The People's Republic of China Sovereign Green Bond Information Disclosure 2025

The Sovereign Green Bond Information Disclosure is published in Chinese and English. The Chinese version shall be the authoritative version of the Sovereign Green Bond Information Disclosure. The English version is intended merely for ease of reference.

May 2026

中华人民共和国财政部
Ministry of Finance of the People's Republic of China

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Foreword

Foreword

Since 2013, the Construction of Ecological Civilization has been a key pillar of China's national governance, integrated into the Five-Sphere Integrated Plan. China has proposed a new development philosophy of "innovative, coordinated, green, open and shared development". Historic, transformative and overall changes have taken place in the Construction of Ecological Civilization in both theory and practice. China has made significant shift from targeted pollution control to comprehensive environmental governance, from reactive measures to proactive initiatives, from a participant to a leader in global environmental governance, and from experimental practice to science-based policy guidance. China has been guided by the vision of Building a Shared Future for All Life on Earth, and has been actively engaged in global ecological and environmental governance.

In 2020, President Xi Jinping announced China's goals of "Carbon Peaking and Carbon Neutrality" at the general debate of the 75th Session of the United Nations General Assembly (UNGA). In 2025, at the United Nations Climate Summit, he further unveiled China's new Nationally Determined Contributions (NDCs) for 2035, injecting greater impetus and more certainty into the global climate governance and demonstrating China's stance as a responsible major country that champions integrity.

Image: 24th September 2025, President Xi Jinping delivers video speech to United Nations Climate Summit, unveiled China's Nationally Determined Contributions for 2035

The 14th Five-Year Plan period marks a milestone to the Construction of Ecological Civilization in China. The Government has continuously improved its whole-chain fiscal policy framework, improved the diversification of investment mechanism, strengthened coordinated international cooperation, and advanced ecological and environmental protection with greater efforts. The pace of green and low-carbon transition has been accelerated, and the quality of the ecological environment has been continuously improved, laying a solid foundation for comprehensively advancing the development of a “Beautiful China”.

Image: Inner Mongolia Miandu River National Wetland Park in Yakeshi, Hulunbuir

1. Building a Systematic Fiscal Policy Framework for Green Development

Guided by a strategic and systematic approach, China has been improving its fiscal policy framework for green development.

In recent years, it has issued two key policy documents: The *Opinions on Fiscal Support for Promoting the Nationwide Battle to Prevent and Control Pollution and Accelerating the Construction of Ecological Civilization (2019-2020)* and the *Opinions on Fiscal Support for Carbon Peaking and Carbon Neutrality*. These documents integrate a number of fiscal and taxation policy tools that advance the implementation of major national strategies.

Regarding fiscal expenditures

- Priority is given to supporting pollution prevention and control, ecological restoration, the green transition of the energy sector and other key work.

Regarding taxation policies

- The Environmental Protection Tax has been implemented in accordance with the constraint and incentive mechanism of "more pollution discharged, more tax paid; less pollution discharged, less tax paid" which provide effective guidance to improve enterprises' efficiency in emission reduction.

Regarding green procurement

- The government has adopted compulsory and prioritized government procurement of energy-efficient and environmentally friendly products.

Government procurement accounting for the total procurement of such product	>85%

Regarding ecological compensation mechanism

- China has deepened the reform of vertical and horizontal ecological compensation mechanism, supported the accelerated improvement of market-based allocation of resources, such as trading systems for carbon emission rights and pollutant discharge rights, and reasonably defined and allocated ecological and environmental rights and interests.

2. Diversify and Strengthen the Financial Guarantee Mechanism for Green Development

Focusing on key areas, China has continuously increased capital investment and innovated support mechanisms.

1 On the one hand, the government arranges fiscal expenditures to provide direct guarantee

- Over the past five years, a total of more than 300 billion yuan has been allocated to keep its skies blue, its waters clear and its lands pollution-free, with an average annual growth rate of 4.8%. These fiscal expenditures support projects for air pollution control in key regions, protection of key river basins including the Yangtze River and the Yellow River, and explore around soil pollution control. The *Key Ecological Protection and Restoration and Management Fund* was launched to advance cross-regional and large-scale ecosystem protection and restoration, which covers protection and restoration of the mountains, rivers, forests, farmlands, lakes, grasslands and deserts (MRFFLGD), ecological restoration projects of historical abandoned mines, as well as the protection and restoration of the marine ecology, and more. Fiscal expenditures have also been provided for the development of renewable energy such as wind power and solar power, and to encourage consumers to purchase new energy vehicles (NEVs).

2 On the other hand, government investment funds have been established to strengthen channel funding effort

- The National Green Development Fund has been set up with a total scale of 88.5 billion yuan, with the mission to serve the national green development strategy. Adhering to the model of "the government will provide guidance, market principles will apply and public participation", the fund has built a diversified investment mechanism, coordinated an effective market and a well-functioning government, promoted the formation of a strong joint force in supporting green development, actively channel social capital to invest in green development fields with strong externalities, mainly channel towards environmental protection and pollution prevention and control, ecological restoration and territorial land greening, energy and resource conservation and utilization, green transportation, clean energy and other sectors, focusing on the advancement of green and low-carbon development around the Yangtze River Economic Belt, supporting the development of a "Beautiful China".

NGDF
国家绿色发展基金

Image: National Green Development Fund is dedicated to achieve high-quality sustainable development

3. Promoting Innovative International Exchanges and Cooperation for Green Development

Through multilateral financial cooperation platforms such as the Group of Twenty (G20), the BRICS, the Asia-Pacific Economic Cooperation (APEC) and the Association of Southeast Asian Nations Plus Three (ASEAN Plus Three), as well as bilateral economic and financial dialogue mechanisms, China has strengthened the exchange of experience and practical cooperation in green transition.

China has successfully fulfilled its mission as the presidency of the 15th Meeting of the Conference of the Parties (COP15) to the *Convention on Biological Diversity* (CBD), and promoted the adoption of the Kunming-Montreal Global Biodiversity Framework (GBF).

