

China Sustainability Newsletter

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EVALUESERVE



Highlights

- It has been more than two years since China launched the National ETS. For the first time on 28th September this year, the carbon trading price **reached a record high of 76.4 yuan/ton** just before the National Holiday.
(→ [Carbon Trading Trend](#))
- China issued the first **National Guidelines for the Construction of Hydrogen Energy Industry Standard System** on 8th August. The guidelines clarify the key tasks of domestic and international hydrogen energy standardization work, paving the way for the country's carbon-neutral ambitions.
(→ [Energy-related News](#))
(→ [Policy Tracker](#))
- The first batch of **193 Chinese green bonds** are relabeled as 'Common Ground Taxonomy' aligned, which the experts expect could potentially open up the country's market for the bonds to global investors and reduce greenwashing risks.
(→ [Green Finance News](#))

Part 1

Carbon Trading Trend

Part 2

Policy Tracker

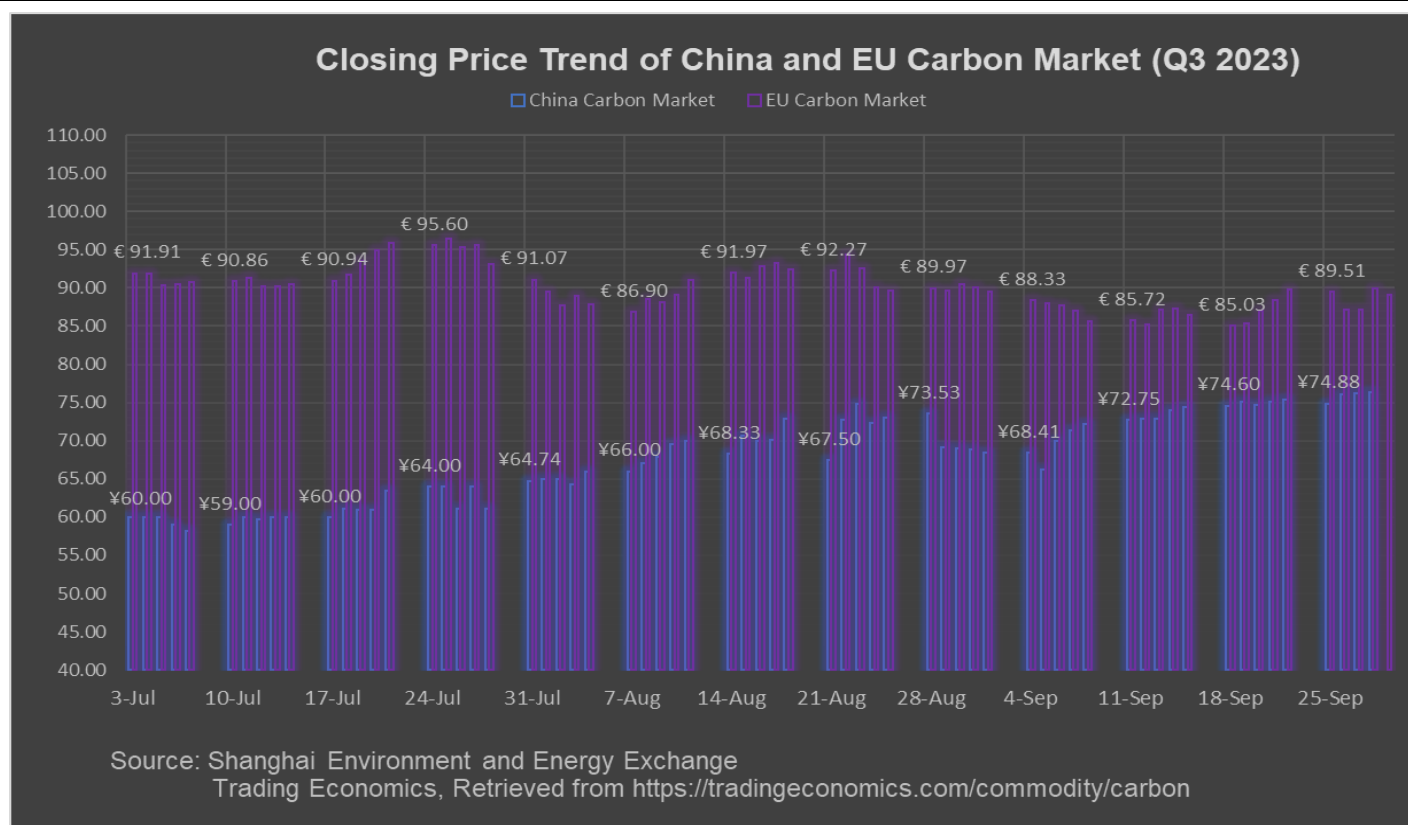
Part 3

News



Carbon Trading Trend

- The trading price of China Carbon Market rose steadily in Q3 this year, hitting a **record high of 76.4 yuan/ton** just before the National Holiday on 28th September. This was a **38.9% increase** from 55 yuan/ton at the start of this year.
- Last quarter in Q2, the EU's carbon trading price exceeded 100 Euro/ton at its highest and dropped to around 82 euro/ton at its lowest. While in Q3, the trading price of the EU Carbon Market **fluctuated steadily between 85.03 euro/ton to 96.43 euro/ton**.



Note: The chart is generated from the daily closing price from July to September of 2023, with the closing price on each Monday as a marker. The missing data for the China Market (29th Sep) is due to the public holiday.

Market \ Date	3-Jul	10-Jul	17-Jul	24-Jul	31-Jul	7-Aug	14-Aug	21-Aug	28-Aug	4-Sep	11-Sep	18-Sep	25-Sep
China Carbon Market	€ 7.77	€ 7.64	€ 7.77	€ 8.29	€ 8.38	€ 8.55	€ 8.85	€ 8.74	€ 9.52	€ 8.86	€ 9.42	€ 9.66	€ 9.70
EU Carbon Market	€ 91.91	€ 90.86	€ 90.94	€ 95.60	€ 91.07	€ 86.90	€ 91.97	€ 92.27	€ 89.97	€ 88.33	€ 85.72	€ 85.03	€ 89.51

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. [Qinghai-Tibet Plateau Ecological Protection Law of the People's Republic of China \(Chinese\)](#) Date: 2023/08/01
