



国银租赁

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)

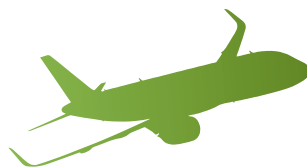
股份代號 Stock Code: 1606



2020

環境、社會及管治報告
ENVIRONMENTAL, SOCIAL
AND GOVERNANCE REPORT





CONTENTS

CONTENTS	1	PROMOTING ADVANTAGES OF THE REGIONAL ECONOMY	26
ABOUT THE REPORT	2	SUPPORTING GREEN DEVELOPMENT AND PROMOTING ECO-CIVILIZATION	29
CHAIRMAN'S STATEMENT	3	BOOSTING SUPPORT FOR CLEAN ENERGY	29
STRENGTHENING RESPONSIBILITY	5	PROMOTING POPULARITY OF NEW ENERGY VEHICLES	30
GOVERNANCE AND MAINTAINING STEADY OPERATION AND DEVELOPMENT		FACILITATING THE PROMOTION OF ENVIRONMENT-FRIENDLY VESSELS	32
OVERVIEW OF CORPORATE DEVELOPMENT	5	STRENGTHENING GREEN OPERATION MANAGEMENT	34
CORPORATE ESG MANAGEMENT	7	SAFEGUARDING EMPLOYEES' RIGHTS AND INTERESTS, AND FACILITATING EMPLOYEES' PERSONAL DEVELOPMENT	35
IMPLEMENTING CHINA'S NATIONAL PLAN ON THE 2030 AGENDA FOR SUSTAINABLE DEVELOPMENT	8	RECRUITMENT AND EMPLOYMENT	35
STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT ON KEY ISSUES	12	TRAINING AND DEVELOPMENT	36
RISK AND COMPLIANCE MANAGEMENT	13	HEALTH AND SAFETY	38
STRENGTHENING INTEGRITY IN OPERATIONS	15	WELL-BEING AND CARE	38
STRENGTHENING ANTI-MONEY LAUNDERING MANAGEMENT	16	UNDERTAKING SOCIAL RESPONSIBILITY AND BUILDING A BETTER LIFE WITH CONCERTED EFFORTS	41
PROTECTING INTELLECTUAL PROPERTY RIGHTS	17	COMMITTED TO CORPORATE RESPONSIBILITY AND FACILITATING POVERTY ALLEVIATION	41
SAFEGUARDING INFORMATION SECURITY	17	REACHING OUT TO SURROUNDING COMMUNITIES AND JOINING HANDS TO CREATE A BETTER LIFE	41
IMPROVING SERVICE QUALITY	19	FUTURE PROSPECTS	43
ADOPTING RESPONSIBLE SUPPLY CHAIN MANAGEMENT	19	APPENDIX 1: ESG INDICATOR INDEX	44
SUPPORTING NATIONAL STRATEGIES AND PROMOTING ECONOMIC GROWTH	20	APPENDIX 2: ESG POLICY LIST	47
LENDING STABLE SUPPORT TO THE AVIATION INDUSTRY	20	APPENDIX 3: ESG DATA LIST	50
PROMOTING INFRASTRUCTURE CONSTRUCTION	22	ENVIRONMENTAL AREA	50
SUPPORTING THE DEVELOPMENT OF SMALL AND MICRO ENTERPRISES	24	SOCIAL AREA	51
		APPENDIX 4: FEEDBACK	52





ABOUT THE REPORT

OVERVIEW:

The Report aims to systematically explain the performance of China Development Bank Financial Leasing Co., Ltd. (國銀金融租賃股份有限公司) in terms of environmental, social and governance (“ESG”) issues in 2020 for readers. It is recommended to read the part on governance in conjunction with the *Corporate Governance Report* in the 2020 Annual Report of the Company.

APPELLATIONS:

For the convenience of expression and reading, “Company”, “our Company” and “CDB Leasing” in the Report refer to “China Development Bank Financial Leasing Co., Ltd.”. “Group” and “we/us/our” refer to “China Development Bank Financial Leasing Co., Ltd. and its subsidiaries or special purpose vehicles”.

DATA SOURCE AND RELIABILITY ASSURANCE:

Data and other information in the Report are mainly from relevant documents, reports and statistical results of CDB Leasing. CDB Leasing undertakes that there are no false records or misleading statements in the Report and is accountable for the authenticity, accuracy and integrity of the contents.

CONFIRMATION AND APPROVAL:

The Report is confirmed by the management and approved by the Board of Directors on May 28, 2021.

REPORTING SCOPE AND BOUNDARY:

The disclosure scope and boundary of the Report are consistent with those of the Annual Report of China Development Bank Financial Leasing Co., Ltd. in 2020.

REPORTING PERIOD:

From January 1, 2020 to December 31, 2020, with certain information covering the ESG issues in 2021.

REPORTING STANDARDS FOR PREPARATION:

The revised *Environmental, Social and Governance Reporting Guide* published by The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”) in December 2015.

ACCESS AND RESPONSE TO THE REPORT:

The Report is prepared in both Chinese and English, and the electronic version of the Report is accessible on the official website of the Company.

Please contact us for enquiry or feedback about the Report or its contents:

Address: 2/F, 7/F, 8/F, 21-27/F and 34/F of CDB Financial Center, 2003 Fuzhong 3rd Road, Futian District, Shenzhen, 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 our Board of Directors, I would like to sincerely thank you for your interest and support of CDB Leasing over the past year!

2020 has been a very unusual year for all of us. The sudden outbreak of the COVID-19 pandemic has caused a severe blow to the global economy, trade and investment. As an international leasing company serving more than 40 countries and regions around the world, the year 2020 was extremely unusual for us. In the past year, in face of severe challenges, we strictly implemented the decisions and plans of the CPC Central Committee and the State Council, followed the decision-making requirements on the prevention and control of the epidemic, undertook our corporate social responsibility with careful planning to facilitate steady recovery of economic and social order. We advanced “stability on six fronts” and “six priorities” to contribute to the construction of a green financial system and poverty alleviation while creating value for stakeholders. We continuously enhanced our ability to serve national strategies and the real economy under the epidemic and ensure our business performance has been improved steadily with high-quality developments, demonstrating our commitment to corporate responsibility.

STRENGTHENING RESPONSIBILITY GOVERNANCE AND MAINTAINING STEADY OPERATION AND DEVELOPMENT

We make it a fundamental tenet to run business faithfully and lawfully, strictly follow regulatory requirements, thoroughly reinforce the responsibility culture, unflinchingly safeguard the bottom line of risk, and continuously improve the comprehensive risk management system to improve risk mitigation and control capabilities. We continuously build Party integrity, comprehensively enforce accountability for rigorous Party governance, and fully promote the construction of an ecosystem featuring integrity. We actively protect intellectual property rights and brand reputation, adopt responsible supply chain management, improve mechanisms for safeguarding information security, enhance customer service quality, actively address and seize the challenges and opportunities arising from internal and external environments, and maintain steady business development.



SUPPORTING NATIONAL STRATEGIES AND PROMOTING ECONOMIC GROWTH

We fully leverage our unique advantage in financing in cash and financing in kind, proactively support key national strategies, address the needs of national development strategies, focus on key areas such as the Yangtze River Economic Belt and the Guangdong-Hong Kong-Macao Greater Bay Area, adhere to the fundamental purpose of serving the real economy, assist the aviation industry in developing and recovering from the impact of the epidemic, and provide special support for the construction of transportation, urban, energy and other infrastructure. We actively employ inclusive finance, continuously enhance innovation of business model, follow the policy requirements of maintaining stable employment and protecting market entities, and support small and micro enterprises to resume work and production.

SUPPORTING GREEN DEVELOPMENT AND PROMOTING A CIVIL ECOSYSTEM

We actively bring into play the guiding philosophy that limpid water and lush mountains are invaluable assets, formulate a green development strategy, and fully support the central government's major decision and plan of targeting to peak carbon dioxide emissions by 2030 and achieve carbon neutrality by 2060. On the basis of implementing the state's requirements for building a green financial system and accomplishing the fundamental purpose for leasing to serve the real economy, we have increased investments in green leasing services to foster the development of enterprises in the fields of clean energy, green transportation, and energy-saving vessels. In addition, we call on our employees to adopt the concept of green development and environmental protection to jointly create an energy-saving and environment-friendly office environment, strengthen green operation infrastructure, and actively support the construction of a civil ecosystem.

SAFEGUARDING EMPLOYEES' RIGHTS AND INTERESTS, AND FACILITATING EMPLOYEES' PERSONAL DEVELOPMENT

We proactively implement the strategy of reviving the Company by talents, adhere to the business philosophy of aligning company and employee values, strive to build a working environment of equality, innovation, vitality and harmony, constantly enhance the protection of employees' rights and interests, pay attention to the physical and mental health of employees, continue to attract, retain and cultivate talents, facilitate employees' growth and career development, and build a professional, cohesive and warm staff team, so as to provide inexhaustible driving force for the survival and development of the Group.

UNDERTAKING SOCIAL RESPONSIBILITY AND BUILDING A BETTER LIFE WITH CONCERTED EFFORTS

The development of an enterprise is closely related to the industry, region, community and society in which it operates. While focusing on our own development, we are concerned about the needs of society and the public, actively support poverty alleviation and rural revival strategies, explore innovative poverty alleviation models, arrange and participate in charity and philanthropic activities, undertake an outstanding corporate citizen's responsibility, and contribute to the harmonious development of society.

As the sole leasing business platform and listing platform of China Development Bank, we are the witness and the leader of the development of China's leasing industry. We uphold our mission of "leading China's leasing industry and serving the real economy". Looking back to the past, we have maintained close communication with all stakeholders and marched forward with perseverance. Looking ahead to the future, we will continue to lead the innovative development of the industry vigorously, keep our mission firmly in mind, seize opportunities, continuously strengthen compliance control, improve the service quality of the leasing business, and promote the high-quality and low-carbon transformation of the economy, so as to achieve the vision of "building a world-class financial leasing company" and create a bright future with harmonious development of the economy, the environment and society.



STRENGTHENING RESPONSIBILITY GOVERNANCE AND MAINTAINING STEADY OPERATION AND DEVELOPMENT

OVERVIEW OF CORPORATE DEVELOPMENT

China Development Bank Financial Leasing Co., Ltd. is a national non-bank financial institution under the regulation of the China Banking and Insurance Regulatory Commission (CBIRC), the first listed domestic financial leasing company and the only leasing business platform and listed company under China Development Bank. Established in 1984, CDB Leasing is a pioneer and leader of the leasing industry in the PRC, and one of the first financial leasing companies in the PRC.

Milestones of Development

Milestones of Development	
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	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 under the regulation of the CBIRC (stock code: 1606.HK).
	Establishment of CDB Aviation Lease Finance Designated Activity Company ("CDB Aviation Lease Finance DAC"), the first aviation specialty subsidiary established overseas with approval from the 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 our controlling shareholder with approval from the CBIRC.
	Our 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 Company Limited, was established.

Major Business Models

Based on the market-oriented, professional, diversified and international strategic development positioning, the Group upholds its mission of leading China's leasing industry and serving the real economy, taps into its unique advantages in leasing business and strives to offer premium customers with comprehensive leasing services in fields including aviation, infrastructure, shipping, inclusive finance, new energy and high-end equipment manufacturing. Amid the increasingly complex market environment, we constantly strengthen resilience and capacity for innovation, and continuously improve business decision efficiency and customer service standards. The Group enjoys high international credit ratings, receiving an A1 rating from Moody's, an A rating from S&P and an A+ rating from Fitch in 2020.

As one of the leasing companies with the longest history in the PRC, the Group has witnessed and participated in the development of the PRC leasing industry. Having experienced several economic cycles in the industry and regulatory reforms, we have gained abundant experience through our exploration in business sectors, product innovation, risk management and control, operation management and other aspects. We have always believed in balanced development between scale, quality and efficiency. Through exploring different business sectors in a planned manner, continuously promoting product innovation and business improvement as well as enhancing corporate governance, CDB Leasing has outpaced peers in terms of asset scale, profitability and risk control, and formed a business development model with obvious advantages of core competitiveness and prominent sustainable development capabilities.



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
Lease Transactions	Using assets optimally to generate sustainable value

In 2020, faced with the impact of COVID-19, the Group vigorously carried out epidemic prevention and control and business development, scaling new heights in its annual operating results amid a market downturn and steadily improving quality development. Specifically, total assets exceeded RMB300 billion for the first time and reached RMB303.3 billion, representing a year-on-year increase of 16.1%. Lease financing to new lessees of the Group reached RMB104.4 billion, representing a year-on-year increase of 11.96%. Net profit amounted to RMB3.268 billion, representing a year-on-year increase of 11.24%.

Accolades from Society

In 2020, we dedicated ourselves to undertaking our social responsibility forging ahead with our expertise, and winning accolades from society with our strength.

Accolades from Society

April 2020	CDB Leasing's case of Green Lease Promoting Green Finance Conversion Rate was awarded Excellent Case of Guangdong Green Finance Innovation in 2019.
August 2020	CDB Leasing's 2019 annual report won the Annual Report Gold Award (financial-diversified service), China's top 50 annual reports, the top 40 annual reports in Asia Pacific, the top 100 annual reports in the world, and the Best Letter to Shareholders in Asia Pacific in the Vision Award sponsored by the international professional institution League of American Communications Professionals (LACP).
September 2020	CDB Leasing won the Innovative Development Award in the 8 th China Air Finance Wan Hoo Awards.
September 2020	CDB Leasing won the 2020 Financial Leasing Company Gamma Award in the 2020 (Second) Best Bank of China Gamma Award sponsored by the <i>Securities Times</i> .
October 2020	CDB Leasing won the Social Responsibility Contribution Case Award in the 2020 Shenzhen Enterprise Brand Development and Corporate Social Responsibility Appraisal sponsored by Nanfang Daily.
November 2020	CDB Leasing's two cases were selected as excellent cases in the 2019-2020 Shenzhen Banking Social Responsibility Excellent Case Collection hosted by Shenzhen Banking Association, namely <i>Giving Full Play to the Advantages of Financial Leasing to Help Win the Fight against Poverty</i> and <i>Integrating Green Finance and Inclusive Leasing to Help the Public Travel Green</i> .
November 2020	CDB Leasing won the China Financial Leasing Soaring Award to Help Leading Enterprises in the Real Economy in the Global Leasing Industry Competitiveness Forum.
December 2020	CDB Leasing won the Most Socially Responsible Financial Leasing Company of the Year in the Golden Dragon Award of Chinese Financial Institutions sponsored by the <i>Financial News</i> .
December 2020	CDB Leasing was granted the Business Growth Award and Comprehensive Contribution Award by Futian District Committee of Shenzhen, CPC and Futian District People's Government of Shenzhen.

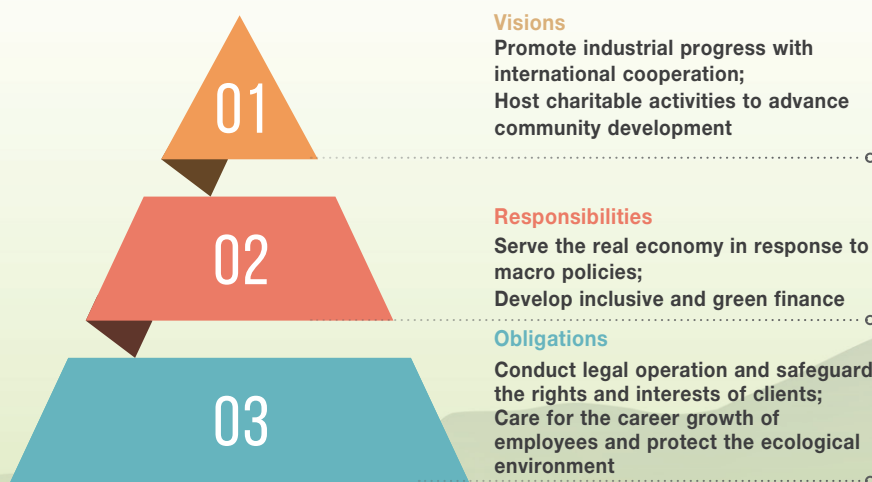




- 1) Most Socially Responsible Financial Leasing Company of the Year
- 2) Social Responsibility Contribution Case Award
- 3) China Financial Leasing Soaring Award to Help Leading Enterprises in the Real Economy
- 4) Innovative Development Award in the 8th China Air Finance Wan Hoo Awards

CORPORATE ESG MANAGEMENT

The Group complies with the relevant ESG laws and regulations involved in its business operations. It incorporates corporate ESG management into the Company's strategies and regularly discloses ESG information in accordance with the *Environmental, Social and Governance Reporting Guide* released by the Hong Kong Stock Exchange and with reference to the *Opinions on Strengthening the Social Responsibility of Banking Financial Institutions* 《關於加強銀行業金融機構社會責任的意見》 of the CBIRC. We have established a tiered social responsibility model based on three tiers – obligations, responsibilities and visions, to guide the Group to undertake its social responsibility. Meanwhile, we integrate the requirements for sustainable development in business operation, risk management and communication with stakeholders, continuously raise awareness of sustainable development, and unit the efforts of the Board of Directors, the management, and relevant business departments to jointly and fully implement sustainable development initiatives.



The Social Responsibility Model



The Group continuously improves its ESG management system. It has set up an ESG working group to manage ESG matters, which is responsible for collecting and compiling information on ESG related policies and systems, and managing such ESG data. The ESG working group is led by executive directors, coordinated by the Board Office, and collaborated by multiple functional departments of various business segments such as the Risk Management Department, Legal Compliance Department, Discipline Committee Office, Youth League Committee, the Trade Union, General Office, Human Resources Department, Operation and Management Department and other business departments, and is responsible for the implementation of specific ESG matters. Going forward, we will further improve the ESG governance structure of the Company, increase the participation of the Board of Directors in ESG matters, better discharge the respective responsibilities of the Board of Directors and the ESG working group, enhance the ESG coordination of management at all levels, and comprehensively promote the effectiveness of our sustainable development work.

