



Experience Sharing on Equator Principles Implementation and Green Finance

——Achieving competition advantages through sustainable finance

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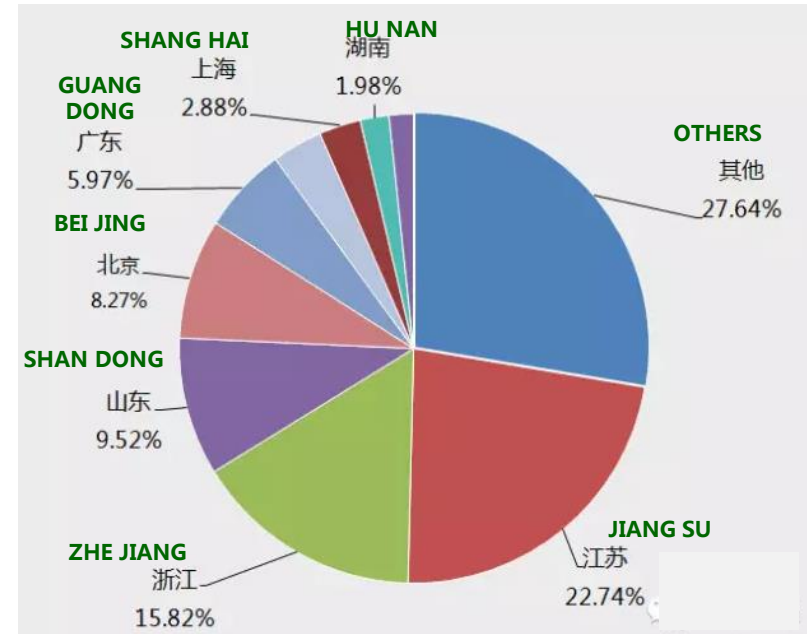
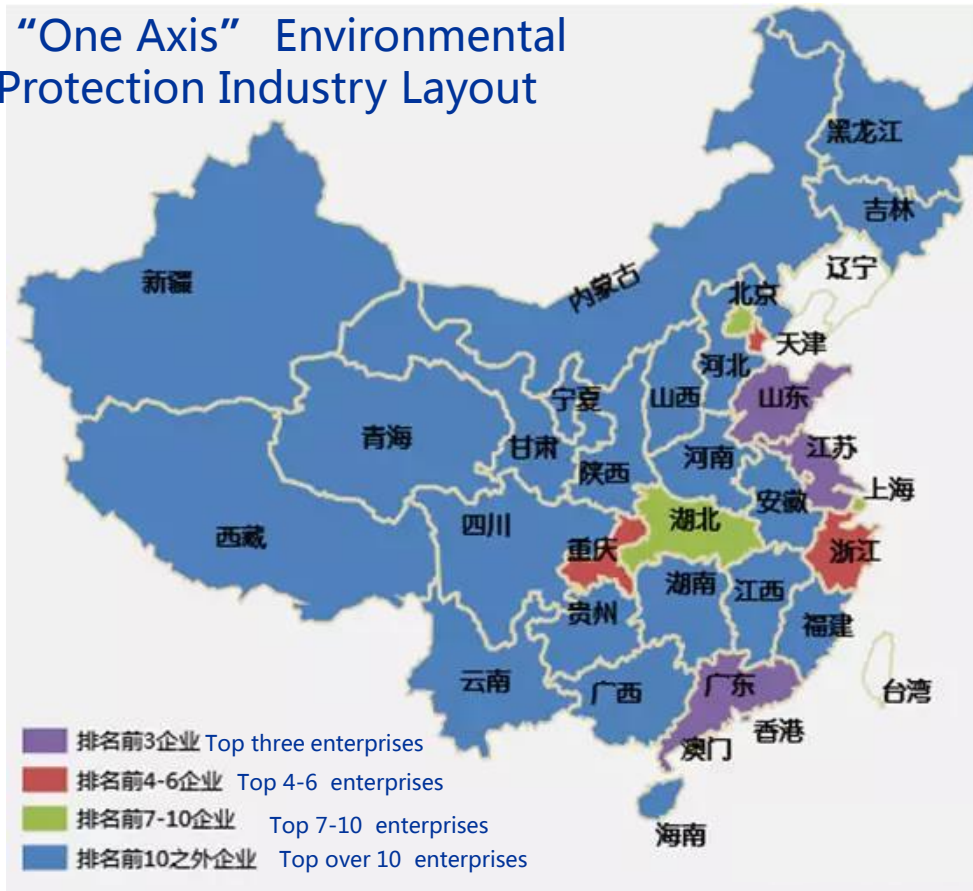
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Market overview of China's Environment Industry

“One Axis” Environmental Protection Industry Layout



The Ration of Environmental protection industry in local industrial output value.

