

Press release.



Green Credit Footprints of Chinese banks.

Beijing, November 22nd., 2013.

Green Watershed today releases its newest report the Green credit footprints of Chinese Banks. The organization reporting on banks is the first of its kind in China. The newest report makes an assessment of Chinese Banks their social and environmental responsibilities. Contents of the report are based on five years tracking and monitoring of 16 Chinese listed banks on their implementation of environmental responsible banking.

The recently announced reform by the new Chinese leaders, is aiming to achieve the ambitious objective of ecological civilization. To contribute to ecological civilization banks must play their part by investing in a social and environmental responsible way. The report shows that many improvements can be made in this respect. Regulation and supervision is needed for that. However, the government is considering a deregulation of the banking sector. This means that civil society organizations have to play an even bigger part in monitoring and assessing the banks' performance of their social and environmental responsibility, than they already do.

Xiaogang Yu, director of Green Watershed sees it as major gain for the environment that China has witnessed important progress in green credit in recent years. More and more banks are working on institutional innovations and policies in place have been improved. The research findings however show that banks to a different degree work with social and environmental policies. Unfortunate in the case of most banks implementation is lacking. For some banks it is found that they merely repeat the government's policy and slogans, and that their green credit policy and measures are basically conceptual instead of concrete rules. Some banks highlight the green measures they take, but keep silent about their environmental unfriendly loans to highly polluting sectors. As well most banks fail to meet the international standards for information disclosure.

More-over of many banks there is no information available at all, so it is not clear whether they address the green credit directive: there is no assessment made so far of the smaller and medium-sized banks in China, neither of the major policy banks, like the China Development Bank and China EXIM Bank, nor foreign banks like Citicorp, that holds several local offices in China.

The Green credit policies originally aimed at diverting bank investments in China away from heavy polluting sectors and projects in to a more green direction. Since 2007, when China's State Environmental Protection Agency (SEPA), the People's Bank of China and the China Banking Regulatory Commission (CBRC) jointly issued their China Green Credit Policy, the pressure on the policy level made the Chinese banking sector acknowledge its environmental responsibility. Some banks do better care than others though.

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Green Watershed is an environmentalist organization, well-known in and outside China. Director Dr. Yu Xiaogang is the winner of the Goldman Environmental Prize, 2006. In 2011 Green Watershed was awarded with the SEE TNC Ecological Award.