Oxford Climate Policy Monitor 2024 Survey

Jurisdiction China

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Policy Tool Name: Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (For Trial Implementation)

Source material link(s): tps://web.archive.org/web/20240531230751*/http://www.sse.com.cn/lawandrules/sselc s/mainipo/c/c_20240412_5737862.shtml	ıwsrules/sto
Which of the following governance domains does this policy tool relate to? Select all the	at apply.
Climate-related disclosure	
Transition planning	
Public procurement	
Select the category which best describes the author/issuer of the policy tool.	
Head of state and/or government	
Independent regulatory or supervisory body	
Legislature	
Judiciary	
Ministry/Department/Agency	
Other (Please describe)	
Status of the policy tool	
Approved, in force	
Approved, not yet in force	
Other (Please describe)	
Year of (planned) entry into force or year of publication	
024	

10. Does the policy tool have an end date?
No
o Yes
12. Briefly describe the policy tool's goal and/or purpose:
For example: The policy tool requires publicly listed companies to comply with the recommendations of the Task Force for Climate Related Financial Disclosure or to explain the absence of such disclosures.
The policy tool requires the companies included in the SSE 180 Index, the STAR 50 Index, and those
listed simultaneously in mainland China and overseas markets to disclose sustainability information.
13. Name the authority(ies) responsible for overseeing implementation and/or enforcement. If not applicable, leave blank.
● 1. <u>Shanghai Stock Exchange</u>
o 2.
o 3.
o 4 .
o 5.
15. To provide contextual information, rate the capacity of Shanghai Stock Exchange to undertake the policy tool's implementation and/or enforcement.
o O- No Capacity (Please explain)
o 1- Low Capacity (Please explain)
o 2- Medium Capacity (Please explain)
• 3- High Capacity (Please explain) The policy tool authorizes Shanghai Stock Exchange to impose disciplinary sanctions on reporting entities in case of their non-compliance.

o Prefer not to answer
o Not Applicable

25. Which entities are targeted through this policy tool? Select all that apply.

Note: With regard to sectoral actors, in cases where mandatory and voluntary obligations are mixed (e.g., mandatory for one sector, voluntary for another), select "mandatory" as there will be further opportunity to clarify.

	Mandatory	Voluntary	Not targeted
1. Publicly-traded	~		
entities			
2. Private companies			
3. Financial institutions			
4. Small and medium-			
sized enterprises			
5. State-owned			
companies			
6. Not-for-profit			
organizations			
7. Government			\checkmark
agencies and/or			
departments			
(supranational)			
8. Government			✓
agencies and/or			
departments (national)			
9. Government			✓
agencies and/or			
departments (regional			
- e.g., state, province,			
region, metropolitan			
region)	_	_	
10. Government			
agencies and/or			
departments (local -			
e.g., county, district,			
municipality, city)			
11. Government			\checkmark
agencies and/or			
departments			
(unspecified)		_	
12. Sectoral actors			lacksquare
(e.g., healthcare,			
defense, utilities,			
education)			
13. Other			

27. D	escribe the threshold	criteria to identify	y entities for	whom or	instances in	n which	complianc	e is
mana	latory.							

	Publicly-traded entities
Minimum number of employees (Enter min	
number of full-time employees - FTEs)	
Minimum revenue (Enter minimum revenue)	
Minimum assets (Enter minimum assets)	
Minimum contract value (Enter minimum	
contract value)	
Entity is headquartered in the jurisdiction	
Entities are subjected to disclosure or reporting requirements	Any company that is a constituent of the SSE 180 Index or the STAR 50 Index, or is listed simultaneously in Chinese Mainland and overseas markets

number of full-time employees - FTEs)	
Minimum revenue (Enter minimum revenue)	
Minimum assets (Enter minimum assets)	
Minimum contract value (Enter minimum	
contract value)	
Entity is headquartered in the jurisdiction	
Entities are subjected to disclosure or reporting requirements	Any company that is a constituent of the SSE 180 Index or the STAR 50 Index, or is listed simultaneously in Chinese Mainland and overseas markets
28. Can entities for whom compliance with the policomply or explain)? • No	icy tool is mandatory opt out of the obligation (e.g.
Yes	
29. Describe the available opt-out provisions (e.g. 'section/subsection/paragraph of the policy tool.	"comply or explain"), referencing the relevant
Article 7 of the policy tool stipulates that a reportin information if such disclosure harms to its interests relevant topic does not have financial materiality o sufficiently justifies such non-disclosure.	s or involves state or commercial secrets, or
30. Does the policy tool exclusively apply to entities entities' operations beyond the jurisdiction?	s' domestic operations, or does it also apply to
o Operations within jurisdiction only	
Operations beyond the jurisdiction	
o Not applicable	

31. What are the specific obligations and conditions for entities' operations beyond the jurisdiction? Please reference the relevant section/subsection/paragraph of the policy tool.
Entities' operations beyond the jurisdiction are not subject to specific obligations and conditions, except that their sustainability information will be consolidated in the sustainability report of the reporting entity. Paragraph 2 of Article 4 of the policy tool stipulates that the reporting entity and the reporting period of the sustainability report shall be consistent with the annual report. The annual report of a reporting entity on the Shanghai Stock Exchange covers overseas operation controlled by such entity.
32. What are the sanctions for non-compliance? Select all that apply and describe in the text field.
☐ Monetary fine
☐ Restriction on business activities
□ Voiding or setting aside of contract
□ Exclusion from government contracts
☐ Award of damages or compensation
☐ Penalty for senior managers
☐ Criminal penalties
□ Not specified
□ Not applicable (e.g. in cases of voluntary tools)
Other <u>Article 61 of the policy tool only provides that the Shanghai Stock Exchange will impose</u> disciplinary sanctions on any reporting entity for its non-compliance, without detailing what specific actions will be taken.
33. Relative to other compliance activities required of entities in this jurisdiction, is the cost of compliance:
o Below average
o Average
Above average
o Not applicable
Unknown or prefer not to answer

35. To provide contextual information, give a general assessment of the extent to which regulated entities have made compliance a priority.
o Below average
o Average
Above average
o Not applicable
• Unknown or prefer not to answer
37. Have the climate-specific provisions in this instrument ever been enforced?
• No (If relevant, explain) Article 63 of the policy tool requires the in-scope companies to release their 2025 sustainability report based on the requirements of the policy tool before 30 April 2026. To date, the sustainability reports have not yet been released. As such, no enforcement actions have been ever taken.
∘ Yes
39. Are there monitoring systems in place to oversee the implementation and/or enforcement of the policy tool?
∘ No
● Yes
40. Describe the monitoring systems in place. Please reference the relevant section/subsection/paragraph of the policy tool where monitoring systems are set.
Article 61 of the policy tool provides that Shanghai Stock Exchange will impose disciplinary sanctions on reporting entities in case of their non-compliance. Therefore, we understand that the Shanghai Stock Exchange will have relevant monitoring systems in place to oversee the implementation of the policy tool.

41. Does the policy tool recommend or require periodic impact assessments?
∘ No
○ Recommended
Required
42. Select the option that best describes the frequency of periodic impact assessments recommended or required by the policy tool.
● 0-2 years
o 2-5 years
o 5-10 years
o 10 or more years
○ Not specified
o Other
43. Does the policy tool recommend or require periodic reviews?
∘ No
○ Recommended
Required
44. Select the option that best describes the frequency of the recommended or required periodic reviews.
● 0-2 years
o 2-5 years
○ 5-10 years
○ 10 or more years
○ Not specified
o Other

45. Does the policy tool include mechanisms for enhancing policy or regulatory coordination with subnational governments (e.g. vertical coordination mechanisms such as appointing coordinating agencies, forming working groups, etc.)?
No No
∘ Yes
47. Are there any government initiatives to enhance the capacity of targeted entities to implement or comply with the policy tool (e.g. industry working groups, outreach campaigns, education and training, etc.)?
∘ No
48. Describe initiatives for enhancing the capacity of targeted entities to implement or comply with the policy tool. Reference the relevant section/subsection/paragraph of the policy tool where capacity-building initiatives are established. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material.
https://web.archive.org/web/20240422032758/https://news.cnstock.com/news,bwkx-202404-
5217670.htm On 12 April 2024, the Shanghai Stock Exchange published a news on release of the policy tool,
indicating that it will concentrate on market training, advisory services regarding policy, and support
for implementation in relation to the policy tool. In the forthcoming period, it also plans to publish a quidance roadmap to aid reporting entities in comprehending relevant requirements and to equip them for sustainability disclosures.

Domain-Specific Questions: Disclosure Questions	
What is being disclosed?	

