

中国平安资产管理（香港）
PING AN OF CHINA ASSET MANAGEMENT (HONG KONG)

Risk Disclosure

- Ping An of China Asset Management Fund - China Green Bond Fund (the “Fund”) primarily invests in international standard aligned green bonds (i.e. those which follow Green Bond Principles of the International Credit Market Association) issued by China issuers via the Bond Connect and/or a RQFII channel, and other emerging market issuers with the aim to promote green financing, bring upon advancement in environmental friendly investments and social awareness in emerging market countries.
- The Fund may invest in (i) debt securities rated below investment grade or unrated; (ii) fixed-income securities with loss absorption features which are subject to the risk of being written down or converted to ordinary shares upon the occurrence of trigger events resulting in a significant or total reduction in value; and (iii) asset-backed securities and mortgage-backed securities, all of which are typically subject to higher default, volatility and liquidity risks. The Fund is also subject to other risks associated with debt securities (e.g. interest rate, credit rating and downgrading, valuation, convertible bond and urban investment bond risks) and is exposed to risks relating to securities lending, over-the-counter sale and repurchase and/or reverse repurchase transactions.
- The Fund’s investments are concentrated in green fixed income instruments predominantly issued in China which is an emerging market. The Fund may underperform funds that do not focus on green fixed income instruments, and may be more volatile than a fund with a more diverse portfolio. The Fund is also subject to RMB and PRC tax risks.
- The Fund may use derivatives for investment, hedging and efficient portfolio management purposes. Use of derivatives may expose the Fund to significant losses.
- There is no guaranteed dividend payment. Distribution may be paid out of capital which amounts to a return or withdrawal of part of the amount of an investor’s original investment or from any capital gains attributable to that original investment and may result in an immediate decrease in the NAV per share.
- The investment decision is yours. You should not base your investment decision on this report alone. Please refer to the Fund’s Hong Kong Offering Documents for further details, including the risk factors.

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ABOUT THIS REPORT

Scope of the Report

Reporting scope: The China Green Bond Fund (the "Fund") is the sub-fund of the Ping An of China Asset Management Fund, a Luxembourg société d'investissement à capital variable (investment company with variable capital) established in the form of a société anonyme (public limited liability company) under part I of the Luxembourg law of 17 December 2010 on undertakings for collective investment, as amended, and managed by Ping An of China Asset Management (Hong Kong) Company Limited ("PAAMC").

Reporting period: From 1 October 2021 to 30 September 2022.

Reporting cycle: The report is released annually.

Compilation Principles of the Report

The report is compiled in accordance with the Environmental, Social and Governance Reporting Guide of the Stock Exchange of Hong Kong Limited and by reference to Global Reporting Initiative (GRI) Sustainability Reporting Standards.

Data of the Report

The financial data in the report was extracted from the custodian report of the Fund, which went through independent audits. Other data came from the internal systems of PAAMC or manual collection. Unless otherwise specified, the reporting currency is in USD.

Release Form of the Report

The report is released electronically on PAAMC website and/or is available by request.

INTRODUCTION TO PING AN

Ping An Insurance (Group) Company of China, Ltd. ("Ping An" or the "Group") attaches great importance to climate-related opportunities and risk. To help fulfill China's emission peak and carbon neutrality goals, Ping An is scaling up its green finance initiative, leveraging on its comprehensive financial services, amplifying the impact of green insurance, green investment, and green credit, and taking active measures to support green development. The Group has set a goal to achieve peak carbon emissions in its operations by 2030 and carbon neutrality at the portfolio level by 2060.

In 2019, Ping An became the first China asset owner to sign the United Nations Principles for Responsible Investment ("UNPRI"). In the same year, the Group became the first financial institution in China to disclose environmental information for the first time in accordance with the framework proposed by the Taskforce on Climate-Related Financial Disclosure ("TCFD") of the G20 Financial Stability Board (FSB).

Through 2020 to 2021 Ping An continually spearheaded efforts in green finance and enhanced international cooperation. During the period, Ping An became the first Chinese asset owner signatory to Climate Action 100+ , an investor led initiative to ensure corporate GHG emitters take action on climate change. In the same year, Ping An became the first company in Mainland China to become a signatory of the Principles for Sustainable Insurance ("PSI"), a framework under the United Nations Environment Programme Finance Initiative (UNEP FI). In 2022, Ping An's efforts in ESG was affirmed by international ESG rating agencies: MSCI upgraded the ESG rating of Ping An to A from BBB, ranking Ping An the first in multi-line insurance & brokerage industry in APAC. Similarly, Sustainalytics upgraded Ping An's risk rating to 18.3 from 19.1, the best score among Mainland China's insurance companies.

To further align its goals and uphold its responsibility as a leading investor in China, Ping An formulated a Green Finance Strategy for the 14th Five-Year Plan, under which the Group aims to achieve the overall targets of RMB 400 billion in green investment and credits in addition to RMB250 billion of green insurance premiums. As of 30 September 2022, Ping An's green investment and financing totaled approximately RMB319.8 billion, and its green banking business totaled RMB184.2 billion. By integrating the concept of sustainable development into corporate development strategies, Ping An has established a scientific and professional management system for sustainable development, which combined with the overall risk management system of the Group, has shaped a scientific corporate governance model that serves to improve Ping An's risk prevention and ESG value.