2. [Notice on Deepening the Pilot Program of Building Climate-Adaptable Cities \(Chinese\)](#) Date: 2023/08/25
3. [Technical Specifications for Survey and Observation of Ecological Environment in Nature Reserves \(Chinese\)](#) Date: 2023/09/08
4. [Technical Guidelines for Delimiting Key Areas for Groundwater Pollution Prevention and Control \(Trial\) \(Chinese\)](#) Date: 2023/09/13
5. [Measures for the Administration of Voluntary Greenhouse Gas Emission Reduction Trading \(Trial\) \(Chinese\)](#) Date: 2023/09/16

National Development and Reform Commission

1. [Action to Improve the Level of Environmental Infrastructure Construction \(2023-2025\) \(Chinese\)](#) Date: 2023/07/25
2. [Implementation Plan for Green Low-Carbon Advanced Technology Demonstration Project \(Chinese\)](#) Date: 2023/08/04

Ministry of Industry and Information Technology

1. [Yuanverse Industrial Innovation and Development Three-Year Action Plan \(2023-2025\) \(Chinese\)](#) Date: 2023/09/08

State Administration for Market Regulation

1. [Guidelines for the Construction of Hydrogen Energy Industry Standard System \(2023 Edition\) \(Chinese\)](#) Date: 2023/08/08
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Energy-related News

China Powers Up World's First 16-Megawatt Offshore Wind Turbine

China created the world's largest wind farm in operation by single-unit capacity after switching on a massive turbine on Wednesday, underscoring the country's position as the global leader in wind power generation.

China Sets Stage for More of Its Transport to Run on Solar Energy

Shanghai becomes first local government to issue a specific plan for the application of solar energy in transport. Different transport methods require different solutions for solar power integration, Longi Green Energy Technology's Chen Pengfei says.

China's Installed Non-Fossil Fuel Electricity Capacity Exceeds 50% of Total

Non-fossil fuel power sources, such as wind and solar power, account for 50.9% of the country's total installed capacity, marking the early completion of a government target proposed in 2021, under which renewable capacity was planned to exceed fossil fuel capacity by 2025.

