

The People's Republic of China
Sovereign Green Bond Framework

February 2025

The Framework is published in Chinese and English. The Chinese version shall be the authoritative version of the Framework. The English version is intended merely for ease of reference.

Table of Contents

Introduction	1
1. Background	3
1.1 China's Actions on the Construction of Ecological Civilization.....	3
1.2 Ministry of Finance’s Role in Driving Green Development.....	6
2. The People’s Republic of China Sovereign Green Bond Framework.....	10
2.1 Use of Proceeds.....	10
2.2 Process for Project Evaluation and Selection	17
2.3 Management of Proceeds.....	17
2.4 Information Disclosure	18
2.5 External Reviews	23

Introduction

The Construction of Ecological Civilization is of critical importance to ensuring the sustainability of community for Chinese nation, and green development is a necessary lever to achieve this. In recent years, the People's Republic of China ("China") has adhered to the philosophy of "Lucid waters and lush mountains are invaluable assets", prioritizing ecological conservation and green development, while promoting a comprehensive transition in its economic and social development. Achieving carbon peaking and carbon neutrality is a remarkable strategic decision undertaken by China. This initiative manifests China's progression to apply new development philosophy and advance Chinese modernization, and to fulfill its commitment to building a community with a shared future for mankind and promote harmony between humanity and nature.

The Ministry of Finance of the People's Republic of China ("MOF") implements the decisions and plans of the Central Committee of the Communist Party of China and the State Council. It makes great efforts to work around the principles of "increasing financial support, deepening systemization and making refinements when applicable", and aims to expand fiscal support, enhancing mechanisms and tools such as taxation, government procurement, resource utilization fees, and ecological

conservation compensation. These efforts aim to support environmental protection, establish a secure ecological framework, and accelerate the green and low-carbon transition.

The People's Republic of China Sovereign Green Bond Framework ("Framework") lays the foundation for the issuance of international sovereign green bonds of MOF. Through this Framework, MOF intends to issue China's Sovereign Green Bonds ("Sovereign Green Bonds"), demonstrating the nation's commitment to supporting green and sustainable development, diversifying the global green bonds market, encouraging more Chinese issuers to issue green bonds, and attracting further investment in the green financial markets.

1. Background

Since 2013, China has recognized the critical role of Ecological Civilization in national governance, integrating it into its Five-Sphere Integrated Plan, which comprehensively covers economic, political, cultural, social, and ecological civilization construction, aiming to promote the all-round development of the country. China has proposed a new development philosophy of “innovative, coordinated, green, open and shared development”. It has also incorporated the principle of “adhering to harmony between humanity and nature” into the foundation of developing socialism with Chinese characteristics in the new era. The development of a “Beautiful China” is a central goal within China’s effort to build a modern country harmonious to nature.

1.1 China's Actions on the Construction of Ecological Civilization

China implements a national strategy to actively address climate change, regarding the fulfillment of its nationally determined contributions as a responsibility for promoting the building of a global community with a shared future and as a crucial means for advancing ecological civilization construction and achieving high-quality development.

At the international level, as a party to the United Nations Framework Convention on Climate Change and its Paris Agreement, China has been striving to ensure full and effective implementation of the Paris Agreement while contributing significantly to the global response to climate change.

On September 22, 2020, President Xi Jinping announced at the General Debate of the 75th Session of the United Nations General Assembly that China would scale up its Nationally Determined Contributions by adopting more robust policies and measures. China aims to achieve carbon peaking by 2030 and carbon neutrality by 2060. On December 12, 2020, at the Climate Ambition Summit, President Xi Jinping announced further environmental goals, including targets for carbon dioxide emissions, forest stock volume, and clean energy capacity.

