

# China Sustainable Investment Review

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# Abstract

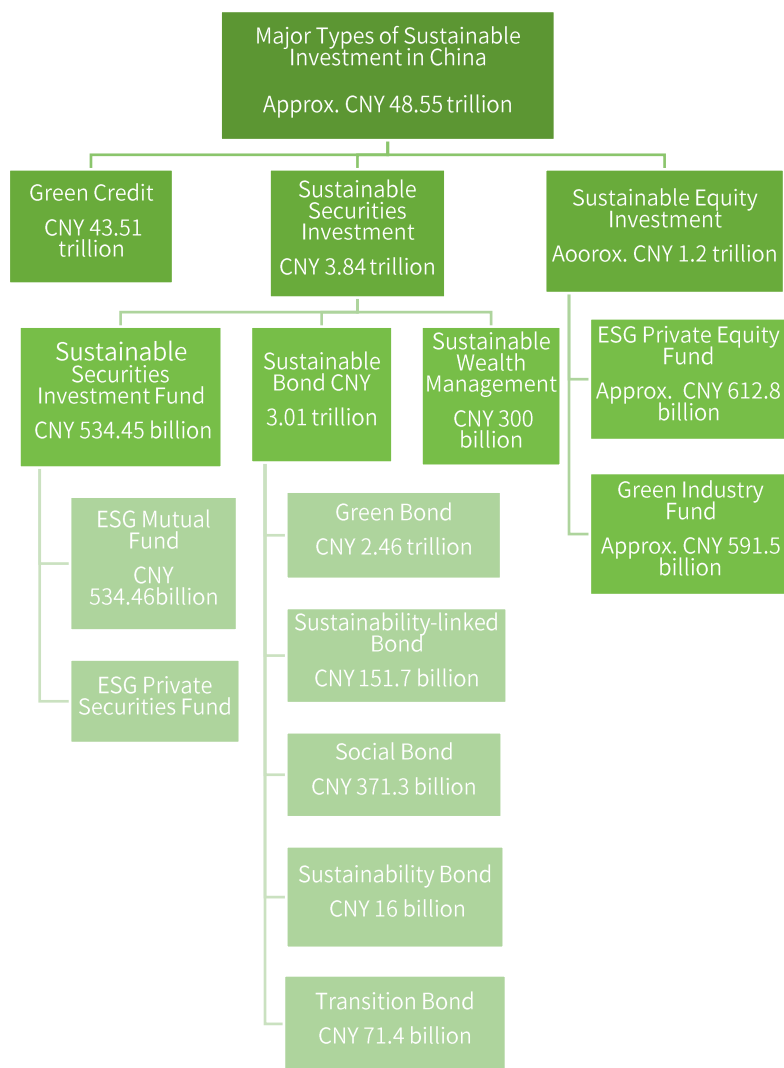
In 2025, heightened uncertainties in the global geopolitical and economic landscape led to further divergence in the growth of world trade and investment. The challenges posed by climate-related issues and emerging new technologies, such as artificial intelligence, have further increased the risks associated with a just transition. While developed markets are facing mounting pressures on economic growth, emerging markets are demonstrating greater resilience and vitality. Guided by the "dual carbon" goals, the green economy has become a new growth driver for China's economy. 2025 marks the 10<sup>th</sup> anniversary of China's introduction of the concept of green finance, coinciding with the 10<sup>th</sup> anniversary of the *Paris Agreement*. Achievements in energy transition have begun to fuel global growth in renewable energy adoption. Despite some developed markets experiencing "green hushing" towards sustainable investment and climate finance due to political factors, rapid progress is being made globally in advancing sustainable taxonomies and disclosure standards. In the Chinese market, the number of new sustainable investment products continues to grow, and concepts such as ESG, sustainable investment, and climate risk and opportunity management are gradually being adopted in market practices.

Based on publicly available information, the *China Sustainable Investment Review 2025* provides a comprehensive overview of the current status quo and the size of sustainable investment in China. By the end of the third quarter of 2025, the aggregated outstanding balance of green credit was CNY 43.51 trillion. The assets under management (AUM) of ESG mutual securities funds totaled CNY 534.457 billion. The outstanding size of green bonds was at CNY 2.46 trillion; the sustainability-linked bond was CNY 151.7 billion. The social bond was CNY 371.3 billion, the sustainability bond CNY 16 billion, the transition bond was CNY 71.4 billion, and the outstanding size of sustainable wealth management products was nearly CNY 300 billion. The total amount of ESG private equity funds was about CNY 612.8 billion<sup>1</sup>, and the total amount of green industry funds was about CNY 591.5 billion.

This Report summarizes the international development trends of sustainable investment, reviews the progress of China's sustainable investment policies in recent years, and examines the existing ESG stock indices and mutual funds.

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<sup>1</sup> Estimated by China SIF based on publicly available data. Please refer to Appendix 1 for the estimation methodology.



Note: The data collection standards for different data types are not exactly the same. For details please refer to Appendix 1. Some of the bonds carry multiple sustainability labels, thus the total sustainable bond volume does not represent the sum of individual bond categories.

## Main Findings

### Global Trends

- The total size of funds globally adopting sustainable investment strategies have reached US\$16.7 trillion, an increase of approximately US\$5.5 trillion (or 49%) compared to 2022.
- In the first half of 2025, the issuance volume of sustainability-themed (GSS+) bonds reached US\$555.8 billion, a 17% increase compared to the average half-year volume since 2021 (US\$474.9 billion). China's green bond issuance volume reached US\$48.3 billion, ranking the first in the world.
- The number of signatory banks to the UN Principles for Responsible Banking (PRB) has reached 356, representing total assets accounting for over half of the global banking sector's asset size; the number of member exchanges in the UN Sustainable Stock Exchanges Initiative (SSE) has reached 137.
- Thirty-seven jurisdictions globally have announced the adoption or are in the process of

incorporating the IFRS Sustainability Disclosure Standards (ISSB Standards) into their legal and regulatory frameworks, covering over 60% of global GDP and more than 75% of market capitalization (excluding the U.S.).

- Over 620 organizations have publicly committed to disclosing in line with the Taskforce on Nature-related Financial Disclosures (TNFD) recommendations, and more than 500 first and second-generation TNFD-aligned reports have been published.

### Policy Progress

- China announced a new round of Nationally Determined Contributions (NDCs), introducing an absolute emission reduction target, aiming for a 7% to 10% reduction in economy-wide net greenhouse gas emissions from the peak level by 2035.
- The Shanghai, Shenzhen, and Beijing Stock Exchanges released the first batch of disclosure guidelines on sustainable information, including the *General Requirements and Disclosure Framework* and the *Guidelines on Climate Change*. They have also solicited public comments on the second batch of disclosure guidelines, covering three topics: pollutant emissions, energy use, and water resource use. Following the release of the *Corporate Sustainability Disclosure Standards – Basic Standards (for Trial Implementation)* last year by the Ministry of Finance and other departments, the *Corporate Sustainability Disclosure Standards No. 1 – Climate-related Disclosures (for Trial Implementation) (Exposure Draft)* was issued this year.
- The People's Bank of China has led the development of transition finance standards for the steel, coal-fired power, building materials, and agriculture industries, which have been piloted in over 20 provinces and municipalities. The development of the second batch of transition finance standards for seven industries, including metallurgy and petrochemicals, is being accelerated.
- The national carbon market has expanded for the first time to incorporate the steel, cement, and aluminum smelting industries, covering over 60% of the country's total carbon emissions.
- International trade compliance is driving municipal support for ESG development. Many local governments in China have introduced ESG policies to improve the ESG capabilities and performance of export-oriented enterprises and introduced supporting measures. Corporate ESG development is entering a new phase, transitioning from the conceptual to substantive change.

### Equities Performance

- Nearly half of the listed companies have published sustainability reports, and their overall ESG performance has improved rapidly, with the proportion of companies receiving higher ratings doubling year on year.
- 74.01% of listed companies have disclosed qualitative information such as targets and policies related to greenhouse gas emission management. However, only 37.80% of listed companies proactively disclose quantitative performance data on greenhouse gas emissions.
- The proportion of companies receiving excellent ratings has grown exponentially year on year, with leading listed companies paying increasing attention to ESG development.

### Market Dynamics

- As of the end of September 2025, major domestic index providers had released a total of 279 A-share stock indices involving the screening of constituent stocks using environmental (E), social (S), or corporate governance (G) factors. The growth rate has moderated.
- As of the end of September 2025, a total of 102 fund companies had issued 1,003 ESG mutual fund products, marking an increase of 11.94% compared to the end of the previous year. With the improvement in domestic market conditions, the scale of ESG funds has begun to stabilize and rebound, although their share of the overall fund market did not increase significantly.

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## About the Report

### Methodology and Definitions

In this Report, "sustainable investment" refers to an investment approach that incorporates considerations of the environmental, social, and corporate governance (ESG) factors of investees into traditional investment strategies. The term "sustainable investment" covers concepts such as sustainable finance, ESG investment, low-carbon finance, climate finance, and green finance.

The sustainable investment strategies primarily covered in this Report include:

- **Positive/best-in-class screening:** Selecting sectors, companies, or projects with superior ESG performance relative to their peers as investment targets.
- **Negative/exclusionary screening:** Excluding specific investment targets from a portfolio based on defined ESG criteria.
- **Sustainability-themed investing:** Investing in assets or themes that address specific sustainability challenges, such as climate, food, water, renewable energy, clean technology, agriculture, etc.
- **Corporate engagement and shareholder action:** Utilizing shareholder rights to influence the ESG-related behavior of investee companies through direct corporate engagement, filing or co-filing shareholder proposals, and proxy voting guided by comprehensive ESG principles.

The classification and definitions of these strategies are consistent with those of the Global Sustainable Investment Alliance (GSIA)<sup>2</sup>. The sustainable investment strategies defined by GSIA include negative/exclusionary screening, positive/best-in-class screening, norms-based screening, ESG integration, sustainability-themed investing, impact/community investing, and corporate engagement.

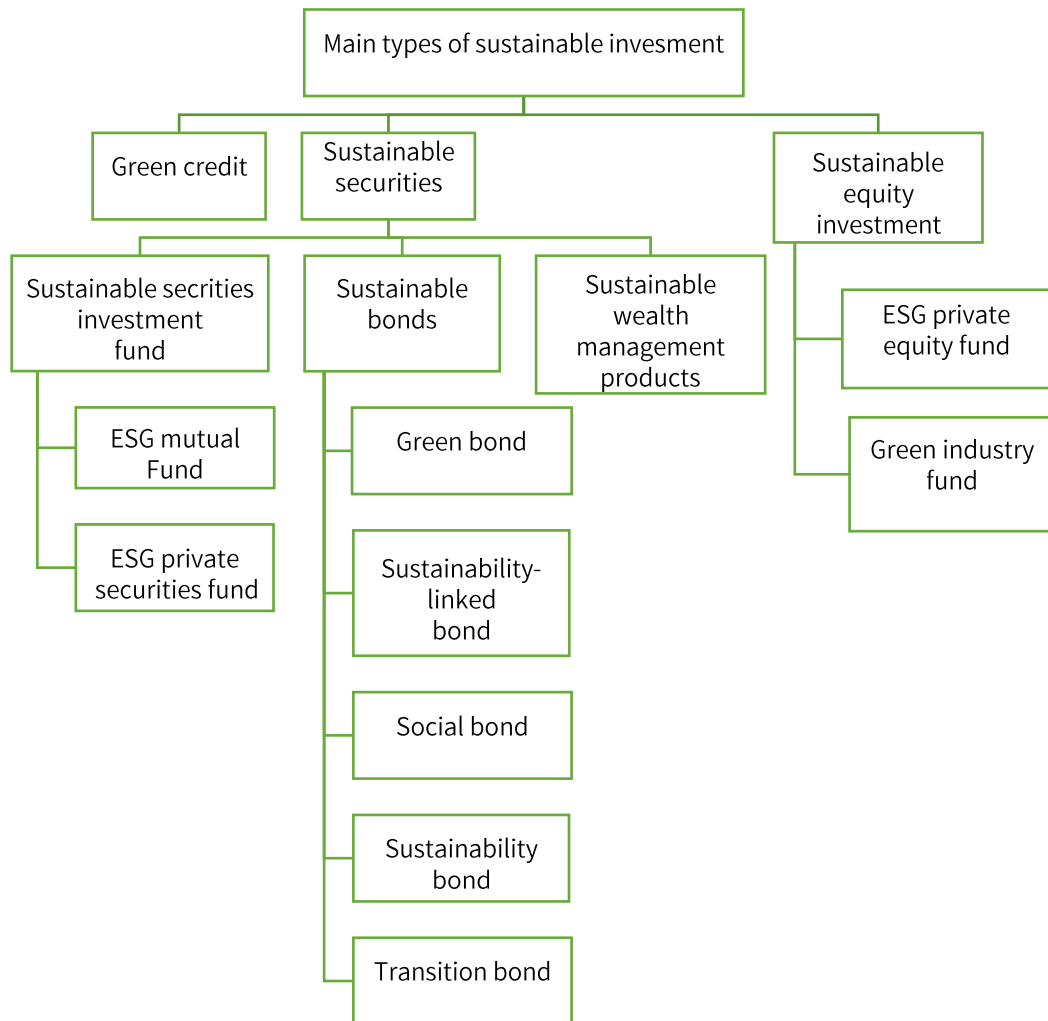
### Report Scope

Sustainable investment in China initially manifested primarily in the bank credit business. In recent years, it has gradually extended to practices in securities investment, equity investment, and industrial funds. Sustainable investment types such as ESG stock indices, green bonds, and green funds continue to emerge (Figure 1). (Related definitions and scale statistics can be found in Appendix 1).

