

SDIC Green Finance Report 2022

I. Summary of Green Finance in 2022

The State Development and Investment Group Corp., Ltd (SDIC), founded in 1995, is an important state-owned backbone enterprise under the direct supervision of the central government. SDIC is officially converted into a state-owned capital investment company since June 2022. The registered capital of SDIC is 33.8 billion RMB yuan. By the end of 2022, SDIC has total assets of 796 billion RMB yuan with approximately 50,000 employees. In 2022, SDIC realized a total revenue of 211.4 billion RMB yuan and a profit of 23.0 billion RMB yuan. SDIC has been awarded A-Class in the annual performance assessment conducted by SASAC for 18 consecutive years and appraised as *Excellent-Performing Enterprise* for six consecutive terms.

Since its establishment, SDIC has always adhered to the concept of green development, constantly optimized the layout of its state-owned capital, enhanced industrial competitiveness, played a leading role of state-owned capital in important industries and key areas in order to preserve and appreciate the value of state-owned capital. In recent years, SDIC has adhered to green development and serving the national strategy. It has focused on new energy and environmental protection industries, through the innovation and application of green and low

carbon technologies. It has actively built green and low carbon systems and culture by maximizing the strategic supporting role of state-owned capital in the transformation initiatives and demonstrating the responsibility of state owned enterprises.

1. Green Bond Issuance and Maintenance

In April 2019, SDIC issued *SDIC Green Financial Framework*, formally regarding green finance as an important part of SDIC's development of green ecological and pro-environmental economy and showing its guiding role in sustainable investment in pro-environment and sustainable development projects and other emerging green industries.

In May 2019, SDIC obtained the certificate from green bond evaluation agencies such as Sustainalytics and HKQAA (Hong Kong Quality Assurance Agency) and successfully issued 5-year green financial bonds of 500 million USD, which was mainly used for the equity acquisition project of China Water Environment Group.

Since 2020, SDIC has issued *SDIC Green Finance Report* in the middle of each year, revealing its overall plan of green economy in the past year to the capital market and investors with a view to conveying its willingness to green and low-carbon transformation, high-quality development in both domestic and overseas

markets. It also shows the practical achievements of SDIC in the field of sustainable development industries.

2. Green Credit Cooperation

In June 2017, SDIC and the Asian Development Bank (ADB) jointly launched and implemented the ADB loan *Insurance Investment and Financing Promotion Project for the Prevention and Control of Air Pollution in Beijing-Tianjin-Hebei Region (Phase I)*. The loan period of Phase I is 15 years, with a total amount of 458 million Euro. China Investment and Financing Guarantee Co., Ltd.(I &G), a subsidiary of SDIC acted as the executive agency to provide financial services such as credit enhancement, investment and financing to projects covering energy conservation and emission reduction, clean energy, green transportation, waste energy utilization in Beijing, Tianjin, Hebei and the surrounding eight provinces, cities and autonomous regions. The loan of 458 million EUR for the Phase I has been fully drawn in July 2022, and closed in September 2022 as planned. By the end of 2022, aggregated loan drawdown under Phase I has reached 3.635 billion RMB yuan to support 52 sub-projects. 1,632 sub-projects have been guaranteed, with a total guarantee amount of 3.107 billion RMB yuan. The above-mentioned 1,684 sub-projects brought about a total investment of 14.327 billion RMB yuan, covering all project target regions and fields. The commissioned sub-projects are expected to reduce coal consumption by 1,608,600 tons and gasoline consumption

by 315,000 tons per year, carbon dioxide by about 3,934,900 tons, with 29,400 tons of sulfur dioxide, 83,600 tons of particulate matter and 7,611 tons of nitrogen oxide each year.