Green credit policies in China



EPs with China's Industrial Bank (IB)



Industrial Bank adopted the EPs on October 31st, 2008, and has become the first EPFI in China and the 63rd EPFI in the world who commits to implementing the EP in its internal environmental and social policies, procedures and standards for financing projects.

“Integrating Righteousness into Profitability” ——IB’s social responsibility



Through green finance, commercial banks shall realize multiple goals to achieve both environmental and social benefits, explore new commercial opportunities, gain profitability and finally realize sustainable development of themselves.

“Practically implement the *Scientific Outlook on Development*, strengthen the cognition of banks’ social responsibilities and their sustainable development, actively explore various approaches to promote the implementation of social responsibility , building a harmony situation with respects of human, nature, environment and society” Said Jianpin Gao, Chairman of the Industrial Bank, at the general meeting of stockholders, 2008.

Strategy for adopting EPs of IB



1. Risk management **VS** Credit policies
2. Initiative **VS** Passivity
3. Systematized **VS** single and decentralized
4. Environmental and social aspects **VS** Environment
5. Sustainable Development **VS** Social responsibility
6. Identification, management and control **VS** Control
7. Project finance **VS** Fixed asset loan
8. Enhance client's risk management capacity **VS** Financing service
9. Domestic and abroad project **VS** domestic project
10. Management during the project life cycle **VS** Access and drop out

Dedicated Green Finance Team

Team in the headquarter:

- ❑ Energy and environmental engineering experts
- ❑ Legal and accounting experts
- ❑ Financial Experts

Team in Branches:

- ❑ Product Mangers of Green Finance
- ❑ Client Mangers of Green Finance
- ❑ Green Finance Centers

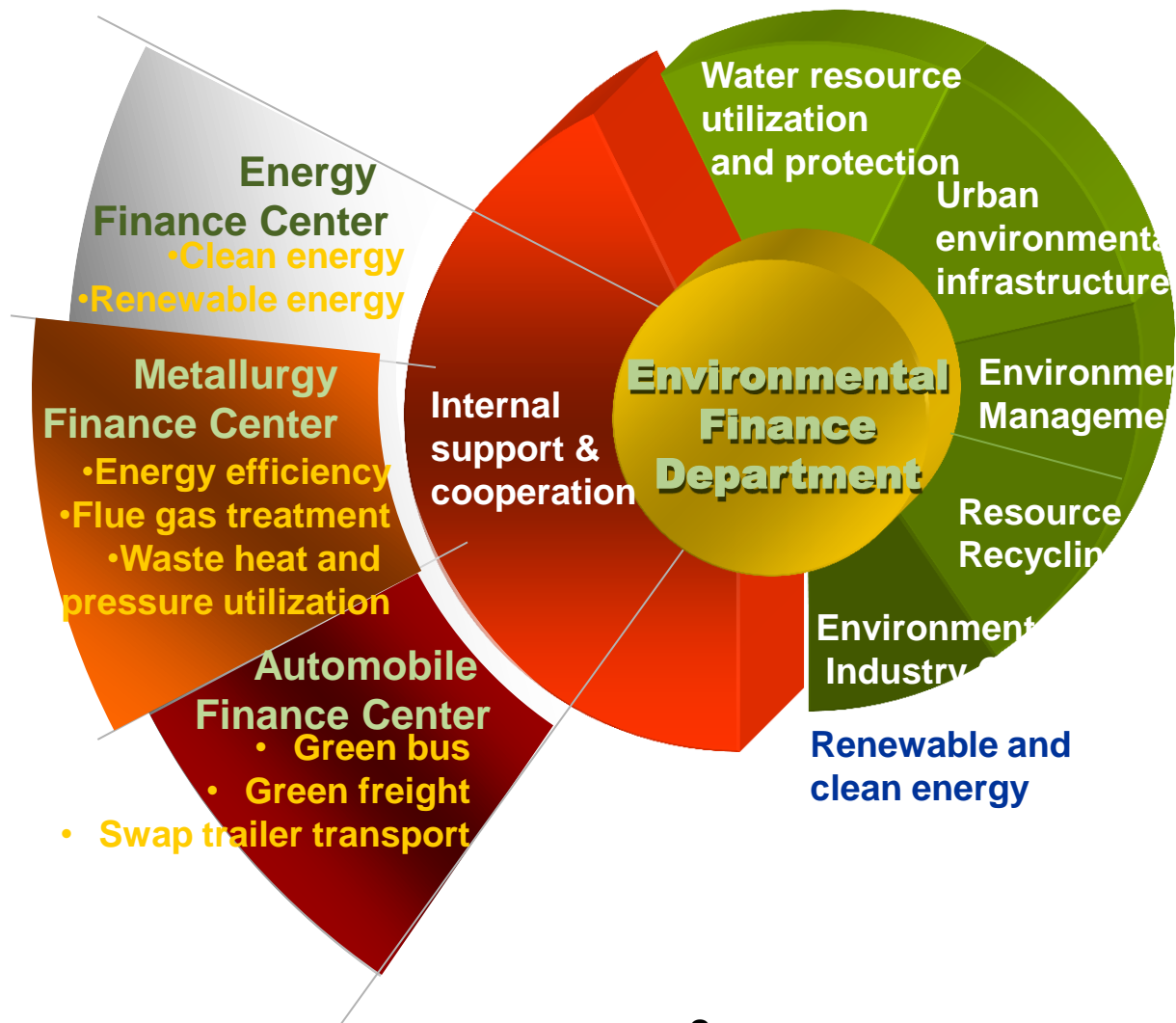
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graph LR; A[Team in the headquarter:  
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Leading position in the industry