52. Are targeted entities recommended or required to disclose any of the	following climate-related
information? Select all that apply.	

	Recommended	Required	Neither recommended nor required
1. Greenhouse gas		\checkmark	
(GHG) emissions 2. GHG emissions			
offsets or removals			
3. GHG emissions		V	
reduction targets			
4. Other climate- related targets			
5. Physical climate risk		✓	
6. Transition risk			
7. Transition plan			
54. Which GHG emissions Carbon dioxide (CO2) Methane (CH4) Nitrous oxide (N2O) Hydrofluorocarbons (HO2) Perfluorocarbons (PFC	IFCs)	Select all that apply.	
Sulphur hexafluoride (S	SF6)		
Nitrogen trifluoride (NF	- 3)		
□ Carbon dioxide equival	ent (CO2e)		
55. Are entities recommen	nded or required to dis	sclose gross emissions	?
o No			
o Recommended			
Required			

56. Are entities recommended or required to disclose net emissions?
No
∘ Recommended
o Required
57. What Scope of emissions must be disclosed? Select all that apply.
Scope 1 emissions
Scope 2 emissions
Scope 3 emissions, relevant or material
☐ Scope 3 emissions, a specified proportion of coverage (Please describe)
□ Scope 3 emissions, all
□ Not specified
58. Are entities recommended or required to discloseGHG emissionsaccounting methodologies or standards?
GHG emissions
59. Does the policy tool recommend or require the GHG inventory be third-party verified?
No No
○ Recommended
○ Required
60. If necessary, provide additional clarification to the above responses aboutgreenhouse gas (GHG)

emissions disclosure.

Article 25 of the policy tool further provides that a reporting entity is recommended to provide
breakdown of GHG emissions based on the following categories: 1) business units or operating
facilities, 2) countries or regions, and 3) sources (e.g., combustion, processing, electricity, heating,
<u>cooling, and steam).</u>
Disclosure of Greenhouse Gas (GHG) Offsets or Removals
62. Does the policy tool recommend or require offsetting purchases be disclosed?
∘ No
a Decembered (Diagos describe and reference the relevant section/subsection/nargaranh of the
 Recommended (Please describe and reference the relevant section/subsection/paragraph of the policy tool)
policy (500)
• Required (Please describe and reference the relevant section/subsection/paragraph of the policy
tool) Article 27 requires a reporting entity to disclose its registration and trading activities in relation
to national projects for voluntary GHG emissions reduction and the China Certified Emission
Reduction (CCER), as well as its registration and trading of any other initiatives for emissions
reduction and emissions savings.
63. Does the policy tool recommend or require entities disclose whether offsets are verified?
No No
o Recommended (Please describe and reference the relevant section/subsection/paragraph of the
policy tool)
o Required (Please describe and reference the relevant section/subsection/paragraph of the policy
tool)
64. Does the policy tool recommend or require any certification standards for the use of GHG
offsetting or removals?
No No
• Recommended (Please list the certification standards, describe their use, and reference the relevant
section/subsection/paragraph of the policy tool)

Required (Please describe and reference the relevant section/subsection/paragraph of the policy tool)
65. Does the policy tool include any other recommendations or requirements regarding the appropriate use of offsets?
∘ No
o Recommended (Please describe and reference the relevant section/subsection/paragraph of the policy tool)
• Required (Please describe and reference the relevant section/subsection/paragraph of the policy tool) Article 24 requires reporting entities that use carbon credits to disclose the source and amount of the carbon credits it uses. Any disclosing entity that participates in carbon emissions trading shall also disclose whether it has completed settlement and whether it has been ordered to take corrective actions or is formally investigated by any government agency within the reporting period.
Disclosure of Greenhouse Gas (GHG) Emissions Reduction Targets

67. Which of the following targets, or data related to targets, does the policy tool request entiti	es
disclose? Select any of the following which apply:	

	Recommended	Required	Neither recommended
			nor required
An absolute emissions reduction target			
An intensity-based emissions reduction target			
A net zero target			\checkmark
Targets covering non- carbon GHG emissions			
A Scope 3 emissions target			~
A target derived using a sectoral decarbonization approach			
Interim targets			
A target timeframe (e.g. by 2040)			
A baseline year from which progress is measured			
A level of ambition for emissions reductions (e.g. 80% reduction)			
emissions reductions targ		entities to disclose thei	r progress in achieving their
○ Recommended			
Required			
69. What is the recomme of emissions reductions to		uency of progress repo	rts regarding the achievement
Yearly			

o Every two years

o Every three years

o Every four years
o Every five years
o Every ten years or more
o Other
o No prescribed frequency
Disclosure of other climate-related targets
84. Which of the following other climate-related targets does the policy tool recommend or require entities disclose? Select all that apply.
☐ Targets for renewable energy procurement (Please reference the section/subsection/paragraph of the policy tool relevant to renewable energy procurement targets)
☐ Targets for fossil fuel phase down/phase out (Please reference the section/subsection/paragraph of the policy tool relevant to fossil fuel phase down/phase out)
☐ Targets or goals related to climate adaptation (Please reference the section/subsection/paragraph of the policy tool relevant to climate adaptation)
☐ Targets or goals related to nature and/or biodiversity (Please reference the section/subsection/paragraph of the policy tool relevant to nature and/or biodiversity)
☐ Targets or goals related to just transition (Please reference the section/subsection/paragraph of the policy tool relevant to just transition)
☐ Other targets (Please reference the section/subsection/paragraph of the policy tool relevant to other targets)
Disclosure of Physical Risk
86. What types of physical risk must be disclosed?
✓ To company

To society (double materiality)
87. What is the materiality standard for the disclosure of physical risk?
Self-assessed material risk
o Externally-defined material risk
o Other (Describe)
88. Are entities recommended or required to disclose the results of climate risk-related stress tests that are related to physical climate risk?
No No
○ Recommended
○ Required
89. Are entities recommended or required to disclose their methodology for scenario analysis with relation to physical risk?
∘ No
Recommended
∘ Required
90. Are risk assessments of physical risk recommended or required to be third-party verified?
No
○ Recommended
∘ Required

Disclosure of Transition Risk

92. What types of transition risk must be disclosed? Select all that apply
Risks that societal transitions may pose to the disclosing entity
Risks that the disclosing entity's transition may pose to society (double materiality)
93. What is the materiality standard for the disclosure of transition risk?
Self-assessed material risk
Externally-defined material risk
Other (Describe)
94. Are entities recommended or required to disclose the results of climate-related risk stress tests that are related to transition risk?
No No
○ Recommended
○ Required
95. Are transition risk assessments recommended or required to be third-party verified?
No No
○ Recommended
○ Required
96. Are entities recommended or required to disclose their methodology for scenario analysis related to transition risk?
○ No
Recommended

○ Required
Disclosure of Transition Plans
98. What is the recommended or required frequency of transition plan disclosures?
Yearly
o Every two years
o Every three years
o Every four years
o Every five years
o Every ten years or more
○ Other
○ Not specified
99. Does the policy tool recommend or require audited accuracy and/or third-party verification of the transition plan?
No
○ Recommended
○ Required
100. Does the policy tool recommend or require entities to disclose progress in implementing transition plans?
○ No
○ Recommended
Required

101. What is the recommended or required frequency of disclosures related to transition plan implementation progress?
o Every two years
o Every three years
o Every four years
○ Every five years
o Every ten years or more
○ Other
○ No prescribed frequency
102. Does the policy tool recommend or require targeted entities to disclose their financial plans for implementing transition plans?
○ No
○ Recommended
Required
103. Does the policy tool recommend or require targeted entities to disclose their methodology for scenario analysis related to transition planning?
No No
○ Recommended
○ Required

Other disclosures

105. Are targeted entities recommended or required to disclose any other climate-related information? Select all that apply.