Image: The 15th Meeting of the Conference of the Parties (COP15) to the *Convention on Biological Diversity* (CBD) in 2022 was a complete success

China has funded the establishment of the Kunming Biodiversity Fund, and completed the project proposal review and approval for two batches of projects, supporting developing countries in carrying out work related to biodiversity conservation that supports items relevant to the implementation of the Framework, including planning formulation, capacity building and technology transfer. China has actively participated in negotiations around finance-related topics under the *United Nations Framework Convention on Climate Change* (UNFCCC), and promoted the construction of a fair, reasonable and a collaborative win-win global climate governance Framework. Together with the World Bank Group (WBG), China has established the China–WBG Global Center for Ecological Systems and Transitions (CWGC), to promote mutual learning and experience exchange among countries in supporting green and low-carbon development.

With the support of the above-mentioned policies and fundings, remarkable achievements have been made in the Construction of Ecological Civilization of China.

First, the quality of ecological environment has been improved continuously. In 2025, the national average concentration of fine particulate matter ($PM_{2.5}$) dropped to 28 micrograms per cubic meter, with a cumulative decrease of 20% during the 14th Five-Year Plan period. Water quality has been improving on a sound basis: the proportion of excellent water quality in surface water has exceeded 90% for two consecutive years, the water quality of the main streams of the Yangtze River and the Yellow River has maintained Level II standard for many consecutive years, urban black and malodorous water bodies have been basically eliminated, and a number of demonstration models of beautiful rivers, lakes and bays have been built. Forest coverage rate in China has reached 25.09%, the forest stock volume has reached approximately 21 billion cubic meters, the area of artificial forests ranks first in the world, and China contributes a quarter of the world's newly added green coverage area. Environmental goals of the 14th Five-Year Plan have been fully achieved, and the people's sense of gain from a beautiful ecological environment has become stronger.

In 2025, the national average concentration of fine particulate matter ($PM_{2.5}$) dropped to **28** micrograms per cubic meter

Cumulative decrease of $PM_{2.5}$ during the 14th Five-Year Plan period **20%**

Forest coverage rate in China has reached **25.09%**

Forest stock volume has reached approximately **21** billion cubic meters

Area of artificial forests ranks **1st** in the world

The world's newly added green coverage area contributed by China **1/4**

Image: State-owned Forest Farm in Gonglongping, Qixingguan District, Bijie City, Guizhou Province

Second, remarkable results have been achieved in low-carbon transition and development. Over the past decade, a total of more than 100 million kilowatts of outdated coal-fired power capacity has been phased out, and the world's largest clean power system has been built. China's production and sales volume of new energy vehicles have ranked first in the world for 11 consecutive years, with the market penetration rate of new energy passenger vehicles exceeded 50% in 2025. By the end of 2025, the installed capacity of renewable energy accounted for more than 60% of China's total installed power capacity, among which newly added installed capacity of wind power and solar power exceeded 430 million kilowatts, with the cumulative installed capacity accounting for nearly half of the total, surpassing that of thermal power for the first time in history. The first batch of renewable energy base projects in the "desert, Gobi and wasteland" areas have been basically completed and put into operation, the installed capacity of new type of energy storage system has exceeded 130 million kilowatts, the proportion of non-fossil energy consumption in total energy consumption has reached 21.7%.

Total outdated coal-fired power capacity has been phased out over the past decade more than

100 million kilowatts

Market penetration rate of new energy passenger vehicles in 2025

>50%

By the end of 2025, the installed capacity of renewable energy accounted for China's total installed power capacity