This Report primarily focuses on sustainable indices and mutual funds. The Report does not place restrictions on the sustainable investment strategies employed by investors. The statistics for ESG stock indices and funds are also not limited by the ESG factors considered by investors; products that consider one or more of the E, S, and G factors are included in the statistical scope.

<sup>2</sup> Global Sustainable Investment Alliance (GSIA), 2025. Global Sustainable Investment Review 2024.

Fig. 1 Main Types of Sustainable Investment in China



## Data Sources

The main data sources<sup>3</sup> for this Report are as follows:

- **Sustainable Investment Policies:** Data in this section is primarily sourced from SynTao Green Finance's proprietary "China Green Finance Policy Database."
- **Sustainable Investment Products:** Data on stock indices, mutual funds, and wealth management products involving ESG considerations are collected and compiled by China SIF based on publicly available information.

<sup>3</sup> If not otherwise specified, the data on China covered in this Report does not include data for Hong Kong SAR, Macau SAR, or Taiwan Province.

# 1. International Trends

## Global Fund Assets Using Sustainable Investment Strategies Increase by Nearly 50% Compared to 2022

According to the latest report released by the Global Sustainable Investment Alliance (GSIA)<sup>4</sup> in 2025, the organization announced that it is unable to provide an aggregated figure for the global assets under management (AUM) of sustainable investment, marking a shift of its focus from scale to practice.

GSIA indicated in the report that the primary reasons for discontinuing the publication of total size data are:

- (1) Increasing heterogeneity in the statistical methods employed by sustainable investment forums across different countries, with major markets like Europe and the United States were unable to provide data on the use of sustainable investment approaches.
- (2) Rapid changes in global regulatory and information disclosure requirements, leading to divergence in the definitions, standards, and classification methods for sustainable investment.
- (3) The sustainable investment practices of investors are often not fully reflected in legal documents, resulting in a significant gap between disclosed information and actual investment intent.
- (4) Large-scale assets such as sovereign wealth funds, insurance funds, and corporate pensions are typically not managed through fund products and are thus not covered by existing fund-based data.

These changes are also reflected in the coverage of investable markets by different sustainable investment data sources, further exacerbating the issue of missing comparability.

Fig. 2 Sustainable Investment Landscape Overview Across Data Sources (in trillion US\$)



Data Source: GSIA, 2025

<sup>4</sup> GSIA, 2025. Global Sustainable Investment Review 2024.

According to Morningstar<sup>5</sup>, the total global fund assets disclosing the use of sustainable investment approaches have reached US\$16.7 trillion as of the latest data, an increase of approximately US\$5.5 trillion (or 49%) compared to 2022. The share of such funds in the global fund market has risen from 3% in 2018 to 27% in 2024. This growth trend is primarily driven by policy and regulatory developments in Europe (such as the *EU Sustainable Finance Disclosure Regulation*, SFDR), where both the quantity and quality of disclosures significantly lead other markets.

Fig. 2 Regional Share of Funds Disclosing Sustainable Investment Strategies (2024) (in billion US\$)

Region	AUM	R&SI Approaches	Percentage
Europe	17,689	14,345	81%
Australia & New Zealand	639	366	57%
Canada	1,335	420	31%
Japan	1,467	22	1%
USA	40,456	1,602	4%
Sum (in US\$ billion)	61,677	16,754	27%

Note: This data covers only the portion of the fund market that publicly discloses the adoption of responsible and sustainable investment strategies. It excludes large institutions (such as pension funds, sovereign wealth funds), private capital, sovereign accounts, and similar entities, and therefore is not comparable to previous GSIA total AUM figures.

## The Global Sustainable Debt Market Cumulative Issuance Volume has Exceeded US\$6 trillion, With China Becoming the Largest Source Country for Green Bonds

According to statistics from the Climate Bonds Initiative (CBI)<sup>6</sup>, the cumulative issuance volume of the global green, social, sustainability, sustainability-linked (SLBs), and transition bond (collectively referred to as GSS+ bonds) that in line with the CBI database methodology reached US\$6.2 trillion by the end of the first half of 2025..

In the first half of 2025 alone, GSS+ bond issuance reached US\$555.8 billion, marking a 17% increase compared on the average half-year volume since 2021 (US\$474.9 billion). Among these, green bonds accounted for 61.4% with an issuance volume of approximately US\$341.3 billion. China's green bond issuance reached US\$48.3 billion, ranking first in the world. Additionally, social bond issuance reached approximately US\$98.4 billion, marking the highest six-month issuance volume since the COVID-19 pandemic and accounting for 17.7%. Sustainability bond issuance reached approximately US\$106.4 billion, setting a new record and accounting for 19.1%.

<sup>5</sup> GSIA, 2025. Global Sustainable Investment Review 2024.

<sup>6</sup> The CBI released the *Sustainable Debt Global State of the Market H1 2025*

Figure 3 GSS+ Bond Issuance Volume (in US\$ billion)

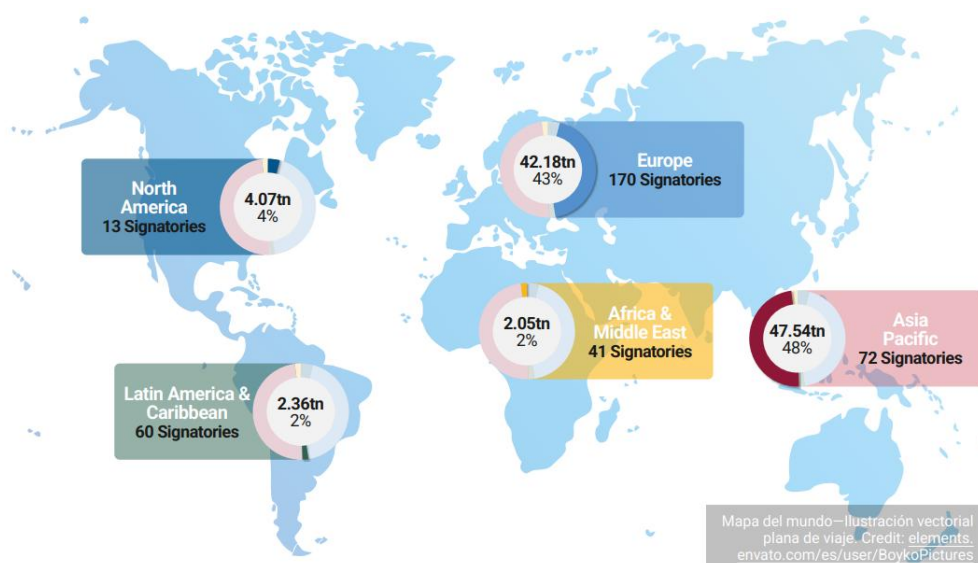


Data Source: CBI, 2025

## Financial Institutions in Developed Countries are Deeply Engaged in Sustainable Investment, With Increasingly Mature and Unified Standards

As of the end of September 2025, the number of signatory banks to the UN Principles for Responsible Banking (PRB) had reached 356<sup>7</sup>, covering 87 countries. The total assets of signatory banks amount to US\$98 trillion, exceeding half of the global banking sector's asset size. In March 2025, Bank of Jiangsu was selected for the UNEP FI's *Responsible Banking Case Study Series—Banking on Sustainability: From Principles to Practice*, becoming the first bank in China to participate in this case study series.

Fig. 4 Global Distribution of UN Principles for Responsible Banking (PRB) Signatories

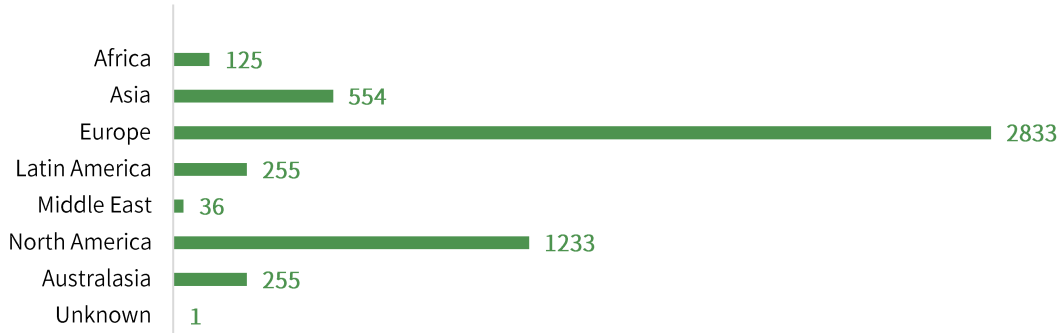


Data Source: PRB, 2025

7 UNEP FI, 2025. Principles for Responsible Banking 2025 Progress Report.

Following years of rapid growth, the Principles for Responsible Investment (PRI) have achieved high coverage and deep engagement in most developed markets. As of the end of March 2025, the number of PRI signatories stood at 5,261<sup>8</sup>, with 344 new signatories added in the past year.

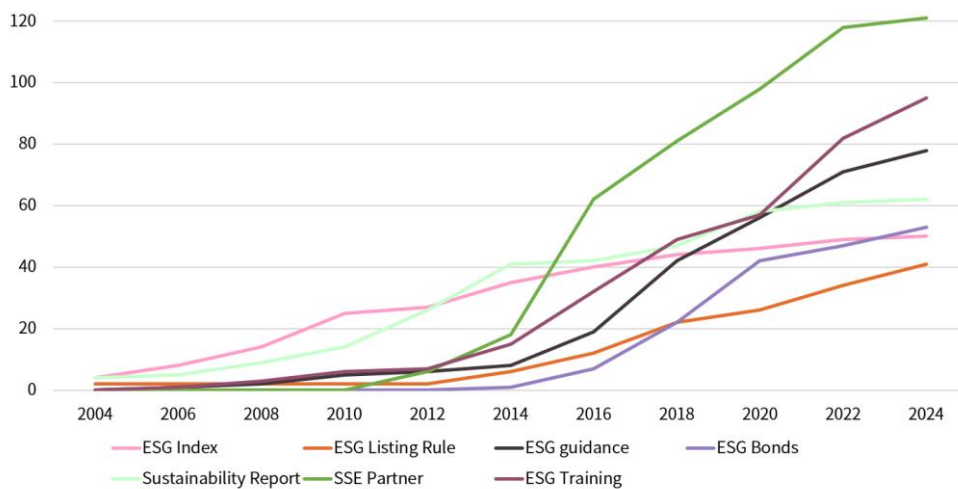
Fig. 5 Global Distribution of Principles for Responsible Investment (PRI) Signatories



Data Source: PRI, 2025

As of the end of September 2025, the number of member exchanges in the UN Sustainable Stock Exchanges Initiative (SSE) had reached 137<sup>9</sup>. ESG-related mechanisms continue to advance across exchanges: tools such as ESG indices, listing rules, guidance documents, and ESG bonds have shown significant growth since 2015, with accelerated growth in ESG bonds and disclosure rules particularly since 2020. This indicates that stock exchanges are progressing from merely releasing indices to pursuing a dual-path approach of policy guidance and providing products, playing a crucial role in promoting sustainable investment and the construction of a sustainable finance system globally.

