



国家开发银行  
CHINA DEVELOPMENT BANK

# 2023

## SUSTAINABILITY REPORT



# PREAMBLE

The year 2023 marks the start of fully implementing the guiding principles of the 20th National Congress of the Communist Party of China (CPC). Under the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, China Development Bank (hereinafter referred to as “CDB” or “we”) made steady progress along the financial development path with Chinese characteristics, with a full appreciation of the political significance of the financial work and its importance to the people. As a bank for infrastructure, CDB integrated the support for infrastructure development with technology finance, green finance, inclusive finance, elderly care finance and digital finance. We fully incorporated the concept of sustainable development into our operation and management for better performance and efficiency in supporting national major strategies and the real economy.

**CDB is committed to seeking progress while maintaining stability to facilitate economic recovery and growth.** We brought into full play our role as a leading bank for infrastructure. Focusing on the major projects of the national 14th Five-Year Plan, we contributed to the implementation of a number of strategic projects that benefit the economy and people's livelihood, such as the Yangtze to Hanjiang Water Diversion Project, the Pinglu Canal, and the East-West National Computing Network, with loans of RMB1.51 trillion issued to the sector throughout the year. CDB helped to step up the implementation of innovation-driven development strategies and, through financial instruments such as loans and investments, promote technological innovation and basic research and bolster breakthroughs in core technologies in key fields. CDB also supported high quality manufacturing. We granted loans of RMB551.8 billion to the advanced manufacturing industry and strategic emerging industries throughout the year. We established a leading group for coordinated regional development, refined policies and measures, prioritized resource allocation, and increased funding to bring into full play our role as a financial vanguard in supporting coordinated regional development. CDB also supported high quality Belt and Road cooperation, helping to accelerate the building of a new development paradigm.

**CDB is committed to promoting green development and building a beautiful China.** CDB carried out the green and low-carbon finance strategy, improved the management mechanism for green finance, and took the initiative to promote the building of the “1+N+X+Y” action plan system to support carbon peaking and carbon neutrality. CDB enhanced the environmental, social and governance (hereinafter referred to as “ESG”) risk management and integrated the ESG requirements into the entire credit management process to effectively identify, monitor, prevent and control ESG risks in business activities. CDB actively supported the transition to green development, the comprehensive governance and ecological restoration of major rivers and lakes, the governance of small and medium rivers, and the comprehensive rehabilitation of rural water systems. CDB drove substantial progress in ecology-oriented development (EOD), granted green loans of RMB674.8 billion and issued green finance bonds of RMB21 billion throughout the year. We integrated the idea of green and environmental protection into our daily operation and conducted carbon footprint verification to reduce the carbon footprint of our operations in an organized manner.

**CDB is committed to the idea of “finance for the people” to deliver a better life for the people.** CDB made great efforts to support subsidized housing, renovation of urban villages, and dual-use public infrastructure that can accommodate emergency needs in the area of real estate, boosted the improvement of people's living environment in both urban and rural areas. We issued loans to the first for-sale subsidized affordable housing project in Fuzhou and the first mega-city urban village renovation project in Changsha. We helped to deliver pilot projects of dual-use public infrastructure that can accommodate emergency needs, such as large suburban warehouse bases. CDB provided strong financial support for the sectors important to people's well-being including education, elderly care, and healthcare. By the end of 2023, we had provided a total of RMB376.6 billion loans to students, RMB70.7 billion to the elderly care sector, and RMB128.9 billion to the healthcare sector. We learned and applied the experience of the Green Rural Revival Program both to consolidate and build on the poverty alleviation achievements and to promote rural revitalization. CDB granted a total of RMB276.2 billion loans to 832 counties that had been lifted out of poverty throughout the year. CDB supported the development of small and micro businesses and issued RMB377.9 billion on-lending loans throughout the year, helping them to reduce their funding costs. We fulfilled our social responsibility by providing paired-up assistance and partner assistance. We made donations to students, the elderly and major disaster relief, and guided and encouraged our staff to participate in voluntary services to give back to society.

