



# 国银金租

CHINA DEVELOPMENT BANK LEASING

## 國銀金融租賃股份有限公司

CHINA DEVELOPMENT BANK FINANCIAL LEASING CO., LTD.

(於中華人民共和國註冊成立的股份有限公司)

(A joint stock limited company incorporated in the People's Republic of China)

股份代號 Stock Code: 1606

# 2023

## 環境、社會及管治報告

## Environmental, Social And Governance Report



# CONTENTS

ABOUT THE REPORT	02	6. PROMOTING DIGITAL FINANCE AND ACTIVATING THE ENGINE FOR HIGH-QUALITY DEVELOPMENT	39
CHAIRMAN'S STATEMENT	04	6.1 STRENGTHENING THE "NEW INFRASTRUCTURE" OF DIGITALIZATION	39
1. ABOUT US	07	6.2 DIGITAL INTELLIGENCE EMPOWERS THE BUSINESS DEVELOPMENT	40
1.1 CORPORATE OVERVIEW	07	7. CONSOLIDATING INTERNAL MANAGEMENT AND ENHANCING THE GOVERNANCE SYSTEM CONSTRUCTION	41
1.2 CORPORATE CULTURE	08	7.1 IMPROVING CORPORATE GOVERNANCE	41
1.3 ACCOLADES RECEIVED AND KEY ESG PERFORMANCE DURING THE REPORTING PERIOD	09	7.2 INFORMATION SECURITY AND DATA GOVERNANCE	42
2. ENHANCING RESPONSIBLE MANAGEMENT AND FOLLOWING SUSTAINABLE DEVELOPMENT PHILOSOPHY	11	7.3 STRENGTHENING RISK MANAGEMENT AND CONTROL AND STRICTLY ADHERING TO THE BOTTOM LINE OF COMPLIANCE	44
2.1 ESG STATEMENT OF THE BOARD	11	7.4 ADOPTING RESPONSIBLE PROCUREMENT	48
2.2 RESPONDING TO THE CALL OF THE UNITED NATIONS' SUSTAINABILITY DEVELOPMENT GOALS	13	8. PEOPLE-ORIENTED DEVELOPMENT FOR COMMON GROWTH OF THE COMPANY AND THE EMPLOYEES	49
2.3 STAKEHOLDER ENGAGEMENT	16	8.1 IMPROVING THE EMPLOYMENT SYSTEM	49
2.4 ASSESSMENT OF MATERIAL ISSUES	17	8.2 SAFEGUARDING EMPLOYEES' RIGHTS AND INTERESTS	50
3. SUPPORTING TECHNOLOGY FINANCE TO EMPOWER THE DEVELOPMENT OF NEW QUALITY PRODUCTIVE FORCES	19	8.3 SUPPORTING EMPLOYEE DEVELOPMENT	50
3.1 SUPPORTING THE TRANSFORMATION AND UPGRADING OF TECHNOLOGY AND INNOVATION INDUSTRIES	19	8.4 EMPLOYEE CARING ACTIVITIES	51
3.2 ASSISTING IN THE LOCALIZATION OF TECHNOLOGICAL EQUIPMENT	22	9. DEMONSTRATING RESPONSIBILITIES AND COMMITMENT TO PEOPLE'S LIVELIHOOD IN ALL OUR HEARTS, ALL OUR PASSIONS AND ALL OUR MIGHT	53
4. PRACTICING GREEN FINANCE AND CREATING A LEASING MODEL OF GREEN DEVELOPMENT	23	9.1 IMPROVING RURAL INFRASTRUCTURE	53
4.1 BOOSTING THE CONSTRUCTION OF CLEAN ENERGY POWER STATIONS	23	9.2 ENCOURAGING EMPLOYEES TO PARTICIPATE IN PUBLIC WELFARE	54
4.2 EXPANDING THE ADVANTAGES IN GREEN SHIP	25	10. RESPONDING TO CLIMATE CHANGE AND MOVING TOWARD A SUSTAINABLE FUTURE WITH LOW CARBON	55
4.3 EXPANDING GREEN FINANCE CHANNELS	27	10.1 STRENGTHENING RESILIENCE TO CLIMATE	55
TOPIC: LEADING GREEN FLIGHTS AND PROMOTING SUSTAINABLE TRANSFORMATION IN THE AVIATION INDUSTRY	28	10.2 PRACTICING GREEN OPERATION	60
5. DEVELOPING INCLUSIVE FINANCE AND ADHERING TO THE PEOPLE-ORIENTED NATURE OF FINANCE	31	APPENDIX 1: ESG POLICY LIST	62
5.1 SUPPORTING DEVELOPMENT OF MICRO, SMALL AND MEDIUM-SIZED ENTERPRISES	31	APPENDIX 2: ESG DATA LIST	65
5.2 SERVING THE DEVELOPMENT OF "AGRICULTURE, RURAL AREAS AND FARMERS"	32	ENVIRONMENTAL AREA	65
TOPIC: BECOMING THE "FOURTH POLE" OF THE VEHICLE BUSINESS AND DOING THE MAJOR AREA OF INCLUSIVE FINANCE WELL	34	SOCIAL AREA	67
EMPOWERING THE LEASING BUSINESS SERVING CONSUMERS WITH TECHNOLOGY	34	APPENDIX 3: ESG INDICATOR INDEX LIST	69
PROMOTING INCLUSIVE FINANCE WITH GREEN DEVELOPMENT	35	ESG INDICATOR INDEX OF HONG KONG STOCK EXCHANGE	69
EFFECTIVELY PROTECTING CONSUMERS' RIGHTS AND INTERESTS	37	INDEX OF REFERENCE INDICATORS FOR ESG SPECIAL REPORT OF LISTED COMPANIES CONTROLLED BY CENTRAL ENTERPRISES	74
		APPENDIX 4: FEEDBACK	80





# ABOUT THE REPORT

## OVERVIEW OF THE REPORT

This Environmental, Social and Governance Report (the “Report”) is aimed at systematically explaining to readers the environmental, social and governance (“ESG”) performance of China Development Bank Financial Leasing Co., Ltd. (the “Company” or “CDB Leasing”) and its subsidiaries or special purpose vehicles (collectively the “Group” or “We”) in 2023 and responding to stakeholders’ key concerns in ESG issues. The Report should be read in conjunction with the section on Corporate Governance Report in the 2023 Annual Report of the Company to fully understand the ESG performance of the Group.

## DATA SOURCE AND RELIABILITY ASSURANCE

The data and other information of the Report are mainly sourced from relevant documents, reports and statistical results of CDB Leasing. CDB Leasing undertakes that the Report contains no false records or misleading statements and assumes responsibility for the authenticity, accuracy and completeness of the contents of the Report.

## REPORT CONFIRMATION AND APPROVAL

The Report was approved by the Board of Directors (the “Board” or “Board of Directors”) of the Company on April 29, 2024 upon confirmation by the management.

## REPORTING SCOPE AND BOUNDARY

Unless otherwise stated, the disclosure scope and boundary of the Report are consistent with those of the 2023 Annual Report of the Company.

## REPORTING PERIOD

The Report covers the period from January 1, 2023 to December 31, 2023 (the “Reporting Period” or the “Year”), with certain contents extending beyond the above period as necessary.

## PREPARATION STANDARDS OF THE REPORT

The Report was prepared in accordance with the Environmental, Social and Governance Reporting Guide (the “ESG Reporting Guide”) set out in Appendix C2 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”) and with reference to the relevant requirements under the Study on the Preparation of ESG Specialized Reports on Listed Companies Controlled by Central Enterprises 《央企控股上市公司ESG專項報告編制研究》 issued by the State-owned Assets Supervision and Administration Commission of the State Council (the “SASAC”) and the Recommendations of the Task Force on Climate-related Financial Disclosures 《氣候相關財務信息披露工作組建議報告》 issued by the Task Force on Climate-related Financial Disclosures (“TCFD”). The Report complied with the “mandatory disclosure requirements” and “comply or explain” provisions of the ESG Reporting Guide and adopted the reporting principles of materiality, quantitative, consistency and balance in the ESG Reporting Guide as the basis of preparation. To provide readers with cross-reference for reading the Report, the content indexes of the ESG Reporting Guide and the Reference Indicator System for ESG Special Report of Listed Companies Controlled by Central Enterprises 《央企控股上市公司ESG專項報告參考指標體系》 are set out in Appendix 3 of the Report.

The Group adopted the following reporting principles in the compilation process of the Report:

### Materiality

The Group identified material issues relevant to it through materiality assessment, including inviting stakeholders to rank the materiality of ESG issues and verification of the material issues by the Board, etc. Please refer to the section headed “Assessment of Material Issues” of the Report for details.

### Quantitative

To fully assess its ESG performance in the Reporting Period, the Group disclosed the applicable quantitative key performance indicators in the ESG Reporting Guide and stated the basis of reference regarding the standards, methods, assumptions and calculation adopted by the quantitative key performance indicators, including the sources of major conversion factors adopted.

### Consistency

Unless otherwise stated, the preparation method adopted by the Report is consistent with that of the previous Reporting Period to allow meaningful comparison with the ESG information of the Group for the Reporting Period by readers.

### Balance

The Report provides an unbiased picture of the Group's performance during the Reporting Period to avoid the selections, omissions, or presentation formats that may inappropriately influence a decision or judgment from readers of the Report.

## PREPARATION PROCESS OF THE REPORT

The specific preparation process of the Report is as follows:

1. Held kick-off meeting by the Office of the Leading Group for ESG Work after the launch of the project
2. Update the issue database with the regulatory trend and industry trend, conduct the assessment of material issues
3. Distribute data collection lists to departments
4. Compile annual data and material from each department and make a feedback
5. Collect further report materials through departmental interviews
6. Report preparation
7. Request for comments from departments
8. Review the report by the Party Committee and the Board
9. Report publication

## PUBLICATION METHOD

The Report offers both Chinese and English versions for readers' perusal. Where discrepancies arise in interpreting the contents, the Chinese version prevails. You can access the Chinese and English electronic versions of the Report on the official website of the Company (<http://www.cdb-leasing.com>) and the HKEXnews website of the Hong Kong Stock Exchange.

## OPINIONS AND FEEDBACK

If you have any enquiry, feedback or opinion about the Report or its contents, you are welcome to contact us by the following methods:

Address: CDB Financial Center, Fuzhong 3rd Road, Futian District, Shenzhen, Guangdong, China

Tel: 86-755-2398 0999

Fax: 86-755-2398 0900

Official website: <http://www.cdb-leasing.com/>



## CHAIRMAN'S STATEMENT



Dear readers,

On behalf of the Board, I would like to sincerely thank you for your concern and support to CDB Leasing!

The year 2023 is a critical year for implementing the “14th Five-Year Plan”, as it serves as a bridge between the previous plan and the upcoming one. It is also the starting year for the new development of the “five major areas” (五篇大文章) in finance and a fruitful year for the journey towards high-quality development. In the past year, CDB Leasing has kept in mind its mission of “leading China’s leasing industry and serving the real economy”, actively responded to changes in internal and external situations, and firmly grasped the top priority of high-quality development to continue to inject financial momentum into new quality productive forces through closely adhering to the origin of leasing and focusing on “five major areas” (五篇大文章) in finance. The Group has increased its support in key regions and key areas, resulting in steady growth in leasing business, constant improvement in internal management and continuous increase in brand value, and embarking on a distinctive path of sustainable development.

## SUPPORTING TECHNOLOGY FINANCE TO EMPOWER THE DEVELOPMENT OF NEW QUALITY PRODUCTIVE FORCES

We have promoted technological innovation to lead high-quality development to accelerate the cultivation and growth of new quality productive forces, and increased financing support in advanced manufacturing fields including the integrated circuit industry, display panels, new energy vehicle manufacturing, battery production and shield machines to actively serve industrial transformation and upgrading. We have also encouraged and supported the localization of technological equipment to facilitate the continuous expansion of new quality productive forces in a larger scope, wider fields and deeper levels.

## PRACTICING GREEN FINANCE AND CREATING A LEASING MODEL OF GREEN DEVELOPMENT

We have firmly practicing the concept of green development and actively implemented the national “carbon peaking and carbon neutrality” (“dual carbon”) deployment requirements. We have expanded the construction of clean energy power station projects. To help the industry develop toward “green” and support the green transformation of the economy and society, the Group has continued to expand the advantages of green ships and energy-saving aircraft leasing, and actively increased green financing channels.

## DEVELOPING INCLUSIVE FINANCE AND ADHERING TO THE PEOPLE-ORIENTED NATURE OF FINANCE

We have implemented the spirit of the Central Financial Work Conference and are committed to “enhancing people’s livelihood and well-being and helping to improve the quality of life of the people”. We have strongly supported the inclusive financial sector focusing on construction machinery leasing and vehicle leasing businesses, and effectively provided high-quality financial services to small, medium and micro enterprises and natural person users and protected consumers’ rights and interests, so as to practice the political and people-oriented nature of financial work and make great contributions to inclusive finance.

## PROMOTING DIGITAL FINANCE AND ACTIVATING THE ENGINE FOR HIGH QUALITY DEVELOPMENT

We have seized the opportunities of the digital technology revolution to promote the organic integration of finance and digital technology and assist the construction of new digital infrastructure, continuously expanding business in the fields of basic computing power. We have also facilitated our own digitalization process, leveraged the technological advantages of digitalization in different business scenarios, and used digital technology to empower financial services to improve quality and efficiency.

## CONSOLIDATING INTERNAL MANAGEMENT AND ENHANCING THE GOVERNANCE SYSTEM CONSTRUCTION

We have continued to improve the corporate governance system, continuously improving the corporate governance level and consolidating internal management. We have strengthened the risk prevention mechanism, solidly promoted compliance operations and advocated a culture of integrity to strictly govern the Company; protected intellectual property and information security to improve data governance capabilities; as well as practiced responsible and honest procurement management.

## PEOPLE-ORIENTED DEVELOPMENT FOR COMMON GROWTH OF THE COMPANY AND THE EMPLOYEES

We have adhered to a people-oriented approach and strived to build a “platform for entrepreneurship and a stage for self-realization” for talents. We have improved the employment system and advocated employee equality and diversity; protected employees’ rights and interests to continuously improve employee satisfaction; promoted employee development through conducting systematic training; cared for employees’ physical and mental health and organized various activities to enrich employees’ spare time life.



## DEMONSTRATING RESPONSIBILITIES AND COMMITMENT TO PEOPLE'S LIVELIHOOD IN ALL OUR HEARTS, ALL OUR PASSIONS AND ALL OUR MIGHT

We have practiced corporate social responsibility and always shouldered the responsibility for people's livelihood. We have actively invested resources to support rural revitalization and increased public welfare donations to help consolidate the results of poverty alleviation. We have established a volunteer activity platform to encourage employees to participate in volunteer service activities with an aim to building a beautiful and harmonious society.

## RESPONDING TO CLIMATE CHANGE AND MOVING TOWARD A SUSTAINABLE FUTURE WITH LOW CARBON

We have actively responded to climate change, a severe challenge currently faced by mankind, and contributed to global climate governance with Chinese wisdom. We have assessed climate risks and opportunities to enhance climate resilience; promoted green office operations, set environmental goals and indicators and regularly followed up to improve employees' awareness of energy conservation and environmental protection, so as to facilitate low-carbon sustainable development at the Company's operational level.

In 2024, CDB Leasing will continue to fulfill its mission of "leading China's leasing industry and serving the real economy", thoroughly implement the core values of "soundness, professionalism, integrity and win-win", and make great contributions to the "five major areas" of finance. We will focus on promoting the optimization and innovation and transformation development of business structure, cultivate new quality productive forces, build a new era of finance and continue to create value for all parties, and work hard to move forward towards the vision of "building a world-class financial leasing company"!

# 1. ABOUT US

## 1.1 CORPORATE OVERVIEW

Established in 1984, China Development Bank Financial Leasing Co., Ltd. is a national non-banking financial institution regulated by the National Financial Regulatory Administration (the “NFRA”) and the sole listed leasing business platform of China Development Bank, and also the first listed financial leasing company in mainland China with registered capital of RMB12.64238 billion. The Group is a pioneer in the leasing industry in the PRC. The Company is dedicated to providing comprehensive leasing services to high-quality customers in fields including aircraft, ships, regional development, inclusive finance, green energy and high-end equipment manufacturing, with leasing assets and business partners throughout over 40 countries and regions all over the world. It consistently maintained quasi-sovereign international ratings (namely “A1” by Moody’s, “A” by Standard & Poor’s and “A+” by Fitch).

Since its listing in 2016, the Group’s scale of assets has continued to grow and profitability has steadily improved, the non-performing asset ratio has maintained at 1% or below, and the average return on equity (ROE) has maintained over 10%. The Group proactively fulfills its responsibilities as a state-owned financial enterprise, adheres to the basic requirement of financial sector serving the real economy, and continuously contributes to the national high-quality development. The Group was the first leasing company to promote the marketization and international operation of aviation leasing in China and set up its first professional overseas aviation subsidiary, ranking Top 11 in the world in terms of the value of its active fleet. The Group’s shipping sector has reached a certain scale, and its asset quality, profitability and professional management are in the leading position in the industry. The regional development leasing business focuses on major regional development strategies of the State, and continuously improves the regional financial service efficiency to better assist the high-quality development of the regional economy. The green energy and high-end equipment leasing business proactively serves the national “dual carbon” goal, promotes the green transformation of energy and optimization of structure and assists the development of advanced manufacturing and strategic emerging industries. The inclusive finance business proactively responds to the call of the country by fulfilling its social responsibility and providing the support to facilitate medium, small and micro customers, promoting the deep development of construction machinery and vehicle leasing business.

The Group has unswervingly followed the path of financial development with Chinese characteristics, closely adhered to the origin of leasing, focused on the “five major areas” of finance, and continued to inject financial momentum into the development of new quality productive forces. As the country gradually establishes a modern industrial system, the Group has always adhered to the strategic positioning of “marketization, specialization, internationalization and digitalization”, continued to promote product and business transformation and innovation, continuously improved and enhanced corporate governance and facilitated professional service capabilities, forming a business development model with obvious core competitive advantages and outstanding sustainable development capabilities. In the future, the Group will continue to advance effective improvement in “quality” and reasonable growth in “quantity”, maintain steady development and industry leadership, and continue to build “a world-class financial leasing company.”





### Milestones of Development

2023	Our asset size exceeded RMB400 billion, maintaining its leading position in the domestic industry
2022	Consolidation of the functions of internal control-related departments to establish the Internal Control and Compliance Department; establishment of Innovation Management Department
2021	Consolidation of the development resources of our Fintech business to establish the Technology Leasing Business Department
2020	Commencement of the exploration of digital transformation of the leasing business
2019	Establishment of three business divisions, i.e. inclusive finance, new energy and equipment, and ships
2018	Formulation of new corporate development strategy; completion of and relocation to our new office building, i.e. CDB Financial Center
2016	Listed on the Main Board of the Hong Kong Stock Exchange as the first listed financial leasing company in the PRC (stock code: 1606.HK) Establishment of CDB Aviation Lease Finance Designated Activity Company ("CDB Aviation"), the first aviation specialty subsidiary established overseas with approval from the former CBIRC
2015	Renamed as China Development Bank Financial Leasing Co., Ltd. upon completion of our joint-stock reform
2014	Purchase of 130 mainstream narrow-body aircraft from Boeing and Airbus Received the same international credit rating as the PRC's sovereign credit rating from Moody's and Fitch
2008	China Development Bank became the controlling shareholder of the Company with approval from the former CBIRC. The Company was renamed as China Development Bank Financial Leasing Company Limited, which was then the largest leasing company in terms of registered capital in the PRC
1994	Approved by the People's Bank of China to engage in financial services
1984	Our predecessor, Shenzhen Leasing Co., Ltd., was established

### Major Business Models and Their Functions

Direct Leasing	Assisting clients to acquire high-tech, high value assets through optimal financial service solutions
Sale-Leaseback	Reviving fixed assets held by clients by providing capital support for their development
Leased Assets Transactions	Using assets optimally to generate sustainable value

## 1.2 CORPORATE CULTURE

Mission	Vision	Values	Strategic Positioning	Operation Philosophy	Risk Philosophy	Talent Philosophy
Leading China's leasing industry, serving the real economy	Building a world-class financial leasing company	Stability, professionalism, integrity, win-win	Market-oriented, professional, international, digital transformation	Balance between quality, efficiency and scale, consistent values among shareholders, the Company and employees	Everyone is equal in the face of risks and everyone is responsible for risk control	A platform for working and entrepreneurship, a stage for self-realization

### 1.3 ACCOLADES RECEIVED AND KEY ESG PERFORMANCE DURING THE REPORTING PERIOD

The Group strived to achieve better results while actively undertaking our ESG and corporate social responsibility, gaining greater social influence and higher brand value. The table below sets out some of the accolades we received during the Reporting Period:

Time	Accolade
March 2023	2022 Best ESG Practices in Finance Leasing by Forbes China
October 2023	Ranking No. 38 of 2023 Top 100 Listed Companies List in terms of ESG in the Guangdong-Hong Kong-Macao Greater Bay Area
November 2023	The first blue economy-themed US dollar financing won the Shenzhen Green Finance Product Innovation Award of “2023 Excellent Cases of High-Quality Development of Green Finance”
December 2023	The “Salute of the South • Contribution Award for Promoting High-Quality Development of the Year” by the Southern Daily News
December 2023	The “Golden Banyan Tree Award • Annual Green Finance Practice Award” at the 17th Financial Billboard awarded by Shenzhen Special Zone Daily
December 2023	The “Information Disclosure Award of the Year 2023” by GuruClub
December 2023	The “China Financial Leasing Award – Most Influential Financial Leasing Company” at the Tenth Session of Global Leasing Industry Competitiveness Forum
December 2023	The “2023 China Financial Institutions Gold Medal List • Best Financial Leasing Company of the Year for Inclusive Financial Services” by the Financial Times
January 2024	The “ESG Company of the Year 2023” in the “2023 (3rd) Corporate ESG Practices Survey” organized by China.org.cn
March 2024	CDB Leasing was granted the rating of Grade A under the MSCI’s ESG rating for the first quarter



Photos of related accolades and awards



The Group's key ESG performance for the Reporting Period are as follows:

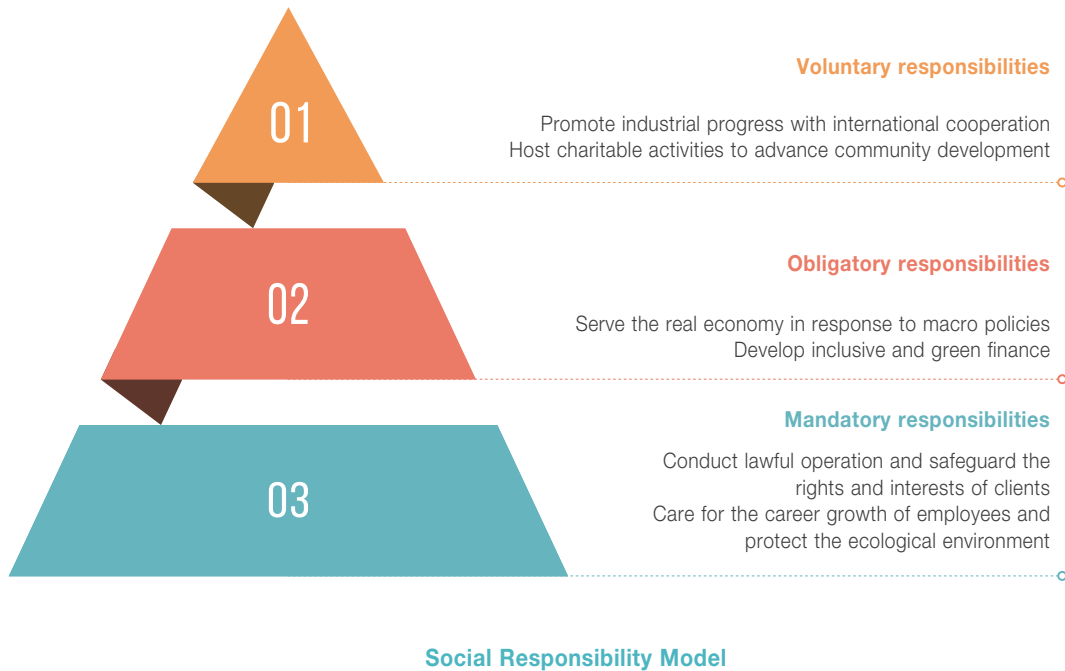
Scope	Performance Content
 <p><b>Environmental</b></p>	<ul style="list-style-type: none"> <li>We increased investment in the clean energy sector, and strengthened the development of projects in wind power, distributed photovoltaic, solar thermal, hydropower and energy storage. Achieved the additional investment in green energy for the year of over RMB <b>15.0</b> billion</li> <li>The total installed capacity of new energy power stations reached <b>8,572</b> MWh. The installed capacity of new energy storage amounted to <b>480</b> MWh. The annual electricity generation capacity of the clean energy power station projects is estimated to be <b>13,773,394.37</b> MWh, which is equivalent to an annual reduction of carbon dioxide (CO<sub>2</sub>) emissions of <b>10,000,000</b> tonnes</li> <li>CDB Aviation, a wholly-owned subsidiary, had a total of <b>147</b> energy-saving aircraft, achieved an annual reduction of CO<sub>2</sub> emissions <b>1,010,000</b> tonnes, and it is committed to the strategic goal of achieving a <b>60%</b> share of energy-saving aircraft in its fleet by 2025</li> <li>We continued to promote the energy-saving retrofit of existing ships, and the energy efficiency indicator for new ships in emission reduction design as compared the baseline standard of carbon emission increased by <b>20%-30%</b></li> <li>We are the <b>first</b> financial entity in China to set up an accredited organization complying with both the domestic and global sustainable finance frameworks and the sustainable linked finance framework certification standards</li> </ul>
 <p><b>Social</b></p>	<ul style="list-style-type: none"> <li>We achieved investment in high-end equipment leasing business during the year of over RMB <b>8.0</b> billion to promote the transformation and upgrading of advanced industries such as integrated circuits, new energy vehicle manufacturing, battery production and shield machines</li> <li>We achieved additional investment in vehicle leasing business of approximately RMB <b>16.5</b> billion, and deployed additional <b>120,000</b> vehicles, which directly or indirectly served more than <b>90,000</b> end-users</li> <li>We organized <b>141</b> sessions of various trainings. <b>284</b> persons participated in such trainings with average time of training per employee of <b>116.56</b> hours</li> <li>We made a donation to improve rural infrastructure RMB <b>1.01</b> million</li> <li>During the year, the labor union of the Company organized over <b>200</b> activities to enrich the spare time life of the staff</li> </ul>
 <p><b>Governance</b></p>	<ul style="list-style-type: none"> <li>With the promotion of high-quality development as the main line, the Company advanced its corporate governance in solid and steady way to continuously consolidate a foundation for compliance in corporate governance</li> <li>We improved the risk management system, shored up the weakness and checked for vulnerabilities, consolidated the foundation of risk management, and cleared the responsibility of the "three lines of defence"</li> <li>We continued to strengthen and consolidate the internal control and management of the compliance system and mechanism in accordance with the requirements of the regulatory authorities on compliance management. By enhancing the awareness of compliance management, we created a management atmosphere of "compliance for all, compliance for everything, and compliance everywhere" to facilitate the Group's long-term business development</li> <li>We continued to deepen its education on Party culture and integrity with emphasis on warning education, and firmly promoted strict governance in all aspects of the Company. A total of <b>11</b> anti-corruption training sessions were organized, covering directors and all staff, with an average training time of <b>12</b> hours per person</li> </ul>

## 2. ENHANCING RESPONSIBLE MANAGEMENT AND FOLLOWING SUSTAINABLE DEVELOPMENT PHILOSOPHY

### 2.1 ESG STATEMENT OF THE BOARD

To systematically and fully manage ESG matters and put into practice its sustainable development concepts, the Group incorporates corporate ESG management into the Company's strategies and regularly discloses ESG information in compliance with the relevant ESG laws and regulations involved in its business operation and the Company's internal rules and regulations (for details, please refer to Appendix 1), pursuant to the ESG Reporting Guide of the Hong Kong Stock Exchange and other regulatory requirements.

We have established a tiered social responsibility model based on three tiers – mandatory responsibilities, obligatory responsibilities and voluntary responsibilities, to guide the Group to undertake its social responsibility. Meanwhile, we integrate the requirements for sustainable development in business operation, risk management and stakeholder engagement, continuously raise awareness of sustainable development, and unite the efforts of the Board, senior management and different departments of the Company to jointly and fully implement sustainable development initiatives.



The Group has established an ESG governance system with synergy across various levels and clear division of responsibility, forming a tiered management system comprising the Board, Leading Group for ESG Work and its office. In order to improve the Board's involvement in the management of ESG issues, refine the work responsibilities at each level of the ESG management system, and optimize the internal ESG management synergy, reporting procedures and major workflows, the Group formulated the Management Measures for Environmental, Social and Governance (2022 Edition) 《環境、社會及管治工作管理辦法(2022年版)》 and implemented it across the Group.



ESG Governance Structure

ESG Governance Structure	Composition	Main Responsibilities
<b>The Board</b>	Board members	<ul style="list-style-type: none"> <li>Approve the Company's important matters including ESG management policies and strategies, ESG plans, annual ESG reports, etc., supervise the implementation of ESG management strategies and ESG plans</li> <li>Incorporate ESG-related risks into the Company's comprehensive risk management system for effective supervision, and monitor the progress of ESG target implementation</li> <li>Receive the Company's report on ESG work</li> </ul>
<b>Leading Group for ESG Work</b>	Group leader: Chairman Deputy group leader: President, Secretary to the Board Members: heads of various Departments (including the Business Division)	<ul style="list-style-type: none"> <li>Responsible for materiality assessment of matters related to ESG in the process of the Company's operations and management and decide on disclosure items related to ESG</li> <li>Supervise and examine the implementation of ESG goals upon the request of the Board</li> <li>Consider important matters related to ESG management to be reported to the Board</li> <li>Report to the Board on ESG management (including but not limited to assessment, priority and ranking and management of important matters related to ESG)</li> </ul>
<b>Office of the Leading Group for ESG Work</b>	Led by the Office of the Board, members mainly consist of contact persons for ESG work from various departments	<ul style="list-style-type: none"> <li>Lead in formulating the Company's draft ESG management approaches, strategies, priorities and goals, promote the Company's ESG work, and establish and improve ESG management systems, norms and procedures</li> <li>Conduct analysis on the potential risks, opportunities and relevant impact of important ESG matters on the Company's business and operation, and assist in monitoring the implementation and outcome of ESG work in accordance with the Company's risk management and internal control systems</li> <li>Arrange and coordinate with relevant functional departments for implementing the Company's work related to ESG</li> <li>Arrange and coordinate with relevant functional departments to prepare ESG reports and Environmental Information Disclosure Report</li> <li>Responsible for collecting, collating and submitting information and data related to ESG work</li> <li>Assist in ESG publicity and training and stakeholder engagement to establish a good corporate image</li> </ul>




During the Reporting Period, the Office of the Leading Group for ESG Work held regular meetings to learn about the update on ESG regulatory trends and industry trends; to review past ESG efforts and discuss improvement plans; and to review the progress of implementing ESG goals. In addition, the Group has organized a dedicated identification and assessment of climate risks and opportunities in order to fully understand and identify the impacts of climate change.



**A regular meeting of the Office of the Leading Group for ESG Work**

## 2.2 RESPONDING TO THE CALL OF THE UNITED NATIONS' SUSTAINABILITY DEVELOPMENT GOALS

Upholding the philosophy of actively undertaking corporate social responsibility, the Group takes the initiative to support the United Nations' Sustainable Development Goals ("SDGs")<sup>1</sup> through deeds by taking relevant actions in its business operation and daily operation and management, as well as participating in community investment activities. During the Reporting Period, the Group identified 12 sustainable development goals closely related to itself on the basis of the SDGs and China's National Plan on Implementation of the 2030 Agenda for Sustainable Development 《中國落實2030年可持續發展議程國別方案》 and taking into consideration its actual situations. We succinctly set out in the table below the major actions undertaken by the Group during the Reporting Period in response to the call of the SDGs:

United Nations' SDGs	China's National Plan on Implementation of the 2030 Agenda for Sustainable Development	Major Sustainable Development Actions Undertaken by the Group in 2023
<p><b>SDG1 No poverty</b></p> 	<ul style="list-style-type: none"> <li>Take classified and calibrated alleviation measures for rural population living in poverty</li> <li>Establish and improve a fairer and more sustainable social security system, improve the social insurance system, and implement a universal insurance plan</li> </ul>	<ul style="list-style-type: none"> <li>We supported the construction of rural infrastructure</li> <li>We paid the Five Insurances and One Fund, purchased accidental injury insurance, accidental medical insurance, supplementary medical insurance, and supplementary insurance for major diseases for employees</li> <li>We provided employees with increasingly complete employee insurance plans, covering pension insurance, health insurance, life insurance and disability insurance</li> </ul>
<p><b>SDG3 Good health and well-being</b></p> 	<ul style="list-style-type: none"> <li>Facilitate equality and accessibility of basic health care services</li> </ul>	<ul style="list-style-type: none"> <li>We arranged employees to undergo physical examinations and invited experts from professional physical examination institutions to propose health care measures for employees on a regular basis.</li> <li>We continuously improved the infirmary and expanded the scope of emergency medicine supply to meet the demands for daily and pandemic prevention medicines.</li> </ul>
<p><b>SDG4 Quality Education</b></p> 	<ul style="list-style-type: none"> <li>Protect the education rights of each person including underprivileged groups</li> <li>Improve the conditions for running disadvantaged schools and boarding schools</li> </ul>	<ul style="list-style-type: none"> <li>We actively implemented charity activities related to student support, and initiated the Shimmering Light Action (微光行動) voluntary charity activities during the Reporting Period</li> </ul>

<sup>1</sup> The United Nations' Sustainable Development Goals ("SDGs") are goals set by the United Nations to call on all countries and all stakeholders to take joint actions for mankind, the planet and prosperity, as well as world peace and freedom.



United Nations' SDGs	China's National Plan on Implementation of the 2030 Agenda for Sustainable Development	Major Sustainable Development Actions Undertaken by the Group in 2023
<p><b>SDG5 Gender equality</b></p> 	<ul style="list-style-type: none"> <li>Adhere to the national policy of gender equality and eradicate all forms of discrimination and prejudice against females</li> <li>Strengthen women's employment and entrepreneurship capabilities and develop public childcare services</li> </ul>	<ul style="list-style-type: none"> <li>We prohibited all manners of inequality and discrimination based on ethnicity, gender, age, family status and other factors</li> <li>We protected the rights and benefits of female employees during pregnancy, childbirth, and breastfeeding</li> </ul>
<p><b>SDG6 Clean water and sanitation</b></p> 	<ul style="list-style-type: none"> <li>Build a water-saving society in an all-round way by enforcing strictest water resources management system, and strengthening water demand and water consumption management</li> <li>Work toward full coverage of water hygiene infrastructure to achieve access to adequate and equitable sanitation and hygiene for all</li> <li>Implement the Water Pollution Prevention and Control Action Plan 《水污染防治行動計劃》 to increase the proportions of good quality water in qualified treatment of sewage water.</li> </ul>	<ul style="list-style-type: none"> <li>We treated water using reclaimed water treatment system to recycle water for cleaning and greenery maintenance outside the building</li> <li>We adopted water conservation measures such as screening and checking water supply equipment and pipes, using sensor-activated water taps and posting slogans to promote water conservation</li> <li>We established mechanisms for maintaining water use records and conducting statistical analysis</li> <li>We conducted the water balance test</li> </ul>
<p><b>SDG7 Affordable and clean energy</b></p> 	<ul style="list-style-type: none"> <li>Enhance the energy structure by improving fossil fuel efficiency and increasing the share of clean energy consumption</li> <li>Set up a clean, low-carbon, safe and efficient modern energy system</li> </ul>	<ul style="list-style-type: none"> <li>We stepped up the development of green leasing business, including energy-saving aircraft, environment-friendly ships, clean energy infrastructure and new energy urban support logistics</li> <li>We put the requirements of green development into practice and pushed ahead with achieving carbon dioxide emission reduction, etc. for the benefit of the environment</li> </ul>
<p><b>SDG8 Decent work and economic growth</b></p> 	<ul style="list-style-type: none"> <li>Implement the Made in China 2025 《中國製造 2025》 strategy to promote the manufacturing industry in the direction of advanced, smart, green and service-oriented development</li> <li>Establish inclusive finance services and security systems to meet the requirements of a moderately prosperous society</li> <li>Improve employment and entrepreneurship services and launch a lifelong vocational training initiative</li> <li>Crack down on illegal and criminal activities such as child labor and forced labor in accordance with the law</li> <li>Protect workers' legitimate rights and interests such as remuneration, rest, vacation, social security, etc.</li> </ul>	<ul style="list-style-type: none"> <li>We proactively implemented the preferential policy of deferred rent payment for small and micro enterprises</li> <li>We continued to increase the supply of funds for inclusive finance business</li> <li>We strictly verified the identity certification materials of recruits to confirm that they are of legal working age and to prohibit child labor</li> <li>We provided employees with market-competitive salary, established an enterprise annuity mechanism, protected employees' legal rights to rest and vacation</li> <li>We established a sound training system for employees</li> </ul>

**United Nations' SDGs**

**China's National Plan on Implementation of the 2030 Agenda for Sustainable Development**

**Major Sustainable Development Actions Undertaken by the Group in 2023**

**SDG9 Industry, innovation and infrastructure**



- Accelerate the improvement of a safe, efficient, smart, green and interconnected modern network of infrastructure
- Upgrade infrastructure such as water conservancy, railway, road, water transportation, civil aviation, general-purpose aviation, pipeline, and postal services, and accelerate the upgrading and transformation of traditional industries
- Keenly promote development of the information industry

- We served the coordinated development of state-designated key regions and focus on investment in infrastructure and urban services in key strategic regions such as the Yangtze River Economic Belt, Guangdong-Hong Kong-Macao Greater Bay Area, Beijing-Tianjin-Hebei and Yangtze River Delta
- We focused on key areas and supported the transformation and upgrading of advanced industries, and further increased investment in advanced manufacturing areas such as integrated circuit industry, new energy vehicle manufacturing, battery production and shield machines

**SDG10 Reduce Inequality**



- Safeguard social fairness and justice and protect people's right to equal participation and equal development
- Increase individual income along with economic development and enhance work remuneration along with improvement in work productivity

- We further improved the fair promotion mechanism
- We encouraged employee diversity and prohibited all manners of inequality and discrimination based on ethnicity, gender, age, family status and other factors

**SDG11 Sustainable cities and communities**



- Implement the strategy of giving priority to public transport development and promote the establishment of a sustainable urban transport system
- Comprehensively elevate the standards for management of urban municipal solid waste

- We keenly maintained cooperation with bus companies and new energy vehicle manufacturers and opened up the upstream and downstream financing channels in the new energy bus industry
- We appointed a third-party professional company for unified recycling of hazardous waste
- We regulated the scrap management and control process for electronic equipment

**SDG12 Responsible consumption and production**



- Fully enforce the extended producer responsibility system and encourage enterprises to comprehensively implement the concept of sustainable development in production and management

- For projects involving the use of environment friendly materials, we required suppliers to provide product-related certification documents and, if necessary, submit the materials to professional institutions for testing
- For construction projects, we required suppliers to perform environmental protection responsibilities during the construction process, conduct disciplined construction and avoid negative impact on the environment and surrounding residents
- We purchased leasing products, such as ships, aircraft machinery and equipment and new energy vehicles, with better performance in environment protection

**SDG13 Climate action**



- Actively adapt to climate change and strengthen resilience to climate risks in agriculture, forestry, water resources and other key fields, as well as in cities, coastal regions, and ecologically vulnerable areas
- Spread knowledge about climate change and low-carbon development, and encourage public participation in actions to address climate change

- We seized the potential opportunities for the green leasing business in climate change scenarios and explored innovative green leasing products
- We focused on the field of clean energy, increased investment in this field and vigorously supported the development of the clean energy industry
- We vigorously promoted the development of energy-saving ship and energy-saving aircraft leasing business





## 2.3 STAKEHOLDER ENGAGEMENT

The Group is committed to maintaining good and smooth communication with its stakeholders, listening to and responding to the aspirations of its stakeholder, so as to better promote the Group's work relating to sustainable development. The Group considers fully both the "influence level of the enterprise on stakeholders" and "influence level of stakeholders on the enterprise" to identify major stakeholders, including governments and regulatory authorities, shareholders and investors, clients, employees, suppliers and partners, media, communities and the public, based on the characteristics of the industry and its development strategy.

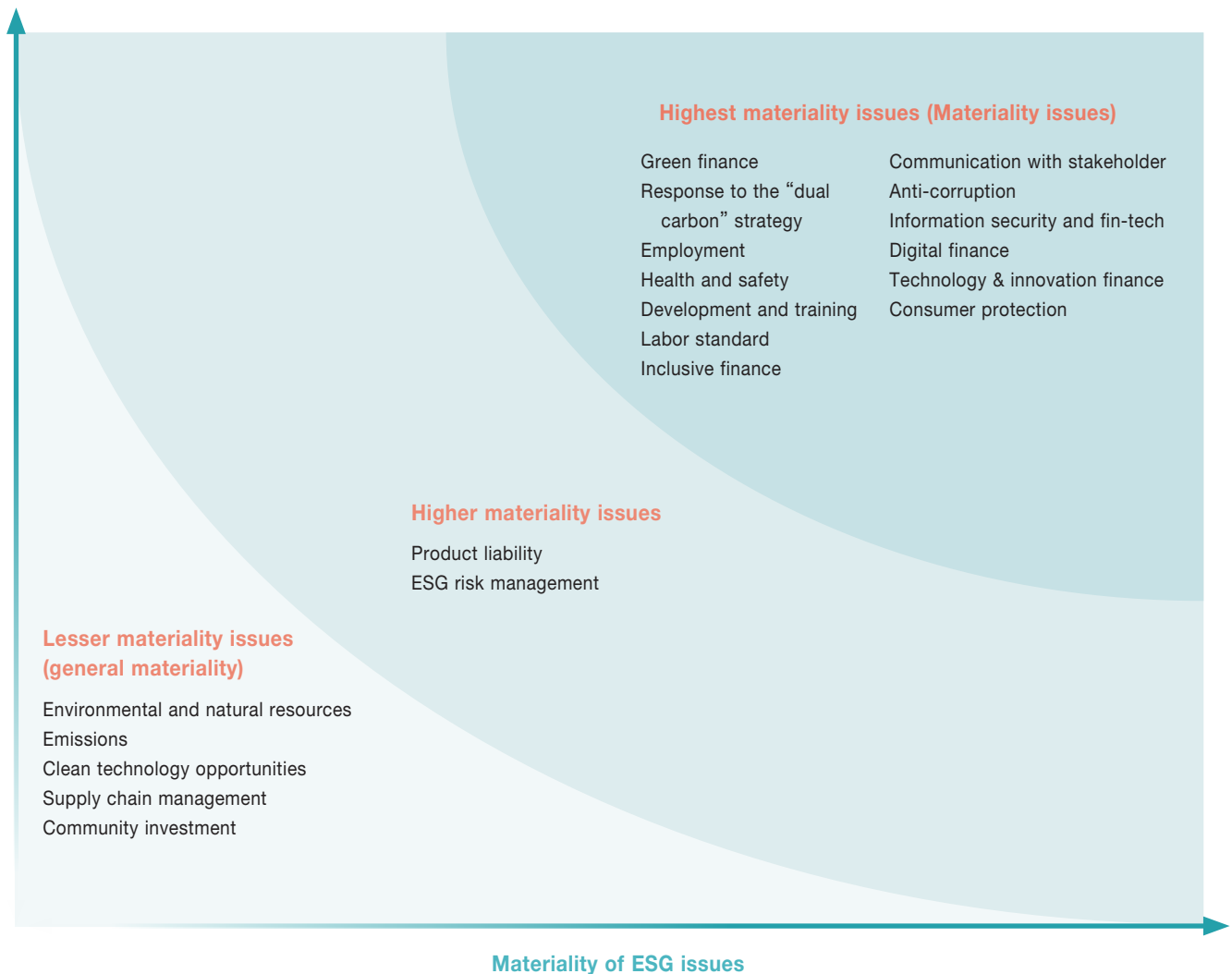
### Major Stakeholders and Communication on Relevant Issues

Major Stakeholder	Appeal and Expectation	Frequency	Communication and Response
Governments and regulatory authorities	Abide by laws and regulations for lawful operations Create job opportunities and pay taxes in accordance with the law Support regional and industry development	Irregular	Ensure compliant operations and assure compliant management Pay full taxes timely to generate tax revenues and create job opportunities Conduct relevant business activities in response to major national policies
Shareholders and investors	Corporate governance and value creation Information disclosure and risk control	Regular	Improve corporate governance to enhance corporate value continuously Timely disclose information Set up a mechanism for communication with shareholders and investors
Clients	Product and service quality Protection of clients' rights and interests	Regular	Ensure product and service quality Improve the post-leasing management mechanism Improve client service workflow Improve the client complaint handling system Improve the client communication mechanism
Employees	Protection of basic rights and interests Reasonable salary and welfare Promotion and growth channels Protection of health and safety Employee care	Regular	Abide by employment laws and regulations and perfect the employment system Adopt a competitive salary system Promote transparency of the promotion mechanism Arrange career training for staff growth Offer health examinations and other staff care benefits
Suppliers and partners	Fair procurement mechanism Mutually beneficial and win-win cooperation with partners Supply chain with integrity	Irregular	Deepen win-win cooperation with suppliers Maintain sound relations and trustworthiness with different suppliers Sign the Agreement on Integrity in Bank-Enterprise Cooperation (《銀企合作廉潔從業協議》) with various suppliers
Media	Sound interactions with the media Information disclosure	Irregular	Improve the media communication mechanism Disclose information via multiple channels
Communities and the public	Support community development	Irregular	Make philanthropic donations and carried out social charity and volunteer activities Positive interaction with NGOs

## 2.4 ASSESSMENT OF MATERIAL ISSUES

Based on its business characteristics and future development direction and taking into account the practice of peers, the Group conducted materiality assessment based on the principle of “materiality” to gain insight into its stakeholders’ expectations and appeals. During the Reporting Period, the Group adopted the materiality review and examination approach to conduct the assessment of materiality issues after taking into account factors such as its principal business and operating environment, business strategies and the situation of its major stakeholders.