Fig. 6 Development Trends of ESG Measures in SSE Member Exchanges



Data Source: SSE, 2025

8 PRI, 2025. PRI Annual Report 2025.

9 Sustainable Stock Exchanges Initiative, 2025.

As of October 2025, CBI statistics show that over 50 countries or regions globally have initiated the process of developing green/sustainable finance taxonomies (including those implemented and under development)<sup>10</sup>. For example, several countries in Southeast Asia, including Indonesia, Malaysia, the Philippines, Singapore, and Thailand, have launched national-level green finance taxonomies. While no institution has published the total number of countries with established sustainable taxonomy standards, CBI and UNEP FI indicate that the development of global green taxonomies is entering an accelerated phase.

Compared to 2024, whilst no significant quantitative growth has been observed, the transition from "under development" to "published" in many countries reflects the system maturing from its initial establishment phase.

## The Number of Global Organizations Adopting ISSB Standards Expands Rapidly, Exceeding 50% Growth

As of September 2025, 37 jurisdictions had announced their adoption or were in the process of incorporating the IFRS Sustainability Disclosure Standards (ISSB Standards) into their legal and regulatory frameworks. These jurisdictions account for over 60% of the global GDP, more than 75% of market capitalization (excluding the U.S.), and over half of the greenhouse gas emissions globally<sup>11</sup>. The data includes three statuses: "full adoption", "adopting", and "in progress".

In 2025, the IFRS Foundation released a new edition of the *Jurisdiction Profiles*, clarifying three ways to use the ISSB Standards: fully adoption, permitting the use, and voluntary alignment, enhancing institutional compatibility across countries.

For example, the Chinese Ministry of Finance issued the *Corporate Sustainability Disclosure Standards – Basic Standards (for Trial Implementation)* in September 2025, proposing to build upon the ISSB framework while incorporating Chinese characteristics to promote the establishment of a unified national sustainability disclosure standard. Hong Kong SAR, Singapore, and New Zealand have incorporated the *International Financial Reporting Standards Sustainability Disclosure Standard No. 2 – Climate-related Disclosures (IFRS S2)* into their mandatory climate disclosure systems, with the end of 2025 set as the formal effective date.

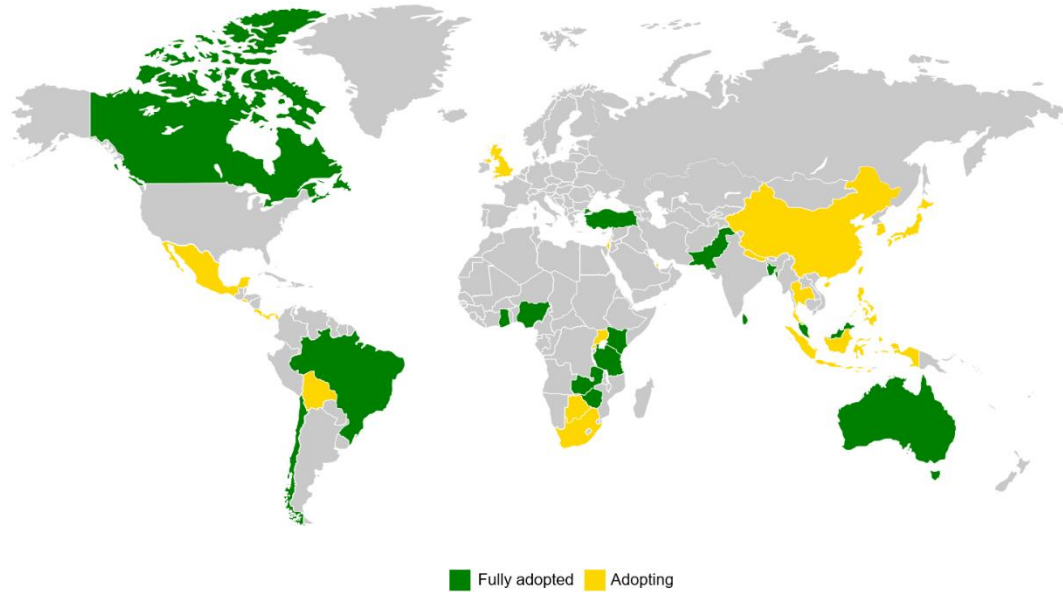
Trend-wise, ISSB standards are transitioning from "multilateral consensus" to "local implementation". Compared to the 22 jurisdictions at the end of 2024, 2025 has seen substantial growth, indicating broad acceptance in both emerging and developed economies. With the enactment of national legislation and regulation, the ISSB Standards are expected to become the "common foundational language" for global ESG disclosure, providing the infrastructure for cross-border green investment<sup>12</sup>.

<sup>10</sup> Climate Bonds Initiative, 2025. World of Taxonomies.

<sup>11</sup> IFRS, 2025. Adoption status of ISSB Standards.

<sup>12</sup> Statistical methodology is based on data compiled from the official ISSB website and S&P Global.

Fig. 7 Global Adoption Process of ISSB Standards



Data Source: IFRS, 2025. Compiled by China SIF

## TNFD Enters the "Inaugural Year of Institutionalized Disclosure": Over 620 Institutions Globally Proactively Align with Nature-related Disclosure Standards

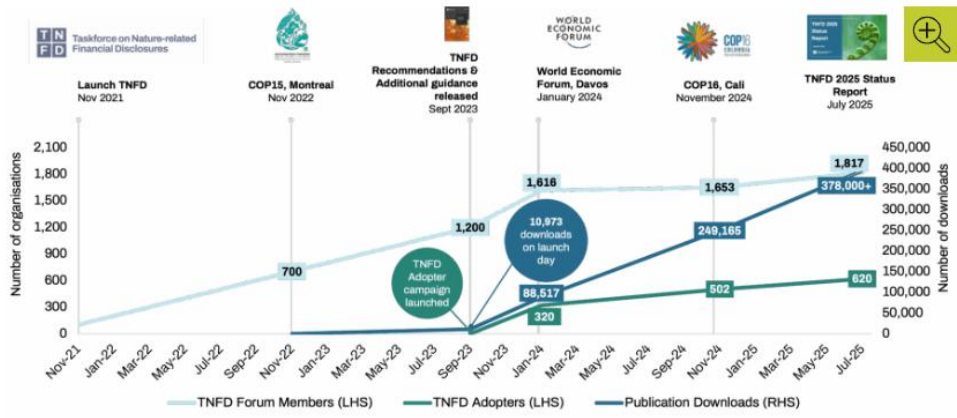
According to a report released by the Taskforce on Nature-related Financial Disclosures (TNFD), as of July 31, 2025, over 1,800 institutions have joined the TNFD Forum,<sup>13</sup> demonstrating their willingness to engage with nature-related issues. More than 620 organizations have publicly committed to information disclosure aligned with the TNFD recommendations, and over 500 first and second-generation TNFD-aligned reports have been published. Collectively, these organizations represent over US\$2 trillion in assets under management (AUM) and over US\$7 trillion in combined market capitalization of related listed companies. Compared to the 416 organizations in the same period in 2024, this represents a significant growth of over 200 organizations. Chinese companies account for 9.2% of the global total of companies disclosing nature-related indicators, ranking first globally.

Meanwhile, technical efforts are shifting from "recommended disclosure" to "standard-setting": the ISSB has begun incorporating nature-related disclosures into its standardization agenda, marking TNFD's transition from a market initiative to a standardized framework. In April 2025, the IFRS Foundation and TNFD signed a Memorandum of Understanding (MoU), clarifying that the ISSB will refer to the TNFD framework when developing its sustainability disclosure standards. According to reports from early November 2025<sup>14</sup>, the TNFD announced that its technical work would conclude in the third quarter of 2026. After this, it will collaborate with the ISSB to advance the standardization of "nature-related disclosures".

<sup>13</sup> TNFD, 2025. TNFD 2025 Status Report.

<sup>14</sup> Filipe Albuquerque, 2025. TNFD to Conclude as ISSB Takes Over Nature.

Fig. 8 Global Participation and Disclosure Progress of the TNFD Framework (as of July 2025)



Data Source: TNFD, 2025

## ◀ 2. ESG-related Policy Updates in 2025

In 2025, China's ESG policy development has continued its steady and upward trajectory, demonstrating a significant shift towards substantive integration. Initially focused on green finance and capital markets, it has become deeply intertwined with the industrial transition and high-quality development of the real economy. This chapter provides a brief overview of China's ESG policy development in 2025.

### Dual Carbon Leadership: Tackling Climate Issues Remains a Top Priority

Addressing climate issues and achieving the "dual carbon goals" consistently remain the core issues of China's ESG policies. In 2025, China announced a new round of Nationally Determined Contributions (NDCs), introducing an absolute emission reduction target for the first time. The target is to reduce the economy-wide net greenhouse gas emissions by 7% to 10% from the peak level by 2035. This signifies that the pattern of the "dual carbon goals" leading ESG development will persist for several more years.

Financial regulatory authorities, including the People's Bank of China (PBoC), continue to promote the development of transition finance. Since its establishment in 2021, the carbon emission reduction support tool has guided financial institutions to issue over CNY 1.38 trillion in carbon reduction loans cumulatively. Transition finance standards for steel, coal-fired power, building materials, and agriculture industries, led by the PBoC, have been piloted in over 20 provinces and municipalities. Work is being accelerated on the development of the second batch of transition finance standards for seven industries, including metallurgy and petrochemicals.

In 2025, the national carbon market expanded for the first time, newly to incorporate the steel, cement, and aluminum smelting sectors, covering over 60% of the country's total carbon emissions. The *Opinions on Promoting Green and Low-carbon Transition and Strengthening the National Carbon Market Construction*, released in August, proposed that by 2027, the national carbon emission trading market will basically cover major emission-intensive sectors in manufacturing and construction, and the national voluntary greenhouse gas emission reduction trading market will achieve full coverage in key sectors.

### Preparing for Disclosure: Listed Companies Actively Respond to New Reporting Rules

2024 saw the formulation of China's sustainability disclosure rules, while 2025 saw the preparation of their implementation. This marked the transition period for China's ESG information disclosure system, taking it from existence to excellence, and from voluntary to mandatory. In March 2025, the China Securities Regulatory Commission (CSRC) revised the *Administrative Measures for Information*

*Disclosure of Listed Companies*, explicitly stating that "listed companies shall release sustainability reports in accordance with the regulations of stock exchanges".

To support the *Guideline on Self-Regulation of Listed Companies - Sustainability Reports* issued in 2024, the Shanghai, Shenzhen, and Beijing Stock Exchanges released multiple disclosure guidelines and exposure drafts in 2025. The first batch of disclosure guidelines, including the *General Requirements and Disclosure Framework* and the *Guidelines on Climate Change*, was released in January. In September, the second batch of disclosure guidelines was released for public comment, covering three topics: pollutant emissions, energy use, and water resource use.

The Ministry of Finance is also accelerating the development of the disclosure standard system. In April 2025, the Ministry of Finance and the Ministry of Ecology and Environment jointly issued a draft version of the *Corporate Sustainability Disclosure Standard No. 1 - Climate (Trial)* for public consultation. In July 2025, the Chinese Institute of Certified Public Accountants released the *Assurance Engagements on Sustainability Information Standard No. X - Basic Standards (Exposure Draft)*, marking a new phase of standardized development for the assurance of China's domestic ESG reports.