**CDB is committed to enhancing internal management and improving sustainable development capabilities.** We effectively integrated the Party's leadership into corporate governance to ensure scientific decision making, timely execution, and systematic supervision, with a focus on improving the compliance and effectiveness of our corporate governance. We continued to improve our comprehensive risk management system and risk management policies and regulations. We enhanced risk prevention and control capabilities to effectively manage and control risks in key fields and stayed steadfast to the bottom line of risk prevention. We reinforced the internal control and compliance management, advanced the rule of law, and launched the Year of Internal Control and Compliance to raise the compliance awareness and the capabilities of operating in a legal and compliant manner. We carried out the strategy of Digital CDB in a thorough manner, accelerated the digital transformation and continued to improve our capabilities and services of supporting real economy with digital finance. CDB implemented the talent strategy to develop a high caliber workforce. We also made special efforts to establish a comprehensive and closely-linked mechanism for talent selection, training, management and appointment with coordinated management, providing a sound environment for the staff to work and bring their talent into full play.

The year 2024 marks the 75th anniversary of the founding of the People's Republic of China and the 30th anniversary of the establishment of CDB, and it also marks the start of fully implementing the guiding principles of the Central Financial Work Conference. CDB will continue to unite closely around the CPC Central Committee with Comrade Xi Jinping at its core, implement the new development philosophy on all fronts in a comprehensive and accurate manner. With a deep understanding of the laws of financial development in the new era, we will bear in mind our founding aspiration and mission, remain committed to our mandate to better play our unique role in the modern financial system with Chinese characteristics and support high quality economic and social development with premium financial services. CDB will strive to write a new chapter as we contribute to China's efforts to build up financial strengths and advance modernization.



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# 01

## HIGH QUALITY ECONOMIC GROWTH

The economy and finance are interdependent and should grow and thrive together. We remained committed to our mandate, strengthened financial services for infrastructure in an all-round manner, and increased credit support for the building of a modern infrastructure system. We made great efforts to promote the deep integration of technology and finance, supporting the development of a modern industrial system and new industrialization led by technological innovation, and the development of new quality productive forces. We continued to refine credit policies, institutional mechanisms, and regulations and measures to serve regional strategies, facilitating the coordinated regional development towards a higher level and better quality. CDB continued to bring into play the role of special loans for Belt and Road cooperation to help build a new development paradigm with domestic circulation as the mainstay and domestic and international circulation reinforcing each other.

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# Infrastructure Development



Infrastructure underpins economic and social development. We focused on our mandate as a bank for infrastructure, actively engaged in the formulation of major infrastructure development plans and the design of systematic financing plans for priority projects. With the advantages of medium- and long-term lending, we capitalized on the supporting loans of CDB Infrastructure Investment Fund, and provided stable long-term funding support for infrastructure construction by market-based methods to help create a modern infrastructure system. At the end of 2023, CDB saw a balance of infrastructure loans exceeding RMB7.8 trillion, with a total of RMB1.51 trillion infrastructure loans issued throughout the year, and the supporting loans of CDB Infrastructure Investment Fund totaled RMB170 billion.



A total of  
RMB **1.51** trillion  
infrastructure loans issued  
throughout the year

## Transport

Transport drives economic growth, and infrastructure should be developed even before transport. We took the initiative to support building China into a country with strong transport networks, promoting the development of the National Comprehensive Three-dimensional Transport Network covering such sectors as railways, highways, water transportation and civil aviation. We helped to improve the balanced, fair and inclusive development of transportation.



CDB focused on supporting the nationwide high-speed railway network composed of eight vertical and eight horizontal lines and their connecting lines, inter-city rails in priority regions, integrated transport hubs, and electrification and capacity expansion of existing rail lines. At the end of 2023, CDB had supported about 39,300 kilometers of high-speed railways.



CDB prioritized the support on the construction of the sections of the network yet to be connected and the expansion and renovation of congested sections, and 102 key projects prioritized during the 14th Five-Year Plan period. At the end of 2023, we had supported more than 120,000 kilometers of expressways.



CDB advanced transport integration in urban agglomerations and metropolitan areas, and vigorously promoted the construction of intra-city and suburban rails and urban rail transit projects in cities with more than 1 million urban population. At the end of 2023, our balance of loans to the urban rail transit sector was RMB968.7 billion.



CDB supported the construction of specialized port terminals, collection and distribution systems, public infrastructure, and a national high-level waterway network. In 2023, we focused our support on construction projects in major ports such as Tangshan Port, Ningbo-Zhoushan Port, Yangpu Port, and Beibu Gulf Port, as well as Pinglu Canal.