In December 2020, on the basis of the cooperation of Phase I, ADB approved the *Air Pollution Prevention and Control Project for Beijing-Tianjin-Hebei Coordinated Development (Phase II)*, with total loan amount of 127 million Euro. Four provinces and cities in the Yangtze Delta Region have been added to the target regions, and clean air bonds have been added in the investment portfolio. In March 2021, ADB Phase II project agreements with the Ministry of Finance, the SDIC and I&G respectively. In May 2021, the Ministry of Finance, SDIC and I&G signed the Second-Phase Trans-loan Agreement of the ADB Project. In June 2021, the Phase II projects began to implement. By the end of 2022, 74 million Euro loan was in place with 3 sub-projects completed, including 1 guarantee project on clean air bond, with guarantee amount of 347 million RMB yuan and 2 entrusted loans projects for green transportation, with amount of 353 million RMB yuan. The above 3 projects will drive social investment of 1.507 billion RMB yuan.

The Phase I & II undertaken by I&G, a subsidiary of SDIC, have played an leading role in driving social capital to invest in green and low-carbon industries, and have

been highly appraised by relevant domestic and foreign institutions. The invested projects have won the following awards:

◆ The First prize of *Typical Cases of Carbon Peaking and Carbon Neutrality Action in 2022 selected by SASAC* ;

◆ *Guangying Household Farmer-Benefiting Photovoltaic Sub-project* won the special case award of the 4th (2021) China Financial Annual brand *Zhongrong Inclusive in China*, and successfully entered the list of *Typical Cases of Inclusive Finance in China (2022)*;

◆ *Weineng Green Battery Asset-backed Bill* won the 7th CNABS Asset Securitization Golden Award.

For the next step, SDIC will continue to implement the green development strategy and push investment and development of green and low-carbon projects through the ADB platform, so as to attract social capital and all parties to contribute to the prevention and control of air pollution and the goals of carbon peaking and carbon neutrality.

3. New Energy Project Plans

On the basis of green development philosophy, SDIC Power Holdings Co., Ltd. (hereinafter referred to as SDIC Power) will adhere to the path of ecological priority, green and low-carbon development. It will serve the national strategic

goal of carbon peaking and carbon neutrality, actively deploy new energy projects at home and abroad. It will improve the installed capacity of new energy projects in 23 provinces, municipalities, and autonomous regions, as well as countries along the B & R regions and OECD countries. In terms of promoting overseas business layout, SDIC Power has invested in 10 overseas projects in Scotland UK, Sweden, Thailand and other countries, including offshore & onshore wind power, garbage generation etc. SDIC Power cultivates the domestic market, optimizes and expands new domestic energy projects. By the end of 2022, the installed capacity of wind power and photovoltaic power has reached 2949.4MW and 1654MW respectively.

To actively adapt to the development trend of new power system, climate change-related policies and operational risks, SDIC Power reduced carbon emission through energy conservation and environmental protection transformation, for energy efficiency and exploring the layout of green power and carbon sink. In the field of energy conservation and environmental protection, SDIC Power increased its investment to 89.394 million RMB yuan in energy conservation projects in 2022, 693.509 million RMB yuan in environmental protection projects.

In terms of low-carbon operation and management, three emission-control enterprises under SDIC Power participated in carbon market transactions in 2022,

by completing transactions of 1.67 million tons with a transaction value of 69.39 million RMB yuan. The subsidiary Guangxi Wind Power carried out the first green power transaction of the affordable new energy project and successfully completed the settlement, with the actual transaction volume of 17.99 million kWh. The subsidiary Gansu Electricity Sales Co., Ltd. signed a forestry carbon sink resources project development cooperation agreement with Gansu Zongsheng Trading Co., Ltd. to explore possibility of carbon dioxide emissions and forest carbon sink ecological compensation mechanisms.

