

China Sustainability Newsletter

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EVALUESERVE



Highlights

- In this quarter, China has taken various actions to promote the renewable energy transition. Domestically, China government launched a national **Climate Prediction Model** for wind and solar resources. Internationally, China Energy has proposed the construction of a **1,000-megawatt floating solar plant** in Zimbabwe and LONGi Green Energy plans to build a **\$600 Million Solar Panel Plant** in the U.S.
(→ [Carbon-related News](#))
- In February, the EU carbon price first **hits a record 100 euros**, while the China carbon price remains stable at around **56 yuan (7.52 euros)** till ending March.
(→ [Carbon Trading Trend](#))
- Following the **Government Green Bond Programme**, Hong Kong issued the first **HK\$800 million tokenized green bond**.
(→ [Green Finance News](#))

Part 1

Carbon Trading Trend

Part 2

Policy Tracker

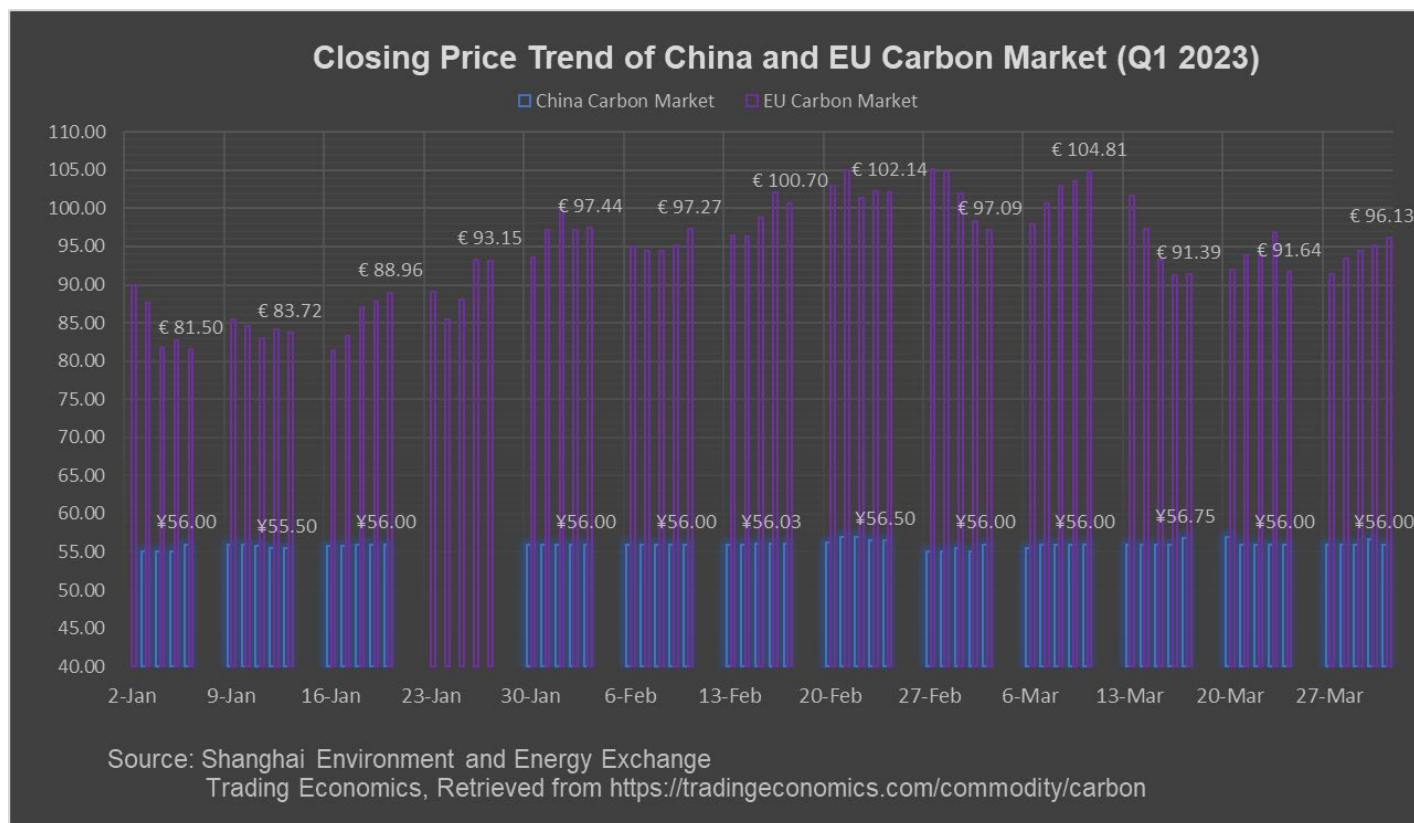
Part 3

News



Carbon Trading Trend

During the first quarter of this year, the EU carbon price increased by **6.88%** since the beginning of 2023. In the middle of February, after experiencing continuous fluctuations, the EU carbon price **hits a record 100 euros** for the first time. On the other side, the closing price of China's carbon market, moved within a range of **55 yuan to 56 yuan per ton**, almost **unchanged at 56 yuan per ton** till ending March.



Note: The chart is generated from the daily closing price from January to March of 2023, with the closing price on each Friday as a marker. The missing data for the China Market (2nd Jan and 23rd Jan ~ 27th Jan) is due to the public holidays.

Market \ Date	6-Jan	13-Jan	20-Jan	27-Jan	3-Feb	10-Feb	17-Feb	24-Feb	3-Mar	10-Mar	17-Mar	24-Mar	31-Mar
China Carbon Market	€ 7.52	€ 7.45	€ 7.52	-	€ 7.52	€ 7.52	€ 7.52	€ 7.59	€ 7.52	€ 7.52	€ 7.62	€ 7.52	€ 7.52
EU Carbon Market	€ 81.50	€ 83.72	€ 88.96	€ 93.15	€ 97.44	€ 97.27	€ 100.70	€ 102.14	€ 97.09	€ 104.81	€ 91.39	€ 91.64	€ 96.13

Note: This is a comparison table of the China Carbon Market and the EU Carbon Market after converting the closing price of the China Market into Euros.

Source: <https://www.xe.com/>



Policy Tracker

Ministry of Ecology and Environment

1. [Opinions on Strengthening Water and Soil Conservation Work in the New Era \(Chinese\)](#) Date: 2023/01/03