At the national level, the Central Committee of the Communist Party of China and the State Council have made key policy goals towards the development of a “Beautiful China” and Accelerating the Comprehensive Green Transformation of Economic and Social Development¹, including:

¹ *“Opinions of the Central Committee of the Communist Party of China and the State Council on the development of a ‘Beautiful China’ to be promoted comprehensively” (27 December 2023); and “Opinions of the Central Committee of the Communist Party of China and the State Council on accelerating the comprehensive green transformation of economic and social development” (31 July 2024)*

By 2027, green and low-carbon development will have been advanced in depth, with a continuous decrease in the total discharge of major pollutants, improvements in the quality of its ecological environment, optimization in national territory development and conservation landscape, enhancing ecosystem functions, improving urban and rural living environment, strengthening of national ecological security and governance systems, developing a number of practical models, and achieving remarkable results in the development of a “Beautiful China”;

By 2030, positive progress will be made in key areas of green transformation. Green methods of production and ways of life will have become a new norm, pollution and carbon emissions will be significantly reduced, major resource utilization efficiency further improved, policy system supporting green development perfected, and comprehensive green transformation of economic and social development will have made notable progress;

By 2035, green methods of production and ways of life will have been developed broadly, carbon emissions will have peaked and be in steady decline, and the country’s ecological environment will have improved fundamentally, new landscape of national territory development and conservation formed, the stability and diversity of the ecosystem significantly enhanced, national ecological security level strengthened, the modernization of the ecological governance system and

capabilities realized, and the goal of the development of a “Beautiful China” will be fundamentally achieved;

Looking ahead to the middle of the century, China’s ecological civilization will have improved comprehensively, its green development and lifestyles will have taken full shape, and the deep decarbonization of its key areas will have been realized. The country’s ecological environment will also be healthy and beautiful by that time, its ecological and environmental governance system and capacity will be fully modernized, and the development of a “Beautiful China” will have been built in all respects.

1.2 Ministry of Finance’s Role in Driving Green Development

Green and low-carbon development is central to addressing climate change, achieving sustainable progress, and supporting high-quality development in China. MOF implements national planning, innovates and perfects policy systems, and comprehensively utilizes diverse policy measures such as financial allocation, taxation, and green procurement to support the Construction of Ecological Civilization. Key roles of MOF include:

1) Strengthen policy frameworks of financial support for green and low-carbon development.

Finance is the foundation and an important pillar of national governance. MOF has continuously improved relevant fiscal policies and

measures in recent years as aligned with national decisions, refining the overall policy framework down to the specific fiscal policies. This includes coordinating efforts from fiscal expenditures to green taxation, supporting resolution of prominent environmental issues, and facilitating deeper economic and social transformation. Through these efforts, MOF aims to promote an all-rounded green and low-carbon development with solid progress. Moreover, to foster such economic and social transformation, MOF is continuously refining top-level design, enhancing the green fiscal and taxation systems, and solidifying sustainable mechanisms which promote green and low-carbon development.

2) Improve the investment mechanism and strengthen financial guarantee for green and low-carbon development.

MOF prioritizes environmental protection and low-carbon development as key areas of its fiscal expenditures, ensuring financial support transfer payments to local governments for pollution control, ecological restoration and low-carbon development. Over the past five years, the fiscal expenditures on ecological protection and green development have ranged from 500 billion to 650 billion yuan annually. In additions, a total of nearly 300 billion yuan has been allocated in the past five years, to support the campaign of “blue skies, clear water and pure land” with an average annual growth rate of 7%. Some highlighted initiatives include: 88 northern cities carried out clean heating

transformation, promoting the energy efficiency and saving; protection projects in key river basins such as the Yangtze River and Yellow River were conducted, along with soil pollution control; the *Key Ecological Protection and Restoration and Management Fund* was launched to support 27 protection and restoration projects of mountains, rivers, forests, farmlands, lakes, grasslands and deserts (“MRFFLGD”), as well as 49 ecological restoration projects of historical abandoned mines; the *Marine Ecological Protection and Restoration Fund* was launched to support the implementation of 83 marine ecological protection and restoration projects. China’s ecological environment quality continues to improve with the support of relevant funds.

3) Enhance fund management to support the green and low-carbon development strategy.

While MOF continues to increase fiscal expenditures, it also strives to promote innovation in ecological and environmental protection projects, manage operating mechanisms, and improve the efficiency of ecological and environmental protection funds.

Enhancing pertinence: to accurately allocate funds based on projects, MOF has established a central ecological and environmental protection transfer payment project reserve system which standardizes assessment and review process and facilitates resultant physical workload

from financial investment. This ensures that projects are carried out and closely monitored, so that the funds are sufficiently and properly allocated.