The Group took the disclosure requirements set out in the ESG Reporting Guide as the basis, made reference to the Sustainability Accounting Standards Board’s (SASB) material issues for industries related to finance, developments of related policy of the regulator and peers’ issues of concern, and then conducted reviews on the material issues of previous years to build and update the database of potentially material issues for the Reporting Period, and had finally identified 13 issues as material issues for the Reporting Period. The Board of the Group had confirmed the above results, and the Report is highlighted based on the above assessment of materiality issues. The Group will continue to broaden the communication channels with its stakeholders, maintain good and smooth communication with all stakeholders to extensively receive the views and suggestions of stakeholders on the Group’s sustainable development efforts.



Aspect	Materiality Issue	Responding Section
<b>Environmental</b>	Green finance	Practicing Green Finance and Creating a Leasing Model of Green Development
	Response to the “carbon peak and carbon neutrality” strategy	Practicing Green Finance and Creating a Leasing Model of Green Development
<b>Social</b>	Employment	People-oriented Development for Common Growth of the Company and the Employees
	Health and safety	People-oriented Development for Common Growth of the Company and the Employees
	Development and training	People-oriented Development for Common Growth of the Company and the Employees
	Labor standard	People-oriented Development for Common Growth of the Company and the Employees
	Inclusive finance	Developing Inclusive Finance and Adhering to the People-oriented Nature of Finance
	Communication with stakeholder	Enhancing Responsible Management and Following Sustainable Development Philosophy
	Anti-corruption	Consolidating Internal Management and Enhancing the Governance System Construction
	Information security and fin-tech	Consolidating Internal Management and Enhancing the Governance System Construction
	Digital finance	Promoting Digital Finance and Activating the Engine for High-Quality Development
	Technology & innovation finance	Supporting Technology Finance to Empower the Development of New Quality Productive Forces
Consumer protection	Developing Inclusive Finance and Adhering to the People-oriented Nature of Finance	



## 3. SUPPORTING TECHNOLOGY FINANCE TO EMPOWER THE DEVELOPMENT OF NEW QUALITY PRODUCTIVE FORCES

Technological innovation is the core driving force for high-quality development and the core element for the development of new quality development. As the first of the “five major areas”, the introduction of technology finance not only reflects the high importance that the State attaches to technological innovation, but also confers a new historical mission on financial services in science and technology. The Group has continued to strengthen its support for new quality productive forces, promote industrial transformation and upgrading, and support the substitution of domestic products, so as to support the real economy with financial services and empower the high-quality development of the technology industry.

### 3.1 SUPPORTING THE TRANSFORMATION AND UPGRADING OF TECHNOLOGY AND INNOVATION INDUSTRIES

Technology is the first productive force, and innovation is the primary driving force. The government will vigorously promote the construction of a modern industrial system and accelerate the development of new quality productive forces as its top priority in the future. The Group has continued to lead industrial innovation with technological innovation, actively cultivated and developed new quality productive forces, continuously developed and upgraded new models and new paths of technological and innovative financial services, and deployed financial leasing resources in key innovation areas.

The Group has focused on key areas, supported the transformation and upgrading of advanced industries, and continued to increase its business investment in advanced manufacturing areas such as the integrated circuit industry, display panels, new energy vehicle manufacturing, batteries production, and the production of shield machines, and realized investment of over RMB8.0 billion in high-end equipment leasing business throughout the year.



Case: Serving Guangdong-Hong Kong-Macao Greater Bay Area and assisting Shenzhen in the construction of “a new generation of world-class automobile city”

The Group has actively provided “financing” and “intelligent integration” services to contribute to the development of Shenzhen’s new energy vehicle industry. The Group has provided finance leasing support for the production equipment of the Shenzhen-Shantou BYD Automobile Industrial Park Phase II project, and has invested RMB2.02 billion in the project in 2023 to support BYD’s purchase of new energy vehicle production line equipment. This project is a key industrial project in Guangdong Province, which mainly produces mid-to-high-end mainstream new energy vehicles and core components. After being put into production, the project’s annual output value will exceed RMB200 billion and will provide 36,000 job positions.



**Provision of Finance Leasing Support for the Production Equipment of the Shenzhen-Shantou BYD Automobile Industrial Park Phase II Project**

### Case: Boosting innovation and development of the power battery sector

As the penetration rate of new energy vehicles in China has increased to 31.6%, the demand for vehicle energy replenishment services is gradually expanding. By virtue of its advantages like short duration, land saving and efficient battery management, the battery replacement and energy replenishment model of replacing batteries through battery exchange stations has begun to become an important development direction of energy replenishment. The Group has conducted industry research and market research on the field of battery exchange for new energy vehicles, compiled and released the Research Report on Leasing Support for Battery Exchange for New Energy Vehicles, and initiated the cooperation with Wuhan Weineng Battery Asset Co., Ltd. and formed a digital post-leasing management model of battery assets based on the "Lithium Solution" system. The project not only provides financial support for the development of the new energy vehicle industry and facilitate the industry's innovative development, but also promotes the green development of the energy sector.



**Power Battery Direct Leasing Project of Wuhan  
Weineng Battery Asset Co., Ltd.**



### 3.2 ASSISTING IN THE LOCALIZATION OF TECHNOLOGICAL EQUIPMENT

The Group leveraged its strength in leasing innovation to enhance the matching of financial supply with the demand for technology and innovation, and provide strong support to industries such as integrated circuits and medical equipment in promoting the localized replacement of equipment, so as to promote the continuous expansion of new quality productive forces in a wider scope, wider field and deeper level.



Case: Launching the medical heavy ion accelerator equipment asset sale and leaseback project to support the localization of high-end equipment

The Group has actively implemented the policy spirit of financial support for social medical services and supported the development of domestic high-end medical equipment by providing finance leasing services to Putian Mazu Heavy Ion Hospital.

Mazu Heavy Ion Hospital is located at Putian Mazu Health City to build a cross-strait cooperation zone, which is an important part of Putian Mazu Health City. The core equipment used in the Mazu Heavy Ion Hospital, the medical heavy ion accelerator, is a domestically produced device with a high cost and a long payback period. When there was pressure on the availability of funds for the second phase of the Mazu Heavy Ion Hospital, the Group responded in a timely manner and cooperated with enterprises to improve the approval procedures and provided financial support. The construction of Putian Mazu Heavy Ion Hospital will enhance the level of protection for cancer patients' treatment, improve the effectiveness of the treatment, and generate good social benefits.

During the Reporting Period, the Group completed the signing of a contract with a value of RMB400 million and the disbursement of funds for the project to effectively ensure the capital requirements for the subsequent construction of the project, which was highly praised by the local government and enterprises.



**Medical Heavy Ion Accelerator Equipment Asset Sale and Leaseback Project of Mazu Heavy Ion Hospital**

## 4. PRACTICING GREEN FINANCE AND CREATING A LEASING MODEL OF GREEN DEVELOPMENT

Green environmental protection is one of the new growth engines of China's economy and promoting green and low-carbon economic and social development is a key link in achieving high-quality development. As one of the "five major areas", green finance is an important tool and means to promote sustainable economic and social development. The Group has actively implemented the national "dual carbon" deployment requirements to vigorously expand the construction of clean energy power stations, develop cross-border green ship and aircraft leasing, and actively develop green financing channels, so as to help the industry develop toward "green", support the green transformation of the economy and society, and implement the national "dual carbon" strategy. As of the end of 2023, the balance of the Group's leased assets in clean energy, new energy and other energy amounted to RMB35.96 billion<sup>2</sup>.

### 4.1 BOOSTING THE CONSTRUCTION OF CLEAN ENERGY POWER STATIONS

The Group implemented the national green finance requirements, focused on the national "dual carbon" strategy, and continued to deeply explore the green energy market. By relying on the flexible business model of leasing, the Group gave full play to the unique advantages of "financing" + "integrating asset leasing", increased investment in the clean energy sector, explored innovative green leasing products, and achieved coverage of wind power, photovoltaic, energy storage, hydropower and other scenarios. During the Reporting Period, the Group realized an additional investment of more than RMB15 billion in the green energy business throughout the year.

As of the end of the Reporting Period, the installed capacity of the Group's new energy power stations amounted to 8,572 MWh, with the installed capacity of new energy storage of 480 MWh. According to the calculation, the clean energy power plant project of the Group has an annual power generation of 13,773,394.37 MWh, which can supply approximately 2.1 million people with electricity, resulting in an annual saving of 4,228,311.00 tonnes of standard coal, an annual reduction in carbon dioxide emission of 11,494,587.68 tonnes, an annual reduction in sulphur dioxide (SO<sub>2</sub>) emission of 120,760.56 tonnes, and an annual reduction in nitrogen oxides (NO<sub>x</sub>) emission of 19,534.80 tonnes.

Item category	Installed capacity (MW)	Annual power generation (MW) <sup>3</sup>	Annual saving equivalent to standard coal of the project (tonnes) <sup>4</sup>	Annual reduction equivalent to CO <sub>2</sub> emission of the project (tonnes)	Annual reduction equivalent to SO <sub>2</sub> emission of the project (tonnes)	Annual reduction equivalent to NO emission of the project (tonnes)
Wind power project	2,739	6,313,930.90	1,938,398.00	5,770,364.60	55,360.65	8,955.40
Photovoltaic project	5,733	7,224,463.47	2,217,768.00	5,543,878.20	63,339.45	10,246.09
Solar thermal project	100	235,000.00	72,145.00	180,344.88	2,060.46	333.31
Energy storage project	480	N/A	N/A	N/A	N/A	N/A

<sup>2</sup> The same indicator as the "Balance of Energy Infrastructure Leased Assets" in the Group's 2022 ESG report.

<sup>3</sup> The annual power generation of wind power and photovoltaic projects is an estimate, calculated by the formula of annual power generation (MWh) = power of the project (MW) x hour of power generation (h); the annual power generation of hydropower and solar thermal projects is the actual measurement data.

<sup>4</sup> According to the Guidelines for Measuring Energy Saving and Emission Reduction of Green Credit Projects (the "Guidelines") issued by the CBIRC in May 2020, different calculation methods are set for green credit projects based on different industries and design of environmental benefits. The Group has adopted these as the standard for calculating the environmental benefits of green projects. The emission reduction data of the green leasing projects involved in this report are calculated with reference to the methodology of the Guidelines. The key data involved in the calculation of environmental benefits are obtained from the project feasibility study reports and relevant approval documents, etc. The relevant coefficients and default values required for the calculation are provided by the Guidelines.





### Case: Support for the 200MW wind power direct leasing project in Wenxi County

The Wenxi County 200MW wind power direct leasing project is located in Wenxi County, Yuncheng City, Shanxi Province, with a total scale of 200MW. The project is constructed by the PowerChina Jiangxi Electric Power Engineering Co., Ltd. (中國電建集團江西省電力設計院有限公司), and the Group has provided financing of RMB1,134.8 million for the construction of the project. The project is expected to have an annual power generation capacity of 460,000 MWh, saving 141,200 tonnes of standard coal per year and reducing emissions of various atmospheric pollutants. It is estimated that the project will reduce carbon dioxide emissions by 420,400 tonnes per year, sulfur dioxide emissions by 4,033.24 tonnes per year, and nitrogen oxide emissions by 652.44 tonnes per year. This project is not only an effective supplement to the energy supply in Yuncheng City, but also, as green electricity, is conducive to alleviating the environmental protection pressure of the power industry and has significant social benefits.



200MW Wind Power Direct Leasing Project in Wenxi County



### Case: Supporting distributed photovoltaic power generation projects for commercial and industrial sectors

In the field of industrial and commercial distributed photovoltaic, the Group has cooperated with Suzhou Lvpu New Energy Development Co., Ltd. (“Suzhou Lvpu”) to carry out the first batch of industrial and commercial distributed photovoltaic projects of Suzhou Lvpu. There are a total of 5 projects in this batch, with a total investment amount of RMB13 million, distributed in Shanghai, Suzhou, Tai’an, Shandong and Yancheng, Jiangsu. Distributed photovoltaic power generation has the characteristics of adapting to local conditions, clean and efficient, decentralized layout, and nearby utilization. It can make full use of solar resources, reduce carbon emissions, and generate clean power, and has significant energy, environmental protection and economic benefits. This project helps save electricity costs for power-consuming companies, reduce carbon emissions of power-consuming companies, meet the financing needs of project builders, and make full use of rooftop resources for green power generation.



**Industrial and Commercial Distributed Photovoltaic Power Generation Project  
of Suzhou Lvpu**

## 4.2 EXPANDING THE ADVANTAGES IN GREEN SHIP

As one of the earliest leasing companies in China to launch ship leasing business, the Group adhered to the new development concept of “innovation, green and openness”, accurately grasped the development trend of the shipping market, and intensified the development of ship operation and leasing business. The ship segment of the Company has built up a certain scale, and is in a leading position in the industry in terms of asset quality, profitability and professional management level, and has a greater influence in the ship chartering, shipping and shipbuilding industries.

Under the overall trend of green and low-carbon development in the shipping industry, the Group continuously transformed existing ships into energy-saving ones, and designed newly built ships in a way that can reduce greenhouse gas emissions. The

main engines of all projects of the Group meet the Tier III nitrogen oxide emission requirements of the International Maritime Organization<sup>5</sup> (“IMO”). In addition, SCR denitrification systems are installed to process nitrogen oxide emissions to further reduce the emission value. At the same time, in accordance with the requirements of IMO to reduce sulfur emissions, all ships have been equipped with desulfurization towers or use low-sulfur fuel to ensure compliance. The Group installed energy-saving devices on new ships under construction, which saved fuel consumption by approximately 5% compared with ships of the same type that were not equipped with energy-saving devices. At present, all newly-built ships meet the IMO Energy Efficiency Design Index<sup>6</sup> (“EEDI”) standards stage II (20% higher than the baseline of carbon emission energy efficiency index), and certain of ships have met the EEDI stage III standard (30% higher than the baseline of carbon emission energy efficiency index). All existing ships have met the Energy Efficiency Existing-Ship Index (“EEXI”) through measures such as limiting power and installing energy-saving devices.

During the Reporting Period, there were no major safety incidents such as oil pollution and damage to public facilities on ships operated by the Group, and no public complaints from crew members occurred. During the Reporting Period, the Group made additional investment of RMB8.001 billion in the ship leasing segment. As of the end of the Reporting Period, the Group had 228 ships in operation, all of which are environment friendly ships<sup>7</sup>.

### Case: The six 63,000-tonne bulk carriers achieved improvement in both economic and environmental benefits

During the Reporting Period, the six 63,000-tonnes bulk carriers constructed and delivered by the Group at New Dayang Shipbuilding met the Tier III standard for main engine emissions and the EEDI stage III standard for energy efficiency, which effectively reduced nitrogen oxides and carbon emissions. In addition, the ships are all equipped with an intelligent management system, which can optimize the speed of the ship. Under the premise that the total sailing time of the whole voyage remains basically unchanged, the system combines weather information to predict future sea conditions and optimize the speed of the ship, thus saving the total fuel consumption of the main engine of the whole voyage and reducing the fuel cost, and the average fuel consumption can be reduced by 3%-6%, which improves the cost-effectiveness of ship operation and the effect of energy saving and emission reduction.



**The Six 63,000-tonne Bulk Carriers Delivered by New Dayang Shipbuilding to Achieve Economic and Environmental Benefits**

<sup>5</sup> The IMO is a specialized agency of the United Nations responsible for the safety of maritime navigation and the prevention of marine pollution caused by ships. It is committed to promoting the reduction of greenhouse gas emissions and the prevention and control of marine pollution in the shipping industry.

<sup>6</sup> The Energy Efficiency Design Index (EEDI) is a quantitative constraint added to the ship design stage by the IMO in order to reduce carbon emissions. The purpose is to require new ships delivered after 2013 to make emission reduction arrangements at source; for ships delivered before 2013, emission constraints are carried out through the Energy Efficiency Existing-Ship Index (EEXI).

<sup>7</sup> Environment friendly ships: Ships that can reduce energy consumption and exhaust emissions and reduce negative impacts on the environment.

### 4.3 EXPANDING GREEN FINANCE CHANNELS

The Group has actively explored the development and innovation of green financial products. Since 2023, the Group has formulated the Domestic Green Financial Bond Management Measures of China Development Bank Financial Leasing Co., Ltd. (Trial, 2023 Edition) 《國銀金融租賃股份有限公司境內綠色金融債券管理辦法(試行·2023年版)》, which improved the Group's green financial bond system, enriched the financing channels and prevented operational risks. In order to better implement the concept of sustainable development and establish a long-term and stable financing channel for sustainable development, in 2023, the Group successfully established a sustainability finance framework that complied with domestic and global certification standards, which was the first financial institution in China that met both domestic and global certification standards for domestic and global sustainability finance framework.

Such sustainability finance frameworks have received high-scoring certification from Lianhe Equator and Moody's SQS2 (Excellent). The result of this certification is the highest rating level that Moody's has awarded to a global financial institution for its sustainability finance framework since it updated its certification rating method in October 2022. The Group can subsequently carry out domestic and overseas sustainable bond financing, bank financing and derivatives transaction under this framework. The Group's sustainability finance framework has two sub-frameworks, namely the Green, Social and Sustainability Finance Framework and the Sustainability-linked Finance Framework. The sustainability finance framework has opened up the efficient financing channels directly for assets that meet sustainable standards, enriched available financing varieties, and provided reliable financing channel guarantees for sustainable leasing business systems such as green energy, inclusive finance, energy-saving aircraft and environmentally friendly ships, and assisted in the Group's long-term layout in the field of sustainable development business.



Case: The first blue economy-themed US dollar financing of CDB Leasing was granted Shenzhen Green Financial Product Innovation Award

During the Reporting Period, the Group successfully launched the first blue economy-themed financing of US\$260 million in January 2023, which was certified and assessed by Lianhe Equator Environmental Impact Assessment Co., Ltd as the first blue economy-themed financing in the industry that meets multiple certification standards such as the Blue Finance Guidelines 《藍色金融指引》, Green Loan Principles 《綠色貸款原則》 and United Nations' Sustainable Development Goals 《聯合國可持續發展目標》.

The project was awarded the Green Finance Product Innovation Award of "2023 Excellent Cases of High-Quality Development of Green Finance" by the expert from Shenzhen Green Finance Association. The award represents Shenzhen's full recognition of the Group's role in supporting the marine economy and environmentally sustainable economic activities. In the future, the Group will continue to help Shenzhen to build a global ocean center city with outstanding competitiveness, innovation and influence and an example of a strong ocean nation.



Green Finance Product Innovation Award



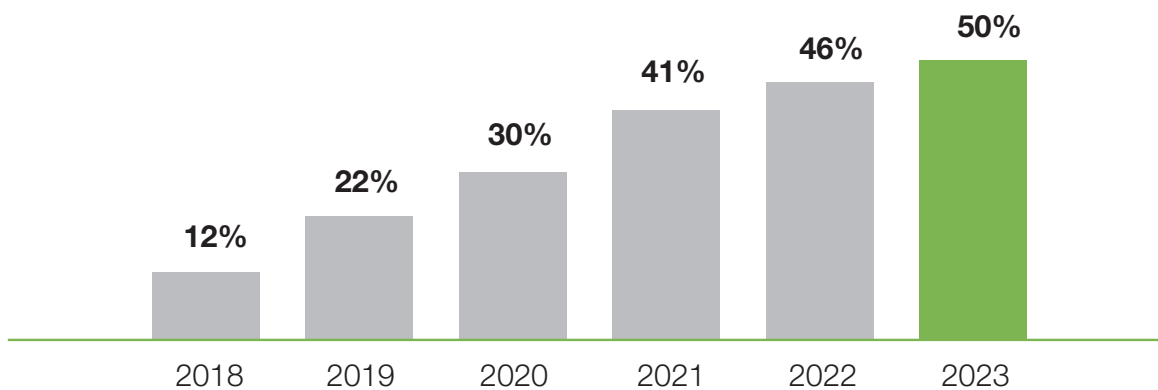
### Topic: Leading Green Flights and Promoting Sustainable Transformation in the Aviation Industry

As an industry contributing 2.5% of global CO<sub>2</sub> emissions, the global aviation industry is stepping up its role in climate action. As a lessor of aircraft to airlines, CDB Aviation, a subsidiary of CDB Leasing, is committed to becoming an industry leader in ESG, maximizing its influence and helping to promote positive changes in the aircraft leasing industry.

CDB Aviation is committed to incorporating ESG into its governance system. In 2022, CDB Aviation established a sustainability working group to oversee ESG issues and develop a business sustainability strategy. The sustainability working group will report regularly on ESG issues to the sustainability committee at Board level.

In terms of the construction of energy-saving aircraft<sup>8</sup> fleet, CDB Aviation is making full use of the opportunities presented by the market environment to further increase the proportion of energy-saving aircraft of the Group, reduce the fuel consumption and greenhouse gas emissions from aircraft leasing business and help contribute to a more sustainable aviation industry. As of the end of the Reporting Period, CDB Aviation had a total of 147 energy-saving aircraft, all of which are aircraft on operating lease, accounting for 50% of the overall fleet. During the Reporting Period, the total emissions reduced by energy-saving aircraft leasing business reached 1,010,000 tonnes of carbon dioxide equivalent. In addition, CDB Aviation is committed to achieving a 60% energy-saving aircraft fleet composition by 2025.

