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Green Investment Guidelines- Asset Management Association of China

Green Investment Guidelines (Trial)

Chapter 1 General

The first one is to implement the requirements of the party's "Nineteenth National Congress" on developing green finance, establishing and improving the economic system of green and low-carbon development, and the seven ministries and commissions' "Guiding Opinions on Building a Green Financial System" to encourage fund managers to pay attention to the environment. Sustainability, strengthen fund managers' awareness of environmental risks, clarify the connotation of green investment, promote the development of green investment in the fund industry, improve the environmental performance of investment activities, and promote green and sustainable economic growth, according to the Securities Investment Fund Law These guidelines are formulated in accordance with relevant laws and regulations and industry self-regulation rules such as the "Administrative Measures for the Public Offering of Securities Investment Funds" and the "Interim Measures for the Supervision and Management of Privately-owned Investment Funds".

Article 2 These Guidelines apply to the public and non-public fundraising of securities investment funds or asset management plans and their products. The private equity fund manager can refer to this guide to determine the scope of green investment, and adjust the applicable methods of green investment according to their own circumstances. Various professional institutional investors can refer to this guide for green investment.

Article 3 Green investment refers to the behavior of investing in enterprises or projects that can generate environmental benefits and reduce environmental costs and risks by adopting a systematic green investment strategy with the goal of promoting corporate environmental performance, developing green industries and reducing environmental risks. The scope of green investment should focus on environmental protection, low carbon, and recycling, including not limited to improving energy efficiency, reducing emissions, cleaning and renewable energy, environmental protection and rehabilitation, and recycling economy.

Article 4 Fund managers may, according to their own conditions, establish a green investment management standard that suits them under the principle of identifiable, computable and comparable, and enhance the environmentally sustainable direction while maintaining a stable return on the investment portfolio. Investment capacity. Conditional fund managers can adopt a systematic ESG investment approach to integrate green, investment by integrating environmental, social, and corporate governance factors.

Article 5 Fund managers who provide entrusted management services for domestic and foreign pension funds, insurance funds, social welfare funds and other professional institutional investors shall demonstrate the role of responsible investors and actively establish compliance with green investment or ESG investment specifications. Long-term mechanism.

Chapter II Objectives and Principles

Article 6 Fund managers shall gradually establish and improve the green investment system according to their own conditions, and promote the investment enterprises to pay attention to environmental performance, improve environmental information disclosure, and carry out green investment according to their own strategic directions by applying common benchmarks and positive actions. Green investments should be based on the following basic objectives:

(1) Promote the development of green environmental protection industry. The fund assets will be preferentially invested in companies and industries that directly or indirectly generate environmental benefits, develop energy-saving and environmental protection industrial chains, and promote clean energy development and use, energy conservation and environmental protection investment and environmental standards.

(2) Promoting resource recycling and sustainable development. The fund assets will be preferentially invested in companies and industries that recycle renewable energy and resources, and the industrial structure will be actively transformed into a sustainable development direction.

(3) Promoting efficient and low-carbon development. Reasonably control the carbon emission level of fund assets, and prioritize investment in fund assets in companies and industries with higher resource use efficiency and lower emission levels.

(4) Perform responsible investment, use investor rights, and urge investment companies to improve environmental performance and improve information disclosure. Apply higher pollutant discharge standards and environmental information disclosure standards to relevant companies and industries.

Article 7 When a fund manager establishes a green investment theme fund or a fund investment policy that covers green investment, the following basic principles shall be followed:

(1) Prioritize investment in enterprises and projects related to green industries such as environmental protection, energy conservation, and clean energy. Enterprises and projects that are higher in environmental protection and energy conservation performance than industry standards have made significant contributions to reducing overall energy consumption and fulfilling environmental responsibilities. Enterprises and projects, or green investment targets recognized by relevant state departments.

(2) Proactively applying the published industry green standards to screen investment targets, such as the "Guiding Opinions of the China Securities Regulatory Commission on Supporting the Development of Green Bonds", the "Green Credit Guidelines" and the relevant requirements of the Shanghai and Shenzhen Stock Exchanges on the pilot of green corporate bonds. China Finance Association Green Finance Professional Committee "Green Bond Support Project Catalogue", National Development and Reform Commission "Green Bond Issuance Guidelines", International "Green Bond Principles (GBP)" and "Climate Bond Standards (CBI)".

(3) When establishing and operating a green investment theme fund, it shall comply with the provisions of the "Administrative Measures on the Operation of Publicly Raised Securities Investment Funds", the "Interim Measures for the Supervision and Management of Privately-owned Investment Funds" or relevant self-regulation rules.

Chapter III Basic Methods

Article 8 Fund managers who carry out green investment shall allocate researchers or research teams to analyze the business, service or input factors related to the environment in the green investment target, and gradually build and improve the green investment related databases, methodology and investment strategies.

Article 9 A fund manager who conducts green investment may construct a target asset environmental assessment system and an environmental assessment database by itself or through a third party. The target asset environmental assessment indicators should include the following dimensions:

- (1) Environmental risk exposure, including industrial environmental risk exposure, environmental exposure of enterprises or projects;
- (2) Negative environmental impacts, including unit energy consumption, pollutant emission levels, carbon emission intensity, environmental risk events, and penalties imposed by environmental regulatory authorities;
- (3) Positive green performance, including whether the company's business or project fund-raising investment will generate environmental benefits, green investment and green business development, green transformation and industrial upgrading;
- (4) The level of environmental information disclosure, including whether to disclose environmental information related to the main business, whether to disclose key quantitative indicators and the completion of environmental objectives.

Article 10 Fund managers may conduct diversified green investment product development. When issuing and operating actively managed green investment products, information such as green benchmarks, green investment strategies, and changes in green components should be disclosed.

Article 11 The actively managed green investment products shall incorporate the green factor into the fundamental analysis dimension, and the green factor may be used as a risk return adjustment project to help investment decisions.

Article 12 The actively invested green investment products shall be included in the negative list of investment targets that do not conform to the green investment concept and investment strategy. In the process of portfolio management, the environmental performance of the investment target should be tracked regularly, the environmental information evaluation results should be updated, the position adjustment of the asset portfolio should be carried out, and the position of the lowest rating target should be restricted.

Article 13 Fund managers who carry out green investment shall have senior management personnel to establish a green investment concept and investment objectives, and supervise and manage the construction and operation of the green investment system.

Chapter IV Supervision and Management

Article 14 The fund manager shall conduct an annual self-assessment of the green investment situation, including but not limited to the company's green investment concept, the construction of a green investment system, and the achievement of green investment objectives.

Article 15 The fund manager shall submit the previous year's self-assessment report together with the Fund Manager's Green Investment Self-Assessment Form (see Annex 1) in writing to the China Securities Investment Fund Association before the end of March each year.

Article 16 The China Securities Investment Fund Industry Association shall conduct random checks on the development of the fund manager's green investment, and the fund manager shall provide explanations and timely rectification of the problems found.

Chapter V Supplementary Provisions

Article 17 These guidelines are interpreted by the China Securities Investment Fund Association.

Article 18 These Guidelines shall be implemented as of the date of promulgation.