At the heart of the Group is the emphasis on people. This extends beyond the immediate organization. Through the Ping An Rural Communities Support program, the Group has provided nearly RMB50 billion for poverty alleviation and industrial revitalization as of 30 September 2022, to support village officers, doctors and teachers for betterment of rural regions in China.

These initiatives and goals represent the Group's long-term commitment to responsible investment, a responsibility that Ping An uphold to all our stakeholders - clients, investors, peers, and local communities. Ping An believes contributing and playing an active role in the evolution of ESG will create a positive feedback cycle, and ultimately support a sustainable business model with superior corporate value in the long-run.

Quick Facts - UNPRI

Pledge to the 6 UNPRI principles of Responsible Investment:

1. We will incorporate ESG issues into investment analysis and decision-making processes.
2. We will be active owners and incorporate ESG issues into our ownership policies and practices.
3. We will seek appropriate disclosure on ESG issues by the entities in which we invest.
4. We will promote acceptance and implementation of the Principles within the investment industry.
5. We will work together to enhance our effectiveness in implementing the Principles.
6. We will each report on our activities and progress towards implementing the Principles.

Quick Facts - TCFD

The TCFD will develop voluntary, consistent climate-related financial risk disclosures for use by companies in providing information to investors, lenders, insurers, and other stakeholders.

The Task Force will consider the physical, liability and transition risks associated with climate change and what constitutes effective financial disclosures across industries. The work and recommendations of the Task Force will help companies understand what financial markets want from disclosure in order to measure and respond to climate change risks, and encourage firms to align their disclosures with investors' needs.

Quick Facts - Climate Action 100+

- An investor led initiative to improve climate change governance, cutting emissions and strengthening climate-related financial disclosures.
- Has over 700 investors responsible for over USD68 trillion in assets under management and is the largest global investor engagement initiative on climate change.
- The work is coordinated among five regional investor networks: Asia Investor Group on Climate Change, Ceres, Investor Group on Climate Change, Institutional Investors Group on Climate Change, and Principles for Responsible Investment.

Quick Facts - Principles for Sustainable Insurance

- Launched in 2012 at the UN Conference on Sustainable Development.
- Serves as a global practice framework for the insurance industry to address ESG risks and opportunities.
- Part of the insurance industry criteria of the Dow Jones Sustainability Indexes and FTSE4Good Index.
- Over 140 signatories worldwide have adopted the PSI including insurers representing over 33% of world premium volume and USD15 trillion in assets under management.

SUSTAINABLE BUSINESS DEVELOPMENT AND OPERATION

Ping An's insurance, banking and asset management businesses are fully committed to sustainable insurance and responsible investment strategy. Taking climate change and environmental performance as one of the core considerations for investment decision making:

- Ping An is committed to avoid providing additional loans, insurance guarantee or other services for high pollution and high-energy consumption industries and those damaging the environment wherever possible.
- Ping An is active in supporting clean-energy and eco-friendly industries, driving the development of clean and green projects. Ping An also supports transitional technologies which provide significant energy and carbon efficiency improvement throughout the industrial supply chain.
- As a firm with significant presence within and outside of China, Ping An strives to reduce our own carbon footprint via efficiency enhancement initiatives across businesses and functions, often with the help of Ping An's big data analysis capability. Ping An also prefers to engage with business partners and vendors who share the same vision in raising environmental awareness.
- Ping An is proactive in responding to the initiative of the G20 Financial Stability Board, and completed an overall assessment of climate change risks under the framework of the TCFD.
- In accordance with the Green Bond Principles (2018) published by International Capital Market Association ("ICMA") (note) Green Bond Principles ("GBP"), and Climate Bonds Standard V3.0 published by Climate Bonds Initiative ("CBI"), Ping An launched one of the first Undertaking for Collective Investment in Transferrable Securities (UCITS) compliant China Green Bond Funds in 2019, to serve as an investment vehicle for ESG-conscious institutions and individual investors who want to raise their allocation to the fastest growing green bond market and maximize environmental impact.
- The Fund is managed dynamically with the aim to deliver positive alpha, while striving to align its investment portfolio to be consistent with the 2 degrees Celsius warming limit. To achieve its green focus, the Fund abides by the Climate Bonds Taxonomy maintained by CBI and seeks assurance from well-recognized verifiers and/or second party opinion providers throughout the life cycle of the invested green bonds.

Quick Facts - ICMA

ICMA is a non-profit global membership association with over 600 members of capital markets practitioners e.g. issuers, banks and securities houses, asset managers, investors and others. Through its committees, ICMA brings together members from all sectors of the wholesale and retail debt securities markets to facilitate ideas exchange and development of market best practices, foster industry standards and provide assistance to members on regulatory changes, etc. ICMA's work focuses on four core fixed income market areas – primary; secondary; repo and collateral; and green, social and sustainable.