**Proportion of Energy-saving Aircraft at CDB Aviation (2018-2023)**



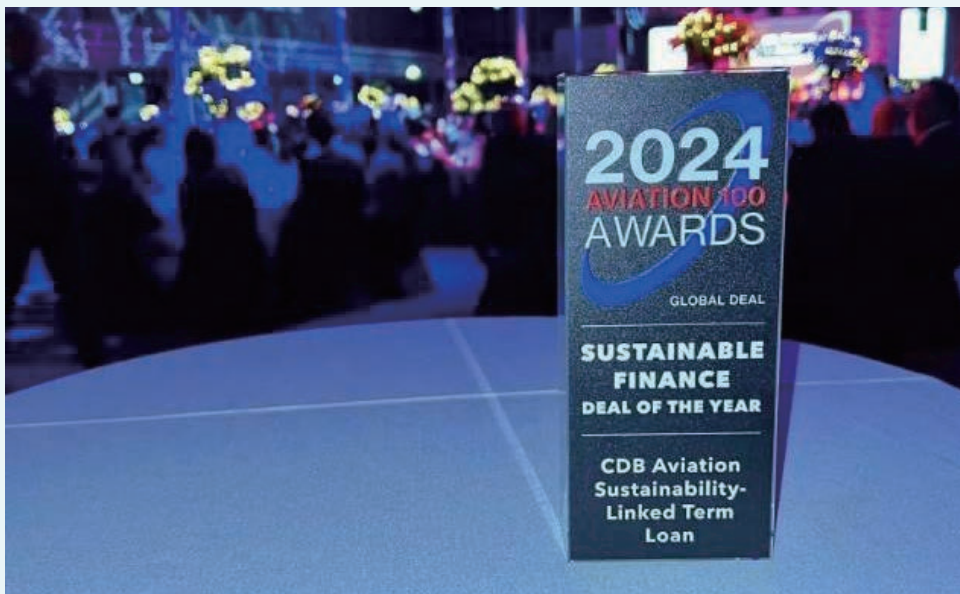
During the Reporting Period, CDB Aviation was committed to creating more diversified financing channels and actively expanding the cooperative relationship between banks and the capital markets, as well as conducting green financing business.

<sup>8</sup> Energy-saving aircraft: A series of technologies and measures are adopted during the design, manufacturing and use to reduce energy consumption and exhaust emissions, and reduce negative impacts on the environment.

- Case: CDB Aviation successfully completed the first sustainable development-linked syndicated loan in the global aviation leasing industry

In December 2023, CDB Aviation completed the first sustainable development-linked syndicated loan in the global aviation leasing industry, totaling US\$625 million. The financing terms of the transaction are based on the three key performance indicators of CDB Aviation and are linked to the performance results of sustainability performance objectives including reducing the carbon emission intensity of CDB Aviation's fleet; increasing the proportion of new generation of aircraft in its fleet; increasing diversity, equity and inclusion (DEI) related training for employees.

The loan received an opinion from Moody's and was awarded an SQS2 (Excellent) sustainability quality score. In addition, in January 2024, CDB Aviation won the "Sustainable Financial Transaction Award of the Year" issued by Aviation Economics for this loan.



**CDB Aviation won the "Sustainable Financial Transaction Award of the Year"**

The overall sustainability goal of CDB Aviation is to apply an ESG perspective in business decisions and ultimately achieve its long-term sustainability strategy. To this end, CDB Aviation is committed to improving the skills of its employees and the industry on ESG issues and helping stakeholders conduct business dialogue on ESG-related issues. During the Reporting Period, CDB Aviation collaborated with other lessors under the Aircraft Leasing Ireland (ALI) Sustainability Charter and created an eLearning platform. The training content on this platform includes 12 modules covering all key aspects of the ESG issues, as well as relevant training content tailored to aircraft leasing and the wider aviation community.



### eLearning Platform

**In terms of employee welfare and development,** CDB Aviation has developed a competitive employee remuneration and welfare system to create rich career development opportunities for its employees. All employees have the option to participate in pension plan, medical and health care plan and oral health care plan, which also cover their spouses and relatives. We also offer a variety of work and life balance programs, including positive thinking classes, nutritionist classes and gym memberships. In 2018, CDB Aviation established a Sports and Social Committee to plan a variety of sports and team building activities for its employees. CDB Aviation has also implemented a flexible and remote working system that allows employees to work remotely for 30 days per year, while implementing a mixed work week with three core days on duty. In terms of employee training and career support, CDB Aviation promotes a culture of continuous learning and has established five key learning and development programs: the LIFT program for team leaders and content leadership, WheelsUp, an internal learning platform available to all employees, a support policy to encourage continuing education for employees, related office software training to improve Microsoft using capabilities, and personalized executive career coaching support.

**In terms of corporate social responsibility,** CDB Aviation supports charities and social welfare organizations in the areas of children's education, homelessness relief, environmental protection and more through its corporate social responsibility program, and encourages its employees to participate in related activities through volunteering and donations. These are organized and overseen by the Corporate Social Responsibility Committee of CDB Aviation. The Corporate Social Responsibility Committee meets monthly to discuss initiatives and searches for potential charities to support.

During the Reporting Period, CDB Aviation adopted multiple measures for ESG initiatives. CDB Aviation received the ESG risk rating from Sustainalytics for the first time, scoring 15.6 points, which is a low ESG risk rating, and is one of the highest-scoring companies among aircraft lessors.

## 5. DEVELOPING INCLUSIVE FINANCE AND ADHERING TO THE PEOPLE-ORIENTED NATURE OF FINANCE

To develop inclusive finance well is an inevitable choice for promoting the high-quality development of inclusive finance in the new era and pursuing the development path of finance with Chinese characteristics, and it is a powerful support for finance to support China's modernization. In line with the spirit of the Central Financial Work Conference, the Group is committed to "improving people's livelihood and well-being and helping to improve the quality of people's lives". The Group strongly supported the inclusive finance segment represented by its two major obligations, namely, construction machinery leasing and vehicles leasing, and provided high-quality financial services to the micro, small and medium-sized enterprises and natural persons in this segment, so as to fulfill the political and people-oriented nature of finance, and thus strive to vigorously develop the inclusive finance segment.

### 5.1 SUPPORTING DEVELOPMENT OF MICRO, SMALL AND MEDIUM-SIZED ENTERPRISES

In order to solve the problem of "difficult, expensive and troublesome financing" faced by SMEs, the Group cooperated with construction machinery manufacturers, built a credit structure through integrating the resources and advantages of the upstream and downstream of the industrial chain, and innovatively developed the vendor leasing model for terminal retailing of leased products, with the Group acting as the lessor, to provide better and more accessible financial services to downstream SMEs and individual industrial and commercial tenants purchasing construction machinery and equipment, and work together to solve the problem of difficult and expensive financing for SMEs. As of the end of the Reporting Period, the Group's construction machinery business has deployed over 140,000 units of equipment, benefiting over 20,000 end customers.

At the same time, the Group formulated timely relief measures for SMEs affected by the epidemic by proactively visiting enterprises to understand their actual difficulties and financing needs, providing precise enterprise-friendly policies and personalized financial services, including a package of support measures such as preferential interest rates, adjustments to loan repayment plans, and stabilization of asset quality, etc., so as to take practical actions to continue to expand the coverage of inclusive financial services to the fullest extent to the benefit of SMEs and individually owned businesses, and to assist enterprises to tide over the difficult times and achieve healthy and high-quality development.



Case: The construction machinery business won the “Shenzhen Acts to Benefit Enterprises” (深惠萬企 圳在行動) Excellent Case Award for 2023

The practice case of the Group, being the “Supporting Entities, Serving Micro and Small Enterprises and Helping Enterprises in Shenzhen Relieve Difficulties and Achieve Sound Development”, introduced the effectiveness of the leasing business of construction machinery manufacturers in fulfilling its responsibility of inclusive finance and serving natural persons and micro, small and medium-sized enterprises customers in recent years. The case won the Excellent Case Award for 2023 of “Shenzhen Acts to Benefit Enterprises” (深惠萬企 圳在行動) Financial Service Matching Activity by the Shenzhen Banking Association, and the Group became the only non-banking financial institution in Shenzhen to win the award. This award is a full recognition of the Group’s in-depth implementation of inclusive finance.



**The case of the construction machinery business won the Excellent Case Award for 2023 of “Shenzhen Acts to Benefit Enterprises”**

## 5.2 SERVING THE DEVELOPMENT OF “AGRICULTURE, RURAL AREAS AND FARMERS”

The Group actively responded to the national policy of supporting the “agriculture, rural areas and farmer” and contributed to the rural revitalization strategy. In early 2022, it began to proactively plan and actively explore the business layout and model of serving the development of the “agriculture, rural areas and farmers”, and realized its first leasing of agricultural machinery and equipment which amounted to RMB100 million, which benefited over 1,300 farmer lessees, involving more than 1,400 sets of agricultural machinery equipment, and provided strong support for the development of agricultural mechanization. In the future, the Company will continuously deepen its cooperation with agricultural machinery manufacturers, increase its finance support for the agricultural machinery industry chain and industry clusters, fully support the transformation and upgrading of the agricultural machinery and equipment industry, and take practical actions to practice inclusive finance.

In 2023, the Group explored the development of rural household photovoltaic projects and successfully launched a RMB720 million household photovoltaic power station business, enabling rural areas to really enjoy the benefit generated from energy transformation and low-carbon development.

● ● Case: Support for the construction of household photovoltaic power to boost the way of rural revitalization

The household photovoltaic power generation is considered as a “dormant asset” on the roof of a house, its significance should not be overlooked in energy transformation, rural revitalization and achievement of the “dual carbon” goal. In the rural areas, household photovoltaic power generation can not only help farmers solve the problem of electricity consumption, but also increase the income of farmers through the sale of electricity and other means. The Group proactively responded to the financing needs of Chint Anneng Digital Power (Zhejiang) Co., Ltd. (“Chint Anneng”) for various batches of household distributed photovoltaic power station projects, facilitating construction of household photovoltaic power into the “fast track”. As of the end of the Reporting Period, the Group had cooperated with Chint Anneng on two batches of household distributed photovoltaic projects of 390MW, realizing investment of RMB720 million, supporting the development of roof-top distributed photovoltaic power plants for over 8,000 households.

The implementation of the project increased the income of local farmers. Each household rooftop distributed photovoltaic power plant can generate an annual income of RMB2,000-8,000 for farmers. It effectively consolidated the results of poverty alleviation, demonstrated the Group’s determination to implement the concept of “inclusive finance” and to assist in the rural revitalization, and opened a new chapter in the construction of ecological civilization and the development of rural revitalization in China.



**Financial Leasing of Two Batches of Rural Household Distributed Photovoltaic Project of 390MW by Chint Anneng**



## Topic: Becoming the “fourth pole” of the vehicle business and doing the major area of inclusive finance well

The Group has continued to optimize the layout of inclusive financial assets and build its vehicle leasing business as the fourth pole of the Company’s transformation and development. The Group has innovated its product and service modes to develop its vehicle leasing business for long and short-term vehicle leasing, city distribution logistics and online car-hailing scenarios. At the same time, the Group has introduced technology-based finance and empowered its vehicle leasing business by digital means, so as to enhance the popularity, accessibility, convenience and inclusiveness of vehicle leasing in a practical manner. Meanwhile, the Group continued to support the development of new energy vehicles, promoting the automobile industry to move towards “green”. During the Reporting Period, the Group completed the deployment of its first vehicle leasing business operation, and achieved the “double RMB10 billion” breakthrough in terms of investment in passenger vehicle leasing business serving consumers and asset balance. As at the end of the Reporting Period, the new investment of the Group’s vehicle leasing business amounted to approximately RMB16.5 billion with more than 120,000 new vehicles, directly or indirectly benefiting more than 90,000 end customers.

### Empowering the Leasing Business Serving Consumers with Technology

With economic development and rising residents’ income, travelling needs have been become more and more diversified, the automobile industry is developed rapidly. In recent years, the State has issued a series of circulars aiming at expanding and restoring consumption, the importance of further promoting automobile consumption is especially emphasized. The NFRA also issued regulatory policies on supporting the development of the automobile industry, such as the Circular on Financial Support for the Restoration and Expansion of Consumption 《關於金融支持恢復和擴大消費的通知》. Against such backdrop, aiming at the market demand, the Group had fully utilized the “fund financing” + “assets financing” features of its leasing business, adhered to the orientation of financial services for the benefit of the people, and vigorously developed the passenger vehicle leasing business serving consumers, so as to further expand the coverage of inclusive finance to satisfy the diversified travelling needs of consumers, and thereby promote the high-quality development of the automobile industry by means of financial services.

- In expansion of the passenger vehicles business servicing consumers, the Group has covered over 30 provinces in seven major economic regions through its continuous cooperation with distributors in different regions and with different advantages, serving natural person customers nationwide by financial leasing.
- The passenger vehicles business servicing consumers is characterized by large customer base and a relatively low amount of a single transaction, which lowered the capital threshold for purchasing a car, eased the capital pressure on consumers, enabled automobile finance to cover more long-tailed people, and provided diversified choices of purchasing a car for a large number of middle- and low-income groups.
- The passenger vehicles business servicing consumers has enriched the form and content of auto mobile finance, while focusing on the end customers of the automobile industry chain and forming close cooperative relationships with upstream automobile manufacturers, downstream automobile dealers and relevant financial service institutions.

The Group has adhered to the concept of technology-empowered vehicle business, and the passenger vehicle leasing business serving consumers has been operated digital means. The Group started to build a big data risk control system at the beginning of 2021, has successively designed and developed multiple sets of big data risk control strategy model based on the business scenarios of new cars and second-hand cars, has realized automatic approval in the pre-trial stage of the business by virtue of the big data risk control system, and the time it takes to complete the approval of a single business (from the receipt of application documents to the completion of approval) is less than one minute, which empowers finance with technology and significantly improves the financial service capacity and service efficiency. The intelligent big data risk control system of the Group continuously improves the effectiveness of risk control and enhances the efficiency of approval, achieved the “business digitization, data-based risk control and intelligent process”.

### Promoting Inclusive Finance with Green Development

The Group has contributed green elements for inclusive finance, thereby raising green and low-carbon development level of inclusive finance. With the rapid development of new energy vehicles in recent years, the Group has taken the initiative to actively participate in the changes in the industry. Taking advantage of the opportunities arising from the transformation and upgrading of the industry, the Group has deployed a new direction for its business development, under which it has approached for cooperation with various enterprises in the upstream and downstream of the new energy vehicle industry, and continued to achieve new breakthroughs. During the Reporting Period, the Group strongly supported the new energy vehicle leasing business, providing financing support to two areas equipping mainly with new energy vehicles, namely city distribution logistics and online car-hailing, with an investment of RMB797 million involving 5,363 new energy vehicles, thus promoting green travelling and green development of the industry.

City distribution and logistics protect the basic livelihood of the urban residents, however, the participants in the sector vary with generally relatively low credit, the vehicle purchase cost has doubled since the emergence of new energy vehicles, the green city distribution-oriented financing for enterprises is insufficient. The Group is actively exploring the fit between new energy city distribution logistics and leasing attributes, giving full play to the distinctive advantages of leasing tools, and to provide green financial products and services to its customers based on the Company's own resource and strengths.



### Case: Application of the pilot operating leasing business model in the city distribution logistics scenario

DST Car Rental (Shenzhen) Co., Ltd. ("DST") is a world-leading digitalized operator of new energy logistics vehicles, focusing on the sustainable development of green logistics in the industry ecosystem, and was selected into the National (Shenzhen) Climate Investment and Financing Project Database. The Group signed a strategic co-operation agreement with DST to provide it with capital for the purchase of new energy logistics vehicles to meet the demand for the addition and operation of 150,000 new energy logistics vehicles in the next three years.

In February 2023, the Group's first vehicle operating leasing business with DST achieved its first deployment. As at December 2023, a total of RMB600 million of operating leasing business credit was granted, involving 2,400 new energy logistics vehicles, which served 12 major cities including Shenzhen, Wuhan, Chengdu, Xiamen, Zhengzhou and other neighbouring radial cities, providing strong support for intra-city logistics and distribution, assisting and benefiting enterprises, safeguarding the needs of residents' living and ensuring a smooth flow of supply chain, etc.

In addition, through financing services, the Group helped DST to upgrade its technology, obtain a more stable supply of high-quality new energy powered batteries and more risk-controlled financial products, promote the establishment of industry standards and accelerate the sustainable and healthy development of the new energy logistics vehicle industry.



**New energy logistics vehicles of DST**

### Effectively Protecting Consumers' Rights and Interests

The Group has complied with the Implementing Measures of the People's Bank of China for Protection of Financial Consumers' Rights and Interests 《中國人民銀行金融消費者權益保護實施辦法》, the Administrative Measures on Financial Leasing Companies 《金融租賃公司管理辦法》 and other regulatory requirements, and has integrated the "customer-oriented" concept for protection of consumers' rights and interests into its organizational culture, management model and business operation, fully respecting consumers' rights and interests, taking into account the psychology of the consumers, protecting consumer's interests, and facilitating the sustained and steady development of the financial industry as well as the Group.

The Group attaches importance to the protection of consumers' rights and interests and has established a sound organizational structure and working mechanism. During the Reporting Period, the Group formulated the Consumers' Rights and Interests Protection Rules 《消費者權益保護規定》 and established 10 working mechanisms, including consumers' rights and interests protection examination, the management of partner institutions and handling of complaints. In addition, with the commencement of the Group's digital leasing business, in order to regulate the workflow of the business servicing consumers, the Group has also formulated and published systems such as the Operational Procedures for Handling of Complaints from Customers of Digital Leasing Business 《數字化租賃業務客戶投訴處理操作規程》.

In terms of product promotion and business marketing, the Company strictly complied with the Advertising Law of the People's Republic of China 《中華人民共和國廣告法》 and the requirements of regulatory authorities. During the Reporting Period, the Group also formulated the 2023 Publicity Work Plan of China Development Bank Financial Leasing Co., Ltd. 《國銀金融租賃股份有限公司2023年宣傳工作方案》 and the Management Guidelines for the Marketing and Publicity of the Digital Leasing Business of China Development Bank Financial Leasing Co., Ltd. (2024 Edition) 《國銀金融租賃股份有限公司數位化租賃業務營銷宣傳管理指引(2024年版)》, which clearly set out the guiding ideology of publicity work for 2023, the key points of the work, the safeguard mechanism, and the principles, processes and requirements of the marketing and publicity behaviours, so as to ensure that the customers can understand the true and complete information of the products and protect the legitimate rights and interests of customers.

During the Reporting Period, the Group took various measures to enhance the quality and effectiveness of its consumer protection work:

1. Emphasis on customer feedback and optimization of business processes. In the daily process of receiving calls at customer service counters, the Group paid more attention to special problems and the frequency of similar problems, made plans in advance and standardized the handling process. In order to ensure that the Group can provide quality services to customers in a normal and speedy manner in the event of special circumstances, the Group has formulated the Emergency Response Plan for the Customer Services 《客戶服務工作應急預案》, which aims to ensure prompt response, smooth information exchange, proper coordination and timely handling of cases.
2. Improvement of the handling mechanism to respond to customer complaints in a timely manner. In order to deal with customer complaints in a timely and effective manner, the Group has formulated the Customer Complaint Handling Measures and improved gradually the mechanism for receiving and handling customer complaints, so as to handle customer complaints and provide feedback in a timely manner. For customer feedback issues, a dedicated person is responsible to understand the situation and quickly verify and actively respond to customer to ensure that customers were aware of the progress of their own issues, so as to avoid triggering escalated complaints.
3. Developing customer service personnel's business skills and continuously improving service standards. In the workstations for its business serving consumers, the Group has formulated a training programme to provide regular training to relevant staff on business, consumers' rights and interests protection, etc., to continuously improve service standards and thereby implement consistently the philosophy of "customer-oriented" on the front line of service.
4. In terms of education and training, the Group has actively promoted anti-money laundering and anti-fraud among its customers, popularized basic financial knowledges and reminded customers of financial risks, so as to enhance customers' financial literacy and strengthen their awareness of financial security. In addition, the Group has strengthened internal training for its staff, and enhanced the ability to protect consumers' rights and interests. Through various forms of educational activities like typical case studies and practical training courses, the Group has implanted the concept of consumers' rights and interest protection into the mind of all its staff members and continuously improved the quality and effectiveness of its consumers' rights and interests protection.



Case: Proactively launching a emergency drill for customer complaints to enhance the level of consumer protection

In order to further improve and test the completeness, operability and effectiveness of the Group's contingency plan, the Group commenced a reputational risk contingency drill in November 2023. The Group conducted the drill focusing on scenarios related to various customer complaint handling, evaluated the process and results of the drill, and put forward suggestions for improvement, so as to continuously enhance its speed and ability in responding to and handling customer complaints, and to safeguard the rights and interests of consumers.



**Contingency Exercise for Reputation Risk**

During the Reporting Period, the Group received a total of 39 complaints (other than those repeated and successfully appealed), and all issues relating to the complaints were resolved within 15 days. Upon completion of the handling of the complaints, the Group's customer service personnel informed the complainants of the handling of the complaints and the results by phone and reached a consensus with the complainants.

## 6. PROMOTING DIGITAL FINANCE AND ACTIVATING THE ENGINE FOR HIGH-QUALITY DEVELOPMENT

Digital finance is an important means for optimizing financial services, the cornerstone of a powerful financial nation and the “base” of the “Five Major Areas” (五篇大文章), and plays an important role in supporting economic growth. The Group has been actively contributing to the improvement of digital infrastructure and applying cutting-edge technologies, such as big data and cloud services, to the leasing business to provide data support for business analyses while enhancing service quality and efficiency, thereby promoting the steady development of the leasing business.

### 6.1 STRENGTHENING THE “NEW INFRASTRUCTURE” OF DIGITALIZATION

The “new infrastructure” is a major technological infrastructure and public service system that ensures the normal conduct of social and economic activities. It can promote the formation of an investment drive with innovative attributes, which in turn promotes the high-quality transformation of the economy, brings about a large number of new industries, new employment and new demand, and helps to realize the co-ordination between the economic development and the sustainable development of the environment.

Leasing business, with its functions of “financing” and “asset leasing”, can play a unique role in the rapid development of “new infrastructure”. During the Reporting Period, the Group contributed to the construction of new digital infrastructures and continued to expand its business in areas such as basic computing power, and provided financing support for related projects.



#### Case: Support for investment in IDC project to facilitate the construction of digital economy

SZZT Electronics Co., Ltd. (“SZZT Electronics”) is a high-tech enterprise engaging in IDC and two major areas, namely cloud computing and fintech, and has invested in and established four industrial parks and eight energy-efficient data centers in the Guangdong-Hong Kong-Macao Greater Bay Area and the central region. During the Reporting Period, SZZT Electronics commenced a financial leasing cooperation with the Group with its existing IDC equipment for a total project amount of RMB200 million for a term of 3 years. By adopting the sale-leaseback model, the project revitalized the IDC equipment assets of SZZT Electronics, and the funds were used for the procurement of new equipment, repayment of existing debts and replenishment of liquidity, which better supported its development.