Setting benchmarks: MOF strives to promote benchmark projects through fairly considering a variety of environmental projects from landscape conservation, rivers and lakes protection, afforestation, marine ecological restoration, clean heating in northern areas, ecological industrialization, and rural environmental remediation.

Implementing accountability: MOF tracks the performance during and after the deeds, and evaluates performance throughout into the entire process of project implementation. Moreover, MOF conducts interviews with areas showing low performance scores and rankings and deducts the relevant transfer payment funds, while rewarding the areas showing good performance scores and significant results.

2. The People’s Republic of China Sovereign Green Bond Framework

The Framework is developed and structured in accordance with the *China Green Bond Principles (2022 Edition)*² issued by the Green Bond Standard Committee, and the *Green Bond Principles (2021 Edition) (with June 2022 Appendix 1)* issued by the International Capital Markets Association (“ICMA”). MOF will issue China’s Sovereign Green Bonds based on this Framework.

Adhering to the above principles, Sovereign Green Bonds issued under the Framework will conform to the following four core components: Use of Proceeds, Process for Project Evaluation and Selection, Management of Proceeds, and Information Disclosure.

2.1 Use of Proceeds

The proceeds raised by the Sovereign Green Bonds issued under the Framework will be fully used to finance and/or refinance eligible green expenditures from MOF’s fiscal budget (“Green Expenditures”). Green Expenditures, as defined under the Framework, should contribute to the achievement of one or more of the environmental objectives below:

- Climate Change Mitigation
- Climate Change Adaptation

² *China Green Bond Principles (2022 Edition)* issued by the Green Bond Standard Committee: <https://www.nafmii.org.cn/ggtz/gg/202207/P020220801631427094313.pdf>

- Natural Resource Conservation
- Pollution Prevention and Control
- Biodiversity Conservation

Green Expenditures of the Sovereign Green Bonds issued under this Framework should meet the relevant requirements of the *Green Bond Endorsed Projects Catalogue (2021 Edition)*³ jointly issued by the People’s Bank of China (“PBoC”), the National Development and Reform Commission (“NDRC”) and the China Securities Regulatory Commission (“CSRC”). This Catalogue clearly defines the eligible green projects, ensuring that Green Expenditures are in line with the national green development policies.

Green Expenditures may include direct project investments, project operating expenditures, capital transfers from the Central Government to Local Governments, and tax rebates.

For the avoidance of doubt, Green Expenditures already financed by dedicated forms of revenue or financing, expenditure of other government agencies, and expenditures financed by local government bonds that support sustainable developments will not be eligible under this Framework.

³ *Green Bond Endorsed Projects Catalogue (2021 Edition)*, and its relevant updated versions, jointly issued by the PBoC, NDRC and CSRC:

<http://www.pbc.gov.cn/goutongjiaoliu/113456/113469/4342400/2021091617180089879.pdf>

Green Expenditures - the following table outlines the Eligibility Criteria of the Green Project Categories and provides a list of Green Expenditures. The Green Project Categories are also mapped to the *Green Bond Endorsed Projects Catalogue (2021 Edition)*.

Green Project Category	Eligibility Criteria	MOF's Green Expenditures	Mapping with the Green Bond Endorsed Projects Catalogue (2021 Edition)
Clean Transportation	<ul style="list-style-type: none"> ▪ <u>Construction, maintenance, acquisition, research and development, and subsidies for clean energy vehicles</u> (such as electric vehicles, fuel cell vehicles, plug-in hybrid (including extended range) vehicles, and dedicated infrastructure) ▪ <u>Manufacture of key assets, systems, and core components for clean energy vehicles</u> ▪ <u>Construction and development of dedicated charging facilities and infrastructure</u> (including electric vehicles charging stations and hydrogen refueling stations) <p>Note: excluding any projects dedicated to the transportation of fossil fuels</p>	<ul style="list-style-type: none"> ▪ <i>Support Fund for Energy Saving and Emission Reduction</i>⁴: limited to the new energy vehicles, recharging infrastructure, and the demonstration of fuel cell vehicles applications 	<ul style="list-style-type: none"> ▪ 1.6.1.1 Manufacturing of Key Components of New Energy Vehicles and its Industrialization ▪ 1.6.1.2 Manufacturing of Facilities for Charging, Battery Replacement, and Hydrogenation ▪ 3.2.1.7 Production of Fuel Cell Equipment
Sustainable Water and Wastewater Management	<ul style="list-style-type: none"> ▪ <u>Improvement of rural living environment</u> (such as rural household sewage treatment and the remediation and treatment of black and malodorous water bodies in rural areas) 	<ul style="list-style-type: none"> ▪ <i>Rural Areas' Environmental Remediation Fund</i>: expenditures to support rural household sewage treatment and remediation and 	<ul style="list-style-type: none"> ▪ 1.3.5.2 Improvement of Rural Living Environment