Quick Facts – Climate Bonds Taxonomy

The Climate Bonds Taxonomy is an industry specific classification of eligible green assets / activities which provide positive environmental impact that is consistent with the 2 degree Celsius warming limit under the Paris Agreement. It has been developed based on the latest climate science including research from the Intergovernmental Panel on Climate Change (IPCC) and the International Energy Agency (IEA). It can be used by any entity looking to identify which assets and activities, and associated financial instruments, are compatible with a trajectory to net zero by 2050.

https://www.climatebonds.net/files/files/Taxonomy/CBI_Taxonomy_Tables-08A%20%281%29.pdf

OUR MISSIONS AND METHODOLOGY

Missions

As one of the flagship products of our overseas asset management business, PAAMC has proudly launched its first China focused Green Bond Fund in November 2019, with adherence to the ICMA Green Bond Principles. In 2021, the Fund was awarded ESG Fixed Income Fund of the Year by Environmental Finance. The Fund has grown healthily in its size and asset diversity since its first anniversary and is approaching its third successful year as we write. As a testament to PAAMC's ongoing efforts in ESG, PAAMC was honored with the ESG Leading Enterprise Awards by Bloomberg Businessweek in 2022 for a second consecutive year.

We are pleased to present our 2022 annual Green Impact Report for the Fund with the aim to provide investors transparency and quantifiable environmental impacts of their investment in our Fund. Information of some of the underlying projects are also highlighted in order to demonstrate our investment preferences, illustrate some of the calculation assumptions we have adopted, and to facilitate better understanding of the various green sectors.

Methodology

This report refers to the fixed income investment within the Fund, which amounted to USD 85.1 million as of 30 September 2022. This report aims to provide detailed information based on our best effort, of environmental benefits ("green impact") generated or committed by the underlying projects of the green bond issuers.

Impact data is extracted from the sustainability, ESG reports, and/or impact reports of the issuers and/or their engaged second opinion providers. As reporting cycles can vary among different issuers and are mostly completed in early second quarter of the following year; annual data cited in this report could be over various timeframes, but mostly representing the reporting period of 2021 full year or in some cases into early 2022 cut off.

The approach presented in this report is governed by the Ping An Green Investment Framework ("PAGIF") which was developed with reference to the ICMA Handbook on Harmonized Impact Reporting (refer to Appendix 1 for detailed PAGIF methodology and assumptions). Going forward, the PAGIF will be regularly reviewed and enhanced as market practices and standards continue to advance and evolve.

During the reporting period from October 2021 to September 2022, at least USD71.9 million of the fixed income investments within the Fund were aligned with the CBI selection criteria, representing at least 84% of the Fund investments; including those with a green label and a pending status from CBI, the proportion would be at least 91%. The CBI-aligned green bonds within the Fund represents around 0.019% of the market value of the USD investment grade China bond universe[1].

Note:

(1) Market value of investment universe is represented by the Bloomberg Asia Ex-Japan USD Credit China IG Index (I29382 Index) as of 30 September 2022.

GREEN BOND EXPOSURES & PROJECTS FUNDED[2]

Total USD85,146,767
deployed in green

55
green bonds

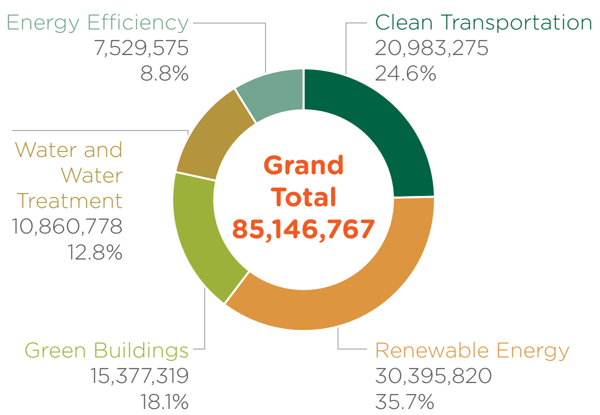
52
green issuers

1,135
green projects supported

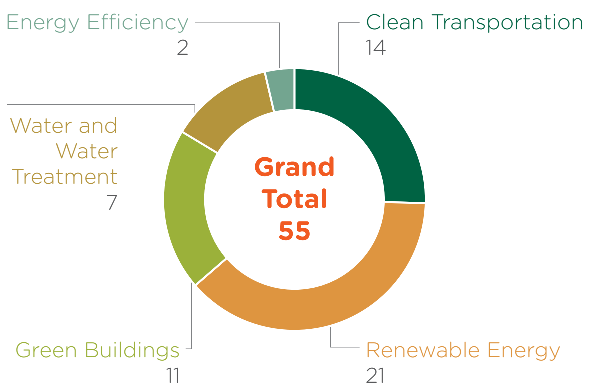
19
countries/regions benefited

17 out of 17
Sustainable Development Goals covered[3]

Distribution by Market Value (USD)



Distribution by no. of Bonds



Note:

(2) As of 30 September 2022.

(3) For the 17 Sustainable Development Goals, please refer to Appendix 3 of the document.

OUR GREEN IMPACTS
(prorated to our fund exposures)

01

As of 30 September 2022, the Fund has been deployed **into 55 eligible green bonds** across a broad range of industries, with underlying projects benefiting over **19 countries and/or regions across both developed and developing economies.**

02

Investment proceeds are being channeled into over **1,135 projects**, proliferating long term environmental as well as social and economic impact for the local communities.