Existing IDC Equipment Sale and Leaseback Project of SZZT Electronics





## 6.2 DIGITAL INTELLIGENCE EMPOWERS THE BUSINESS DEVELOPMENT

The Group has continued to promote its own digitalization process, give full play to the technological advantages of digitalization in decision-making, risk control, asset management and other scenarios to accelerate its product and model innovation. It launched a series of products such as “Leasing+” to enhance the quality and efficiency of leasing services, empowering the industry and technology to promote and strengthen each other, and assisting in the construction of a modern industrial system to achieve a high level of self-reliance and self-improvement. In recent years, the Group has been adhering to transformation and innovation, taking data governance as a mean and utilizing digital technology tool to enhance the quality and efficiency of its operations, improve the quality of its services and user experience, and help financial institutions to unleash fresh energies.

The Group has applied technologies such as big data and cloud services to explore the digital management of leased assets and support the innovation and transformation of its business.

1. To obtain the operation and operating data of over 30,000 operational vehicles under the name of the Group by connecting with the systems of the vehicle enterprise cooperative partners. To realize online monitoring and management of vehicle assets status and operation through the development of nearly 40 various statements and 2 digital signboards.
2. To improve the ability to access Internet of Things data by constructing an Internet of Things platform and applying cloud service technology to prepare for the Group to further strengthen the digital management of leased assets.
3. To promote systematic and refined management by perfecting the inclusive finance business system, and launching the construction machinery business product line and the vehicle business product line for trial operation, providing digital support for business development and analysis of operation and management.
4. To realize online monitoring of power generation and operation of all hydropower stations by development of small and medium-sized hydropower apps, application of big data technology, and through connection with Zhaoheng’s system and installation of on-site video monitoring equipment, and to support the development of small and medium-sized hydropower business by creating an online platform for collaboration with asset management companies.
5. To realize online monitoring of the power generation of 13 new energy power stations by development of a new energy power station management module and installment of on-site video monitoring equipment, and to help to improve the quality and efficiency of new energy power station project management through integrating internal customers, projects and financial information.

## 7. CONSOLIDATING INTERNAL MANAGEMENT AND ENHANCING THE GOVERNANCE SYSTEM CONSTRUCTION

In strict accordance with the Company Law of the People's Republic of China 《中華人民共和國公司法》 and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Group has continued to improve its corporate governance system, and continuously enhanced the corporate governance and the quality of disclosed information; strengthened its risk prevention mechanism and attached importance to compliance and integrity in its operation; stepped up anti-money laundering actions and protected intellectual property rights from infringement; protected confidentiality and maintained national and information security; and worked with suppliers to practice clean and green procurement.

### 7.1 IMPROVING CORPORATE GOVERNANCE

#### Board of Directors

The Group has established a corporate governance structure comprising the party committee, the shareholders' general meeting, the Board of Directors, the Board of Supervisors and the senior management with clearing division of rights and responsibilities, each performing its own functions, mutual coordination and effective checks and balances. The party committee of the Company has played a leading role in setting the direction, managing the overall situation and ensuring implementation, and has discussed and decided on major corporate issues in accordance with the regulations; the Board of Directors is the decision-making organization of the Company, with the functions of "formulating strategies, making decisions and preventing risks"; the senior management is the executive organization of the Company, with the functions of "operation planning, implementation monitoring and management strengthening"; the Board of Supervisors is the supervisory body of the Company, which supervises the duties of performance of the members of the Board of Directors and the senior management in accordance with the relevant laws and regulations and the Articles of Association. Through the above-mentioned governance system, the Group has secured comprehensive and orderly management, and continuously improved and enhanced the governance level and management effectiveness.

The Board of Directors of the Group consists of 7 members. There are 6 special committees under the Board of Directors, namely the Strategic Decision Committee, the Risk Management and Internal Control Committee, the Related Party Transaction Control Committee, the Audit Committee, the Remuneration Committee and the Nomination Committee. The Board and its committees adopt a decision-making system of collective review and consideration and independent voting to ensure the comprehensiveness and independence of decisions. The Board strictly complies with the laws and regulations and the Articles of Association in exercising its decision-making power in respect of material matters of the Company, and strengthens the supervision on the senior management so as to ensure the stable and sustainable development of the Company in the long term.

The independent non-executive directors of the Group come from different industries with different professional skills and experience, and have diversified perspectives and complementary strengths, as well as an international outlook and rich experience in corporate operation and decision-making. The directors are able to combine their experience and professional skills to conduct in-depth studies on relevant issues and put forward scientific and reasonable decision-making proposals on the Company's operation and development.

During the Reporting Period, the Group has focused on promoting high-quality development, to solidly and steadily advance all aspects of corporate governance, consolidating the foundation for corporate governance compliance. The Group has completed the election of the third session of the Board of Directors and the Board of Supervisors; amended the Articles of Association to improve a series of key and basic systems of corporate governance; sorted out 36 main work processes of corporate governance to consolidate the management foundation; organized the meetings of the Board of Directors and shareholders' general meetings in an orderly manner, with 127 resolutions considered and approved; published 108 information disclosure announcements throughout the year on the Company's operating results, important transactions and major corporate governance issues, ensuring the public's right to know.

For more details on the Board of Directors of the Group, please refer to the Corporate Governance Report of 2023 Annual Report of the Company.



## Investors Relations Management

The Group has established an investor relations management position in the office of the Board of Directors to clearly define the responsibilities, work objectives and plans, and has organized activities for investor to maintain investor relations. We improved the information disclosure management mechanism by establishing an information disclosure system, improving the information disclosure approval procedures, and clarifying the information disclosure responsibilities, etc., and publicly disclosed material information to all investors and other stakeholders at the same time, to ensure that all investors and other stakeholders can obtain the same information in an equal, timely, punctual and effective manner. The Group established smooth communication channels by means of general meetings, the Company's official website, Investor Communication Meeting, one-on-one communication, on-site visits and telephone enquiries. In addition, the Group has established an investor feedback and complaint handling mechanism to respond to concerns, issues and complaints in a timely manner; and has reviewed and improved the investor management strategies of the Group, results of measures and investor satisfaction from time to time to cope with changes in the market and investor demand.

The Group is committed to safeguarding the interests of the Company and all shareholders. During the Reporting Period, the Group strictly complied with laws and regulations, treated all investors equally, encouraged small and medium investors to participate in the decision-making process of the Company, created opportunities for small and medium investors to participate in the Company's activities, and took practical actions to safeguard the legitimate interests of small and medium investors.

## 7.2 INFORMATION SECURITY AND DATA GOVERNANCE

The Group regularly updates internal management systems such as Information Security Management Measures (2023 Edition) 《信息安全管理辦法(2023年版)》, Data Security Management Measures (Trial, 2023 Edition) 《數據安全管理辦法(試行, 2023年版)》, Measures for the Management of Confidential Documents 《機要文件管理辦法》 and Measures for the Management of Confidentiality of Outsourced On-site Personnel 《外包駐場人員保密管理辦法》 to regulate the information privacy protection and sensitive information management, effectively improving information security management standards and reducing the risk of information leakage. During the Reporting Period, the Group had no network intrusion, data loss or any other information security accidents.

The main efforts of the Group to secure information are as follows:

### Preventing Information Leakage

- The Group carries out network area interoperability access control based on the principle of minimization, establishes a network access account management mechanism, and establishes a unified external data management platform.

### Managing Privileges of Personnel Accessible to Information

- The Group adopts three sets of development-pre-production-production environment for independent deployment and system account role control to enhance security and authority control.

### Conducting Regular Safety Inspections and Reinforcement

- The Group conducts safety tests on newly launched systems, permeation tests on already launched systems, and bug scanning and special safety checks and repairs from time to time.

### Safeguarding the Security of Information Storage

- The Group uses dual local and off-site backups and conducts technical validation through regular drills.

During the Reporting Period, the Group amended the Detailed Rules on the Implementation of Information Technology Emergency Response 《信息科技应急实施细则》 to further specify the emergency response institutions and corresponding responsibilities, stipulate the definition of emergency classification, relevant emergency measures, emergency response plans and drills, emergency protection and other related contents. During the Reporting Period, the Group engaged an external auditor to conduct a special audit on the Group's data security and application system construction, and initiated the construction of an information security assurance system. The Group conducted information security operation training for the Company's employees through on-site seminars and online training and strengthened awareness of information security. The Group's proprietary cloud platform and passenger vehicles retail leasing business system passed the level 3 of level protection test, and ship leasing business management system and intelligent data platform system passed the level 2 of level protection test.



**Special Training on Information Security**



**Notification of the Results of the Shenzhen Network Security Graded Protection Testing and Evaluation**

Since 2020, the Group has been promoting data governance with the main vein of strengthening the foundation of data management and establishing a long-term mechanism for improving the quality of regulatory data. The Group has established and continuously improved its data governance organization and the three-tier system of persons in charge of data governance, actively promoted the relevant work from the top down through the Data Governance Committee, and established and improved regulatory data standards and a pre- and post-control mechanism for the quality of source data, so as to steadily improve the quality of regulatory data. During the Reporting Period, the Group was awarded the "Annual Data Governance Best Practice Award" by the International Data Management Association at "2023 DAMA Data Management Summit".

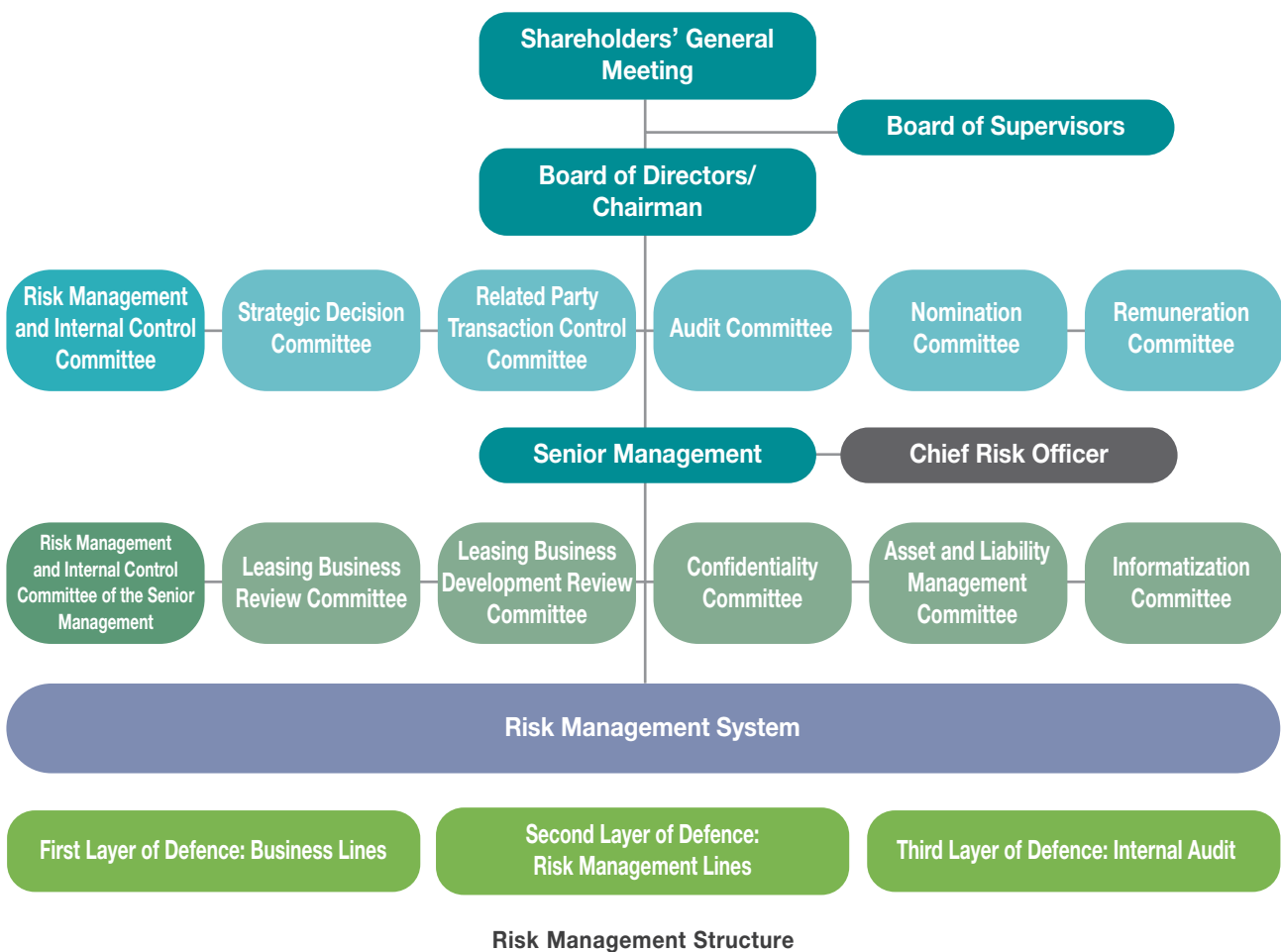
During the Reporting Period, the Group promoted the online operation of its core leasing system and asset liability system in the center of digitization. During the Reporting Period, the Group formally launched the core leasing business system, which strongly supported the Group's business development and improved operational efficiency and management quality. In addition, the Group carried out the construction of the asset liability management system, which meets the needs of regulatory reporting and supports the dynamic analysis of the Group's project data from multiple dimensions such as volume, price, risk, maturity and leased assets, providing more efficient and refined technical support for asset management.



### 7.3 STRENGTHENING RISK MANAGEMENT AND CONTROL AND STRICTLY ADHERING TO THE BOTTOM LINE OF COMPLIANCE

#### Risk Management

With the strategic objectives of supporting for sustainable development of the business and enhancing the Group’s value, the Group has established and continuously improved a comprehensive risk management system with a feature of “all round and comprehensive process with participation of all personnel” and actively promoted and nurtured the risk philosophy and culture that “everyone shall be equal in the face of risks, everyone shall be responsible for risk control”. The Group established a risk management structure comprising the Board, senior management and relevant departments, forming three layers of defence in risk management comprising the business lines, the risk management lines and the internal audit department.



During the Reporting Period, the Group adopted a prudent risk appetite strategy and continued to enhance its risk management. We improved the risk indicators, limits and early warning management system, strengthened the monitoring capacity building, and enhanced the foresight, domain-wide and proactive nature of risk prevention and control. The quality and efficiency of overall risk management was further enhanced by establishing a risk identification and assessment mechanism as well as a consolidated management evaluation mechanism, deepening the risk management and control of the weaknesses. The comprehensive risk management reporting system was continuously optimized to keep abreast of current affairs, conduct thematic analyses and highlight key points, so as to reveal the Company’s risk situation in a timely, in-depth and objective manner. Enhancement of business continuity management and monitoring to improve business protection capability. Strictly implement the accountability mechanism and enhance risk management training to positively guide staff to enhance their awareness of risks and responsibilities.

During the Reporting Period, the Group also conducted ESG risk identification and assessment with a focus on climate change, please refer to the section headed “Strengthening Resilience to Climate” for details. These results enriched the connotation of our risk management. We will continue to improve our risk management system including ESG risks and implement risk management.

For more details on the Company’s corporate governance and risk control, please refer to the sections on “Management Discussion and Analysis” and “Corporate Governance Report” in the 2023 management and annual report of the Company.

## Compliance Operation

The year of 2023 was a critical year for the Group to consolidate its achievements in management enhancement. The Group will continue to promote compliance and internal control management in accordance with the requirements of the regulatory bodies on compliance management. The Group has strengthened its awareness of compliance management, and through the effective linkage of systems, mechanisms and measures, has created a management atmosphere of “compliance for all, compliance for everything, and compliance everywhere” so as to safeguard the long-term development of the Group’s business.

The Group regularly conducts compliance supervision, including system compliance review and project compliance review. Among which, the system compliance review mainly focuses on compliance review against the external regulatory system and control effectiveness review in conjunction with the internal system; the project compliance review focuses on compliance review of the suitability of leased property, reasonableness of valuation, connected transaction matters and anti-money laundering management, which will alert the compliance risk. At present, the Group has been able to provide continuous support to the development of the Group in terms of compliance structure, mechanism, process, system, personnel, execution, supervision and corporate culture building, and the internal control mechanism for compliance has been operating effectively.

During the Reporting Period, the Group took the lead in the implementation of regulatory requirements and continued to promote the development of the compliance system and mechanism, and made efforts in strengthening basic compliance management and enhancing the quality and efficiency of post-tenancy management.

1. Enhancement of regulatory communication efficiency and effectiveness of compliance work. The Group set up a three-tier response team to respond to different types of regulatory needs; continuously tracked changes in regulatory policies and put forward differentiated implementation proposals in line with the actual situation of the Company in respect of key regulatory regimes such as the Regulations for the Administration of Financial Leasing Companies 《金融租賃公司管理辦法》 and the Regulations for the Capital Management of Commercial Banks (Draft for Opinion) 《商業銀行資本管理辦法(徵求意見稿)》; cooperated with the regulatory surveys and researches; and organized and performed the supervisory rating.
2. Continuously launching compliance learning at different levels and shaping the compliance culture of the Company. The Group implemented the compliance learning program and launched compliance lectures; conducted biweekly tests on the compliance operation of leasing business and organized 7 examinations by line and department, with a total of 659 participants and an average score of more than 90; and launched learning seminars through consumer protection education and publicity activities to create a good atmosphere in the society.
3. Sound compliance management structure to enhance the effectiveness and refinement of compliance management. The Group has established a more solid operational risk and case risk management system by regularly collecting potential risks and information on operational events, strengthening team management, organizing risk screening in key business areas, amending the Measures for the Administration of Case Prevention 《案防工作管理辦法》, and conducting timely assessment of case risk prevention and control. The Group has strengthened the management of connected transactions and implemented the data governance requirements for connected transactions by strictly enforcing the review and approval procedures for connected transactions, comprehensively improving the file management of connected parties and conducting self-inspection of connected transaction data. In addition, the Group has also revised and improved the internal control system of credit collection, optimized the operation process of credit collection and the accountability mechanism to play a role of warning and education.
4. Steady promotion of post-leasing management refinement and quality improvement. The Group has set up a work shift to promote the differentiation of post-leasing management; continued to improve the relevant systems, mechanisms and methodologies; launched a combination of post-leasing inspections and spot checks to put post-leasing in place; and linked up pre- and post-leasing and interconnected systems to enhance the degree of management automation and efficiency.



## Integrity in Operation

The Group places great emphasis on integrity build-up, acts in strict compliance with relevant laws and regulations, and has formulated a series of internal management systems. The Group continued to improve its internal integrity system. We amended the Regulations on the Prevention of Conflict of Interest Behaviour of Employees 《員工防止利益衝突行為管理辦法》 and the Regulations of Employee Behavior Investigation 《員工行為排查管理辦法》. No corruption lawsuits were filed against the Group or its employees and were concluded during the Reporting Period.

The Group's integrity construction is aimed at strengthening supervision in key areas and continuously improving the quality and efficiency of daily supervision. During the Reporting Period, the Group has focused on strengthening supervision in key areas including leasing business, procurement and infrastructure, and personnel selection and employment, and carried out multiple special inspections. The Group has also strengthened regular supervision around key dimensions. During the Reporting Period, the Group has regularly conducted employee behavior investigations, identified positions with integrity risks, strengthened supervision and inspections, and implemented full coverage of integrity return visits to all cooperative units.

The Group has continued to deepen education on Party conduct and government integrity with a focus on warning education, and continued to focus on theoretical study. On the one hand, we resolutely curb "corruption in festival". On the other hand, we always maintain a high-pressure posture of fighting corruption and promoting integrity. Through giving full play to the deterrent effect of typical cases of violations of disciplines and laws, organizing viewings and discussions of family education and family values warning education exhibitions, visiting government integrity education bases, publishing electronic journals of the Commission for Discipline Inspection, and organizing and participating in special legal lectures, we require employees to further strengthen red line awareness and bottom line thinking, and create a cultural atmosphere of anti-corruption and upholding integrity.

During the Reporting Period, the Group carried out 11 anti-corruption training sessions, covering directors and all employees with training hours averaging up to 12.



**Integrity education and training  
for new employees**



**Integrity warning education activities  
carried out in Shenzhen Prison**

The Group implements the principle of investigating reports and countering corruption, and has established complete reporting channels and accountability mechanisms. The Group encourages employees and other stakeholders to report corruption incidents through reporting hotlines, emails and other channels. After receiving a reported case of corruption and fraud, the Group will conduct preliminary verification on the incident, initiate an investigation, and make a final disciplinary decision based on its internal fraud case handling process. In response to reports involving senior management, the Group establishes a special investigation team to carry out investigation.

### Anti-money laundering management

The Group attaches great importance to and actively fulfills its anti-money laundering legal obligations, strictly abides by relevant anti-money laundering laws and regulations, and strengthens money laundering and sanctions compliance risk management and control measures to actively maintain national financial security and social financial stability.

The Board of the Group bears the ultimate responsibility for money laundering risk management. The Group's anti-money laundering leading group serves as the leadership and coordination body responsible for organizing, leading and coordinating anti-money laundering work. The Group has improved its anti-money laundering management mechanism and established the "three lines of defense" management and working mechanism and a "1+6" institutional framework system, which clarifies the management responsibilities of each level and the division of responsibilities of each department and stipulates management requirements for customer identification, customer money laundering risk classification, suspicious transaction reporting mechanism, information confidentiality, education and training, publicity, incentives and penalties and emergency incident management.

During the Reporting Period, the Group has implemented anti-money laundering requirements throughout the business life cycle and strengthened the identification of customers, especially special types and high-risk customers; established and improved an anti-money laundering system to conduct real-time and retrospective screening of customers; actively cooperated with internal and external auditors and the local branches of People's Bank of China to carry out inspections.

In addition, the Group has established the goal of building a money laundering risk management culture, strengthened anti-money laundering publicity and training, and built an anti-money laundering compliance culture. During the Reporting Period, the Group has organized 2 anti-money laundering trainings and 3 anti-money laundering special publicity activities.

### Protecting intellectual property rights

The Group strictly complies with the Patent Law of the People's Republic of China 《中華人民共和國專利法》, the Copyright Law of the People's Republic of China 《中華人民共和國著作權法》, the Computer Software Protection Regulations 《計算機軟件保護條例》 and other intellectual property-related laws and regulations. On the basis of the Management Measures for Intellectual Property Protection Work 《知識產權保護工作管理辦法》, the Group has formulated the IT Intellectual Property Management Regulations (2023 Edition) 《IT知識產權管理辦法(2023年版)》 to continuously standardize the Company's intellectual property management system and facilitate intellectual achievements transform to property rights.

To ensure the correct use of VI (Visual Identity) of the Group, we require all departments to go through the internal application and approval process before using the Group's logo, standard character trademarks, standard colours and symbolic patterns in external publicity. In order to ensure not to infringe upon the intellectual property rights of others, the Group has strengthened the management of official platforms such as official website, official WeChat and Weibo, and hired a professional service provider and implemented the strategy of centralized authorization of software licensing to reduce the risk of legal disputes arising from intellectual property rights during operation.