⁴ *Interim Measure on Administration of Support Fund for Energy Saving and Emission Reduction, are effective until 2025. Eligible Green Expenditures in the Interim Measure on Administration of Support Fund for Energy Saving and Emission Reduction, or any future revisions thereto, must be consistent with the eligibility criteria of the "Clean Transportation" category.*

Sustainable Water and Wastewater Management	<ul style="list-style-type: none"> ▪ <u>Water resources protection and restoration</u> (such as groundwater extraction management, comprehensive treatment of soil erosion, management of dirt and sand retention dams, restoration and recovery of the Interconnected River and Lake System Network, desilting of reservoirs and rivers, and the implementation of the River and Lake Chief System⁵ to strengthen management and protection) ▪ <u>Flood and drought disaster prevention</u> (such as management of small and medium-sized rivers, reservoir risk prevention and reinforcement, rain and water situation monitoring, construction of dam safety monitoring facility, mountain torrent disaster prevention, and the development of water conservancy projects, along with the construction of essential hydrological facilities) 	treatment of black and malodorous water bodies in rural areas	
		<ul style="list-style-type: none"> ▪ <i>Water Conservancy Development Fund</i>: expenditures on drought and flood prevention and control, conservation and intensive utilization of water resources, water resources protection and restoration; <i>Central Budgetary Investment in the Program for Guaranteeing Water Security</i>: limited to the risk prevention and reinforcement of medium- and large-scale dangerous reservoirs and construction of essential hydrological facilities 	<ul style="list-style-type: none"> ▪ 1.4.1.1 Desalination of Seawater and Brackish Water ▪ 1.4.1.2 Rainwater Collection, Treatment, and Utilization ▪ 4.2.1.6 Protection and Restoration of Rivers, Lakes and Wetlands ▪ 4.2.1.7 Protection and Restoration of National Ecological Security Barriers ▪ 4.2.1.10 Comprehensive Treatment of Desertification, Rocky Desertification and Soil Erosion ▪ 4.2.1.11 Drought and Flood Management for Water-Related Ecosystem ▪ 4.2.1.12 Management and Restoration of Groundwater Overdrawn Zones ▪ 6.2.2.2 Provision of Services for Water-use Rights Transactions

⁵ Under the River and Lake Chief system, specific officials are assigned to take charge of the management and protection of rivers and lakes, ensuring the effective governance of water resources.

<p>Environmentally Sustainable Management and Restoration of Living Natural Resources and Land Use</p>	<ul style="list-style-type: none"> ▪ <u>Conservation or restoration of natural landscapes</u> (management of various natural ecological elements such as mountains, rivers, forests, farmlands, lakes, grasslands and deserts (“MRFFLGD”)), protection of wildlife and conservation areas, and sustainable forestry practices (such as afforestation, reforestation, and the sustainable use of plant genetic resources) ▪ <u>Grassland ecological protection facilities</u> (such as the integrated protection and restoration of forests, grasslands, wetlands and wastelands, and efforts to prevent and control desertification) 	<ul style="list-style-type: none"> ▪ <i>Forest Ecological Protection and Restoration Fund:</i> transfer payments for shared fiscal powers, such as for national parks, other nature reserves and wildlife protection, forest ecological protection and rehabilitation, and ecological rangers 	<ul style="list-style-type: none"> ▪ 4.2.1.1 Protection of Natural Forest Resources ▪ 4.2.1.2 Protection of Animal and Plant Resources ▪ 4.2.1.3 Construction and Operation of Nature Reserves ▪ 4.2.1.6 Protection and Restoration of Rivers, Lakes and Wetlands ▪ 4.2.2.5 Protective Operation of National Parks, World’s Heritages, National Scenic Spots and Historic Interest Areas, National Forest Parks, National Geo-Parks, and National Wetland Parks
		<ul style="list-style-type: none"> ▪ <i>Forestry and Grassland Reform and Development Fund:</i> transfer payments for shared fiscal powers, such as for national afforestation, and the cultivation of forestry and grasslands 	<ul style="list-style-type: none"> ▪ 4.1.1.3 Protection of Forest Genetic Resources ▪ 4.1.1.5 Pest Prevention and Control ▪ 4.2.1.1 Protection of Natural Forest Resources ▪ 4.2.1.5 Projects of Turning Farmlands Back to Forests or Grasslands and Restoring Grazing Lands to Grasslands