II. Report on the Allocation of Green Financial Bond Fund

1. Details of Green Bond Issuance

On May 14th, 2019, SDIC issued a five-year green financial bond of 500 million USD, with the following conditions:

SDIC \$500 million 5-year Green Bonds	
Issuer	Rongshi International Finance Co., Ltd.
InterestDate	May 21, 2019
Currency	US Dollar
Term	5 years
Amount	500,000,000.00
Maturity date	May 21, 2024
Repayment of principal	repay principal at maturity
Coupon Rate	3.25%
ISIN	XS1989704843

2. Distribution of Funds Raised

At the end of 2018, SDIC acquired a 43% stake in China Water Environment

Group through its wholly-owned subsidiary Rongshi International Holding Co., Ltd., and became the single largest shareholder of the company. In May 2019, after the green bond issuance, SDIC used the funds to replace the M&A loans for acquiring CWEG.

As of the reporting date, the use of SDIC’s 5-year 500 million USD green financial bond funds is as follows:

Green Category	Project	Project Name	Amount (USD)	Completion time
Sustainable Resources Wastewater Management	Water and	China Water Environment Group M & A loan Replacement	500,000,000.00	May 2019

III. Report on Green Bond Influence

1. Introduction of China Water Environment Group (CWEG)

China Water Environment Group (www.cwewater.com) is a professional company engaged in investment, design, construction and operation of water environment, and is a leading operator of Ecological Sunken Recycled Waterworks with large water treatment scale and advanced technology in Asia. By the end of 2022, the business layout of CWEG covered 21 provinces and cities across the country, with more than 80 subsidiary companies and more than 3000 employees. The total investment in water environment treatment projects exceeded 35 billion RMB yuan, with over 3.0 million tons per day treatment

capacity, about 35 million people served, covering about 22,900 square kilometers.

In 2019, the Ministry of Ecology and Environment issued the *Catalogue of National Advanced Pollution Prevention and Control Technologies (Water pollution Prevention and Control Field)* (Ministry of Ecology and Environment Bulletin No. 2, 2020). Two technologies of CWEG were selected in the catalogue. Among them, *Intensive Construction and Resource Utilization Technology of Ecological Sunken Reclaimed Waterworks* as the only selected sinking technology has been introduced to the whole country. The 13th Five-year Plan major water special project, *Underground Sewage Treatment Plant Construction Mode Innovation and Ecological Complex Demonstration*, led by CWEG, was awarded *Demonstration Base for the Transformation of 13th Five-year Heavy Flood Special Achievements* by the Ministry of Housing and Construction.

In January 2020, the *Technical Guide for Urban Underground Sewage Treatment Plants* led by the Ministry of Housing and Construction and the Ministry of Ecology and Environment was formally implemented nationwide.

In December 2020, CWEG's *Intensive Construction and Resource Utilization of Ecological Sunken Reclaimed Waterworks* was selected into *Green Technology Promotion Catalogue of the National Development and Reform Commission, the Ministry of Science and Technology, the Ministry of Industry and Information*

Technology and the Ministry of Natural Resources. By then, the proprietary technology of CWEG's *Ecological Sunken Recycled Waterworks* had been recognized by ministries, and had become one of the eight major technologies for infrastructure green upgrading. Its leading position in the industry has been further confirmed. In the same year, CWEG won the Second Prize of National Technological Invention.

In 2021, CWEG established the Green and Low Carbon Water Environment Research Center, a joint venture between the CWEG and the first comprehensive national technology innovation center - the Beijing-Tianjin-Hebei National Technology Innovation Center, was built to be a professional platform for technology research and development, talent cultivation and industry incubation in water environment, which would provide strong support for the green and high quality development of the Beijing sub-center, and provide replicable experience for future transformation of national scientific and technological achievements.

In 2022, CWEG, as the only Chinese water company, won the 2022 International Water Association (IWA) Innovation Award. Its scientific and technological innovation achievements of years of hard work have been recognized by the world. China Water Environment Group also won the first prize of Environmental Technology Progress Award of China Environmental Protection Industry

Association. Since the establishment of this award, it is the first time that an enterprise has taken the lead and won the award in the field of water pollution prevention and control; it has won the first prize of Beijing Science and Technology Progress Award. Its innovative technology was selected into the 2022 "Innovation China" leading technology list; the distributed sinking recycled water ecosystem technology system won the Excellence Award in the Disruptive Technology Innovation Competition of the Ministry of Science and Technology.