03

The Fund is estimated to have facilitated **additional 182MW of renewable energy capacity**, which generated **total power of 80,800 MWh in a year**, equivalent to **powering 14,688 average households in China** (4). This compares to 161MW of renewable energy capacity added in the previous reporting period.

04

The power generated out of clean energy and savings from efficiency improvement projects have reduced the carbon footprint in our atmosphere by **59,832 tons of CO2 per annum**, equivalent to over **13,007 fossil fuel passengers' cars removed** from the road for a year (5). This compares to a reduction in CO2 per annum of 54,572 tons in the previous reporting period.

05

Sewage treatment facilities were funded, with capacity capable of **purifying 1,011 cubic meters of polluted water per day**, removing toxic substances and nitrogen content before releasing it into our ocean. This compares to a 39,235 cubic meters of treated water or sewage in the previous reporting period.

06

Railway of length around 4,738 kilometers were funded and/or supported through some of our green bond investment, providing clean and energy efficient mass transportation to a **population over 5.67 million** in less developed regions e.g. north and west China. This compares to a railway length of around 2,316 kilometers in the previous reporting period.

07

111 green buildings projects are funded via the green bond exposures of **11 issuers that are involved in property development**. Energy efficient new homes and offices, with total solutions on waste and sewage treatments, renewable energy powered communities are being constructed for our next generation. This compares to 257 green building projects in the previous reporting period.

Note:

(4) Estimated based on average per capita electricity consumption in China as of 2020 at 5,501kWh.
Source - https://www.ceicdata.com/en/china/electricity-summary/cn-electricity-consumption-per-capita-average

(5) Estimated based on average emission of 4.6 metric tones of CO2 per gasoline passenger car per annum.
Source - https://www.epa.gov/greenvehicles/greenhouse-gas-emissions-typical-passenger-vehicle

OUR GREEN IMPACTS
(Reported projects level)

7 AFFORDABLE AND CLEAN ENERGY

Energy

ENSURE ACCESS TO AFFORDABLE RELIABLE, SUSTAINABLE AND MODERN ENERGY FOR ALL

33.4 GW
Total installed renewable energy capacity

13,973 GWh
Power generated per year

Mainland China, Hong Kong SAR, South Korea, Singapore, India, Indonesia, Japan, Philippines, Pakistan, Taiwan region, Thailand, etc.
Countries / regions covered

13 CLIMATE ACTION

Carbon Reduction

TAKE URGENT ACTION TO COMBAT CLIMATE CHANGE AND ITS IMPACTS

19,978,406 t CO_2e per year
Green House Gas (GHG) emission reduced or avoided

6 CLEAN WATER AND SANITATION

Water

ENSURE ACCESS TO WATER AND SANITATION FOR ALL

520,874 M^3
Volume of sewage & water treated per day

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Clean Transportation

BUILD RESILIENT INFRASTRUCTURE, PROMOTE SUSTAINABLE INDUSTRIALISATION AND FOSTER INNOVATION

4,738 Kilometers
Energy efficient mass transit metro system built and/or supported

over 5.6 million person-time/day
Daily capacity over railway lifecycle

Mainland China, Hong Kong SAR, Indonesia, United Kingdom (UK), etc.
Countries / regions covered

11

SUSTAINABLE CITIES AND COMMUNITIES

Green Buildings

MAKE CITIES INCLUSIVE, SAFE, RESILIENT AND SUSTAINABLE

111 buildings

Number of LEED Gold standard or equivalent green buildings

Countries / Regions Benefited

Quick Facts - LEED & China Green Building Standards

Leadership in Energy and Environmental Design (LEED) is possibly the most widely used certification system for assessing environmental friendliness of a building. A LEED rating is determined by the number points earned in predefined check-list. In China, several domestic voluntary green certification systems are widely used to assess the performance of buildings, including Chinese Green Building Label, Chinese Green Design Building Label and Chinese Energy Performance Certification Standard of Buildings. The development of China's Green Label Systems was initiated in 2006, drawing on experiences with LEED of the United States (US), CASBEE of Japan and BREEAM of the UK and focusing on China's special circumstances. The general framework of China's Green Labels is very similar to that of LEED, with the major difference being that there is an innovation and design item in LEED while there is an operational management item in the Chinese systems. The Chinese standard also incorporated carbon emission arise from construction and operation as one of the assessment parameter. For ease of comparison, the 2-star level requirements of Chinese Green Labels lie between the silver and gold levels of LEED while the 3-star level is between the gold and platinum levels of the LEED.

GREEN PROJECTS CASE STUDY

TECHONOGY
– Lenovo Group Ltd.: Green Bond due 2032[6]

What it does?

Lenovo Group Limited ("Lenovo") is one of the world's top manufacturers and distributers of personal computers with a market share of 23% in traditional PCs at the end of 2022 according to IDC data. Lenovo has a long track record of reporting environmental data even before debuting its Green Finance Framework and green bonds in 2022 and has been a signatory of the United Nations Global Compact since 2009.

How is it beneficial?

The USD625 million 10-year green bond in July 2022 was Lenovo's debut green bond. Under its Green Finance Framework, use of proceeds will be deployed towards energy efficiency, renewable energy, clean transportation, and the circular economy.

