Chindata Group Holdings Limited Green Bond Framework

Part 1: Introduction

1.1 Company Overview

As a leading next generation hyperscale digital infrastructure and comprehensive service provider in the emerging market, Chindata Group was listed on the Nasdaq Global Select market under the ticker symbol "CD" on October 1, 2020. It specializes in providing global digital leaders with full stack next generation hyperscale data center solutions, including digital infrastructure ecosystem chain services such as development and construction, holistic energy solution, equipment manufacturing as well as maintenance and operation.

Chindata Group operates two sub-brands "Chindata" and "Bridge Data Centers", covering China and other emerging markets in the Asia-Pacific region. Chindata Group is committed to serving leading digital companies by overseeing their critical assets. Focusing on the planning, investment, design, construction and operation of ecosystem infrastructure in the IT industry, Chindata Group endeavors to do the best to build a solid foundation for a better digital life for everyone.

1.2 Approach to Sustainability

There is only one Earth that mankind calls home, and promoting sustainability by reducing energy consumption is tantamount to care for our homes. Chindata Group, as the responsible corporate citizen, will continue the green operations and build an industrial ecosystem that co-exists with nature by cooperation and innovation, making our own contributions towards ecological civilization and the shared vision for all humanity.

Chindata Group sees sustainability at the core of its overall strategy and considers environmental, social, and economic factors equally important when making strategic decisions. The Group highly values the development of sustainable business and hopes to create shared value with its stakeholders. Chindata Group together with all of its employees strive for one shared goal: we are devoted to upholding our values of sustainability and inclusiveness, inspiring digital prosperity with our green and technological power. These values were the origin of where Chindata Group started its journey, as well as its ultimate mission that they are working towards to achieving.

Major sustainability achievements in 2020 include:

- In 2020, the Group has improved its percentage of renewable energy usage to approximately 51%, a 14 percent increase from 2019 and an increase of 361 million kWh in renewable energy use.

- The Group has signed the framework development agreements of 1.3GW wind and solar energy, of which the solar power generation project with an installed capacity of 150MW was approved by the regional government.

- In the annual clean energy rankings Clean Cloud 2021 released on April 21, 2021 by Greenpeace, an international environmental organization, the Company ranked first (scoring 85 out of 100) for two consecutive years among China's internet cloud service and data center companies, and obtained full score on its renewable energy performance.

Sustainable Strategy

Based on its mission and vision, Chindata Group prioritizes sustainable development by making it part of its corporate strategy at the highest level. Considering economic, environmental, and social perspectives and integrating stakeholders' concerns, Chindata Group has identified three major focuses as a prospective leading hyperscale data center solution provider in emerging markets: security compliance, environmental friendliness, and digital inclusiveness.

On the basis of "100% renewable energy" goal, Chindata Group became the first digital technology company in China to release a carbon neutral roadmap. The Group pledges that all their next-generation hyperscale data centers in China will be powered with 100% renewable energy solution by 2030, and the Group is committed to investing in clean energy using proper internal and external resources with an installed capacity of no less than 2GW by 2030.

By making carbon emissions reduction a top priority in its operations, Chindata Group will help China honor its carbon neutral commitment with its own efforts. In 2020, the Group has improved its percentage of renewable energy usage to approximately 51%, cutting CO_2 emissions by 368,886 tons, an equivalent to the carbon footprints from powering about 173,000 homes over a year. Going forward, the Group is committed to the implementation of the 1.3GW wind and solar energy framework development agreement, providing greener digital infrastructure products for the development of the global digital economy and to every citizen in the global village who uses digital technology. The Group will also contribute to the rural revitalization and industrial transformation of the local communities.

Sustainability Management System

In order to better implement its sustainability concept, the Group established an "ESG Management Committee" composed of the company's core management in 2020. The Group's founder and CEO assumed the role of the committee's chairman. The ESG Management Committee Working Group works under the committee to implement ESG strategic targets and complete day-to-day sustainability tasks.

Responsibilities of the ESG Management Committee:

- Identifying ESG risks, developing ESG strategies and monitoring their execution
- Coordinating the establishment, implementation and continuous improvement of the ESG management system
- Guiding and carrying out ESG-related communication with key stakeholders

The Group is committed to transparency around the impact of its operations and has published an annual Global Reporting Initiative (GRI)-aligned ESG (Environmental, Social and Governance) Report with the third-party assessment from 2019, making the Group the first data center company to release the ESG

report in China. The Group provides a channel for its stakeholders to understand the Group's energy performance including energy consumption, renewable energy usage and carbon footprints.