China General Nuclear Enters Agreement to Develop Renewable Energy Base in Laos

The base will incorporate wind, solar, hydro and energy storage capabilities, and will feed into an existing power line that transfers power generated in Laos to China's Yunnan province, and a second planned 500kV power line between the two.

World Economic Forum Report Outlines Roadmap to Fast-Track China's Green Hydrogen Industry

Green hydrogen is playing a pivotal role in helping China realize its strategic ambition to peak carbon emissions by 2030 and become carbon-neutral by 2060. A new report, Green Hydrogen in China: A Roadmap for Progress, outlines a blueprint to help China deliver on its ambitious green hydrogen vision.

China Issues National Guidelines to Catalyse Hydrogen Energy Industry

The government hopes the standards will help to realise the full potential of hydrogen energy's role in China's energy consumption-side decarbonisation and in China's new energy system, where renewable energy is expected to play a dominant role, according to the guidelines.

China Coal Giant 'Seizing' Window of Opportunity for New Plants

China's biggest coal company said it is "seizing" the opportunity to build more fossil fuel power plants before 2025 as the government prioritizes energy security after a series of power shortages.

US, China Aim to Revive Climate Cooperation as Tensions Simmer

The United States and China will look to revive efforts to combat global warming this week, in bilateral meetings that observers hope will raise the bar on ambitions ahead of UN-sponsored climate talks in late 2023.

China's State Grid Champions Global Cooperation for Green Energy Transition

China will continue to offer other countries solutions and share best practices on transitioning to green energy, including in areas such as boosting investment and power grid interconnections, the head of the country's largest utility said on Tuesday.

PetroChina Buys EV Charging Firm Potevio New Energy

PetroChina has acquired 100% of electric vehicle (EV) charging firm Potevio New Energy Co Ltd in the latest lower-carbon investment by China's top oil and gas company, parent CNPC said on Friday.

China Steps up Support for Power Equipment Industry

China's industry ministry on Monday outlined a series of actions aimed at helping its power equipment industry achieve annual growth of 9% this year and next, by stepping up domestic purchases and boosting exports.

Chinese Petrochemical Firms Bet Big on Energy Transition Products

Chinese oil refiners and petrochemical companies are investing tens of billions of dollars to produce high-end chemicals for solar panels and lithium-ion batteries to profit from growing demand for energy transition technologies

China Expects to OK 6-8 Nuclear Power Units Per Year in Green Energy Drive

China is looking to develop its nuclear power sector as part of a broader push on renewables and domestic energy security. Nuclear is expected to contribute about 10 percent of power generation in the country by 2035 and 18 percent by 2060, with a total generation capacity of 400 gigawatts (GW) by 2060.

China's Sinopec Dives Deeper Into Geothermal Energy

China Petroleum & Chemical Corp., the state-owned energy giant known as Sinopec, is making a bigger push into a renewable energy generated by heat within the earth as the country looks to diversify its sources of green energy.



Carbon-related News

Sinopec Opens High-Pressure Pipeline for Carbon Capture

China's first megaton high-pressure carbon dioxide transmission pipeline was put into operation on Tuesday, a significant milestone in China's large-scale development of the carbon capture, utilization and storage industrial chain, said operator China Petrochemical Corp, also known as Sinopec.

Taiwan Opens Carbon Exchange in Kaohsiung

A carbon exchange was opened in Kaohsiung Monday as part of Taiwan's ongoing efforts to reduce carbon emissions and eventually achieve the goal of net-zero emissions by 2050.

Falsifying Carbon Emissions Data Is Now a Crime in China

China's top legal bodies have issued a judicial interpretation criminalizing the falsification of carbon emissions data, as the world's biggest greenhouse gas emitter seeks to get tough on environmental crimes that threaten its efforts to achieve ambitious climate goals.

Asia Carbon Institute Launches Voluntary Carbon Credit Registry in Hong Kong

Asia Carbon Institute (ACI), a voluntary carbon credit registry in Asia, was officially inaugurated at the CIC – Zero Carbon Park in Hong Kong despite a typhoon signal hoisted right before and during the event.

China's Voluntary Carbon Market Could Relaunch as Early as October to Support Country's Climate Efforts

The long-awaited reboot of China's voluntary carbon market, the China Certified Emission Reduction (CCER) scheme, could happen as early as October to complement China's national carbon trading market in supporting the country's carbon-neutral goals, energy experts said.

