



ESG Section

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Financing Environmental Impact

China CITIC Bank's Approval Guidelines for Key Industries and Key Points for Implementation




Guided by the combination of “Five Policies” (which refers to industry research, credit policies, review and approval standards (guidelines), marketing guidelines, and evaluation and resource allocation policies), the Bank developed marketing guidelines and industry-specific review and approval standards with regional characteristics, aiming to promote unified credit granting standards across the Bank, and incorporated ESG risks as key considerations in the formulation of industry-specific review and approval strategies. Some examples of approval guidelines for key industries are listed below:

I. Agriculture

The Bank keeps a close eye on the ESG risks involved in the projects related to agriculture, and has developed review and approval standards for related industries. The Bank clearly requires the prevention of ESG and climate risks, supports large-scale livestock enterprises that meet environmental standards, possess robust epidemic prevention and quality


control systems, demonstrate obvious cost competitiveness, and exhibit strong growth potential, and resolutely withdraws from agricultural projects that cause environmental damage, violate national bans, or lack regulatory approval.

For the seed and seedling cultivation industry, the Bank clearly prohibits investment in enterprises that lack R&D capabilities, have a small operation scale and unstable operations, operate in an irregular manner, have a complex ownership structure, lack transparency in their financial conditions, or have a high debt-to-asset ratio. Attention is required to be paid to the impact of factors such as crop planting area adjustments, climate and natural disasters on the industry, the impact of seed variety replacements, technology upgrades, market demand and price changes on related enterprises, and the winning of bids for “subsidies for fine seeds” by enterprises. 

For the pig farming industry, the Bank clearly prohibits investment in enterprises with little breeding experience, less obvious breeding scale and cost advantages, weak performance in profit and cash flow, or limited refinancing capabilities. The Bank strictly prohibits investment in enterprises with environmental violations, strictly implements the primary responsibility system for environmental protection of breeding households and the environmental impact assessment system for large-scale livestock and poultry breeding, and carries out environmental impact assessments on relevant plans for livestock and poultry breeding in accordance with

laws and regulations. It is clearly stipulated that new or expanded large-scale livestock and poultry farms shall be strictly controlled within the suitable breeding area. At the same time, close attention shall be paid to the environmental, climate and epidemic risks of the industry.

II. Petrochemical and natural gas

The Bank keeps a close eye on the ESG risks involved in the projects related to petrochemical and natural gas industries, and has developed review and approval standards for related industries. 

For the petrochemical industry, the Bank clearly supports entities with upstream and downstream integrated scale effects, advanced and mature technologies, first-mover advantage, sufficient downstream refined extension, and financial soundness. New projects must comply with the requirements of the *Petrochemical Industry Planning and Layout Plan (Revised Version)* (F.G.C.Y [2018] No. 1134), the *Notice of the State Council on Promulgating the Catalogue of Investment Projects Subject to Government Verification and Approval (2016 Version)* (G.F No. [2016] 72), the *Guiding Opinions of the Ministry of Industry and Information Technology, National Development and Reform Commission, Ministry of Science and Technology, Ministry of Ecology and Environment, Ministry of Emergency Management and National Energy Administration on Promoting the High-Quality Development of the Petrochemical and Chemical Industry during the “14th Five-Year Plan” Period* (G.X.B.L.Y


[2022] No. 34), the *Guiding Catalogue for Industrial Structure Adjustment*, and the *Principles for the Approval of Environmental Impact Assessment Documents for Construction Projects in Four Industries: Steel/Coking, Modern Coal Chemical, Petrochemical and Thermal Power*, and obtain various important documents for approval from the Development and Reform Commission, Ministry of Environmental Protection, Ministry of Land and Resources, and other authorities to ensure that all necessary documents are legal and compliant. It is strictly prohibited to invest in enterprises that suffer from overcapacity, face fierce market competition, lag in technology, pose great environmental risks, or do not have scale advantages. The Bank will gradually cut down and withdraw from existing cooperation projects with energy efficiency lower than the baseline specified in the *Energy Efficiency Benchmark and Baseline Levels for Key Industrial Sectors (2023 Edition)*.




For the natural gas industry, the Bank clearly stipulates that the enterprises to which it intends to extend credit must obtain the legal and valid gas business license, dangerous chemicals business license, work safety license, pollutant discharge permit and other relevant production qualifications, and have all necessary and valid compliance documents for capacities in process. If the National Development and Reform Commission, the National Energy Administration and the Ministry of Industry and Information Technology have access requirements for industry segments, relevant access regulations shall be complied with.

Enterprises must meet the requirements of relevant national policies in terms of equipment, pollutant emissions, and other indicators, and have no violations and major work safety accidents that have not been rectified.

III. Electricity and power grid

The Bank keeps a close eye on the ESG risks involved in the projects related to the electricity industry, and has developed review and approval standards for related industries. The Bank aligns secured energy supply with green and low-carbon energy transition, mainly supports the safe and reliable supply of renewable energy and the steady and orderly substitution of conventional energy resources, and increases financial support for the building of an energy system. The Bank has formulated review and approval standards for power grid, photovoltaic, wind power, energy storage, waste-to-power, and coal-fired power projects, and keeps an eye on and evaluates ESG risks involved in power projects. 