<p>Environmentally Sustainable Management and Restoration of Living Natural Resources and Land Use</p>		<ul style="list-style-type: none"> ▪ <i>Three-North Shelterbelt Forest Program Fund</i>: special transfer payments, such as for the integrated protection and restoration of forests, grasslands, wetlands and wastelands, and desertification prevention and control, compensation for desertified land with sealed protection, ecological industrialization in the Three-North regions (northwest, north and northeast China) ▪ <i>Key Ecological Protection, Restoration and Management Fund</i>: expenditures for the integrated protection and restoration of MRFFLGD, and remediation of historically abandoned industrial and mining lands 	<ul style="list-style-type: none"> ▪ 4.2.1.7 Protection and Restoration of National Ecological Security Barriers ▪ 4.2.1.10 Comprehensive Treatment of Desertification, Rocky Desertification and Soil Erosion ▪ 4.2.1.7 Protection and Restoration of National Ecological Security Barriers ▪ 4.2.1.9 Ecological Restoration of Degraded Mining Areas
<p>Marine Ecosystem Protection and Restoration</p>	<ul style="list-style-type: none"> ▪ <u>Protection of fragile ecosystems or ecosystems with excellent quality</u> (such as coastal zones, mangrove forests and seas and islands) ▪ <u>Restoration and management</u> (such as mangrove forests, coastlines, coastal zones, seas and islands) to enhance the ecological function of coastal zones 	<ul style="list-style-type: none"> ▪ <i>Marine Ecological Protection and Restoration Fund</i>: limited to expenditures that support the protection and rehabilitation of marine ecosystems in key areas that are vital for ensuring ecological security and provide extensive ecological benefits 	<ul style="list-style-type: none"> ▪ 4.2.1.14 Comprehensive Management of Sea Areas, Coastal Zones and Islands

<p>Pollution Prevention and Control</p>	<ul style="list-style-type: none"> ▪ <u>Support for air pollution prevention and control; and collaboration in combating climate change</u> 	<ul style="list-style-type: none"> ▪ <i>Air Pollution Control and Prevention Fund:</i> limited to expenditures that focus on atmospheric environmental governance and management, and coordinated control of fine particulate matter (PM2.5) and ozone (O₃) 	<ul style="list-style-type: none"> ▪ 1.3.1.2 Equipment Manufacturing for Air Pollution Prevention and Control ▪ 1.3.1.8 Manufacturing of Environmental Monitoring Instruments and Emergency treatment Equipment
<p>Resource Utilization and Recycling</p>	<ul style="list-style-type: none"> ▪ <u>Waste treatment, recycling and resource utilization projects</u> (such as facilitating the comprehensive utilization of resources, promoting circular development, and supporting the treatment of waste electrical and electronic products) 	<ul style="list-style-type: none"> ▪ <i>Disposal of Waste Electrical and Electronic Products Earmarked Fund:</i> expenditures for guiding local governments to support the development of the waste electrical and electronic product recycling and treatment industry 	<ul style="list-style-type: none"> ▪ 1.5.2.2 Recycling of Waste and Discarded Resources

2.2 Process for Project Evaluation and Selection

Subsequently, the process for project evaluation and selection is crucial to ensure that the proceeds from any Sovereign Green Bonds issued under the Framework are fully used to finance and/or refinance Green Expenditures that meet the definition in Section 2.1 – Use of Proceeds.