>60%

among which newly added installed capacity of wind power and solar power

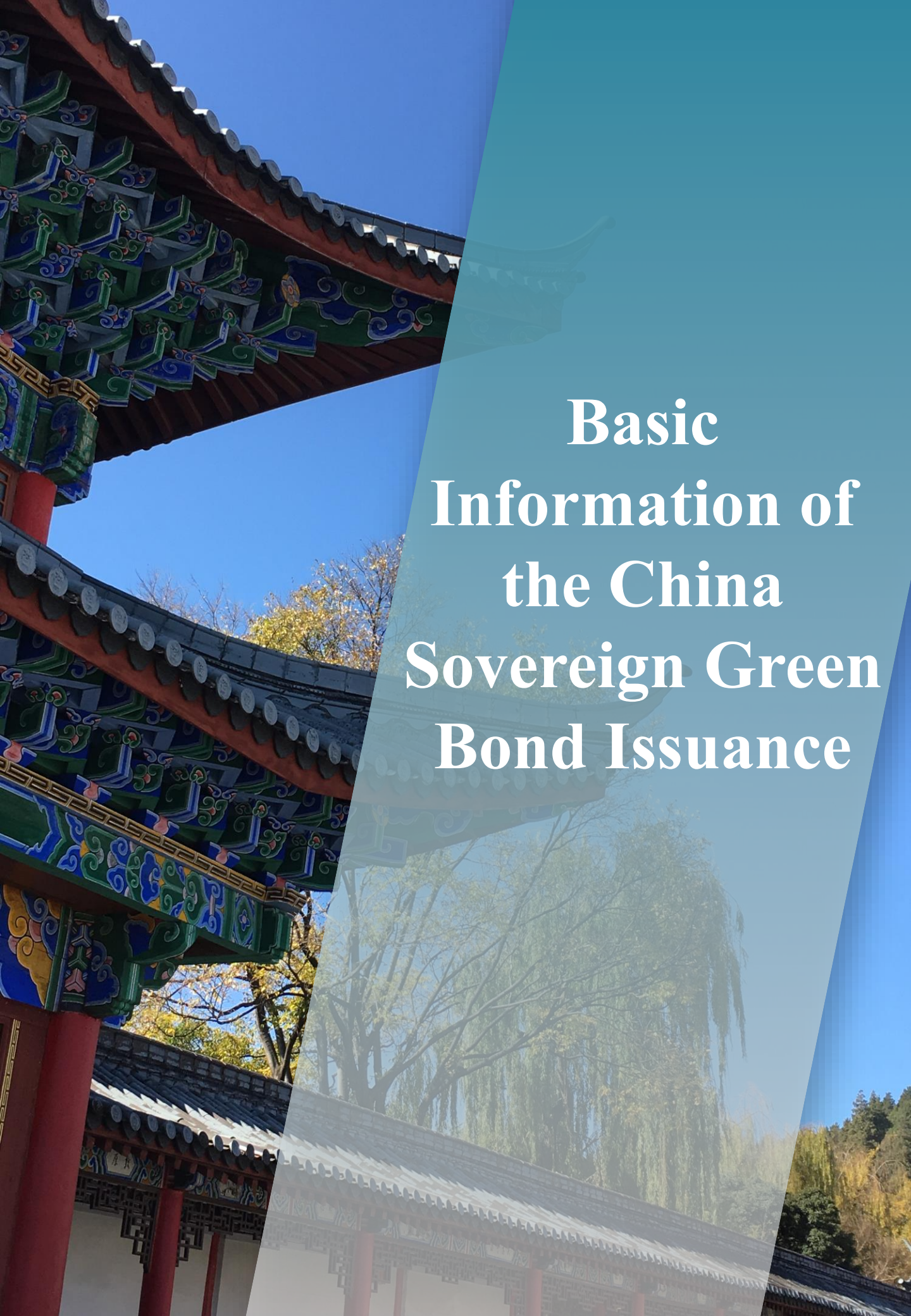
>430 million kilowatts

Image: The "desert, Gobi, and wasteland" wind-solar power base at the Kubiqi Desert in central-northern Ordos, Inner Mongolia

Third, China has made important contributions to jointly building a cleaner and more beautiful world. Upholding the vision of a community with a shared future for mankind, China has become an important participant, contributor and leader in the Construction of Ecological Civilization. The project of integrated protection and restoration of MRFFLGD has been selected as one of the first ten World Restoration Flagships Projects by the United Nations (UN). Saihanba Afforestation Community, the "Green Rural Revival Programme" and the "Blue Circle" initiative in Zhejiang Province have won the Champions of the Earth award, the highest environmental honor of the United Nations Environment Programme (UNEP). Inger Andersen, Under-Secretary-General of UN and Executive Director of UNEP, commented: "China's vision for developing ecological civilization and the successful practice of 'lucid waters and lush mountains are invaluable assets' set a global model for reference and learning."

Image: Saihanba - Forest of a million mu planted from desertified and eroded land

Image: As part of the management of various natural ecological elements such as mountains, rivers, forests, farmlands, lakes, grasslands and deserts (MRFFLGD), the Yunhe rice terraces case in Yunhe county of Lishui, Zhejiang province has received the Food and Agriculture Organization of the United Nation's award for best practices and innovative approaches



Basic Information of the China Sovereign Green Bond Issuance

1. Basic Information of the China Sovereign Green Bond Issuance

Issuer	The Ministry of Finance of the People's Republic of China ("MOF")	
Issue	Senior Unsecured Fixed-Rate Green Bonds (the "Bonds")	
Format	Reg S Category 1, Registered Form	
ISIN	HK0001127569	HK0001127551
Pricing Date	2nd April, 2025	2nd April, 2025
Maturity Date	10th April 2028	10th April 2030
Tenor	3 years	5 years
Issuance Amount	RMB 3 billion	RMB 3 billion
Coupon	1.880%	1.930%
Use of Proceeds	Fully used to eligible green expenditures from MOF's fiscal budget in accordance with the People's Republic of China Sovereign Green Bond Framework	
Listing	London Stock Exchange's International Securities Market & SEHK	
Portion of Allocated Proceeds	100%	

Allocation Information Disclosure

2. Allocation Information Disclosure

In 2025, the Ministry of Finance raised RMB 6 billion through Sovereign Green Bond, all proceeds have been allocated to eligible green expenditures from MOF's fiscal budget, meeting relevant requirements of The People's Republic of China Sovereign Green Bond Framework.

Proceeds under this batch of Sovereign Green Bond have been fully allocated to support air pollution prevention and control under the "Pollution Prevention and Control" Green Project Category, supported the implementation of 1096 Green Projects, assisted in keeping our skies blue, and facilitated the enhancement of efficiency in pollution and carbon emission reduction.

2.1 By Fiscal Year

Unit: RMB 100 million

Green Project Category	MOF's Green Expenditures	2022	2023	2024	2025
Pollution Prevention and Control	Coordinated Control of Fine Particulate Matter ($PM_{2.5}$) and Ozone (O_3)	3	3	4	20
	Atmospheric Environmental Governance and Management	1	10	9	10
	Total	4	13	13	30

Green Expenditure on coordinated control of fine particulate matter ($PM_{2.5}$) and ozone (O_3) as well as atmospheric environmental governance and management are predominantly multi-year projects with long time horizons. This Report includes relevant Green Expenditure between 2022 to 2025 fiscal year. During the reported period, expenditure under Pollution and Prevention Control Green Project Category continued to expand, the cumulative disbursed proceeds has increased from RMB 400 million in fiscal year 2022 to RMB 3 billion in fiscal year 2025.

Regarding Project Type, cumulative Green Expenditure on coordinated control of fine particulate matter ($PM_{2.5}$) and ozone (O_3) reaches RMB 3 billion (including RMB 700 million on clean energy retrofitting, RMB 1.9 billion on volatile organic compounds management, RMB 400 million on ultra-low emission retrofitting on waste management sector), and RMB 3 billion on atmospheric environmental governance and management.