CDB increased financial support for hub airport construction, relocation, reconstruction and expansion projects. We granted loans of RMB37.4 billion throughout the year, with a focus on supporting projects including Dalian's new airport, Xiamen's new airport, Jinan Airport (Phase II), and Shanghai Pudong Airport Expansion.

## Energy

Energy provides a foundation and impetus for economic and social development. In 2023, we provided medium- and long-term financing support for the development of priority areas including the building and operation of clean energy infrastructure, helping to accelerate the building of a new energy system.



### Improving energy supply structure

CDB focused on financing the construction of clean energy bases such as large-scale wind power and photovoltaic bases mainly in deserts, water-wind-solar complementary bases in Southwest China, and offshore wind power bases. We supported the manufacturing of clean energy equipment such as equipment for photovoltaic power generation, wind power generation, and smart grid transmission, transformation and distribution.



### Promoting the construction of energy infrastructure networks

CDB supported the construction of the oil and gas production, supply, storage and distribution system and the improvement of underdeveloped infrastructure, and facilitated the development of a nationwide network for oil and gas pipelines to improve the national trunk pipeline network and promote the connectivity of oil and gas pipeline networks. We issued RMB30.2 billion of loans to oil and gas pipeline network infrastructure projects throughout the year.

## Water Conservancy

Water conservancy infrastructure plays an important role in ensuring food security and water security, advancing rural revitalization on all fronts, and improving disaster prevention and mitigation capabilities. In 2023, we enhanced the investment and financing services for water conservancy projects in an all-round manner. We supported major national water conservancy projects and underdeveloped areas including flood control and relief, rural water supply, and water ecological restoration. We also facilitated the building of a national water network to improve the capacity of ensuring water security. At the end of 2023, CDB's balance of loans to the water conservancy sector hit RMB495.5 billion, with RMB122.7 billion of loans issued across the year.



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## Logistics

Modern logistics, which connects both the manufacturers and the consumers, is highly integrated with services and functions of transportation, warehousing, distribution, delivery, and information. It is an important prop for extending the industrial chain, improving the value chain, and building the supply chain. We focused on priority areas such as national logistics hubs, key national strategic cold-chain logistics bases, and material reserves. We supported the construction of the logistics passages, consisting of four horizontal and five vertical thoroughfares as well as coastal and border logistics corridors and ten international logistics channels, and the national strategic cold-chain logistics network composed of four horizontal and four vertical corridors. We also facilitated the building of a modern logistics system integrating corridors, hubs, and networks. We issued loans of RMB9.8 billion for logistics infrastructure throughout the year.



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## | The Building of a Modern Industrial System



A modern industrial system is the material and technological foundation of a modern country and an important support for modernization. CDB brought into full play the role of finance in promoting the development of a modern industrial system. We made great efforts to develop technology finance and facilitated the steady advancement of the new industrialization. We also supported the long-term mechanism in which the capital chain is seamlessly integrated with the innovation chain, the talent chain, and the industrial chain, helping to accelerate the formation of new quality productive forces.

### Manufacturing

We focused on supporting weak sectors and underdeveloped areas, ensuring the security and stability of industrial chains and supply chains, and promoting high-end, intelligent, and green development of the manufacturing industry. We bolstered the development of key enterprises in the sectors of new generation of IT, high-end equipment manufacturing, new material, and NEV. At the end of 2023, CDB's balance of manufacturing loans hit RMB1,189.9 billion.



At the end of 2023, CDB's balance of manufacturing loans hit RMB **1,189.9** billion

### Technological Innovation

We supported China's efforts to build up strength in science and technology. We provided financial support for enterprises in technology R&D and commercialization, building of advanced production capacity, green manufacturing, and intelligent manufacturing as well as high quality development of Specialized and Sophisticated SMEs, promoting breakthroughs in core technologies in key fields. We intensified efforts to promote financial product innovation and made targeted efforts in supporting key national technology projects and leading technology businesses. Besides, we provided support for the building of international sci-tech innovation centers in regions such as Beijing, Shanghai, and Guangdong-Hong Kong-Macao Greater Bay Area, and the building of regional innovation agglomerations centering in cities including Chengdu, Chongqing, Wuhan, and Xi'an, to promote the effectiveness and efficiency of coordinated regional innovation and development. We worked closely together with various innovative organizations such as enterprises, universities, scientific research institutes, laboratories, and technological innovation platforms to pool all strengths to support the commercialization of basic research findings and to promote the deep integration of technology and finance. CDB issued special loans of RMB73.9 billion for technological innovation and basic research throughout the year.