	Required	Recommended	Neither recommended nor required
1. Climate-related	✓		
opportunities			
2. Remuneration			✓
based on achieving			
climate-related goals			
3. Taxonomies			>
4. Capital allocation	✓		
and/or expenditure			
plans (in the context of			
climate change) 5. Due diligence		⊘	
6. Assumptions and			_
Dependencies			
7. Data limitations of		✓	
scenario analyses			
8. Financial			✓
implications of			
climate-related			
matters (e.g.,			
integration of climate-			
related disclosures			
into financial			
accounting standards) 9. Stewardship (e.g.,	✓		
whether stewardship			
codes are in place,			
how entities vote in			
shareholder meetings,			
etc.)			
10. ESG			\checkmark
methodologies and			
criteria (in the case of			
service providers)			
11. Asset planning or			>
ownership in the context of climate			
change			
12. Sectoral			✓
investment policies			
13. Climate-related			\checkmark
lobbying and/or policy			
engagement			
14. Locked-in			\checkmark
emissions or			
information on			

emissive assets with long lifespans				
15. Dirty asset divestiture			~	
16. Nature-related impacts			$ \checkmark $	
17. Just transition indicators			\checkmark	
106. Is third-party verifica	ation of climate-related op	portunities recommended	d or required?	
o No				
o Recommended				
Required				
109. Describe and reference the section/subsection/paragraph of the policy tool relevant to capital allocation and/or expenditure plans disclosures.				
Article 23 of the policy tool stipulates that a reporting entity shall disclose its transition plans, actions, and progress in responding to climate risks and opportunities, including but not limited to adjustments made in the company's current and future strategies, business models, and resource allocation to respond to climate risks and opportunities.				
110 Describe and reference the continuous particular resource to fit to the distribution of the continuous particular resource to the continuous p				
110. Describe and reference the section/subsection/paragraph of the policy tool relevant to due diligence disclosures.				
Article 52 of the policy tool generally provides that a reporting entity is recommended to disclose any				
due diligence measures it has taken.				

111. Describe and reference the section/subsection/paragraph of the policy tool relevant to assumptions and dependencies disclosures.

Article 26 of the policy tool requires a reporting entity to disclose the standards, methods, assumptions, or calculation tools used for GHG emissions accounting and state how emissions data are consolidated.

112. Describe and reference the section/subsection/paragraph of the policy tool relevant to data limitation disclosures.
Article 22 of the policy tool stipulates that a reporting entity that is able to assess its climate adaptation through scenario analysis to disclose the key assumptions and the procedures of such scenario analysis.
114. Describe and reference the section/subsection/paragraph of the policy tool relevant to stewardship-related disclosures.
Article 12 of the policy tool generally stipulates that a reporting entity shall develop corporate governance structure and internal rules, ensuring that its relevant internal bodies possess the requisite expertise and can effectively carry out duties such as the identification, assessment, management, and oversight of sustainability-related impacts, risks, and opportunities and disclose accordingly.
Standards, Frameworks, and Guidelines

125. Does the policy tool require the use of or make reference to any of the following standards, frameworks, or guidelines? Select all that apply.

	Required	Referenced	Neither required nor referenced
1. IFRS S1			\checkmark
2. IFRS S2			✓
3. Task Force on Climate-related Financial Disclosures (TCFD)			
4. GHG Protocol Corporate Accounting and Reporting Standard			
5. GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard			
6. CDP (formerly known as Climate Disclosure Project) reporting framework			
7. International Integrated Reporting Framework			
8. Global Reporting Initiative (GRI)			
9. Sustainability Accounting Standards Board (SASB)			
10. European Sustainability Reporting Standards (ESRS)			
11. Taskforce on Nature-related Financial Disclosures (TNFD)			
12. Partnership for Carbon Accounting Financials (PCAF)			
13. Glasgow Financial Alliance for Net Zero (GFANZ)			
14. Other			✓

Additional Important Information
128. Note any additional important information about the contribution of the policy tool to net zero alignment not captured in the above questions. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material.
The policy tool defines greenhouse gas in Article 59 by referring to Kyoto Protocol. https://web.archive.org/web/20240808113146*/http://treaties.un.org/doc/Treaties/1998/09/19980921%2004-41%20PM/Ch_XXVII_07_ap.pdf
Additional Important Information
197. Note any additional important information about the contribution of the policy tool to net zero alignment not captured in the above questions. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material.
<u>None</u>

Policy Tool Name: Administrative Measures for the Management of Echelon Utilization of Power Batteries for New Energy Vehicles

3. Source material link(s): https://web.archive.org/web/20221206104050*/http://www.gov.cn/zhengce/zhengceku/2021- 08/28/content_5633897.htm
4. Which of the following governance domains does this policy tool relate to? Select all that apply.
□ Climate-related disclosure
✓ Transition planning
□ Public procurement
6. Select the category which best describes the author/issuer of the policy tool.
□ Head of state and/or government
□ Independent regulatory or supervisory body
□ Legislature
☑ Ministry/Department/Agency
□ Other (Please describe)
7. Status of the policy tool
Approved, in force
o Approved, not yet in force
Other (Please describe)
9. Year of (planned) entry into force or year of publication
<u>2021</u>

10. Does the policy tool have an end date?
No No
∘ Yes
12. Briefly describe the policy tool's goal and/or purpose:
For example: The policy tool requires publicly listed companies to comply with the recommendations of the Task Force for Climate Related Financial Disclosure or to explain the absence of such disclosures.
The policy tool is promulgated aiming at strengthening the administration of cascade utilization of traction batteries for new energy vehicles and to create a uniform standard for the cascade utilization
industry, thus improving the comprehension utilization level of resources.
13. Name the authority(ies) responsible for overseeing implementation and/or enforcement. If not applicable, leave blank.
15. To provide contextual information, rate the capacity of Ministry of Industry and Information Technology to undertake the policy tool's implementation and/or enforcement.
o O- No Capacity (Please explain)
o 1- Low Capacity (Please explain)
o 2- Medium Capacity (Please explain)
o 3- High Capacity (Please explain)
o Prefer not to answer
Not Applicable

16. To provide contextual information, rate the capacity of Ministry of Science and Technology to undertake the policy tool's implementation and/or enforcement.
o 0- No Capacity (Please explain)
o 1- Low Capacity (Please explain)
o 2- Medium Capacity (Please explain)
o 3- High Capacity (Please explain)
o Prefer not to answer
Not Applicable
17. To provide contextual information, rate the capacity of Ministry of Ecology and Environment to undertake the policy tool's implementation and/or enforcement.
o 0- No Capacity (Please explain)
o 1- Low Capacity (Please explain)
o 2- Medium Capacity (Please explain)
o 3- High Capacity (Please explain)
o Prefer not to answer
Not Applicable
18. To provide contextual information, rate the capacity of Ministry of Commerce to undertake the policy tool's implementation and/or enforcement.
o 0- No Capacity (Please explain)
o 1- Low Capacity (Please explain)
o 2- Medium Capacity (Please explain)
o 3- High Capacity (Please explain)
o Prefer not to answer
Not Applicable

19. To provide contextual information, rate the capacity of State Administration for Market Regulation to undertake the policy tool's implementation and/or enforcement.	
o 0- No Capacity (Please explain)	
o 1- Low Capacity (Please explain)	
o 2- Medium Capacity (Please explain)	
o 3- High Capacity (Please explain)	
o Prefer not to answer	
Not Applicable	

25. Which entities are targeted through this policy tool? Select all that apply.

Note: With regard to sectoral actors, in cases where mandatory and voluntary obligations are mixed (e.g., mandatory for one sector, voluntary for another), select "mandatory" as there will be further opportunity to clarify.

	Mandatory	Voluntary	Not targeted
1. Publicly-traded			
entities			
2. Private companies			⊘
3. Financial institutions			✓
4. Small and medium-			
sized enterprises			
5. State-owned			
companies			
6. Not-for-profit			
organizations			
7. Government			\checkmark
agencies and/or			
departments			
(supranational)			
8. Government			
agencies and/or			
departments (national)			
9. Government			
agencies and/or			
departments (regional			
- e.g., state, province,			
region, metropolitan			
region)			
10. Government			
agencies and/or			
departments (local -			
e.g., county, district,			
municipality, city)			
11. Government			\checkmark
agencies and/or			
departments			
(unspecified)			
12. Sectoral actors	✓		
(e.g., healthcare,			
defense, utilities,			
education)			
13. Other			

34

26. In cases where entities are targeted by sector, identify the sector to which the policy tool applies.

	Mandatory	Voluntary	Not applicable
All sectors			✓
Agriculture, forestry, and fishing			\checkmark
Mining and quarrying			\checkmark
Manufacturing	✓		
Electricity, gas, steam, and air conditioning supply			>
Water supply; sewerage; waste management and remediation activities			
Construction			
Wholesale and retail trade: repair of motor vehicles and motorcycles			
Transportation and storage			>
Accommodation and food service activities			
Information and communication			>
Financial and insurance activities			\
Real estate activities			\checkmark
Professional, scientific and technical activities			\checkmark
Administrative and support service activities			
Public administration and defense; compulsory social security			>
Education			✓
Human health and social work activities			«
Arts, entertainment and recreation			
Other service activities			✓
Activities of households as employers; undifferentiated goods-and services- producing activities of			

households for own		
use		
Activities of extraterritorial organizations and bodies		∀

27. Describe the threshold criteria to identify entities for whom or instances in which compliance is mandatory.

	Sectoral actors (e.g. healthcare, defense,
	utilities, education)
Minimum number of employees (Enter min	
number of full-time employees - FTEs)	
Minimum revenue (Enter minimum revenue)	
Minimum assets (Enter minimum assets)	
Minimum contract value (Enter minimum	
contract value)	
Entity is headquartered in the jurisdiction	
Entities are subjected to disclosure or reporting	Sectoral actors to activities related to cascade
requirements	utilization enterprises and other relevant market
	participants within the territory of PRC
28. Can entities for whom compliance with the pol	icy tool is mandatory opt out of the obligation (e.g.
28. Can entities for whom compliance with the pol comply or explain)? No	icy tool is mandatory opt out of the obligation (e.g.
comply or explain)?	icy tool is mandatory opt out of the obligation (e.g.
comply or explain)? • No	icy tool is mandatory opt out of the obligation (e.g.
comply or explain)? No	
omply or explain)? No Yes 30. Does the policy tool exclusively apply to entitie	
omply or explain)? No Yes 30. Does the policy tool exclusively apply to entitie entities' operations beyond the jurisdiction?	