Additionally, the Group provide its customers with key environmental metrics if necessary to meet its customers' energy efficiency and renewable energy target.

Materiality Assessment

Materiality assessment helps Chindata Group identify materiality issues relevant to stakeholders. The ESG Management Committee selects the scope of materiality issues through strategic benchmarking and analysis with experts in related fields, and invites internal and external stakeholders to participate in the analysis and investigation of materiality issues. A matrix of materiality issues is formed by scoring material issues to both Chindata Group and its stakeholders from two dimensions: 1) Impact on stakeholders' decision-making and 2) The importance of economic, environmental, and societal impacts. The analysis serves as a critical reference for sustainability management and ESG information disclosure.
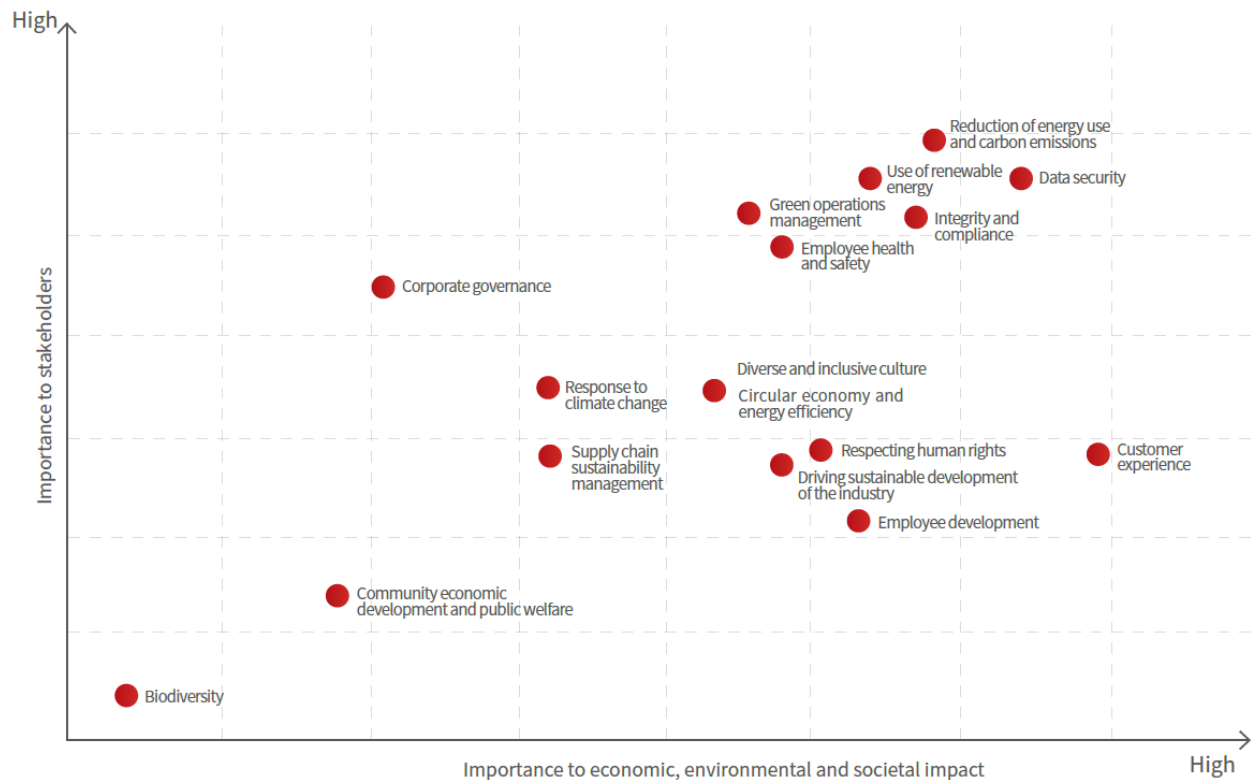
Through our sustainability efforts, we are creating shared value with our customers, partners, investors and employees. Our approach has won numerous accolades from a variety of organizations, including:

- Global Carrier Award for Best Project
- China's National Green Data Center
- No.1 among China's leading technology companies in renewable energy performance in 2019 and 2020
- Data Center Green Classification (Operational) AAAAA Certificate
- China's Carbon Neutral Data Center Best Awards

1.3 Sustainability Reporting

Chindata Group and the UN Sustainable Development Goals (SDGs)

In order to achieve a better and more sustainable future for all, the Sustainable Development Goals (SDGs) were proposed in 2015, aiming to solve the development problems in the areas of society, economy and environment, in an integrated manner, from 2015 to 2030, and tum to a road of sustainable development.