## From Conceptual to Substantive: Local Governments Actively Promote ESG Development

Following the pioneering actions of Beijing, Shanghai, and Suzhou in 2024, local governments increasingly promoted ESG in 2025. Shenzhen, Xiamen, and Changzhou successively introduced ESG promotion policies. In March, Shenzhen released the *Shenzhen Work Plan for Promoting ESG System Construction to Assist in Building a Pioneer City for Sustainable Development (2025-2027)*; in April, Xiamen released the *Action Plan for ESG Development (2025-2027)*; in July, Changzhou released the *Changzhou Action Plan for Promoting ESG System Construction to Assist Urban Sustainable Development (2025-2027)*. These local policies share a focus on the business environment and corporate international competitiveness, emphasizing the construction of a sound ESG ecosystem and the introduction of professional service providers, such as rating, certification, and carbon accounting agencies.

These policies reflect the developmental trend of ESG transitioning from conceptual to substantive, with the enhancement of export competitiveness becoming a key driver for real-economy enterprises to embrace ESG. Against this backdrop, the Ministry of Commerce issued the *Implementation Opinions on Expanding Green Trade* in October 2025, proposing 16 specific measures that precisely target weaknesses in corporate green and low-carbon development capabilities, and explore carbon reduction potential in logistics, among other issues. This is China's first dedicated policy document in green trade.

## International Cooperation: China Plays an Active Role in Global Governance

In 2025, China continued to play an active role in international cooperation on sustainable development and green finance, both within and beyond multilateral and bilateral frameworks. Firstly, China maintained an active presence on key international platforms such as the UN, G20, and COP30, advocating for increased international collaboration on sustainable development, especially with regard to climate-related issues. At the **UN Leaders Meeting on Climate and the Just Transition** in April, China emphasized upholding multilateralism and deepening international cooperation. In September, the Chinese Ministry of Commerce (MOFCOM) and the United Nations Development Programme (UNDP) announced the joint establishment of the **Shanghai Global Center for Sustainable Development (SGCSD)**.

In terms of bilateral cooperation, China continued to deepen its collaboration with multiple countries in green finance. In January 2025, China and the UK held their **11<sup>th</sup> Economic and Financial Dialogue**, stating they would strengthen cooperation in green finance further and establish two new working groups on transition finance and nature and biodiversity finance. In July, China and Singapore convened the third **Green Finance Taskforce (GFTF)** meeting to discuss three topics: the interoperability of sustainable finance standards, innovation in green and transition finance products, and technology-enabled green finance and carbon market development. In November, the fourth **China-Germany High-Level Financial Dialogue** was held, with the two countries stating that they would continue to deepen their cooperation within the framework of the **Network for Greening the Financial System (NGFS)** and encourage and support financial institutions in strengthening climate and nature-related risk management.

At the market level, in May 2025, the Shanghai Futures Exchange and the Shanghai International Energy Exchange were officially approved to join the UN Sustainable Stock Exchanges (SSE) initiative, and the Guangzhou Futures Exchange joined in December. The participation of multiple Chinese derivatives exchanges in UN SSE marks a significant milestone for China's commodity markets in promoting ESG principles.

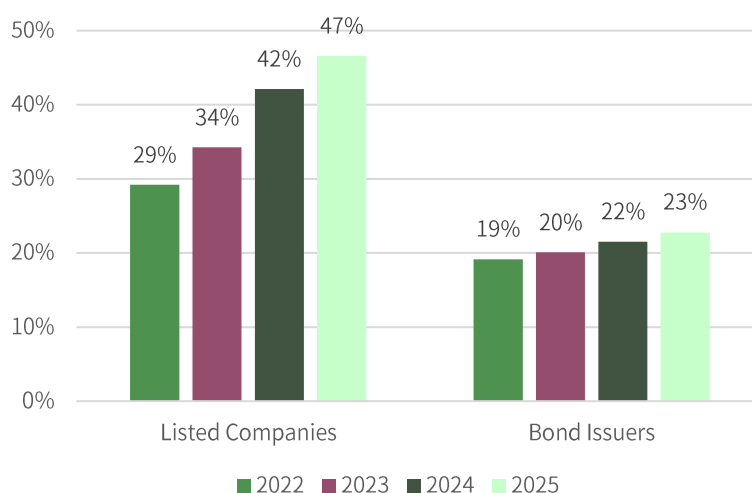
## 3. ESG Performance of Listed Companies and Bond Issuers

This chapter focuses on the current state of ESG information disclosure and changes in ESG performance among Chinese enterprises. ESG information disclosure primarily involves the publication of ESG-related reports<sup>15</sup> and the disclosure of key ESG indicators. ESG performance is defined as the ESG rating results derived from a comprehensive assessment based on a company's public ESG information and ESG risk incidents. This chapter's analysis covers a total of 10,565 companies, including 5,436 Chinese A-share listed companies and 5,129 debenture issuers<sup>16</sup>.

### Status of ESG Information Disclosure

As of September 30, 2025, 2,992 of the Chinese A-share listed companies and debenture issuers had published ESG reports, representing an increase of 13.1% compared to 2023. Among them, the proportion and growth rate of ESG report disclosure for listed companies were higher than those for bond issuers (Figure 10). In 2025, 46.58% of listed companies publicly disclosed ESG reports, an 4.44% increase from 2024. By contrast, only 22.79% of bond issuers disclosed ESG-related reports, marking a year-on-year increase of just 1.27%. Overall, despite the continuous strengthening of ESG disclosure policies in 2025, the ESG report disclosure rate among listed companies continued to rise steadily and remained higher than that of bond issuers.

Fig. 9 ESG Reports Issued by Listed Companies and Bond Issuers from 2022-2025



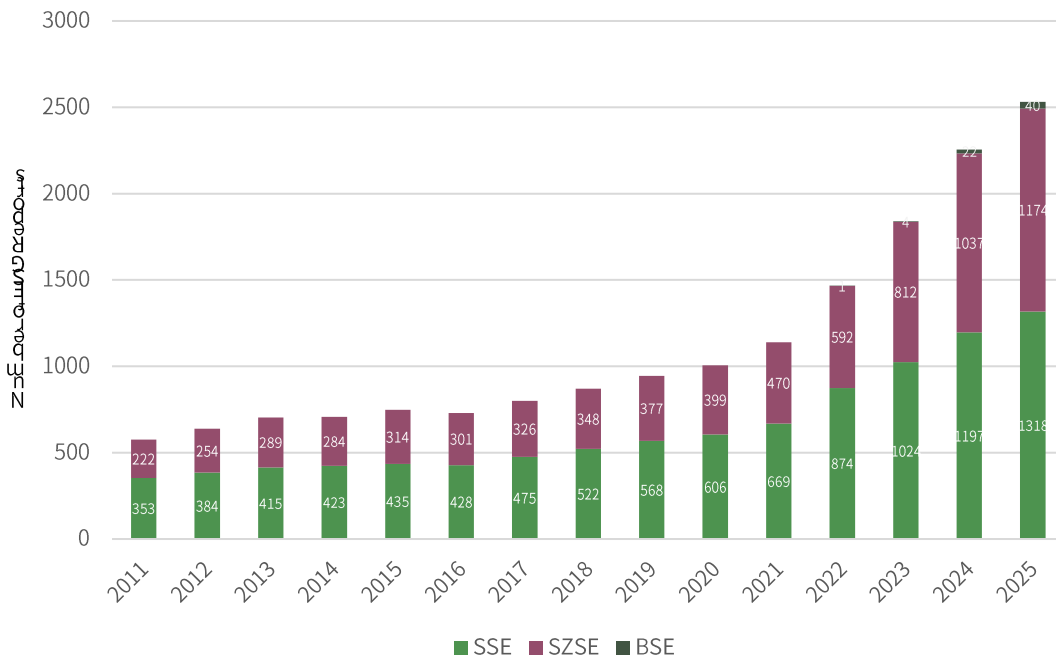
Data Source: SynTao Green Finance, as of September 30, 2025

15 ESG-related reports include reports that disclose ESG and other non-financial information with various titles such as “Social Responsibility Report”, “CSR Report”, “Sustainability Report”, “ESG Report”, “Environmental, Social, and Governance Report”.

16 Among which, 1,016 companies are both listed companies as well as bond issuers.

As of September 30, 2025, there were 2,284 A-share listed companies on the Shanghai Stock Exchange<sup>17</sup>, 2,875 A-share listed companies on the Shenzhen Stock Exchange<sup>18</sup>, and 277 A-share listed companies on the Beijing Stock Exchange<sup>19</sup>, totaling 5,436 listed companies across the three exchanges. In 2025, a total of 2,532 listed companies published ESG reports for the 2024 fiscal year. The number of reporting companies accounted for 46.58% of all A-share listed companies, including 1,318 companies on the Shanghai Stock Exchange, 1,174 companies on the Shenzhen Stock Exchange, 40 companies on the Beijing Stock Exchange, and 163 A+H-share companies (Figure 11). Overall, in 2025, both the number and the disclosure rate of A-share listed companies publishing ESG-related reports reached new highs, although the year-on-year increment and growth rate showed signs of slowing down. Guided by policies, the ESG report disclosure rate in the A-share market is expected to exceed 50% in the near future.

Fig. 10 ESG Report Publications by A-share Listed Companies (2011-2025)



Data Source: SynTao Green Finance, as of September 30, 2025

## Status of Climate-related Information Disclosure

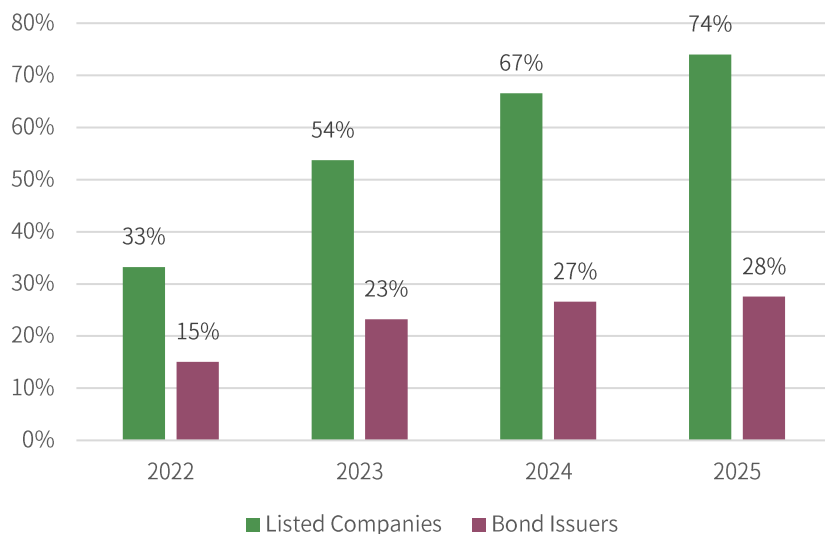
This year marks the fifth year since the "dual carbon" goals were proposed. Chinese enterprises' emphasis on climate change-related issues continues to rise. From the perspective of corporate information disclosure (Figure 12), 74.01% of listed companies have disclosed qualitative information such as targets and policies related to greenhouse gas emission management. This represents an increase of 7.45 percentage points compared to 2024 (66.56%). However, among bond issuers, only 27.59% proactively disclose related information.