High Quality of Green Credit Assets

Key Business Fields of Green Finance

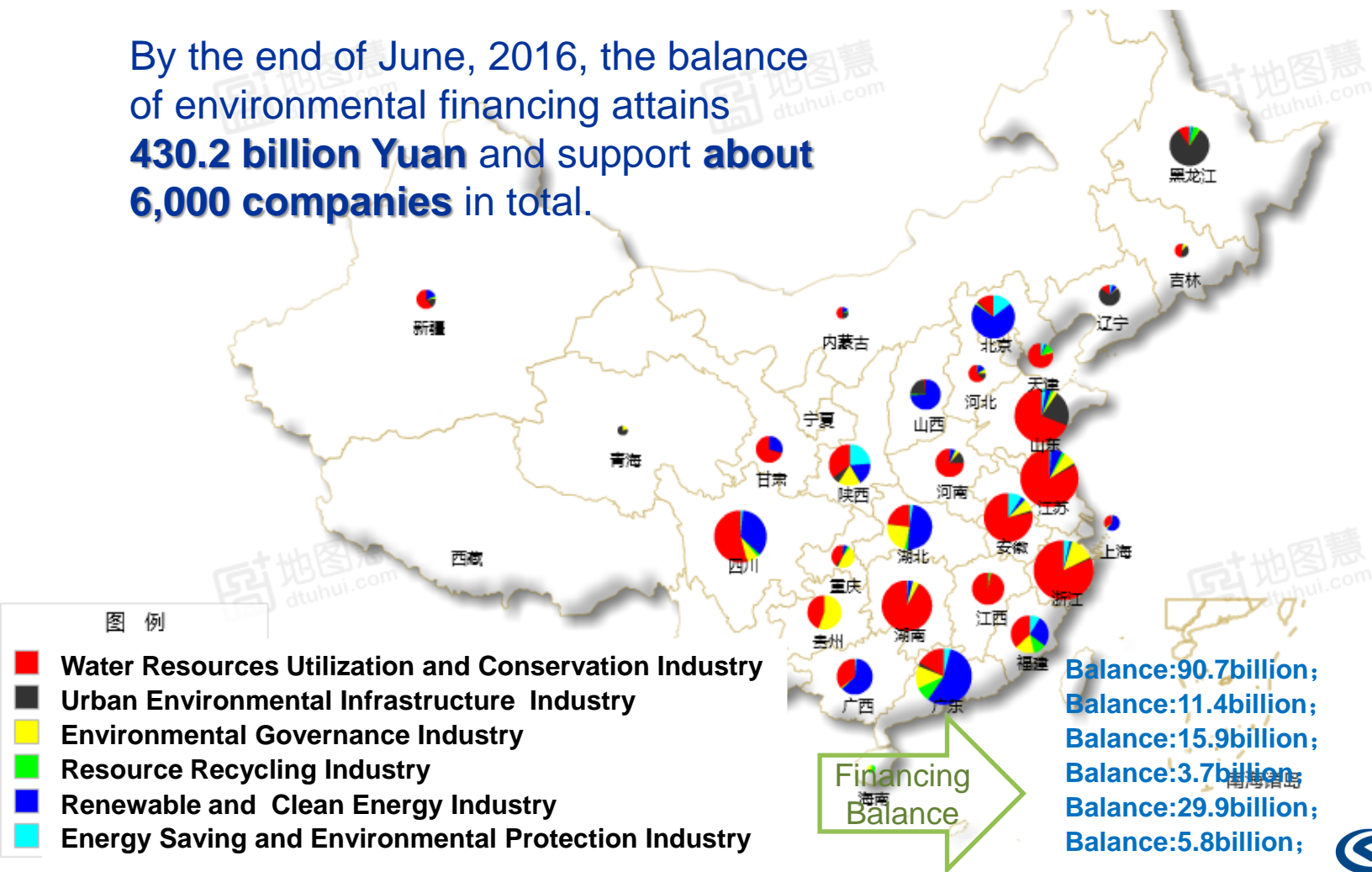
Comprehensive support & Specialized management