- 32. What are the sanctions for non-compliance? Select all that apply and describe in the text field.
- Monetary fine The policy tool itself only lists from Art.24-Art.26 that different agencies shall collaborate to administer the operation of the cascade utilization enterprises and those who violate the relevant provisions shall be disposed of according to the applicable laws. The policy tool does not specify what the applicable laws are but it refers to the Law of the People's Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes and the Circular Economy Promotion Law of the People's Republic of China in Art.1 as the legal basis for promulgating the measures. According to Art. 102 of the Law of the People's Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes, enterprises generating, collecting, storing,

transporting, utilizing, and disposing of solid waste have not recorded and reported information, set up protective measures, or obtained approvals and reports by the law, could be ordered by the competent energy and environmental departments to make corrections and to be imposed a fine. Whereas, according to Art. 51 of the Circular Economy Promotion Law of the People's Republic of China, violation of the provisions of this Law, in the dismantling or disposal process may cause environmental pollution of electrical and electronic appliances and other products, the design and use of toxic and hazardous substances included in the national list of prohibited substances, by the market supervision and management department of the local people's government at or above the county level and ordered to make corrections within a certain period; failing to do so, shall be sentenced to pay a fine of 20,000 RMB or more than 200,000 RMB or less (the business license could be revoked when the circumstances are severe). To conclude, while the policy tool itself does not specify what kind of disposal shall be imposed on violating entities, administrative liabilities (including ordered to make corrections, fine, and revocation of business license) could be imposed according to the more general environmental regulations in the disposal of electricity waste products.

Restriction on business activities <u>See above. The penalty could be the revocation of business license.</u>
☐ Voiding or setting aside of contract
☐ Exclusion from government contracts
☐ Award of damages or compensation
☐ Penalty for senior managers
☐ Criminal penalties
□ Not specified
□ Not applicable (e.g. in cases of voluntary tools)
□ Other
33. Relative to other compliance activities required of entities in this jurisdiction, is the cost of compliance:
o Below average
o Average
Above average
o Not applicable
o Unknown or prefer not to answer

34. Provide supplemental explanation of your assessment of the associated costs of compliance. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material.
According to a news report from one of the Chinese top news media, even three years after the release of measures, a lot of cascade utilization enterprises taking the market share are still small
workshops without any environmental protection and fire safety facilities. According to the interviews with a lot of managers for business entities engaged in the laddering utilization of power batteries, with the fall in raw material prices, new battery stocks are plentiful and prices are low. "Cascade utilization batteries need to invest a lot of money for dismantling, testing, and reorganization, how to ensure the benefits while reducing the cost of processing, is currently a major challenge. The safety hazards in the process of laddering utilization are also more difficult to exclude." Thus, it could be assumed that the cost for compliance with all safety and testing requirements as stipulated in the national standards is still pretty expensive for enterprises to comply with, in some cases, it could even be more expensive than manufacturing a new battery. Web-archived link: https://web.archive.org/web/20240704225538*/http://xinhuanet.com/20240702/5ddd885a027c4f7e8a4ab15903577081/c.html
35. To provide contextual information, give a general assessment of the extent to which regulated entities have made compliance a priority.
■ Below average
o Average
Above average
o Not applicable
o Unknown or prefer not to αnswer
36. Provide supplemental explanation of your priority assessment. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material.

First, most of the requirements in the policy tool, like product types, business models, and facilitation of business cooperation relationships with value chain companies are only used encouraged-tone <u>language</u> without a harsh and clear punishment for violation, thus it may only have low inducement for regulated enterprises to spend a high compliance cost to the comply with the measures but

without a clear business benefit.

Second, even though Section 4 of the measures requires the regulated enterprises to establish recycling service outlets through self-built, co-built, and authorized means. However, at the level of actual implementation, the threshold for recycling organizations is relatively low, depending mainly on price, and whether the outlets operate in a standardized manner after successful declaration has not been strictly regulated and the punishments for inactions are also unclear.

What's more, according to the market analysis, the development of cascade utilization is still in the pilot stage in Chinese market, only a few with cascade utilization qualifications of the regular organized enterprises have participated in the progress, such as Greenpeace, China Tower, etc. By contrast, the overall Chinese cascade utilization market is not yet standardized, chaotic with many unregulated small workshops having a price advantage, the attraction of the non-entry into the enterprise is declining, and it is difficult to form a large-scale well-regulated safe and environmental friendly market in the short term.

Thus, based on the following information, it is reasonable to assume that based on the soft nature of current regulations and vicious competition from small workshops, a gap still exists for the current regulatory standards and the actual operations of the cascade utilization industry, and many regulated entities have yet to make compliance as a top priority.

Web-archived link:

Yes

https://web.archive.org/web/20240704225538*/http://xinhuanet.com/20240702/5ddd885a027c4f7e84ab15903577081/c.html

https://web.archive.org/web/20240405153153*/https://www2.deloitte.com/content/dam/Deloitte/cn/
Documents/strategy/deloitte_cn_lithium_pov_cn_20221114.pdf

37. Have the climate-specific provisions in this instrument ever been enforced?

No (If relevant, explain)

Yes

39. Are there monitoring systems in place to oversee the implementation and/or enforcement of the policy tool?

No

40. Describe the monitoring systems in place. Please reference the relevant section/subsection/paragraph of the policy tool where monitoring systems are set.

Specifically, local departments of industry and information technology at or above the county level
shall supervise and inspect the production and traceability of cascade products from cascade
utilization enterprises; local Market Regulation Departments shall supervise and administer the
certification of cascade products; local Ecology and Environment Departments shall supervise the
prevention and control of environmental pollution in the production and disposal/recycling of cascade
products and local Commerce Departments shall supervise the dismantling and selling of traction
battery by scrapped motor vehicle recycling and dismantling enterprises and their completion of
traction battery information.
41. Does the policy tool recommend or require periodic impact assessments?
● No
○ Recommended
○ Required
43. Does the policy tool recommend or require periodic reviews?
No No
○ Recommended
o Dogwired
o Required
45. Does the policy tool include mechanisms for enhancing policy or regulatory coordination with subnational governments (e.g. vertical coordination mechanisms such as appointing coordinating agencies, forming working groups, etc.)?
○ No

46. Describe the mechanisms for enhancing regulatory coordination with subnational governments. Reference the relevant section/subsection/paragraph of the policy tool where mechanisms for

coordination with subnational governments are set.

Section 5 of the policy tool listed the shared responsibilities of different government agencies in administering the proper operation of the enforcement of the policy tool from Art. 23 to Art. 28.

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Art. 4 requires that the industry and information technology departments of all provinces, autonomous regions, municipalities directly under the Central Government and Xinjiang Production and Construction Corps shall, in conjunction with the ecology and environment, commerce, and market regulation departments at the same level, coordinate the guidance, supervision, and administration of cascade utilization in their regions.
47. Are there any government initiatives to enhance the capacity of targeted entities to implement or comply with the policy tool (e.g. industry working groups, outreach campaigns, education and training, etc.)?
No● Yes
48. Describe initiatives for enhancing the capacity of targeted entities to implement or comply with the policy tool. Reference the relevant section/subsection/paragraph of the policy tool where capacity-building initiatives are established. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material. To further help relevant regulated entities to better understand and comply with the rules, Art.4 of the measures stipulates that the Ministry of Industry and Information Technology shall be responsible for administering, guiding, and coordinating the cascade utilization of traction batteries throughout the
country. The Ministry of Ecology and Environment, the Ministry of Commerce, and the State Administration for Market Regulation shall, according to their duties, strengthen the supervision and administration of the cascade utilization of traction batteries, and enhance information sharing. Furthermore, Art.5 requires that the Ministry of Science and Technology shall support the development, promotion, and application of key generic technologies and equipment for cascade utilization, guide the collaboration among enterprises, universities, research institutes, and users, and encourage the innovation of new business models and the construction of demonstration projects for cascade utilization.
cuscude utilization.