IMPLEMENTING CHINA'S NATIONAL PLAN ON THE 2030 AGENDA FOR SUSTAINABLE DEVELOPMENT

On September 25, 2015, the United Nations General Assembly officially released *Transforming Our World – the 2030 Agenda for Sustainable Development*, calling on all countries and all stakeholders to take joint actions for mankind, the planet and prosperity, as well as world peace and freedom. The Agenda put forward 17 Sustainable Development Goals (hereinafter referred to as “SDGs”), clarifying the joint efforts that all countries and stakeholders should make efforts to achieve sustainable development of the environment, society and the economy, to eradicate poverty and hunger, and to create a peaceful, just and inclusive world.

To support the United Nations’ 2030 Agenda for Sustainable Development, in September 2016, Premier Li Keqiang chaired the symposium on The Sustainable Development Goals: A Universal Push to Transform Our World – China’s Perspective at the United Nations Headquarters in New York, and announced the release of *China’s National Plan on Implementation of the 2030 Agenda for Sustainable Development* (“China’s National Plan”) as an action guideline for China to implement the United Nations’ 2030 Agenda for Sustainable Development.

The SDGs clarified the path for global sustainable development. To overcome every hurdle in the path of sustainable development, governments, international institutions, enterprises and every individual across the world must make contribution as a community with a shared future. Taking the SDGs and China’s National Plan as guidelines and based on the Group’s actual situations, we have identified sustainable development goals closely related to the Group, including SDG1 – No poverty, SDG3 – Good health and well-being, SDG5 – Gender equality, SDG6 – Clean water and sanitation, SDG7 – Affordable and clean energy, SDG8 – Decent work and economic growth, SDG9 – Industry, innovation and infrastructure, SDG10 – Reduced inequalities, SDG11 – Sustainable cities and communities, SDG12 – Responsible consumption and production, and SDG13 – Climate action.

For identified and targeted sustainable development goals and the implementation measures of China’s National Plan, we set out the sustainable development actions undertaken by the Group in 2020 in the following table based on the sustainable development goals:



¹ Sustainable Development Goals related information sources from: <https://www.un.org/sustainabledevelopment/>

United Nations' 2030
SDGsChina's National Plan on
Implementation of the 2030 Agenda
for Sustainable Development

Sustainable Development Actions Undertaken by the Group in 2020

SDG1 No poverty



- Take classified and calibrated alleviation measures for rural population living in poverty.
- Establish and improve a fairer and more sustainable social security system, improve the social insurance system, and implement a universal insurance plan.

- The Group established a remuneration and welfare system in strictly compliance with national and local laws, regulations and regulatory policy requirements, paid for the Five Insurances and One Fund in accordance with the regulations, and purchased accidental injury insurance, accidental medical insurance, supplementary medical insurance, and supplementary insurance for major diseases.
- We provided overseas employees with increasingly complete employee insurance plans, covering pension insurance, health insurance, life insurance and disability insurance, etc.
- Since starting poverty alleviation by consumption in 2019, we have directly purchased a total of RMB546,900 worth of agricultural products from designated poverty alleviation counties.

SDG3 Good health
and well-being

- Facilitate equality and accessibility of basic health care services.

- We arrange employees of the Company to voluntarily carry out physical examinations every year, providing options for physical examination institution and physical examination package, and invited experts from professional physical examination institutions to explain physical examination indicators, propose health care measures for employees and provide guidance for employees to achieve healthy work and life.
- We continuously improved the infirmary and expanded and completed the scope of emergency medicine supply to meet the demands for daily and epidemic prevention medicines.

SDG5 Gender
equality

- Adhere to the national policy of gender equality, and eradicate all forms of discrimination and prejudice against women and girls.
- Strengthen women's employment and entrepreneurship capabilities and develop public childcare services.

- We prohibited all manners of inequality and discrimination based on ethnicity, race, gender, age, family status, and other factors, and protected the rights and benefits of female employees during pregnancy, childbirth, and breastfeeding.

SDG6 Clean water
and sanitation

- Build a water-saving society in an all-round way by enforcing strictest water resources management system, strengthening water demand and water consumption management.
- Work toward full coverage of water hygiene infrastructure to achieve access to adequate and equitable sanitation and hygiene for all.
- 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.

- We treated water using reclaimed water treatment system to achieve water recycling and to recycle water for cleaning and greenery maintenance outside the building; inspected water supply equipment and pipelines to prevent dripping, oozing, leaking and long-running water; maintained water use records and statistical analysis of water use; adjusted or reduced the water output of water valves in washroom equipment; posted water-saving slogans in restrooms and pantries to raise employees' awareness of water-conservation.
- We invested another RMB1 billion in Kunming Dianchi Investment Co., Ltd. (昆明滇池投資有限責任公司) to speed up the completion and operation of the 13th and 14th Water Purification Plants in Kunming and support the pollution prevention and control, comprehensive river treatment, and ecological restoration of Kunming.
- We invested RMB1.2 billion in the sale and leaseback project of pipeline network facilities and equipment of Shaanxi Water Group Co., Ltd. (陝西水務集團有限公司), with leased assets of the project spanning across more than ten counties and cities in the province, greatly supporting the renewal and transformation of old local water networks, the restoration of water environment and ecology, and the improvement of basic water for people's livelihoods.
- We provided leasing services in relation to water supply, gas supply, heating and other operating facilities in 25 provinces, autonomous regions and municipalities directly under the Central Government in the PRC.
- With the sewage pipeline network as the leased assets, the Group provided Huai'an Water Resources Development and Construction Co., Ltd. (淮安市水資源開發建設有限公司) with long-term and low-cost funding, which significantly facilitated the maintenance of a sound local ecological environment.



United Nations' 2030 SDGs

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

Sustainable Development Actions Undertaken by the Group in 2020

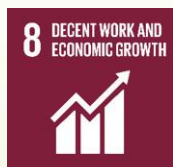
SDG7 Affordable and clean energy



- Enhance the energy structure by improving fossil fuel efficiency and increasing the share of clean energy consumption.
- Set up a clean, low-carbon, safe and efficient modern energy system.

- The Group invested RMB8.026 billion to support clean energy supply.
- We invested funds to support the construction of the wind farm under the 200MW wind power leaseback project of Ulan County Huayangshengyuan New Energy Co., Ltd. (烏蘭縣華揚晟源新能源有限公司), promptly mitigating the problem of insufficient funds for the lessee, and helping to reduce carbon emissions and improve the environment.
- We invested funds to support the construction of the photovoltaic power station under the Shilou County 50MW central photovoltaic power station project of CSI New Energy Co., Ltd. (阿特斯新能源有限公司), providing sufficient financial guarantee.
- As at the end of 2020, the Group has provided a total of RMB3.98 billion of financing support to major bus companies in the PRC to replace a total of 5,309 new energy buses.
- With ultra-low emission equipment of heating boilers as leased assets, we provided funding support to Qingdao Energy Group Co., Ltd. (青島能源集團有限公司) for heat source upgrades and ultra-low emission transformations.

SDG8 Decent work and economic growth



- Focus on supply-side structural reform to expand effective supply and meet effective demand.
- 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.
- Establish inclusive financial services and security systems to meet the requirements of a moderately prosperous society.
- Improve employment and entrepreneurship services and launch a lifelong vocational training initiative.
- Crack down on illegal and criminal activities such as child labour and forced labour in accordance with the law.
- Protect workers' legitimate rights and interests such as remuneration, vacation, social security, etc.
- The Group has proactively supported the implementation of national strategies, facilitated the forging of a new development pattern, vigorously developed the real economy, vigorously pushed forward infrastructure construction, and promoted the steady and sustainable development of the PRC focusing on the Yangtze River Economic Belt, the Guangdong-Hong Kong-Macao Greater Bay Area and other major national strategic regions.
- The Group has intensified the services of inclusive finance and proactively implemented the preferential policy of deferred rent payment for inclusive finance customers to reduce the liquidity risk of inclusive finance customers, ensure that distressed customers can weather difficulties, and reduce the negative impact of the epidemic. The scheme has benefited approximately 4,000 small, medium and micro customers.
- We have established a complete mechanism for the recruitment, employment, training and retention of employees based on the "12345" employee training system, and built a comprehensive and special talent team that learns politics, abides by rules, dares to shoulder responsibility, and takes action.
- Based on the two systems of governance structure and training system, we have established four platforms for providing opinions and suggestions and launched five training plans focusing on Party building, taking up new tasks, taking on long-term project, job succession and team leading for Party members, middle and high-level management as well as base-level employees.
- We resolutely implemented the *Provisions on Prohibition of Child Labour* (《禁止使用童工規定》), strictly verified the identity certification materials of recruits, and reviewed academic degree materials to confirm that employees are of legal working age and to prohibit child labour. In case of violation of the employment regulations, the candidate would not be employed.
- The Group established a remuneration and welfare system in strict compliance with national and local laws, regulations and regulatory policy requirements, provided employees with market-competitive salary, paid for the Five Insurances and One Fund in accordance with the regulations, purchased accidental injury insurance, accidental medical insurance, supplementary medical insurance, and supplementary insurance for major diseases, established an enterprise annuity mechanism, and protected employees' legal rights to rest and vacation.

United Nations' 2030
SDGsChina's National Plan on
Implementation of the 2030 Agenda
for Sustainable Development

Sustainable Development Actions Undertaken by the Group in 2020

SDG9 Industry,
innovation and
infrastructure

- Accelerate the improvement of a safe, efficient, smart, green and interconnected modern network of infrastructure.
- Accelerate the building of financial infrastructure, improve financial services for key areas, and diversify financing channels for small and micro enterprises.
- Upgrade infrastructure such as water conservancy, railway, road, water transportation, civil aviation, general-purpose aviation, pipeline, and postal services, and accelerate the transformation and upgrading of traditional industries.
- Significantly increase access to information and communications technology.

- The fixed asset sale and leaseback project of Transportation Airport Line Engineering Facilities of Wuhan Metro Group has contributed to the resumption of work and production of enterprises in Wuhan, Hubei, and the protection of people's livelihood.
- The existing leasing projects of the Group include transport infrastructure such as toll roads, railway, and rail transit equipment in 14 provinces, autonomous regions and municipalities directly under the Central Government in the PRC.
- The Group provided leasing services in relation to water supply, gas supply, heating and other operating facilities in 25 provinces, autonomous regions and municipalities directly under the Central Government in the PRC.
- We gave full play to the advantages of leasing products, continuously explored and adopted methods to support small and micro customers, and took the lead in building an inclusive financial business system in the financial leasing industry.
- We quickly formulated inclusive financial leasing support policies during epidemic prevention and control, and took epidemic relief measures including repayment extensions, liquidated damages reductions, and interest rate concessions, to support small and micro enterprises to resume work and production.

SDG10 Reduce
inequality

- Ensure equal opportunity 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 adhered to the principle of promoting and prominently appointing loyal, clean, and responsible cadres, continuously improved the promotion mechanism and built a fair and unobstructed career development channel.
- We encouraged employee diversity, prohibited all manners of inequality and discrimination based on ethnicity, race, gender, age, family status, and other factors, and protected the rights and benefits of female employees during pregnancy, childbirth, and breastfeeding.
- The Group established a remuneration and welfare system in strict compliance with national and local laws, regulations and regulatory policy requirements, and provided employees with market-competitive salary.

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 management level of urban municipal solid waste.
- Proactively promote greening in urban and rural areas by continually increasing per capita green park space.

- We possessed comprehensive information on bus business needs of various regions, actively maintained communication with state-owned bus companies and new energy vehicle manufacturers, opened up the upstream and downstream financing channels in the new energy bus industry, and satisfied their needs for purchase, sales and funding of new energy vehicles, so as to jointly contribute to the battle of pollution prevention and control.
- We appointed a third-party professional company to recycle, manage and dispose of hazardous waste such as toner cartridges and ink cartridges. We strictly regulated scrap management and control process for electronic equipment, and selected a number of third parties with appropriate qualifications to evaluate and dispose of scrapped hardware equipment.
- We made arrangements for young employees as volunteer in participating in the Learning from Lei Feng activity in Yuanshan, Shenzhen. During the activity, they interacted with each other, climbed the mountain and picked up garbage along the way, helping to thoroughly clean the surrounding environment.

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.

- During project implementation, the Group appropriately introduced third-party supervision. Any risk events violating environmental and social compliance would be resolved in a timely manner based on the third-party supervision report.
- For projects involving the use of environment friendly materials, the Group required suppliers to provide product-related certification documents and, if necessary, submit the materials to professional institutions for testing.
- For construction projects, the Group required suppliers to perform environmental protection responsibilities during the construction process, conduct disciplined construction in accordance with the law, and avoid negative impacts on the environment and surrounding residents as much as possible.

United Nations' 2030
SDGsChina's National Plan on
Implementation of the 2030 Agenda
for Sustainable Development

Sustainable Development Actions Undertaken by the Group in 2020

**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 climate actions.

- We focused on the field of clean energy, vigorously supported the development of the clean energy industry. In 2020, the Group invested RMB8.026 billion to support clean energy supply.
- We have provided 1.2 billion for the 200MW wind power leaseback project of Ulan County Huayangshengyuan New Energy Co., Ltd. in Qinghai Province and provided sufficient financial guarantee for the construction of the Shilou County Ateshi 50MW central photovoltaic power station on-grid bidding project in Shilou County.
- We seized the potential opportunities for the green leasing business in climate change scenarios, explored innovative green leasing products.
- The Group has provided a total of RMB3.98 billion of financing support to major bus companies in the PRC to replace a total of 5,309 new energy buses.
- The Group vigorously promotes energy-saving ship leasing business and owns a total of 110 ships, in which includes 93 environment-friendly ships.

In the future, the Group will continue to implement sustainable development actions, actively support the achievement of sustainable development goals and make contributions to the sustainable development in China and the world.

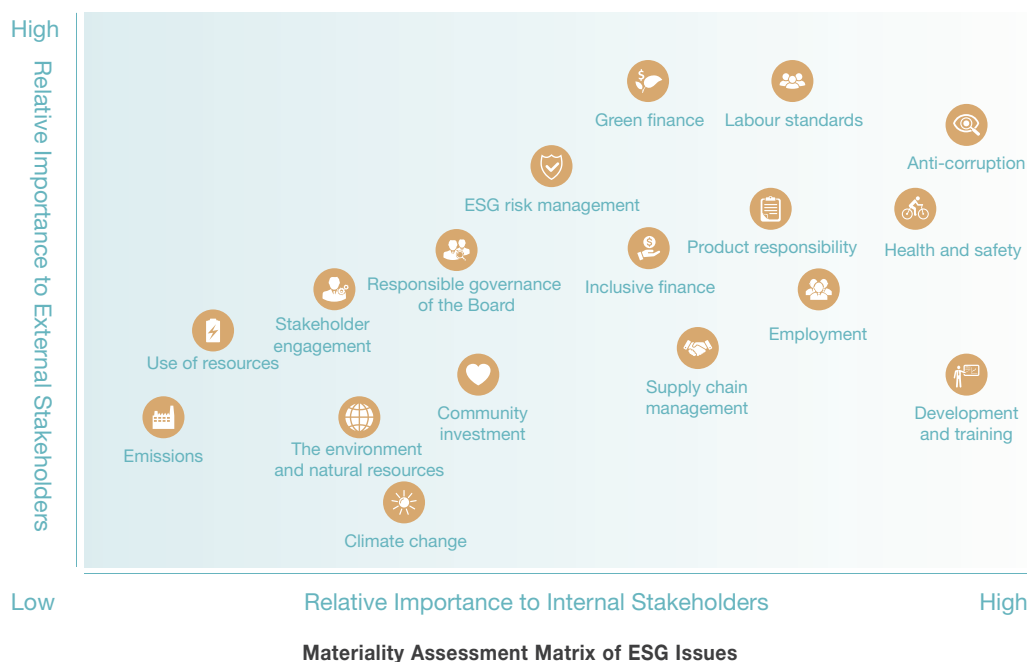
STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT ON KEY ISSUES

Based on the characteristics of the industry and its development strategy, the Group has identified major stakeholders including the government and regulatory authorities, shareholders and investors, clients, employees, suppliers and partners, community and the public. By establishing an effective communication mechanism, we actively maintain communication with all stakeholders to fully understand their demands and expectations, and actively respond to their demands, so as to work with all parties to achieve common sustainable development.

Major Stakeholders	Appeals and Expectations	Communications and Responses
Governments and regulatory authorities	Abide by laws and regulations for legal operations Create job opportunities and pay taxes according to the law Support regional and industry development	Conduct corporate compliance management to ensure compliant corporate operations 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	Improve corporate governance to enhance corporate value Timely disclose information Set up the communication mechanism with shareholders and investors
Clients	Product and service quality Protection of clients' rights and interests	Ensure product and service quality Improve the post-leasing management mechanism Improve client service workflow Improve client complaint handling system Improve 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	Abide by employment laws and regulations and perfect the employment system Adopt a competitive salary system Promote transparency of 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	Deepen win-win cooperation with suppliers Maintain sound relations and trustworthiness with different suppliers
Media	Sound interactions with the media Information disclosure	Improve media communications Disclose information via multiple channels
Community and the Public	Support community development	Made philanthropic donations and carried out social charity and volunteer activities Positive interaction with NGOs

In 2020, based on its business characteristics and future development direction, and with reference to the *Consultation Conclusions on Review of the Environmental, Social and Governance Reporting Guide and related Listing Rules* issued by the Hong Kong Stock Exchange in December 2019, the Group selected key issues with strong materiality, created an ESG questionnaire for stakeholders, and dispatched the questionnaire to identified important stakeholders to gain insight into their expectations and demands.

Based on the results of the questionnaire, we conducted our assessment from the two dimensions of relative importance to internal stakeholders and relative importance to external stakeholders, drew the ESG key issues importance evaluation matrix, and selected issues with strong materiality for both dimensions as the focus and content of response in this report. In addition, we applied the results of the materiality assessment of key issues in relation to the improvement of ESG management to further meet the demands of stakeholders.