China's Tibet Achieves Carbon Neutrality

Southwest China's Tibet autonomous region has achieved overall carbon neutrality, said Yan Jinhai, head of the regional government, during a forum opened Sunday on the Qinghai-Tibet Plateau ecosystem.

China Baowu and Rio Tinto Extend Climate Partnership to Decarbonize the Steel Value Chain

China Baowu, the world's biggest steelmaker, and Rio Tinto, the world's largest iron ore producer, have signed a MoU to explore a range of industry leading new projects in China and Australia to help decarbonise the steel value chain.



Green Finance News

First Batch of China Green Bonds Deemed Compliant with Shared EU Standard

A batch of 193 Chinese green bonds has been deemed to be in line with a set of sustainable finance standards shared by China and the EU, an achievement that experts said could open up the country's market for the bonds to global investors.

China's Energy Storage Firm Hithium Raises over \$621 Million

Chinese energy storage firm Xiamen Hithium Energy Storage Technology said it has raised more than 4.5 billion yuan (\$621.47 million) that will be used for capacity expansion, equipment purchases and technology research and development.

China's Green Bonds Lose Premium over Standard Bonds as Push to Achieve Environmental Goals Boosts Supply

'The supply of onshore green bonds has risen rapidly, driven by China's carbon neutrality targets,' says Sustainable Fitch in a report. The absence in China of 'greenium' – the premium investors pay for green bonds over conventional bonds – contrasts with developed markets, the report says.

China's Central Government Plans More Funding for Low-carbon Technology Projects, to Extend Global Green Tech Dominance

These pilot projects will focus on non-fossil energy usage, clean and efficient utilisation of fossil energy, advanced power grids, energy storage and green hydrogen, as well as decarbonisation in emissions-heavy industries and use of advanced carbon capture, utilisation, and storage technologies.

HK's 2nd Batch of Retail Green Bonds Open for Subscription

Depending on the market's response, the government may increase the issuance size to a maximum of HK\$20 billion from the current HK\$15 billion target. The bonds, offered at HK\$10,000 per unit with a tenor of three years, will be issued on Oct 10 and listed on the Hong Kong Stock Exchange the following business day, Oct 11. The bonds can be traded in the secondary market afterwards.

GFANZ Announces Hong Kong Chapter to Support Asia-Pacific Net-Zero Transition

As an extension of GFANZ's APAC Network, the Hong Kong Chapter will engage and build capacity with financial institutions in Greater China on net-zero efforts, transition planning and scaling transition finance, working with existing local sustainable finance initiatives to support further progress.

IFC's Hong Kong-based Regional Head of Operations to Help Accelerate Climate and Sustainability Efforts in East Asia, Pacific

Anna Ng, as IFC's regional head of operations for East Asia and the Pacific, will focus on strategy implementation as well as fundraising efforts. IFC and HKMA have launched initiatives to tackle climate change, including a US\$3 billion platform to limit global temperature rise in 2021.

CGT Research Series Phase 2: Understanding Use Cases of the Common Ground Taxonomy

In this Phase 2 Report we examine the key potential usage of the CGT in Hong Kong and the rest of GBA, looking specifically at 6 potential use cases based on industry experiences with taxonomies globally. In particular, we also examine key considerations that different users would need to reflect in the adoption and scaling up of the CGT.

Chinese Companies Leave World Behind In Race For Renewables Income, Earning Twice As Much From Clean Energy As Us Peers

Companies that make up the S&P 500 produce just 3.4 per cent of their revenue from clean-energy sources, which is roughly half of what companies on the Shanghai Composite Index earn, according to BloombergNEF (BNEF).

Bank Issues Loan Linked to Carbon Emissions

The first bank loan in Hebei province linked to carbon neutrality has been issued in Xiong'an New Area. The groundbreaking initiative is devised to incentivize enterprises to engage in carbon-neutral actions.

GuocoLand Secures S\$974 Million Green Facility and Establishes Green Finance Framework

GuocoLand Limited has secured a S\$974 million green club facility from DBS Bank, United Overseas Bank, Oversea-Chinese Banking Corporation and Sumitomo Mitsui Banking Corporation for the refinancing of the commercial component of Guoco Tower.