Domain-Specific Questions: Transition Planning Questions
Disclosure of Plans and Targets
132. Are targeted entities recommended or required to publicly disclose climate-related targets or transition plans?
No No
∘ Recommended
o Required
Targets
135. Does the policy tool recommend or require targeted entities to have or develop climate-related targets?
No
∘ Recommended
o Required
Transition Plans
164. Does the policy tool recommend or require targeted entities to have or develop a transition plan?
○ No
○ Recommended
Required

165. Does the policy tool recommend or require any of the following elements or criteria for transit	tion
plans? Select all that apply.	

	Recommended	Required	Neither recommended	
			nor required	
A timeframe for the				
transition plan (e.g. 10				
year plan, 20 year				
plan, etc.)				
Key Performance				
Indicators (KPIs) for				
monitoring transition				
plan implementation				
Updates to the			\checkmark	
transition plan				
Third-party				
verification and/or				
audited accuracy of				
the transition plan				
Identified methodology			\checkmark	
for scenario analysis				
167. Describe the recommended or required Key Performance Indicators (KPIs) and reference the relevant section/subsection/paragraph of the policy tool. The KPIs used to assess the implementation of the transition plan for the cascade industry included the Recycling of Traction Batteries Used in Electric Vehicles—Test of Residual Capacity (GB/T 34015) and other relevant standards as stated in Art. 10, these standards are important indicators to evaluate the residual value of waste traction batteries and compare the improvements and efficiencies of the cascade utilization products. What's more, Art.11 and Art. 18 also stipulate that the government shall implement a quality				
management system for all cascade utilization products, and the certified cascade products may use				
the certification mark for cascade products on their products and packages.				
Monitoring, Oversight, and Implementation				

176. Does the policy tool recommend or require entities undertake any of the following with regard to monitoring, oversight, and implementation? Select all that apply.

	Recommended	Required	No
Monitor progress in implementing their transition plan			
Develop financial plans for the implementation of their transition plan			
Integrate climate- related matters into their financial accounting			
Incorporate climate change considerations into their investment decision making and/or asset planning			
Incorporate climate change considerations into their capital allocation and/or expenditure plans			
Any other mechanisms for enhancing the achievement of targets and/or the implementation of transition plans			

182. Describe the obligations related to other governance mechanisms for enhancing the achievement of targets and/or implementation of transition plans, referencing the relevant section/subsection/paragraph of the policy tool.

Art.11 and Art. 12 require the cascade utilization enterprises to adopt a product quality management system and traceability management system to ensure the manufacturing of the cascade utilization products meets the relevant national standards.

Specifically, Art.11 stipulates that the cascade utilization enterprises shall ensure that the products are of good quality and pass the quality management system certification and enterprises shall assume warranty and after-sale product liabilities for produced products. Art. 12 requires the regulated entities to upload the traceability information related to cascade products, and waste traction batteries to the integrated management platform for the national monitoring of new energy vehicles and traceability of traction battery recycling (www.evmamtbrat.com).

What's more, Art. 19 stipulates that the regulated entities shall establish recycling outlets for scraped

cascade products matching with product sales volume for proper recycling of the utilization products
The information of such recycling establishments shall be disclosed to the public.
Engagement, Lobbying, and Governance

184. Does the policy tool recommend or require targeted entities align any of the following	ıg
engagement and/or governance practices with their targets and/or transition plans?	

	Recommended	Required	No	
Value chain				
engagement				
Investor engagement			✓	
Consumer				
engagement				
Policy engagement				
and lobbying practices				
Corporate governance		\checkmark		
structure for transition				
and verification				
Climate-related				
financial incentives for				
employees and board				
members				
185. Does the policy tool recommend or require targeted entities to disclose how they have used due diligence and/or stewardship to achieve their targets and/or implement their transition plans?				
No No				
∘ Recommended				
o Required				
400 D. H. H. L. H.				

186. Describe the obligation to the align targets and/or transition plans with value chain engagement, referencing the relevant section/subsection/paragraph of the policy tool.

Art.8,10 encourages the cascade utilization enterprises to have better business cooperation relationships with upside and downside business partners, like enterprises manufacturing new energy vehicles and traction batteries and enterprises recycling and dismantling scrapped motor vehicles, it encourages to use of the cooperation relationship to facilitate cascade utilization. It also encourages each party to share more information about cascade utilization products with each other (such as ex-factory technical specifications and charging rate of traction batteries and monitoring data information (e.g., voltage, temperature, and SOC) provided in relevant national standards.). And Art.9 notices that if such a cooperation relationship exists, all enterprises in the value chain shall clarify issues related to intellectual property and product safety responsibilities.

190. Describe the obligation to the align targets and/or transition plans with corporate governance structures for transition and verification, referencing the relevant section/subsection/paragraph of the policy tool.

Art.11 and Art. 12 require the cascade utilization enterprises to adopt a product quality management system and traceability management system to ensure the manufacturing of the cascade utilization products meets the relevant national standards.

Specifically, Art.11 stipulates that the cascade utilization enterprises shall ensure that the products are of good quality and pass the quality management system certification and enterprises shall assume warranty and after-sale product liabilities for produced products. Art. 12 requires the regulated entities to upload the traceability information related to cascade products, and waste

traction batteries to the integrated management platform for the national monitoring of new energy
vehicles and traceability of traction battery recycling (www.evmamtbrat.com).
What's more, Art. 19 stipulates that the regulated entities shall establish recycling outlets for scraped
cascade products matching with product sales volume for proper recycling of the utilization products.
The information of such recycling establishments shall be disclosed to the public.
Standards, Frameworks, and Guidelines
Standards, Franceworks, and Galacinics

194. Does the policy tool require the use of or make reference to any of the following standards, frameworks, or guidelines? Select all that apply.

	Required	Referenced	Neither required nor referenced
IFRS S1			\checkmark
IFRS S2			\checkmark
Task Force on Climate-related Financial Disclosures (TCFD)			
CDP (formerly known as Climate Disclosure Project) Technical Note: Reporting on Climate Transition Plans			
International Integrated Reporting Framework			
Global Reporting Initiative (GRI)			~
Sustainability Accounting Standards Board (SASB)			✓
Science Based Targets initiative (SBTi)			✓
Science Based Targets initiative (SBTi) Net Zero Standard			\checkmark
European Sustainability Reporting Standards (ESRS)			
Other	⊘		

195. List any other standards, frameworks or guidelines required by or referred to within the policy tool. Please provide a web-archived link to each standard/framework/guideline listed.

1. Art. 6: Cascade utilization enterprises shall meet the requirements of the Industry Standards for the Comprehensive Utilization of Waste Power Storage Batteries of New Energy Vehicles
(Announcement No. 59 [2019], MIIT). (Chinese official website link:
http://www.caam.org.cn/chn/9/cate_99/con_5228279.html)

2. Art.6: Dismantling of battery packs and modules shall meet the relevant requirements of the Dismantling Specifications for the Recycling of Traction Batteries Used in Electric Vehicles (GB/T 33598). (Chinese official website link:

https://std.samr.gov.cn/qb/search/qbDetailed?id=71F772D81ED2D3A7E05397BE0A0AB82A)

3. Art. 10: Cascade utilization enterprises shall carry out testing according to the Recycling of Traction Batteries Used in Electric Vehicles—Test of Residual Capacity (GB/T 34015) and other relevant standards (Chinese official website link:

https://std.samr.gov.cn/gb/search/gbDetailed?id=71F772D818D2D3A7E05397BE0A0AB82A)

4. Art. 15: Cascade products shall be marked with a barcode and coded uniformly according to the Coding Regulation for Automotive Traction Battery (GB/T 34014). (Chinese official website link: https://std.samr.gov.cn/gb/search/gbDetailed?id=71F772D818B4D3A7E05397BE0A0AB82A)

5. Art.17: The packaging and transportation of cascade products shall meet the requirements of the

https://std.samr.gov.cn/gb/search/gbDetailed?id=A24AF19F41165C2EE05397BE0A0A5E0D)

Recycling of Traction Batteries Used in Electric Vehicles-Management Specification-Part 1: Packing

and Transporting (GB/T 38698.1) and other relevant standards (Chinese official website link:

Additional Important Information

197. Note any additional important information about the contribution of the policy tool to net zero alignment not captured in the above questions. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material.