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### Support for Specialized and Sophisticated SMEs

We established a "1+9" special institutional system based on the features of Specialized and Sophisticated SMEs, specifying the requirements for differentiated operations in terms of customer onboarding, credit rating, credit review, loan pricing, credit management, and due diligence exemption, and improved the refined financial services in an all-round manner.

In the meantime, we continued to deepen cooperation with government departments of industry and information technology at all levels, reached out for the list of Specialized and Sophisticated "Little Giants", and used credit facilities such as the loans for R&D, key industrial chains, technological innovation and on-lending to effectively increase pipeline projects and credit extension.



Local Specialized and Sophisticated SMEs supported by CDB Suzhou Branch

## | Implementation of Regional Strategies



Coordinated regional development is a must-do task to achieve common prosperity. In 2023, we reinforced our organizational leadership, strengthened resource inputs and continued to improve our effectiveness and efficiency in supporting coordinated regional development, so as to help to form a high quality regional economic layout with complementary advantages.

### Reinforcing Organizational Leadership

CDB established a leading group for coordinated regional development and improved the working mechanisms for learning and implementing the guiding principles of the Party as well as resource inputs, coordinated operation, and evaluation and reporting, and formed a framework for supporting coordinated regional development featuring thorough and complete coordination through the organizational hierarchy and among different departments.

### Strengthening Financial Services

Taking the planning, characteristics of different regions, and the actual, long-term and short-term goals into overall consideration, CDB developed strategies to guarantee resources for differentiated credit loans.

CDB improved resource allocation and prioritized large-scale resources for cross-regional and cross-basin national strategic projects and economic powerhouses, channeling loans to where they are most needed.

CDB continued to allocate more resources to key regions such as Xiong'an New Area and Northeast China and for priority sectors like ecological and environmental protection of the Yangtze River and Yellow River.

We improved our credit authorization system. On the premise that adequate and reasonable authorization was made with effective power control, we promoted the differentiated authorization characterized by "one branch, one policy and one client, one policy" based on the strategic characteristics of each region.







# High Quality Belt and Road Cooperation Over a Decade



The year 2023 marks the 10th anniversary of the Belt and Road Initiative (BRI). Over the past decade, with the goal of promoting high-standard, sustainable and people-centered development, through financial connectivity, CDB has promoted the physical connectivity of infrastructure and the institutional connectivity of rules and standards, and jointly built the people-to-people connectivity with the partner countries. CDB has become an important financial force that firmly supports the steady and sustainable development of Belt and Road cooperation.

## Supporting the Development of Key Projects

CDB thoroughly implemented the guiding principles of the Third Belt and Road Forum for International Cooperation, carried out China's eight steps to support high quality Belt and Road cooperation. We introduced RMB350 billion financing window and supported Belt and Road cooperation projects by market-based and commercialized methods.

CDB introduced USD5 billion special facility for Global Development Initiative (GDI) and focused on eight key areas of cooperation included in the GDI such as poverty reduction, climate change, and green development, and provided financing support for the projects included in the GDI project pool.



CDB continued to leverage the role of special loans for Belt and Road cooperation, witnessing important progress in a number of projects including Jakarta-Bandung High-speed Railway in Indonesia, Lekki Deep Sea Port in Nigeria, Shymkent Oil Refinery Modernization in Kazakhstan, and credit line to the National Bank of Egypt across sectors such as infrastructure, industrial capacity, financial cooperation, and people's livelihood. As of the end of 2023, we had provided quality financial services for over 1,300 BRI projects, covering 118 Belt and Road partner countries. CDB set up special loans of RMB10 billion for China-Central Asia cooperation to gear the BRI to the social and economic development strategies of the Central Asian countries and strengthen economic and trade cooperation between China and the Central Asia. We arranged special loans of USD5 billion (or equivalent RMB) for the joint development of Lancang-Mekong Cooperation under the special loans for China-ASEAN common development to promote the common development of both sides in priority areas of Lancang-Mekong Cooperation, contributing to the building of China-ASEAN and Lancang-Mekong community of shared future.