17 Statistical data as compiled by the Shanghai Stock Exchange: <https://www.sse.com.cn/market/view/>

18 Statistical data as compiled by the Shenzhen Stock Exchange: <https://www.szse.cn/market/overview/index.html>

19 Statistical data as compiled by the Beijing Stock Exchange: <https://www.bse.cn/static/statisticdata.html>

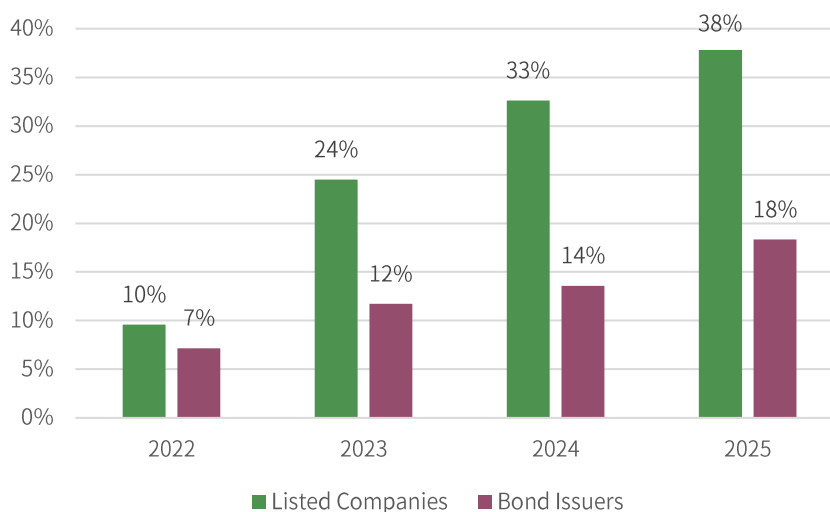
Fig. 11 GHG Emission Management Information Disclosure (2022-2025)



Data Source: SynTao Green Finance STaR ESG Data Platform

Beyond qualitative climate-related information, quantitative information more accurately reflects the level of corporate commitment and is a key concern for investors, particularly with regard to data on greenhouse gas emissions and reductions. Compared to qualitative information, disclosure of climate-related quantitative data by Chinese enterprises is still in its infancy, particularly among non-listed companies. Overall, less than 30% of Chinese enterprises proactively disclose quantitative performance data on greenhouse gas emissions (Figure 13). Of these, 37.80% are listed companies, while only 18.35% are bond issuers. Examining the year-on-year change trend, an increasing number of enterprises are actively responding to policy requirements by disclosing quantitative performance data on greenhouse gas emissions or reductions, with listed companies consistently leading the way in this process.

Fig. 12 Disclosure of GHG Emissions/Reductions (2022-2025)

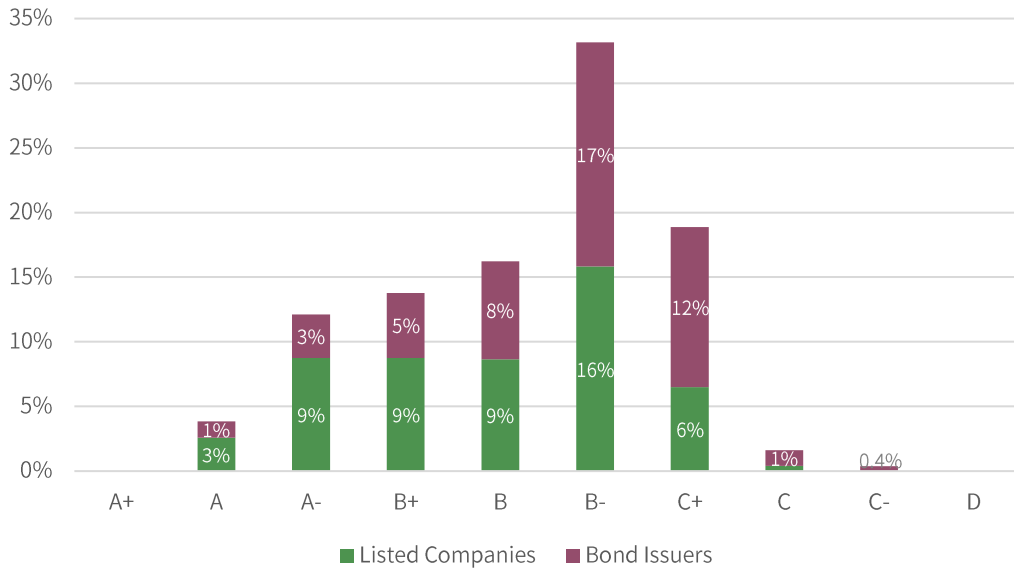


Data Source: SynTao Green Finance STaR ESG Data Platform

## ESG Performance<sup>20</sup>

The SynTao Green Finance ESG Rating System categorizes corporate ESG ratings from low to high (D to A+) into ten tiers. Overall, as shown in Figure 14, more than 50% of companies get a rating of B- or lower, indicating that the ESG performance of most enterprises is still relatively low. Looking at the distribution's extremes, there are significantly more companies in the lower end (C+ and below) than in the top end (A- and above).

Fig. 13 ESG Rating Distribution of Chinese Enterprises in 2025



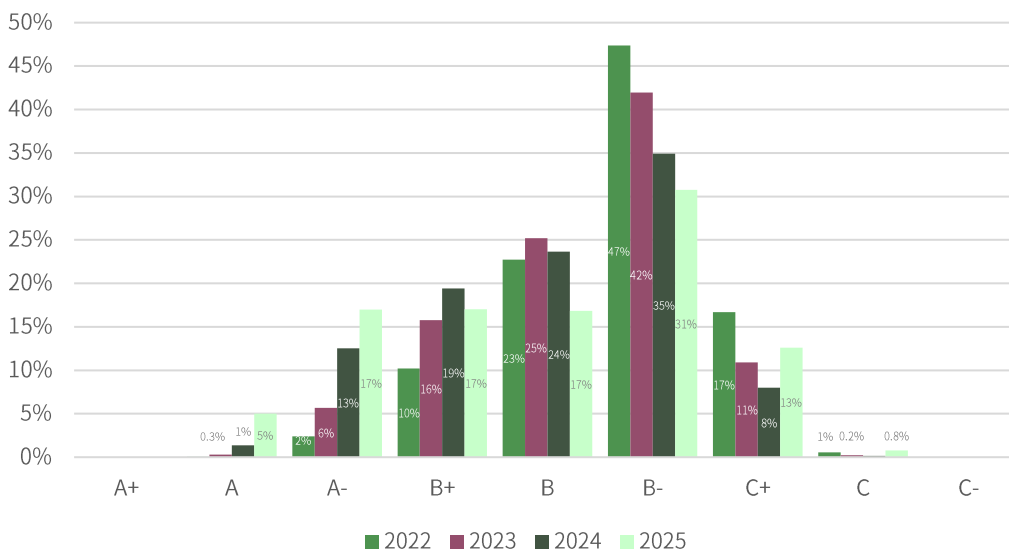
Data Source: SynTao Green Finance STaR ESG Data Platform

The distribution structures and growth trends in ESG performance of listed companies and bond issuers differ from each other. In 2025, the proportion of listed companies at both the top (A- and above) and bottom (C+ and below) of the ESG rating spectrum increased. "B-" remained the most common rating, suggesting that the ESG performance of most listed companies is still at a medium-to-low level. The rating trend over the past three years shows a significant increase in the proportion of companies achieving the rating "A", reflecting heightened attention from top listed companies.

Among bond issuers, however, only 71.2% received a rating of B- or above. Approximately 30% of companies are rated in the C tier (C+, C, and C-), indicating that bond issuers still exhibit relatively high ESG risks. Only 9.6% of bond issuers received an A- or higher rating, suggesting that few companies have made significant progress in their ESG practices. Nevertheless, compared to the 2024 rating distribution, the proportion of bond issuers at the head and tail of the rating spectrum shows increasing and decreasing trends, respectively, indicating that overall ESG performance is slowly improving.

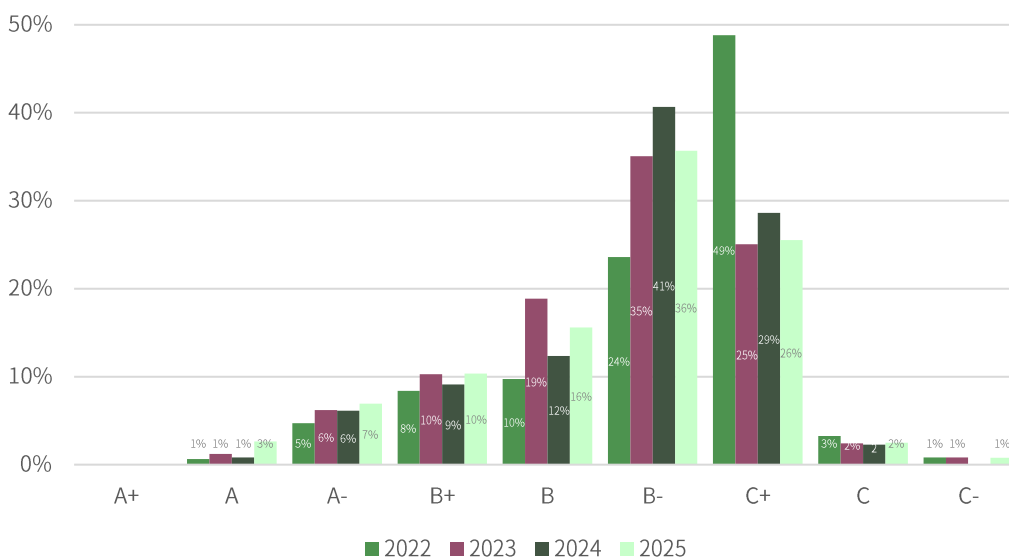
<sup>20</sup> ESG performance refers to the ESG rating derived from evaluating a company's publicly available ESG information and ESG risk controversies. For details on SynTao Green Finance's rating methodology, please see: <https://www.syntaogf.com/pages/methodology>

Fig. 14 ESG Rating Distribution of A-share Listed Companies (2022-2025)



Data Source: SynTao Green Finance STaR ESG Data Platform

Fig. 15 ESG Rating Distribution of Bond Issuers (2022-2025)



Data Source: SynTao Green Finance STaR ESG Data Platform

The differences in ESG rating distribution and development trends between Chinese listed companies and bond issuers suggest a significant gap in ESG development levels between listed and non-listed companies. In the long run, with the advancement and growing influence of the *Guideline on Self-Regulation of Listed Companies - Sustainability Reports* from the Shanghai, Shenzhen, and Beijing Stock Exchanges and the *Corporate Sustainability Disclosure Standard No. 1 – Climate (Trial)* from the Ministry of Finance, coupled with the introduction of local ESG information disclosure and rating incentive policies, will continue to drive the standardization and transparency of ESG information disclosure among Chinese enterprises. This will further encourage listed companies and bond issuers to implement ESG-related strategies, ultimately improving corporate ESG performance.

## 4. ESG Indices and Funds

### ESG Indices

#### A Moderate Growth of ESG Indices

According to statistics from China SIF, by the end of September 2025, major domestic index providers had released a total of 279 ESG indices, an increase of 7.7% compared to the end of 2024 (see Appendix 3 for details). These are stock indices that involve screening constituent stocks using environmental (E), social (S), or corporate governance (G) factors, including: 103 ESG Select indices, 8 Corporate Governance Select indices, 21 Green and Low-Carbon Select indices, 6 Social Select indices, 113 Energy Conservation and Environmental Protection Industry indices, 1 Blue Economy Theme index, 4 Social Development Theme indices, 21 ESG Exclusion indices, and 2 Green and Low-Carbon Exclusion indices.

#### Select Category

- "ESG Select": A screening method that uses all three factors of environment, social, and corporate governance (ESG) to select constituent stocks.
- "Corporate Governance Select": A screening method that uses corporate governance factors to select constituent stocks.
- "Green and Low-Carbon Select ": A screening method that uses environmental factors to select constituent stocks.
- "Social Select": A screening method that uses social factors (such as employee compensation, tax contributions, etc.) to select constituent stocks.