2.2 By Green Project Category and MOF's Green Expenditure

Unit: RMB 100 million

Green Project Category	MOF's Green Expenditures	Project Category	Proceeds Amount
Pollution Prevention and Control[1]	Coordinated Control of Fine Particulate Matter ($PM_{2.5}$) and Ozone (O_3)	Clean Energy Retrofitting	7
		Volatile Organic Compounds (VOCs) Management	19
		Ultra-low Emission Retrofitting on Waste Management Sector	4
	Atmospheric Environmental Governance and Management		30
Total			60

[1] Explanatory Note on the "Pollution Prevention and Control" category under The People's Republic of China Sovereign Green Bond Framework: This Sovereign Green Bond issuance is focused on the use of proceeds falling under the "Pollution Prevention and Control" category. Given the revision of the *Measure on Administration of Air Pollution Control and Prevention Fund* and the update to the *Green Finance Endorsed Project Catalogue (2025 Edition)*, the mapping with the green project category under the *Green Finance Endorsed Project Catalogue (2025 Edition)* for the "Pollution Prevention and Control" Green Project Category in The People's Republic of China Sovereign Green Bond Framework is specified as follows:

2.1.1: Equipment Manufacturing for Air Pollution Prevention and Control;
2.1.10: Manufacturing of Environmental Monitoring Instruments and Emergency treatment Equipment;
2.2.1: Industrial Desulfurization, Denitrification and Dust Removal Transformation;
2.2.3: Integrated Treatment of Volatile Organic Compounds;
6.4.9: Construction and Operation of Ecological Environment Monitoring Systems;
6.5.3: Operation and Upgrade of Cleaning and Low-carbon Transition Construction of Urban Central Heating Systems;
6.5.4: Construction and Operation of Rural Area Clean Energy Infrasturcture;
7.3.6: Monitoring of Ecological Environment and Warning of Ecological Security.

Environmental Impact Information Disclosure

3. Environmental Impact Information Disclosure

3.1 China has Achieved Significant Result with its Effort in Air Pollution.

In 2013, the State Council published the *Air Pollution Prevention and Control Action Plan*, the air pollution control special fund has been established. Throughout the years, the central government continues to increase its capital investment. As of the end of 2025, cumulative investment exceeded RMB 280 billion, representing an average annual growth rate of 17%. During the 14th Five-Year Plan period, the central government has invested a total of RMB 158.5 billion into the air pollution control special fund, including the RMB 6 billion raised under the Sovereign Green Bonds.

Air Pollution Control Special Fund

280billion (RMB)

-

Cumulative investment by the air pollution control special fund

17%

-

Average annual growth rate of the air pollution control special fund

At the same time, by coordinating funding policies on other relevant sectors, deeply integrating the promotion of atmospheric environmental governance into the national high-quality overall development plan, thereby supporting the continuous improvement of air quality.

One the one hand, the Country has continued to advance in-depth governance on pollution for enterprises in industrial sectors, implemented targeted management in key sectors and critical areas, promote pollutant discharge control at full scale, achieving significant result in both emission reduction and pollution control.

On the other hand, by leveraging online monitoring, law enforcement, inspection and digitalized supervision tools, a solid foundation on the continuous improvement of ecological environment has been developed.

Regarding the reduction in discharge of multiple pollutants

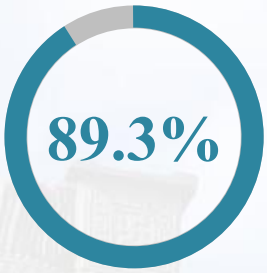
- With collaborative efforts from multiple departments and regions, clean heating retrofitting works have been implemented through variety of measures including the adoption of electrification in heating.
- By strictly control the production and the use of paints, inks, adhesives, cleaning agents and other products with volatile organic compounds (VOCs), the proportion of low-or-no VOCs products has been increased.
- Programs focused on the substitutions have been made at source, stepping up efforts to replace raw and auxiliary materials with low-or-no VOCs substitutes in the industrial coating, packaging printing and the electronics sector.
- Advancement of in-depth governance have been coordinated in key sectors including the waste management sector. In beyond the regulatory compliance and standard, the sectorial air pollution management level has been enhanced, pollutant discharge has been reduced, and the sectorial green development has been promoted with upgrades and retrofits on desulphurization, denitrification and dust removal systems.

Regarding capacity building

- Comprehensive air-land-space monitoring network has been established, comprising 1,734 state-controlled air quality monitoring stations and over 12,000 network-connected monitoring stations, providing robust data support for targeted pollution control.
- 11 sets of standards for stationary source emission have been formulated or revised, which gradually establishing a systematic and science-based regulatory framework on air pollutant discharge. Regulations on enterprises related to ecological environment have been optimized, tiered and differentiated regulatory system was refined, and the development of smart law enforcement systems were promoted.
- Environmental protection inspection systems have been improved continuously, continued to advance the third round of the Central Ecology and Environmental Protection Inspection (CEPI) program, and strengthened the implementation of environmental protection responsibilities by leading Party and government officials at the local level.

Overall, China has made an excellent progress in air quality improvement.

The average concentration of $PM_{2.5}$ in cities at or above prefecture level



Blue skies and white clouds gradually become the norm. In 2025, the average concentration of $PM_{2.5}$ in cities at or above prefecture level was 28.0 micrograms per cubic meter, the proportion of days with good or excellent air quality reached 89.3 percent (excluding impacts from sand-dust storms), and the proportion of heavily polluted days was 0.9 percent, all marking the best performance since the start of monitoring.

Among 6 types of key pollutants, one remained stable and other 5 types resulted in a reduction. Compared with 5 years ago, the ozone concentration in 2025 remained stable and that the increasing trend has been effectively controlled. The annual average concentration of fine particular matter ($PM_{2.5}$), inhalable particulate matter (PM_{10}), sulphur dioxide (SO_2), carbon monoxide (CO), and nitrogen dioxide (NO_2) have each resulted in an annualized reduction of approximately 15% to 20%, all reaching lowest level in record.

Significant improvement in key regions. During the 14th Five-Year Plan period, $PM_{2.5}$ concentration of three key regions including the Beijing-Tianjin-Hebei province cluster, Fenhe-Weihe Plain areas, and the Yangtze Delta region have resulted in a reduction of 27.7%, 32.1%, and 13.6% respectively, acting as the primary driving force and cornerstone of the nation's continuous air quality improvement. In the capital, Beijing, in particular, $PM_{2.5}$ concentration has been reduced from 89.5 micrograms per cubic meter in 2013 to 27 micrograms per cubic meter in 2025, shifting from "APEC Blue" and "Olympic Blue" into "Ordinary Blue", marking a landmark achievement in the fight of air pollution prevention and control.