## Deepening Multilateral and Bilateral Exchanges and Cooperation

CDB initiated the establishment of multiple regional financial cooperation mechanisms such as SCO Interbank Association, China-CEEC Interbank Association, China-Arab Countries Interbank Association, China-ASEAN Interbank Association, ASEAN-plus-Three Interbank Cooperation Mechanism, China-Africa Interbank Association, and China-Latin America Development Financial Institutions Association. We promoted the cooperation in syndicated loans, co-financing and interbank credit lines under multilateral frameworks.

CDB initiated or participated in initiating 18 multilateral or bilateral cooperation funds including the UAE-China Joint Investment Fund, the Silk Road Fund, and the China-LAC Industrial Cooperation Investment Fund, and promoted the establishment of diverse financing mechanisms, including both direct and indirect financing.

CDB enhanced mutual trust with domestic and foreign governments and enterprises as well as international organizations, built platforms for exchanges and communication, and engaged in international cooperation. In 2023, CDB initiated the Green Development Investment and Finance Partnership jointly with the BRI International Green Development Coalition (BRIGC) and a number of investment and financing institutions and key enterprises. We joined hands with multiple financial institutions to launch the *Initiative on Supporting the BRI Energy Transition with Green Finance*. Besides, CDB held a "Green and Low-Carbon Development and Sustainable Finance" training program together with the National Development and Reform Commission of China (NDRC) and the United Nations Development Program.

## Promoting People-to-people Exchanges

By the end of 2023, CDB had held a total of 174 exchange activities for BRI-related countries, covering 5,594 participants from 136 countries.

CDB established the CDB BRI Scholarship, through which we have financed 250 students for higher education in Chinese colleges and universities and provided awards for 340 foreign students in China.



### The High-speed Railway in Indonesia

On October 17, 2023, the Jakarta-Bandung High-speed Railway in Indonesia, which was constructed jointly by China and Indonesia with the financing support from CDB, was officially put into service. It is the first high-speed railway both in Indonesia and Southeast Asia. It is also a flagship project of pragmatic cooperation between China and Indonesia. Since the high-speed railway was put into service, the shortest travel time between the two places has been reduced from 3.5 hours to 40 minutes, which greatly improved local traffic conditions. It not only facilitates travel for people living along the railway, but also promotes business and tourism. It accelerates and provides new momentum to local economic and social development.



The Jakarta-Bandung High-speed Railway in Indonesia



### Promoting Green Belt and Road Investment

We fully implemented the *Common Principles for Responsible Financing* and the *Green Investment Principles for the Belt and Road*, incorporating green standards and environment and climate risks into overseas investment and financing evaluation. We actively supported projects which adapt to or mitigate climate change and expanded the scale of investment and financing for green projects that comply with international standards, jointly promoting green Belt and Road investment.

#### In Chile

We provided support for 20 solar power station projects through on-lending loans, helping the country achieve its long-term goal of generating at least 70% of electricity from renewable energy by 2035.

#### In South Africa

China-Africa Development Fund (CADFund) supported Samancor TFC smelter in South Africa to build 60-MW and 40-MW photovoltaic power plants, boosting the country's clean energy transition.

#### In Thailand

CDB supported Donkhan Waste-to-Energy Power Plant, the first waste-to-energy project in Bangkok. The power plant is able to incinerate and process 500 tons of domestic waste per day.

#### In Guinea

CDB supported local Chinese-funded enterprises to enhance their capacity to respond to environmental risks and to improve project operation stability and continuity.



# 02

## GREEN AND LOW-CARBON TRANSITION

Ecological conservation is vital to sustaining China’s development. In recent years, China has been actively promoting the development of green finance and devoted to providing strong financing support for ecological conservation. CDB firmly believed in and acted on the idea that lucid waters and lush mountains are invaluable assets and carried out the green and low-carbon finance strategy. CDB allocated more credit loan resources to green and low-carbon industries and incorporated the idea of environmental protection in daily office activities, helping to create a good atmosphere for the whole society to jointly promote green development.

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# Green Finance Management Mechanism



CDB has established and keeps improving the governance structure and policy system for green finance. We incorporated the concept of supporting green development into our corporate governance mechanism and management framework. We have delineated the responsibilities of all functions, standardized management processes, and enhanced capacity building, laying a solid foundation for promoting the development of green finance.