MOF is responsible for project evaluation and selection, and will establish a Green Expenditures List. MOF will regularly carry out evaluation and update the Green Expenditures List. Based on these evaluations, MOF will determine the allocation of proceeds in accordance with China's environmental policies and the Framework's requirements.

After issuance, MOF will prepare annual information disclosures and periodically review Green Expenditures as long as the Sovereign Green Bonds are outstanding to ensure that the Use of Proceeds is fully compliant with the Framework's requirements.

2.3 Management of Proceeds

To ensure accountability of the management of the proceeds, the proceeds raised will be managed by MOF, which will record the use and allocation of proceeds of the Sovereign Green Bonds.

MOF will maintain an internal register which will include the following information of the Sovereign Green Bonds:

- Transaction details of each of the Sovereign Green Bond issuance (e.g. International Securities Identification Number (ISIN), currency, issue amount, tenor, etc.);
- Summary indicating that each Green Expenditure in the internal register meets the requirements of the Framework in accordance with Section 2.2 Process for Project Evaluation and Selection;
- Amount of proceeds allocated to each Green Expenditure;
- Remaining balance of unallocated proceeds;
- Corresponding fiscal year of the relevant Green Expenditure;
- Expected environmental impacts (if applicable).

The proceeds raised will be allocated to Green Expenditures of fiscal budget until fully allocated to the corresponding Green Expenditures. Any unallocated proceeds will be managed in accordance with MOF's treasury funds use. In addition, unallocated proceeds shall not be invested in any fossil fuel-related assets or highly polluting, energy intensive assets or projects.

All proceeds raised from the Sovereign Green Bonds will be fully allocated to Green Expenditures in the year of issuance (the "Current Fiscal Year"), the next fiscal year and up to three previous fiscal years. At least 50% of the proceeds will be allocated to Green Expenditures in the current and next fiscal year.

2.4 Information Disclosure

Furthermore, to maintain ongoing transparency, during the period where the Sovereign Green Bonds remain outstanding, MOF will provide annual disclosures until full allocation of the proceeds of any Sovereign Green Bonds issued under the Framework. Timely disclosures will also be made in the event of any material developments.

The annual Sovereign Green Bond Information Disclosure will be published on the official website of MOF, which includes the following:

2.4.1 Allocation Information Disclosure

- Transaction details of each of the Sovereign Green Bond issuance (e.g., ISIN, currency, issue amount, tenor, etc.)
- For each Sovereign Green Bond issued, a brief description on the (1) Green Project Category, (2) Green Expenditure Category (if any), and (3) Use of Proceeds in the Relevant Fiscal Budget Year
- Remaining balance of unallocated proceeds

2.4.2 Environmental Impact Information Disclosure

To the extent possible, MOF will provide investors with the relevant expected environmental impact of Green Expenditures. Indicative environmental impact indicators of Green Projects or Green Expenditures are as follows:

Green Project Category	Indicative Environmental Impact Indicators
Clean Transportation	<p>Support Fund for Energy Saving and Emission Reduction</p> <ul style="list-style-type: none"> ▪ Annual reduction in carbon dioxide and other GHG emissions (in tons) ▪ Proportion of vehicles that meet the operational range requirements ▪ Proportion of vehicles included in the “National Monitoring and Management Platform for New Energy Vehicles” ▪ Consistency of vehicle technical parameters with those defined in the “Catalog of Vehicle Models recommended for the New Energy Vehicle Promotion and Application”
Sustainable Water and Wastewater Management	<p>Rural Areas’ Environmental Remediation Fund</p> <ul style="list-style-type: none"> ▪ Number of new administrative villages completing rural sewage treatment ▪ Quantity of black and malodorous water bodies eliminated in rural areas ▪ Quantity of source control and pollution interception control projects implemented
	<p>Water Conservancy Development Fund</p> <ul style="list-style-type: none"> ▪ Area of medium-sized irrigation districts retrofitted for water conservation ▪ Additional capacity provided by the newly constructed small reservoirs ▪ Population benefiting from small-scale water diversion projects ▪ Length of small- and medium-sized rivers under management ▪ Number of small dangerous reservoirs with risk removal and reinforcement ▪ Number of counties implementing flash flood disaster prevention and control measures ▪ Area of land under soil erosion management