Section 3 of the measures, from Art.13 to Art.18, lists the requirements for cascade utilization products from design, uniform codes, and instruction for use manuals to safety concerns in the transportation process. Specifically, the design of products must consider electrical insulation, flame retardancy, thermal management, and battery management to ensure reliability. These products should be easy to maintain, disassemble, and recycle after disposal. Products must undergo performance tests. They must have barcode labels and adhere to the "Coding Regulation for Automotive Traction Battery " (GB/T 34014) while retaining the original battery code. Usage instructions should highlight precautions and requirements for protection, monitoring, maintenance, and recycling. Packaging and transportation must comply with "Recycling of Traction Batteries Used in Electric Vehicles-Management Specification-Part 1: Packing and Transporting (GB/T 38698)" standards. A voluntary certification will be established by governmental agencies, allowing the certified cascade products may use the certification mark.

Section 4 of the measures, from Art.19 to Art.22, further proposes requirements for the recycling process for the cascade utilization products and requires all scrapped cascade products shall be sent to the recycling outlets established by cascade utilization enterprises or to recycling enterprises for standardized disposal, otherwise, the enterprises shall assume legal liabilities if the scrapped products are mishandled and cause accidents.

Policy Tool Name: Opinions on Jointly Promoting Green Development of the Belt and Road Initiative

3. Source material link(s): https://web.archive.org/web/20231107133040*/https://www.ndrc.gov.cn/xxgk/zcfb/tz/202203/t2022 0328_1320629_ext.html
4. Which of the following governance domains does this policy tool relate to? Select all that apply.
□ Climate-related disclosure
☑ Transition planning
□ Public procurement
6. Select the category which best describes the author/issuer of the policy tool.
□ Head of state and/or government
□ Independent regulatory or supervisory body
□ Legislature
□ Judiciary
✓ Ministry/Department/Agency
□ Other (Please describe)
7. Status of the policy tool
Approved, in force
Approved, not yet in force
o Other (Please describe)
9. Year of (planned) entry into force or year of publication
<u>2022</u>

10. Does the policy tool have all that date.
No No
o Yes
12. Briefly describe the policy tool's goal and/or purpose:

For example: The policy tool requires publicly listed companies to comply with the recommendations of the Task Force for Climate Related Financial Disclosure or to explain the absence of such disclosures.

The policy is focused on promoting sustainable development under China's Belt and Road Initiative. It in particular advocates for enhanced international collaborations pertaining to sustainable development within a number of sectors including green infrastructure, renewable energy, ecofriendly transport systems, and sustainable financial practices.

Pursuant to Article 3 of the Opinion, the main goal is that, by 2025, international exchanges and cooperation on ecological and environmental protection and climate change under the Belt and Road Initiative will be continuously deepened; the concept of Green Silk Road will be widely recognized; solid progress will be made in practical cooperation on green infrastructure, green energy, green transportation, and green finance; green demonstration projects will play a more prominent leading role; the ability of overseas projects to mitigate environmental risks will be significantly improved; and notable achievements will be secured in green development under the Belt and Road initiative. By 2030, the concept of green development under the Belt and Road Initiative will win more widespread public support; the green development partnership will be closer; "going global" enterprises will significantly enhance their capacity for green development; the environmental risk prevention and control system for overseas projects will be improved; the development pattern for green development under the Belt and Road Initiative will preliminarily take shape.

- 13. Name the authority(ies) responsible for overseeing implementation and/or enforcement. If not applicable, leave blank.
- 1. National Development and Reform Commission
- 2. Ministry of Foreign Affairs
- 3. Ministry of Ecology and Environment

10. Does the policy tool have an end date?

• 4. Ministry of Commerce

0 5.

15. To provide contextual information, rate the capacity of National Development and Reform Commission to undertake the policy tool's implementation and/or enforcement.
o O- No Capacity (Please explain)
o 1- Low Capacity (Please explain)
o 2- Medium Capacity (Please explain)
o 3- High Capacity (Please explain)
o Prefer not to answer
Not Applicable
16. To provide contextual information, rate the capacity of Ministry of Foreign Affairs to undertake the policy tool's implementation and/or enforcement.
o 0- No Capacity (Please explain)
o 1- Low Capacity (Please explain)
o 2- Medium Capacity (Please explain)
o 3- High Capacity (Please explain)
o Prefer not to answer
Not Applicable
17. To provide contextual information, rate the capacity of Ministry of Ecology and Environment to undertake the policy tool's implementation and/or enforcement.
o 0- No Capacity (Please explain)
o 1- Low Capacity (Please explain)
o 2- Medium Capacity (Please explain)
o 3- High Capacity (Please explain)
o Prefer not to answer
Not Applicable

18. To provide contextual information, rate the capacity of Ministry of Commerce to undertake the policy tool's implementation and/or enforcement.
o 0- No Capacity (Please explain)
o 1- Low Capacity (Please explain)
o 2- Medium Capacity (Please explain)
o 3- High Capacity (Please explain)
o Prefer not to answer
Not Applicable

25. Which entities are targeted through this policy tool? Select all that apply.

Note: With regard to sectoral actors, in cases where mandatory and voluntary obligations are mixed (e.g., mandatory for one sector, voluntary for another), select "mandatory" as there will be further opportunity to clarify.

	Mandatory	Voluntary	Not targeted
1. Publicly-traded	✓		
entities			
2. Private companies			
3. Financial institutions	✓		
4. Small and medium-	✓		
sized enterprises			
5. State-owned			
companies			
6. Not-for-profit			
organizations			
7. Government			✓
agencies and/or			
departments			
(supranational)			
8. Government	✓		
agencies and/or			
departments (national)			
9. Government	✓		
agencies and/or			
departments (regional			
- e.g., state, province,			
region, metropolitan			
region) 10. Government	✓		
agencies and/or			
departments (local -			
e.g., county, district,			
municipality, city)			
11. Government	✓		
agencies and/or			
departments			
(unspecified)			
12. Sectoral actors	✓		
(e.g., healthcare,		_	
defense, utilities,			
education)			
13. Other	\checkmark		

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26. In cases where entities are targeted by sector, identify the sector to which the policy tool applies.

	Mandatory	Voluntary	Not applicable
All sectors			
Agriculture, forestry,	✓		
and fishing			
Mining and quarrying	✓		
Manufacturing	✓		
Electricity, gas, steam,	V		
and air conditioning			_
supply			
Water supply;	✓		
sewerage; waste			
management and			
remediation activities			
Construction			
Wholesale and retail			
trade: repair of motor			
vehicles and			
motorcycles			
Transportation and	✓		
storage			
Accommodation and			
food service activities			
Information and			
communication			
Financial and	✓		
insurance activities			
Real estate activities			
Professional, scientific	✓		
and technical activities			
Administrative and			
support service activities			
Public administration	✓		
and defense;			
compulsory social			
security			
Education	✓		
Human health and			
social work activities			
Arts, entertainment	✓		
and recreation			_
Other service activities	✓		
Activities of	✓		
households as			
employers;			
undifferentiated			
goods-and services-			
producing activities of			

households for own		
use		
Activities of extraterritorial organizations and bodies		

27. Describe the threshold criteria to identify entities for whom or instances in which compliance is mandatory.

	Pub	Priv	Fina	Smal	Stat	Not-	Gover	Gover	Gover	Gover	Sect	Ot
	licly	ate	ncial	I and	e-	for-	nmen	nmen	nmen	nmen	oral	her
	- tra	com pani	instit ution	medi um-	own ed	profit organi	t	t	t	t	actor s	
	ded	es	S	sized	com	zation	agen cies	agen cies	agen cies	agen cies	e.g.	
	enti	00		enter	pani	S	and/o	and/o	and/o	and/o	healt	
	ties			prise	es		r	r	r	r	hcar	
				S			depar	depar	depar	depar	e,	
							tment	tment	tment	tment	defe	
							s (natio	s (regio	s (local	s (unsp	nse, utiliti	
							nal)	nal -	- e.g.	ecifie	es,	
							·	e.g.	count	d)	educ	
								state,	у,		ation	
								provi	distric t,)	
								nce, regio	munic			
								n,	ipalit			
								metro	y,			
								polita	city)			
								n regio				
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ct												
value)												
Entity												
is												
headq												
uarter												
ed in												
the												
jurisdic												
tion												
Entitie	no	no	no	no	no	no	no	no	no	no	no	no
s are	crit	criter	criter	criter	criter	criteri	criteri	criteri	criteri	criteri	criter	crit
subjec	eria	ia	ia	ia	ia	a	a	а	a	a	ia	eri
ted to	2		. 5.									a
disclos												_
ure or												
reporti												
ng												
require												
ments												
ments					<u> </u>							

28. Can entities for whom compliance with the policy tool is mandatory opt out of the obligation (e.g.
comply or explain)?