$PM_{2.5}$ concentration reduction during the 14th Five-Year Plan period

Beijing-Tianjin-Hebei province cluster

Reduced **27.7%**

Fenhe-Weihe Plain areas

Reduced **32.1%**

Yangtze Delta region

Reduced **13.6%**

3.2 The Completion Status of the Sovereign Green Bond Impact.

Under the guidance of the Sovereign Green Bond proceeds, local authorities supported 575 enterprises for in-depth treatment of VOCs emissions, supported 32 enterprises for ultra-low emission retrofitting on waste management sector, supported 60,000 households of rural residents for the shifting to electric heating, procured 13,000 sets of monitoring instruments and equipment, supported 1236 air quality monitoring stations.

Ambient air quality across regions has maintained continuous improvement. At the project level, reduction in particulate matter emissions has reached 41,000 tons, reduction in sulphur dioxide emissions has reached 11,000 tons, reduction in nitrogen oxides emissions has reach 8,000 tons, and reduction in VOCs emission has reach 7,000 tons.

Under the guidance of the Sovereign Green Bond proceeds

Supported for in-depth treatment of VOCs emissions

575 enterprises

Supported for ultra-low emission retrofitting on waste management sector

32 enterprises

Supported for the shifting to electric heating for rural residents

60,000 households

Procured of monitoring instruments and equipment

13,000 sets

Supported air quality monitoring stations

1236 stations

Form on Completion of Fund Performance Indicators

	First-tier Indicators	Second-tier Indicators	Third-tier Indicators	Value
Performance Indicators	Production Indicators	Quantity Indicators	Number of supported enterprises with in-depth treatment of VOCs emissions	575
			Number of supported enterprises with ultra-low emission retrofitting on waste management sector	32
			Number of rural residents supported to shift to electric heating (10,000 households)	6
			Number of procured monitoring instruments and equipment (10,000 sets)	1.3
			Number of supported air quality monitoring stations	1236
	Impact Indicators	Ecological Benefits Indicators	The national annual average concentration of fine particulate matter ($PM_{2.5}$) in 2025 (micrograms per cubic meter)	28
			The national proportion of days with excellent or good air quality in 2025 (%)	89.3 (excluding the impact of sand-dust storms)
			The national proportion of the day with heavy air pollution in 2025 (%)	0.9
			Reduction in particulate matter emissions by the supported projects (10,000 tons)	4.1
			Reduction in sulphur dioxide emissions by the supported projects (10,000 tons)	1.1
			Reduction in nitrogen oxides emissions by the supported projects (10,000 tons)	0.8
			Number of supported enterprises with in-depth treatment of VOCs emissions	0.7

Form on Completion of Fund Performance Indicators

Note: 1. The emissions reduction of particulate matter, sulphur dioxide, nitrogen oxides and VOCs covered in the Quantity Indicators and Ecological Benefits Indicators was mainly supported by the RMB 6 billion Sovereign Green Bond proceeds.

2. The national annual average concentration of fine particulate matter ($PM_{2.5}$), national proportion of heavy pollution days, and national proportion of heavy pollution days in 2025 under the Ecological Benefits Indicators was generated by a combination of multiple fiscal and taxation policies, which correspond to the improvement of national air quality.

3. On February 14, 2026, the Ministry of Ecology and Environment issued the *Technical Specifications on Ambient Air Quality Index*, which explicitly defines the ranges of air quality index (AQI) as follows: 1-50 for Excellent, 51-100 for Good, 101-150 for Slightly Polluted, 151-200 for Moderately Polluted, 201-300 for Heavily Polluted, and over 300 for Severely Polluted.

Typical Project Case Study

4. Typical Project Case Study

Case Study 1: Air Pollution Prevention and Control Capacity Building Project in Shanxi Province

Fiscal year with allocation:

Fiscal year 2024,
Fiscal year 2025

Allocated proceeds:

RMB 180 million

Image: Ecological Environment Smart Monitoring and Service Platform of Shanxi Province

In prior to the project implementation, the ability of air pollution prevention and control of Shanxi Province was in shortcomings under multiple aspects, including coverage breadth, monitoring depth, traceability precision, and data integration level. This mainly refers to the incomplete monitoring network coverage, insufficient source-tracing capabilities, lack of multi-dimensional monitoring methods, need of upstream hotspot monitoring, limited monitoring methods on area source and mobile source, and unbalanced allocation on equipment for law enforcement.

Case Study 1: Air Pollution Prevention and Control Capacity Building Project in Shanxi Province (continued)

Fiscal year with allocation:

Fiscal year 2024,
Fiscal year 2025

Allocated proceeds:

RMB 180 million

Image: Ecological Environment Smart Monitoring and Service Platform of Shanxi Province

Since 2024, Shanxi Province has planned successively on 8 monitoring capacity-building projects, 6 supervisory capacity improvement projects, 6 law enforcement capacity building projects, completed 39 township monitoring stations, 10 district monitoring stations, and 2 traffic monitoring stations around the target of "Accurate Data Base, Effective Oversight, and Broad Coverage", filled the gap in automatic monitoring of air quality in township and rural areas, enhanced the ability to provide prompt response against specific pollution factors such as VOCs, achieved an ability of precise targeting and traceability on high pollution hotspots.

Case Study 1: Air Pollution Prevention and Control Capacity Building Project in Shanxi Province (continued)

Fiscal year with allocation:

Fiscal year 2024,
Fiscal year 2025

Allocated proceeds:

RMB 180 million

Image: Ecological Environment Smart Monitoring and Service Platform of Shanxi Province

Relying on a sky-to-land unified smart monitoring network, the Province consolidated various raw data including air quality data, pollution source, meteorological data, satellite remote sensing, and mobile radar, and created a “Smart Law Enforcement” system based on off-site monitoring, driving a shift from “manual inspection and experienced-based judgements” into an “off-site, precise, and proactive” regulatory approach, gradually enhance the air pollution prevention and control to be science-based, precise, and intelligent, providing robust technological support for the continuous improvement of the air quality.