	<ul style="list-style-type: none"> ▪ Number of dirt and sand retention dams under management ▪ Area covered by integrated agricultural water pricing reform ▪ Groundwater extraction capacity ▪ Number of Happiness River and Lake constructed <p>Central Budgetary Investment in the Program for Guaranteeing Water Security</p> <ul style="list-style-type: none"> ▪ Number of medium- and large-sized dangerous reservoirs with risk removal and reinforcement ▪ Number of hydrological fundamental facilities constructed
<p>Environmentally Sustainable Management and Restoration of Living Natural Resources and Land Use</p>	<p>Forest Ecological Protection and Restoration Fund</p> <ul style="list-style-type: none"> ▪ Area of forest resources under management and protection (in 10,000 mu) ▪ Proportion of national park area covered by comprehensive monitoring (percentage of national park area)
	<p>Forestry and Grassland Reform and Development Fund</p> <ul style="list-style-type: none"> ▪ Area subsidized under the new round of Returning Farmland to Forest Program (in 10,000 mu) ▪ Area of oil-tea plantation (in 10,000 mu)
	<p>Three-North Shelterbelt Forest Program Fund</p> <ul style="list-style-type: none"> ▪ Area of forests, grasslands, wetlands and wastelands with integrated protection and restoration (in 10,000 mu) ▪ Area of desertified land compensated and with sealed protection (in 10,000 mu)
	<p>Key Ecological Protection, Restoration and Management Fund</p> <ul style="list-style-type: none"> ▪ Total area with ecological protection and restoration (in 10,000 hectares) ▪ Area of mines with ecological restoration (in 10,000 hectares) ▪ Area of wetlands with ecological restoration (in 10,000 hectares)

	<ul style="list-style-type: none"> ▪ Area of forests with ecological restoration (in 10,000 hectares) ▪ Area of grasslands with ecological restoration (in 10,000 hectares) ▪ Area with soil and water loss control (in 10,000 hectares) ▪ Area of land with desertification and rocky desertification control (in 10,000 hectares) ▪ Area of land with comprehensive remediation (in 10,000 hectares) ▪ Area under water pollution management and control (in 10,000 hectares) ▪ Area of habitats under protection (in 10,000 hectares) ▪ Area where ecosystems are under protection (in 10,000 hectares) ▪ Species richness (no. of species per hectare) ▪ Water conservation area with ecological restoration (in 10,000 hectares) ▪ Area with soil pollution control (in 10,000 hectares) ▪ Length of riverbanks restored (in km) ▪ Number of monitoring points established
<p>Marine Ecosystem Protection and Restoration</p>	<p>Marine Ecological Protection and Restoration Fund</p> <ul style="list-style-type: none"> ▪ Total area of ecological restoration completed (in hectare) ▪ Length of shorelines remediated and restored (in km) ▪ Area of coastal wetlands remediated and restored (in hectare) ▪ Area of newly constructed mangrove forests (in hectare) ▪ Area of existing mangrove forests remediated (in hectare) ▪ Area with invasive alien species under control (in hectare) ▪ Number of islands restored ▪ Number of marine ecological condition investigations completed

Pollution Prevention and Control	Air Pollution Control and Prevention Fund <ul style="list-style-type: none"> ▪ Reduction in annual average PM2.5 concentration (%) ▪ National air quality rate (%) ▪ Percentage of days under heavy air pollution (%) ▪ Reduction in total nitrogen oxide emissions (%) ▪ Reduction in total volatile organic compounds (VOCs) emissions (%)
Resource Utilization and Recycling	Disposal of Waste Electrical and Electronic Products Earmarked Fund <ul style="list-style-type: none"> ▪ Volume of national waste electrical and electronic products disassembled or treated by enterprises ▪ Percentage of hazardous waste from disassembled products (%) ▪ Normative collection rate of environmental sensitive substances in refrigerators and air conditioners (%)

2.5 External Reviews

MOF has engaged Lianhe Green Development Co., Ltd. and DNV Business Assurance Limited to assess whether the Framework is in line with the relevant Green Bond Principles, and independent Second Party Opinion reports have been issued.

MOF will engage an independent third party to publish the external verification report on the annual Sovereign Green Bond Information Disclosure.