2. Effectiveness and Performance of Water Treatment in CWEG

In 2022, CWEG treated more than 1.0 billion tons of sewage, representing over 5% year on year growth. It has landed the EOD project of Hohhot Water Ecological Science and Technology City in Hohhot, and the commissioned operation project of 2023 China Sewage Treatment Plant of Maotai Liquor Co., Ltd. in Maotai Town, Guizhou Province, realizing the innovation of business model and the breakthrough of industrial wastewater. Centering on the major needs of the national campaign for the prevention and control of water pollution, CWEG has long been committed to the transformation and application of scientific and technological achievements and striving to build R & D-Design-Build-Operation and Maintenance. A scientific and technological innovation platform integrating production, learning, research and use, relevant patented technology and innovative R & D technology achievements have been widely

used in municipal sewage treatment and black and smelly water treatment.

In the field of technology application, CWEG has adopted Ecological Sunken Recycled Waterworks in key cities such as Beijing, Shanghai, Chengdu, Ningbo, Dali and Guiyang. If we only consider the Ecological Sunken Recycled Waterworks that has been put into operation, it has saved a total of about 1200 mu of land, completely changed the malpractice of odor pollution and occupied a large area of land in traditional surface sewage treatment plants. The Project has greatly improved the urban environment and the well-being of residents, highly recognized by the government. Reuse of reclaimed water is carried out in key areas such as Beijing, Sichuan and Guizhou, and water source heat pump is adopted to heat the waterworks, giving full play to the advantages of land intensive, resource reuse and environment-friendly of the Ecological Sunken Recycled Waterworks.

In the field of technological innovation, CWEG has several innovation platform such as the National Engineering Laboratory Urban sewage Advanced treatment and Resource Utilization (the only national laboratory in the sewage field), the National Urban Sewage Treatment & Resource Engineering Technology Research Center, Sino-German Joint Research Center on Water Environment& Health, Sino-Dutch Water Treatment Technology Research Center, Beijing Municipal

Enterprise Technology Center, Beijing Municipal Research & Development Institution and Beijing Intellectual Property Demonstration Center. In recent years, CWEG has taken the lead in the national 13th Five-year Plan major water project *Underground Sewage Treatment Plant Construction Mode Innovation and Ecological Complex Demonstration* as well as a number of major research projects of NDRC and the Municipal Science & Technology Commission, with a financial allocation of more than 30 million RMB yuan. Its core technology has won national, provincial and ministerial awards, including the National Technology Invention Award, the Environmental Protection Science and Technology Award, the Huaxia Construction Science and Technology Award, and the Guangxi Science and Technology Award.

3. Key Technology Patents and Representative Projects of CWEG

At present, CWEG has five key technology IPR in sewage treatment and river environment treatment: HBR high-efficiency and low-consumption biofilm treatment system, HERO high-efficiency biological deodorization system, Trend high-efficiency and low-consumption sludge low-temperature drying technology, intelligent waterworks and environmental ecology IoT intelligent system, Cwater intelligent township sewage treatment integrated equipment system. Focusing on the innovative technology system of *Ecological Sunken Recycled Waterworks*,

CWEG introduced a new urban-scale distributed sewage treatment and resource utilization planning model. Based on the sunken recycling water plants, a multi-source, multi-level water supply system for urban rivers was created, and a hydrodynamic-water quality model was constructed for a complete water quality improvement, water hydrodynamic improvement and water ecological restoration system. The technological achievement has been evaluated as international leading in the industry, which has effectively promoted the technological progress of the industry and provided Chinese solutions for the construction of urban ecosystem and the development of green and high quality cities.