No			
o Yes			

30. Does the policy tool exclusively apply to entities' domestic operations, or does it also apply to entities' operations beyond the jurisdiction?
o Operations within jurisdiction only
Operations beyond the jurisdiction
○ Not applicable
31. What are the specific obligations and conditions for entities' operations beyond the jurisdiction? Please reference the relevant section/subsection/paragraph of the policy tool. The Opinion aims at promoting green development under the Belt and Road Initiative and making green development a defining feature in the joint pursuit of the Belt and Road Initiative Given the fact that the Belt and Road Initiative is a strategic and cross-border program proposed by China, the requirements of the Opinion are all relevant to obligations and conditions for entities' operating beyond the jurisdiction., which includes making coordinated efforts to advanced cooperation in key areas of green development, promoting the green development of overseas projects in a coordinated manner, etc. For instance, the Opinion requires that Chinses companies shall strictly stick to the local environmental laws and regulations and attach significance to opinions of local communities when doing business in Belt and Road countries.
32. What are the sanctions for non-compliance? Select all that apply and describe in the text field.
☐ Monetary fine
☐ Restriction on business activities
☐ Voiding or setting aside of contract
□ Exclusion from government contracts
☐ Award of damages or compensation
☐ Penalty for senior managers
☐ Criminal penalties
Not specified This policy tool outlines principles for all participants of the Belt and Road Initiative but lacks specific penalties for non-compliance.
□ Not applicable (e.g. in cases of voluntary tools)
□ Other

33. Relative to other compliance activities required of entities in this jurisdiction, is the cost of compliance:
o Below average
o Average
o Above average
o Not applicable
• Unknown or prefer not to answer
35. To provide contextual information, give a general assessment of the extent to which regulated entities have made compliance a priority.
o Below average
o Average
Above average
o Not applicable
• Unknown or prefer not to answer
37. Have the climate-specific provisions in this instrument ever been enforced?
o No (If relevant, explain)
Yes

38. Briefly note one to two exemplary cases of enforcement. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material.

At the opening ceremony of the Third Belt and Road Forum for International Cooperation (BRF) held in October 2023, President Xi Jinping and the Minister of the Ministry of Ecology and Environment Huang Ruiqiu, they both stressed China's willingness to deepen cooperation in green infrastructure, green energy, green transportation, and other fields. President Xi said that China will also increase support for the Belt and Road International Coalition for Green Development, continue to hold the Belt

and Road Green Innovation Conference. By adhering to green investment principles, China aims to provide training for 100,000 people from partner countries by 2030.

The inaugural Environmental Technology Exchange and Transfer Expo, organized by the BRI Ecological and Environmental Big Data Service Platform, will be held in Shenzhen on November 14, 2024. The expo will showcase a wealth of technologies and cases that promote energy conservation and carbon reduction, facilitating technical exchanges and cooperation with countries along the Belt and Road Initiative and advancing the BRI's green, low-carbon, and sustainable development. For example, the low-carbon, high-efficiency modular wastewater treatment system technology from a company called Pengkai can reduce carbon dioxide emissions by 86%, and the Kazakhstan wind power project has saved approximately 109,500 tons of standard coal annually, reducing carbon dioxide emissions by about 289,000 tons.

Considering the above two examples, green and sustainable development has become the keynote of the Belt and Road Initiative, the climate-specific provisions in this instrument has been enforced and will continue to be executed. China is willing to strengthen cooperation in climate change and help countries under the Belt and Road Initiative to enhance their capability to cope with climate change.

https://www.greenbr.org.cn/html/#/ydyl/pavilions/indexDetail?id=62

https://www.greenbr.org.cn/html/#/ydyl/collect/details?id=20289

https://www.greenbr.org.cn/html/#/ydyl/collect/caseDetails?id=11790

https://web.archive.org/web/20240117040629/https://www.ndrc.gov.cn/wsdwhfz/202310/t202310200_1361378.html

39. Are there monitoring systems in place to oversee the implementation and/or enforcement of the policy tool?

• No

• Yes

40. Describe the monitoring systems in place. Please reference the relevant section/subsection/paragraph of the policy tool where monitoring systems are set.

Pursuant to Article 21 of the Opinion, follow-up evaluation shall be strengthened. The Office of the Leading Group for Promoting the Belt and Road Initiative shall strengthen the guidance and regulation of various tasks for green development under the Belt and Road Initiative, keep abreast of the progress, and organize the evaluation at an appropriate time. Local governments and relevant departments shall, in a timely manner, report their implementation to the Office of the Leading Group for Promoting the Belt and Road Initiative.

41. Does the policy tool recommend or require periodic impact assessments?
No No
o Recommended
o Required
43. Does the policy tool recommend or require periodic reviews?
● No
o Recommended
o Required
45. Does the policy tool include mechanisms for enhancing policy or regulatory coordination with subnational governments (e.g. vertical coordination mechanisms such as appointing coordinating agencies, forming working groups, etc.)?
● No
∘ Yes
47. Are there any government initiatives to enhance the capacity of targeted entities to implement or comply with the policy tool (e.g. industry working groups, outreach campaigns, education and training, etc.)?
∘ No
Yes
48 Describe initiatives for enhancing the capacity of targeted entities to implement or comply with

48. Describe initiatives for enhancing the capacity of targeted entities to implement or comply with the policy tool. Reference the relevant section/subsection/paragraph of the policy tool where capacity-building initiatives are established. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material.

The BRI International Green Development Coalition has been registered in 2023 June, aiming at sharing green development concepts and policies, building an environmental knowledge and

information platform, and creating a green technology exchange and transfer platform. Additionally, the BRI Environmental Big DATA Platform, and the Belt and Road Environmental Technology Exchange and Transfer Center (Shenzhen) were further developed, which are responsible for sharing environmental data and facilitating the coordination in cutting-edge sustainable technology. Moreover, at the opening ceremony of the Third Belt and Road Forum for International Cooperation (BRF) held in October 2023, President Xi Jinping announced China's support for eight actions to promote high-quality development of the Belt and Road. Among them, the 'Promoting Green Development' action emphasizes that China will continue to deepen cooperation in green infrastructure, green energy, green transportation, and other fields. China will also increase support for the Belt and Road International Coalition for Green Development, continue to hold the Belt and Road Green Innovation Conference. By adhering to green investment principles, China aims to provide training for 100,000 people from partner countries by 2030.

In the keynote speech of Huang Runqiu, the Minister of the Ministry of Ecology and Environment, at the forum, Huang also highlighted future initiatives, including the Belt and Road Green Innovation Conference and the Silk Road for Green Development, to implement talent exchange programs in ecological and environmental protection. These efforts will focus on policy and experience sharing in key areas such as green infrastructure, green energy, and green finance, all aimed at achieving sustainable and low-carbon development along the Belt and Road."

https://pkulaw.com/chl/9f84466caa37a06abdfb.html

http://www.brigc.net/

https://web.archive.org/web/20240521230512*/https://en.brettc.cn/

https://www.greenbr.org.cn/

https://web.archive.org/web/20240117040629/https://www.ndrc.gov.cn/wsdwhfz/202310/t202310200_1361378.html

https://web.archive.org/web/20240530135849*/http://www.gov.cn/zhengce/2022-

04/01/content_5682805.htm

Domain-Specific Questions: Transition Planning Questions
Disclosure of Plans and Targets
132. Are targeted entities recommended or required to publicly disclose climate-related targets or transition plans?
No No
∘ Recommended
o Required
Targets
135. Does the policy tool recommend or require targeted entities to have or develop climate-related targets?
∘ No
Recommended
∘ Required
136. Does the policy tool recommend or require entities to monitor progress in achieving their targets?
○ No
Recommended
○ Required

137. Describe and reference the section/subsection/paragraph of the policy tool relevant to monitoring progress in achieving targets.