In the fiscal year of 2021/22, Lenovo improved energy efficiency through installations of low-energy lighting and equipment, and has continued to pursue renewable energy installations in addition to its current 17MW solar capacity, in line with its 2025/26 goals to have 90% of its global operations electricity from renewable sources. During the year, Lenovo reduced emissions intensity to 2.76 MT/USD million revenue from 3.04 MT/USD million revenue. It has also initiated plans to increase usage of low carbon transport and low carbon fuel as part of plans to reduce scope 3 GHG emissions. At the product level Lenovo commits to having 100% of PC products containing post-consumer recycled content materials, and in fiscal year 2021/22 reduced 497 metric tons of packaging materials with an ultimate goal of eliminating plastic materials from packaging.

The launch of the Sustainalytics verified Green Finance Framework will enable Lenovo to continue to obtain financial support to support its mid-long term goals under its Environmental Management Systems (EMS).

What do we like about it?

As one of the global leaders in technology based out of Asia, Lenovo has set a benchmark for other companies in the region. Lenovo set a 50% scope 1 & 2 GHG emission reduction target for 2030 (FY2018/19 as the base year) and a net-zero target in alignment with the Science-Based Targets initiative (SBTi)'s methodology. In 2021, Lenovo received a Gold Award for the "Most Sustainable Companies" from The Hong Kong Institute of Certified Public Accountants (HKICPA)'s 2021 Best Corporate Governance and ESG Awards, for a ninth consecutive year. It has also extended its environmental initiatives across the supply chain, achieving a score of A from CDP in 2021 for Supplier Engagement Rating in Climate Change.

Even in challenging financial market and industry conditions in 2021 and 2022, Lenovo maintained sound financial management practices and consistently managed a healthy leverage profile, with net gearing of below 50% and net debt to EBITDA below two times in the past five years.

Note:
(6) Source: Lenovo Annual Reports FY2021/22, Environmental, Social and Governance Report FY2021/22, Green Finance Framework, Second Party Opinion 2022.

CLEAN TRANSPORTATION

– Airport Authority of Hong Kong: Green Bond due 2027[7]

What it does?

The Airport Authority of Hong Kong (“HKAA”) is a statutory body established in 1995 responsible for the operation and development of the Hong Kong International Airport (“HKIA”), which is among the busiest airports in the world. In 2008, the HKAA commenced a carbon reduction programme and in 2012 made a public pledge to further its green efforts. The HKAA launched its inaugural green bond issuance in January 2022 as part of its USD4 billion multi-tranche issuance, under which the green tranche was the most oversubscribed.

The proceeds of debut green bonds were fully allocated and/or earmarked for projects relating to clean transportation, green buildings and energy efficiency.

How is it beneficial?

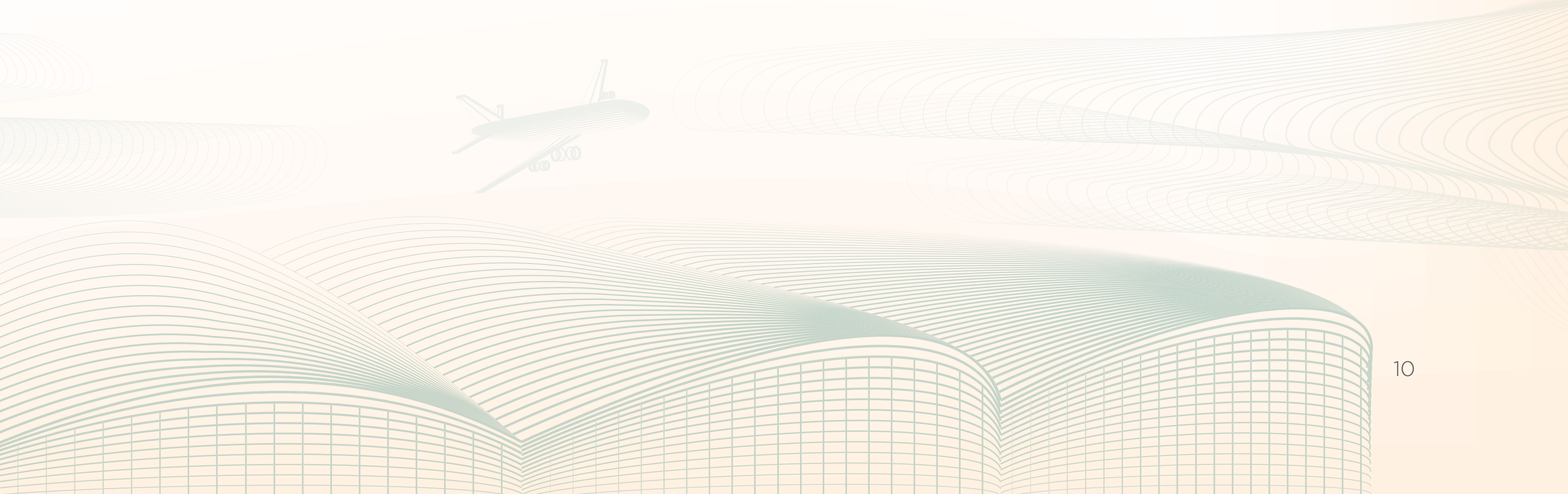
The majority of the allocation will go towards the Terminal 2 Concourse where completion is expected in 2024. The project has achieved a provisional platinum from BEAM Plus New Buildings and includes features such as 4,000 m^2 of photovoltaic panel coverage for onsite energy generation, energy efficient lighting and chiller design, over 60% of construction waste to be recycled, among others. It is estimated to contribute to annual energy savings of 45,000 MWh and 17,500 tonnes of CO2e avoided annually. In addition, the proceeds of the bond issuance will go towards eight projects on the location which includes upgrades to minimize the environmental impact of current facilities.