#### 7.4 ADOPTING RESPONSIBLE PROCUREMENT

The Group is aware that a stable supply chain is conducive to promoting its sustainable development. To ensure sourcing of quality products and services, the Group has formulated the Procurement Management Measures 《採購管理辦法》 and Operating Procedures for the Use of the Centralized Purchasing Tender Agency Platform 《(集中採購招標代理機構平台使用操作規程)》 to clearly specify supplier employment standards and review processes and daily management requirements, so as to regulate supplier management and control the environmental and social risks related to the supply chain.

During the pre-tender review process, the Group strictly followed the principles of openness, transparency, fairness and impartiality, fully considered the special needs of specific procurement projects in terms of supplier qualifications and related capabilities. The Group has reasonably set the entrance conditions, confirmed supplier compliance in operational activities, and ensured the selection of quality suppliers with strong strength, excellent performance and good reputation.

In the course of project implementation, the Group will introduce third-party supervision for certain important suppliers as appropriate. And if there is any risk event that violates environmental and social compliance, it will be resolved in a timely manner according to the third-party supervision report. Meanwhile, we have signed the Agreement on Integrity in Bank-Enterprise Cooperation 《銀企合作廉潔從業協議》 with various suppliers to manage integrity risks. For projects involving the use of environment friendly materials, the Group requires suppliers to provide relevant certification documents, and submits them to professional organizations for testing when necessary. For construction projects, the Group requires suppliers to undertake their environmental protection responsibilities in the construction process, and reduce negative impact on the environment and surrounding residents.

At the end of the project, the procurement management department will organize the supplier use department and other relevant departments to conduct acceptance of the deliverables; for major or technically complex projects, external experts or professional organizations will be invited to participate depending on a case and an evaluation report will be issued.

The Group adheres the development concepts of innovation, coordination, green, openness and sharing and focuses on environmental protection and actively fulfills its social responsibility. The Group continues to impose strict requirements on safety and quality, energy conservation and emission reduction for suppliers. The Group's supplier management policy covers and applies to all suppliers. In the future, the Group will press ahead with the establishment of an integrated supplier base and strengthen supplier environmental and social risk management to jointly build a responsible supply chain.

## 8. PEOPLE-ORIENTED DEVELOPMENT FOR COMMON GROWTH OF THE COMPANY AND THE EMPLOYEES

The Group adheres to the people-oriented principle that talents are the first resource for the Group's development and human resources management is the core competitiveness of the Group. It is committed to providing talents with extensive room for development and setting up a "platform for working and starting a business, a stage for self-realization"; adheres to the market-oriented principle of establishing a sound and efficient organizational structure and an effective incentive and restraint mechanism; adheres to the principle of integrity and innovation, explores the modernized, scientific and professional path of human resources management in state-owned enterprises, and further promotes the Group's human resources management reform measures deeply.

### 8.1 IMPROVING THE EMPLOYMENT SYSTEM

The Group strictly complies with laws and regulations related to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. We implemented a series of internal systems including the Management Rules on Staff Recruitment and Employment (2020 Edition) 《員工招聘錄用管理辦法(2020年版)》, the Remuneration Management Methods (2023 Edition) 《薪酬管理辦法(2023年版)》, the Staff Performance Assessment Methods (2022 Edition) 《員工考核管理辦法(2022年版)》, the Duties and Ranks Management Methods (2022 Edition) 《職務職級管理辦法(2022年版)》 and Employee Exit Management System (2020 Edition) 《員工離職管理辦法(2020年版)》, to further regulate the recruitment, employment, compensation, promotion, departure and daily management of employees and establish a sound employee labor relations management system. The Group revised the Manual for New Employees 《新員工手冊》 in 2022 to help new employees quickly understand, fit in and grow with the Company. Up to the end of the Reporting Period, the Group had 571 full-time employees in total who provided relevant services, including 442 domestic employees and 129 employees in our overseas aviation subsidiary.

The Group advocates equality and diversity in its employment policy with employees coming from diverse backgrounds, strives to create an inclusive and harmonious working environment for employees, and eliminates any form of inequality and discrimination caused by ethnic, racial, gender, age, family background and other factors in each stage of recruitment, management and promotion. The Group has a quality talent team, with about 92% of employees possessing a bachelor's degree or above up to the end of the Reporting Period.

In terms of recruitment, the Group formulates employment plan based on its business needs, development needs and unified plan. We resolutely implement the Provisions on Prohibition of Child Labor 《禁止使用童工規定》, strictly verify the identification documents, academic degree materials and other information of prospective recruits to confirm whether they reach the legal employment age and eliminate the employment of child labor. Those who fail to comply with our employment provisions will not be employed. Up to the end of the Reporting Period, the Group had no incident of child labor.

Regarding dismissal, the Group abides by the principles of lawfulness and compliance, regulated procedures, tiered management and clearly defined responsibilities in its management of departure of employees. After they have submitted their departure applications and completed the departure approval process and handover work, departing employees can only leave the Company upon issuing by the Company the proof of departure in writing.

In terms of salary, the Group continuously improves its salary and welfare system, offers employees competitive salaries, upholds the idea of putting efficiency first while maintaining fairness, and incessantly enhances its salary structure to enhance resource allocation efficiency and fully demonstrate its market-oriented philosophy by leveraging incentive and restraint functions.

In terms of promotion, the Group regularly carries out the selection and appointment of middle-level cadres and the promotion of employees below middle-level in accordance with the development needs and the situation of our team. With these efforts, the Group aims to ensure the smooth career development channel of the staff and reserve excellent talents for the long-term development.



## 8.2 SAFEGUARDING EMPLOYEES' RIGHTS AND INTERESTS

The Group has continuously improved its corporate welfare system in accordance with the requirements of national laws and regulations and the Group's internal remuneration management requirements. Our welfare includes, but not limited to, regular contributions to five social insurance funds and a housing fund, purchase accidental injury, accidental medical, supplementary medical and critical illness supplementary insurance, a summer heat protection allowance, establish corporate annuity and a comprehensive medical insurance plan.

The Group strictly complies with the Labor Law of the People's Republic of China 《中華人民共和國勞動法》 in implementing a system of regular working hours and strictly follows the relevant national requirements on statutory holidays. In addition, our employees are entitled to marriage leave, maternity leave, breastfeeding leave, bereavement leave, annual leave and other types of paid leave, and the legitimate rights of employees to rest and leave are fully protected. Up to the end of the Reporting Period, the Group had no incident of forced labor.

The Group assures employees that they can exercise democratic rights and participate in decisions, management and supervision in a democratic manner. We actively listen to the voice of employees through multiple means such as hosting annual seminars, setting up suggestion boxes and opening reception day of leaders. We have established a system of frank talks on a daily basis to proactively listen to the opinions and suggestions of employees at the basic level. In October 2023, the Group arranged the second session of the employee representative meeting to solicit proposals from all employees and collected 45 proposals, 100% of which were replied. In addition, the Group attaches importance to the opinions of its employees and actively conducts satisfaction surveys. The Group conducted regularly company-wide satisfaction surveys on the following work: personnel services, financial management, shared center services, desktop office support, system support, property services, in-house property services, restaurant satisfaction and labor union satisfaction, etc., with a total of 47 indicators in 9 categories, and applied the results of the surveys to assessments of various departments.

## 8.3 SUPPORTING EMPLOYEE DEVELOPMENT

Based on the requirements of documents including the National Cadre Education and Training Plan (2023-2027) 《全國幹部教育培訓規劃(2023-2027年)》 issued by the CPC Central Committee and the Education and Training Work Plan of China Development Bank 2023 《國家開發銀行2023年教育培訓工作計劃》, the Group has implemented several sets of training measures, including the Rules on Employee Training Management 《員工培訓管理辦法》, and established a "12345" employee training system focusing on building a versatile and professional talent team that "has political awareness, abides by rules, dares to shoulder responsibility, and makes achievements". Leveraging the two systems of governance structure and training system, we have established for three types of targets covering Party members, middle and high-level management and employees at the basic level four platforms including that for providing opinions and suggestions, and launched five training schemes focusing on Party building, taking up new tasks, taking on long-term project, job succession and team leading to ensure accomplishment of the goal of talent training.

The Group formulated an employee training programme on a yearly basis, covering various aspects such as corporate governance, business development, risk control, internal control compliance, etc., with a view to continuously upgrading the professional competence and overall quality of its employees. During the Reporting Period, the Group arranged various types of training with a total of 141 sessions, covering over 284 attendees with an average of about 116.56 hours for each employee. The Group carried out the following tasks in the area of training for employee during the Reporting Period:

- Focusing on learning and implementing the guiding principle of the 20th National Congress of the Communist Party of China (CPC), six thematic training sessions for all staff were launched, and eight training sessions on the guiding principle of the 20th National Congress of the CPC for cadres at middle level and above were organized and completed.
- Focusing on improving the quality of duty performance, 37 training sessions on job professionalization were independently launched to enhance the relevance and effectiveness of staff training.
- "Orientation Training" was elaborately organized for new employees, lessons were given by leaders and persons-in-charge of relevant departments of the Company, with one year-long job training tasks being advanced. At the same time, the "Mentor-Apprentice" pairing ceremony was organized and launched, inviting the Chairman of the Board of Directors to attend in person and teach the "First Lesson for Employment", and assigning mentors for 19 new employees, so as to help them fit in the Company as soon as possible, and grow up and become a successful employee.

- Promoting the building of training resources and continuing to optimize the construction of the education and training informationization platform. Internal teacher training was strengthened and a total of 50 lectures were given by leadership cadres throughout the year to continuously improve their ability to “work, talk and summarize”.
- The construction of courses was strengthened, and 13 self-developed new courses were added throughout the year, with the number of courses in the Company’s self-developed course database exceeding 300.



**Special Topic Report on Vessel Operation and Management for the Project of Operating and Leasing of 13 Bulk Cargo Vessels of 60,000 Tonnes in Odendorf, Germany**



**Seminar on Operation of CDB Aviation**

## 8.4 EMPLOYEE CARING ACTIVITIES

The Group strictly complies with laws and regulations relating to occupational health and safety, focuses on the management of employees’ physical and mental health, and continuously improves the occupational health management system, and is committed to providing employees with a healthy and safe working environment and offering multiple safeguards for their occupational health.

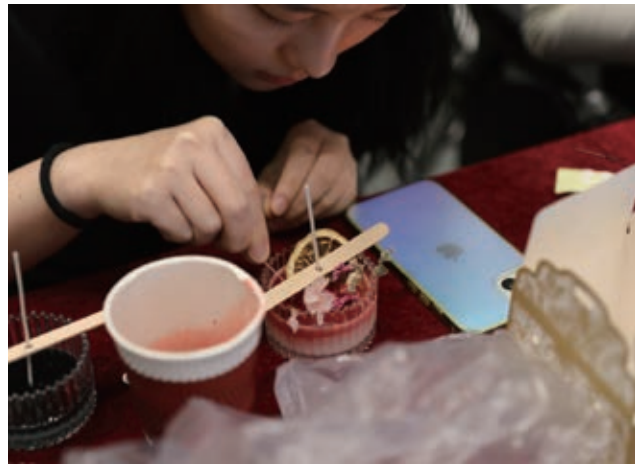
1. Organizing regular medical check-ups for employees. During the Reporting Period, the Group enriched its medical check-up programs by offering annual routine check-ups and re-examinations for employees, which were divided into six different packages based on employees’ age, gender and focus of check-up, with the package for employees over 40 years old covering oncology and cardio-vascular checking, in order to help employees to understand their physical health status in a timely manner, and to check and prevent the incidence of common and recurrent illnesses. After the medical checkup, experts will come to the Company to explain on the medical reports, provide seminars on health and advice on daily health care.
2. Introducing external organizations with rich medical resources to provide quality health management services for employees and their families, to meet the needs of employees and their families for emergency medical treatment and training, and to enhance employees’ happiness, sense of contentment and sense of belonging.
3. Introducing a new catering service organization to enrich the variety of dishes in the cafeteria, supervise the procurement of food materials, enhance the dining experience of employees, and ensure food safety.
4. Organizing and launching a series of employee psychological service empowerment activities, sending psychological health tips to employees on a regular basis, and helping employees to reduce psychological pressure and improve their self-adaptation abilities through such psychological empowerment activities.



The Group attaches importance to enriching the cultural life of its employees, guiding the way to a healthy lifestyle and creating a working atmosphere of solidarity and progress. During the Reporting Period, the labor union took the lead in organizing a number of activities to enrich employees' spare time in cultural life, with more than 200 activities organized throughout the year. The Group actively served its employees by promoting Chinese traditional culture and traditional virtues. On the one hand, it launched festive greetings and organized related cultural activities on the eve of traditional festivals; on the other hand, it enriched the spare time life of its employees through the activities of its distinctive hobby clubs, of which the Group's basketball club held 50 daily activities and its football club held weekly activities, covering 600 person-times in the year.



Shenzhen Observatory Hiking, and Public Welfare and Environmental Protection Activities



“Meet You in Fragrance” Essence Healing Salon

## 9. DEMONSTRATING RESPONSIBILITIES AND COMMITMENT TO PEOPLE'S LIVELIHOOD IN ALL OUR HEARTS, ALL OUR PASSIONS AND ALL OUR MIGHT

The Group formulated the Management Rules on External Donations 《對外捐贈管理辦法》 in compliance with the Law of the People's Republic of China on Philanthropy 《中華人民共和國慈善法》 and the Law of the People's Republic of China on Donations for Charity Causes 《中華人民共和國公益事業捐贈法》 to standardize the workflow and management of its philanthropy and charity-related work. The Group actively fulfilled its corporate social responsibilities and contributed its efforts to build a beautiful and harmonious society. The Group invests resources in support of rural revitalization, charity and philanthropy, as well as the needs and concerns of the surrounding communities, and organizes a platform for voluntary activities to spread the concept of public welfare and charity.

### 9.1 IMPROVING RURAL INFRASTRUCTURE

During the Reporting Period, the Group actively made donation of funds and completed an annual donation of RMB1.01 million in 2023. The donated funds were used for the construction project of transportation link in Xinzhouju, Zheng'an County, Guizhou Province. Upon completion, the donated project will improve the narrow, congested and detour roads in the area, and is expected to benefit 29 village groups, 1,650 households and 6,615 people in Xinzhouju, Xinzhou Town, which actively helps Zheng'an County to consolidate the results of poverty alleviation.



Letter of Thanks from the People's Government of Zheng'an County



## 9.2 ENCOURAGING EMPLOYEES TO PARTICIPATE IN PUBLIC WELFARE

The Group pays attention to issues including environmental protection, charity welfare and disadvantaged groups, and encourages employees to participate in community services, youth services, environmental protection actions to gather strength to support social welfare.

### Case: “Shimmering Light” action voluntary charity campaign

The Group conducted the 2023 “Shimmering Light” Action Voluntary Charity Campaign, encouraging its staff to make charity donations to the students of Lakang Town Primary School in Lhozgag County, Shannan City, Tibet. In this charity event, “Warm Sun Packs” were created, with an estimated value of RMB300 per unit, which included a set of cold-proof items purchased based on the height, age and gender of the students.



“Shimmering Light” Action Voluntary Charity Campaign

### Case: Launching a themed volunteer day activity

The Group launched a “Learn to be New Lei Feng, Protect the Bay Environment”-themed volunteer day activity, with more than 60 employees participating in the public welfare activity to inherit and carry forward the spirit of Lei Feng in the new era. During the activity, volunteers picked up and sorted garbage along the way to protect the blue coastline.



“Learn to be New Lei Feng, Protect the Bay Environment”-themed Volunteer Day Activity

## 10. RESPONDING TO CLIMATE CHANGE AND MOVING TOWARD A SUSTAINABLE FUTURE WITH LOW CARBON

Protecting the ecological environment and coping with climate change are common challenges faced by all mankind. China has taken tackling climate change as an important tool to promote the construction of an ecological civilization and achieve high-quality development, put forward the “dual carbon” strategic goal, formed a new concept of tackling climate change, and contributed to global climate governance with China’s wisdom. The Group is actively identifying and responding to the risks and opportunities brought about by climate change, and continues to promote green and low-carbon office operations to enhance its resilience in the face of climate change.

### 10.1 STRENGTHENING RESILIENCE TO CLIMATE

The Group recognizes that climate change has a profound impact on its business development and operations. To better address the risks and seize the opportunities brought by climate change, the Group identifies the climate risks and opportunities related to its operation based on the TCFD Recommendation Framework<sup>10</sup>, and takes countermeasures according to the identified results.

Aspect	Specific Action
<b>Governance</b>	<ul style="list-style-type: none"> <li>The Board is responsible for incorporating ESG risks including risks related to climate change into the Company’s comprehensive risk management system and supervising them.</li> <li>The Group has a Leading Group for ESG Work under the direct authority of the Board, which, together with its subordinate office, is responsible for identifying and assessing ESG-related risks and opportunities, including climate risks.</li> <li>All relevant functional departments and business departments make it a priority to address climate change.</li> </ul>
<b>Strategy</b>	<ul style="list-style-type: none"> <li>We are fully aware of the potential material impacts and opportunities of climate change on the Group. For details of the impact of the identified risks and opportunities on the Group, please refer to the list of climate risks and opportunities below.</li> </ul>
<b>Risk management</b>	<ul style="list-style-type: none"> <li>By conducting annual climate risk review and analysis on its business value chain and referring to the relevant public materials of TCFD, the Group has updated a list of climate risks.</li> <li>The heads of relevant functional departments of the Group evaluate each climate risk and identify the risks that have a material impact on the Group.</li> <li>For details of the measures to address climate risks, please refer to the list of climate risks below.</li> </ul>
<b>Indicators and objectives</b>	<ul style="list-style-type: none"> <li>The Group has formulated specific targets and corresponding measures for the two areas of “greenhouse gas emissions” and “use of energy” and conducted periodic review of target achievements. For details, please refer to the section headed “Practicing Green Operation”.</li> <li>The Group has also set the goal of increasing the proportion of green leasing business in its overall business. This goal will be achieved by increasing the investment in green ships, aircraft, new energy vehicles and other fields. For details, please refer to the section headed “Practicing Green Finance and Creating a Leasing Model of Green Development”.</li> <li>The Group collects the data of greenhouse gas emissions on an annual basis. For details, please refer to “Appendix 2: ESG Data List”.</li> </ul>

<sup>10</sup> According to the TCFD Recommendation Framework, climate risks are categorized into two main types: physical risk and transformational risk. Physical risks include acute physical risks (such as extreme weather like flooding) and chronic physical risks (such as sea level rise, changes in precipitation patterns, etc.); and transformational risks include policy and legal risks, technology risks, market risks, and reputational risks.





As an enterprise in the leasing industry, the Group faces climate-related risks mainly from the business side to the Group itself, including our customers may be affected by physical risks and transformation risks, resulting in an increase in operating costs, a certain impact on their solvency and an increase in the probability of default, exposing the Group to rising customer credit risks. In addition, the risk of business transformation may result from equipment development and technological innovation in the low-carbon transition, as well as the physical risks associated with extreme weather or sea level rise, may expose the Group to the risk of depreciation or idling of fixed assets including leased equipment (such as aircraft and ships) held by it.

From 2021 onwards, the Group has embarked on the identification and assessment of climate risks. During the Reporting Period, in accordance with the Climate Disclosures Guidance of the Stock Exchange, the Group considered the climate risk under each of strict scenario (low emission scenario) and business-as-usual scenario (high emission scenario) with strong comparisons, which were included in the analysis of climate resilience scenarios, i.e., the turquoise scenario (RCP2.6 and other applicable scenarios) and the brown scenario (RCP8.5 and other applicable scenarios). The Group conducted the evaluation and management on various types of climate risks based on both dimensions of “likelihood of occurrence of risks” and “impact of risk effects”.

Scenarios	Scenario Model	Scenario Application
Low Emission Scenarios: Low Emission Scenarios under Stringent Climate Change Policy Interventions	Turquoise scenario (RCP2.6 and other applicable scenarios)	This scenario is the most stringent in terms of policy and regulation, and the extent of the impact of transition risk on the enterprise is the greatest; therefore, transition risk analysis is conducted in this scenario.
High Emission scenarios: Business-as-usual high-emission scenarios without climate change policy interventions	Brown scenario (RCP8.5 and other applicable scenarios)	This scenario has the most lenient policy and regulation, and the enterprise faces the greatest physical risk, so the physical risk analysis is conducted in this scenario.