By the end of 2022, CWEG has more than 367 patents. Its *Intensive Construction and Resource Utilization Technology of Ecological Sunken Recycled Waterworks* has been selected into the green technology promotion catalogue of four ministries (NDRC, MST, MIIT and MNR) in 2020. The *Efficient and Land-saving HBR Biofilm Sewage Treatment Technology* successfully passed the assessment conducted by China Environmental Protection Industry Association, and was successfully included into the list of key technologies for environmental protection in 2018 as well as the recognition of *Beijing New Technology and New products (Services)*; The *Urban Sewage Super-clean Treatment Process System* and *Sinking Urban Sewage Treatment Space Comprehensive Utilization System* have respectively won the 7th and 9th batches of new technology and new products

(services) in Beijing; Its Underground Sewage Treatment and Recycling Project of Qingshan, Guiyang, Sewage Treatment Plant Phase I Project of Nanxiang, Jiading, carbon packing biological deodorization technology, efficient and land-saving HBR biofilm sewage treatment technology have been selected as the key environmental protection practical technology and demonstration projects from 2017 to 2020. The efficient and land-saving HBR biofilm sewage treatment technology was selected in the List of the First Major Technical Equipment (Set) of Beijing (2021) organized by Beijing Development and Reform Commission. Only three companies in the environmental protection field were selected.

CWEG has taken the lead in making a number of technical standards, as well as the scientific and technological development direction of water treatment in China and even in the world. At present, there are a total of 15 national-level demonstration projects including the Lake Management Project of Erhai Plateau in Dali, Guiyang Nanming River Basin Water Control Project, the first Sunken Recycled Waterworks and Luxi River Environmental Treatment Project in Tianfu New area of Chengdu , Sichuan Province, Bishui Submerged Recycled Waterworks of Tongzhou, Beijing (the model of in-site sinking non-stop production reconstruction and expansion, using Chinese technology to replace American technology), Nanxiang Sunken Reclaimed Waterworks Project in Jiading Area, Shanghai and so on. (see Appendix for details)

Appendix: Typical Cases of CWEG

1. Comprehensive Environment Management Project of Intercepting Sewage around Erhai Lake in Dali

The project is one of the second batch of national PPP demonstration projects. It is also the PPP demonstration project for mechanism & technological innovation and income sharing introduced by the Ministry of Finance. There will be a new 231km sewage interception main pipe around the lake, 6 high-quality sunken reclaimed water plants, 12 lifting pumping stations, sponge farmland and ecological ponds, with a long-term total size of nearly 120,000 tons per day and a service area of 66.41 square kilometers. The main indicators of its reclaimed water reach Surface Water Standard IV, which can be further purified by fishponds and reused for farmland irrigation to solve effluent purification in Erhai Lake. The six sinking plants can save about 160 mu of ground space and reduce the impact on the surrounding environment by about 1400 mu. On the ground of the waterworks, rechargeable parking spaces, traffic transfer stations, ecological observation stations, comprehensive tourism service centers will be built, and in the remaining space, an international standard zero emission Eco Hotel will be built, which integrates water management with green development.



(General Secretary Xi Jinping visited Erhai Lake in 2015 and requested that Erhai Lake should be protected like eyes. He wished that when he came back in a few years, the water would be cleaner and clearer.)



(On February 25th, 2019, Vice Premier Han Zheng inspected the Shuanglang Reclaimed Water Plant of the Group and fully affirmed the contribution made by China Water Environment Group to the conservation of Erhai Lake.)

2. Comprehensive Management Project of Water Treatment in Nanming River Basin of Guiyang

Comprehensive management project in the basin of more than 120km of the main stream of the Nanming River and its five tributaries, serves a population of 3.5 million in an area of 6600 square kilometers. It has built 16 new waterworks as well as rebuilt or expanded 5 waterworks with a total scale of 1.1 million tons. The project passes through densely populated areas with complex geological conditions. CWEG has successfully adopted the innovative planning concept of moderate concentration, local treatment and local reuse. It can save about 1.1 billion RMB yuan in pipe network investment, 1053 mu of land, six months of construction period and 160 million square meters of ecological water supply per year for the Guiyang Municipal Government.