Pursuant to Article 3, the main objective is "by 2025, international exchanges and cooperation on ecological and environmental protection and climate change under the Belt and Road Initiative will be continuously deepened; the concept of a green Silk Road will be recognized by all sides; solid progress will be made in practical cooperation on green infrastructure, green energy, green transportation, and green finance; green demonstration projects will play a more prominent leading role; the ability of overseas projects to prevent environmental risks will be significantly improved; and notable achievements will be secured in green development under the Belt and Road initiative. By 2030, the concept of green development under the Belt and Road Initiative will win more widespread public support; the green development partnership will be closer; "going global" enterprises will significantly enhance their capacity for green development; the environmental risk prevention and control system for overseas projects will be improved; the development pattern for green development under the Belt and Road Initiative will preliminarily take shape." According to Article 21, follow-up evaluation shall be strengthened. The Office of the Leading Group s chall stre ulatia

for Promoting the Beit and Road initiative shall strengthen the guidance and regulation of various
tasks for green development under the Belt and Road Initiative, keep abreast of the progress, and
organize the evaluation at an appropriate time.
Given the fact that the Office of the Leading Group for Promoting the Belt and Road Initiative shall
keep abreast of the progress for tasks of green development, we could infer that it should keep an
eye on the progress in achieving the 2025 and 2030 main objectives delineated in Article 3.
138. Does the policy tool recommend or require targeted entities to publicly report on progress in achieving their targets?
● No
○ Recommended
○ Required

140. Which of the following targets, or data related to targets, does the policy tool recommend or require entities have or develop? Select all that apply.

	Recommended	Required	No
An absolute emissions			
reduction target			
An intensity-based			\checkmark
emissions reduction			
target			
A net zero target			✓
Interim targets (e.g.			\checkmark
2030, 2050)			
Targets covering non-			\checkmark
carbon GHG emissions			
A Scope 3 emissions			
target		_	
A target derived using			✓
a sectoral			
decarbonization			
approach			
A level of ambition for			\checkmark
emissions reductions			
(e.g. 80% reduction)			
A baseline year from			
which progress is			
measured			
A target timeframe			
(e.g. by 2040)			
Targets for renewable			
energy procurement			
Targets for fossil fuel			
phase down/phase up			
Separate targets for			\checkmark
GHG offsets and/or			
removals			
Targets or goals			
related to climate			
adaptation			
Targets or goals			
related to nature and			
biodiversity			
Other targets related			
to sustainability			
Transition Plans			

164. Does the policy tool recommend or require targeted entities to have or develop a transition plan
∘ No
Recommended
o Required

165. Does the policy tool recommend or require any of the following elements or criteria for transition plans? Select all that apply.

	T	T .	1 .
	Recommended	Required	Neither recommended
			nor required
A timeframe for the	•		
transition plan (e.g. 10			
year plan, 20 year			
plan, etc.)			✓
Key Performance Indicators (KPIs) for			
monitoring transition			
plan implementation			
Updates to the			✓
transition plan			
Third-party			✓
verification and/or		🖰	
audited accuracy of			
the transition plan			
Identified methodology			✓
for scenario analysis			
166 Describe the recomn	nandad or required timefr	rame for the transition pla	2
100. Describe the recomm	nended of required timen	arrie for the transition plan	
● 1-10 years			
•			
o 11-20 years			
21 20			
o 21-30 years			
o 31-40 years			
1 01 10 years			
o 41-50 years			
o Other			
Monitoring, Oversight, and Implementation			
wonitoring, Oversight, di	na implementation		

176. Does the policy tool recommend or require entities undertake any of the following with regard to monitoring, oversight, and implementation? Select all that apply.

	Recommended	Required	No
Monitor progress in implementing their transition plan			
Develop financial plans for the implementation of their transition plan			
Integrate climate- related matters into their financial accounting			>
Incorporate climate change considerations into their investment decision making and/or asset planning			
Incorporate climate change considerations into their capital allocation and/or expenditure plans			
Any other mechanisms for enhancing the achievement of targets and/or the implementation of transition plans			

177. Describe the obligation to monitor progress in implementing transition plans, referencing the relevant section/subsection/paragraph of the policy tool.

Pursuant to Article 21, the Office of the Leading Group for Promoting the Belt and Road Initiative
shall strengthen the guidance and regulation of various tasks for green development under the Belt
and Road Initiative, keep abreast of the progress, and organize the evaluation at an appropriate time.

178. Describe the obligation to develop financial plans for the implementation of transition plans, referencing the section/subsection/paragraph of the policy tool.

Pursuant to Article 15, the financial support shall be improved. The two-way opening of the green financial market shall be advanced in an orderly manner. Financial institutions and relevant enterprises shall be encouraged to conduct green financing in the international market, and

international financial organizations and multinational corporations shall be supported in issuing green bonds and making green investments in China.
180. Describe the obligation to incorporate climate change considerations into investment decision making and asset planning, referencing the relevant section/subsection/paragraph of the policy tool.
Pursuant to Article 9, cooperation on green finance shall be strengthened. voluntary guidelines and best practices related to green investment and financing shall be promoted under multilateral cooperation frameworks such as the United Nations and the G20 to promote capacity building in green finance. Loans from international financial institutions shall be better used to leverage private green investment. Financial institutions shall be encouraged to implement the Green Investment Principles for the Belt and Road Initiative.
181. Describe the obligation to incorporate climate change considerations into capital allocation and/or expenditure plans, referencing the relevant section/subsection/paragraph of the policy tool.
The Opinion encourages entities to procure low-carbon and sustainable material and techniques in two articles. According to Article 10, enterprises shall be encouraged to give priority to low-carbon, energy-saving, water-saving, and environmentally friendly materials and technologies. According to Article 14, relevant enterprises shall be encouraged to strengthen clean and efficient utilization of coal, and energy-saving and environmental protection, and upgrade facilities by adopting advanced technologies such as efficient desulfurization, dust removal, and carbon dioxide capture, utilization, and storage.
Engagement, Lobbying, and Governance

184. Does the policy tool recommend or require targeted entities align any of the follow	ing
engagement and/or governance practices with their targets and/or transition plans?	

	Recommended	Required	No			
Value chain						
engagement						
Investor engagement	V					
Consumer			⊘			
engagement						
Policy engagement						
and lobbying practices						
Corporate governance	•					
structure for transition						
and verification						
Climate-related						
financial incentives for						
employees and board						
members						
185. Does the policy tool recommend or require targeted entities to disclose how they have used due diligence and/or stewardship to achieve their targets and/or implement their transition plans?						
● No						
o Recommended						
∘ Required						
186. Describe the obligation to the align targets and/or transition plans with value chain engagement referencing the relevant section/subsection/paragraph of the policy tool.						
Pursuant to Article 9 of the Opinion, financial institutions shall be encouraged to implement the Green						

<u>Pursuant to Article 9 of the Opinion, financial institutions shall be encouraged to implement the Green Investment Principles for the Belt and Road Initiative.</u>

BRI Green Investment Principle 6 stipulates that they will integrate ESG factors into supply chain management and utilize international best practices such as life cycle accounting on GHG emissions and water use, supplier white lists, performance indices, information disclosure and data sharing, in our investment, procurement and operations.

187. Describe the obligation to the align targets and/or transition plans with investor engagement, referencing the relevant section/subsection/paragraph of the policy tool.

Standards, Frameworks, and Guidelines
B&R region.
of potential impacts of our investments and operations on climate, environment and society in the
opportunities, set up robust systems, designate competent personnel, and maintain acute awareness
boards and senior management will exercise oversight of sustainability-related risks and
governance", we will embed sustainability into our corporate strategy and organizational culture. Our
Investment Principles for the Belt and Road Initiative. BRI Green Investment Principle 1 stipulates that "embedding sustainability into corporate
Pursuant to Article 9 of the Opinion, financial institutions shall be encouraged to implement the Green
190. Describe the obligation to the align targets and/or transition plans with corporate governance structures for transition and verification, referencing the relevant section/subsection/paragraph of the policy tool.
making the investment choice.
encourages investors to take green and sustainable development into consideration when they are
Investment Principles for the Belt and Road Initiative, which means that the transition plan
<u>Pursuant to Article 9 of the Opinion, financial institutions shall be encouraged to implement the Green</u>

194. Does the policy tool require the use of or make reference to any of the following standards, frameworks, or guidelines? Select all that apply.

	Required	Referenced	Neither required nor		
			referenced		
IFRS S1			\checkmark		
IFRS S2					
Task Force on Climate-related			✓		
Financial Disclosures					
(TCFD)					
CDP (formerly known			✓		
as Climate Disclosure					
Project) Technical					
Note: Reporting on					
Climate Transition					
Plans					
International			✓		
Integrated Reporting					
Framework					
Global Reporting			✓		
Initiative (GRI)					
Sustainability			✓		
Accounting Standards					
Board (SASB)					
Science Based Targets			✓		
initiative (SBTi)					
Science Based Targets					
initiative (SBTi) Net					
Zero Standard					
European Sustainability					
Reporting Standards					
(ESRS)					
Other			✓		
Additional Important Information					
·					

197. Note any additional important information about the contribution of the policy tool to net zero alignment not captured in the above questions. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material.