ADB Approves \$300m Loan to Catalyse Green Transformation of Chinese Industrial City

The Asian Development Bank (ADB) has approved a \$300 million loan to help fund a \$665 million project to Catalyse Green Transformation by reducing poverty, cutting carbon emissions and improving urban liveability in Changzhi, a city of 3 million people in a major Chinese coal-producing province.



Regulation & Disclosure News

Top Taiwanese Firms from 2027 Need Report on Sustainability

A total of 83 Taiwanese publicly listed companies with paid-in capital adding up to more than NT\$10 billion (US\$319.18 million) would be required to compile a sustainability report from 2026 and disclose the report from 2027, the Financial Supervisory Commission (FSC) said on Thursday (July 6).

Taiwan's First Three Draft Sub-Laws of the Climate Law Released (Chinese)

The Environmental Protection Agency proposed the first draft of the "Climate Act" with three sub-laws, including voluntary reduction projects, greenhouse gas increment offsets, and emission inventory. The industry needs to pass the review to obtain carbon rights, and the development projects must offset the increase in carbon emissions.

China Urges EU to Ensure New Carbon Tax Complies with WTO Rules

The European Union should ensure its plans to impose 20% to 35% tariffs on imports of high-carbon goods like steel, iron ore and cement comply with World Trade Organization rules and not overstep agreed global green trade policies.

Hong Kong-Listed Companies Aren't Yet Ready for Stock Exchange's New Environmental Risk Disclosure Rules, Grant Thornton Report Finds

There is a gap between their ESG reporting and climate disclosure rules expected to come into effect as early as January, says the accounting giant. Only a handful of them made quantitative disclosures of the impact of climate risks and opportunities on the finances of the company, it found.

Cross-Agency Steering Group Announces Priorities to Further Strengthen Hong Kong's Sustainable Finance Ecosystem

Establish world-class regulation through alignment with global standards. Boost Hong Kong's vibrancy and competitiveness through capacity building, data enhancement and technology innovation of the finance ecosystem to support net-zero transition across the economy. Grow dynamic, trusted markets with diverse products to mobilise capital at larger scale to support the net-zero transition.



Other News

China Hits Alibaba Affiliate Ant Group with \$985 Million Fine for Violating Various Regulations

People's Bank of China, which issued the fine, said that the penalty was in response to violations of various laws and regulations, including around corporate governance, consumer protection and anti-money laundering requirements.

China to Make Holders of More Than 1 Million Users' Data Get Annual Audits

China's cyberspace regulator issued on Thursday draft rules requiring service providers that hold data on more than 1 million people to undergo at least one compliance audit a year, another step in efforts to control data and information.

China Releases Plans to Restrict Facial Recognition Technology

China is planning to restrict businesses' use of facial recognition technology in favor of non-biometric methods. If facial recognition is used, the proposed rules encourage use of national systems.

China's Nanfang to Open Major Copper Smelter Ahead of Expectations

Used for wiring in electric vehicles, copper is a key plank of the energy transition. Chinese firms have ambitious plans to dominate production of the refined metal also used in the power and construction industries.

Chinese Auto Executives and 'Father of EVs' Urge Global Cooperation

China's electric vehicle industry leaders from policy adviser and 'father of EVs' Wan Gang to the heads of carmakers BYD and Nio and battery maker CATL called for stronger global cooperation and standardisation in policy to ease the technological transition.

TikTok Fined 345 Million Euros Over Handling of Children's Data in Europe

ikTok has been fined 345 million euros (\$370 million) for breaching privacy laws regarding the processing of children's personal data in the European Union, its lead regulator in the bloc said on Friday.

China Opposes Japan's Discharge of Nuclear-Contaminated Water

China on Thursday expressed strong opposition and vehement denunciation over Japan's decision to discharge nuclear-contaminated water from its Fukushima Daiichi Nuclear Power Plant into the ocean.

The University of Hong Kong, Fudan University, and The University of Sydney Join Forces to Strengthen Sustainability Research and Education

The MoU was signed during the 27th Annual Presidents' Meeting of the Association of Pacific Rim Universities, hosted by HKU from June 25 to 27, under the theme "From Invention to Implementation – Solutions for a Sustainable Future".