As important organizations, enterprises play a vital role in achieving the SDGs. Chindata Group integrates the SDGs and issues that are of interest to the stakeholders into the corporate strategic goals, and strives to make direct or indirect contributions to the sustainable development of the global society, economy and environment.

Material Issues	Corresponding to the U.N. Sustainable Development Goals
Use of renewable energy Reduction of energy use and carbon emissions Circular economy and energy efficiency Response to climate change Green operations management Biodiversity Supply chain sustainability management	7 AFFORDABLE AND CLEAN ENERGY 11 SUSTAINABLE CITIES AND COMMUNITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION
Employee health and safety Diverse and inclusive culture Employee development Respecting human rights Community economic development and public welfare	1 NO POVERTY 2 ZERO HUNGER 3 GOOD HEALTH AND WELL-BEING 5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 10 REDUCED INEQUALITIES
Data security customer experience Driving sustainable development of the industry Corporate governance Integrity and compliance	8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Chindata Group seeks to increase our alignment with several global sustainability frameworks, in order to provide disclosures that are relevant to our stakeholders.

GRI   Nasdaq
ESG Reporting Guide   TCFD   SASB
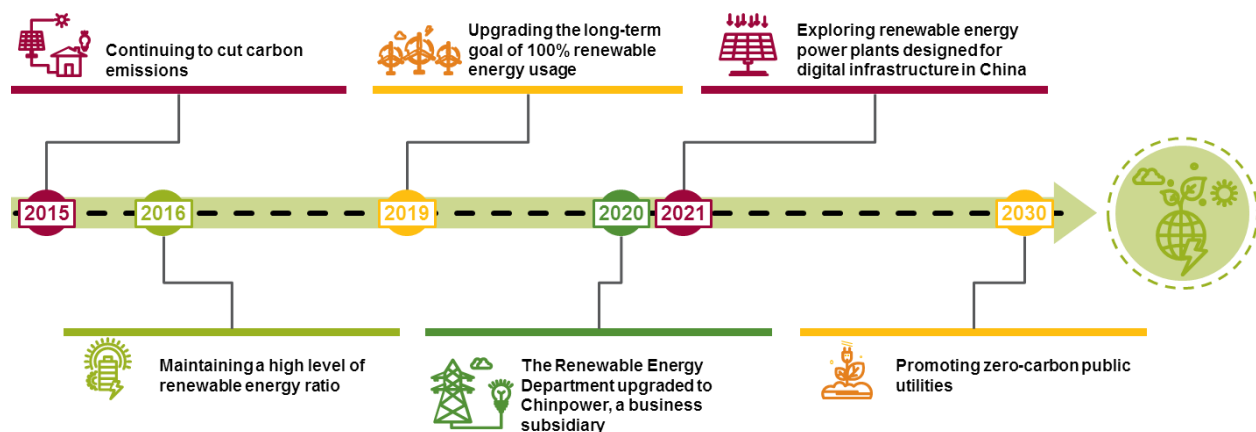SUSTAINABILITY ACCOUNTING STANDARDS BOARD

The Group compiles ESG reports with reference to the GRI Standards organized by the Global Reporting Initiative, and publishes them regularly on an annual basis. The Group obtained an independent assurance statement from third-party assurance on the ESG reports in accordance with the AA1000 series of standards.

1.4 Environmental Commitments

From the United Nations Framework Agreement on Climate Change to the Paris Agreement, there has been a growing consensus on the grave danger of global warming caused by human activity. Reducing carbon emissions is the only way to stop human-caused climate change. Organizations have been playing an irreplaceable role in the global efforts to cut emissions. As a leader in the next-generation hyperscale digital infrastructure in the emerging Asia-Pacific markets, Chindata Group is committed to a sustainable future for humankind and the idea of "zero-carbon practice", which has been an integral part of its overall strategy and daily business operations since the first day it was founded.