Case Study 2: Ultra-low Emission Retrofitting on Domestic Waste Management Project in Zhejiang Province

Fiscal year with allocation:

Fiscal year 2024,
Fiscal year 2025

Allocated proceeds:

RMB 76.96 million

Image: A newly installed flue gas SCR denitrification facility by an enterprise in Zhejiang

Zhejiang Province currently has 77 municipal solid waste incineration power generation plants, comprising a total of 173 incinerators, with a designed processing capacity of approximately 86,000 tons per day, placing it among the leading provinces in the Country in terms of processing scale. Municipal solid waste incineration is a key sector for air pollutant emissions, of which nitrogen oxides emission rank second among the Province's stationary sources, second only to power plants.

Case Study 2: Ultra-low Emission Retrofitting on Domestic Waste Management Project in Zhejiang Province (continued)

Fiscal year with allocation:

Fiscal year 2024,
Fiscal year 2025

Allocated proceeds:

RMB 76.96 million

Image: A newly installed flue gas SCR denitrification facility by an enterprise in Zhejiang

To drive deep reductions in air pollutant emissions within the sector and continuously improve air quality, Zhejiang Province launched an ultra-low emission retrofit programme for the municipal solid waste incineration industry in 2024. Requiring that the one-hour average concentrations of particulate matter, sulphur dioxide and nitrogen oxides in incineration flue gas must not exceed 10, 30 and 80 milligrams per cubic meter respectively, representing a tightening of national standards by 66.7%, 70% and 73.3% respectively.

Case Study 2: Ultra-low Emission Retrofitting on Domestic Waste Management Project in Zhejiang Province (continued)

Fiscal year with allocation:

Fiscal year 2024,
Fiscal year 2025

Allocated proceeds:

RMB 76.96 million

Image: A newly installed flue gas SCR denitrification facility by an enterprise in Zhejiang

To strengthen support for ultra-low emission retrofitting projects at municipal solid waste incineration plants, the Zhejiang Provincial Government, including the Development and Reform Commission, Department of Ecology and Environment, Department of Housing and Urban-Rural Development, and Department of Finance have guided enterprises to actively seek funding support from sources such as the central government's air pollution control special fund.

Specifically, 6 ultra-low emission retrofit projects for municipal solid waste incineration power generation were planned for 2024–2025, involving 11 incinerators.

Case Study 2: Ultra-low Emission Retrofitting on Domestic Waste Management Project in Zhejiang Province (continued)

Fiscal year with allocation:

Fiscal year 2024,
Fiscal year 2025

Allocated proceeds:

RMB 76.96 million

Image: A newly installed flue gas SCR denitrification facility by an enterprise in Zhejiang

The total environmental investment for these projects amounted to RMB 155 million, with RMB 76.96 million in funding from the central government's dedicated fund for atmospheric environmental protection having been applied for and approved. All projects are now operational or substantially complete, and together they are expected to reduce annual emissions by 635 tons of nitrogen oxides, 167 tons of sulphur dioxide and 103 tons of particulate matter.

This project has led to a significant reduction in air pollutant emissions from the municipal waste incineration sector in Zhejiang Province, providing strong support for improving regional air quality and achieving the "dual carbon" targets. In 2025, the province's average $PM_{2.5}$ concentration stood at 24.9 micrograms per cubic meter, a reduction of 6.7% compared with 2023.

Case Study 3: Volatile Organic Compounds Management Project in Hunan Province

Fiscal year with allocation:

Fiscal year 2024,
Fiscal year 2025

Allocated proceeds:

RMB 185 million

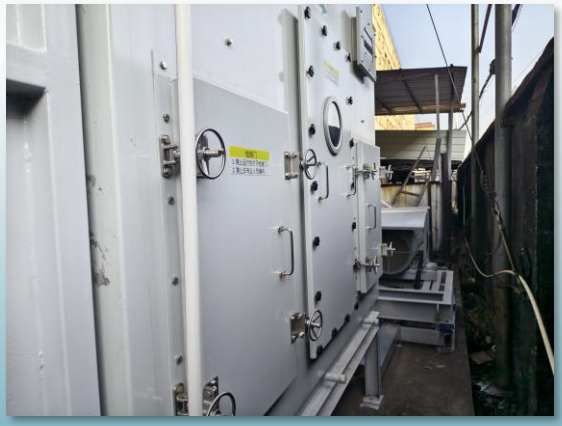


Image: A newly built "Dry Filtration facility / Zeolite Rotor Concentrator" by a company in Hunan

A number of key industries in Hunan Province involve volatile organic compounds, according to the "Hunan Statistical Yearbook 2024", Hunan Province includes 21,000 industrial enterprises above designated size, of which approximately 15,000 of which involve in volatile organic compounds (VOCs), predominantly focused on business related to coating and other solvent-using industries. Overall, VOCs from emission sources in Hunan Province are characterized by a high total volume, high proportion, and concentrated into key industries.

Case Study 3: Volatile Organic Compounds Management Project in Hunan Province (continued)

Fiscal year with allocation:

Fiscal year 2024,
Fiscal year 2025

Allocated proceeds:

RMB 185 million

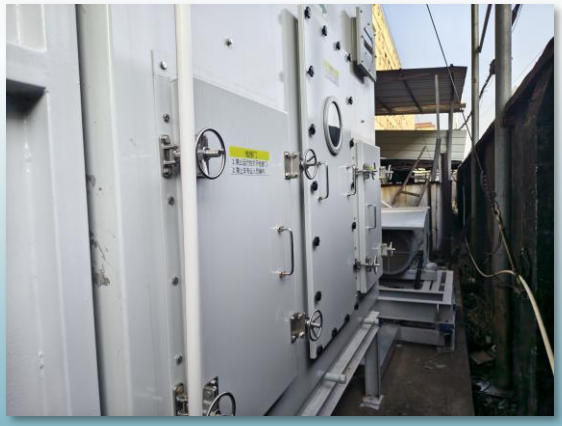


Image: A newly built "Dry Filtration facility / Zeolite Rotor Concentrator" by a company in Hunan

To further advance air pollution prevention and control, strengthen coordinated emission reduction of multiple pollutants, the Province focuses on key industries to implement source substitution and in-depth treatment of VOCs, and strengthen support towards treatment efforts on enterprises with VOCs emissions, guiding these enterprises to actively seek funding from the air pollution control special fund, whilst systematically planning and stockpiling for a range of governance projects.

