



**中国工商银行**

INDUSTRIAL AND COMMERCIAL BANK OF CHINA

# TAXONOMY: PRACTICES FROM CHINA

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**Green Finance is China's Strategy**

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**China: Green Taxonomy**

# National Policy

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In Aug.2016,7 ministries of China published "Guidance on the Construction of China`s Green Financial System",which is the first national policy on green finance in the world.

*February 2019:Guidance Catalogue for Green Industry(NDRC,PBoC etc)*

*October 2017:Report of th 19th National People`s Congress*

*June 2017:five Green finance pilot area (Prime Minister`s public speech)*

*August 2016:Guidance on the construction of China`s Green Finance System(NDRC,PBoC etc)*

*March 2016:“China`s 13th National Five-year Plan*

*January 2015: new environment law*

*2013 to 2016 : Action Plan for the Prevention and Control of air pollution,Action Plan for the Prevention and Control of water pollution,Action Plan for the Prevention and Control of soil pollution*

# Green Market

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At the end of 2018, the balance of green loans in domestic and foreign currencies reached RMB8.23 trillion, a year-on-year increase of 16%, which was 6.1 percentage points higher than the growth rate of enterprise loans and other corporate loans during the same period.

In the first half of 2019, China issued a total of RMB143.9 billion of green bonds, achieving a year-on-year growth of 62%. clean energy (\$6.2 billion), low-carbon transportation (\$5.1 billion) and pollution prevention (\$3.1 billion) were the top three categories of fundraising.

As of the end of 2018, the cumulatively traded carbon quota on the pilot carbon markets in seven provinces and cities reached RMB263 million tons, with an accumulative turnover of nearly RMB5.4 billion and an average trading price of RMB20.53 per ton.



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# Green Credit Definition(2013)

by CBRC(now CBIRC)

## *Green Credit Statistical Policy*

In 2013, the CBRC published "Green Credit Statistics System", which divided green loans into 12 categories, and use 7 indicators to quantify the environmental impact of green loan.

Indicators	loan balance	standard coal	carbon dioxide emission reduction equivalent	chemical oxygen demand	ammonia nitrogen	sulfur dioxide	nitrogen oxide	water saving
green agriculture projects								
green forestry projects								
industrial energy saving, water saving and environmental protection projects								
natural protection, ecological restoration and disaster prevention projects								
resource recycling projects								
garbage disposal and pollution prevention projects								
renewable energy and clean energy projects								
rural and urban water projects								
building energy saving and green building projects								
green transportation projects								
energy saving and environmental protection services								
Overseas projects using international usual practices or standards								

# Green Bond Catalog (2015)

by China Green Finance Committee (10 pages)

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**Energy saving** : Industrial energy conservation, green building, energy management, etc.

**Environmental remediation** : Pollution prevention and control (water, air, solid waste), environmental restoration, clean coal utilization, etc.

**Circular economy** : Water saving, re-utilization of tailings and associated mines, solid waste and renewable resources utilization, etc.

**Clean transportation** : Railways, urban rail transit, public transportation, clean fuel, new energy vehicles, etc.

**Clean energy** : Solar energy, wind energy, water energy, natural gas, geothermal energy, ocean energy, distributed energy, smart grid, etc.

**Eco-protection and climate change adaptation**: Ecological protection, afforestation, ecological agriculture, animal husbandry and fishery, disaster emergency protection, etc.

# Green Industry Catalog (2019)

by seven ministries led by NDRC (60 pages)

## Guiding Catalogue for Green Industry (2019)

Energy saving and environmental protection industry	Efficient and energy-saving equipment manufacturing
	Advanced environmental equipment manufacturing
	Resource recycling equipment manufacturing
	New energy vehicles and green shipbuilding
	Energy-saving transformation
	Pollution control
	Resource recycling
Clean production industry	Green upgrade of industrial park
	Non-toxic and harmless raw materials for alternative use and hazardous waste treatment
	Waste gas treatment/disposal and comprehensive resource utilization in the production process
	Water saving, wastewater treatment/disposal and comprehensive resource utilization in the production process
Clean energy industry	Waste solid treatment/disposal and comprehensive resource utilization in the production process
	New energy and clean energy equipment manufacturing
	Clean energy facility construction and operation
	Traditional energy cleaning and efficient use
Ecological environment industry	Efficient operation of energy system
	Ecological agriculture
	Ecological protection
Infrastructure green upgrade	Ecological restoration
	Building energy saving and green building
	Green transportation
	Environmental infrastructure
	Urban energy infrastructure
	Sponge city
Green services	Landscaping
	Consulting services
	Project operation management
	Project assessment, audit and verification
	Monitoring and testing
	Technical product certification and promotion