(Chen Miner, Then Secretary of the Guizhou Provincial CPC Committee, and Chen Gang, Then Secretary of the Guiyang Municipal CPC Committee, inspected the project on August 24th, 2016. Chen Miner said that it was

necessary to comprehensively promote the construction of ecological civilization in the province with exemplary forces.)

3. Sunken Reclaimed Waterworks and Environmental Treatment of Luxi River in Tianfu New Area of Chengdu

It is Chengdu's first PPP model water environment improvement project and the first submerged sewage treatment plant. The MoF and the government of Sichuan Province listed this project as dual demonstration project for the cooperation between the government and social capital, with an investment of 850 million RMB yuan (including the construction of the main sewage interception pipe for nearly 10 kilometers). The planned scale is 260,000 tons / day, and the project's design scale is 100,000 tons / day. It covers a total area of 85.5 mu, serves 260,000 people in an area of 55 square kilometers. The main indicators of reclaimed water reach Surface Water Standard IV, and the reclaimed water is used for ecological replenishment of Luxi River and municipal water system in Chengdu Science City.

It will serve many purposes. Water environment science pavilions, urban ecological parks, leisure and sports venues for citizens and children's entertainment facilities will be built. With comprehensive utilization of underground space, including comprehensive pipe corridors and underground parking lots, 496 public parking spaces for major industries such as Tianfu Huaxi Hospital are provided, which will save 330 mu of land.



(On April 9th, 2019, Li Zhanshu, Chairman of the National People’s Congress, visited the first sunken reclaimed water plant in Tianfu New District, where he spoke highly of the advanced technology and innovative model of the Group's sunken reclaimed water plant.)

4. Bishui Submerged Recycled Waterworks of Tongzhou, Beijing

Bishui Submerged Recycled Waterworks of Tongzhou is only 2.2 kilometers away from the city's sub-central core area. It undertakes 84% of the sewage treatment tasks in the built-up area of Tongzhou city. The treatment scale is 180000 tons / day, covering an area of 110mu and saving 213mu of land. The outbound water is mainly used for replenishment of Xiaotaihou River, water consumption of Tongzhou Universal Studios, landscape water of above-ground forest park of sewage treatment plant, city gardening and industrial cooling water, etc.

Bishui Landscape Park covers a total area of about 104,000 square meters, including green space area of 68,000 square meters and water area of 2500 square meters. In the underground space, a social service platform for water science and technology innovation and a popular science education exhibition hall are built, which integrate sewage treatment facilities with ecological landscape and public services, with a view to realizing a benign circle between city infrastructure and urban development.



5. Sunken Recycled Waterworks of Nanxiang, Shanghai

The project is the only PPP demonstration project in Shanghai in 2015. It's the first sunken reclaimed water plant in East China and the first fair-faced concrete sunken reclaimed water plant in China. Its scale is 150,000 tons / day, with the first phase at 100000 tons / day. It serves 397,000 people and covers an area of 36.1 square kilometers, including 8 communities such as Nanxiang Old Town and New Town. The main indicators of reclaimed water reaches Surface Water Standard IV, the highest standard in Shanghai. The reclaimed water is used to replenish the ecological water of the seaweed Bang river.

The project is mainly divided into three parts, the ground landscape park, the popular science museum featuring water environment (the first in East China), and the underground sewage treatment layer. The project covers a total area of 11.32 hectares (about 170 mu) , of which the first phase covers an area of 30,000 square meters (about 45 mu). It saves more than half of the land area compared with conventional aboveground waterworks. On the ground of the project, there are public service facilities such as water science education hall and ecological park, which form a water ecological complex with the characteristics of Jiading water village. The project is also an industry-university-research cooperation platform for the joint venture between CWEG and Shanghai Jiao Tong University.