Why do we like it?

Being Hong Kong’ s only international airport, and being consistently ranked among the top three busiest cargo airports in the world, the HKAA’ s commitment to the environment sets a vital example for other government-related Asian issuers to follow. Despite being relatively new to the green bond space, the issuer has demonstrated accountability in its timely impact data reporting by including its Sustainable Finance Transaction annual report in their latest Sustainability Report following their green bond launch.

HKAA will facilitate the 2050 net zero carbon pledge of the Hong Kong International Airport launched in 2021. To reduce its carbon footprint the airport will measure and report scope 3 emissions, which makes it one of the first airports to do so. This will allow the airport to influence its business partners; as of March 2022 it has buy-in from 29 of its aviation-related business partners.

Note:
(7) Source: Airport Authority Hong Kong website, Sustainability Reports 2021/22, Sustainable Finance Framework 2021.



RENEWABLE ENERGY
– Bank of China Ltd.: Green Bond due 2026[8]

What it does?

The Bank of China Ltd (“BOC”) green bond was issued in April 2021 for a total amount of USD 500 million. As of 31 December 2021 all of the net proceeds have been allocated to 10 eligible green projects. The projects include one offshore wind project, five wind power projects, one photovoltaic project and three electrified metro projects.

The issuance falls under BOC’ s green bond series, under which the green portfolio it has funded includes projects in clean transportation, renewable energy and green buildings. The majority of funds were deployed in China, while around 30% of the funds were allocated to projects in Australia, Singapore, and Germany.

How is it beneficial?

The total allocated amount of the BOC green bond series amount to around CNY 13 billion. The environmental impact of the projects that benefitted from the proceeds include additional renewable energy capacity of 1,317MW and reduced greenhouse gas emission by 805,799 CO_2 tons.

An example of a project that the proceeds of the BOC Green Bond due 2026 was allocated to was a wind power project in Shanxi, China. The project has a total capacity of 100MW and supplied 297,655 MWh of electricity to the grid in 2021. The bank loan accounted for around 62.8% of the total project investment, and reduced Co_2 emissions of 154,756 tons in 2021.

Why do we like it?

BOC is a seasoned high quality issuer in the Asian bond market. It makes timely disclosure on its green bond allocations and provides decent breakdown of the impact data for each of its sustainable bond series, including its green, climate, social, blue, and biodiversity series.

As one of China’ s big four banks with the longest operating history, BOC’ s strategy is highly aligned with national policies. In 2021, BOC formulated its 14th Five-Year Plan for Development. This included objectives to provide financial support of no less than CNY 1 trillion to green industries during 2021-2025.

Operationally, BOC remains in sound financial position with healthy capital ratios and its status as a globally systemically important bank. The green bonds offer relative stability against broader market volatility as the credit strength of BOC remains supportive.

Note:
(8) Source: Bank of China Ltd. Annual Report on Bank of China’s Sustainability Series Bonds 2021, Bank of China Corporate Social Responsibility Report 2021.

APPENDIX 1

PING AN GREEN IMPACT ASSESSMENT FRAMEWORK (PAGIAF)

The green impact and associated metrics referenced throughout this report:

1. PAAMC seeks to provide accurate and timely information to clients, partners and stakeholders about the Fund's investment activities. We disclose relevant information about the project, environmental and social implications, as well as expected impact. Disclosure of impact regarding the Fund's investments relies on publicly available information, such as annual impact reports, dedicated newsletters and official websites of green bond issuers, if available. We tailor our selected indicators to summarize the impact of eligible projects that have been financed by the green bonds in which the Fund invests. Examples of measures we use include the total renewable energy capacity built (GW), energy generated per year (GWh) and sewage water treated (m3). In addition, we also track the distribution of green bonds in the Fund's portfolio by sector and geography, according to the issuer's main location. We also track how the proceeds of each green bond are used by location and sector to enrich the impact reporting.

2. Avoided GHG emissions has been chosen as one of the key indicators for reporting the impact of the Fund's investments. Specifically, we use the following approach:

   - We adopted the definition used in issuers and Sustainability Principles and Objectives (SPO) reports, which follow the same definitions of Scope 1, 2 and 3 emissions as defined in the Greenhouse Gas Protocol developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD). That is, Scope 1 emissions are direct emissions from owned or controlled sources. Scope 2 emissions are indirect emissions from the generation of purchased energy. Scope 3 emissions are all indirect emissions (not included in scope 2) that occur in the value chain, including both upstream and downstream emissions

   - GHG emissions from Scope 1 and Scope 2, with a uniform metric of tCO2 equivalent. Scope 3 GHG emissions may be included on a case-by-case basis and only when supported with well-documented data. Whenever applicable, we are conservative when reporting the extent to which an initiative avoids GHG emissions. For example, one green bond has fully allocated its proceeds to six renewable projects and one transport project. However, the issuer has disclosed the avoided GHG emissions for the six renewable projects, but not for the transport project. In this instance, we will still use the disclosed data for the Fund's impact report because it is conservative