Roadmap to Carbon Neutrality by 2030

Chindata Group wants to lead the digital infrastructure industry in its effort to roll back global warming, leveraging its unique role as a connection between the energy industry and the information industry. Doubling down on its 2019 long-term target to build a new generation of hyperscale data centers that are powered by 100% renewable energy, Chindata Group drew up an action plan in 2020 on how to achieve that goal and became the first among the Internet technology companies in China to release its roadmap to carbon neutrality. According to that road map, Chindata Group pledges that, by 2030, all of its next-generation hyperscale data centers in China will use 100% renewable energy and it will utilize proper internal and external resources to invest in at least 2GW of installed capacity powered by clean energy. This will put China on the way to achieving the Paris Agreement's long-term temperature goal of limiting global warming to 1.5 degrees Celsius 20 years before its 2050 deadline.

Timeline diagram:
- 2015 — Continuing to cut carbon emissions
- 2016 — Maintaining a high level of renewable energy ratio
- 2019 — Upgrading the long-term goal of 100% renewable energy usage
- 2020 — The Renewable Energy Department upgraded to Chinpower, a business subsidiary
- 2021 — Exploring renewable energy power plants designed for digital infrastructure in China
- 2030 — Promoting zero-carbon public utilities

1. **Continuing to cut carbon emissions**
   Chindata Group was making strides in cutting carbon emissions in 2020. All the data centers in service achieved an average annual PUE (Power Usage Effectiveness) of 1.22, approximately 23.2% lower than the global industry average annual PUE of 1.59. That means the CO_2 emissions went down by 368,886 tons, enough to offset the carbon footprint of 173,000 homes using electricity for a year. The Group reduced over two times CO_2 emissions than in 2019.

2. **Maintaining a high level of renewable energy ratio**
   The annual renewable energy use in Chindata Group's owned data centers reached 505 million kilowatts-hours in 2020, accounting for fifty-one percent of its total power consumption. This amount took up 0.023 percent of China's power generation capacity in 2020.

3. **Upgrading the long-term goal of 100% renewable energy usage**
   In 2020, Chindata Group doubled down on its long-term commitment to sustainability with the release of a roadmap to carbon neutrality. The Group strives to achieve its 100% renewable energy and carbon neutrality while helping customers' achieve their zero carbon commitment on Scope 3.

4. **The Renewable Energy Department upgraded to Chinpower, a business subsidiary**
   In early 2021, as Chindata Group upgraded its Renewable Energy Department to establish Chinpower as its business subsidiary, it is committed to becoming an inspiration for the net-zero carbon data centers in China by developing a brand-new energy solution, Chinpower Solution, to accelerate energy revolution in the digital age.

5. **Exploring renewable energy power plants designed for digital infrastructure in China**
   As of December 31, 2020, Chindata Group has signed renewable energy framework development contracts with regional governments totaling 1,300 megawatts capacity using solar and wind power.

6. **Building full life-cycle green data centers**
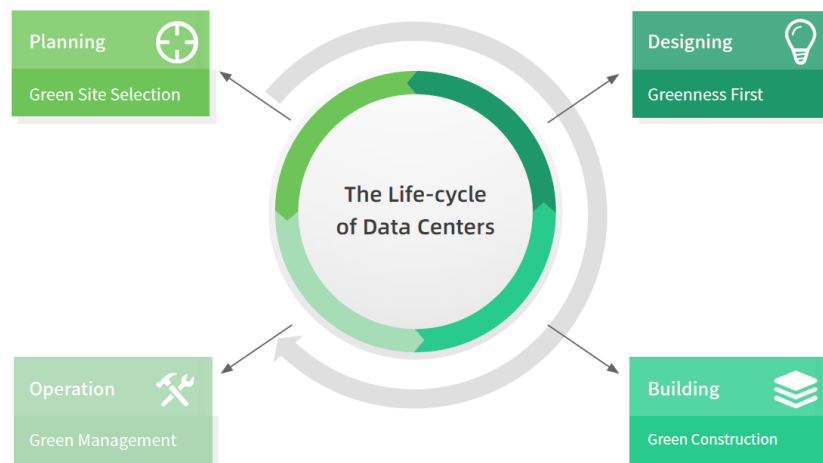
The Group prioritizes energy in its site selection strategy and set LEED as well as other green buildings standards as the guidance for construction of more sustainable buildings, with focuses covering structure, constructing process and green equipment.

