

## Guidelines for Green Bond Issuance by Listed companies in China

China Securities Regulatory Commission's guidance on supporting the development of green bonds

To fully implement the "Opinions of the Central Committee of the Communist Party of China and the State Council on Accelerating the Construction of Ecological Civilization" and "Guiding Opinions on Building a Green Financial System"

(Yinfa [2016] No. 228) spirit, adhere to the development concept of innovation, coordination, green, openness and sharing, guide the stock exchange bond market to further serve the healthy and orderly development of green industry, and promote the transformation of China's economic development mode and economic restructuring. Upgrade, the following guidance is provided on matters related to the development of green corporate bonds by stock exchanges:

1. The term "green corporate bonds" as used in these Guidelines refers to the "Company Law", "Company Law", "Administrative Measures on Issuance and Transaction of Corporate Bonds" and other related laws. The provisions of the law and regulations, in accordance with the requirements of the relevant business rules of the stock exchange, raise funds to support corporate bonds in green industry projects.

2. Green industry projects invested by green corporate bonds, mainly refer to the "Green Bonds" compiled by the Green Finance Professional Committee of the China Finance Association.

With the project catalogue requirements, we will focus on supporting green industries such as energy conservation, pollution prevention, resource conservation and recycling, clean transportation, clean energy, ecological protection and climate change adaptation.

3. Issuers who intend to issue green corporate bonds, in addition to complying with the provisions of the Securities Law, the Company Law and the Measures for the Administration of Issuance and Transaction of Corporate Bonds. In addition to the bond issuance conditions, in principle, it must not be classified as high pollution, high energy consumption or other violations.

An industry that is guided by national industrial policies. Focus on supporting the following entities to issue green corporate bonds:

- (1) Mature enterprises that have long focused on the green industry;
- (2) Potential enterprises with leading technologies or unique advantages in the green industry;
- (3) Enterprises that are committed to the government and social capital cooperation projects for the development of medium and long-term green industries;
- (4) International financial organizations or multinational corporations that have invested in China's green industry project plans or are committed to promoting the development of China's green industries.

4. The acceptance and review of green corporate bond declarations shall be carried out by "special person docking and special audit", and the "report immediate review" policy shall apply. China Securities Regulatory Commission will continue to improve

Green corporate bond access management "green channel" institutional arrangements continue to enhance the convenience of companies to issue green bonds.

5. The issuer shall conscientiously perform its information disclosure obligations and disclose relevant information on green corporate bonds in a true, accurate, complete and timely manner in accordance with regulations or appointments.

When applying for the issuance of a green corporate bond, the prospectus should disclose the type of green industry project to be invested, the basis or criteria for project identification, the environmental benefit goal, the plan for the use of the raised funds, and the management system. At the same time, the issuer should also mention

A letter of commitment from the fundraising to the green industry project. During the existence of a green corporate bond, the issuer shall disclose the use of funds raised by green corporate bonds, the progress of green industry projects, and environmental benefits in accordance with the relevant rules or agreements.

Green corporate bond trustee in the annual trustee management report

The above should also be disclosed.

6. The funds raised by issuing green corporate bonds can be used for the construction, operation, acquisition of green industry projects, or repayment of bank loans for green industry projects. And other debts; it is strictly forbidden to use the name and the misuse of the name, fraudulent use, abuse of the green project, the use of funds, misappropriation. The issuer shall open a special fundraising account in accordance with relevant regulations or agreements, and manage the funds raised by the issuance of green corporate bonds to ensure that the funds are actually used for green industry projects that meet the requirements. The trustee should be diligent and responsible, and use the funds raised by the issuer to issue green corporate bonds. The account management situation is continuously supervised.

VII. Before and during the reporting period of green corporate bonds, the issuer is encouraged to submit the investment plan by the independent professional assessment or certification body. Evaluation opinions or certification reports issued by the color industry project. The evaluation and certification body that conducts the evaluation and certification of green corporate bonds shall establish relevant systems, procedures and standards for evaluation and certification, and issue a green corporate bond evaluation and certification report based on the principles of independence, objectivity, fairness and standardization. Encourage the evaluation of certification bodies to strengthen communication and coordination and industry self-discipline, and establish a comprehensive and unified evaluation and certification standards and processes.

8. Stock exchanges should actively participate in international exchanges and cooperation in the field of green finance, and explore the priority of integrating green corporate bonds into domestic and foreign stock exchanges. Interoperability mechanism, introducing high-quality issuers and professional investors of overseas green corporate bonds. Regularly carry out policy training, strengthen green corporate bond promotion and excellent case promotion, and promote intermediaries to strengthen service awareness.

9. Encourage securities underwriting institutions to establish long-term cooperation mechanisms with high-quality enterprises in green industries, actively provide green corporate bond intermediary services, and strengthen green public enterprises. Theoretical research and business innovation related to the bond. Encourage credit rating agencies to incorporate the issuer's green credit record into their credit risk considerations during the credit rating process and make special disclosures in the credit rating report.

10. The China Securities Industry Association shall publish the "Green Bond Public Welfare List" on a regular basis. The participation of securities companies in the underwriting of green corporate bonds is an important part of the social responsibility evaluation in the classification evaluation of securities companies.

11. Actively foster a green investment culture and encourage market players such as securities companies, fund management companies, private equity management institutions, commercial banks, and insurance companies. The body and its managed products invest in green corporate bonds. Accelerate the cultivation of professional investors in green corporate bonds and actively introduce foreign green corporate bond professional investors. Encourage all types of market investors to strengthen cooperation, explore the establishment of a green investor alliance, and jointly advocate and implement social responsibility.

12. The stock exchange researched and released the green corporate bond index, established and improved the green corporate bond sector, and expanded the influence of the green corporate bond market. drum Based on the green index, Lili Market Investment Co., Ltd. develops green financial products such as public offerings and private equity funds to meet the needs of investors.

13. Encourage local governments to comprehensively use interest subsidies, financial subsidies, and establish green corporate bond investment funds to support green corporate bonds. Voucher development. The CSRC shall take the initiative to meet the local governments in the jurisdiction and actively guide the social capital to participate in the construction of green industry projects.

14. The issuance of products such as green asset-backed securities, green local government bonds, and green renewable bonds shall be carried out in accordance with the relevant requirements of green corporate bonds; if

there are other provisions on the issuance of access management, listing transactions, etc., the provisions shall prevail.

15. This opinion is interpreted by the China Securities Regulatory Commission. Matters not covered in this opinion are implemented in accordance with the relevant provisions of the China Securities Regulatory Commission.

16. This opinion shall be implemented as of the date of promulgation.