Case Study 3: Volatile Organic Compounds Management Project in Hunan Province (continued)

Fiscal year with allocation:

Fiscal year 2024,
Fiscal year 2025

Allocated proceeds:

RMB 185 million

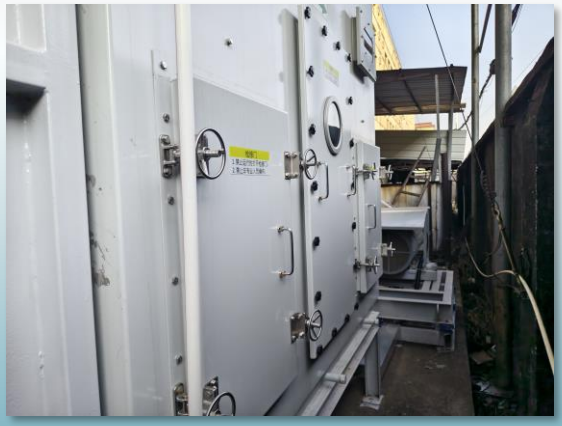


Image: A newly built "Dry Filtration facility / Zeolite Rotor Concentrator" by a company in Hunan

In 2024 and 2025, the Province planned 65 governance projects related to VOCs, covering downstream treatment on industrial enterprises and "Green Island" projects, total environmental investment on these projects have reached RMB 654 million, with RMB 185 million yuan in funding from the central government's dedicated fund for atmospheric environment. This has effectively alleviated the financial pressure on corporate governance, enhanced the motivation of enterprises to conduct in-depth air pollution control, and stimulated social capital input. All projects are now operational or in completion phase, with an annual reduction of a total of 3,528 tons volatile organic compounds.

Case Study 3: Volatile Organic Compounds Management Project in Hunan Province (continued)

Fiscal year with allocation:

Fiscal year 2024,
Fiscal year 2025

Allocated proceeds:

RMB 185 million

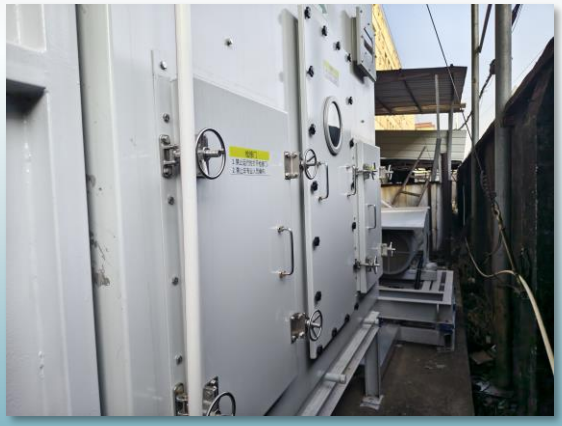


Image: A newly built "Dry Filtration facility / Zeolite Rotor Concentrator" by a company in Hunan

The implementation of this project has served as a model for the industry and significantly enhanced the motivation of deep corporate governance. Over a 2-year period, the Province has completed more than 550 source substitution and in-depth treatment projects related to volatile organic compounds, significantly improved the air pollution management level of the industry. It has effectively reduced enterprises' expenditure on corporate environmental protection, especially to reduce cost and enhance efficiency through supporting micro, small and medium-sized enterprises to adopt centralized governance structure via "Green Island" projects, significantly enhanced the operational efficiency and standard of VOCs treatment facilities, substantially reduced VOCs emissions. Promoted the coordinated control of $PM_{2.5}$ and O_3, and improved air quality of the region.

Case Study 3: Volatile Organic Compounds Management Project in Hunan Province (continued)

Fiscal year with allocation:

Fiscal year 2024,
Fiscal year 2025

Allocated proceeds:

RMB 185 million

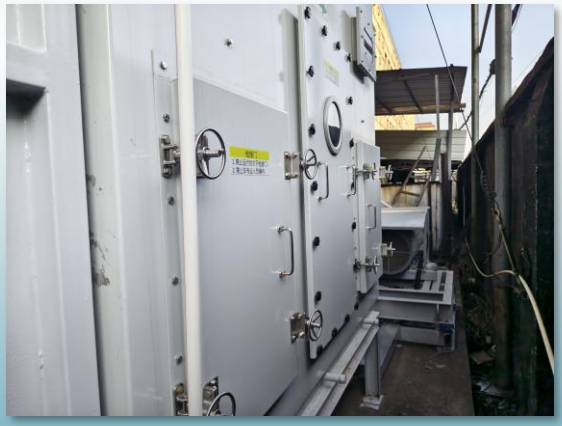


Image: A newly built "Dry Filtration facility / Zeolite Rotor Concentrator" by a company in Hunan

Concurrently, it has driven technological upgrades and market expansion of the environment sector, pushed forward green transition on industries associated with VOCs, achieved a win-win-win outcome in terms of environment, economic and social benefit. In 2025, Hunan Province's average $PM_{2.5}$ concentration stood at 34.4 micrograms per cubic meter, a reduction of 5.5% compared with 2023, ozone concentration stood at 125 micrograms per cubic meter, a reduction of 5.3% compared with 2023.

Appendix: Third-party Independent Verification

Appendix: Third-party Independent Verification

中央国债登记结算有限责任公司
CHINA CENTRAL DEPOSITORY & CLEARING CO., LTD.
中债金融估值中心有限公司
CHINABOND PRICING CENTER CO., LTD.