7. **Promoting zero-carbon public utilities**
   Chindata Group is exploring how to recycle the thermal energy that would otherwise be released into the environment to provide heating for the local community, thus helping to cut carbon emissions.

The Group actively plays a role in the sustainable development of the industrial chain. The Group incorporates business ethics and sustainable development into the supply chain management system to ensure the ability and level of suppliers in complying with the business code of conduct and green and low-carbon management.

Part 2: Green Bond Framework

The ICMA Green Bond Principles are a set of voluntary guidelines that recommend transparency and disclosure and promote integrity in the development of Green Bonds. This Framework follows the Green Bond Principles (GBP) 2021 which provide guidelines in four key areas:

1. Use of Proceeds

2. Process for Project Evaluation and Selection

3. Management of Proceeds

4. Reporting

This Framework may be used to govern the financing of proceeds of which are intended to be used for a portfolio of eligible green projects (the "Eligible Green Projects" or the "Eligible Green Project Portfolio") defined, selected, tracked and reported on in accordance with this Framework.

2.1 Use of Proceeds

An amount equal to the net proceeds from the contemplated green bond issuance by Chindata Group Holdings Limited (the "Green Financing") is intended to be applied to fund or refinance Eligible Green Projects that are intended to provide clear environmental benefits.

The GBP recognizes eligible green categories for utilization of Green Financing net proceeds, contributing to five high-level environmental objectives: climate change mitigation, climate change adaptation, natural resource conservation, biodiversity conservation and pollution prevention and control.

In line with the GBP, Chindata intends to allocate an amount equal to 100% of the Green Financing net proceeds to a portfolio of Eligible Green Projects, outlined in Table 1 below. These Eligible Green Projects showcase how Chindata is building and operating sustainably. These include:

- Green Buildings
- Renewable Energy
- Energy Efficiency
- Clean Transportation

Table 1 also provides examples of potential use of proceeds within each of the stated four Eligible Green Project categories. Chindata also maps the project categories to the United Nations SDGs.

Table 1: Eligible Green Projects and potential use of proceeds by Chindata.

ICMA GBP/GLP Category Eligibility Criteria	UN SDG Mapping

Green Buildings	Expenditures related to the design, construction and maintenance of buildings – data centers and offices – that meet or expected to meet regional, national or internationally recognized green building standards or certifications, or PUE performance, such as but not limited to: • LEED V4.0 or V4.1 (Gold, Platinum) • BREEAM (Very Good, Excellent, or Outstanding) • PUE no more than 1.3 • AAAAA Green Data Center Classification by ODCC (Open Data Center Committee)	
Renewable Energy	Expenditures and associated costs of renewable energy generation and procurement at Chindata sites and offices, such as but not limited to: • Power purchase agreements/mechanism • Direct capex: on-site renewable energy generation (e.g., installed solar capacity, wind capacity, etc.) • Indirect capex (e.g., equity investment in renewable energy company)	
Energy Efficiency	Expenditures and investments to increase the energy performance of new or existing Chindata sites. Examples of projects may include, but are not limited to: • Development of integrated energy solution • Installing innovative cooling systems (e.g., natural cooling "direct evaporative" chilled water system) • Development of power distribution network (PDN) architecture for hyper-density digital infrastructure to achieve reliability, efficient usage and sustainability • Installation of smart lighting control system to ensure electricity usage only when necessary • Energy efficient lights that are used to reduce power density and save energy Chindata will also carry out activities under this category in the form of equity investment	

Clean Transportation	Expenditures and investments to implement clean transportation solutions that positively impact employees and communities who use or are located near our data centers, such as but not limited to:	
	• EV charging stations to promote electric vehicles	

2.2 Process for Project Evaluation and Selection

Projects financed and/or refinanced with the Green Financing net proceeds are evaluated and selected based on compliance with the Eligible Green Project eligibility criteria listed above by Chindata's Green Finance Committee. Chindata's Green Finance Committee consists of representatives from Chindata Group's ESG Management Committee and representatives from the Legal, Treasury and Investor Relations functions, as well as other parties to be nominated as subject matter experts.