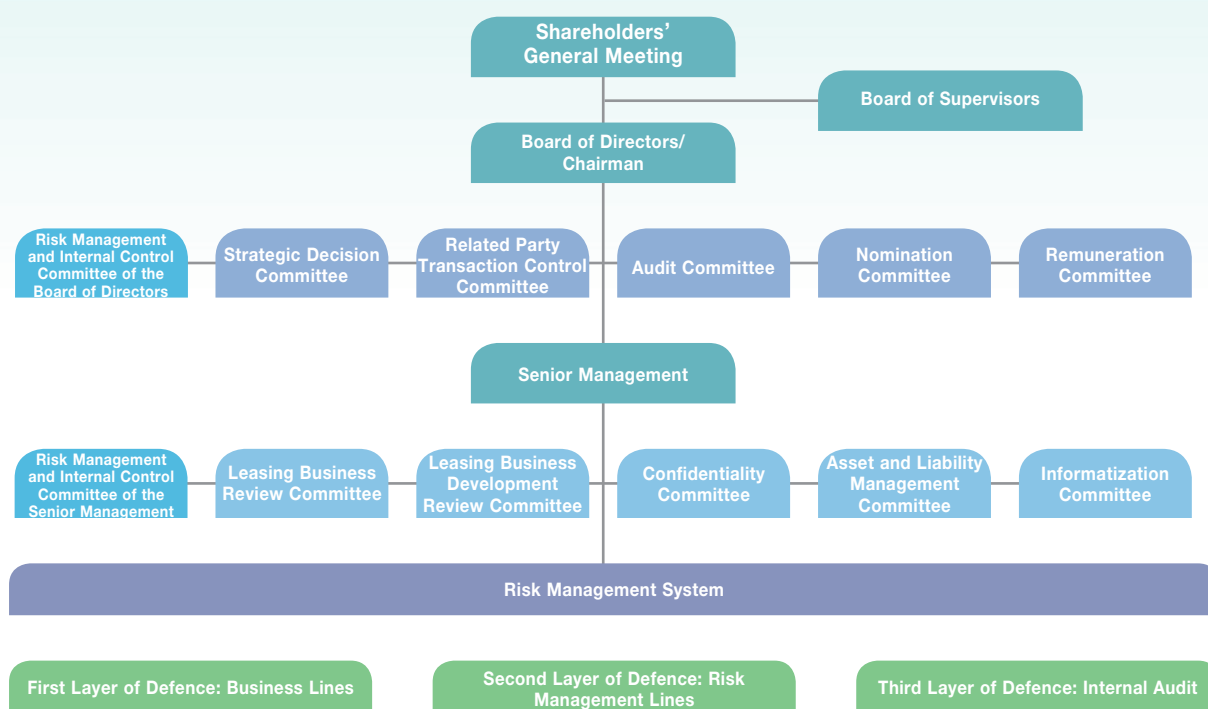


RISK AND COMPLIANCE MANAGEMENT

Comprehensive Risk Management

The Group resolutely implemented the decision and planning of the Party Central Committee and the Party Committee of China Development Bank. Aiming at achieving quality development, we continuously improved our comprehensive risk management system with a feature of all round and comprehensive process with participation of all personnel, strictly followed regulatory requirements, executed regulatory policies, promoted the construction of risk management system in depth, carried out comprehensive risk management, improved management of various risks including credit risk, market risk, liquidity risk, operation risk, anti-money laundering and sanctions compliance risk, information technology risk, country risk, and reputation risk, coordinated the management and control of asset quality and risk mitigation throughout the year, and strengthened mandatory constraints of internal control and compliance, so as to ensure compliant operations and steady development. As of the end of 2020, the Group resolved and handled non-performing assets of RMB1.468 billion throughout the year. The non-performing asset ratio was 0.80%, and the provision coverage ratio was 625.95%.

The Group actively promoted and nurtured the risk philosophy that everyone is equal in the face of risks and everyone is responsible for risk control, and established a risk management structure comprising the Board, senior management and other relevant departments, forming three layers of defence in risk management comprising the business lines, the risk management lines, and the internal audit department, achieving a complete risk management system covering the entire process and all business aspects.



Risk Management Structure

The Group actively responded to changes in the external situation arising from the epidemic, promptly kept abreast of national and local policies, and continuously improved our comprehensive risk management system and mechanism to strengthen our risk prevention and control capabilities. In 2020, the Group formulated regulations and measures including the *Risk Appetite Administrative Measures of China Development Bank Financial Leasing Co., Ltd. (2020 edition)*, the *Information Technology Risk Administrative Measures of China Development Bank Financial Leasing Co., Ltd. (2020 edition)*, the *Terms of Reference of the Risk Management and Internal Control Committee of China Development Bank Financial Leasing Co., Ltd.* In addition, the Group formulated the *Scheme of CDB Leasing for Supporting Exiting Infrastructure Clients to Weather the Epidemic*, issued the *Notice on Properly Carrying out Rent Recovery during the Prevention and Control of COVID-19*, and took the initiative to study strategies for addressing epidemic risks.

Enhancing risk appetite and management strategy	We enhanced the structure of the <i>Statement of Risk Appetite of Bank of China Development Bank Financial Leasing Co., Ltd.</i>, formulating for the first time differentiated risk appetites and management strategies for the Company's 12 types of main risks and the five major business segments of aviation, shipping, inclusive finance, new energy and regional business, in order to improve the level of refined management.
Improving weak links in risk management	We carried out risk identification and assessment in 2020 to identify weak links in risk management, and issued the <i>2020 Comprehensive Risk Management Improvement Plan</i>, putting forward 43 specific improvement measures for the management of 12 types of risks to further enhance the Company's risk management capabilities.
Boosting the effectiveness of risk stress testing	- For the first time, we incorporated the infrastructure segment and the financial condition of the region where we operated into a unified scenario for testing to achieve early prediction of potential risks through the analysis of exposure to various risks under stress scenarios. - We carried out aviation-specific stress test under the impact of the epidemic to further implement the Group's management philosophy of early warning and early response in comprehensive risk management.
Refining the comprehensive risk management reporting system	- We added topics including epidemic risk analysis, aviation risk analysis, and ship asset quality analysis. - We added the strategic risk and information technology risk sections to improve the comprehensiveness of the report.
Perfecting the outsource risk management system	- We amended and improved the <i>Outsource Risk Administrative Measures of China Development Bank Financial Leasing Co., Ltd.</i> - We conducted and for the first time completed the risk assessment for the entire outsource business, and developed a report on outsource risk management.



Comprehensive Compliance Operations

In 2020, the Group continued to strengthen the build-up of systems and mechanisms for the management of compliance risks; improved the internal control mechanism; continuously reinforced internal control and compliance management; conducted analysis and studies on the focus of the industry's compliance risk; stepped up policy execution; enhanced compliance awareness; strengthened the work style of discharging duties according to policies and conducting business according to rules; worked out the *Scheme for the Inspection of Policy Execution in 2020*; and carried out a five-month inspection of policy execution for rectification purposes, so as to enhance the capabilities of various departments in policy execution.

To assure business continuity during the pandemic so as to make sure regulatory policies were executed while compliance requirements were met and to address the problems (such as the inability to sign contracts in person and to conduct on-site due diligence and other practical issues) encountered in conducting business during the pandemic, the Group made the *Recommendations on Smoothing the Terms of Supportive Leasing Policies and Compliance during the Pandemic* (《關於疫情期內租賃支持性政策條款梳理及合規性建議》), and published the *Notice on Supporting Pandemic Prevention and Control and Completing the Video Countersigning of Contracts* (《關於支援疫情防控、做好合同視頻會簽工作的通知》) and the *Notice on the Publication of the Requirements for the Management of Due Diligence on the Leasing Business during the Fight against the Pandemic* (《關於發佈防疫攻堅期間租賃業務盡職調查管理要求的通知》) as well as other notices and policies, so as to put forward compliance recommendations to ensure various business activities were carried out in compliance with regulations during the pandemic.

STRENGTHENING INTEGRITY IN OPERATIONS

The Group places great emphasis on integrity build-up and acts in strict compliance with the *Criminal Law of the People's Republic of China* (《中華人民共和國刑法》), *Company Law of the People's Republic of China* (《中華人民共和國公司法》), *Interim Provisions on Prohibiting Commercial Bribery* (《關於禁止商業賄賂行為的暫行規定》) as well as other relevant laws and regulations. We kept improving the establishment of internal integrity rules and regulations by enacting various rules governing anti-corruption, such as the *CDB Financial Leasing Co., Ltd.'s Measures for Routine Supervision* (《國銀金融租賃股份有限公司日常監督工作辦法》), *CDB Financial Leasing Co., Ltd.'s Rules on Patrolling by the Committee of the Communist Party of China* (《中國共產黨國銀金融租賃股份有限公司委員會巡察工作規定》), *CDB Financial Leasing Co., Ltd.'s Measures Governing Crime Prevention* (《國銀金融租賃股份有限公司案防工作管理辦法》), *CDB Aviation's Guides on Anti-bribery and Anti-Corruption Policy* (《國銀航空公司反賄賂、反腐敗政策指南》), *CDB Aviation's Policy on Gifts and Hospitality* (《國銀航空公司禮品和招待制度》) and *CDB Aviation's Internal Control and Compliance Policy* (《國銀航空公司內控和合規政策》). In 2020, the Group comprehensively conducted analysis on building Party integrity and the situation in combating corruption internally and externally; revised the *Working Rules of CDB Financial Leasing Co., Ltd.'s Discipline Inspection Committee* (《中國共產黨國銀金融租賃股份有限公司紀律檢查委員會工作規則》); created the *List of Supervisory Responsibilities for Achieving Rigorous Party Governance* (《落實全面從嚴治黨監督責任清單》); strengthened routine supervision and management; proceeded with the build-up of a team of discipline inspection officials; comprehensively enforced accountability for rigorous Party governance; carried out integrity education and inspections; reinforced the accountability mechanism; and comprehensively pushed forward with the setup of an ecosystem featuring integrity.

Strengthening Routine Management

To assure operations are conducted in a regulated manner and to safeguard the legitimate rights and interests of the Company and its shareholders, the Group advocated a corporate culture of integrity and honesty, created a good environment and atmosphere, established an effective mechanism for the prevention and inspection of fraud, carried out anti-fraud work and adopted more control measures to reduce the risk of fraud. We will comprehensively push forward rigorous Party governance, step up with building Party integrity, arrange and coordinate the anti-corruption tasks to be more specific, on a checklist and accountable, and make joint efforts to build integrity between banks and enterprises on a regular basis. We conduct regular risk assessments for fraud and engage, when necessary, external professional auditors with anti-fraud experience to participate in these assessments. We conduct background checks on prospective employees and those to be promoted to key positions, and give play to integrity archives as an important reference in the selection and appointment of officials, employee promotion, assessment and evaluation, evaluation of excellent and exemplary performance as well as Party member development. We will keep supervising the professional conduct of our staff at all levels and build a financial ecosystem of a clean and upright nature.

Deepening Integrity Education

The Group continues to carry out integrity education, implements the arrangements and requirements to step up with building Party integrity, and continuously explores new models on integrity training. In 2020, we compiled and distributed six issues of e-journal named *CDB Leasing's Initiatives in Building Party Integrity* (《國銀租賃黨風廉政建設》) and conducted extensive publicity of the e-journal through WeChat, emails and videos in buildings. We regularly updated the propaganda posters of the Company's Disciplinary Committee, promptly issued reminders about spending holidays with integrity during corruption-prone periods of important festivals, urged all employees to tightly observe the bottom line of discipline, strictly brought into play the spirit of the central government's eight rules to ensure our employees were clean and upright during holidays. Moreover, the Group offered special guidance on integrity to new recruits, and guided them to build up correct values.



In 2020, the Group conducted seven anti-corruption training sessions for all employees. The average training time per employee was about 5 hours. Moreover, the Group arranged for its employees to study the *Warning Cases Involving Financial Irregularities* 《金融違法違規警示案例》 by hosting special lectures on warning education on professional ethics and cases involving duty-related crimes for financial leasing employees, as well as special warning education activities for young employees, thus effectively raising employees' awareness of internal control and compliance, strengthening work style build-up as well as the combating of corruption and the upholding of integrity, so as to curb acts in breach of regulations, disciplines and laws.

Conducting Integrity Checks

The Group continues to place equal emphasis on both strict management and great kindness, and tightens up integrity inspection by conducting supervision and inspection on special business activities, important positions, key areas and sensitive issues. We combined day-to-day checks with central quarterly checks, strengthened checks on employee conduct, and called on leading officials at all levels to earnestly implement *China Development Bank's Eight Opinions on Leading Officials Rejecting Corruption and Preparing for Emergencies* 《國家開發銀行領導幹部拒腐防變八條意見》, so as to further step up and refine our work in building Party integrity as well as the rejection of corruption and preparation for emergencies by leading officials.

In 2020, the Group inspected the situation of bringing into play the spirit of the central government's eight rules during important festivals; primarily completed the supervision and inspection on the operation of the inclusive finance and ship leasing business with integrity, arranged and carried out self-inspection on supporting the build-up of Guangdong-Hong Kong-Macao Greater Bay Area and Shenzhen Pilot Demonstration Zone, and conducted special rectification of economic dealings between company staff and company clients. Moreover, we kept strengthening the monitoring of the positions associated with integrity risks. In the Looking Back patrol and rectification operation conducted by the Group, we checked and confirmed the rectification completion status of each of the 43 problems identified and reported by patrols since the 18th National Congress, and called for improvements to the long-term mechanism for rectification. For prominent problems in the five areas such as accountability, conduct, investigation and research, we made arrangements to examine and handle them, conducted in-depth analysis on the causes of the problems and proposed a supervision and rectification scheme.

Strengthening Discipline Enforcement and Accountability

The Group constantly improved its whistle-blowing channels and accountability mechanism, and upheld the principle of investing into each report and fighting any form of corruption. We have established a smooth supervision channel and set up a reporting hotline to provide reporting channels for employees and society to report issues such as corruption, conflict of interest and improper interest temptation in their work. In addition, we actively implement the system of frank talks, which covers officers who are department principals or above and key post personnel, to effectively understand the trends of thought of officers and employees, and collect opinions and suggestions on the development of the Company.

We have established a fraud case handling process and formulated detailed regulations on the major procedures for dealing with employee frauds, such as acceptance, registration, preliminary verification, filing, case investigation, research and handling opinions and suggestions, and making disciplinary decisions. For tip-offs relating to the senior management of the Company, we will also set up a special investigation team with the approval of the Board of Directors of the Company to conduct joint investigations, clarify the Group's determination to strengthen discipline enforcement and accountability, and demonstrate our intolerance towards cases of corruption and fraud.

STRENGTHENING ANTI-MONEY LAUNDERING MANAGEMENT

Strictly adhering to laws, regulations and regulatory requirements such as the *Anti-Money Laundering Law of the People's Republic of China* 《中華人民共和國反洗錢法》, *Anti-Money Laundering Regulations of Financial Institutions* 《金融機構反洗錢規定》, *Administrative Measures on Reporting of Large-amount and Suspicious Transactions of Financial Institutions* 《金融機構大額交易和可疑交易報告管理辦法》, *Notice of the General Office of the People's Bank of China on Further Strengthening Anti-Money Laundering and Anti-Terrorist Financing* 《中國人民銀行辦公廳關於進一步加強反洗錢和反恐怖融資工作的通知》, and *Notice of the People's Bank of China on Strengthening Identification of Anti-Money Laundering Customers* 《中國人民銀行關於加強反洗錢客戶身份識別有關工作的通知》, the Group formulated *CDB Financial Leasing Co. Ltd.'s Guiding Opinions on Strengthening Identification of Anti-Money Laundering Customers* 《國銀金融租賃股份有限公司關於加強反洗錢客戶身份識別有關工作指導意見》, *CDB Financial Leasing Co. Ltd.'s Administrative Measures on Reporting Suspicious Transactions* 《國銀金融租賃股份有限公司可疑交易報告管理辦法》, *CDB Financial Leasing Co. Ltd.'s Administrative Measures on Customer Money Laundering and Terrorist Financing Risk Classification* 《國銀金融租賃股份有限公司客戶洗錢和恐怖融資風險等級分類管理辦法》, *CDB Financial Leasing Co. Ltd.'s Administrative Measures on Anti-Money Laundering Information* 《國銀金融租賃股份有限公司反洗錢信息管理辦法》, and *CDB Financial Leasing Co. Ltd.'s Anti-Money Laundering and Due Diligence System* 《國銀航空公司反洗錢和盡職調查制度》 to continuously improve our anti-money laundering management system and effectively boost our capability in customer identification, customer money laundering and terrorist financing risk management, large-amount and suspicious transaction reporting, customer identity information and transaction record preservation.



In the project development stage, we collect the basic information of relevant customers, assess and classify the money laundering and terrorist financing risks of customers according to risk factors such as customer characteristics, regions, business features and industries, and classify the money laundering risks as high, relatively high, medium, relatively low and low, and take corresponding risk control measures according to different risk levels. In the post-lease management stage, we regularly check and update the identities of customers. Based on the characteristics of the leasing business, we formulated the *Suspicious Transaction Early Warning Checklist* 《可疑交易預警排查表》 to specifically record business activities involving the 10 pre-set suspicious transaction scenarios and verify whether they are suspicious transactions.

In 2020, the Group proactively arranged anti-money laundering training, and conducted four online and offline anti-money laundering training sessions, covering the introduction of anti-money laundering laws and regulations, detailed explanation of anti-money laundering management obligations, global sanctions, evolution of modern anti-money laundering management framework and anti-money laundering obligations of senior management of the Company. In addition, we carried out anti-money laundering quiz based on the training contents, so as to enhance the learning effect and improve the training quality.

