

Changan Automobile Joint Initiative for a Green, Low-Carbon and Sustainable Supply Chain

Dear Supplier Partners,

As global consensus on climate action deepens and ESG regulations become more stringent, China's dual-carbon goals are guiding all industries into a new phase of green and low-carbon development. As a cornerstone of the national economy, the automotive industry is undergoing a profound green transformation across the entire value chain. Policies such as the 15th Five-Year Plan (2026–2030) and the Action Plan for Green and Low-Carbon Development in the Manufacturing Sector (2025–2027) explicitly call for advancing green manufacturing in the automotive industry, scaling up the use of recycled materials and establishing robust carbon footprint management systems—raising the bar for the supply chain's low-carbon performance.

Guided by our mission to lead sustainable mobility and benefit human life, Changan Automobile is driving forward its Third Strategic Transformation Plan, accelerating our transformation into an intelligent low-carbon mobility technology company. Through the Green Plan, Intelligent Plan and Vast Ocean Plan,

we are strengthening our capabilities in electrification, intelligent mobility and global expansion, and are committed to building a green, low-carbon and sustainable industrial ecosystem.

We recognize that the carbon footprint of automotive products spans the entire lifecycle, with the supply chain accounting for the largest share, the broadest impact, and the greatest potential for reduction. A truly green transition can only be achieved through chain-wide collaboration and mutual prosperity. To this end, together with all supplier partners, we launch the following initiatives.

I. Promote Renewable Energy and Enhance Clean Energy Use

Supplier partners are encouraged to develop renewable energy projects, including distributed solar PV and wind power, to improve self-sufficiency in renewable electricity. Where on-site development is not feasible, the share of renewable electricity can be increased through mechanisms such as power purchase agreements and renewable energy certificates.

Targets:

By 2027: core suppliers shall achieve a renewable energy share of no less than 30%.

From 2028 onward: the share shall meet or exceed regulatory

requirements.

II. Advance the Use of Recycled Materials and Green Design

Suppliers are encouraged to prioritize recycled, recyclable, and environmentally responsible materials in product design, material selection, and manufacturing processes. Efforts should be made to establish waste recycling and reuse systems, promote the recovery of industrial waste, reduce reliance on virgin materials and enable closed-loop material cycles across the supply chain. To support the circular economy, the use of recycled content in steel, aluminum and plastics for automotive components will be progressively increased.

By 2030: the share of recycled content in steel, aluminum and non-interior plastics shall reach at least 20%.

By 2035: this share shall reach 30%.

III. Jointly Build a Carbon Data Platform and Strengthen Carbon Management

Changan Automobile has established a supply chain carbon management platform integrating supplier data with both organizational and product-level carbon accounting. We invite all supplier partners to connect to the platform and improve carbon data collection, accounting and disclosure. We will provide training and support on carbon accounting

methodologies, decarbonization planning and data reporting—enabling a shift from experience-based to data-driven carbon management.

Targets:

By 2026: 50% of core suppliers to complete carbon data reporting and decarbonization planning.

By 2027: 100% completion among core suppliers.

By 2030: Overall emissions to be reduced by more than 30%, including a 40% reduction in battery supply chain emissions.

IV. Drive Green Innovation and Collaborate on Low-Carbon Technologies

Supplier partners are encouraged to innovate and collaborate in areas such as low-carbon manufacturing processes, energy-efficient equipment and clean energy applications. We will gradually integrate environmental performance into our supplier qualification and ESG evaluation systems. Partners demonstrating strong performance in renewable energy use, recycled material application, carbon emission reduction, and supply chain ESG due diligence will receive preferential policies and incentives.

V. Practice Green Operations and Build a Transparent, Responsible Ecosystem

Supplier partners are encouraged to pursue certifications in

occupational health and safety, environmental credit ratings, environmental management, energy management and supply chain ESG due diligence. They shall also voluntarily embrace energy efficiency and environmental compliance and support market-based mechanisms such as energy use rights and carbon trading.

Targets:

Newly onboarded suppliers: 100% certified to IATF 16949 and ISO 14001.

By 2027: 100% certified to ISO 45001.

By 2030: 100% to achieve at least Grade B or above in air emissions performance or equivalent standards.

We also encourage suppliers to share best practices and contribute to a transparent, responsible and sustainable partnership ecosystem.

Building a green, low-carbon and sustainable supply chain is a natural next step for our Green Plan and a key driver of high-quality development across the industry.

Every step matters — from each kilowatt-hour of renewable energy, every piece of recycled material, to every carbon data point. Together, we can build a more resilient, responsible and

competitive industrial ecosystem, and contribute to a cleaner and more sustainable future.

Chongqing Changan Automobile Co., Ltd.

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