# Green Industry Policy & rating

by ICBC

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**ICBC has formulated green credit policies for key industries and updated them year by year. At present, the policies cover over 60 industries.**

**ICBC has established four categories and 12-level classification criteria and management measures from the perspectives of customers, projects and loans.**

environmentally friendly category (4 level)

environmentally qualified category (2 level)

under observation category (2 level)

rectification category (4 level)

# Hu Zhou city's green taxonomy

Huzhou City in Zhejiang Province has included green park loans in the project catalogue according to its local conditions, and Guizhou Province has incorporated the building of green data center into the support catalogue.

1. Ecological protection and adaptation to climate change	1.1 Natural ecological protection and protective development of tourism resources
	1.2 Ecological agriculture, animal husbandry and fishery
	1.3 Forestry development
	1.4 Disaster emergency prevention and control
2. Pollution prevention and control	2.1 Waste treatment and pollution prevention
	2.2 Environmental restoration projects
	2.3 Coal cleaning and utilization
3. Industrial chain for eco-economy	3.1 Pollution prevention products / disposal equipment production and trade
	3.2 Environmental monitoring instrument production and trade
	3.3 Pollution repair equipment production and trade
	3.4 Water supply equipment production and trade
4. Energy saving and emission reduction	4.1 Industrial energy saving
	4.2 Sustainable buildings
	4.3 Energy management center
	4.4 Urban and rural infrastructure construction with energy efficiency
	4.5 Reduction of pollution emissions
	4.6 Occupational disease prevention
5. Clean transportation	5.1 Railway transport
	5.2 Urban rail transport
	5.3 Urban and rural road transport and public passenger transport
	5.4 Waterway traffic
	5.5 Clean fuel
	5.6 New energy vehicles
	5.7 Internet applications in the transportation sector
	5.8 Transportation environmental protection projects
6. Clean energy	6.1 Wind power generation
	6.2 Solar photovoltaic power generation
	6.3 Smart grid and energy internet
	6.4 Distributed energy
	6.5 Solar thermal utilization
	6.6 Hydropower generation
	6.7 Biomass energy projects
	6.8 Clean energy promotion projects
	6.9 Other new energy utilization
7. Industrial chain for low-carbon economy	7.1 Energy-saving household appliances production and trade
	7.2 Energy-saving industrial general equipment production and trade
	7.3 Energy-saving power distribution equipment production and trade
	7.4 UHV transmission and smart grid related equipment production and trade
	7.5 Green lighting product production and trade
	7.6 New energy and renewable energy equipment and key product production and trade
	7.7 Energy-saving or clean vehicle production and trade
	7.8 Green building materials production and trade
	7.9 Energy-saving machine production and trade
8. Resource conservation and recycling	8.1 Water saving and unconventional water source utilization
	8.2 Redevelopment and comprehensive utilization of tailings and associated mines
	8.3 Industrial solid waste, waste gas and waste liquid recovery and resource utilization
	8.4 Recycling of renewable resources
	8.5 Remanufacturing of mechanical and electrical products
	8.6 Recycling of biomass resources
9. Energy saving and environmental protection services	9.1 Energy saving services
	9.2 Environmental protection services
	9.3 Water saving services
	9.4 Recycling economy (recycling of resources) services
10. Industrial chain for recycling economy	10.1 Energy-saving and low-carbon park construction
	10.2 Recycling reconstruction of park
	10.3 Production and trade of special equipment for recycling economy

# Conclusion

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**At present, there are several green standards and classification methods issued by various ministries and commissions.** These standards are broadly similar, with slight differences. Therefore, Chinese regulators are currently considering solve this problem and aligning Chinese standards with global ones.

**There are also many regional taxonomies in China.** We think it is necessary to allow different countries and cities to have their own green standard according to their own situation.

When everybody being "green", the whole world being "green".

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# THANKS!



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