PROTECTING INTELLECTUAL PROPERTY RIGHTS

In strict accordance with the *Civil Code of the People's Republic of China* 《中華人民共和國民法典》, *Criminal Law of the People's Republic of China* 《中華人民共和國刑法》, *Patent Law of the People's Republic of China* 《中華人民共和國專利法》, *Copyright Law of the People's Republic of China* 《中華人民共和國著作權法》, *Law of the People's Republic of China against Unfair Competition* 《中華人民共和國反不正當競爭法》, *Foreign Trade Law of the People's Republic of China* 《中華人民共和國對外貿易法》, *Regulations on the Protection of Computer Software* 《計算機軟件保護條例》 and *Regulations on the Protection of Information Network Communication Rights* 《信息網絡傳播權保護條例》 and other laws and regulations, we formulated the *CDB Financial Leasing Co. Ltd.'s Management Rules on the Work of Intellectual Property Protection* 《國銀金融租賃股份有限公司知識產權保護工作管理辦法》 to continuously regulate the creation, application, protection and management of the Company's intellectual property rights, and facilitate achievements in intellectual work to file as property.

In 2020, we carried out screening of intellectual property protection, extensively collected infringement clues, arranged special training based on the Civil Code, conducted analysis and forecast on intellectual property protection and system implementation in the Civil Code era, and effectively promoted the awareness of intellectual property protection of all employees. In order to ensure not to infringe upon the intellectual property rights of others, the Group strengthened the operation management of official platforms such as official website, official WeChat and Weibo, engaged professional service institutions, and used genuine software with group licensing arranged by the head office of China Development Bank to mitigate the risk of legal disputes arising from intellectual property during operation.

The Group resolutely abides by laws and regulations such as the *Trademark Law of the People's Republic of China* 《中華人民共和國商標法》. We continue to track and promptly report to the relevant regulatory authorities for suspected use of the Group's trademarks for illegal activities. Meanwhile, in order to ensure the correct use of VI (Visual Identity) of the Company, we require all departments to go through the internal application and approval process before using the Company's logo, standard character trademarks, standard colours and symbolic patterns in external publicity. In 2020, we investigated into the enterprises with potential trademark infringement and unfair competition through the National Enterprise Credit Information Publicity System, China Trademark Network and other public websites, and proposed to take relevant measures against enterprises found to be suspected of infringing the name right of the Group to safeguard our rights.

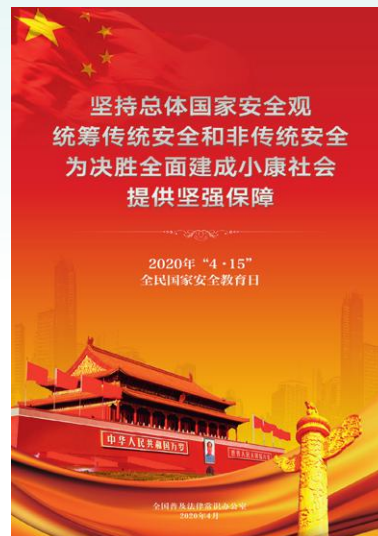
SAFEGUARDING INFORMATION SECURITY

Strictly following the *Cyber Security Law of the People's Republic of China* 《中華人民共和國網絡安全法》, *Decision of the Standing Committee of the National People's Congress on Preserving Computer Network Security* 《全國人大常委會關於維護互聯網安全的決定》 and other laws and regulations, the Group continuously enhances its information security system framework, and formulated internal management systems such as *CDB Financial Leasing Co. Ltd.'s Management Rules on Information Security* 《國銀金融租賃股份有限公司信息安全管理辦法》, *CDB Financial Leasing Co. Ltd.'s Management Rules on Confidential Documents* 《國銀金融租賃股份有限公司機要文件管理辦法》 and *CDB Financial Leasing Co. Ltd.'s Management Rules on Outsourcing Staff Confidentiality* 《國銀金融租賃股份有限公司外包駐場人員保密管理辦法》 to clarify the institutional norms on internal information privacy protection, sensitive information management, third-party access control and outsourcing service management, effectively improving information security management standards and reducing the risk of information leakage.

The Group follows the principles of least privilege and separation of duties in setting system access rights, deploys a network data leakage prevention system on the intranet, establishes a sound emergency mechanism for dealing with customer privacy leakage; updates the deployment of information security protection systems and equipment, completes the upgrade of security protection equipment and systems, and achieves unified arrangements for information security protection. As in 2019, the Group continued to participate in the filing, testing and evaluation of classified protection in 2020, established a long-term mechanism for the evaluation of the Company's information security protection level, comprehensively enhanced its information security technology protection system, and introduced third-party professional companies to provide professional information security service, continuously strengthened the design of information security products, improved security testing and evaluation capability, and established a professional technical team to comprehensively improve information security protection capability.



▲ Poster of Cyber Security Law



▲ Poster of National Security Education Day

The Group continued to strengthen the prevention of office security risks. Based on *CDB Financial Leasing Co. Ltd.'s Management Rules on Business Secrets* 《國銀金融租賃股份有限公司業務秘密管理辦法》 and other confidentiality systems, it purchased new confidentiality equipment, arranged confidentiality testing for important venues and conducted self-inspection and spot checks on confidentiality to implement the confidentiality work plan and implementation scheme. In order to enhance employees' awareness of safety protection, we carried out training on cyber safety awareness, and broadcast safety education and publicity presentations in loops on the TV screens of the building elevators where we operate, so as to elaborate cyber safety scenarios from the perspectives of life and work and help employees identify potential risks.



▲ Cyber security education and training for all employees



▲ Publicity of information security awareness

IMPROVING SERVICE QUALITY

In 2020, the Group continued to promote the customer-oriented business development model and promulgated *CDB Financial Leasing Co. Ltd.'s Customer Management Measures* 《國銀金融租賃股份有限公司客戶管理辦法》 and other measures and the customer management work plan for 2020. It established the active credit granting mechanism and process, focused on key areas and fields, accurately grasped customer needs, provided competitive and targeted financing services, and established a customer visit information feedback mechanism to conduct communication with customers on a regular basis and provide timely feedback on customer needs and market dynamics. In order to better receive and provide feedback on customers' needs, the Group set up an online platform for customer communication information feedback and summary, so as to efficiently maintain long-term amicable relations with customers by means of information technology, continuously improving the quality and efficiency of customer service and increasing customer satisfaction.

In order to enhance customer service awareness, strengthen business development and service supervision, address customer complaints in a timely and effective manner, and improve customer service quality, the Group formulated the *CDB Financial Leasing Co. Ltd.'s Client Complaint Handling Measures* 《國銀金融租賃股份有限公司客戶投訴處理辦法》, and established a multi-level and all-round customer complaint receiving and handling mechanism together with various departments. It timely responded to customer complaints and conducted analysis on the causes of and rectified complaints in line with relevant laws, regulations and regulatory measures to ensure that the rights and interests of micro, small and medium-sized enterprises and natural person customers are legally protected.

Based on our business characteristics, the Group set up complaint hotlines operated by receptionists for small and micro enterprises and natural person lessees and established a complaint feedback mechanism to timely solve the issues reported by lessees in the post-lease management process, so as to further improve post-lease management standards, improve comprehensive financial service quality and enhance customer satisfaction. In 2020, the inclusive finance segment of the Group received a total of 4 complaints, all of which were furnished with timely feedback and reply.

ADOPTING RESPONSIBLE SUPPLY CHAIN MANAGEMENT

In compliance with the *Bidding Law of the People's Republic of China* 《中華人民共和國招標投標法》, *Regulation on the Implementation of the Bidding Law of the People's Republic of China* 《中華人民共和國招標投標法實施條例》 and other laws and regulations, the Group formulated rules and regulations such as *CDB Financial Leasing Co. Ltd.'s Detailed Rules for the Implementation of Central Procurement* 《國銀金融租賃股份有限公司集中採購工作實施細則》, *CDB Financial Leasing Co. Ltd.'s Procurement Management Measures (Trial)* 《國銀金融租賃股份有限公司採購管理辦法(試行)》, *Operation Rules for Use of Central Procurement Bidding Agency Platform* 《集中採購招標代理機構平台使用操作規程》 and *CDB Aviation Lease Finance DAC's Procurement System* 《國銀航空公司採購制度》 to specify the requirements and approval process for project initiation, supplier technical standard requirements, project evaluation process and supplier management regulations of CDB Leasing and CDB Aviation Lease Finance DAC, so as to implement standard management for suppliers.

In order to identify and address the environmental and social risks along the supply chain, in the preliminary bidding review process, strictly following the principles of transparency and impartiality, the Group takes into comprehensive consideration of the special requirements of specific procurement projects for supplier qualifications and related capabilities, reasonably sets the entry barriers, conducts qualification examination for potential bidders, and confirms whether the suppliers have significant illegal records in business activities, whether they are listed as untrustworthy persons subject to enforcement and whether there are other conditions that do not meet the prescribed conditions to assure the selection of quality suppliers with sufficient strength, excellent performance and good reputation. In the process of project implementation, the Group introduces third-party supervision institutions where applicable. Any risks that violate environmental and social compliance will be resolved in time according to the report issued by such third-party supervision institution. For projects involving the use of environment friendly materials, the Group requires suppliers to provide relevant product certification documents and submit them to professional institutions for testing where necessary. For construction projects, the Group requires suppliers to undertake their environmental protection responsibilities in the construction process, carry out disciplined construction in accordance with the law, and reduce negative impacts on the environment and surrounding residents. Upon completion of projects, the requisition department of the project will make arrangements for the central procurement department and other relevant departments to accept the project delivered by the supplier. For major or technically complex projects, the Group will invite external experts or professional institutions as appropriate to participate and issue evaluation reports.



SUPPORTING NATIONAL STRATEGIES AND PROMOTING ECONOMIC GROWTH

As one of the first leasing companies established in China, the Group adheres to the mission of serving the real economy and leading China's leasing industry, gives full play to the advantages of the sole leasing business platform and listed platform under China Development Bank, nurtures specialty leasing business, maintains close cooperation with China Development Bank, actively supports the implementation of national strategies, contributes to establishment of a new development pattern, vigorously develops the real economy, facilitates the growth of the aviation industry, strengthens services to inclusive financing, and earnestly promotes infrastructure construction to lend full support to sustainable economic development focusing on major national strategic regions such as the Yangtze River Economic Belt and Guangdong-Hong Kong-Macao Greater Bay Area.

LENDING STABLE SUPPORT TO THE AVIATION INDUSTRY

In 2020, in order to prevent the spread of the pandemic, governments of various countries and localities imposed travel bans and strict quarantine measures, which hindered people's traveling, greatly reduced airline seat usage rate, and resulted in tremendous challenges to the aviation industry. However, the aviation industry remains an important component of the transportation system. With the gradual recovery of various industries and the promotion and application of vaccines, the aviation industry commenced to pick up. According to the report of the International Air Transport Association, it is expected that the domestic market will recover faster than the international market.

Due to the impact of the COVID-19 pandemic, some of our airline company customers faced liquidity pressure and applied for rent deferral to us. Regarding this, CDB Aviation has established a rent deferral approval committee. Considering customers' credit status, the extent of the impact of the epidemic and their cash flow situation, we approved the application for deferred rent payment and adjusted payment plan, which effectively helped customers relieve the pressure on cash flow and tide over the difficulties caused by COVID-19.

CDB Aviation Lease Finance DAC leveraged the opportunities brought about by the pandemic to carry out aircraft sale-leaseback business with quality customers primarily regarding the new generation energy-saving aircraft such as A320neo (new engine option) and 737MAX, which further increased the proportion of energy-saving aircraft of the Group, reduced fuel consumption and greenhouse gas emissions in aircraft leasing business, and contributed to sustainable development. As at the end of 2020, CDB Aviation Lease Finance DAC had a total of 71 energy-saving aircraft, mainly including A320neo, A330neo, A350, 737MAX and 787, accounting for 30.34% of the total number of aircraft under operating leases, of which 24 were newly added during the reporting period. In 2020, the total emissions reduced by energy-saving aircraft leasing business² reached 90,500 tonnes of carbon dioxide equivalent.



Case: Sale-leaseback transaction on nine 737MAX aircraft between CDB Aviation Lease Finance DAC and WestJet Airlines of Canada

On December 2, 2020, CDB Aviation Lease Finance DAC announced the launch of sale-leaseback business on nine 737MAX aircraft jointly with WestJet Airlines of Canada.

The 737MAX aircraft is the latest improved version of the 737NG (Next Generation) aircraft, which adopts the latest LEAP-1B engine and advanced winglet, increases fuel efficiency by 14% to 20% compared with 737NG aircraft leveraging the improvement of aerodynamic shape, and boasts more remarkable fuel consumption improvement in long distance travel.

"We warmly welcome WestJet Airlines to join our customer groups in America. We have established a sound relationship with WestJet Airlines and we also appreciate WestJet Airlines for its trust and confidence in us. We believe that we are capable of providing innovative, bespoke and large-scale financing for our customers", said Peter Goodman, chief marketing officer of CDB Aviation Lease Finance DAC.



▲ 737MAX aircraft

² Including only 737MAX8, 320/321neo aircraft.

Case: Sale-leaseback transaction on one A350 and three A320neo aircraft with Scandinavian Airlines

On June 29, 2020, CDB Aviation Lease Finance DAC announced the launch of sale-leaseback business on one A350 and three A320neo aircraft jointly with Scandinavian Airlines (SAS), along with the official delivery of the A350 aircraft on June 30.

The A350 wide-body aircraft incorporates the concepts of efficiency improvement, energy saving and emission reduction at the initial design stage, and adopts the advanced aerodynamic design concept inspired by nature. The unique deformable wing is equipped with sustainably enhanced wing load to reduce drag and fuel consumption. After years of commercial practice, A350 wide-body aircraft can effectively reduce the negative impact of flight on the environment and offer a quieter and cleaner environment for passengers and society.

"We are glad to make further deals with SAS and deliver Airbus aircraft to it. We are expecting to provide assistance to SAS to reshape its fleet, especially to help it achieve the goal of environmentally sustainable development of its fleet through new aircraft as soon as possible", said Peter Goodman, chief marketing officer of CDB Aviation Lease Finance DAC.



▲ A350 wide-body aircraft

Case: Seven A320neo aircraft operating and leasing business with Zhejiang Loong Airlines Co., Ltd.

On May 31, 2020, CDB Aviation Lease Finance DAC delivered one A320neo aircraft to Zhejiang Loong Airlines Co., Ltd. ("Loong Airlines"), marking the delivery of all seven A320neo aircraft leveraging cooperation between CDB Aviation Lease Finance DAC and Loong Airlines through operating lease.

The Airbus A320neo aircraft is the improved version of the existing A320 aircraft. Equipped with a new high-efficiency engine and Airbus' latest Sharklet, A320neo aircraft is able to reduce fuel consumption by 15% as compared with that of the existing A320 aircraft, resulting in the annual reduction of over 1,000 tonnes of CO₂ emissions per aircraft, which is equivalent to the annual emissions of 200 private cars.

CDB Aviation Lease Finance DAC supported Loong Airlines to introduce the new generation of A320neo aircraft through order placement and sale and leaseback, including the introduction of China's first A320neo aircraft equipped with LEAP engine, which played an important role for Loong Airlines to extend routes, reduce costs and increase efficiency.



▲ A group photo with staff from Loong Airlines



PROMOTING INFRASTRUCTURE CONSTRUCTION

Infrastructure construction is the cornerstone for building a well-off society in an all-round way and is also an important pillar underpinning economic and social development, which is of great significance for improving the happiness and well-being of residents. The Group proactively provides leasing services to core business fields such as transportation infrastructure, urban infrastructure and energy infrastructure, thereby contributing to improving transportation system construction, enhancing urban operation efficiency, promoting emerging urban construction, boosting energy use efficiency and propelling new energy development. In 2020, the Group prepared the *Analysis on Market Competition of Infrastructure Business and Financing of Active Credit Granting Customers in 2020* 《2020年基礎設施業務市場競爭形勢及主動授信客戶融資分析》 to serve the diversified capital needs of major customers in China with a focus on core aspects adopting the market-oriented approach, continuously improve the service capacity for development strategy, and support the quality development of infrastructure construction in China. In 2020, the Group's lease financing to lessees in the field of infrastructure business reached RMB58.2 billion, accounting for 56% of the Group's lease financing to lessees throughout the year, a year-on-year increase of 33%.

The Group's infrastructure leasing business has extended coverage to most regions across the nation, and an overview of the development of major fields is set out below:

- Transportation infrastructure (toll roads, rail transit, etc.): The existing leasing projects of the Group involve transportation infrastructure such as toll roads, railways and rail transit equipment in 14 provinces, autonomous regions and municipalities directly under the Central Government in the PRC.
- Urban infrastructure (urban utility facilities, etc.): The Group provides leasing services for water, gas, heating and other operational facilities in 25 provinces, autonomous regions and municipalities directly under the Central Government in the PRC.
- Energy infrastructure (generating equipment for traditional energy such as hydropower and thermal power): The Group mainly provides energy and electric power equipment leasing services to enterprises in 6 provinces, autonomous regions and municipalities directly under the Central Government in the PRC.

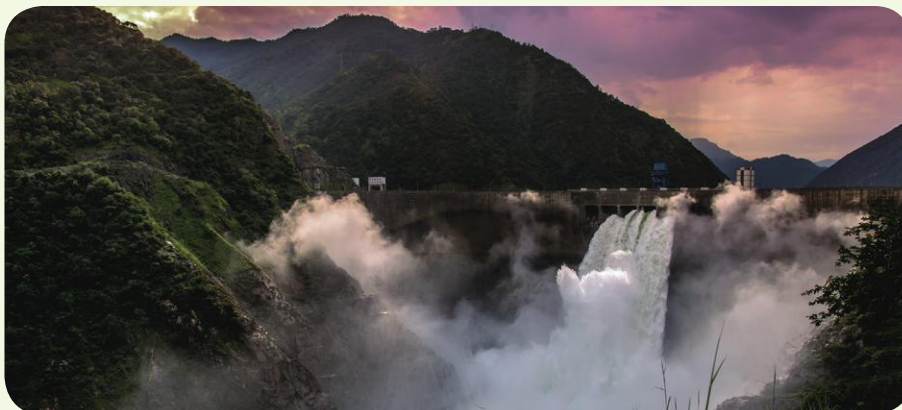


Case: Urban Infrastructure – Shaanxi Water Affair

CDB Financing and China Development Bank lend full support to the transformation of infrastructure construction and economic structure towards green development across the country, and contributes to the early achievement of China's goals of peaking carbon dioxide emissions and carbon neutrality.