2. [National Cleaner Production Advanced Technology Catalog \(2022\) \(Chinese\)](#) Date: 2023/01/09
3. [Measures for the Administration of Ecological Environment Statistics \(Chinese\)](#) Date: 2023/01/19
4. [Specification for Management of Ecological and Environmental Archives——Ecological and Environmental Protection of Construction Project \(Chinese\)](#) Date: 2023/02/01
5. [Implementation Specifications for Administrative Licensing Items in the Field of Ecology and Environment \(Chinese\)](#) Date: 2023/02/06
6. [Notice on Doing a Good Job in the Reporting and Management of Greenhouse Gas Emissions of Enterprises in the Power Generation Industry from 2023 to 2025 \(Chinese\)](#) Date: 2023/02/07
7. [Environmental Benchmark Work Plan \(2023-2025\) \(Chinese\)](#) Date: 2023/02/24

Ministry of Industry and Information Technology

1. [Guiding Opinions on Promoting the Development of the Energy Electronics Industry \(Chinese\)](#) Date: 2023/01/17
2. [2022 Green Manufacturing List \(Chinese\)](#) Date: 2023/03/24

National Development and Reform Commission

1. [Guiding Opinions on Coordinating Energy Conservation, Carbon Reduction, and Recycling and Accelerating the Renovation and Transformation of Product Equipment in Key Areas \(Chinese\)](#) Date: 2023/02/20
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Carbon-related News

Hang Lung Properties' Net-Zero Targets Approved by Science Based Targets Initiative

Hang Lung Properties is delighted to announce that the Company is the first real estate company in Hong Kong and mainland China to receive approval from the Science Based Target initiative for its near- and long-term company-wide emissions reduction targets in line with the SBTi Net-Zero Standard.

LNG Industry Body Sees First Carbon Neutral Cargo Delivery to Taiwan

The International Group of Liquefied Natural Gas Importers said in a statement dated Tuesday that Shell Eastern LNG delivered a pilot “greenhouse gas neutral” LNG cargo from the Gorgon LNG project in Australia to Taiwan’s state refiner CPC Corp.

IEA: Renewables to Meet Almost All Global Power Demand Growth Through 2025

The expected increase in the generation of electricity from renewable sources will cover 98.3% of net growth in global power demand over the next three years, according to the International Energy Agency. Out to 2025, more than 70% of the growth in global electricity demand is set to come from China, India and Southeast Asia.