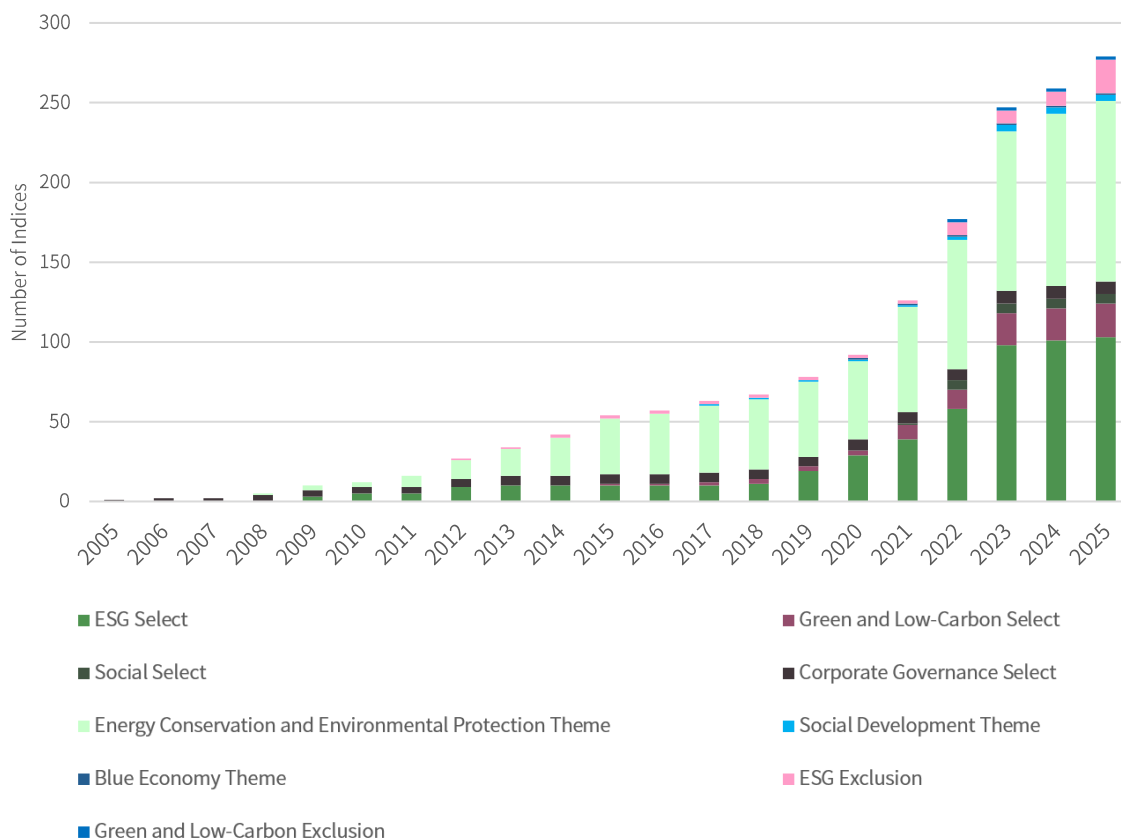
#### Exclusion Category

- "ESG Exclusion": A screening method that excludes constituent stocks with poor environmental, social, and governance (ESG) performance.
- "Green and Low-Carbon Exclusion": A screening method that excludes constituent stocks with poor environmental performance.

#### Theme Category

- "Energy Conservation and Environmental Protection Theme": Index constituents are listed companies primarily engaged in energy conservation and environmental protection-related businesses.
- "Social Development Theme": Index constituents are listed companies related to industries such as rural revitalization and data security.
- "Blue Economy Theme": Index constituents are listed companies related to the marine economy.

Fig. 16 Growth of A-share ESG Indices



Data Source: Wind Terminal, Compiled by China SIF

### Number of Funds Tracking ESG Indices Continues to Grow

By the end of September 2025, a total of 37 ESG indices were tracked by mutual funds, corresponding to 250 passive index fund products (see Appendix 4 for details). The number of funds increased by approximately 7.8% compared to the end of the previous year. Most of these funds track thematic indices such as green power, new energy, and the photovoltaic industry index, indicating the significant driving force of the "dual carbon" policy on the market.

Launched in April 2019, the CSI Photovoltaic Industry Index (931151.CSI) is tracked by the largest number of funds. As of the end of September 2025, this index was being tracked by 48, with three new funds added in 2025.

## ESG Funds

### Both the Number and Scale of ESG Mutual Funds Show a Concurrent Upward Trend

Looking back at the development of ESG mutual funds in China, their inception can be traced back to 2005, when the ESG investment concept first emerged domestically. However, during the first decade of development (i.e., before 2015), market expansion was relatively slow, with the annual average number of new products remaining in the single digits for a long time. A turning point came in 2015, which is considered the "inaugural year of green finance," after which the issuance of such

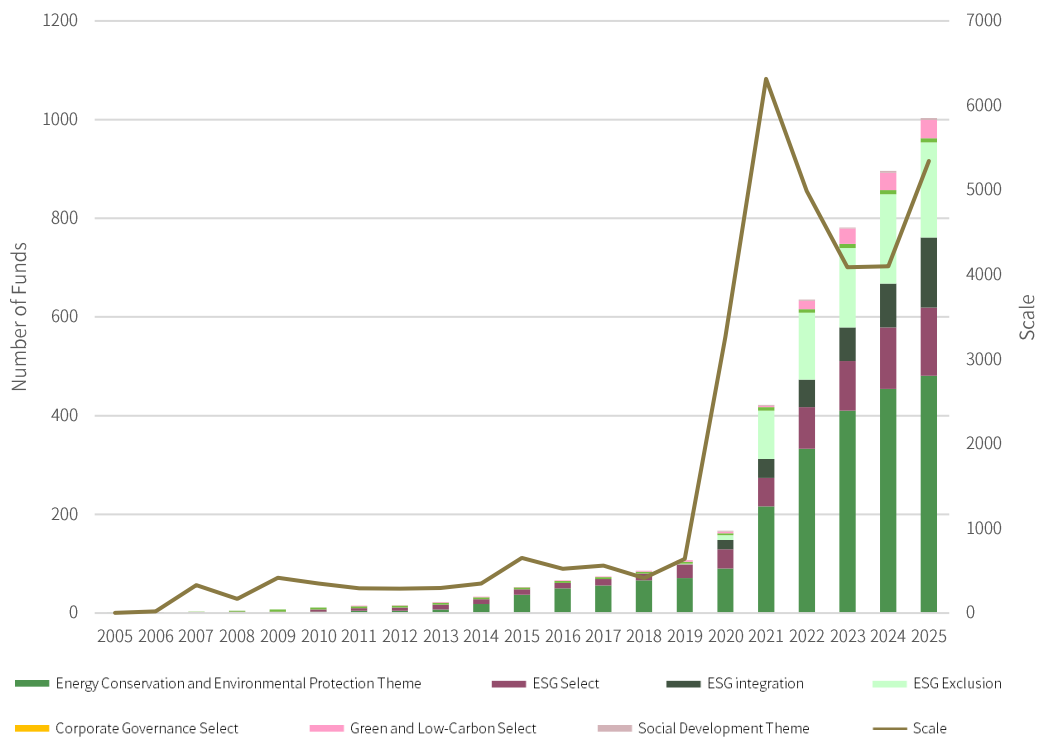
funds noticeably accelerated, with the annual average number of new products exceeding ten, culminating in the milestone of surpassing one hundred total products in 2019. Following the proposal of the "dual carbon" goals, the period from 2020 to 2022 saw the most explosive growth in ESG fund history, with annual growth rates exceeding 50% for three consecutive years.

However, in 2023 and 2024, as the market fluctuated, the growth rate of ESG funds began to slow down. In 2025, this gradually moderating growth momentum continued. By the end of September, the total number of ESG funds had reached 1,003, marking a 11.9% increase compared to the end of the previous year. The scale of ESG funds reached CNY 534.46 billion, up 43.0% from the end of 2024.

By the end of September 2025, a total of 102 fund companies had issued 1,003 ESG mutual fund products (calculated by A/B/C/H classification, including matured funds). Among these, 89 were bond funds, 385 were equity funds, 472 were hybrid funds, 44 were FOF funds, and 13 were international (QDII) funds.

Among the 1,003 ESG mutual funds, 138 employed the ESG Select strategy, 8 used the Corporate Governance Select strategy, 37 used the Green and Low-Carbon Select strategy, 4 used the Social Select strategy, 142 employed the ESG Integration method, 193 ESG Exclusion funds used a screening method that excludes stocks with significant ESG deficiencies, and 481 primarily selected constituent stocks based on whether they belong to the energy conservation and environmental protection industries as defined by the fund.

Fig. 17 Growth in Number and Scale of ESG Funds



Data Source: Wind Terminal, Compiled by China SIF

ESG funds have experienced certain growth in their market share and influence across the fund market. According to the Asset Management Association of China's (AMAC) mutual fund market data as of September 30, 2025, ESG mutual funds accounted for 8.26% of the total number of all funds in the market by the end of September 2025, marking an increase of 2.61% from the previous year. ESG mutual funds accounted for 2.84% of all funds in the market.

**Tab. 1 Number and AUM of Broad-based ESG Funds**

Types	2023/12/31		2024/12/31		2025/9/30	
	Quantity	Scale of AUM (in CNY billion)	Quantity	Scale of AUM (in CNY billion)	Quantity	Scale of AUM (in CNY billion)
ESG Equity Funds	300	1732.18	338	1447.97	388.00	2025.60
ESG Hybrid Funds	407	2064.07	448	1784.09	472.00	2216.69
ESG Bond Funds	31	219.45	59	433.33	89.00	961.23
ESG QDII Funds	11	3.35	13	9.55	13.00	25.18
All Equity Funds	2274	26,485.14	2645	44,527.83	3262.00	59548.42
All Hybrid Funds	4942	36,503.68	5103	35,094.72	5262.00	43117.48
All Bond Funds	2306	47,680.04	2598	68,442.02	2766.00	72046.67
All QDII Funds	281	5,220.36	309	6,113.18	322.00	9106.21
ESG Funds as a percentage of the market	7.64%	3.47%	8.05%	2.38%	8.26%	2.84%

Data Source: AMAC, statistics compiled by China SIF

## 5. Summary and Outlook

In 2025, the global economic landscape continued its shift towards multipolarity. However, driven by strong growth in green credit, the overall scale of sustainable investment in China continued its rapid growth. The number of sustainable mutual funds exceeded one thousand, and their scale also rose significantly along with the market recovery. Nevertheless, despite the market rebound, the market share of ESG funds did not increase accordingly, suggesting that genuine market recognition of ESG investment products is still some way off.

2026 will be the first year of mandatory ESG reporting for listed companies. For companies falling within the mandatory disclosure scope, this will represent a comprehensive test of their ESG information disclosure capabilities. It is anticipated that regulatory authorities will pay special attention to the quality of ESG reports for this year. This will provide investors with a richer and more credible data source for ESG and climate analysis. The application of sustainable investment strategies by asset management institutions and their analytical capabilities regarding climate-related risks and opportunities are expected to be further improved.

Furthermore, the development of transition finance is expected to continue, with the construction and implementation of related standards accelerating. The number of sustainability-linked financial products is projected to grow significantly. Financial institutions must develop capabilities in areas such as climate-related risk analysis and carbon footprint calculation of portfolios. They should plan ahead for the evaluation of transition finance and develop response strategies in preparation for the formal issuance of transition finance standards.

The trend of local governments promoting ESG policies is expected to persist, with more local governments anticipated to follow suit to enhance the export competitiveness of enterprises. Financial institutions should continuously pay attention to the sustainability-related import/export policies of developed markets, and assess and track relevant enterprise performance to mitigate sustainable supply chain risks.

2026 marks the start of the 15th Five-Year Plan. The Fourth Plenary Session positioned the 15th Five-Year Plan as a period of "transition and continuity," crucial for laying a solid foundation and making significant progress towards the realization of fundamental socialist modernization. According to the *Recommendations of the Central Committee of the Communist Party of China for Formulating the 15th Five-Year Plan for National Economic and Social Development*, green and low-carbon transition, rural revitalization, and common prosperity will remain key ESG focus areas. The 15th Five-Year Plan also emphasizes new quality productive forces, adhering to intelligentization, greening, and integration. The effective conduct of ESG work in the era of digital intelligence will be a significant topic for ESG during the 15th Five-Year Plan.

Financial institutions must also further strengthen their internal capabilities, improve their

sustainable investment research systems, develop sustainable solutions based on ESG data and research, enhance stewardship, expand the range and depth of sustainable investment products, boost innovation and digital intelligence in sustainable finance products, and seize green and low-carbon transition investment opportunities while mitigating climate-related risks. By doing so, they can effectively address the "Five Key Areas of Finance," empower investors and real-economy enterprises, and achieve their own high-quality development.