The economic development and social development of Shaanxi, the leading province in western China, have long been harassed by the major issues of shortage and use of water, a matter which is directly related to people's livelihood and the green and sustainable development of the local economy.

In June 2020, the sale and leaseback project of Shaanxi Water Affair Group Co., Ltd., a company supported by the Group, was successfully launched, rendering great support to areas such as renewal and reconstruction of old local water network, water environment and ecological restoration, and water for basic livelihood, contributing to solving local environmental and livelihood difficulties and producing sound economic and social benefits.



▲ Shaanxi Water Affair

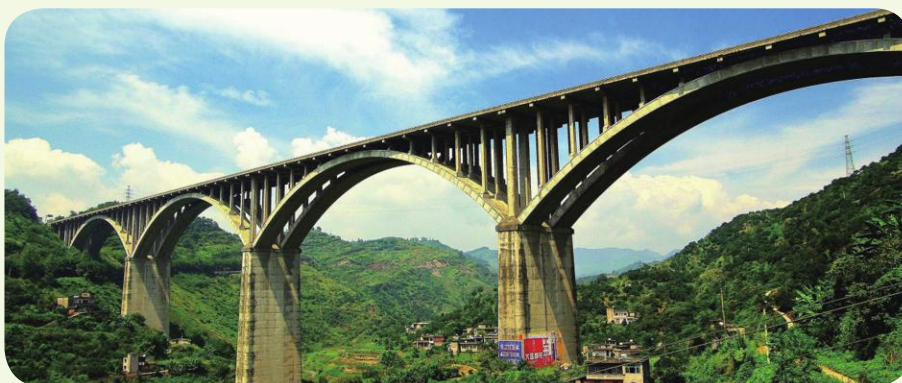




Case: Transportation infrastructure – Yufu Expressway

Yufu Expressway is a component of G50 Shanghai-Chongqing Expressway within the state expressway network, with a total length of 118km and a total investment of approximately RMB5 billion, and was completed and opened to traffic in 2000. Connecting National Highway 210 in Chongqing with Chengyu expressway, Yuqian expressway, Yulin expressway, Yuhe expressway and inner ring expressways, it is the hub of all completed and planned expressways in Chongqing, and is also an important section leading to the Three Gorges Reservoir Area and southeast Chongqing.

In 2020, the Group cooperated with Chongqing Yufu Expressway Co., Ltd. and offered a substantial amount of funds to it as support to facilitate the construction and operation of expressway network in Chongqing.



▲ Yufu expressway

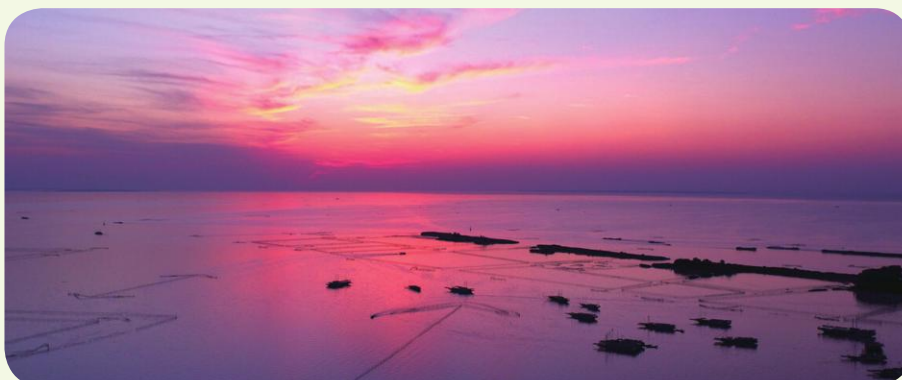


Case: Urban infrastructure – Huai'an Water Resources

In recent years, China has been attaching great importance to the protection of the ecological environment in the Yangtze River Economic Belt, and regards the maintenance of clean water environment as an important target of Yangtze River protection. It is a requirement to deepen the water pollution control in the drainage area in Jiangsu, Zhejiang, Shanghai and Anhui, and promote the coordinated prevention and control of water pollution in the river basin. The construction of sewage treatment facilities and the expansion of sewage pipe network play a significant role in improving the capacity of sewage collection and treatment, which is conducive to promoting the systematic treatment of urban water resources, and of great significance for achieving the sustainable development of cities.

Huai'an is located in the north-central part of Jiangsu Province and the north wing of Yangtze River Delta agglomeration. It is a core city in the heart of northern Jiangsu with close ties to Nanjing metropolitan circle and the best-known city in the Huai River Ecological Economic Belt boasting the fourth largest freshwater lake in China, Hongze Lake.

In 2020, the Group provided Huai'an Water Resources Development and Construction Co., Ltd. with long-term and low-cost funds, which greatly promoted the maintenance of the sound local ecological environment and was of great significance in terms of supporting the development of the Yangtze River Economic Belt.



▲ Huai'an Water Resources



Case: Energy infrastructure – Qingdao Energy Group

Capable of improving energy efficiency, reducing air pollution, dismantling small boiler houses and enhancing heating quality, urban central heating is an important component of urban public utilities, one of the significant metrics of modern cities, and also an important measure for rational distribution and use of national energy, which generates prominent economic, environmental and social benefits.

Qingdao Energy Group Co., Ltd., as the largest heating enterprise in Qingdao, shoulders the mission of building a clean, low-carbon, safe and efficient energy system. It vigorously develops natural gas heating and sewage source heating and steadily promotes the construction of clean energy projects such as biomass energy heating, air source, geothermal heat and solar energy, so as to forge a zero-carbon community and to accomplish green heating.

In 2020, the Group provided financial support to Qingdao Energy Group Co., Ltd. for heat source upgrade and ultra-low emission transformation, which yielded important influence on facilitating Qingdao to improve its urban environment, reduce carbon emissions and promote the green recovery of the economy after the pandemic.



▲ Central Heating Facilities of Qingdao Energy Group

SUPPORTING THE DEVELOPMENT OF SMALL AND MICRO ENTERPRISES

The Group firmly implements the decisions and arrangements of the CPC Central Committee and the State Council, and follows the policy requirements of supporting the development of microfinance as put forward in the *Plan for Promoting the Development of Inclusive Financing (2016-2020)* 《推進普惠金融發展規劃(2016-2020年)》, *Report on China's Inclusive Financing Development* 《中國普惠金融發展情況報告》 and the *Work on Management of Special Funds for the Development of Inclusive Financing by the Central Government in 2019* 《關於做好2019年中央財政普惠金融發展專項資金管理工作》 and proposed by the "one bank and two commissions"³ to give full play to the advantages of leasing products, make constant explorations and practice in supporting small and micro customers, and take the lead in building an inclusive financing business system in the financial leasing industry.

In 2020, driven by the dual objectives of business innovation and development and management quality improvement, the Group actively explored business opportunities, continued to upgrade its product structure, and improved various management processes and systems incessantly, effectively followed the policy requirements of maintaining stable employment and protecting market players, and comprehensively constructed a modular, three-dimensional and multi-level inclusive financing business system to promote the sustained and steady development of inclusive financing business.

In order to bring into play the spirit of the *Notice of the Central Committee of the Communist Party of China on Strengthening the Party's Leadership and Providing Strong Political Guarantee for Winning the War against COVID-19 Prevention and Control* 《中共中央關於加強黨的領導、為打贏疫情防控阻擊戰提供堅強政治保證的通知》, and in accordance with the requirements of the *Notice on Further Strengthening Financial Support for Prevention and Control of Pneumonia Caused by Novel Coronavirus (Yin Fa [2020] No.29)* 《關於進一步強化金融支持防控新型冠狀病毒感染肺炎疫情的通知》(銀發[2020]29號), the Group tapped into the advantages of the active role of leasing in supporting inclusive financing and rapidly formulated the leasing support policy for inclusive financing during the pandemic prevention and control period, offered relief measures including repayment extension, liquidated damages reduction and interest rate concessions, and guaranteed the continuous supply of microfinance during the pandemic to make every effort to relieve the concerns of micro, small and medium-sized customers during the pandemic, supported work and production resumption of small and micro enterprises, and played an active role in the critical anti-pandemic period, thereby demonstrating our mission and aspiration to serve small and micro enterprises and the determination to win the anti-pandemic battle.

³ Referring to the People's Bank of China, China Securities Regulatory Commission and Bank of China Insurance Regulatory Commission.





Case: Bailing out small and micro enterprises and supporting work and production resumption

Since the outbreak of the pandemic, certain small and micro customers of the Group suffered from liquidity constraints, plight in production and operation as well as possible large-scale work and production suspension. The Group attached great importance to the situation and actively took corresponding measures to quickly complete the thorough investigation of tens of thousands of backlog small and medium-sized customers during the period of pandemic prevention and control, and urgently issued the *Financial Support Plan for Inclusive Customers during the COVID-19 Pandemic* 《關於在新冠疫情期內對普惠型客戶的金融支持方案》, and adopted calibrated measures to provide micro, small and medium-sized customers with a number of relief measures, such as repayment extension, interest rate concessions, liquidated damages reduction, efficient approval and quick lending to ensure that the constrained customers may tide over the difficulties smoothly, and reduce the negative impact of the pandemic. The project benefited approximately 4,000 micro, small and medium customers, and achieved the targeted capital flow of financial resources in the real sense.

The Group stood behind the troubled enterprises and proactively strengthened access to collaborative manufacturers of construction machinery and commercial vehicles, explored equipment leasing business potentials arising from the pandemic prevention and control, such as production and living security, logistics and transportation and production resumption, actively planned new leases, supported the new leasing needs of micro, small and medium customers leveraging various leasing methods, rendered support to collaborative manufacturers for expeditious collection of sales proceeds, and facilitated the real economy to resume to normal as soon as possible, fully demonstrating the Group's sense of accountability in coordinating pandemic prevention and control as well as supporting work and production resumption.



▲ Providing construction machinery financial leasing services for micro, small and medium-sized customers



PROMOTING ADVANTAGES OF THE REGIONAL ECONOMY

The Group proactively implemented the *Key Points of Promoting the Development of Yangtze River Economic Belt in 2020* (《2020年推動長江經濟帶發展工作要點》), *Work Plan of China Development Bank on Supporting Yangtze River Protection and Green Development in 2020* (《國家開發銀行2020年支持長江大保護和綠色發展工作方案》), *Guiding Opinions on China Development Bank's Support for Regional Integrated Development of Yangtze River Delta* (《國家開發銀行支持長三角區域一體化發展指導意見》) and *Key Points of China Development Bank on Supporting Guangdong-Hong Kong-Macao Greater Bay Area Construction in 2020* (《國家開發銀行支持粵港澳大灣區建設2020年工作要點》), and thoroughly brought into play the guiding spirit of the CPC Central Committee and China Development Bank on supporting the development of key regions and fields, leveraged market-oriented approaches to support major national strategies such as Guangdong-Hong Kong-Macao Greater Bay Area construction, regional integrated development of Yangtze River Delta, Beijing-Tianjin-Hebei coordinated development, dual-city economic circle construction in Chengdu-Chongqing area, Yangtze River protection, the Belt and Road Initiative and construction of the Hainan Free Trade Zone, and followed the guiding spirit of the central government and the Party Committee of China Development Bank on actively developing major environmental protection equipment leasing business to facilitate the battle against pollution prevention and control.

In 2020, the Group continued to forge the regional specific development and appraisal system, focused on Guangdong-Hong Kong-Macao Greater Bay Area and the Yangtze River Delta region, conducted analysis on regional niche markets, expanded penetration into more customers taking into account regional differences, and promoted the business development strategy to build up competitive advantages in key regions. The Group prepared the *Research Report of Guangdong-Hong Kong-Macao Greater Bay Area Urban Agglomeration* (《粵港澳大灣區城市群研究報告》), and formulated the *Guidelines for the Evaluation of Supporting Regional Integrated Development in the Yangtze River Delta with Leasing Business* (《租賃業務支持長三角區域一體化發展評審指引》), so as to continuously improve the Group's business development and evaluation management in a market-oriented, refined and digital manner.

In terms of promoting the integration of the Yangtze River Economic Belt and the Yangtze River Delta region, the Group offered more preferential policies to key regions and key customers, and established and implemented the active credit granting scheme for key customers to enhance appraisal efficiency and strengthen support. Meanwhile, the Group incorporated the business initiation indicators in the Yangtze River Economic Belt and Yangtze River Delta into the annual business plan, and subdivided such indicators into business departments for assessment, so as to guide the business departments to increase support for the protection of the Yangtze River. In 2020, the Group's new lease financing to lessees in the Yangtze River Economic Belt and the Yangtze River Delta region reached RMB35.5 billion, accounting for 34% of the total lease financing to lessees of the Company made during the year, a year-on-year increase of 25%, mainly involving urban water supply and heating, sewage treatment, green energy, expressways, construction machinery, ships and other fields.

In terms of supporting the development of Guangdong-Hong Kong-Macao Greater Bay Area, the Group established and implemented a comprehensive credit system and active credit granting scheme for key customers, incorporated the indicators of new leases in Guangdong-Hong Kong-Macao Greater Bay Area into the assessment, prepared a special report on *Regional Economic Development and Leasing Business Opportunities in Guangdong-Hong Kong-Macao Greater Bay Area* (《粵港澳大灣區區域經濟發展與租賃業務機會》), and carried out research on financial leasing tax policy in the Greater Bay Area, in a bid to raise suggestions for regional and industry development. In 2020, the Group's new lease financing to lessees in Guangdong-Hong Kong-Macao Greater Bay Area reached RMB700 million, accounting for 7% of the total lease financing to lessees of the Company made during the year, a year-on-year increase of 84%, mainly involving expressways, ships, construction machinery, vehicles and other fields.



Case: Sale and leaseback project of fixed assets of Wuhan rail transit airport line engineering facilities

The Group attaches great importance to the position and role of Wuhan in the Yangtze River Economic Belt, and lent strong supports for work and production resumption of transportation and major infrastructure enterprises in Wuhan following the outbreak of COVID-19. Wuhan Metro Group is the largest state-owned enterprise in Wuhan and the only construction and operation unit of rail transit in Wuhan. Since April 2020, the Group has proactively visited the customer together with Hubei Branch of China Development Bank for several times and repeatedly negotiated financing plans to meet multiple demands of the customer, and strived for cooperation opportunities innovatively leveraging the active credit granting mode of the new product. Thanks to the efficient and flexible product features of the active credit granting mode, the Group completed scheme confirmation, credit verification, internal approval of both parties, contract signing and lease financing in only 17 business days, and realized initial lease financing of RMB1 billion. Such lease financing marked the first batch of financing of the Company's active credit products, which contributed to supporting work and production resumption of enterprises and ensuring people's livelihood in Wuhan of Hubei.



▲ Wuhan Metro



Case: Sewage treatment plant sale and leaseback project of Kunming Dianchi Investment Co., Ltd.

Dianchi Lake Basin, located in Kunming City of Yunnan Province, is one of the ecological barriers in the upper reaches of the Yangtze River Economic Belt, and also a major economic focus in Yunnan Province. Kunming Dianchi Investment Co., Ltd. ("Kunming Dianchi Investment") is a wholly state-owned company specially established by Kunming Municipal Party Committee and Municipal Government to speed up the treatment of Dianchi Lake, and is the only entity of investing and financing for water pollution treatment in Dianchi Lake Basin. The Group established close ties with Kunming Dianchi Investment in 2019. After the outbreak of COVID-19 in 2020, the Group, together with Yunnan Branch of China Development Bank, took the initiative to contact Kunming Dianchi Investment at the first instant to understand its financing needs, and granted another lease financing of RMB1 billion in June. It took less than one month from project initiation and approval to grant of finance lease, thereby providing efficient and professional financial leasing services to the customer and lending effective support to work and production resumption. The successful implementation of the project not only solved the periodic capital needs of the customer, but also further supported pollution prevention and control, river comprehensive improvement and ecological restoration in Kunming, and accelerated the completion and operation of the 13th and 14th water purification plants in Kunming, which marked the successful experience and had become a typical case of supporting local green development and civil ecosystem and mechanism reform with financial leasing, and contributed to promoting green development and building a beautiful Yunnan with lush mountains, limpid water and fresh air.



▲ Kunming Dianchi Investment Co., Ltd.

SUPPORTING GREEN DEVELOPMENT AND PROMOTING ECO-CIVILIZATION

The Group proactively implemented the *Guiding Opinions on Building a Green Financial System* 《關於構建綠色金融體系的指導意見》, took the initiative to participate in building a green financial system, promoted the development of green environmental protection industries, strengthened support for clean energy, drove the innovation of new energy industries, brought into play the concept of green operation, implemented energy conservation and environmental protection measures, and earnestly supported the construction of eco-civilization to propel the sustainable development of the economy and society.

BOOSTING SUPPORT FOR CLEAN ENERGY

In recent years, frequent extreme weather, melting glaciers in both poles and global warming increasingly heightened the impact of climate change. As a giant of energy production and consumption, China has continuously promoted the transformation into and upgrading of low-carbon energy, increased the proportion of new energy and renewable energy, innovated and developed energy science and technology, spared no effort to address and alleviate climate change and supported global sustainable development.