2025 Information Disclosure Assessment and Verification Report for the Sovereign Green Bond by the People's Republic of China

- Entrusted by the Ministry of Finance of the People's Republic of China (MOF), ChinaBond Pricing Center Co., Ltd. (hereinafter referred to as "CBPC") has conducted an independent assessment and verification based on *The People's Republic of China Sovereign Green Bond Information Disclosure 2025* (hereinafter referred to as the "Annual Information Disclosure Report"), covering the Basic Information of the China Sovereign Green Bond Issuance, Allocation Information Disclosure, Environmental Impact Information Disclosure and Typical Project Case Study, to ensure that the disclosures in the Annual Information Disclosure Report comply with relevant standards and requirements.

1.ASSESSMENT AND VERIFICATION METHODOLOGY

1.1 Basis for assessment and verification

The People's Republic of China Sovereign Green Bond Framework issued by the MOF (hereinafter referred to as "Framework")
China Green Bond Principles (2022 Edition) issued by the Green Bond Standard Committee
Green Finance Endorsed Projects Catalogue (2025 Edition) jointly issued by the People's Bank of China, the National Financial Regulatory Administration and the China Securities Regulatory Commission (hereinafter referred to as the "Green Finance Catalogue")
Green bond environmental benefit information disclosure indicator system (JR/T 0322-2024) issued by the People's Bank of China (hereinafter referred to as the "Standard for Green Bond Information Disclosure")
Green Bond Principles (2021 Edition) (with June 2022 Appendix 1) issued by the International Capital Market Association (ICMA) (hereinafter referred to as "GBP (2021 Edition) ")
Sustainable Development Goals（SDGs）issued by the United Nations

1.2 Methods for assessment and verification

This assessment and verification adopts a combined qualitative and quantitative approach and follows standardized procedures to ensure rigorous processes and reliable conclusions. **First,** document review and verification: CBPC comprehensively examined the Annual Information Disclosure Report, project documents, management regulations and other relevant materials, and confirmed that the assessment basis was complete and credible; **Second**, procedural compliance review: CBPC comprehensively conducted a full review of green project selection, use of proceeds, environmental performance measurement and information disclosure, and verified the operational compliance of all procedures; **Third**, core data recalculation: CBPC comprehensively reviewed and recalculated data including environmental benefit and fund allocation, and confirmed that the calculation results are accuracy.

2.ASSESSMENT ON INFORMATION RELATED TO ALLOCATION

2.1 Basic bond information

Upon verification, the Annual Report provides full disclosure of the core information relating to this Green Sovereign Bond issuance, and complies with the requirements of the Framework and other assessment and verification bases.

2.2 Management of proceeds

Upon verification, the MOF has exercised unified management over the proceeds of the Sovereign Green Bonds and maintained complete records on the allocation and utilization of proceeds. All proceeds have been fully allocated and used for eligible Green Expenditures under the MOF's fiscal budget, assigned to the "Pollution Prevention and Control" Green Project Category for fiscal years 2022 to 2025, corresponding specifically to the Green Expenditures on "Coordinated Control of Fine Particulate Matter($PM_{2.5}$) and Ozone(O_3)" and "Atmospheric Environmental Governance and Management".

2.3 Eligible green projects

The proceeds from this Sovereign Green Bond have been used exclusively for air pollution prevention and control under the Green Project Category of "Pollution Prevention and Control". Upon verification, in accordance with the revised *Measure on Administration of Air Pollution Control and Prevention Fund* and the updated Green Finance Catalogue, the eligible green projects correspond to the following Green Project Category under the Green Finance Catalogue: Industrial Desulphurization, Denitrification and Dust Removal Transformation; Integrated Treatment of Volatile Organic Compounds; Construction and Operation of Ecological Environment Monitoring Systems; Operation and Upgrade of Cleaning and Low-carbon Transition Construction of Urban Central Heating Systems; Construction and Operation of Rural Area Clean Energy Infrastructure; and Monitoring of Ecological Environment and Warning of Ecological Security.

3.ASSESSMENT ON ENVIRONMENTAL IMPACT INFORMATION

Upon verification, this annual information disclosure complies with the Standard for Green Bond Information Disclosure , providing full disclosure of the environmental benefits achieved by the green projects. The Sovereign Green Bond has provided support for: 575 enterprises undertaking in-depth treatment of VOCs emissions; 32 enterprises conducting ultra-low emission retrofits in the waste management sector; 60,000 rural households accessing electric heating conversion; the procurement of 13,000 sets of monitoring instruments and equipment; and the establishment of 1,236 air quality monitoring stations. The relevant projects have achieved emission reductions of 41,000 tonnes of particulate matter, 11,000 tonnes of sulphur dioxide, 8,000 tonnes of nitrogen oxides and 7,000 tonnes of VOCs, demonstrating substantial environmental benefits. The environmental benefit accounting of green projects applies unified accounting criteria and scientific methodologies with authoritative data sources. It complies with relevant information disclosure standards and the requirements of the Framework, and the disclosed environmental benefit information is authentic and verifiable.

4.ASSESSMENT ON COMPLIANCE WITH INTERNATIONAL STANDARDS

4.1 Aligned with the Four Core Components of the GBP (2021 Edition)

Based on assessment on the Use of Proceeds, Process for Project Evaluation and Selection, Management of Proceeds and Reporting, the Green Expenditure and Green Project Categories are well aligned with the GBP (2021 Edition).

4.2 Aligned with the United Nations SDGs

- SDG 3 Good Health and Well-Being
- SDG 9 Industry, Innovation and Infrastructure
- SDG 11 Sustainable Cities And Communities
- SDG 13 Climate Action

5.CONCLUSION

The information disclosed in the Annual Information Disclosure Report is authentic, accurate and complete. Proceeds management is standardized, and environmental performance is verifiable. The Annual Information Disclosure Report is aligned with the Framework as well as relevant domestic and international standards, and fully complies with the information disclosure and management requirements for the Sovereign Green Bond.

ChinaBondPricing Center Co., Ltd.

May 2026

中华人民共和国财政部

Ministry of Finance of the People's Republic of China