Notice of the Ministry of Commerce and the Ministry of Ecology and Environment on Issuing the Working Guidelines for Green Development in Overseas Investment and Cooperation

The competent commerce departments and departments of ecology and environment of all provinces, autonomous regions, municipalities directly under the Central Government, cities under separate state planning, and Xinjiang Production and Construction Corps, as well as the central enterprises concerned:

In order to fully implement the spirits of the 19th National Congress of the Communist Party of China (CPC) and the second, third, fourth and fifth plenary sessions of the 19th CPC Central Committee, as well as the decisions and deployments of the CPC Central Committee and the State Council, and in order to advance green development in overseas investment and cooperation, establish a green and low-carbon circular economic development system, gain initiative in international cooperation and competition, and better serve the creation of a new development paradigm, we have developed the Working Guidelines for Green Development in Overseas Investment and Cooperation, which is hereby issued to you. Please implement these Guidelines based on your actual conditions.

Ministry of Commerce of the People's Republic of China (Seal)

Ministry of Ecology and Environment of the People's Republic of China (Seal)

July 9, 2021
Working Guidelines for Green Development in Overseas Investment and Cooperation

These Guidelines are hereby formulated to implement the decisions and deployments of the CPC Central Committee and the State Council, advance green development in overseas investment and cooperation, and better serve the creation of a new development paradigm.

I. Significance

Green development is a prerequisite for sustainable development. At present, countries in the world regard greening as an important direction of scientific and technological revolution and industrial change, carbon neutrality has become the focus of the international community, and the evolution of green rules in international trade and investment has been accelerated. China is speeding up the establishment of a green and low-carbon circular economic development system, taking an active part in global environmental governance, and proactively fulfilling international responsibilities. In a new stage of development, China has realized that it is necessary to pursue green development in overseas investment and cooperation, so as to enhance the quality of "dual circulation", contribute to open development, and gain initiative in international cooperation and competition.

II. General Requirements

To advance green development in overseas investment and cooperation, we should follow the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, thoroughly implement the spirits of the 19th CPC National Congress and the second, third, fourth and fifth plenary sessions of the 19th CPC Central Committee, comprehensively implement Xi Jinping Thought on Ecological Civilization, and earnestly implement the decisions and deployments of the CPC Central Committee and the State Council. We should also be committed to the new development philosophy, foster the awareness of green development, make efficient use of resources, strictly protect the ecological environment, and effectively control carbon emissions, thus demonstrating China's green leadership, building a cleaner and more beautiful world, and serving the creation of a new development paradigm.

III. Main Tasks

(I) Adhere to green development. We should encourage enterprises to engage in green investment, construction, production, operation and innovation overseas, and carry out the green concept throughout overseas investment cooperation. We should support overseas investment in solar energy, wind energy, nuclear energy, biomass and other clean energy fields, participation in energy production and consumption revolution worldwide, and establishment of a clean, low-carbon, safe and efficient energy system. We should urge our enterprises to strengthen cooperation in green development with global enterprises and institutions, and speed up the alignment and integration with the global green industry chain.

(II) Promote green production and operation. We should urge enterprises to actively fulfill their obligations with regard to environmental protection, strictly follow the laws and regulations of the host country, and contribute to the synergy between the local economy and the ecological environment. Such enterprises are encouraged to perform environmental evaluation and due diligence for overseas investment projects in accordance with prevailing
international practices, so as to identify potential environmental risks. We should develop the green supply chain, and carry out green procurement with priority given to environmentally friendly products and services. We should carry out green design, adopt green manufacturing technology, increase the recycling efficiency of raw materials and resources, reduce pollutant emissions, and step up the recycling of waste products and materials, thus contributing to environmental protection throughout the product life cycle.

(III) **Build green infrastructure.** We should encourage enterprises to engage in the planning and design of overseas infrastructure projects with high standards, properly handle the relationship between the project and local residents, environment, ecology, etc., and develop feasible environmental protection measures. We should promote green construction, focus on new technologies, equipment, materials and processes that are environmentally friendly, strictly control pollution caused by exhaust gas, sewage, noise and solid wastes, enhance the integrated use of waste resources, and minimize the adverse impact of construction on the environment. We should fully tap into the opportunities of the green infrastructure market, actively engage in the construction of green projects with high standards, and develop green brands that are "built by China".