On September 22, 2020, General Secretary Xi Jinping delivered an important speech at the general debate of the 75th UN General Assembly, proposing that China will strive to achieve the goals of peaking carbon dioxide emissions by 2030 and accomplishing carbon neutrality by 2060, thus further promoting China's sustainable development process. In order to support the achievement of such goals and better cope with the risks brought about by climate change, the Group tapped into the comprehensive advantages of China Development Bank in the energy field, proactively followed the regulatory and market guidance on climate change, mitigated the transformation risks caused by climate change, focused on the clean energy field, increased investment in the clean energy, vigorously supported the development of the clean energy industry, grasped the potential opportunities of green leasing business against the backdrop of climate change, explored innovative green leasing products, adjusted financing models and development strategies, and promoted development of clean energy under market forces. During the reporting period, the Group's lease financing to lessees in facilitating clean energy supply reached RMB8.026 billion.



Case: 200MW wind power leaseback project of Ulan County Huayangshengyuan New Energy Co., Ltd.

As countries across the globe pay increasing attention to issues including energy security, ecological environment and climate security, the Central Economic Work Conference has designated peaking carbon dioxide emissions and achieving carbon neutrality as key tasks in 2021, which have become the focus points of society. Speeding up the development of clean energy, such as wind power and photovoltaics, has become the consensus and concerted action of the international community for promoting the advancement of energy transformation and responding to global climate change.

The Group has long been focusing on business development in the field of new energy. Under the guidance of the development philosophy of the head office of China Development Bank to serve national strategies and support the real economy, the Group signed the *Strategic Cooperation Agreement* with Shenergy Company Limited in Shanghai on September 4, 2020. Committed to establishing a long-term strategic cooperation alliance in the field of new energy, we actively invested in business in the field and successfully launched the 200MW wind power leaseback project of Ulan County Huayangshengyuan New Energy Co., Ltd. in Qinghai Province, with a contract value of RMB1.2 billion. Upon completion, the project can bring positive social and economic benefits to local community, substantially reduce the emission of hazardous substances, including dust, sulphur oxides, carbon oxides, hydrocarbons and ash, and make solid contribution to adjusting the energy structure of society and achieving the goal of carbon neutrality.



▲ 200MW wind power leaseback project of Ulan County Huayangshengyuan New Energy Co., Ltd.



Case: Shilou County Atesi New Energy Co., Ltd. photovoltaic power station assets direct leasing project

Part of the Loess Plateau, Shilou County is located on the east bank of the middle reach of the Yellow River and to the west of the Lvliang Mountains. The territory can be divided into mountainous and undulating areas. The mountains stretch continuously with stacking rocks. Shilou County has abundant solar energy resources, with prospect of developing photovoltaic power generation projects.

In May 2020, the Group completed the funding of the Shilou County Atesi 50MW central photovoltaic power station on-grid bidding project in Shilou County, assuring sufficient funds for the construction of the photovoltaic power station. The project complies with national environmental protection industry policies and can effectively leverage the abundant local solar energy resources to promote the development of the photovoltaic industry in Shanxi Province. The project was first connected to the grid at the end of 2019, and is currently in continuous and stable operation. The completion of the project has brought green power to the local community. While increasing the power supply capacity in the area, the project can also save 22,669.4 tonnes of standard coal equivalent and reduce emissions of 62,390.1 tonnes of carbon dioxide equivalent each year.



▲ Photovoltaic power station in Shilou County

PROMOTING POPULARITY OF NEW ENERGY VEHICLES

In recent years, China has successively rolled out policy documents such as the *Green Travel Action Plan (2019-2022)* (《綠色出行行動計劃(2019-2022年)》), *Notice on Further Improving Financial Subsidy Policy for the Promotion and Application of New Energy Vehicles* (《關於進一步完善新能源汽車推廣應用財政補貼政策的通知》), *Notice on Supporting the Promotion and Application of New Energy Buses* (《關於支持新能源公交車推廣應用的通知》), *Implementation Opinions on Promoting Consumption Quality Improvement and Accelerating the Forging of a Strong Domestic Market* (《關於促進消費擴容提質加快形成強大國內市場的實施意見》) and *Notice on Further Improving Financial Subsidy Policy for the Promotion and Application of New Energy Vehicles* (《關於進一步完善新能源汽車推廣應用財政補貼政策的通知》) to encourage the development of new energy vehicles, vigorously support the quality development of the new energy vehicle industry, encourage the popularity and application of new energy vehicles, promote the mass consumption of new energy vehicles, and focus on the construction of new energy public transportation in cities.

The Group has successively promulgated the *Plan for Supporting the Development of Environmental Protection Equipment with Leasing Business* (《租賃業務支持環保裝備發展工作方案》), *Guidelines for Review of Leasing Business Development in Environmental Protection Field* (《環保領域租賃業務開發評審指引》), *Notice on Further Strengthening the Development of Environmental Protection Leasing Projects* (《關於進一步加大環保租賃項目開發力度的通知》) and other systems and measures and issued the *Plan for Supporting Eco-environmental Protection and Winning the Battle against Pollution* (《支持生態環保·助力打贏污染防治攻堅戰工作方案》) based on the strategy of the head office of China Development Bank to follow the spirit of significant addresses of General Secretary Xi Jinping and the decisions and arrangements of the CPC Central Committee and the State Council, which specifies that the leasing business in the field of environmental protection should steadily expand the scale of traditional environmental protection fields and focus on creating the distinctive features of environmental protection equipment, lay emphasis on promoting the new energy bus leasing business, grasp the bus business needs of various regions, actively maintain communication with state-owned bus companies and new energy vehicle manufacturers, open up upstream and downstream financing channels for the new energy bus industry, meet their new energy vehicle procurement, sales and capital needs, and facilitate to build a new energy public transportation system.





Case: Facilitating green travel with new energy bus

CDB Leasing adheres to the cultural concept inherited from China Development Bank, takes Enhancing National Competitiveness and Improving People's Livelihood as its own duty, leverages the new energy vehicle leasing business, cooperates with domestic leading enterprises in the new energy vehicle industry, facilitates upgrading of buses taking advantage of the tripartite cooperation model of Leasing Company, Customers and Enterprises, and accelerates the efficiency of green financial transformation to effectively solve the financial constraints of the public transportation industry.

The Group initially launched the new energy bus leasing business in 2015 to support the pure electrification of bus companies in two major cities in Shenzhen and contribute to environmental protection in public travel. Since then, the Group tapped business potentials, expanded urban coverage, and actively conducted research into replicable models. From 2019 to 2020, it successively expanded its new energy bus rental business to major domestic bus groups.

As at the end of 2020, the Group had provided financing support of RMB3.98 billion to major bus companies in China with a total of 5,309 new energy buses as replacement. In the future, CDB Leasing will continue to devote itself to the development of the green financial industry and actively innovate its business model to support people's livelihood, improve the social environment and safeguard the exquisite environment of the nation.



▲ New energy buses



FACILITATING THE PROMOTION OF ENVIRONMENT-FRIENDLY VESSELS

In 2020, the Group formulated over 10 special systems, including the *Measures for the Administration of Ship Leasing Business of CDB Financial Leasing Co. Ltd.* 《國銀金融租賃有限公司船舶租賃業務管理辦法》, *Operating Rules for the Development of Ship Leasing Business of CDB Financial Leasing Co. Ltd.* 《國銀金融租賃有限公司船舶租賃業務開發立項操作規程》, and *Operating Rules for Emergency Response of Ship Operation and Leasing Business of CDB Financial Leasing Co. Ltd.* 《國銀金融租賃有限公司船舶經營租賃業務應急響應操作規程》, regarding its ship leasing business to focus on the regulation of all aspects of ship operation and leasing including purchase and sale of vessels, vessel construction, vessel management, vessel inspection, vessel repair and maintenance, vessel evaluation and renewal or sub-leasing of vessels, which improved the management system of ship business and innovated vessel delivery methods to allow successful execution of delivery documents remotely without any face-to-face interaction and delivery ceremony, thereby enhancing the professionalism of the Company's ship leasing business to support the stable development of the ship business. All ships under construction and planned to be built by the Group meet the EEDI standards, that is, the carbon emission energy efficiency index is increased by 20% to 30% under the baseline standard. The EEDI energy efficiency index is a quantitative constraint introduced by the International Maritime Organization in the ship design stage in order to implement the requirements of the international community to reduce carbon emissions, aiming to require emission reduction arrangements for new ships at design stage, instead of concentrating the pressure of emission reduction in the operation stage. Meanwhile, according to the latest requirements of the United Nations Maritime Organization for reducing sulphur emissions, some ships of the Group are equipped with desulphurisation towers, while all ships without desulphurisation towers are strictly required to use low-sulphur fuel to reduce sulphur emissions and acid rain and other related environmental disasters caused by the shipping industry.

As at the end of 2020, the Group had a total of 110 ships within its fleets, including 93 environment-friendly ships.



Case: Eight 210,000-tonne new bulk carrier ships project

The COVID-19 outbreak in early 2020 struck a heavy blow to the global economy, trading, operation and living. Despite the then gloomy market sentiment, the Group supported Shandong Shipping to order eight 210,000-tonne new bulk carrier ships from CSSC Beihai Shipyard, CSSC Waigaoqiao Shipyard and Yangzhou COSCO Shipping Heavy Industry. The project proved to be a tremendous support for the real economy. Meanwhile, all of the eight ships are energy-saving and environment-friendly, which are equipped with desulphurisation towers and the sulphur emissions from the engines after desulphurisation meet the emission standards of the International Maritime Organization, and the nitrogen oxide emissions meet the Tier III requirements, thus reducing the harmful gas emissions such as sulphur oxides and air pollution during ship navigation.



▲ Hull steel plate cutting ceremony for the 210,000-tonne new bulk carrier ships





Case: Two 20,000-TEU container ships financial leasing project

In 2020, CDB Leasing developed the two 20,000-TEU container ship financial leasing project, the subjects of which are two 24,000-TEU new ships built in domestic backbone shipyards. At present, there is a general demand for structural replacement of the capacity of trunk routes, and large ships are gradually rising to be the mainstream ship types in the future container shipping market. Cargo co-loading is a relatively standard operation and contributes to significant scale benefit, and the rigid operation cost of container ships will lead to great reduction in cost per container.

Such type of ship is a new generation of super-large container ship tailored and developed by the shipyard according to the operational requirements of the customer company. It is equipped with hybrid desulphurisation tower, which meets the requirements of global sulphur emission limitation.

In terms of fuel efficiency, such ship will adopt energy-saving devices to better achieve hydrodynamic performance and economic indicators, reduce actual operating fuel consumption, and in turn meet the requirements of being environment-friendly and effectively cutting down operating costs. In terms of cargo loading efficiency, the ship layout will be improved to make the structural strength safer, which will facilitate meeting cargo loading flexibility and increase the actual capacity.



▲ Display of 20,000-TEU container ship



STRENGTHENING GREEN OPERATION MANAGEMENT

The Group firmly enforces the *Environmental Protection Law of the People's Republic of China* (《中華人民共和國環境保護法》), *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes* (《中華人民共和國固體廢物污染環境防治法》), *Water Pollution Prevention Law of the People's Republic of China* (《中華人民共和國水污染防治法》), *Law of the People's Republic of China on Prevention and Control of Soil Pollution* (《中華人民共和國土壤污染防治法》), *Regulation on Urban Construction Waste Management* (《城市建築垃圾管理規定》) and other laws and regulations and is committed to integrating green environmental protection concept into daily office work and operation. We formulated the *CDB Financial Leasing Co. Ltd.'s Administrative Measures on Printing* (《國銀金融租賃股份有限公司文印工作管理辦法》), *CDB Financial Leasing Co. Ltd.'s Implementation Guidelines for Management of Drivers* (《國銀金融租賃股份有限公司駕駛員管理實施細則》) and other policies and proactively extended our presence in bringing into play the green operation concept through water conservation, energy conservation and emission reduction, green office and waste management.

The emissions of the Group are mainly wastes produced from office operations. Use of resource mainly includes consumption of electricity and natural gas, as well as fuel consumption by official vehicles. In 2020, the Group did not find any matters that caused significant pollution and impact on the environment during our operation.

- Water conservation:** We leveraged the reclaimed water system to treat water source and 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 use records and conducted statistical analysis, adjusted and reduced the water output of water valve for toilet equipment and posted water-saving slogans in toilets and pantries to enhance employees' awareness of water conservation.
- Energy saving and consumption reduction:** We made full use of natural light during office hours to eliminate the ever-burning lamps. We applied intelligent lighting system, turned off unnecessary public area lighting during non-office hours, and adopted energy-saving mode for garage lighting. We chose LED energy-saving lamps, and installed radar control modules to rationally control the lighting periods and adjust the switch-on and turn-off time of floodlighting. We scientifically exploited the average and peak power supply slots to cool down the cold-water storage pool of air conditioner at night when power consumption remains low, and strictly control the periods of using air conditioner and draught fan. We arranged employees to participate in the Earth Hour activities, and actively carried out promotion of energy conservation and consumption reduction.
- Vehicle management:** We followed the relevant requirements of the *CDB Financial Leasing Co. Ltd.'s Implementation Guidelines for Management of Drivers* (《國銀金融租賃股份有限公司駕駛員管理實施細則》) and published the *Notice on Improving the Use of Official Vehicles* (《關於改進公車使用的通知》) to further specify the principles for using official vehicles, strengthen management over the use of official vehicles, and strictly record the fuel consumption and mileage of vehicles to quantify the use of official vehicles in a transparent manner.
- Green office:** We proactively advocated green office, encouraged paperless office and paperless meeting, and held 231 paperless meetings in 2020. We reduced the number of printing, and set the printer to the default mode of black and white double-sided printing. We strictly controlled the collection and use of office supplies and implemented registration and quota management by departments to reduce waste.
- Waste management:** 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.

In the future, we will continue to actively respond to the national energy conservation and environmental protection policies, constantly strengthen green operations, strive to build environment friendly and low-carbon offices, adopt energy conservation and emission reduction measures, raise employees' awareness of energy conservation and environmental protection, and make concerted efforts to contribute to lush mountains and limpid water.



SAFEGUARDING EMPLOYEES' RIGHTS AND INTERESTS, AND FACILITATING EMPLOYEES' PERSONAL DEVELOPMENT

The Group regards talents as the most valuable assets underpinning the growth of an enterprise. It proactively implements the talent-based prosperity strategy and establishes three systems and one platform comprising governance structure and position system, performance management system and remuneration incentive system as well as the talent cultivation and development platform leveraging the market-oriented approach, in a bid to safeguard the physical and mental health of employees, provide them with sound career development platforms and achieve mutual development for talents and the Group.

RECRUITMENT AND EMPLOYMENT

The Group strictly complies with the *Labour Law of the People's Republic of China* (《中華人民共和國勞動法》), *Contract Law of the People's Republic of China* (《中華人民共和國合同法》), the *Labour Contract Law of the People's Republic of China* (《中華人民共和國勞動合同法》), *Social Insurance Law of the People's Republic of China* (《中華人民共和國社會保險法》), *Employment Promotion Law of the People's Republic of China* (《中華人民共和國就業促進法》) and other laws and regulations, and has formulated the *CDB Financial Leasing Co. Ltd.'s Management Rules on Employee Labour Relations* (《國銀金融租賃股份有限公司員工勞動關係管理辦法》) and other rules, and revised the *CDB Financial Leasing Co. Ltd.'s Management Rules on Staff Recruitment and Employment* (《國銀金融租賃股份有限公司員工招聘錄用管理辦法》), *CDB Financial Leasing Co. Ltd.'s Detailed Rules on the Implementation of Social Recruitment* (《國銀金融租賃股份有限公司社會招聘實施細則》), *CDB Financial Leasing Co. Ltd.'s Detailed Rules on the Implementation of Campus Recruitment* (《國銀金融租賃股份有限公司校園招聘實施細則》), *CDB Financial Leasing Co. Ltd.'s Management Rules on Departure of Employees* (《國銀金融租賃股份有限公司員工離職管理辦法》), *CDB Financial Leasing Co. Ltd.'s Management Rules on Communications of Employees* (《國銀金融租賃股份有限公司員工交流管理辦法》) and other internal systems to regulate the recruitment, employment, departure and daily management of employees and establish a sound employee labour relations management system. As at the end of 2020, the Group had 374 employees in total, all of whom were contract staff, including 252 domestic employees and 122 employees in our overseas aviation subsidiary.

The Group encourages employee diversity, 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 resolutely implements the *Regulations on Prohibition of Child Labour* (《禁止使用童工規定》), strictly verifies 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 labour. Those who are found to go against our employment regulations will not be employed. The Group implements a regular working system and strictly follows the relevant national regulations on statutory holidays to safeguard the legal rights of employees to rest and vacation, and prohibit forced labour. The Group has not found any incident of child labour or forced labour so far.

The Group proactively listens to the voices of employees and continues to carry out the Opinions and Suggestions theme activity to allow employees to participate and contribute to the 14th Five-year Plan of the Group and create a sound atmosphere for in-deep exploration and discussion, and pursuit of development. In 2020, the Group convened one employee representative meeting, at which the *Plan for Establishment of the "12345" Employee Training System* (《“12345”全員培訓體系建設方案》) and the *Special Collective Contract for Protection of the Rights and Interests of Female Employees of CDB Financial Leasing Co. Ltd.* were considered and approved, which further boosted corporate management capacity and enhanced employee cohesion.



TRAINING AND DEVELOPMENT

Based on the requirements of the 2018-2022 *National Cadre Education and Training Plan* 《2018-2022年全國幹部教育培訓規劃》 issued by the Central Committee of the Communist Party of China and the *Execution Plan of China Development Bank for the Implementation of the 2018-2022 National Cadre Education* 《國家開發銀行關於貫徹落實〈2018-2022年全國幹部教育培訓規劃〉的實施方案》 and 2020 *Highlights of Education and Training of China Development Bank* 《國家開發銀行2020年教育培訓工作要點》 formulated by the head office of China Development Bank, and other documents, the Group officially published the *Implementation Rules for the Management of Internal Lecturers and Tutors for New Employees of CDB Financial Leasing Co. Ltd. (2020 Edition)*, and studied and established a “12345” employee training system focusing on building a comprehensive and special talent team that “has political awareness, abides by rules, dares to shoulder responsibility, and makes achievements”. Based on the two systems of governance structure and training system, we have established four platforms for providing opinions and suggestions and launched five training plans focusing on Party building, taking up new tasks, taking on long-term project, job succession and team leading for Party members, middle and high-level management as well as base-level employees to ensure accomplishment of the goal of talent training.