6. Guang'an Clean Water Management (PPP) Project

This is the first regional, trans-basin, urban and rural comprehensive water project in China. It includes the protection of drinking water sources, sewage treatment and resource utilization. It covers the Xiyanchi, Xixi River and other two mother rivers in Guang'an City (one city, two national-level parks, three counties and 108 towns). Through persistent implementation of water management, the water quality in Guang'an has 100% met the national standard for drinking water. The water quality of the Jialing River outlet reaches Class II or above. The water quality of the Qujiang, Dahonghu and Yulin rivers outlet reaches Class III or above, which have contributed to the building of a strong ecosystem for the upper reaches of the Yangtze River. This project is the first PPP project for the comprehensive treatment of water in urban and rural areas across the river basins in China.



7. Yantaqiwang Sewage Disposal Plant

Yantaqiwang Sewage Disposal Plant, an important link of Xi'an Zaohe River Basin treatment, is the safeguard project of the 14th National Games, and is important to ensure the water quality for the 14th Water Sports Games. Total capacity of the water plant is 50,000 m³/day, with a service area of 11 km², and a population of 130,000. The water plant is located in Yannan Park in the upper reaches of Zaohe River. Through the overall construction above and underground, the land use index of underground treatment facilities is reduced to 4.6 mu/10000 m³. The open landscape is added to the on-the-ground park, which improves the residents' experience of the park and enhances the living standard of the citizens. The main indicator of outbound water reaches the standard of class IV of surface water. The recycled water will be used for ecological water supplement of Zaohe River and water supply of landscape water system and green space watering in Yannan Park. The annual fresh water consumption will be saved by nearly 20 million tons. Renewable water plant equipped with water recovery system can provide heat supply and refrigeration for the water plant and buildings in surrounding areas. It can save 2 million RMB yuan power cost, more than 1,000 tons of standard coal, and reduce more than 800 tons of carbon emissions, which fully utilize different resources for recycling.

The Water Plant has a side project - the Water Science Hall of Xi'an City. The Hall

popularizes water science and technology, and promotes the harmony between human and water through the demonstration and publicity of the unification of water environment, water ecology, water culture and water economy.



8. Hohhot Future Water Ecological City EOD Project

The total investment of the Hohhot Future Water Ecology EOD project is CNY4.679 billion. China Water Environment Group was successfully selected as the high-quality social partner of the project in April 2022. The project was selected as the second batch of EOD model pilots by the Ministry of Ecology and Environment, marking the successful practice of CWEG's EOD model innovation. Hohhot, as a key city for the B & R Initiative and the bridgehead for the construction of the China-Mongolia-Russia Economic Corridor to open to the north, is a key area for ecological protection and high-quality development in the Yellow River Basin.

The project is planned and implemented in a unified way through EOD model. Relying on the income generated by the reclaimed water plant to provide public services such as reclaimed water and energy for the industrial park and its surrounding areas, it realizes the long-term mechanism of combining environmental management and income compensation, which could be the resources of the ecological environment.

The project serves an area of nearly 100 square kilometers and a population of nearly 1.5 million, realizing 100% utilization of water resources, land resources and green energy. This project is a national EOD demonstration pilot project to

promote the high-quality development of ecology in the Yellow River Basin. Through the reconstruction and sinking of the water plant, the adverse impact of the sewage plant on the surrounding areas can be completely eliminated, and the value of the surrounding land and the overall environmental value of the region can be enhanced.

The Hohhot Future Water Eco-City project has realized the effective integration of water plant construction and "water eco-city", which is of exemplary significance for further promoting the construction of ecological civilization and the realization of carbon peaking and carbon neutrality. This has also played a positive role in improving sanitation infrastructure, and the appearance of urban and rural environments so as to attract more investment and develop the local economy.



