



Lead by Example to Promote Sustainability Practices of central SOEs in China



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Why should SOEs lead by example in advancing sustainability?



SOEs
Lead by
Example

1

A due responsibility to act in the interest of the whole people

National Goals: Carbon Peak before 2030, Neutrality before 2060
Build no new coal-fired power project abroad since Sep.2021

2

An essential role in low carbon transition

70% assets are in coal, oil and petrochemicals, metallurgy, building materials, and power generation

3

A necessary choice to keep ahead in the green future

Green growth strategy is the key to win future competition



SASAC Policies

In line with national policies

Green Supply Chain

GUIDELINES FOR THE CONSTRUCTION OF GREEN AND LOW-CARBON SUPPLY CHAINS BY CENTRAL SOES (TRIAL)

Overall Plan

WORKING GUIDANCE FOR CARBON PEAKING AND CARBON NEUTRALITY TO PROMOTE HIGH QUALITY DEVELOPMENT OF CENTRAL SOES

2021.11

Practical Guide

GUIDE FOR THE COMPILATION OF CARBON PEAKING ACTION PLANS FOR CENTRAL SOES

2022.08

Emission Disclosure

SUSTAINABILITY DISCLOSURE STANDARD FOR ENTERPRISES NO. 1 — CLIMATE (FOR TRIAL IMPLEMENTATION)