In 2020, the Group promoted the establishment of the micro-course system, developed and built a curriculum system based on case teaching, forged the offline micro-course brand of micro-course lecture hall for young employees and the online self-built micro-course system of CDB network college to stimulate the working enthusiasm of all employees and expand the new training model featuring and development and sharing by all employees through their full participation. At the 12th China E-Learning Forum & Exhibition (CEFE) and the award ceremony of Booao Awards, the project for establishment of the “1+4” online training system of CDB Leasing won the 2020 Booao Awards – Excellent Content Solution Award, making it the first enterprise in the leasing industry to win the Booao Awards.

In terms of talent promotion, the Group revised the *CDB Financial Leasing Co. Ltd.’s Management Rules on Positions and Levels* 《國銀金融租賃股份有限公司職務職級管理辦法》 and the *CDB Financial Leasing Co. Ltd.’s Management Rules on Supervision over Officers* 《國銀金融租賃股份有限公司幹部監督管理辦法》. Upholding the principle of promoting and valuing loyal, clean and accountable officers, it continues to improve promote mechanisms, establish fair and smooth career development path, flexibly allocate internal talent resources and remain dedicated to nurturing interdisciplinary talents based on business development requirements and career development of employees. The Group provides employees with explanation on talent assessment and career planning consultation, listens to their career development demands, addresses their career development puzzles, and establishes a stage for employees to attain their own value and develop their careers.



▲ Micro-course lecture hall for young employees



Case: Scheme on team leading

In September 2020, CDB Leasing conducted the scheme on team leading – digital transformation and upgrading seminar in Alibaba Park in Hangzhou. It invited several experts and scholars to share the topics of technological finance and the exploration and prospect of technological finance in leasing, and to conduct group discussions on how to diversify leasing business leveraging the cloud platform. The training covered 75 senior executives, middle-level officers and business backbones. In addition to course study, arrangements were made during the training for participants to visit Alibaba Hall No.9, Taiji Temple and other places to experience and learn from Alibaba's digital strategy and special corporate culture.



▲ Training under the scheme on team leading



Case: Scheme on taking up new tasks

In 2020, the Group continued to implement the scheme on taking up new tasks and carried out the learning-practice-reflection induction training for new employees. Through classroom learning, enterprise visits, group discussions and team development, it facilitated new employees to acquire job knowledge, appreciate the corporate culture and rapidly integrate into the daily work and life of the enterprise. Classroom learning consisted of off-the-job training and online training. New employees learned and sat for examinations online through the CDB network college and the education and training management system of the head office of China Development Bank. In addition to intensive training, we held an orientation briefing for all new employees, at which they fully exchanged training experience to enhance their sense of belonging, commitment and responsibility.



▲ Orientation briefing venue



▲ Learning and visits



HEALTH AND SAFETY

In strict compliance with the *Labour Law of the People's Republic of China* 《中華人民共和國勞動法》, *Law of the People's Republic of China on Work Safety* 《中華人民共和國安全生產法》, *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases* 《中華人民共和國職業病防治法》, *Regulations on Work-related Injury Insurances* 《工傷保險條例》 and *Fire Prevention Law of the People's Republic of China* 《中華人民共和國消防法》, the Group continuously improves its occupational health management system, strives to provide a healthy and safe working environment for employees and spares no effort to provide multiple safeguards for their occupational health.

To protect the physical and mental health of employees, we constantly improve the indication coverage of emergency drugs supplied in the infirmary to meet the daily and anti-pandemic drug supply demand. We regularly arrange employees to carry out physical examination each year, provide employees with physical examination institutions and physical examination packages from which they may choose, and invite experts from professional physical examination institutions to explain physical examination indicators and propose health care measures for employees, so as to offer guidance for their work and life health. In addition, we strictly control food hygiene and safety, earnestly implement food quality testing, and constantly strengthen nutrition matching to ensure the healthy diet of employees. In order to improve employees' awareness of fire safety, we held a fire evacuation drill on February 5, 2021, through which we effectively assumed fire safety responsibilities and enhanced employees' capability to deal with emergencies such as fires.

In 2020, in face of the sudden outbreak of COVID-19, the Group swiftly implemented various pandemic prevention and control measures formulated by the Party Committee of the Company, continuously improved the *Office Pandemic Prevention and Control Plan of CDB Leasing* 《國銀租賃辦公場所疫情防務方案》 and *Joint Pandemic Prevention and Control Plan of CDB Leasing* 《國銀租賃疫情聯防聯控方案》, clarified the specific work responsibilities and requirements for pandemic prevention and control as well as work resumption, and earnestly implemented pandemic prevention and control in office premises, so that pandemic prevention and control has become a normal practice to ensure smooth and orderly office operation. We conveyed the spirit and requirements of the central government and the head office for pandemic prevention and control in a timely manner, innovatively carried out the five-level classified management of pandemic prevention and control for employees, formulated the business continuity emergency plan and mobile office plan, and made the pandemic daily report and zero report system a routine. In addition, we provided services such as online general practitioner consultation and online micro-classroom of famous doctors for employees and their families, so as to address the scarcity of medical resources confronting employees and their families at the early stage of the pandemic and continue to render protection for all employees, including commuting accident prevention, temperature detection, regional prevention and control, flexible office and emergency response throughout the year, sparing no effort to protect the health and safety of all employees.

WELL-BEING AND CARE

The Group continuously improves its salary and welfare system, offers employees competitive salaries, contributes to five social insurance funds and a housing fund as required, and purchases accidental injury, accidental medical, supplementary medical and serious illness supplementary insurance for employees. Meanwhile, we have also established an annuity mechanism, and all employees who have entered into a labour contract with the Company and passed their probation may participate in the annuity plan on a voluntarily basis. In addition, the subsidiaries of the Group provide overseas employees with benefits such as subsidies for renting houses, children's education, visiting relatives, official transportation, official lunch and relocation expenses, and constantly improve employee insurance plans which cover pension insurance, health insurance, life insurance and disability insurance.

The Group continues to carry out employee visits to convey our greetings, and expresses care and blessings to employees and families of new births and employees falling ill, and arranges special activities on employees' birthdays and traditional holidays to convey our care, such as greetings to employees in difficulty during New Year's holiday and Spring Festival and to veterans on the August 1st Army Day, so as to convey warmth and care to employees. In order to help employees relax themselves after work, we actively arrange an array of amazing cultural and sports activities, set up 12 interest clubs, and host sports competitions such as table tennis and running to improve their physical fitness and demonstrate their fighting spirit. We pay attention to the needs of female employees, continuously enhance the infrastructure and management of nursery rooms to boost convenience for female employees, and arrange activities for female employees during anti-pandemic periods, such as home-stay online cooking demonstration, and online handmade everlasting flower salon of Splendid Life and Love on Mother's Day to help female employees cultivate their minds and relax physically and mentally.





Case: Outdoor development for new employees

In order to help new employees change their roles and integrate into our corporate culture as soon as possible, and improve team cooperation and cohesion, CDB Leasing arranged baseball experience activities for new employees. Through training and learning baseball batting and passing skills, new employees improved their professional skills, cultivated trust and tacit among colleagues, and enhanced their sense of belonging.



▲ Outdoor development activity



Case: Book review sharing

In May 2020, the Group conducted an online reading activity with the theme of Scholarly and Appealing Books Touching the Youthful Heart. All employees actively participated in the reading activity through sharing and recommendations, and expressed their feelings, thoughts and understandings via book reviews and content annotations, which demonstrated the positive mental outlook and the open mind of the employees of the Group, facilitated the employees to further improve their political theory standards, literary accomplishment and cultural heritage, and stimulated the positive youthful attitude to dare to shoulder responsibility, and take action during the fight against COVID-19.



► Online reading activity with the theme of “Scholarly and Appealing Books Touching the Youthful Heart”



Case: Team-building activity celebrating the 40th Anniversary of the Shenzhen Special Economic Zone and the Employee Autumn Tour for 2020

At the 40th anniversary of the establishment of Shenzhen Special Economic Zone, the Group launched the team-building activity celebrating the occasion and the Employee Autumn Tour for 2020 in November 2020. It arranged employees to visit scenic spots such as Dakang Valley, Laohugou, Guandi Temple, Biyutan and Egongji peak, and hosted the Parent-child Fun Treasure Hunting activity, which not only relaxed their bodies and minds, but also enhanced the fun of the autumn tour and boosted exchanges among employees and their families. After the activity, employees would devote themselves to work with greater enthusiasm, get involved in the construction of Shenzhen into a demonstration zone of socialism with Chinese characteristics with strengthened cohesion, and strive for earlier accomplishment of the goal of becoming a world-class financial leasing company.



▲ Autumn tour

UNDERTAKING SOCIAL RESPONSIBILITY AND BUILDING A BETTER LIFE WITH CONCERTED EFFORTS

In compliance with the *Charity Law of the People's Republic of China* 《中華人民共和國慈善法》 and the *Law of the People's Republic of China on Donations for Public Welfare* 《中華人民共和國公益事業捐贈法》, the Group proactively supports poverty alleviation, rural revival and other State policies to continue to carry out targeted poverty alleviation and strengthen efforts for consumption poverty alleviation, and is dedicated to help the impoverished get rid of poverty as soon as possible. With a keen eye on charity and philanthropy, we pay attention to the needs of surrounding communities, establish platforms for voluntary activities, promote charity and philanthropy concepts and proactively undertake corporate social responsibility, striving to build a better and harmonious society leveraging concerted efforts. In January 2020, the Group donated RMB8 million to Hubei Charity Federation to support the fight against COVID-19, thereby facilitating Hubei to win the battle against the pandemic with charitable commitment.

COMMITTED TO CORPORATE RESPONSIBILITY AND FACILITATING POVERTY ALLEVIATION

The Group firmly implemented the decisions and plans of the CPC Central Committee on poverty alleviation, responded to national calls, strengthened arrangements and plans, continued to specify poverty alleviation responsibility targets, conducted targeted poverty alleviation and consumption poverty alleviation, strengthened financial aids and carried out on-site visits and research to explore locally tailored poverty alleviation models and earnestly worked on poverty alleviation.



Case: Focusing on targeted poverty alleviation counties to promote sales of agricultural products

Focusing on the targeted poverty alleviation counties of the head office of China Development Bank in consumption poverty alleviation, the Group proactively drove their internal development potential by promoting sales of agricultural products in such areas through multiple measures, such as ordering the specialty agricultural products of the poverty-stricken regions for our employee canteen and purchasing such agricultural products for employees to convey our greetings on statutory holidays. We actively advocate employee to enhance poverty alleviation awareness, encourage employees to purchase agricultural products from targeted poverty alleviation counties and take the initiative to promote the agricultural products brands in targeted poverty alleviation counties. Since launching consumption poverty alleviation in 2019, the Group has purchased agricultural products of a total of RMB546,900 (including RMB386,100 in 2020) from poverty alleviation counties such as Gulin in Sichuan and Zheng'an, Wuchuan and Daozhen in Guizhou through direct purchase, and purchased agricultural products of RMB140,700 (including RMB79,900 in 2020) via consumption poverty alleviation, with a total of RMB687,600.

REACHING OUT TO SURROUNDING COMMUNITIES AND JOINING HANDS TO CREATE A BETTER LIFE

In 2020, the Group arranged a special Youth League activity with the theme of Paying Tribute to City Guardians and Passing on the Anti-pandemic Spirit, Learning from Lei Feng activity for young volunteers and other voluntary activities, through which we reached out to surrounding communities and conducted positive interaction with community residents, carried out environmental protection activities, advocated green and environmental protection spirit and inspired the enthusiasm of the public for environmental protection, so as to contribute positively to promoting green development.



Case: Special Youth League activity with the theme of Paying Tribute to City Guardians and Passing on the Anti-pandemic Spirit

In 2020, the Group arranged young volunteers to carry out voluntary service activities and the special Youth League activity with the theme of Paying Tribute to City Guardians and Passing on the Anti-pandemic Spirit in the sanitation station in Longhua District, Shenzhen. During the activity, young volunteers presented facial masks, grain and oil and other materials to 30 sanitation workers and paid tribute to them for their commitment and unremitting efforts made during the pandemic. Afterwards, the volunteers listened on-site to the anti-pandemic stories told by sanitation workers in the process of cleaning, garbage removal and disinfection and felt their dedication. Through such activity, young volunteers get a deeper understanding of the anti-pandemic spirit, have a sharper insight into passing on the anti-pandemic spirit, and intend to continue to promote the anti-pandemic spirit in the routine pandemic prevention and control, and assume the responsibilities of the young generation in building Shenzhen into a pioneer demonstration zone.



▲ Special Youth League activity with the theme of Paying Tribute to City Guardians and Passing on the Anti-pandemic Spirit

Case: Healthy walking and charity hiking activity

On April 12, 2020, the Company gathered young employees to participate as volunteers in the Learning from Lei Feng activity in Yuanshan, Shenzhen. In the activity, young employees interacted with each other during hiking and took the initiative to pick up roadside garbage to thoroughly clean the surrounding environment, through which they not only stretched their bodies, but also contributed to green environmental protection and earnestly brought the concept into practice, thereby demonstrating the sound mental outlook and work enthusiasm of the employees of CDB Leasing to scale new heights.



▲ Learning from Lei Feng activity for young volunteers

FUTURE PROSPECTS

The year 2021 unveils the 14th Five-Year Plan and also marks the crucial year to embark on a brand-new journey for the construction of a modern socialist country in an all-round way riding upon the evolving trends. We will proactively follow State policies to support the regional economic growth of, among others, Yangtze River Economic Belt and Guangdong-Hong Kong-Macao Greater Bay Area, tap into our unique advantages in terms of leasing business to innovate business model and enhance our capacity in professional fields including aircraft leasing, ship leasing, infrastructure leasing and inclusive finance, contribute to the rapid development of the aviation industry and ship industry, expand coverage into transportation, cities and energy infrastructure and step up our support lent to the real economy and micro, small and medium-sized businesses. We will also boost our involvement in the establishment of a green financial system, promote the use of clean energies, facilitate the popularity of green and energy-saving transportation, fuel the development of green ship industry and advocate green office and operation. We will continue to improve employee management, enhance our employee welfare and protection mechanisms, keep an eye on the health of employees, stand behind them for their career pursuits and cultivate innovation-minded talents. We will pay on-going attention to the needs of customers, improve service quality, safeguard information security of customers and accelerate data-driven transformation and upgrading, in a bid to offer more convenient leasing services for our customers. We will take the initiative to shoulder our community responsibilities, dedicate great efforts to rural revival, strive to provide aids to people living in poverty, focus on charitable undertakings and call on our employees to actively participate in voluntary activities to practicably contribute to enhancing people's well-being.

Adhering to the mission of leading China's leasing industry and serving the real economy, we will continue to explore our sustainable path, forge ahead against all odds amid stability for long-term success, and contribute to the sustainable development of the environment, society and the economy.