(IV) **Establish green overseas economic and trade cooperation zones.** We should encourage enterprises developing overseas economic and trade cooperation zones to prepare green development plans for these zones in a scientific way, raise the standard of environmental access for enterprises and projects to settle in the zones, drive green industrial development within the zones, and build green and low-carbon zones. We should advance the co-construction and sharing of public infrastructure, intensive recycling of resources and energy, and centralized and safe disposal of pollutants, and make every effort to reduce carbon emissions. Enterprises developing the cooperation zones are encouraged to provide the enterprises in the zones with more professional and targeted quality services, expand the sharing of services, improve economies of scale, reduce the operating costs and energy and material consumption of the enterprises, and enhance the level of green development in the cooperation zones.

(V) **Advance green technology innovation.** We should encourage enterprises to accelerate green technology innovation by setting up overseas R&D centers, innovation centers, laboratories, incubators and other science and technology innovation platforms, conducting high-level joint research, and introducing international talent resources. We should use different investment methods and approaches, seek third-party cooperation with advanced international enterprises, and actively integrate into global green technology alliances and development systems. We should also drive the alignment and integration of global advanced green technologies and key links with domestic industrial advantages to reinforce the new drivers of the green economy.

(VI) **Promote the green transformation of enterprises.** We should encourage enterprises to work out green development strategies, step up green management and evaluation research, increase green inputs in funds, technologies and human resources, and practice the philosophy of green operation. We should improve the green compliance system, standardize overseas operations, and strengthen the weak links of green development. We should accelerate fostering world-class multinational enterprises in the field of green economy, strengthen global resource integration, and improve the overall status and industrial leadership.

(VII) **Prevent eco-environmental risks.** We should urge enterprises to prevent eco-
environmental risks according to the requirements of eco-environmental protection of overseas projects, and improve the level of eco-environmental management of overseas enterprises. The enterprises should comply with the laws and regulations of the host country, and take reasonable and necessary measures to reduce or mitigate the adverse eco-environmental impact that may arise from investment and cooperation. Concerning the adverse impact on biodiversity, we should carry out eco-environmental protection and restoration in accordance with the law or international practice.

We should make good use of the platform of overseas enterprise and investment liaison services, strengthen the early warning of environmental risks, and develop response plans for environmental accidents and emergencies. If such laws and regulations are not available in the host country, or the standards for environmental protection standards are insufficient, enterprises are encouraged to adopt the standards prevailing in international organizations or multilateral institutions or Chinese standards for investment and cooperation activities.

(VIII) Follow green international rules. We should urge enterprises to conduct overseas investment and cooperation in compliance with the United Nations Framework Convention on Climate Change, the Convention on Biological Diversity, the 2030 Sustainable Development Goals, the "Belt and Road" Green Investment Principles, and other requirements. We should support enterprises to actively participate in the activities of relevant international organizations, and promote the development of more appealing, executable, authoritative and effective green investment rules and standards.

(IX) Optimize green supervision services. We should strengthen the integration of green development strategies and policy communication with relevant countries to create a favorable external environment for the enterprises' growth. We should improve the registration and reporting system for overseas investment and cooperation, strengthen the monitoring and analysis of the green development of enterprises, and enhance information-based supervision. We should encourage industry organizations to advance green development in overseas investment and cooperation of enterprises through the development of norms, consultation, and industry self-regulation. We should also encourage the chambers of commerce (associations) of overseas Chinese enterprises to study and develop green guidelines for investment and cooperation in the host country.

(X) Improve the reputation of green development. We should encourage enterprises to strengthen communication and exchanges with the government, media, people and environmental organizations of the host country, fulfill their green social responsibility, expand positive publicity, create a sound atmosphere, eliminate the adverse impact of negative reports in a timely manner, and establish a green corporate image. We should make use of bilateral and multilateral international cooperation platforms, uphold the concept of building a community with a shared future for mankind, and put forward China's green proposition and stance. We should build a case library of Chinese enterprises' green investment and green infrastructure, develop the green development index of Chinese enterprises' overseas investment, and publish the green development report on Chinese enterprises' overseas investment.

IV. Application Scope

These Guidelines apply to Chinese enterprises' activities related to the promotion of green development during overseas investment and cooperation, and should be followed by the enterprises. They also apply to the local competent commerce departments and departments of ecology and environment, which will provide relevant guidance and services.
for the enterprises engaging in overseas investment and cooperation. The entities concerned may refer to these Guidelines in their work.

V. Organization and Implementation

The central enterprises concerned, as well as local competent commerce departments and departments of ecology and environment, should fully recognize the significance of green development in overseas investment and cooperation, strengthen institutional development based on their actual conditions, fulfill responsibilities, and seek substantial results. Any important circumstances and issues should be reported to the Ministry of Commerce and the Ministry of Ecology and Environment in a timely manner.


General Office of the Ministry of Commerce

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