China Launches Climate Prediction Model for Wind and Solar Power

The model, which provides data and graphic predictions on major variables in renewable energy supply, such as wind speed and solar radiation, as well as demand-side data such as average local temperature, was first issued on Thursday and will be released monthly, the government statement said.

TotalEnergies and Corio Join Forces to Develop Offshore Wind in Taiwan

TotalEnergies and Corio Generation, two of the world’s leading offshore wind and renewable energy developers, have signed a joint venture partnership to develop the Formosa 3 offshore windfarms in Taiwan. Under this agreement, Corio will remain the majority shareholder and lead developer with 50% plus 10 shares overall in the project.

China’s Voluntary Carbon Market a Step Closer to Relaunch After Suspension for Underuse in 2017

China has moved a step closer to rebooting its suspended voluntary carbon market, the China Certified Emission Reduction (CCER) scheme, a part of its plans to develop a more comprehensive market mechanism to support the country’s greenhouse gas emissions goals.

China Solar Firm Plans U.S. Plant in Win for Biden Energy Push

JA Solar Technology Co. Ltd. will build a \$60 million panel plant in the US. state of Arizona with plans to be operational by the fourth quarter of this year, the company said in a press release issued by the Arizona Commerce Authority.

Unit of Hong Kong's MTR Launches Start-up Incubator with Aim of Reaching Carbon Neutrality by 2050

MTR Lab hopes to create an ecosystem for experimentation, not only in Hong Kong but all around the globe within MTR's business scope, the executive says. The Co+Lab Initiative platform will seek out early-stage companies with technology that can help the railway operator develop a 'carbon-neutral smart community'.

LONGi Green Energy to Build \$600 Million Solar Panel Plant in U.S.

Chinese solar wafer giant LONGi Green Energy Technology Co. Ltd. will partner with U.S. solar developer Invenery to build a \$600 million, 5-gigawatt solar panel assembly factory in Ohio, the local government said. The project will be LONGi's first entrance into the U.S. manufacturing market. What will eventually be the largest crystalline silicon solar panel factory in the U.S. will create 850 jobs, and operations are expected to start by the end of 2023. Construction is scheduled to begin in April.

China's Renewable Energy Capacity Overtakes Coal for First Time

China's renewable energy generation capacity edged out coal power capacity for the first time last year, with new solar driving the electricity sector's efforts to reach ambitious national carbon emissions goals even as the removal of subsidies continued to drag the growth of wind turbine construction.

PetroChina, BP to Set Up CCUS Cluster in Hainan Province

PetroChina and BP have signed an agreement to build a regional carbon capture, utilization and storage cluster in Hainan province, CNPC, PetroChina's parent company, said on March 20. China Southern Petroleum Exploration and Development, a unit of PetroChina, has built a full-process CCUS system project, proposed a regional carbon sequestration strategy plan, and provided a reliable and major solution for Hainan province to achieve the goal of carbon neutrality, CNPC said.

China's New Energy Storage Capacity is Expected to Surpass 50GW by 2025

By the end of 2022, China had a total new energy storage capacity of 8.7GW, a more than 110 percent increase year on year. China is expected to have a total new energy storage capacity of more than 50 gigawatts (GW) by 2025, according to a report released last week, as the country expects energy storage to boost renewable energy consumption while ensuring a stable power supply.

China Energy Plans 1000 MW Floating Solar Plant in Zimbabwe

China Energy Engineering Corp. (China Energy) (601868.SS) has proposed the construction of a 1,000-megawatt floating solar plant on Zimbabwe's Kariba dam at a cost of nearly \$1 billion, documents showed on Monday.



Green Finance News

Shanghai Launches Green Finance Action Plan

The Shanghai banking and insurance regulatory authority recently led the release of the “Shanghai Banking and Insurance Sector Action Plan for Driving the Development of Green Finance and Servicing the Peak Carbon and Carbon Neutrality Strategies During 14th Five Year Plan”. The Plan sets a slew of targets for 2025, including achieving a green finance balance of over 1.5 trillion yuan.

HSBC grants first green loan in Hong Kong to tech firm Ampd Energy

The London-headquartered lender has provided a US\$8 million two-year loan to Ampd Energy, to fund its giant batteries deployed at construction sites. The batteries help construction firms and property developers slash their carbon footprints by cutting diesel generator use.