## Climate-related risks

Category of Climate Risks	Climate Risks	Impact Cycle	Description of Risks	Potential Financial Impact	Countermeasure
Acute physical risk	Adverse impact brought by frequent occurrence of extreme weather events	Short, medium and long term	Due to natural disasters (such as floods and typhoons) and other events, the premises where the Group and the equipment suppliers operate and their assets are damaged. Especially, the impact on infrastructure is elevated, and the probability of damage to aircraft is increased. Besides, natural disasters also pose a threat to the personal safety of employees and customers of the Company and suppliers, thus affect the Company's business and the supply of materials by suppliers, and have an adverse impact on the business of the Company	Decrease in operating income Increase in operating costs Impairment of fixed assets	<ul style="list-style-type: none"> <li>We pay close attention to extreme weather and natural disasters and study their impacts;</li> <li>We buy insurance or procure customers to buy insurance to avoid impairment of leased assets due to natural disasters;</li> <li>To help customers affected by natural disasters, we have formulated policies to reduce rents to bail them out of difficulties;</li> <li>Innovate green leasing products, adjust finance modes and development strategies, increase investment in the clean energy sector, and promote the market-based development of clean energy;</li> <li>Actively develop green-friendly products and services and increase support in the area of green leasing.</li> </ul>

Category of Climate Risks	Climate Risks	Impact Cycle	Description of Risks	Potential Financial Impact	Countermeasure
<b>Policy and Legal Risks</b>	More stringent policy regulations of existing products and services	Short term	Under the main theme of stringent regulation, the operating costs of customers in carbon-intensive industries may increase, leading to an increase in their credit risk or a decrease in their valuation, thus affecting the Company	Increase in operating costs Decrease in operating income	
	Pricing of greenhouse gas emissions	Short term	Under the main theme of stringent regulation, this may result in customers facing additional costs, such as carbon emission fees or upgrading costs for environmental protection facilities. In addition, the demand for and value of leased assets may be affected, if the policies require reductions in carbon emissions or improvements in energy efficiency	Increase in operating costs Decrease in operating income	<ul style="list-style-type: none"> <li>• We pay close attention to extreme weather and natural disasters and study their impacts;</li> <li>• We buy insurance or procure customers to buy insurance to avoid impairment of leased assets due to natural disasters;</li> <li>• To help customers affected by natural disasters, we have formulated policies to reduce rents to bail them out of difficulties;</li> </ul>
<b>Technology Risk</b>	Uncertainty about the profitability of low-carbon technology investment projects	Medium and long term	At the early stage of the development of new industries, innovative enterprises often lack good credit support, resulting in financing difficulties and high financing costs, as well as higher uncertainty in profitability, and the Group's investment in projects in the relevant industries faces substantially higher risks than those in the traditional industries	Increase in operating costs Decrease in operating income	<ul style="list-style-type: none"> <li>• Innovate green leasing products, adjust finance modes and development strategies, increase investment in the clean energy sector, and promote the market-based development of clean energy;</li> <li>• Actively develop green-friendly products and services and increase support in the area of green leasing.</li> </ul>
<b>Market Risk</b>	Competition for innovative green finance products intensifies	Medium and long term	Product innovation in other peer companies seize market opportunities to quickly gain market share advantage, which accelerates the formation of good reputation and market brand advantage, and squeezes the market space of the Group	Decrease in operating income	



Category of Climate Risks	Climate Risks	Impact Cycle	Description of Risks	Potential Financial Impact	Countermeasure
<b>Reputational Risk</b>	Preference transfer of lessee	Medium and long term	As social recognition to importance of environmental protection, the Company's business development will be certainly impacted, if it fails to adequately respond to the demands of stakeholders in the areas of green finance, restriction of high carbon emission industries, and provision of green equipment and products	Increase in operating costs Decrease in operating income	<ul style="list-style-type: none"> <li>We pay close attention to extreme weather and natural disasters and study their impacts;</li> <li>We buy insurance or procure customers to buy insurance to avoid impairment of leased assets due to natural disasters;</li> <li>To help customers affected by natural disasters, we have formulated policies to reduce rents to bail them out of difficulties;</li> </ul>
	Stigmatization due to commercial practices	Medium and long term	If the Group's lessees, especially those of major projects, are involved in heavy polluting activities, both media monitoring and pressure from public opinion may affect the lessees' operations and thus create credit risk; on the other hand, misconduct of the lessees may also pose certain reputational risk to the Company	Increase in operating costs Decrease in operating income	<ul style="list-style-type: none"> <li>Innovate green leasing products, adjust finance modes and development strategies, increase investment in the clean energy sector, and promote the market-based development of clean energy;</li> <li>Actively develop green-friendly products and services and increase support in the area of green leasing.</li> </ul>

## Climate-related opportunities

Category of Climate Opportunities	Climate Opportunities	Description of Opportunities	Potential Financial Impact	Countermeasure
<b>Resource efficiency</b>	More efficient production and sales processes	By increasing low-carbon leased assets such as energy-saving ships and emission reduction aircraft, we can help enterprises in responding to changes in market trends and cater for market demands	Increase in operating income	We make early arrangements to transform existing ships into energy-saving ones, such as installing desulphurization towers; design newly built ships in a way that can reduce greenhouse gas emissions and build environment friendly ships
	Reduction of water usage and water consumption	Reducing water usage and water consumption can lower the operating costs of enterprises. Water-saving leased assets can cater for market demands and win market share	Increase in operating income Decrease in operating costs	We take water-saving and recycling measures, such as the application of reclaimed water system
<b>Energy efficiency</b>	Usage of low emission or renewable energy sources	We use low emission energy sources to reduce operating costs of the Group and risks of price rises or supply of fossil fuel in the future	Decrease in operating cost	We make early arrangements to transform existing ships into energy-saving ones, such as installing desulphurization towers; design newly built ships in a way that can reduce greenhouse gas emissions and build environment friendly ships

Category of Climate Opportunities	Climate Opportunities	Description of Opportunities	Potential Financial Impact	Countermeasure
<b>Products and services</b>	Expansion of low emission goods and services	We provide the market with low-emission leased assets to cater for market demands, improve competitiveness and win market share	Increase in operating income	We actively develop business in many fields such as new energy vehicles, photovoltaic power plants and wind power plants, and have gained certain competitive advantage
	Development of new products or services through R&D and innovation	We cater for market demands, improve competitiveness and win market share by innovative products and services	Increase in operating income	We have set up an innovation management department, which is responsible for exploring the direction of the Company's business innovation, business innovation product incubation and management, and innovative business pilots and product solution implementation
	Diversification of business areas, such as expanding green finance business	We expand green finance business and further enhance the innovation of green finance products and services to bring new business drivers. We adjust the impact of cyclical fluctuations in different industries and maintain the Company's vitality and profitability	Increase in operating income	While focusing on leasing business, we carry out business geared towards multiple industries. At present, we have formed business segments including aircraft, ships, regional development, inclusive finance, green energy and high-end equipment manufacturing. Meanwhile, we continue to pay attention to and develop green finance products and services
	Change in consumer preference	Under the general trend of low carbon emission, certain lessees prefer lessors with a greener image to expand businesses. If the Company can actively respond to the demand for low-carbon and environmental protection and build up a good market reputation and image of social responsibility, it will be more attractive to such customers, which will increase corporate profits in the long run	Increase in operating income	We implement the development concepts of innovation, co-ordination, green, openness and sharing, pay attention to environmental protection, actively fulfil our social responsibilities, and vigorously expand our green energy business, investing in new energy vehicles, photovoltaic power stations, wind power stations, solar thermal power, small and medium-sized hydroelectricity, energy storage and other business areas, which has already formed a good market reputation
<b>Market</b>	Adopt supportive and incentive policies	The government provides policy support for photovoltaic power generation, wind power, energy storage enterprises, ultra-low-energy-consumption buildings, and green transformation projects in public buildings by offering incentives, subsidies, tax benefits, and support for the introduction of talents, which will provide the Company with a more solid guarantee for the revenue from development of such projects	Increase in operating income	We have conducted an in-depth study of the supporting policies of local governments in the green sector, and have closely integrated the supporting policies with our business development to identify new business opportunities, fully exploiting the effectiveness of leasing products in serving the real economy, and contributing to the high-quality development of the green economy
<b>Adaptability</b>	Engagement in renewable energy projects	In response to the national policy to achieve carbon peak and carbon neutrality, the Company vigorously develops the green energy business	Increase in operating income	We insist on supporting energy conservation, environmental protection, new energy and other green industries as its important focuses to promote the implementation of the national "dual carbon" strategy, and will continue to increase investment in such sector in the future



## 10.2 PRACTICING GREEN OPERATION

The Group formulated management systems such as the Administrative Measures on Printing 《文印工作管理辦法》 and Implementation Guidelines for Management of Drivers 《駕駛員管理實施細則》, so as to integrate the concept of sustainable development into daily office work and operation. The Group is committed to reducing the emission impacts on environment and resource consumption during the operation and extends our presence in bringing into play the low-carbon operation concept through water conservation, energy conservation and emission reduction, green office and enhancing waste management. The energy saving rate and the ratio of recycled materials used in CDB Financial Center, which is the Group's headquarter, met the requirements for green buildings and was awarded the silver level certification of the Shenzhen Green Building Evaluation Code. During the Reporting Period, the Group did not generate major pollution and impact on the environment in its operations.

We have also taken many measures in water conservation, green office and waste management to reduce the impact on the environment.

### Water conservation:

- We leveraged the reclaimed water system for sewage treatment, and used recycled water for outdoor cleaning and greening maintenance of the building where we operate to achieve water resource recycling
- We screened water supply equipment and pipelines to prevent dripping, spraying, leakage and long running water
- We established water balance periodical testing system
- We arranged special personnel to check water usage and established completed water-saving management system of post responsibility and reward and punishment system of water-saving quota
- We installed induction taps, adjusted and reduced the water output of water valve for toilet equipment
- We posted water-saving slogans in toilets and pantries to enhance employees' awareness of water conservation



During the Reporting Period, the Group did not identify any problems in obtaining suitable water sources and has carried out water balance tests in accordance with the requirements of the local government of Shenzhen. The results of the test showed that the Group now has a well-functioned equipment maintenance system in place and the water equipment is in good working order.

### Green office:

- We proactively advocated green office, and encouraged paperless office and paperless meeting
- We shredded office paper after use and transferred to a specialized waste paper treatment center for de-inking and reuse
- We unified the procurement of office supplies from the government procurement list of environmentally labelled products
- We reduced the number of printing
- We strictly controlled the collection and use of office supplies and implemented registration and quota management by departments to reduce waste



## Waste management:



- The emissions of the Group are mainly wastes produced from office operations
- Hazardous wastes such as waste toner cartridges were recycled, managed and disposed of by a professional third-party company
- We strictly regulated the electronic equipment scrapping control process, and selected a number of qualified third parties to evaluate and dispose of the scrapped hardware equipment

Use of resource of the Group mainly includes consumption of electricity, natural gas, water as well as fuel consumption by official vehicles. In 2021, the Group put forward ESG targets in the two areas of “greenhouse gas emissions” and “use of energy” based on the actual situation of its operation under the principle of “materiality”. During the Reporting Period, the Group has formulated specific implementation measures for environmental goals, followed up regularly and made steady progress.

Environmental Target	Main Area	Specific Measure	Time Limit
<b>Reduce greenhouse gas emissions from vehicles</b>	Overall fuel consumption of official vehicles or number of times official vehicles are used	<ul style="list-style-type: none"> <li>• Overhaul official vehicles regularly to reduce fuel consumption per km</li> <li>• Strictly record the fuel consumption and mileage of vehicles to quantify the use of official vehicles in a transparent manner</li> <li>• Specify the principles for using official vehicles, strictly approve the use of official vehicles and reduce the number of times they are used</li> </ul>	Long term
	Increase penetration rate of electric or hybrid vehicles	<ul style="list-style-type: none"> <li>• Gradually increase the utilization proportion of new energy official vehicles</li> </ul>	Long term
<b>Improve energy efficiency</b>	Energy consumption of energy consuming equipment	<ul style="list-style-type: none"> <li>• Monitor the energy consumption of facilities and equipment</li> <li>• Increase the proportion of energy-saving and consumption-reducing equipment, and regularly repair and upgrade the power-consuming equipment in office buildings</li> </ul>	Long term
	Penetration rate of low energy consumption equipment	<ul style="list-style-type: none"> <li>• Apply LED energy-saving lamps</li> <li>• Apply intelligent lighting system</li> </ul>	Long term
	Reduction of power consumption	<ul style="list-style-type: none"> <li>• Make full use of natural light during office hours to eliminate maintained lights</li> <li>• Install radar control modules for lamps to rationally control the lighting periods and adjust the switch on and turn-off time of floodlighting, and control the landscape lighting of buildings</li> </ul>	Long term
		<ul style="list-style-type: none"> <li>• Adopt peak shaving management for the power consumption equipment in buildings according to the principle of “avoiding peak hours, reducing operation in peak hours and operating at full load in off-peak hours”</li> <li>• Strengthen energy-saving publicity via electronic screens, energy-saving signs, etc.</li> </ul>	

In the future, the Group will continue to actively respond to the national energy conservation and environmental protection policies, constantly strengthen low-carbon operation, gradually improve the environmental targets in water and waste management, build a green operation system, adopt energy conservation and emission reduction measures, raise employees’ awareness of energy conservation and environmental protection, and thus achieve economic and social benefits at the same time.



## APPENDIX 1: ESG POLICY LIST

Aspect	Laws and Regulations Abided by (including but not limited to)	Internal Rules and Systems of the Company (including but not limited to)
A1 Emissions A4 Climate Change	Environmental Protection Law of the People's Republic of China Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste Law of the People's Republic of China on Prevention and Control of Water Pollution Law of the People's Republic of China on Prevention and Control of Atmospheric Pollution Soil Pollution Prevention and Control Law of the People's Republic of China Regulation on Urban Construction Waste Management Directory of National Hazardous Wastes Measures for the Administration of Hazardous Wastes Manifest	Management Rules on Vehicles Implementation Guidelines for Management of Drivers
A2 Use of Resources A4 Climate Change	Energy Saving Law of the People's Republic of China Design Standard for Energy Efficiency of Public Buildings	Management Rules on Company Items Warehousing Management Rules on Printing & Copying Management Rules on Vehicles Implementation Guidelines for Management of Drivers
A3 The Environment and Natural Resources	Environmental Protection Law of the People's Republic of China Law of the People's Republic of China on Environmental Impact Assessment	Nil
B1 Employment B4 Labor Standards	Labor Law of the People's Republic of China Labor Contract Law of the People's Republic of China Interim Provisions on Labor Dispatch Employment Promotion Law of the People's Republic of China Social Insurance Law of the People's Republic of China Provisions on Prohibition of Child Labor Minors Protection Law of the People's Republic of China Contract Law of the People's Republic of China Ordinance on Paid Leave of Staff Provisions of the State Council on Working Hours of Employees Ordinance on Salary Payment of Guangdong Province Ordinance on Staff Salary Payment of Shenzhen City	Management Rules on Staff and Labor Relations (2022 Version) Employee Manual (2022 Version) Management Rules on Positions and Levels (2022 Version) Detailed Rules on the Implementation of Social Recruitment (2020 Version) Detailed Rules on the Implementation of Campus Recruitment (2020 Version) Management Rules on Employee Attendance and Vacation Detailed Management Rules on Staff Dismissal Operating Rules and Procedures for Performance Appraisal Management Rules on Employees' Salary (2023 Version) Management Rules on Deferred Salary Payment Management Rules on Use of Retained Bonus Pool (Trial) Management Rules on Leaders Supervision (2020 Version) Management Rules on Staff Resignation and Dismissal (2020 Version) Management Rules on Staff Communications (2020 Version) Code of Conduct of Staff Management Rules on Selection and Appointment of Middle-level Personnel Management Rules on Promotion of Employees Below Middle Level Staff Union's Detailed Rules on the Implementation of Management of Visits CDB Aviation Lease Finance DAC's Hong Kong Employee Manual CDB Aviation Lease Finance DAC's Systems on Performance Appraisal of Employees CDB Aviation Lease Finance DAC's Systems on Travelling Reimbursement

Aspect	Laws and Regulations Abided by (including but not limited to)	Internal Rules and Systems of the Company (including but not limited to)
B2 Health and Safety	Labor Law of the People's Republic of China Fire Prevention Law of the People's Republic of China Law of the People's Republic of China on Work Safety Law of the People's Republic of China on Prevention and Control of Occupational Diseases Regulation on Work-related Injury Insurances Regulation on Supervision and Administration of Occupational Health in Working Places Ordinance on Reporting, Investigation and Handling of Production Safety Accidents	Management Rules on Employee Attendance and Vacation CDB Aviation Lease Finance DAC's Hong Kong Employee Manual
B3 Development and Training	Labor Law of the People's Republic of China Labor Contract Law of the People's Republic of China Social Security Law of the People's Republic of China	Rules on Employee Training Management Detailed Rules on the Implementation of Management of Internal Lecturers and New Employees' Tutors (2020 Version) Implementation Rules on Employee Training
B5 Supply Chain Management	Law of the People's Republic of China on Tenders and Bids Regulation on the Implementation of the Bidding Law of the People's Republic of China	CDB Leasing Management Rules on Procurement CDB Aviation Lease Finance DAC's Procurement System Operating Procedures for the Use of Bidding Agency Platform for Central Procurement
B6 Product Responsibility	Tort Law of the People's Republic of China Trademark Law of the People's Republic of China Advertisement Law of the People's Republic of China Patent Law of the People's Republic of China Copyright Law of the People's Republic of China Law of the People's Republic of China Against Unfair Competition Law of the People's Republic of China on Protection of Consumers' Rights and Interests Cybersecurity Law of the People's Republic of China Decision of the Standing Committee of the National People's Congress on Preserving Computer Network Security	Leasing Business Industry Guide Operating Procedures for Due Diligence on Finance and Leasing Business Client Complaint Handling Measures Customer Service Center Emergency Response Plan Management Rules on the Work of Intellectual Property Protection Management Rules on IT Intellectual Properties (2023 Version) Management Rules on Business Secrets Management Rules on Information Security (2023 Version) Management Rules on Data Security (Trail, 2023 Version) Management Rules on Data and Standards Regulation on Management of Establishment of Information System (Trail) Management Rules on Machine Room Safety Management Rules on Employee Information Security Detailed Rules on the Implementation of Information Technology Emergency Response Management Rules on IT System Data Quality (Trial) Management Rules on Confidential Documents Management Rules on Outsourcing Staff Confidentiality Working Rules of Confidentiality Committee Management Rules on Secret Consumer Protection Regulations





Aspect	Laws and Regulations Abided by (including but not limited to)	Internal Rules and Systems of the Company (including but not limited to)
B7 Anti-corruption	Criminal Law of the People's Republic of China Company Law of the People's Republic of China Anti-money Laundering Law of the People's Republic of China Anti-monopoly Law of the People's Republic of China Law of the People's Republic of China Against Unfair Competition Interim Provisions on Prohibiting Commercial Bribery	Management Rules on Emergency Response to Major Risk Events Anti-fraud Management Rules Management Rules on Anti-money Laundering Information Management Rules on Anti-money Laundering and Sanctions Compliance Management Rules on Customer Identification Management Rules on Classification of Risks of Customer Money Laundering and Terrorist Financing Management Rules on Suspicious Transaction Reporting Management Measures on Prevention of Conflict of Interest of Employees' Conduct Management Rules on Investigation of Employees' Conduct Management Rules on the Prevention of Cases CDB Aviation Lease Finance DAC's Guidance on Anti-bribery and Anti-corruption Policies CDB Aviation Lease Finance DAC's Systems on Gifts and Entertainment CDB Aviation Lease Finance DAC's Systems on Anti-money Laundering and Due Diligence CDB Aviation Lease Finance DAC's Internal Control and Compliance Policies
B8 Community Investment	Charity Law of the People's Republic of China Law of the People's Republic of China on Donations for Public Welfare	Management Rules on External Donations

## APPENDIX 2: ESG DATA LIST

### ENVIRONMENTAL AREA

Unless otherwise stated, the statistical basis of environmental performance of the Group covered the headquarters, Beijing office and Shanghai office of the Company, whereas the rest will be included as and when appropriate in the future. The statistics on environmental performance listed below covered the period from 1 January 2023 to 31 December 2023.

Environmental Area	Indicator	Unit	2023	2022	2021	
A1 Emissions <sup>11</sup>	Sulphur dioxide <sup>12</sup>	tonne	0.00035	0.00048	0.01	
	Nitrogen oxides <sup>13</sup>	tonne	0.06	0.20	0.56	
	Total hazardous waste <sup>14</sup>	tonne	0.26	0.22	0.04	
	Total hazardous waste per m <sup>2</sup> of floor area	tonne/m <sup>2</sup>	0.000009	0.000008	0.000001	
	Total non-hazardous waste <sup>15</sup>	tonne	82.83	74.00	990.00	
	Total non-hazardous waste per m <sup>2</sup> of floor area	tonne/m <sup>2</sup>	0.0029	0.003	0.03	
	Total GHG emissions (Scope 1 and Scope 2) <sup>16</sup>	tCO <sub>2</sub> e	5,041.52	5,110.49	5,052.99	
	GHG emissions per m <sup>2</sup> of floor area (Scope 1 and Scope 2)	tCO <sub>2</sub> e/m <sup>2</sup>	0.17	0.17	0.17	
	GHG direct emissions (Scope 1)					
	Vehicle fuel consumption	tCO <sub>2</sub> e	50.12	60.27	82.79	
	Natural gas	tCO <sub>2</sub> e	102.13	346.89	120.56	
	GHG indirect emissions (Scope 2)					
	Purchased electricity	tCO <sub>2</sub>	4,889.27	4,703.33	4,849.65	
	GHG indirect emissions (Scope 3)					
	Employee business travel (airplane)	tCO <sub>2</sub>	157.60	199.58	451.55	
Employee Commute <sup>17</sup>	tCO <sub>2</sub>	178.20	/	/		

<sup>11</sup> As the emission data and consumption data of energy and resources in the machine room could not be measured separately, the Company's greenhouse gas emission intensity, hazardous waste emission intensity, non-hazardous waste emission intensity, energy consumption intensity and daily workplace water consumption intensity calculated per capita and per m<sup>2</sup> of floor area include both office areas and machine rooms.

<sup>12</sup> Sulphur dioxide emissions mainly came from vehicle fuel consumption and natural gas, and the vehicle fuel consumption portion of data on sulphur dioxide emissions were calculated according to the Technical Guide for Air Pollutant Emission Inventory for Road Vehicles (Trial) published by the Ministry of Ecology and Environment of the PRC, the natural gas portion of emissions were calculated according to Manual of Production and Emission Accounting Methods and Coefficients for Domestic Sources.

<sup>13</sup> Nitrogen oxides emissions mainly came from vehicle fuel consumption and natural gas, and the vehicle fuel consumption portion of data on nitrogen oxide emissions were calculated according to the Technical Guide for Air Pollutant Emission Inventory for Road Vehicles (Trial) published by the Ministry of Environmental Protection of the PRC, the natural gas portion of emissions were calculated according to Manual of Production and Emission Accounting Methods and Coefficients for Domestic Sources.

<sup>14</sup> The hazardous wastes generated from the Company's operation were disposed of by qualified professional companies. The major types were waste lead-acid batteries, waste fluorescent lamps and waste ink cartridges, waste toner cartridges, waste toner and waste ribbons of printing equipment.

<sup>15</sup> The non-hazardous wastes of the Company were disposed of by recycling companies. The major types included office waste and kitchen waste.

<sup>16</sup> Greenhouse gas emissions include carbon dioxide, methane and nitrous oxide, which mainly come from purchased electricity and fuel. The amount of greenhouse gases was presented in carbon dioxide equivalent and was calculated based on the average emission factor of the national grid in 2022 provided by the Ministry of Ecology and Environment of the PRC in the Guidelines on Enterprise Greenhouse Gas Emissions Accounting and Reporting – Power Generation Facilities and the Guide to Calculating and Reporting Greenhouse Gas Emission in Industry and Other Sectors (Trial) issued by the National Development and Reform Commission of the PRC.

<sup>17</sup> During the Reporting Period, the Company gradually improved the statistics and disclosure of the category within Scope 3 by counting, calculating and disclosing the greenhouse gases generated from employees' commute, and in the future, the Group will continue to expand the scope of the statistics as well as the scope of disclosure of Scope 3.



Environmental Area	Indicator	Unit	2023	2022	2021
A2 Use of Resources	Total energy consumption <sup>18</sup>	MWh	9,286.26	10,225.91	9,271.82
	Energy consumption per m <sup>2</sup> of floor area	MWh/m <sup>2</sup>	0.32	0.35	0.30
	Direct energy consumption				
	Vehicle fuel consumption	MWh	202.32	243.83	334.71
	Natural gas	MWh	510.79	1,734.96	602.97
	Indirect energy consumption				
	Purchased electricity	MWh	8,573.16	8,247.12	8,347.07
	Daily workplace water consumption	tonne	47,074.00	47,557.00	39,345.00
	Daily water consumption per m <sup>2</sup> of floor area	tonne/m <sup>2</sup>	1.62	1.62	1.29
	Total paper consumption <sup>19</sup>	tonne	4.35	0.78	22.38

<sup>18</sup> Energy consumption data, mainly including electricity, natural gas and vehicle fuel consumption, were calculated according to the electricity and fuel consumption and relevant conversion factors provided under the Guide to Calculating and Reporting Greenhouse Gas Emission in Industry and Other Sectors (Trial) 《工業其他行業企業溫室氣體排放核算方法與報告指南(試行)》.