For the photovoltaic and wind power industries, the Bank clearly stipulates that power station projects shall not be located in permanent basic farmlands, in ecological protection areas, or within other red lines; photovoltaic products shall comply with the relevant requirements for energy consumption and environmental protection indicators in the *Standard Conditions for the Photovoltaic Manufacturing Industry*, and adopt efficient processes and energy recovery systems to reduce energy consumption and carbon emissions; waste shall be managed and treated in

compliance with relevant regulations, and it is necessary to ensure that the treatment of waste residues, wastewater and other wastes complies with environmental protection standards; attention shall be paid to the impact of extreme weather on wind turbine safety. In the field of power generation through waste incineration, a reasonable environmental protection distance is required to be set aside for projects. If demolition is necessary within the protection distance, it is necessary to clarify the demolition plan and actual progress, whether there will be mass incidents, the demolition costs, and the actual party bearing the costs, to ensure that there will be no substantial impact on the environmental protection and construction progress of the projects. 


For the coal-fired power industry, it is clearly prohibited to grant additional credit to coal-fired power companies featuring a small single-unit capacity, high energy consumption, and heavy pollution, and orderly withdraw from granting credit to existing projects within the scope of the outdated production capacity in coal-fired power eliminated by the state. It is required that ultra-super critical units of 600,000 kilowatts and above should be used for non-CHP units, a single CHP unit should not be less than 300,000 kilowatts. Coal-fired power projects must obtain various important documents for approval from the Development and Reform Commission, Ministry of Environmental Protection, Ministry of Land and Resources and other authorities to ensure that all necessary and valid compliance documents for projects have been obtained.

IV. Mining


The Bank keeps a close eye on the ESG risks involved in the projects related to the mining industry, and has developed review and approval standards for related industries. The Bank strictly aligns with the national requirements for ensuring resource security and supply chain stability, supports upstream enterprises with diversified resources, rich reserves and good endowments, and sets strict restrictions on granting additional credit to enterprises with scarce resources, poor endowments, backward technology, and great environmental and safety risks. Attaching great importance to preventing environmental and safety risks, the Bank pays attention to the impact of projects on the ecological environment, the impact of water consumption for production on the water quality of water sources, the emissions of production equipment (such as transport vehicles and devices), the health and safety hazards of workers, and the relevant impacts of projects on local communities. ✨

For the non-ferrous metal mining and dressing industry, the Bank clearly prohibits investment in small and medium-sized mining enterprises with a small scale, weak financial strength, poor resource endowments, technologically inferior production equipment, and pollution emissions that do not meet the requirements of national policies.

For the non-ferrous metal mining and dressing industry, the Bank explicitly prohibits investment in small and medium-sized mining enterprises with a small scale, weak financial strength, poor resource endowments, technologically inferior production equipment, and pollution emissions that do not meet the requirements of national policies.

For the coal mining industry, the Bank actively supports investment in projects for safe, efficient, green and intelligent coal mining, clean and efficient coal processing, clean and efficient utilization of coal-fired power, industrial clean combustion and clean heating, civil clean heating, comprehensive utilization of coal resources, and coalbed methane development and utilization. The Bank strictly prohibits investment in coal customers with a small average single mine production capacity, worsening production and operation performance, excessive financial leverage, continuous tight capital chain, losses in the main business, and exhausted resources, or those that do not comply with industrial policy requirements. It is required that the credit applicants should obtain legal and valid mining licenses, work safety license, pollutant discharge permit, and other relevant production qualifications, and have all necessary and valid compliance documents for capacities in process. They should not have environmental violations and major work safety accidents that have not been rectified; and their business development should meet the sustainable development strategy and management requirements (ESG) of the Bank. 

V. Biodiversity

By resolutely implementing the *China Biodiversity Conservation Strategy and Action Plan* (2023-2030) of the Ministry of Ecology and Environment, the Bank does not support projects, behaviors, and operations that seriously damage biodiversity, prohibits investment in projects that damage ecological protection areas, prohibited construction areas, and ecological habitats, and projects that destroy forests and grasslands, destroy wild animal and plant resources, damage the marine ecological environment, and illegally fish and poach, and makes proactive efforts to improve the diversity, stability and sustainability of ecosystems. 

In the review standards for wind power, photovoltaic power, steel, petrochemical, pig farming and other industries, the Bank has put forward corresponding requirements for the impact of project construction on the ecological environment and biodiversity, such as ecological protection awareness, compliance with ecological protection red lines, and bottom line for environmental quality. For example, enterprises are required to meet the requirements of national industrial policies in terms of various indicators such as the resource utilization and pollutant emissions of enterprises, and strictly pay attention to the preliminary review opinions on land use. If projects are located in farmlands (involving basic farmlands), forests and grasslands, and other sensitive lands, it is necessary for them to obtain compliance documents from competent authorities and implement the environmental impact assessment system

for large-scale livestock and poultry breeding. New or expanded large-scale livestock and poultry farms shall be strictly controlled within the suitable breeding area, and environmental impact assessment shall be carried out on relevant plans for livestock and poultry breeding in accordance with laws and regulations.

*The English version were translated based on the Simplified Chinese version. In case of any discrepancies among the versions, the Simplified Chinese version shall prevail.



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