3. As the green bonds proceeds are at different stages of deployment and reporting cycles, ex-post actual impact will be used wherever it is available, ex-ante impact at bond level will be applied for newly issued bonds as estimate potential impact. As there are also cases where bond specific impact data are not available during our reporting period, to strike a balance between totality and accuracy reporting, we provided 2 sets of calculation of potential environmental impact at aggregated fund level; 1) first with weighted average of environmental impact reported at bond level only (which likely underestimate the potential impact), 2) another set with weighted average of all bonds, using corporate level impact reported by issuers, prorated by the notional of the green bond as % of the company's working capital for those without bond level reporting data.

4. The Fund has calculated GHG avoided emissions per USD1 million invested per year by calculating by the total GHG avoidance attributed to Fund's subscription (tCO2e per year) divided by the total value of the Fund's Green Bond portfolio. This method prevails in the market and has been focusing on the GHG avoidance impact of the green bond portfolio only. Again 2 set of data at fund level are provided as per no.3 assumptions. Whenever a proration is needed in order to attribute impact to the Fund's investment, it is achieved based on the respective issuance/investment volume. Proration is often needed for the following situations:

   - The underlying green bond is issued in tranches, while the Fund has only invested in one of them. In this case, we will calculate the proportional impact, since the issuer may often disclose the impact only at the overall bond program level

   - Proceeds of the underlying green bond is only a fraction of the total financing for the entire green project, whereas impact is disclosed by the issuer at the project level

Green Impacts are measured in the following metrics:

Renewable Energy & Energy Efficiency Projects

7 AFFORDABLE AND CLEAN ENERGY

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

Measurements:

- Annual GHG emissions reduced/avoided in tonnes of CO2 equivalent
- Annual renewable energy generation in MWh/GWh (electricity) and GJ/TJ (other energy)
- Capacity of renewable energy plant(s) constructed or rehabilitated in MW
- Where CO2 emissions figures are reported, the GHG accounting methodology and assumptions adopted by issuers may vary. Depending on their own GHG reporting requirements, some institutions may report Absolute (gross) GHG emissions from the project, alongside the reduced/avoided emissions (under Measurement 1). Together with baseline emissions for the host country/region, absolute (gross) emissions allow for the calculation of emissions reduced/avoided

Sustainable Water & Waste Water Treatment Projects

6 CLEAN WATER AND SANITATION

GBP recognized eligible scope includes & measurement metrics:

- Sustainable infrastructure for clean and/or drinking water supply in m^3 per day before vs after the project
- Wastewater treated in m^3 per day
- Reduction in water consumption/wastage m^3 per year
- Sustainable urban drainage systems, river training and other forms of flooding mitigation (areas or population benefited)

Clean Mass Transportation

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

11 SUSTAINABLE CITIES AND COMMUNITIES

13 CLIMATE ACTION

GBP recognized eligible scope includes:

- Clean transportation (such as electric, hybrid, public, rail, non-motorized, multi-modal transportation, infrastructure for clean energy vehicles and reduction of harmful emissions)

Measurement metrics:

- Passenger-kilometres (i.e. the transport of one passenger over one kilometre) and/or No. of passenger times per day
- Annual GHG emissions reduced/avoided in tCO2e p.a. from reduction in fossil fuel car/truck
- Reduction of air pollutants: particulate matter (PM), sulphur oxides (SOx), nitrogen oxides (NOx), carbon monoxide (CO), and non-methane volatile organic compounds (NMVOCs)

Green Buildings

6 CLEAN WATER AND SANITATION

8 DECENT WORK AND ECONOMIC GROWTH

11 SUSTAINABLE CITIES AND COMMUNITIES

13 CLIMATE ACTION

GBP recognized eligible scope includes:

- Green buildings which meet regional, national or internationally recognized standards or certifications

Measurement metrics:

- Energy Performance e.g. KWh/m^2 of GBA p.a.; and % of energy use reduced/avoided vs local baseline/building code; and, if relevant % of renewable energy (RE) generated on site (specifying the relevant RE form)
- Carbon Performance e.g. GHG emission reduced/avoided in tCO2e vs local baseline certification level
- Water Efficiency e.g. % of water reduced/avoided vs local baseline/baseline certification
- Waste Management e.g. amount p.a. of waste minimized, reused or recycled in % of total waste in tonnes p.a.

Waste Management

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

Measurements mainly around waste prevention, reduction, reuse, recycle.