<sup>19</sup> Paper includes A4 and A3 copying paper.

## SOCIAL AREA

Unless otherwise stated, the statistics of social area of the Group covered the Company and its subsidiaries.

Social Area	Indicator	Unit	2023	2022	2021
<b>B1 Employment<sup>20</sup> -Employees</b>	Total number of employees	Person	571	568	346
	Number of employees by gender				
	Number of male employees	Person	327	323	215
	Number of female employees	Person	244	245	131
	Number of employees by employee category				
	Number of senior management employees	Person	17	18	16
	Number of middle management employees	Person	106	107	80
	Number of employees at the basic level	Person	448	443	250
	Number of employees by educational attainment				
	Number of employees with master's degree or above	Person	277	270	214
	Number of employees with bachelor's degree	Person	249	257	121
	Number of employees who are junior college graduates or below	Person	45	15	11
	Number of employees by age				
	Number of employees aged 35 or below	Person	266	285	134
	Number of employees aged 36-55	Person	285	268	205
	Number of employees aged 56 or above	Person	20	15	7
	Number of employees by region				
	Number of domestic employees	Person	442	434	257
	Number of overseas employees	Person	129	134	89
<b>B1 Employment<sup>21</sup>- Turnover rate of employees</b>	Overall turnover rate of employees <sup>22</sup>	%	9.7	7.6	13.5
	Turnover rate of employees by gender				
	Turnover rate of male employees	%	8.4	6.9	14.7
	Turnover rate of female employees	%	11.27	8.6	11.5
	Turnover rate of employees by age				
	Turnover rate of employees aged 35 or below	%	13.6	10.1	16.8
	Turnover rate of employees aged 36-55	%	5.6	4.6	9.3
	Turnover rate of employees aged 56 or above	%	9.1	11.8	46.2
	Turnover rate of employees by region				
	Turnover rate of domestic employees	%	8.9	7.3	6.5
	Turnover rate of overseas employees	%	12.2	8.8	28.8

<sup>20</sup> The statistics for this aspect covered the full-time employees who provided related services to China Development Bank Financial Leasing Co., Ltd. and its subsidiaries.

<sup>21</sup> The statistics for this aspect covered the full-time employees who provided related services to China Development Bank Financial Leasing Co., Ltd. and its subsidiaries.

<sup>22</sup> The turnover rate of employees in this category is calculated based on the Group's customary "Number of employees turnover in this category during the Reporting Period/(Total number of employees in this category at the end of the Reporting Period + Number of departing employees in this category during the Reporting Period)".



Social Area	Indicator	Unit	2023	2022	2021
<b>B2 Health and Safety<sup>23</sup></b>	Number of work-related fatalities	Person	0	0	0
	Rate of work-related fatalities	%	0	0	0
	Lost days due to work injury	Day	0	24	20
<b>B3 Development and Training<sup>24</sup>—Training percentage</b>	Number of training sessions	Session	141	177	223
	Total number of employees trained	Person	284	267	254
	Percentage of employees trained by gender				
	Percentage of male employees trained	%	65.85	66.3	65.8
	Percentage of female employees trained	%	34.15	33.7	34.3
	Percentage of employees trained by employee category				
	Percentage of senior management employees trained	%	3.87	3.8	4.3
	Percentage of middle management employees trained	%	31.34	32.2	25.6
Percentage of employees at the basic level trained	%	64.79	64.0	70.1	
<b>B3 Development and Training<sup>25</sup>—Average training hours</b>	Average training hours of employees <sup>26</sup>	Hour/person	116.56	225.1	192.6
	Average training hours of employees by gender				
	Average training hours of male employees	Hour/person	114.72	231.4	208.5
	Average training hours of female employees	Hour/person	120.10	212.6	166.6
	Average training hours of employees by employee category				
	Average training hours of senior management employees	Hour/person	195.82	231.4	193.5
	Average training hours of middle management employees	Hour/person	126.32	228.3	231.3
Average training hours of employees at the basic level	Hour/person	107.10	217.1	180.2	
<b>B5 Supply Chain Management<sup>27</sup></b>	Total number of suppliers	Supplier	728	712	721
	Number of suppliers by region				
	Total number of domestic suppliers	Supplier	125	117	101
	Total number of overseas suppliers	Supplier	603	595	620
<b>B6 Product Responsibility</b>	Total number of complaints	Complaint	54	4	3
<b>B7 Anti-corruption<sup>28</sup></b>	Number of initiated and concluded legal cases regarding corruption	Case	0	0	0
	Number of anti-corruption training sessions provided to employees	Session	11	15	12

<sup>23</sup> The statistics for this aspect covered China Development Bank Financial Leasing Co., Ltd., excluding its subsidiaries.

<sup>24</sup> The statistics for this aspect covered China Development Bank Financial Leasing Co., Ltd., excluding its subsidiaries. The percentage of employees trained in this category is calculated based on the “Number of employees trained in this category/Total number of employees trained” of the Hong Kong Stock Exchange.

<sup>25</sup> The statistics for this aspect covered China Development Bank Financial Leasing Co., Ltd., excluding its subsidiaries.

<sup>26</sup> In 2023, the Company complied with its parent group’s request to collect, count and disclose the number of hours of employee trained according to its required standard.

<sup>27</sup> The statistics for this aspect covered China Development Bank Financial Leasing Co., Ltd. and its subsidiaries.

<sup>28</sup> The statistics for this aspect covered China Development Bank Financial Leasing Co., Ltd. and its subsidiaries.

## APPENDIX 3: ESG INDICATOR INDEX LIST

### ESG INDICATOR INDEX OF HONG KONG STOCK EXCHANGE

Mandatory Disclosure Requirements			
Mandatory Disclosure	Description		Section for Disclosure
Governance Structure	<p>A statement from the Board containing the following elements:</p> <ul style="list-style-type: none"> <li>(i) a disclosure of the Board’s oversight of ESG issues;</li> <li>(ii) the Board’s ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer’s businesses activities); and</li> <li>(iii) how the Board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer’s businesses.</li> </ul>		ESG Statement of the Board
Reporting Principles	<p>A description of, or an explanation on, the application of the Reporting Principles in the preparation of the ESG report</p>	<p>Materiality: The ESG report should disclose:</p> <ul style="list-style-type: none"> <li>(i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer’s stakeholder engagement.</li> </ul> <p>Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed.</p> <p>Consistency: The issuer should disclose in the ESG report any changes to the statistical methods or KPIs used (if any), or any other relevant factors affecting a meaningful comparison.</p>	About the Report
Reporting Boundary	<p>A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.</p>		About the Report



### “Comply or Explain” Provisions

Aspect	Description	Section for Disclosure
A1 Emissions	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Appendix 1 ESG Policy List
	A1.1 The types of emissions and respective emissions data.	Appendix 2 ESG Data List
	A1.2 Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Appendix 2 ESG Data List
	A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Appendix 2 ESG Data List
	A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Appendix 2 ESG Data List
	A1.5 Description of emission target(s) set and steps taken to achieve them.	Practicing Green Operation
	A1.6 Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Practicing Green Operation
A2 Use of Resources	General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials.	Practicing Green Operation
	A2.1 Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Appendix 2 ESG Data List
	A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Appendix 2 ESG Data List
	A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.	Practicing Green Operation
	A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Practicing Green Operation
	A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable due to the business nature of the Group
A3 The Environment and Natural Resources	General Disclosure Policies on minimising the issuer’s significant impact on the environment and natural resources.	Practicing Green Finance and Creating a Leasing Model of Green Development
	A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Practicing Green Finance and Creating a Leasing Model of Green Development
A4 Climate Change	General Disclosure Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Strengthening Resilience to Climate
	A4.1 Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Strengthening Resilience to Climate

<b>“Comply or Explain” Provisions</b>		
<b>Aspect</b>	<b>Description</b>	<b>Section for Disclosure</b>
B1 Employment	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Improving the Employment System Safeguarding Employees’ Rights and Interests Appendix 1 ESG Policy List
	B1.1 Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region.	Appendix 2 ESG Data List
	B1.2 Employee turnover rate by gender, age group and geographical region.	Appendix 2 ESG Data List
B2 Health and Safety	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Safeguarding Employees’ Rights and Interests Appendix 1 ESG Policy List
	B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Appendix 2 ESG Data List
	B2.2 Lost days due to work injury.	Appendix 2 ESG Data List
	B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Safeguarding Employees’ Rights and Interests
B3 Development and Training	General Disclosure Policies on improving employees’ knowledge and skills for discharging duties at work. Description of training activities.	Supporting Employee Development
	B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Appendix 2 ESG Data List
	B3.2 The average training hours completed per employee by gender and employee category.	Appendix 2 ESG Data List
B4 Labor Standards	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	Appendix 1 ESG Policy List
	B4.1 Description of measures to review employment practices to avoid child and forced labor.	Improving the Employment System
	B4.2 Description of steps taken to eliminate such practices when discovered.	Improving the Employment System





### “Comply or Explain” Provisions

Aspect	Description	Section for Disclosure
B5 Supply Chain Management	General Disclosure Policies on managing environmental and social risks of the supply chain.	Adopting Responsible Procurement
	B5.1 Number of suppliers by geographical region.	Appendix 2 ESG Data List
	B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Adopting Responsible Procurement
	B5.3 Description of practices used to identifying environmental and social risks along the supply chain, and how they are implemented and monitored.	Adopting Responsible Procurement
	B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Adopting Responsible Procurement
B6 Product Responsibility	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of remedy.	Adopting Responsible Procurement Effectively Protecting Consumers' Rights and Interests Appendix 1 ESG Policy List No health and labelling management relating to products and services is involved due to the business nature of the Group
	B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable due to the business nature of the Group
	B6.2 Number of products and service related complaints received and how they are dealt with.	Effectively Protecting Consumers' Rights and Interests Appendix 2 ESG Data List
	B6.3 Description of practices relating to observing and protecting intellectual property rights.	Strengthening Risk Management and Control and Strictly Adhering to the Bottom Line of Compliance
	B6.4 Description of quality assurance process and recall procedures.	Not applicable due to the business nature of the Group
	B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Information Security and Data Governance

**“Comply or Explain” Provisions**

<b>Aspect</b>	<b>Description</b>	<b>Section for Disclosure</b>
B7 Anti-corruption	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Strengthening Risk Management and Control and Strictly Adhering to the Bottom Line of Compliance Appendix 1 ESG Policy List
	B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases.	Appendix 2 ESG Data List
	B7.2 Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Strengthening Risk Management and Control and Strictly Adhering to the Bottom Line of Compliance
	B7.3 Description of anti-corruption training for directors and employees.	Strengthening Risk Management and Control and Strictly Adhering to the Bottom Line of Compliance
B8 Community Investment	General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities’ interests.	Developing Inclusive Finance and Adhering to the People-oriented Nature of Finance Demonstrating Responsibilities and Commitment to People’s Livelihood in All Our Hearts, All Our Passions and All Our Might
	B8.1 Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, and sport).	Developing Inclusive Finance and Adhering to the People-oriented Nature of Finance Demonstrating Responsibilities and Commitment to People’s Livelihood in All Our Hearts, All Our Passions and All Our Might
	B8.2 Resources contributed (e.g. money or time) to the focus area.	Demonstrating Responsibilities and Commitment to People’s Livelihood in All Our Hearts, All Our Passions and All Our Might



# INDEX OF REFERENCE INDICATORS FOR ESG SPECIAL REPORT OF LISTED COMPANIES CONTROLLED BY CENTRAL ENTERPRISES

Disclosure of contents			Section, page number or other description
Environmental Scope Indicators			
Level 1 Index	Level 2 Index	Level 3 Index	
Consumption of Resources	Water resources	Fresh water consumption	Appendix 2 ESG Data List
		Water consumption intensity	Appendix 2 ESG Data List
	Materials	Not applicable	Not applicable due to the business nature of the Group
	Energy	Fossil energy consumption	Practicing Green Operation Appendix 2 ESG Data List
		Non-fossil energy consumption	Planned to be disclosed in the future
		Total energy consumption	Appendix 2 ESG Data List
		Energy consumption intensity	Appendix 2 ESG Data List
	Packaging materials	Not applicable	Not applicable due to the business nature of the Group
	Wastewater	Amount of wastewater discharge	Planned to be disclosed in the future
		Amount of discharged wastewater pollutants	The indicator is not applicable as operation generates domestic wastewater
	Exhaust gas	Exhaust gas emission compliance	Compliance with Emission Standards
	Solid waste	Solid waste treatment compliance	Practicing Green Operation
		Solid waste management	Practicing Green Operation
		Amount of solid waste disposed	Appendix 2 ESG Data List
		Hazardous waste management	Practicing Green Operation
		Amount of hazardous waste disposed	Appendix 2 ESG Data List

Disclosure of contents			Section, page number or other description
Climate Change	Greenhouse gases emissions	Sources and types of greenhouse gases	Appendix 2 ESG Data List
		Greenhouse gases emission management	Practicing Green Operation
		Scope 1 emissions	Appendix 2 ESG Data List
		Scope 2 emissions	Appendix 2 ESG Data List
		Greenhouse gases emissions intensity	Appendix 2 ESG Data List
	Emission reduction management	Greenhouse gases emission reduction management	Responding to Climate Change and Moving Toward a Sustainable Future with Low Carbon
		Amount of greenhouse gases emission reduction	Boosting the Construction of Clean Energy Power Stations
	Environmental rights trading	Not applicable	Planned to be disclosed in the future
Climate risk management	Climate risk management	Strengthening Resilience to Climate	
Biodiversity	Impact of production, services and products on biodiversity	Not applicable	Planned to be disclosed in the future
Measures for Resource and Environmental Management System	Formulation of low-carbon development goals and strategic measures	Formulation of low-carbon development goals and strategic measures	Practicing Green Finance and Creating a Leasing Model of Green Development
	Resource Management Measures	Water use management	Practicing Green Operation
		Energy use and energy conservation management	Practicing Green Operation
	Energy conservation and carbon reduction statistical monitoring and assessment reward and punishment system	Not applicable	Not applicable
	Green actions and measures	Green office and operations	Practicing Green Operation
		Green building renovation	Practicing Green Operation
		Green procurement and green supply chain management	Adopting Responsible Procurement
		Environmental public welfare activities	Encouraging Employees to Participate in Public Welfare
	Green and low-carbon certification	Not applicable	Planned to be disclosed in the future
	Legal compliance in the environmental area	Environmental violations	Practicing Green Operation



Disclosure of contents			Section, page number or other description
Social Scope Indicators			
Level 1 Index	Level 2 Index	Level 3 Index	
Employee Rights	Staff recruitment and employment	Enterprise recruitment policy and implementation	Improving the Employment System
		Employee structure	Appendix 2 ESG Data List
		Avoidance of child or forced labor	Improving the Employment System Safeguarding Employees' Rights and Interests
	Employee remuneration and benefits	Remuneration philosophy and policy	Safeguarding Employees' Rights and Interests
		Working hours, rest and holidays	Safeguarding Employees' Rights and Interests
		Remuneration and benefits protection	Safeguarding Employees' Rights and Interests
		Employee democratic management	Safeguarding Employees' Rights and Interests
	Employee health and safety	Employee occupational health and safety management	Employee Caring Activities
		Employee safety risk prevention and control	Employee Caring Activities
		Response to safety incidents and work-related injuries	Appendix 2 ESG Data List
		Employee care and support	Employee Caring Activities
	Staff development and training	Staff incentive and promotion policy	Supporting Employee Development
		Employee education and training	Supporting Employee Development
	Employee satisfaction	Employee turnover	Appendix 2 ESG Data List
	Product and service management	Product safety and quality	Quality management
Customer services and rights		Customer satisfaction	Effectively Protecting Consumers' Rights and Interests
		Customer complaints and handling	Effectively Protecting Consumers' Rights and Interests
		Customer information and privacy protection	Information Security and Data Governance
Innovative development		Research and innovation management system	Promoting Digital Finance and Activating the Engine for High-Quality Development
		R&D investment	Please refer to the annual report of the Group
		Innovation achievements	Promoting Digital Finance and Activating the Engine for High-Quality Development
		Intellectual property protection	Strengthening Risk Management and Control and Strictly Adhering to the Bottom Line of Compliance

Disclosure of contents		Section, page number or other description	
Supply chain security and management	Suppliers management	Suppliers selection and management	Adopting Responsible Procurement
		Number of suppliers and their distributions	Appendix 2 ESG Data List
	Supply chain links management	Supply chain management policies and measures	Adopting Responsible Procurement
		Significant supply chain risks and impacts	Adopting Responsible Procurement
Social Contributions	Payment of taxes and charges	Payment of taxes and charges	Please refer to the annual report of the Group
	Community co-building	Contribution and impact on the local community	Encouraging Employees to Participate in Public Welfare
	Social welfare activities	Policies and measures for participation in social welfare activities	Demonstrating Responsibilities and Commitment to People's Livelihood in All Our Hearts, All Our Passions and All Our Might
		Investment and effectiveness in participating in social welfare activities	Demonstrating Responsibilities and Commitment to People's Livelihood in All Our Hearts, All Our Passions and All Our Might
	National strategy response	Industrial transformation	Supporting Technology Finance to Empower the Development of New Quality Productive Forces
		Rural revitalization and regional synergistic development	Improving Rural Infrastructure
		Industry characteristics and fulfillment of other social responsibilities	Developing Inclusive Finance and Adhering to the People-oriented Nature of Finance



Disclosure of contents			Section, page number or other description
Governance Scope Indicators			
Level 1 Index	Level 2 Index	Level 3 Index	
Governance Strategy and Organizational Structure	Governance strategies and processes	Development of governance strategy	Consolidating Internal Management and Enhancing the Governance System Construction
		Governance strategy supervision process	Consolidating Internal Management and Enhancing the Governance System Construction
		Governance strategy approval and review process	Consolidating Internal Management and Enhancing the Governance System Construction
	Organizational structure and functions	Ownership responsibilities	Improving Corporate Governance
		Organizational structure and functions of the Board of Directors, Board of Supervisors and the management	Improving Corporate Governance
		Appointment procedures and composition of the Board of Directors, the Board of Supervisors and the management	Improving Corporate Governance
	Remuneration management	Remuneration plan for Directors and Supervisors	Improving Corporate Governance
		Transparency of remuneration of the Board of Directors	Improving Corporate Governance
		Reasonableness of remuneration of the management	Improving Corporate Governance
	Standardized Management	Internal control	Internal auditing
Internal control structure, mechanism and process			Improving Corporate Governance
Integrity building		Integrity building system standardization	Strengthening Risk Management and Control and Strictly Adhering to the Bottom Line of Compliance
		Effectiveness of integrity building measures	Strengthening Risk Management and Control and Strictly Adhering to the Bottom Line of Compliance
Fair competition		Fair competition system standardization	Strengthening Risk Management and Control and Strictly Adhering to the Bottom Line of Compliance
		Effectiveness of fair competition measures	Strengthening Risk Management and Control and Strictly Adhering to the Bottom Line of Compliance

Disclosure of contents			Section, page number or other description
Investor Relationship Management and Shareholder Rights	Investor relationship management	Investor relationship management strategy	Improving Corporate Governance
		Communication with investor	Improving Corporate Governance
		Construction of investor relations management department	Improving Corporate Governance
	Shareholder rights	Shareholders (general) meeting	Improving Corporate Governance
		Communication with shareholders	Improving Corporate Governance
		Shareholders' right to know and participation in decision-making	Improving Corporate Governance
	Creditor rights	Not applicable	Please refer to the annual report of the Group
Transparency of Information Disclosure	Information disclosure system	Financial information disclosure	Please refer to the annual report of the Group
		Non-financial information disclosure	2023 Annual ESG Report and Financial Institutions Environmental Information Disclosure Report
	Quality of information disclosure	Regular monitoring, auditing, and evaluation of all disclosed information	Please refer to the annual report of the Group
Compliant Operation and Risk Management	Compliant operation	Compliance management system	Strengthening Risk Management and Control and Strictly Adhering to the Bottom Line of Compliance
		Compliance system construction	Strengthening Risk Management and Control and Strictly Adhering to the Bottom Line of Compliance
		Specific process of compliance review	Strengthening Risk Management and Control and Strictly Adhering to the Bottom Line of Compliance
	Risk management	Risk identification and early warning	Strengthening Risk Management and Control and Strictly Adhering to the Bottom Line of Compliance
		Risk control and tracking	Strengthening Risk Management and Control and Strictly Adhering to the Bottom Line of Compliance
		Risk reporting and management	Strengthening Risk Management and Control and Strictly Adhering to the Bottom Line of Compliance





## APPENDIX 4: FEEDBACK

### DISTINGUISHED READERS:

Thank you for reading our 2023 Environmental, Social and Governance Report. We are looking forward to your comments and invaluable suggestions to the Report, which will be of great benefit to us in continuous improvement of the Report.

Comments and suggestions to the Company in respect of our sustainable development are welcome and can be addressed to [ir@cdb-leasing.com](mailto:ir@cdb-leasing.com)

Feedback form for the 2023 Environmental, Social and Governance Report of China Development Bank Financial Leasing Co., Ltd.

Name \_\_\_\_\_

Company \_\_\_\_\_

Title \_\_\_\_\_

Telephone number \_\_\_\_\_

E-mail \_\_\_\_\_

Your comments on the Report: (Please tick ✓ as appropriate)

Do you think the Report highlights the important information of the Company in the environment, social and governance aspects?

Very good     Good     Acceptable     Bad     Very bad

Do you think the information and indicators disclosed in the Report are clear, accurate and complete?

Very good     Good     Acceptable     Bad     Very bad

Do you think the content arrangement and style design of the Report are reader-friendly?

Very good     Good     Acceptable     Bad     Very bad

Which sections in the Report are you most interested in?

\_\_\_\_\_

What other information that you need to know about is not reflected in the Report?

\_\_\_\_\_

What advice do you have for our future release of environmental, social and governance reports?

\_\_\_\_\_



**国银金租**  
CHINA DEVELOPMENT BANK LEASING

郵編 Zip code: 518000

總機 Tel: 86-755-2398 0999

傳真 Fax: 86-755-2398 0900

網址 Website: <http://www.cdb-leasing.com/>

地址 Address: 深圳市福田區福中三路2003號國銀金融中心大廈  
CDB Financial Center Building, No. 2003 FuZhong 3rd Road,  
Futian District, Shenzhen, PRC



官方微信  
Official WeChat



官方微博  
Official Weibo



MIX  
Paper | Supporting responsible forestry  
紙張 | 支持 負責任的 林業  
FSC® C021898