# Appendix 1 Scale of Sustainable Investment in China

Type of Sustainable Investment	Definition		Scale (CNY)	Current Status	
Green Credit	<p><b>Green credit</b> requires banking institutions to promote green economy, low-carbon economy, and recycled economy through credit business, enhance the environmental and social risk management in their credit business, and improve their own environmental and social performance. (Based on the Green Credit Guidelines issued by the former CBRC in 2012)</p>		43.51 trillion	<ul style="list-style-type: none"> <li>· 28 banks signed the Principles for Responsible Banking (PRB)</li> <li>· 29 banks signed the China Banking Sector Green Credit Joint Commitment</li> <li>· At the end of Q3 of 2025, the balance of green loans in domestic and foreign currencies was CNY 43.51 trillion<sup>21</sup> (PBoC statistics)</li> </ul>	
Sustainable Securities/ Wealth Management Products	Green/sustainable (securities) investment fund	<p>Green (securities) investment refers to investment, aiming to promote companies' environmental performance, develop green industries and reduce environmental risks, in companies and projects which could deliver environmental benefits, reduce environmental costs and risks through systematic green investment strategies. (Asset Management Association of China, 2018. Green Investment Guidelines (for Trial Implementation))</p>	ESG mutual funds	534.457 billion	<ul style="list-style-type: none"> <li>· 28 mutual fund managers signed the UN Principles for Responsible Investment (PRI)</li> <li>· As of Sept. 30, 102 fund managers released 738 ESG funds</li> <li>· As of Sept. 30, the scale of ESG fund was CNY 534.457 billion (Data source: Wind data terminal, compiled by China SIF)</li> </ul>
	Sustainability Bonds	<ul style="list-style-type: none"> <li>· <b>Green bonds</b> refer to marketable securities through which use of proceeds are exclusively to support green industries, green projects or green economic activities that meet the prescribed conditions, and are issued in accordance with legal procedures and to repay principal and interest as agreed. (Announcement made by the China Green Bond Standard Committee, No. 1 [2022])</li> <li>· <b>Carbon neutral bonds</b> are a debt financing tool that the proceeds are specifically used for green projects with carbon emission reduction benefits, and are required to have four core elements, such as the use of proceeds, project</li> </ul>	ESG private securities fund	Statistics not yet available	
				2.46 trillion	As of Sept. 30, 2025, the scale of outstanding green bonds had been CNY 2.46 trillion, including CNY 367.3 billion (according to the "Green Bonds" section of the Wind data terminal)

21 PBoC, Statistical Report on the Loan Orientation of Financial Institutions (the third quarter of 2025), Oct. 24, 2025.

Type of Sustainable Investment	Definition	Scale (CNY)	Current Status
	evaluation and selection, use of proceeds management and information disclosure during the duration. Carbon neutral bonds and are a sub-specie of the green debt financing tool. (National Association of Financial Market Institutional Investors (NAFMII), 2021, Notice on the Clarification of Carbon Neutrality Bond Related Mechanisms)		
	<b>Sustainability-linked bonds</b> are a debt financing tool that links the terms of the bond to the issuer's sustainability targets. The linked targets include key performance indicators (KPIs), and sustainability performance targets (SPTs). KPIs are sustainability performance indicators that are material to the issuer's operations; SPTs are quantitative assessment targets for KPIs and require clear timelines for achievement. (The National Association of Financial Market Institutional Investors, 2021, Ten Questions and Answers on Sustainability-Linked Bonds)	<b>151.7 billion</b>	As of Sept. 30, 2025, the scale of outstanding sustainability-linked bonds had been CNY 151.7 billion. (Data source: Wind data terminal, compiled by China SIF)
	<b>Transition bonds</b> are a debt financing tool that the proceeds are specifically used to support environmental improvements and adaption to climate change in low-carbon transition areas. (The National Association of Financial Market Institutional Investors, 2022, Notice on Conducting Pilot Innovation Related to Transition Bonds)	<b>71.4 billion</b>	As of Sept. 30, 2025, the scale of outstanding transition bonds had been CNY 71.4 billion. (Data source: Wind data terminal, compiled by China SIF)
	<b>Social bonds</b> are any debt tool in which the use of proceeds are used entirely to finance or refinance, in entirety or partially, new and/or eligible socially beneficial projects. (International Capital Markets Association, 2018, Social Bond Principles). According to the National Association of Financial Market Institutional Investors (NAFMII), <b>social responsibility bonds</b> are issued by an issuer in the national interbank market that the use of proceeds are entirely for social responsibility projects. (NAFMII, 2021, Q&A on Piloting the Business of Social Responsibility Bonds and Sustainability Bonds)	<b>371.3 billion</b>	As of Sept. 30, 2025, the scale of the following bonds had been (Data source: Wind data terminal. Compiled by China SIF): - Rural revitalization: 246.9 billion - Poverty alleviation: 6.8 billion - Old revolutionary base areas: 31.6 billion - Belt and Road Initiative: 74.5 billion - Social courses: 52.4 billion - Relief: 5 billion - Pandemic prevention and control: 9.8 billion
	<b>Sustainability bonds</b> refer to bonds issued by issuers in the national interbank market, with all proceeds used exclusively for green projects and social responsibility projects. The portion of proceeds	<b>16 billion</b>	As of Sept. 30, 2025, the scale of outstanding sustainability bonds had been CNY 16 billion. (Data source: Wind data terminal. Compiled by China SIF)

Type of Sustainable Investment	Definition		Scale (CNY)	Current Status
		allocated to green projects shall comply with the relevant regulations applicable to green debt financing instruments, while the portion allocated to social responsibility projects shall comply with the relevant regulations for social responsibility bonds. Proceeds from sustainability bonds may also be used for projects that deliver both environmental and social benefits.		
	Sustainable Wealth Management Products	No official definition yet	Approx. 300 billion	As of the end of September 2025, outstanding Sustainable Wealth management products amounted to approx. CNY 300 billion. (Data from the Banking Wealth Management Registration and Custody Center)
Sustainable Equity Investment	<b>Green equity investment</b> (please refer to the concept of "green (securities) investment")		Approx. 612.8 billion	<ul style="list-style-type: none"> <li>-64 PEs have signed the PRI</li> <li>-According to the <i>Green Investment Self-Assessment Report of Fund Managers (2024)</i>, the results of the self-assessment questionnaires completed by 304 sample private equity institutions show that 52 institutions issued a total of 74 products with green investment objectives. The combined estimated size of these 74 funds is approximately RMB 16.05 billion.</li> <li>The <i>Monthly Report on the Registration of Private Fund Managers and Product Filings (September 2025)</i> shows that as of the end of September 2025, there were 11,607 active private equity and venture capital fund managers. It is estimated that the scale of private equity fund investment in green industries amounts to approximately CNY 612.8 billion.</li> </ul>
Green Industry Fund	<b>Green industry fund</b> refers to special investment funds that the government establishes to support energy conservation and emission reduction, promote low-carbon economic development, and improve the environment. (according to the Case Studies of Green Finance in China)		Approx. 591.5 billion	According to Qingke database, China SIF estimated the target capital of government guide funds invested in green energy conservation and environmental protection, circular economy, ecological and soil protection and new energy had been CNY 591.5 billion.

Data source: Compiled by China SIF

## Appendix 2 Sustainable Investment

### Policies in China

Time	Issued by	Policy Documents	Main Contents
<b>Directly related to sustainable investment</b>			
2016	The PBoC, the Ministry of Finance, NDRC, former the Ministry of Environmental Protection, former CBRC, CSRC, and former CIRC	Guidelines for Establishing the Green Financial System	It specifies the important role of securities market in supporting green investment, and requires the industry to standardize the definition of green bonds, actively support the listing and refinance of eligible green companies, support the development of green bond index, green stock index and other related products, and gradually establish and improve a mandatory disclosure system for listed companies and bond issuers to disclose environmental information.
2018	AMAC	Green Investment Guidelines (for Trial Implementation)	It defines green investment and specifies the objectives, principles and basic methods of green investment.
2020	MEE, NDRC, PBoC, CBIRC, and CSRC	Guiding Opinions on Promoting Investment and Financing to Address Climate Change	Guided by the Nationally Determined Contributions (NDC) and low-carbon development goal and supported by the system of policies and standards, it aims to promote the investment and financing in response to climate change through model innovation and local practice.
2022	Former CBIRC	Green Finance Guidelines for the Banking and Insurance Industry	It requires banking and insurance institutions to promote green finance at a strategic level, to increase support for the green, low-carbon and circular economy, and to promote the overall green transition of economic and social development.
2022	CSRC	Guidelines for Investor Relations Management by Listed Companies	It aims to implement the requirements of the new development concept by adding environmental, social and governance (ESG) information of listed companies to the content of communications.
2022	IAMAC	Initiative on ESG Stewardship in China's Insurance Asset Management Industry	It encourages insurance asset management institutions to promote green transition actively and to guide stakeholders, including investee companies, to work together to build a green development ecosystem from the perspective of fiduciary duty.
2024	NFRA	Guiding Opinions on the Development of Technology Finance, Green finance, Inclusive finance, Pension Finance and Digital Finance in the Banking and Insurance Industries	Requires the banking and insurance sectors to enrich green financial products and services, strengthen the classification management and dynamic assessment of clients' environmental, social, and governance (ESG) risks, integrate such risks into business management processes and comprehensive risk management systems, and adopt differentiated management measures.
2025	General Office of the NFRA; General Office of the PBoC	Implementation Plan for the High-quality Development of Green Finance in the Banking and Insurance Sectors	Guides the banking and insurance sectors to vigorously develop green finance, increase support for green, low-carbon, and circular economies, prevent environmental, social, and governance risks, and improve their own ESG performance.
2025	CSRC	Implementation Opinions on Advancing the "Five Key Financial Articles"	Calls for actively leveraging the functions of the capital market to advance the five key areas—technology finance, green finance, inclusive finance, pension finance, and digital finance. Promotes the improvement of green finance standards in the capital market and the diversification of green financial products.
2025	General Office of the State Council	Guiding Opinions on Doing the "five major articles" of finance	Promotes progress in the five key areas—technology finance, green finance, inclusive finance, pension finance, and digital

Time	Issued by	Policy Documents	Main Contents
			finance—to accelerate the building of a strong financial system. Improves the green finance standards system to provide a basis for targeted financial support; guides financial institutions to incorporate green and low-carbon transition factors into asset portfolio management; enriches green and transition finance products and services; and advances the gradual implementation of carbon accounting and sustainability information disclosure by financial institutions.
2025	PBoC, NFRA, CSRC, State Administration of Foreign Exchange	Overall Statistical System for Financial 'Five Major Articles' (Trial Implementation)	Provides unified provisions on statistical objects and scope, indicators and definitions, statistical recognition standards, data collection, sharing and publication, and division of responsibilities across departments. Achieves full coverage of statistical subjects and business activities to provide systematic and comprehensive information support for advancing the “Five Key Areas” of Finance; realizes unified, coordinated standards and definitions for key statistical indicators.
<b>Taxonomies</b>			
2019	NDRC, the Ministry of Industry and Information Technology, the Ministry of Natural Resources, MEE, MOHURD, PBoC, and the National Energy Administration	2019 Guiding Catalogue for the Green Industry	It specifies the classification and categorization of green industries and green projects.
2019	PBoC	Green Loan Special Statistics System	It guides financial institutions to strengthen the statistical capacity of their green credit base.
2020	CBIRC	Green Financing Statistics System	It refines the industrial classification to further clarify the direction and key areas of green financial support.
2021	PBoC, NDRC, CSRC	Green Bond Endorsed Projects Catalogue (2021 Edition)	It unifies the domestic green bond market standards and clarifies the scope of projects supported by green bond.
2022	CBIRC	Green Insurance Business Statistics System	It defines green insurance for the first time, and further clarifies that green insurance includes both the liability side and the asset side. The Statistics System only counts business on the liability side: insurance business on ESG risks; insurance business for green industries; and insurance business for green lifestyle.
2023	Insurance Association of China	Green Insurance Classification Guidelines (2023 Edition)	Outlining standards for green insurance products, green investment of insurance assets, and green operations of insurance companies.
2024	NDRC, MIIT, MNR, MEE, MOHURD, MOT, PBoC, NFRA, CSRC, NEA	Guidance Catalogue for Green and Low-Carbon Transition Industries (2024 Edition)	Building on the Guidance Catalogue for Green Industries (2019 Edition) and taking into account new circumstances, tasks, and requirements for green development, this catalogue has been revised and updated. It provides support for promoting the green and low-carbon transition of economic and social development and serves as a reference for local governments and relevant departments in formulating and improving related industrial support policies.
2025	PBoC, NFRA, CSRC	Catalogue of Green Finance-Supported Projects (2025 Edition)	The Catalogue applies uniformly to all types of green financial products. It does not, for the time being, apply to equity listings and equity issuance on the Shanghai, Shenzhen, and Beijing stock exchanges, or to listings and equity issuance on the National Equities Exchange and Quotations (NEEQ).

