CNGR Green Financing Framework



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to ensure full compliance with these items set in our Code of Conduct, as they in turn apply those to their own suppliers who provide goods and services to them. For CNGR, we will consider these items in our selection of suppliers and will actively monitor their compliance. Any violation of the Code of Conduct may damage the business relationships between suppliers and CNGR, and even lead to the termination of business relationship.

Code of Conduct has referenced to internationally recognized standards: Ten Criteria for the United Nations Global Compact, Convention on the Rights of Children, Minimum Working Age Convention, International Labor Standards, UN Convention against Corruption, Guidelines for the Safety and Health of the International Labor Organization and etc. It summarizes the expectation and requirement of CNGR responsible behaviors including labor and human rights, health and safety, environment protection and ethics. Our Code of Conduct is publicly available at http://cngrgf.com.cn/Upload/Template/web/Files/202107/751c5ab8-02c9-44fa-8c6f-d3731c246d19.pdf.

4. CNGR Green Financing Framework

The purpose of the Framework is to ensure the CNGR Green Bonds and Green Loans are in alignment with the Green Bond Principles issued by the International Capital Market Association and the Green Loan Principles jointly published by the Loan Market Association, Asia Pacific Loan Market Association and Loan Syndications and Trading Association. This Framework contains four key pillars:

i Use of Proceeds

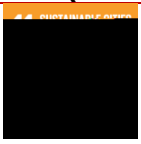
ii Process for Project Evaluation and Selection

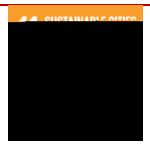
iii Management of Proceeds

iv Reporting

i Use of Proceeds

An amount equal to the net proceeds from any Green Bonds and / or Green Loans (collectively referred to as **Green Financing Instruments** CNGR (or any of its subsidiaries) will be allocated to finance and / or refinance, in whole or in part, new or existing eligible assets

Eligible Green Categories	Eligibility Criteria	United Nations Sustainable Development Goals (SDGs)
Clean Transportation	• Research & development and acquisition, construction, maintenance and upgrade of facilities, and equipment dedicated for the manufacture of raw materials dedicated to the development of electric vehicles and	

	energy storage, including ternary precursor and nickel	
Circular Economy	• Research & development and acquisition, construction, maintenance and upgrade of facilities, equipment or infrastructure dedicated for recycling of end-of-life battery	
Renewable Energy	• Acquisition, installation, maintenance and upgrade of renewable energy generation facilities and equipment, including solar and wind	
Energy Efficiency	• Acquisition, installation, maintenance and upgrade of the energy efficient equipment in the building, such as energy efficient air conditioning system, heating ventilation, lighting systems and windows. Such project shall achieve at least 20% improvement in the energy efficiency	
Sustainable Water and Wastewater Management	• Construction, maintenance and upgrade of facilities, equipment or infrastructure dedicated for collection, treatment, recycling or reuse of wastewater	
Pollution Prevention and Control	• Acquisition, construction, maintenance and upgrade of facilities, equipment or infrastructure dedicated for waste management activities such as waste prevention, reduction and recycling	

CNGR commits to not knowingly allocating the net proceeds from Green Financing Instruments to any fossil fuel dedicated projects. Where relevant, the Eligible Assets shall comply with CNGR which is detailed in section 3 of the Framework and the relevant local environmental and social regulations.

ii Process for Project Evaluation and Selection

The Process for Project Evaluation and Selection ensures that the net proceeds of the Green Financing Instruments are allocated to projects that meet the eligibility criteria as defined in the Use of Proceeds section of the Framework.

To ensure that allocations are made to Eligible Assets as specified above, CNGR has established a Green Finance Working Group to oversee the selection of Eligible Assets and their compliance with the eligibility criteria described in the Framework. The GFWG will meet on an annual basis and when required.

The GFWG is comprised by representatives from the following departments:

- Treasury team
- Sustainability team
- Relevant business units involved in the selection of Eligible Assets where necessary

The GFWG

- Reviewing and validating the existing pool of Eligible Assets
- Replacing Eligible Assets that no longer meet the eligibility criteria as defined in the Use of Proceeds section of the Framework (e.g. divestment, liqR.17 6(ve)13(st)-rk

Report or in a standalone Green Financing Report, and thereafter in case of any material change to the allocation. The allocation reporting shall include the following information:

(i) The amount of allocated proceeds by Eligible Green Categories
(ii) The amount of unallocated proceeds
(iii) Project case studies, subject to confidentiality

Where feasible, CNGR shall disclose the relevant information on the expected environmental benefits by Eligible Green Categories. Below are examples of impact indicators that may be reported:

Eligible Green Categories	Potential Impact Indicators
Clean Transportation	• Annual production capacity of manufacture of raw materials dedicated for the developing electric vehicles and energy storage • Number of electronic vehicles produced / supported • Annual passenger capacity supported • Annual GHG emissions avoided (tCO2e/year)
Circular Economy	• Annual recycling capacity on battery • Annual amount of battery recycled
Renewable Energy	• Capacity installed (MW) • Annual renewable energy generation (MWh/year) • Annual GHG emissions avoided (tCO2e/year)
Energy Efficiency	• Annual energy consumption reduced (kWh/year) • Annual % reduction in energy consumption • Annual GHG emissions avoided (tCO2e/year)
Sustainable Water and Wastewater Management	• Annual amount of wastewater collected / treated / recycled / reused (m^3/year)
Pollution Prevention and Control	• Annual tons of waste managed / prevented / reduced / recycled (m3/year)

2. Green Loans

Subject to CNGR shall disclose the above-mentioned information, including information on the allocation of proceeds and the environmental impacts of Eligible Assets where feasible. Subject to the authorization of the lenders, CNGR may disclose the relevant information in the annual Social Responsibility Report or in a standalone Green Financing Report.

v External Review

CNGR has obtained a Second Party Opinion from DNV on this Green Financing Framework, which confirms the alignment with the Green Bond Principles, and the Green Loan Principles. This Second Party Opinion report is publicly available on CNGR bsite.