Chindata complies with all local and regional required regulations at its sites in all material respects, including environmental impact assessments and ongoing environmental and health and safety requirements. This includes sites financed or refinanced with an amount equal to the net proceeds of the sale of any Green Bonds Chindata also applies risk management measures in its capital allocation decisions which are supported by a company-wide planning, reporting and controlling system.

2.3 Management of Proceeds

Chindata intends to allocate an amount equal to the net proceeds from the Green Bonds to an Eligible Green Project Portfolio, selected in accordance with the use of proceeds criteria and evaluation and selection process presented above. These projects can be new construction, existing projects, and can also include refurbishments and refinancing of existing projects.

To ensure an amount equal to the net proceeds is allocated in accordance with this Green Bond Framework, the Chindata Green Finance Committee will track investments in Eligible Green Projects funded, acquired or developed within the period commencing two years before the issuance of the applicable Green Bonds and ending on the maturity date of the applicable Green Bonds.

Chindata will strive, over time, to achieve a level of allocation for the Eligible Green Project Portfolio which matches or exceeds the balance of net proceeds from its outstanding Green Financings. Additional Eligible Green Projects will be added to the Company's Eligible Green Project Portfolio to the extent required to ensure that the net proceeds from the Green Financing and any such future financings will be allocated to Eligible Green Projects.

In the case of divestment or if a project no longer meets the Eligible Green Project eligibility criteria listed above, Chindata intends to reallocate the funds to one or more other Eligible Green Projects.

Chindata will hold or invest, at our discretion, any unallocated net proceeds as per our usual treasury management.

2.4 Reporting

Chindata intends to make public and keep readily available a report of the net proceeds allocation from the Green Financing starting from the first anniversary of the closing of the Green Financing and to be updated annually until the full allocation of the net proceeds is reported or the applicable Green Bonds are no longer outstanding. Chindata intends to show the allocation and impact of the net proceeds of the Green Financing to the Eligible Green Project Portfolio at least at the category level and on an aggregated basis for all of Chindata's green bonds and other potential Green Bonds that are outstanding from time to time.

Chindata intends to align the reporting with the portfolio approach described in "The Green Bond Principles - Harmonized Framework for Impact Reporting" (ICMA, April 2020).

Allocation Reporting

The allocation report will provide, on a portfolio basis, on indicators such as:

- Total amount of proceeds allocated to eligible projects.
- Balance of unallocated proceeds.
- Amount or the percentage of new financing and refinancing.

Impact Reporting

The impact report may provide:

- Description of the Eligible Green Projects.
- Breakdown of Eligible Green Projects by GBP category.
- Metrics regarding projects' environmental impacts (see examples in Table 2).

Table 2: Examples of potential impact reporting metrics for each Green Project Category.

GBP/GLP Category	Examples of Reporting
Green Buildings	- Data center or office space that is certified including the type of scheme, certification level and sq. m./sq. ft /IT Megawatt(MW) certified - Design average annual PUE (#) (site-level/company-level) - Greenhouse gas emissions avoided (mtCO2e) over a building's/all buildings/all data centers' lifetime or annually - Embodied carbon quantified (kg CO2e/square foot or CO2e/IT MW, by project or by all data centers)
Renewable Energy	- Electricity from clean and renewable energy (MWh) - Percent renewable energy for global portfolio (MWh renewable / MWh electricity consumption) - Annual greenhouse gas emissions reduced/avoided (mtCO2e)
Energy Efficiency	- Energy savings (MWh/year or over project lifetime) - GHG emissions avoided (mtCO2e) - Operational average annual PUE (#) (site‑level/company-level)
Clean Transportation	Electric vehicle charging points installed (#)

Both the allocation reporting and impact reporting will be made available via Chindata's Corporate Sustainability website.

2.5 External Review

Second-Party Opinion (pre-issuance)

This Framework has been reviewed by Sustainalytics who has issued a Second-Party Opinion. The Second-Party Opinion and this Framework will be made available to investors via Chindata's Corporate Sustainability website.

Verification (post-issuance)

Chindata intends to request, one year after issuance, after full allocation of the net proceeds from the sale of the Green Bonds or following any material events related to the Eligible Green Project Portfolio, assurance by its external auditor or other third party of a management statement on the allocation of the Green Financing net proceeds to the Eligible Green Project Portfolio.