APPENDIX 1: ESG INDICATOR INDEX

Aspect	Description	Disclosure Chapters
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. Notes: ① Air emissions include NOx, SOx, and other pollutants regulated under national laws and regulations. ② Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride. ③ Hazardous wastes are those defined by national regulations.	Appendix 2 ESG Policy List
	A1.1 The types of emissions and respective emissions data.	Appendix 3 ESG Data List
	A1.2 Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Appendix 3 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 3 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 3 ESG Data List
	A1.5 Description of measures to mitigate emissions and results achieved.	Strengthening Green Operation Management
	A1.6 Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Strengthening Green Operation Management
A2 Use of Resources	General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials. Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.	Strengthening Green Operation Management
	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 3 ESG Data List
	A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Appendix 3 ESG Data List
	A2.3 Description of energy use efficiency initiatives and results achieved.	Strengthening Green Operation Management
	A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Strengthening Green Operation Management
	A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not Applicable
A3 The Environment and Natural Resources	General Disclosure Policies on minimising the issuer's significant impact on the environment and natural resources.	Supporting Green Development and Promoting a Civil Ecosystem
	A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Supporting Green Development and Promoting a Civil Ecosystem



Aspect	Description	Disclosure Chapters
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.	Appendix 2 ESG Policy List
	B1.1 Total workforce by gender, employment type, age group and geographical region.	Appendix 3 ESG Data List
	B1.2 Employee turnover rate by gender, age group and geographical region.	Appendix 3 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.	Appendix 2 ESG Policy List
	B2.1 Number and rate of work-related fatalities.	Appendix 3 ESG Data List
	B2.2 Lost days due to work injury.	Appendix 3 ESG Data List
	B2.3 Description of occupational health and safety measures adopted, how they are implemented and monitored.	Health and Safety
B3 Development and Training	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Note: Training refers to vocational training. It may include internal and external courses paid by the employer.	Training and Development
	B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Appendix 3 ESG Data List
	B3.2 The average training hours completed per employee by gender and employee category.	Appendix 3 ESG Data List
B4 Labour 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 labour.	Appendix 2 ESG Policy List
	B4.1 Description of measures to review employment practices to avoid child and forced labour.	Recruitment and Employment
	B4.2 Description of steps taken to eliminate such practices when discovered.	Recruitment and Employment
B5 Supply Chain Management	General Disclosure Policies on managing environmental and social risks of the supply chain.	Adopting Responsible Supply Chain Management
	B5.1 Number of suppliers by geographical region.	Appendix 3 ESG Data List
	B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Adopting Responsible Supply Chain Management



Aspect	Description	Disclosure Chapters
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 redress.	Appendix 2 ESG Policy List
	B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not Applicable
	B6.2 Number of products and service related complaints received and how they are dealt with.	Improving Service Quality Appendix 3 ESG Data List
	B6.3 Description of practices relating to observing and protecting intellectual property rights.	Protecting Intellectual Property Rights
	B6.4 Description of quality assurance process and recall procedures.	Not Applicable
	B6.5 Description of consumer data protection and privacy policies, how they are implemented and monitored.	Safeguarding Information Security
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.	Appendix 2 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 3 ESG Data List
	B7.2 Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Strengthening Integrity in Operations
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.	Supporting National Strategies and Promoting Economic Growth Undertaking Social Responsibility and Building a Better Life with Concerted Efforts
	B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Supporting National Strategies and Promoting Economic Growth Undertaking Social Responsibility and Building a Better Life with Concerted Efforts
	B8.2 Resources contributed (e.g. money or time) to the focus area.	Supporting National Strategies and Promoting Economic Growth Undertaking Social Responsibility and Building a Better Life with Concerted Efforts



APPENDIX 2: ESG POLICY LIST

Aspect	Laws and Regulations Abided by	Internal Rules and Systems of the Company
A1 Emissions	<i>Environmental Protection Law of the People's Republic of China</i> <i>Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste</i> <i>Law of the People's Republic of China on Prevention and Control of Water Pollution</i> <i>Law of the People's Republic of China on Prevention and Control of Atmospheric Pollution</i> <i>Soil Pollution Prevention and Control Law of the People's Republic of China</i> <i>Regulation on Urban Construction Waste Management</i> <i>Directory of National Hazardous Wastes</i> <i>Measures for the Administration of Hazardous Wastes Manifest</i>	<i>CDB Financial Leasing Co. Ltd.'s Management Rules on Vehicles</i> <i>CDB Financial Leasing Co. Ltd.'s Implementation Guidelines for Management of Drivers</i>
A2 Use of resources	<i>Energy Saving Law of the People's Republic of China</i> <i>Design Standard for Energy Efficiency of Public Buildings</i>	<i>CDB Financial Leasing Co. Ltd.'s Management Rules on Company Items Warehousing</i> <i>CDB Financial Leasing Co. Ltd.'s Management Rules on Printing & Copying</i> <i>CDB Financial Leasing Co. Ltd.'s Management Rules on Vehicles</i> <i>CDB Financial Leasing Co. Ltd.'s Implementation Guidelines for Management of Drivers</i>
A3 The Environment and Natural Resources	<i>Environmental Protection Law of the People's Republic of China</i> <i>Law of the People's Republic of China on Environmental Impact Assessment</i>	Not available for the time being
B1 Employment	<i>Labour Law of the People's Republic of China</i> <i>Labour Contract Law of the People's Republic of China</i> <i>Interim Provisions on Labour Dispatch</i> <i>Employment Promotion Law of the People's Republic of China</i> <i>Social Insurance Law of the People's Republic of China</i> <i>Provisions on Prohibition of Child Labour</i> <i>Minors Protection Law of the People's Republic of China</i> <i>Contract Law of the People's Republic of China</i> <i>Ordinance on Paid Leave of Staff</i> <i>Ordinance on Salary Payment of Guangdong Province</i> <i>Ordinance on Staff Salary Payment of Shenzhen City</i>	<i>CDB Financial Leasing Co. Ltd.'s Management Rules on Staff and Labour Relations</i> <i>CDB Financial Leasing Co. Ltd.'s Management Rules on Positions and Levels (2020 Edition)</i> <i>CDB Financial Leasing Co. Ltd.'s Detailed Rules on the Implementation of Social Recruitment (2020 Edition)</i> <i>CDB Financial Leasing Co. Ltd.'s Detailed Rules on the Implementation of Campus Recruitment (2020 Edition)</i> <i>CDB Financial Leasing Co. Ltd.'s Management Rules on Employee Attendance and Vacation</i> <i>CDB Financial Leasing Co. Ltd.'s Rules on Performance Management (Trial)</i> <i>CDB Financial Leasing Co. Ltd.'s Evaluation Measures for Senior Management</i> <i>CDB Financial Leasing Co. Ltd.'s Management Rules on Employees' Salary</i> <i>CDB Financial Leasing Co. Ltd.'s Management Rules on Deferred Salary Payment</i> <i>CDB Financial Leasing Co. Ltd.'s Management Rules on Use of Retained Bonus Pool (Trial)</i> <i>CDB Financial Leasing Co. Ltd.'s Management Rules on Staff Recruitment and Employment (2020 Edition)</i> <i>CDB Financial Leasing Co. Ltd.'s Management Rules on Leaders Supervision (2020 Edition)</i> <i>CDB Financial Leasing Co. Ltd.'s Management Rules on Staff Resignation and Dismissal (2020 Edition)</i> <i>CDB Financial Leasing Co. Ltd.'s Management Rules on Staff Communications (2020 Edition)</i> <i>CDB Financial Leasing Co. Ltd.'s Code of Conduct of Staff</i> <i>CDB Financial Leasing Co. Ltd.'s Management Rules on Selection and Appointment of Middle-level Personnel</i> <i>CDB Financial Leasing Co. Ltd.'s Management Rules on Promotion of Employees Below Middle level</i> <i>Staff Union's Detailed Rules on the Implementation of Management of Visits</i> <i>Guiding Opinions on Vigorously Identifying and Cultivating Young Talents in the New Era</i> <i>CDB Aviation Lease Finance DAC's Hong Kong Employee Manual</i> <i>CDB Aviation Lease Finance DAC's Systems on Performance Appraisal of Employees</i> <i>CDB Aviation Lease Finance DAC's Systems on Travelling Reimbursement</i>



Aspect	Laws and Regulations Abided by	Internal Rules and Systems of the Company
B2 Health and Safety	<i>Labour Law of the People's Republic of China</i> <i>Fire Prevention Law of the People's Republic of China</i> <i>Law of the People's Republic of China on Work Safety</i> <i>Law of the People's Republic of China on Prevention and Control of Occupational Diseases</i> <i>Regulation on Work-related Injury Insurances</i> <i>Regulation on Supervision and Administration of Occupational Health in Working Places</i> <i>Ordinance on Reporting, Investigation and Handling of Production Safety Accidents</i>	<i>CDB Financial Leasing Co. Ltd.'s Management Rules on Employee Attendance and Vacation</i> <i>CDB Aviation Lease Finance DAC's Hong Kong Employee Manual</i>
B3 Development and Training	<i>Labour Law of the People's Republic of China</i> <i>Labour Contract Law of the People's Republic of China</i> <i>Social Security Law of the People's Republic of China</i>	<i>CDB Financial Leasing Co. Ltd.'s Rules on Employee Training Management</i> <i>CDB Financial Leasing Co. Ltd.'s Detailed Rules on the Implementation of Management of Internal Lecturers and New Employees' Tutors (2020 Edition)</i> <i>CDB Financial Leasing Co. Ltd.'s Implementation Rules on Employee Training</i> <i>Terms of Reference of CDB Financial Leasing Co. Ltd.'s Examination and Oral Examination Committee (Trial)</i>
B4 Labour Standards	<i>Provisions on Prohibition of Child Labour</i> <i>Labour Law of the People's Republic of China</i> <i>Provisions of the State Council on Working Hours of Employees</i>	<i>CDB Financial Leasing Co. Ltd.'s Management Rules on Staff and Labour Relations</i> <i>CDB Financial Leasing Co. Ltd.'s Detailed Rules on the Implementation of Social Recruitment (2020 Edition)</i> <i>CDB Financial Leasing Co. Ltd.'s Detailed Rules on the Implementation of Campus Recruitment (2020 Edition)</i> <i>CDB Aviation Lease Finance DAC's Hong Kong Employee Manual</i>
B5 Supply Chain Management	<i>Law of the People's Republic of China on Tenders and Bids</i> <i>Regulation on the Implementation of the Bidding Law of the People's Republic of China</i>	<i>CDB Financial Leasing Co. Ltd.'s Detailed Rules on the Implementation of Central Procurement</i> <i>CDB Financial Leasing Co. Ltd.'s Management Rules on Procurement (Trial)</i> <i>CDB Aviation Lease Finance DAC's Procurement System Operating Procedures for the Use of Bidding Agency Platform for Central Procurement</i>
B6 Product Responsibility	<i>Tort Law of the People's Republic of China</i> <i>Trademark Law of the People's Republic of China</i> <i>Advertisement Law of the People's Republic of China</i> <i>Patent Law of the People's Republic of China</i> <i>Copyright Law of the People's Republic of China</i> <i>Law of the People's Republic of China against Unfair Competition</i> <i>Law of the People's Republic of China on Protection of Consumer Rights and Interests</i> <i>Cybersecurity Law of the People's Republic of China</i> <i>Decision of the Standing Committee of the National People's Congress on Preserving Computer Network Security</i>	<i>CDB Financial Leasing Co. Ltd.'s Leasing Business Industry Guide</i> <i>CDB Financial Leasing Co. Ltd.'s Client Complaint Handling Measures</i> <i>CDB Financial Leasing Co. Ltd.'s Management Rules on the Work of Intellectual Property Protection</i> <i>CDB Financial Leasing Co. Ltd.'s Management Rules on Business Secrets</i> <i>CDB Financial Leasing Co. Ltd.'s Management Rules on Information Security</i> <i>CDB Financial Leasing Co. Ltd.'s Management Rules on Data and Standards</i> <i>CDB Financial Leasing Co. Ltd.'s Regulation on Management of Establishment of Information System (Trial)</i> <i>CDB Financial Leasing Co. Ltd.'s Management Rules on Machine Room Safety</i> <i>CDB Financial Leasing Co. Ltd.'s Management Rules on Employee Information Security</i> <i>CDB Financial Leasing Co. Ltd.'s Detailed Rules on the Implementation of Information Technology Emergency Response</i> <i>CDB Financial Leasing Co. Ltd.'s Management Rules on IT System Data Quality (Trial)</i> <i>CDB Financial Leasing Co. Ltd.'s Management Rules on Confidential Documents</i> <i>CDB Financial Leasing Co. Ltd.'s Management Rules on Outsourcing Staff Confidentiality</i>



Aspect	Laws and Regulations Abided by	Internal Rules and Systems of the Company
B7 Anti-corruption	<i>Criminal Law of the People's Republic of China</i> <i>Company Law of the People's Republic of China</i> <i>Anti-money Laundering Law of the People's Republic of China</i> <i>Anti-monopoly Law of the People's Republic of China</i> <i>Law of the People's Republic of China against Unfair Competition</i> <i>Interim Provisions on Prohibiting Commercial Bribery</i>	<i>CDB Financial Leasing Co. Ltd.'s Management Rules on Emergency Response to Major Risk Events</i> <i>CDB Financial Leasing Co. Ltd.'s Anti-Fraud Management Rules</i> <i>CDB Financial Leasing Co. Ltd.'s Management Rules on Anti-money Laundering Information</i> <i>CDB Financial Leasing Co. Ltd.'s Management Rules on Anti-money Laundering and Sanctions Compliance</i> <i>CDB Financial Leasing Co. Ltd.'s Management Rules on Customer Identification</i> <i>CDB Financial Leasing Co. Ltd.'s Management Rules on Classification of Risks Customer Money Laundering and Terrorist Financing</i> <i>CDB Financial Leasing Co. Ltd.'s Management Rules on Suspicious Transaction Reporting</i> <i>CDB Financial Leasing Co. Ltd.'s Management Rules on Investigation of Employees' Conduct</i> <i>CDB Financial Leasing Co. Ltd.'s Management Rules on Case-preventing Work</i> <i>CDB Aviation Lease Finance DAC's Guidance on Anti-bribery and Anti-corruption Policies</i> <i>CDB Aviation Lease Finance DAC's Systems on Gifts and Entertainment</i> <i>CDB Aviation Lease Finance DAC's Systems on Anti-money Laundering and Due Diligence</i> <i>CDB Aviation Lease Finance DAC's Internal Control and Compliance Policies</i>
B8 Community Investment	<i>Charity Law of the People's Republic of China</i> <i>Law of the People's Republic of China on Donations for Public Welfare</i>	Not available for the time being



APPENDIX 3: 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 CDB Financial Leasing Co. Ltd., 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 2020 to 31 December 2020.

	Indicator	Unit	Data for 2020
A1 Emissions⁴	Sulphur dioxide ⁵	Tonne	0.0003
	Nitrogen oxides ⁶	Tonne	0.0031
	Total GHG emissions (Scope 1 and Scope 2) ⁷	Tonne	2,886.61 ⁸
	GHG emissions per m ² of floor area (Scope 1 and Scope 2)	Tonne/m ²	0.10
	GHG Direct emissions (Scope 1)		
	Vehicle fuel consumption	Tonne	46.09
	Natural gas	Tonne	92.66
	GHG Indirect emissions (Scope 2)		
	Purchased electricity	Tonne	2,747.85
	Total hazardous waste ⁹	Tonne	0.05
	Total hazardous waste per m ² of floor area	Tonne/m ²	0.000002
	Total non-hazardous waste ¹⁰	Tonne	299.00
	Total non-hazardous waste per m ² of floor area	Tonne/m ²	0.01
A2 Use of Resources¹¹	Total energy consumption ¹²	MWh	6,053.03
	Energy consumption per m ² of floor area	MWh/m ²	0.22
	Direct energy consumption		
	Vehicle fuel consumption	MWh	188.28
	Natural gas	MWh	473.89
	Indirect energy consumption		
	Purchased electricity	MWh	5,390.86
	Daily workplace water consumption ¹³	Tonne	29,258.00
	Daily water consumption per m ² of floor area	Tonne/m ²	1.05
	Total paper consumption ¹⁴	Tonne	6.64

⁴ 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 square metre of GFA include both office areas and machine rooms.

⁵ Sulphur dioxide emissions mainly come from vehicle fuel consumption, and the 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 Environmental Protection of the PRC.

⁶ Nitrogen oxides emissions mainly come from vehicle fuel consumption, and the 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.

⁷ Greenhouse gas inventories include carbon dioxide, methane and nitrous oxide, which mainly come from purchased electricity and fuel. The calculation of greenhouse gases is presented in terms of carbon dioxide equivalent and is based on the *Baseline Emission Factors for Regional Power Grids in China 2019* published by the Ministry of Ecology and Environment of the PRC and the *2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories* issued by the Intergovernmental Panel on Climate Change (IPCC).

⁸ Due to rounding, Scope 1 and Scope 2 summed up to 2,886.60 tonnes, 0.01 tonne less than the original figure.

⁹ 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.

¹⁰ The non-hazardous wastes of the Company were disposed of by recycling companies. The major types included office waste and kitchen waste.

¹¹ Packaging data do not apply to the Company.

¹² Energy consumption data, mainly including electricity, natural gas and vehicle fuel consumption, are calculated according to the electricity and fuel consumption and relevant conversion factors provided under the *General Principles for Calculation of Comprehensive Energy Consumption (GB/T 2589-2008)*, a national standard of the PRC.

¹³ Daily workplace water consumption includes tap water and reclaimed water.

¹⁴ Paper includes A4 and A3 copying paper.

Social Area

Unless otherwise stated, the statistics of social scope of the Group covered CDB Financial Leasing Co. Ltd. and its subsidiaries.

	Indicator	Unit	Data for 2020
B1 Employment¹⁵	Total number of employees	Person	374
	Number of male employees	Person	234
	Number of female employees	Person	140
	Number of senior management employees	Person	18
	Number of middle management employees	Person	85
	Number of base-level employees	Person	271
	Number of employees with master's degree or above	Person	215
	Number of employees with Bachelor's degree	Person	142
	Number of employees who are junior college graduates or below	Person	17
	Number of employees aged 35 or under	Person	159
	Number of employees aged 35-55	Person	205
	Number of employees aged 55 or above	Person	10
	Number of domestic employees	Person	251
	Number of overseas employees	Person	123
	Number of labour contract employees	Person	374
	Overall turnover rate of employees	%	7.8
	Turnover rate of male employees	%	8.5
	Turnover rate of female employees	%	6.4
	Turnover rate of employees aged 35 or below	%	6.5
	Turnover rate of employees aged 35-55	%	7.3
	Turnover rate of employees aged 56 or above	%	40.0
	Turnover rate of domestic employees	%	4.4
	Turnover rate of overseas employees	%	14.6
B2 Health and safety¹⁶	Number of work-related fatalities	Person	0
	Rate of work-related fatalities	%	0
	Lost days due to work injury	Day	0
B3 Development and Training¹⁷	Number of training sessions	Incidence	205
	Total number of employees trained	Person	251
	Percentage of male employees trained	%	99.4
	Percentage of female employees trained	%	100
	Percentage of senior management employees trained	%	90.9
	Percentage of middle management employees trained	%	100
	Percentage of base-level employees trained	%	100
	Average training hours of employees	Hour/person	196.28
	Average training hours of male employees	Hour/person	200.67
	Average training hours of female employees	Hour/person	187.95
	Average training hours of senior management employees	Hour/person	200.76
	Average training hours of middle management employees	Hour/person	221.45
	Average training hours of base-level employees trained	Hour/person	187.45
B6 Product Responsibility	Total number of complaints	Incidence	4
B7 Anti-corruption	Number of initiated and concluded legal cases regarding corrupt practices	Case	0
	Number of anti-corruption training sessions provided to employees	Incidence	7

¹⁵ The statistics for this aspect covered the employees who entered into a formal labour contract with CDB Financial Leasing Co., Ltd. and its subsidiaries.

¹⁶ The statistics for this aspect covered CDB Financial Leasing Co. Ltd., excluding its subsidiaries.

¹⁷ The statistics for this aspect covered CDB Financial Leasing Co. Ltd., excluding its subsidiaries.



APPENDIX 4: FEEDBACK

DISTINGUISHED READERS:

Thank you for reading our 2020 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.

Feedback form for the 2020 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 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?





国银租赁
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