- Waste that is prevented, minimized, reused or recycled before and after the project in % of total waste and/ or in absolute amount in tonnes p.a.
- For certain waste management projects that reduce the amount of waste disposed of, it may also be possible to capture GHG emissions from waste management before and after the project in tCO2–e p.a.
- Energy recovered from waste in GWh

Key references:

ICMA Handbook of Harmonized Framework for Impact Reporting – https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/June-2019/Handbook-Harmonized-Framework-for-Impact-Reporting-WEB-100619.pdf

The World Bank IFI Framework for Harmonized Approach to Greenhouse Gas Accounting – https://www.worldbank.org/content/dam/Worldbank/document/IFI_Framework_for_Harmonized_Approach%20to_Greenhouse_Gas_Accounting.pdf

The United Nation 2030 Agenda for Sustainable Development – 17 Goals – https://sdgs.un.org/goals

Climate Bond Initiatives – https://www.climatebonds.net/

Ping An 2022 Sustainability Report – https://group.pingan.com/resource/pingan/ESG/Report/pingan-sustainability-report-22.pdf

Leadership in Energy and Environmental DesignTM ("LEED") https://new.usgbc.org/leed

Building Environmental Assessment Method (BEAM) Plus ("BEAM Plus") https://www.hkgbc.org.hk/eng/

China Green Building Evaluation Standard ("Three Star System") http://www.cngb.org.cn/

APPENDIX 2

PING AN ESG AWARDS & RECOGNITIONS[9]

Corporate Strength	
FORTUNE	**25th** on the Fortune Global 500 and **4th** among global financial companies
Forbes 福布斯	**17th** on the Forbes Global 2,000 list and **1st** among global diversified insurance companies for many years **1st** among Chinese financial companies and **5th** in the global insurance industry on the 2022 World's Best Employer List
BF Brand Finance	**21st** on the Global Brand Value List, **4th** among Global financial companies, awarded as the world's most valuable insurance brand for 6 consecutive years
FutureBrand	**23rd** worldwide, **1st** in the global financial industry

Sustainability Awards

Organizer(s)	Award(s)
The Chamber of Hong Kong Listed Companies	Awards of Excellence in ESG-Hang Seng Index Constituent Stock category
Insurance Asia News	CSR Initiative of the Year
CDP	Environmental Leadership Award
KPMG China	"Future ESG" ESG Award of 2022
Shenzhen Project Care Organising Committee Office	19th Shenzhen Project Care "Top 10 Caring Enterprises"

ESG Ratings

Rating	2022	
MSCI ESG Rating	**A**	1st in the multi-line insurance and brokerage industry in the Asia-Pacific region
Climate Change Questionnaier of CDP Global Environmental Information Research Center	**A-**	The highest level for financial companies in Mainland China
Sustainalytics' ESG Risk Ratings	**Low risk**	Leader in China
Hang Seng Corporate Sustainability Index Series	**A**	
FTSE Russell Sustainability Index	**Listed**	
Sustainability Yearbook by S&P Global	**Listed**	
Forbes China ESG 50	**Listed**	

Note:

(9) Ping An 2022 Sustainability Report. As at 31 December 2022.

APPENDIX 3
17 SUSTAINABLE DEVELOPMENT GOALS

The official agenda for sustainable development adopted on 25 September 2015 outlines the 17 sustainable development goals.

1 NO POVERTY

END POVERTY IN ALL ITS FORMS EVERYWHERE

2 ZERO HUNGER

END HUNGER, ACHIEVE FOOD SECURITY AND IMPROVED NUTRITION AND PROMOTE SUSTAINABLE AGRICULTURE

3 GOOD HEALTH AND WELL-BEING

ENSURE HEALTHY LIVES AND PROMOTE WELL-BEING FOR ALL

4 QUALITY EDUCATION

ENSURE QUALITY EDUCATION AND PROMOTE LIFELONG LEARNING OPPORTUNITIES FOR ALL

5 GENDER EQUALITY

ACHIEVE GENDER EQUALITY AND EMPOWER ALL WOMEN AND GIRLS

6 CLEAN WATER AND SANITATION

ENSURE ACCESS TO WATER AND SANITATION FOR ALL

7 AFFORDABLE AND CLEAN ENERGY

ENSURE ACCESS TO AFFORDABLE, RELIABLE, SUSTAINABLE AND MODERN ENERGY FOR ALL

8 DECENT WORK AND ECONOMIC GROWTH

PROMOTE INCLUSIVE AND SUSTAINABLE ECONOMIC GROWTH, EMPLOYMENT AND DECENT WORK FOR ALL

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

BUILD RESILIENT INFRASTRUCTURE, PROMOTE SUSTAINABLE INDUSTRIALISATION AND FOSTER INNOVATION

10 REDUCED INEQUALITIES

REDUCE INEQUALITY WITHIN AND AMONG COUNTRIES

11 SUSTAINABLE CITIES AND COMMUNITIES

MAKE CITIES INCLUSIVE, SAFE, RESILIENT AND SUSTAINABLE

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

ENSURE SUSTAINABLE CONSUMPTION AND PRODUCTION PATTERNS

13 CLIMATE ACTION

TAKE URGENT ACTION TO COMBAT CLIMATE CHANGE AND ITS IMPACTS

14 LIFE BELOW WATER

CONSERVE AND SUSTAINABLY USE THE OCEANS SEAS AND MARINE RESOURCES

15 LIFE ON LAND

SUSTAINABLY MANAGE FORESTS, COMBAT DESERTIFICATION, HALT AND REVERSE LAND DEGRADATION, HALT BIODIVERSITY LOSS

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

PROMOTE JUST, PEACEFUL AND INCLUSIVE SOCIETIES

17 PARTNERSHIPS FOR THE GOALS

REVITALISE THE GLOBAL PARTNERSHIP FOR SUSTAINABLE DEVELOPMENT

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