Specifically in Environmental Finance

Environmental Financial Support over China (2016.6.30)

By the end of June, 2016, the balance of environmental financing attains **430.2 billion Yuan** and support **about 6,000 companies** in total.



Incentive Policies for Green Finance

Annual credit quota allocation

Allocate annual credit quota for the development of green finance business and encourage business branches to take advantage of non-credit financing methods to meet customers' financial needs

Green financial bonds issuance

Issued 30 billion green financial bond in 2015 and another 50 billion green financial bonds in 2016, the capital raised will be exclusively used for green finance business

Credit approval authorization

Authorize business branches to manage credit approval of green finance projects to facilitate green finance business process and promote business development

Comprehensive evaluation

Integrate the achievement of green finance business goals into the overall performance evaluation of business branches

Incentive systems

Allocate extra budget as incentive payment for green finance business development to promote the application of innovative green financing products and services

Environmental Benefits of Green Finance

Annual energy saving in China:

25.5 million tons of standard
coal equivalent

Cumulative annual emission
reductions in China

71.6 million tons of CO₂

1.4 million tons of COD

Annual solid waste recycled:

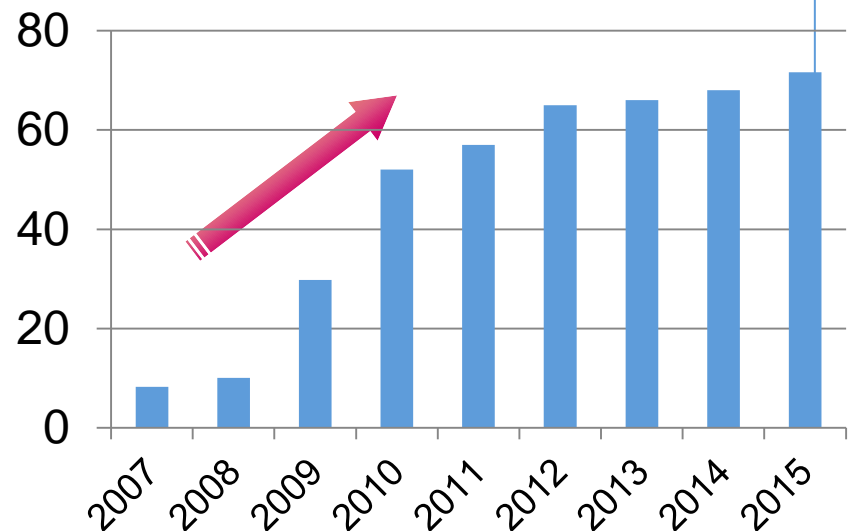
17.3 million tons

Annual water saving:

28.6 million tons

= Shut down **150 power**
stations with capacity of
100MW
= Stop 100,000 taxis for
over **47 years**

Carbon emission reductions
(million tons)



Notes: Carbon emission reductions achieved by IB's green finance projects.

Awards Achieved



Top 1 in the bank credit ranking in 2012 (MEP)

11th FYP domestic emission reduction advanced collective in 2012 (by four Ministries)



Sustainable Bank of the Year in 2009 (FT)

Best Natural Resources Conservation Supporters Award (WWF)



Best social responsibility Contribution award

Green Bank of the Year for consecutive years