Hong Kong Raises \$5.8 Billion in Green Bond Offering

The Government of Hong Kong announced today the completion of a green bond issuance, raising \$5.75 billion in a triple-currency offering, with bonds denominated in US dollars, Euros and Renminbi (RMB). According to the Hong Kong Monetary Authority, the offering marks the largest ESG bond issuance in Asia to date.

HSBC Picks Up Green Energy Infrastructure Investment Team

HSBC Asset Management announced today the addition of an energy transition infrastructure-focused investment team to its alternatives unit in Asia, in a business transfer agreement with Hong Kong-based asset manager Green Transition Partners. In a statement announcing the agreement, HSBC said that the move would expand its alternatives capabilities, while marking a “major step” in its strategy to build a sustainability-driven business.

Deutsche Bank Raises 1 Billion Yuan via First Panda Bond

Deutsche Bank announced today that it has issued its inaugural Panda bond, raising CNY 1 billion via 3-year senior preferred notes. This transaction enables the bank to directly tap into China’s deep onshore bond market, accessing a new investor base at attractive funding levels.

HKSAR Government’s Inaugural Tokenised Green Bond Offering

The Government of the Hong Kong Special Administrative Region of the People’s Republic of China (the HKSAR Government) today (16 February) announced the successful offering of HK\$800 million of tokenised¹ green bond (the Tokenised Green Bond) under the Government Green Bond Programme (GGBP). This is the first tokenized green bond issued by a government globally.

China Central Bank to Roll Over Lending Tools to Spur Growth

The People's Bank of China will roll over a lending tool for supporting carbon emission reduction to the end of 2024, and extend a re-lending tool for promoting the clean use of coal to the end of 2023, the bank said in a statement on its website.

China's First New Energy REITs Raise Over USD1.5 Billion

They are a wind power REIT project initiated by State Power Investment with China Securities as the fund manager and financial advisor and a solar energy REIT project by Beijing Energy International Holdings, according to the websites of the China Securities Regulatory Commission and the Shanghai Stock Exchange.

SOE Unit Issues China's First Green Panda Bond to Finance Energy Project in Kazakhstan

Hong Kong-based China Power International Holding issued the CNY800 million (USD117.8 million) bond on the Shanghai stock exchange last week. It has a three-year term, a G-1 rating as a green bond, an AAA credit rating, and a nominal interest rate of 3.3 percent, the lowest among same-term bonds issued by central government-owned electric power companies.

China and Brazil Look to Set Up Green Investment Fund

Brazil and China are in talks to create a fund for financing the development of green industry and renewable energy in both countries, two senior Brazilian officials told Reuters. The proposal could be announced during President Luiz Inacio Lula da Silva's visit to Beijing next week, although government officials said there were still some details to work out.

China's Green Loans Exceed \$3.2 Trillion

China's outstanding green loans currently exceed 22 trillion yuan (\$3.2 trillion), accounting for about 10% of the country's total loan balance, People's Bank of China Governor Yi Gang said on Wednesday.

World Bank Approves Loan for Plastic Pollution Reduction in China's Shaanxi

The World Bank has approved a loan worth 250 million U.S. dollars to help mitigate plastic pollution in northwest China's Shaanxi Province. The funds will be used to reduce plastic pollution from municipal solid waste and agricultural plastic film in the rural areas of the province and improve Shaanxi's plastic waste management with potential lessons for the national level, according to the bank.



Regulation & Disclosure News

China Mulls Mandatory ESG Disclosures for Domestic Public Firms

The first step would be to design a standard that is recognized by the international community and applicable to the local market, the people said. China may introduce the requirements first on a “comply or explain” basis before transitioning to a full-scale compulsory framework, one of the people said. Chinese state-owned public enterprises are expected to take the lead on compliance by as early as the end of the year, the person added.

MEE: Promote the Research and Introduction of Green Finance, Trade and Industry Development Policies (Chinese)

In 2023, the establishment of a legal disclosure system for corporate environmental information will be completed, and the management and quality inspection of pollutant discharge permits will be strengthened.

SZSE Revises Industrial Information Disclosure Guidelines to Optimize Institutional Supply and Drive the High-Quality Development of Listed Companies

The revised guidelines underline industrial characteristics and tighten the requirements on ESG information disclosure. Based on industrial characteristics, the guidelines detail the requirements on the disclosure of major environmental pollution incidents for highly polluting industries like solid mineral resources, food and winemaking, textiles & garments, chemicals and power, so as to push the listed companies to harmonize business development and environmental treatment.