Time	Issued by	Policy Documents	Main Contents
<b>ESG information disclosure</b>			
2006	Shenzhen Stock Exchange	Instructions on Social Responsibility of Listed Companies	It requires listed companies to actively undertake social responsibilities, regularly evaluate their performance of social responsibilities and voluntarily release social responsibility report. The Instructions was incorporated into the Guidance for Standardized Operations of Listed Companies in 2010 and continues to provide guidance and standards for listed companies in disclosing social responsibility performance.
2008	Shanghai Stock Exchange	Guidelines on Environmental Information Disclosure of Listed Companies	It requires listed companies to step up efforts to undertake social responsibilities, disclose their practices and performance in employee safety, product safety and environmental protection. It also specifies requirements for listed companies in disclosing environmental information.
2008	Shanghai Stock Exchange	Guidelines on the Preparation of Company Social Responsibility Report	It specifies the efforts that listed companies shall disclose in promoting environmental and ecological sustainable development, such as practices in preventing and reducing pollution, protecting water and energy resources, guaranteeing the habitability of relevant areas, and protecting and enhancing the biodiversity of relevant areas.
2013	Shenzhen Stock Exchange	<ul style="list-style-type: none"> <li>· Guidance on Standardized Operations of Companies Listed on the Main Board of Shenzhen Stock Exchange</li> <li>· Guidance on Standardized Operations of Companies Listed on the SME Board of Shenzhen Stock Exchange</li> <li>· Guidance on Standardized Operations of Companies Listed on the ChiNext Market of Shenzhen Stock Exchange</li> </ul>	They require listed companies to, upon the occurrence of major environmental incidents, timely disclose the causes of the incidents, impacts on the company's business performance, impacts of such incidents, and the company's proposed remedy measures.
2019	Shanghai Stock Exchange	Measures on the Appraisal of Information Disclosure of Listed Companies	It stipulates mandatory disclosure of ESG related information, and requires companies listed on the Science and Technology Innovation Board to disclose their performance of social responsibilities such as environmental protection, product safety, labor rights, and interests of employees and other stakeholders.
2020	Shenzhen Stock Exchange	Rules on the Listing of Stocks on the Science and Technology Innovation Board of Shanghai Stock Exchange	It evaluates the disclosure of social responsibility performance by listed companies and mentions ESG disclosure for the first time.
2020	Shanghai Stock Exchange	Guidelines No.2 on the Application of Self-Regulation Rules for Listed Companies on SSE STAR Market-Voluntary Information Disclosure	In addition to general ESG information required in statutory rules, a company listed on the SSE STAR Market may further disclose ESG information specific to it based on the characteristics of its industry and businesses as well as its governance structure.
2021	CSRC	<ul style="list-style-type: none"> <li>· No. 2 Content and Format of Information Disclosure Guidelines for Companies Issuing Public Securities - Content and Format of Annual</li> </ul>	Integrate the content related to environmental protection and social responsibility into "Section V. Environmental and Social Responsibility".

Time	Issued by	Policy Documents	Main Contents
		Reports (Draft for Comments) · No. 3 Content and Format of Information Disclosure Guidelines for Companies Issuing Public Securities - Content and Format of Semi-Annual Reports (Draft for Comments)	
2021	PBoC	Guidance on Environmental Information Disclosure for Financial Institutions	The principles, form and content requirements of environmental information disclosure for financial institutions are systematically described.
2021	MEE	The Administrative Measures for the Legal Disclosure of Enterprise Environmental Information	It defines the basic contents of the legal disclosure of enterprise environmental information for five categories of enterprises, including a certain range of listed companies and companies issuing bonds.
2022	MEE	Guidelines for Legal Disclosure of Enterprise Environmental Information	It refines the content of the legal disclosure of corporate environmental information and standardizes the format of the legal disclosure of environmental information.
2022	Shanghai Stock Exchange	Rules Governing the Listing of Stocks on Shanghai Stock Exchange (Revised in January 2022)	They include CSR-related content for the first time, including incorporating social responsibility in corporate governance, requiring disclosure of corporate social responsibility information, and the possibility of mandatory delisting for damage to public interest. Listed companies should prepare and disclose non-financial reports such as social responsibility reports as required.
2022	Shenzhen Stock Exchange	Rules Governing the Listing of Stocks on Shenzhen Stock Exchange (Revised in 2022)	
2022	SASAC	The Work Plan for Improving the Quality of Listed Companies Controlled by Central Enterprises	It requires listed companies controlled by centrally-administered enterprises to implement the new development concept and explore the establishment of a sound ESG system. The work plan sets out a clear goal of promoting the disclosure of ESG reports of more listed companies controlled by central enterprises, with a view to achieving full coverage of ESG reporting by 2023.
2023	SASAC	Notice on Forwarding the “Research on ESG Special Report Preparation for Central SOE-Controlled Listed Companies”	From the three ESG dimensions, this framework establishes an indicator system consisting of 14 primary indicators, 45 secondary indicators, and 132 tertiary indicators, covering both basic disclosure and recommended disclosure items. It provides technical guidance for central SOEs and central SOE-controlled listed companies in preparing ESG reports.
2024	Shanghai Stock Exchange	Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)	Following the principle of double materiality, listed companies are required to make specific disclosures on material topics across four core areas: governance, strategy, impact, risk and opportunity management, and metrics and targets. According to the requirements, constituent companies of the SSE 180 Index, STAR 50 Index, SZSE 100 Index, ChiNext Index, as well as companies listed both domestically and overseas, must begin disclosing sustainability or ESG reports for the 2025 reporting year starting in 2026.
2024	Shenzhen Stock Exchange	Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation)	
2024	Beijing Stock Exchange	Continuous Supervisory Guidelines No. 11 for Companies Listed on Beijing Stock Exchange—Sustainability Report (For Trial Implementation)	
2024	CAPCO	Guidelines on Sustainability	Provides focused interpretation of overall sustainability report

Time	Issued by	Policy Documents	Main Contents
		Reporting for Listed Companies	requirements and specific disclosure requirements under each topic, introduces major international sustainability disclosure standards and rules, and offers examples of good disclosure practices for reference by listed companies.
2024	Shanghai Stock Exchange	Three-Year Action Plan on Improving ESG Information Disclosure Quality of Listed Companies on the SSE (2024-2026)	The plan sets out 17 specific initiatives across areas including disclosure capacity building, disclosure services and supervision, enhanced capital support, ESG evaluation and ratings, and ESG investment. The SSE will enhance listed companies' ESG disclosure capabilities and supervisory service effectiveness, continue to optimize the ESG disclosure system, and actively introduce digital tools and training services to provide a "toolkit" for ESG report preparation.
2024	MOF, MFA, NDRC, MIIT, MEE, MOC, PBoC, SASAC, NFRA	Corporate Sustainability Disclosure Standards – Basic Standards	Standardizes the basic concepts, principles, methods, objectives, and general common requirements for corporate sustainability disclosure, serving as the overarching framework for the development of specific standards and application guidelines.
2025	Shanghai Stock Exchange	· Guide No.4 for Self-Regulatory Supervision on Listed Companies of the SSE— Compilation of Sustainable Development Reports · Guide No.13 for Self-Regulatory Supervision on Listed Companies of the SSE STAR Market— Compilation of Sustainable Development Reports	These guidelines help listed companies better understand the Guide on Sustainability Reporting for Listed Companies and standardize report preparation. The content includes disclosure key points and examples, explanations of important concepts, main implementation steps, and reference indexes, aiming to promote stronger governance, improved management, and greater sustainability awareness, and to drive better disclosure through better practice.
2025	Shenzhen Stock Exchange	· Self-Regulatory Guidance No. 3 for SZSE-Listed Companies — Preparation of Sustainability Reports · Self-Regulatory Guidance No. 3 for ChiNext Listed Companies — Preparation of Sustainability Reports	These guidelines help listed companies better understand the Guidelines on Sustainability Reporting for Listed Companies and standardize report preparation. They include disclosure key points and examples, explanations of important concepts, main implementation steps, and reference indexes, with the aim of strengthening governance, improving management, and enhancing sustainability awareness.
2025	Beijing Stock Exchange	Continuous Supervisory Guidelines No. 11 for Companies Listed on Beijing Stock Exchange— Sustainability Report (For Trial Implementation)	Helps listed companies better understand the Guidelines on Sustainability Reporting for Listed Companies and standardize sustainability report preparation. The guidelines cover disclosure key points and examples, explanations of key concepts, main implementation steps, and relevant reference indexes, with the goal of promoting better governance and management and advancing disclosure through improved practice.
2025	General Office of MOF, General Office of MEE	Corporate Sustainability Disclosure Standard No. 1 – Climate (Trial) for public consultation	This exposure draft establishes a climate disclosure framework centered on governance, strategy, risk management, and metrics and targets. It requires enterprises to comprehensively identify and manage climate-related risks and opportunities, places particular emphasis on the accounting and disclosure of greenhouse gas emissions and other indicators, and introduces the principle of proportionality to enhance applicability.

Data Source: Compiled by China SIF

## Appendix 3 ESG Indices

Please visit: <https://www.syntaogf.com/products/csir2025>

## Appendix 4 Fund Products that Track ESG Indices

Please visit: <https://www.syntaogf.com/products/csir2025>

## Appendix 5 ESG Funds

Please visit: <https://www.syntaogf.com/products/csir2025>

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## Research Institution



SynTao Green Finance is a professional institution specializing in green finance and sustainable investment. For more than a decade, it has developed products such as the ESG Rating Database, the LEAP Platform, the PANDA Carbon and Climate Database, and the BIRDS Biodiversity Risk Database. Its data products and research outputs are widely applied in investment decision-making, risk management, policymaking, and the innovation and development of sustainable finance products.

With the vision of "Integrating Sustainability Factors Into Every Decision-making", SynTao Green Finance strives to act as an ESG practitioner, enabler, and advocate by supporting financial institutions' decision-making through ESG data services and promoting the sustainable development of China's ESG ecosystem through initiatives such as founding the China Sustainable Investment Forum (China SIF), co-initiating the China Climate Engagement Initiative (CCEI), publishing the annual *China Sustainable Investment Review*, creating ESG educational comics, and launching ESG Learning Platforms.

The China Sustainable Investment Forum (China SIF) is an international exchange platform focused on responsible investment and sustainable development. Founded in Beijing in 2012, it aims to promote responsible investment and environmental, social, and governance (ESG) principles, advance green finance, and support the sustainable development of China's capital markets.

As a member of the Global SIFs Network, China SIF has, since its inception, organized flagship events such as its Annual Conference, Summer Summit, and China SIF Week, along with a series of thematic seminars and panel discussions. These activities bring together domestic and international experts, researchers, responsible investment practitioners, financial institutions, and listed companies to share research findings, practical experience, and case studies, and to explore and advocate for responsible investment and green finance in diverse forms.

China SIF has released a range of landmark reports and research outputs, including the China Sustainable Investment Review. It also continues to support ESG thesis competitions and, together with partners and numerous industry experts, has co-developed the "ESG Online Classroom" series of video courses to promote ESG investment concepts and practices. Through years of sustained effort, China SIF has become a flagship platform in the field.



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**Supporting Institution:** AXA SPDB Investment

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