2025.12


2026.03

How has SASAC been acting?---Setting ambitious and clear GOALS



2025

✓ ↓ **15%** from the 2020 level
of energy consumption/10,000RMB output 

✓ ↓ **18%** from the 2020 level
of CO2 emissions /10,000RMB output 

✓ **50%+** Renewables



**Installed Power
Generation Capacity**

2030

Carbon Peak

↓ **65%** from the 2005 level
of CO2 emissions /10,000RMB output

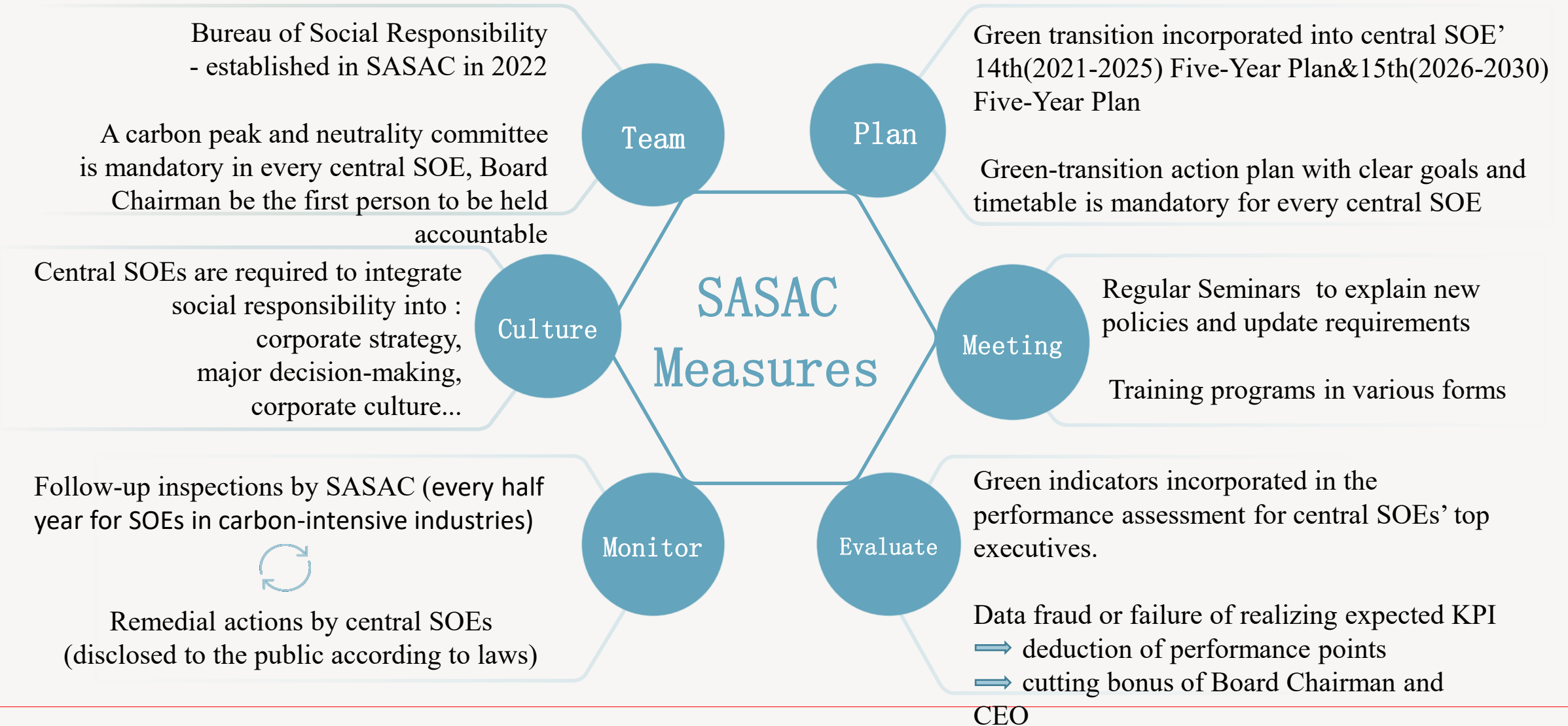
2060

Contribution to
China's
Carbon Neutrality

Setting
Goals

ambitious & clear

How has SASAC been acting?---Taking effective **MEASURES**



How have SOEs been acting?

Sound Governance

- * Board members with ESG expertise--**99.4%** central SOEs' board have ESG background
- * ESG committee at board level--ESG committee adopted in **59.2%** listed companies of central SOEs
- * Low carbon transition committee--low-carbon transition committee adopted in **100%** central SOEs



SOE
Actions

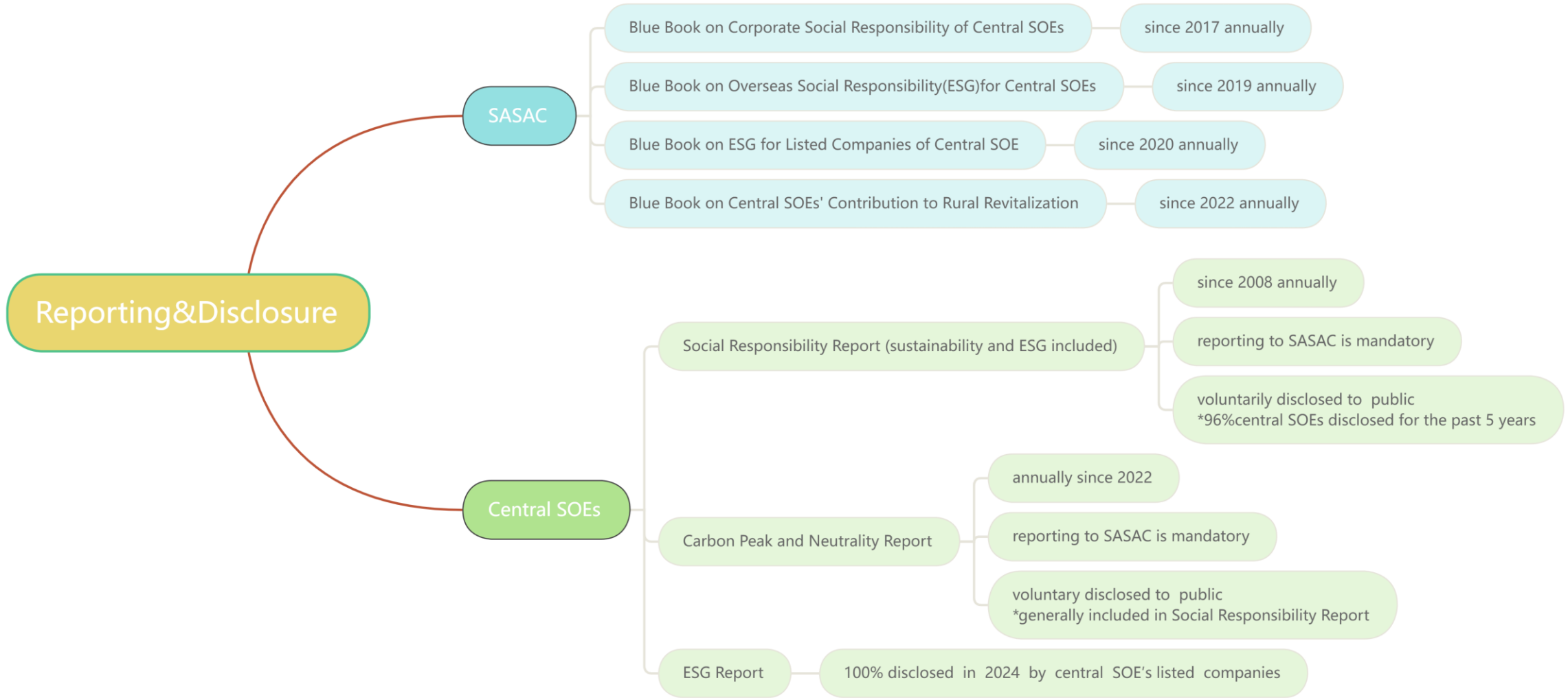
Strategy & Implementation

Internal oversight & Evaluation

- * Low-carbon transition as the key factor for major investment decisions
- * Tasks had been broken down from top management level to front line teams
- * Supportive measures: Low-carbon research institutes established, etc.