PBOC: Create a Good Policy Environment for the Green Bond Market from Five Aspects (Chinese)

The green bond market should learn the lessons of history, make greater efforts in standards, assessment and certification, carbon accounting, information disclosure, etc., and continue to improve the financial environment, said Xuan Changneng, Deputy Governor of the People's Bank of China.

Taiwan and South Korea Stock Exchanges Jointly Sign MOU to Open a New Era of Cooperation

The signing ceremony of the Memorandum of Understanding (MOU) between Taiwan and South Korea hosted by the Taiwan Stock Exchange Corporation (the TWSE) was held in the Taipei 101 building this afternoon. In the future, the two exchanges will strengthen cooperation in ESG, joint index compilation and information business.

Taiwan "Climate Law" Amendment on the Road (Chinese)

The main points of the revision include the inclusion of the 2050 net zero emission goal, the establishment of ministries and responsibilities, emission control and promotion of reductions, the collection of carbon fees, the addition of a special chapter on climate change adaptation, and the strengthening of information disclosure and public participation mechanisms. etc., which have become an important basis for the domestic climate legal system.



Other News

Taiwan ESG Dashboard to Add Moody's ESG Assessments

Taiwan Depository & Clearing Corporation (TDCC) announced the addition of Moody's ESG Assessments to its ESG IR platform. The platform has become a key source of ESG information, and Moody's ESG Assessments will sit alongside ESG scores from a number of other leading providers.

China Lifts 18-Month Ban on New Didi Users as Tech Crackdown Wanes

China's Didi Global has been given the green light from domestic regulators to resume new user registrations for its core ride-hailing services effective from Monday, signaling its 1-1/2-year-long regulatory-driven revamp is ending.

CATL Invests \$3.52B in Battery Recycling Base

Leading Chinese battery firm CATL announced on January 15 that its subsidiary, Brunp, plans to invest 23.8 billion yuan (\$3.52 billion) in Foshan, Guangdong Province to build an integrated new material industry production base. The project will involve the recovery of 500,000 tons of waste battery materials, the production of ternary and lithium iron phosphate cathode materials and negative electrode recycled graphite.

China's Environment Chief Names and Shames State-owned Pollution Cheats in Snap Inspection

6 state-owned companies in Henan province were caught violating pollution control regulations. Breaches include exceeding emission standards and falsifying data, the environment minister says.

China Issues White Paper on Green Development

The 18,000-character white paper mainly focuses on seven aspects of China's green development, including the country's commitment to green growth, a green territorial configuration, adjustment and improvement of the industrial structure, application of green production methods, eco-friendly living, institutions and mechanisms for green development and efforts to build the earth into a beautiful home.

China Brings In Registration-Based IPO System for All Mainland Bourses

China has implemented the registration-based initial public offering system across all mainland stock exchanges, according to the country's securities watchdog. The Shanghai and Shenzhen stock exchanges will take over existing IPO applications from the China Securities Regulatory Commission and complete the review process from today to March 3, the CSRC announced on Feb. 17. From March 4, Chinese mainland bourses will directly accept new applications for listings on the main boards.

China's Sineng Electric, US Onsemi Form Green Chip Lab

Sineng Electric, a Chinese maker of photovoltaic inverters, has deepened its collaboration with Onsemi, an American semiconductor firm, by establishing a joint laboratory to promote breakthroughs in electrical devices that can be used in green energy products.

UN Committee Urges China to Dismantle Forced Labour Systems

A U.N. committee said on Monday it was concerned about China's treatment of its Muslim minority, including the use of forced labor against Uyghurs, in a sweeping report that adds pressure on Beijing to improve its human rights record.

China's Forest Coverage Rate Hits 24%

The forest coverage rate in China has reached about 24 percent, with 231 million hectares of forests. And 265 million hectares of grassland cover about 50 percent of the country's land areas.

McDonald's China Launches Regenerative Agriculture Plan with Key Suppliers

McDonald's China announced the launch of the McDonald's China Regenerative Agriculture Plan on March 24 in Shanghai. The company is joining hands with key suppliers to protect and restore the agricultural environment and ecosystem while ensuring quality food supply and vibrant nature.