- * CO2 emission monitoring and calculation measures and tools adopted
- * Regular internal inspection on subsidiaries
- * Carbon-reduction KPIs had been set for subsidiaries, and had been incorporated into annual performance assessment

Reporting and disclosure



What we have achieved?--Emission reduction, Green Investment and Supply Chain



Reduce Emission from Own Operations

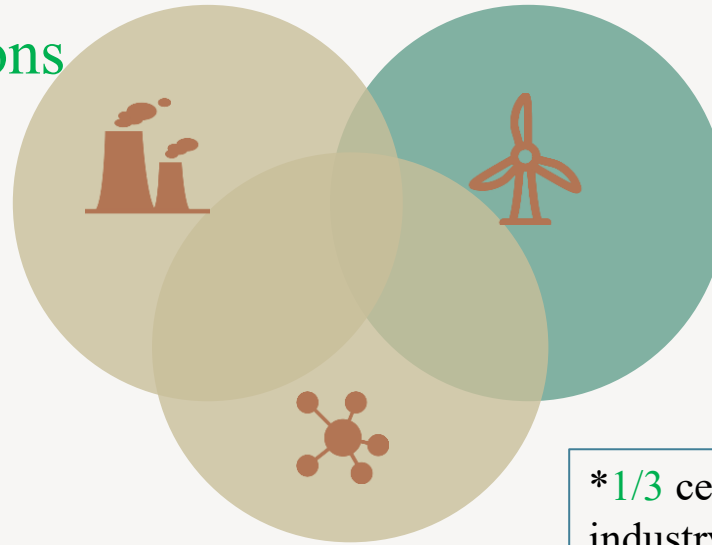
Carbon-heavy Capacity Retired(2016-2022)

Steel: 16.44 million tons

Coal: 119 million tons

Upgrade Traditional Industries

eg: Low-carbon Metallurgy adopted in Steel production, cutting 60% CO2 emission VS traditional process



Invest in Green Industries

Investment in Green Industries
average annual growth rate: 20%+

China Resources Recycling Group
established in 2024

* 1/3 central SOEs invest in hydrogen related industry

* 59%+ installed power capacity from clean energy

Built Green Supply Chain

eg: Entire Lifecycle of Power Batteries (China Minmetals Group)
Battery waste → Metals recovery → Green cathode materials to produce new batteries

eg: Green Procurement for Construction(China State Construction Engineering Corporation)
Issues Carbon Footprint Calculation Certificate to suppliers

eg: Green Maritime Transport (COSCO SHIPPING)
New& clean energy vessels in new shipbuilding orders and new capacity exceeded 30%

What we have achieved? --Example of Traditional Industry Upgrading



China's first million-tonne-level **Near-zero Carbon Steel** Production Line

Cutting 3.14 million tons CO₂/year = Planting 2,000 km² of forests



Hydrogen Metallurgy

Green Hydrogen ✓ VS Coke ✗

↓ 2500 Tons CO₂ / Day

↓ Fossil Fuel Dependency

Electric Smelting

Electric Furnace ✓
VS
Blast Furnace + Basic Oxygen Furnace ✗

↓ 40% Production Process

↓ 80% CO₂ Emission

Continuous Casting Line

Produce **1.8 million tons** low-carbon-emissions slabs per year, meeting **EU standards**

What we have achieved? --Example of Investing in Green Industry



World's Largest Integrated **Green Hydrogen**, Ammonia and Methanol Project

Cutting 1.16 million tons CO₂/year = Planting 150 million trees



100% Green



2.23GW + 17MW



Hydrogen: 45,000 metric tons /year
Ammonia&Methanol : 200,000 tons/year

Production equipment
adapting to load fluctuations
ranging from 30% to 110%

+

Hydrogen Buffer Storage



Tackles a major renewable energy
challenge — the mismatch between
volatility of renewable energy and the
steady operating requirements of
industrial chemical plants.

Green chemical raw materials and clean fuels





Thanks



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