## Governance Structure

We take the initiative to bring into play the leading role of the CPC CDB Committee, the strategic decision-making role of the Board of Directors, and the authorized management functions of the senior management. We have established and keep improving the governance framework for green finance with clear responsibilities and collaborative division of labor.

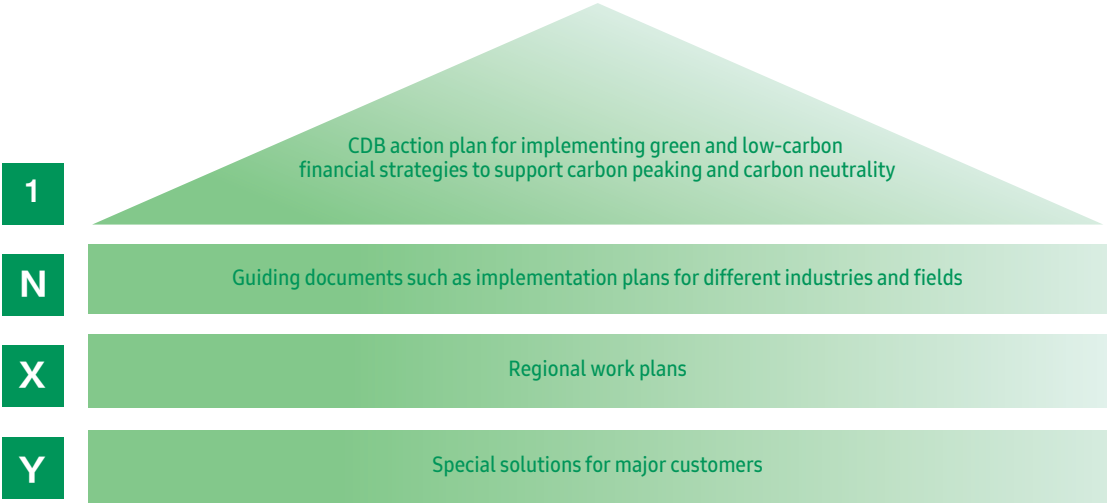
CDB's Governance Structure for Green Finance

Governing functions	Job responsibilities
CPC CDB Committee	<ul style="list-style-type: none"><li>The CPC CDB Committee implements the decisions and instructions made by the CPC Central Committee and the State Council on promoting green development, steering the direction, managing from a big-picture perspective, and ensuring implementation. It strictly carries out the preceding research procedures for major matters and continuously improves CDB's services of green finance.</li></ul>
Board of Directors and its Committees	<ul style="list-style-type: none"><li>The Board of Directors assumes the major responsibilities for green finance. It is responsible for deciding the development strategy for green finance and reviewing and approving the goals of green finance set by the senior management and the green finance reports submitted by the latter.</li><li>The Committee on Strategic Development and Investment Management hears reports on the development of green finance on a regular basis, supervises and evaluates such execution.</li></ul>
Senior Management	<ul style="list-style-type: none"><li>The senior management organizes the implementation of tasks in relation to green finance according to the decisions made by the CPC CDB Committee and the Board of Directors. It is mainly responsible for making the development strategy and setting goals for green finance, establishing relevant working mechanisms and procedures, conducting internal supervision, inspection and assessment, and reporting the progress of green finance to the Board of Directors on a yearly basis.</li></ul>

## Policy System

In 2023, we formulated the measures for the management of green finance and established unified standards for business procedures, organizational management, risk control and information disclosure, which further improved the capabilities of supporting green finance. We built the "1+N+X+Y" action plan system for supporting carbon peaking and carbon neutrality with development finance and set short-, medium- and long-term goals for green finance development. Besides, we continued to refine the documents on industry policies, regional work plans, and financial solutions for major customers.

The "1+N+X+Y" Action Plan System for Supporting Carbon Peaking and Carbon Neutrality with Development Finance



## Capability Building

We took the training of inter-disciplinary talents in green finance as a key enabler to promote the development of green finance, and enriched the green finance talent pool through training our staff and recruiting external talent. In addition, centering on the interpretation and practices of policies on green finance, we carried out activities such as special training and job skills competitions to improve the employees' professionalism and skills in supporting the development of green finance and the realization of the carbon peaking and carbon neutrality goals.



CDB held the final of the Green Finance Job Skills Competition



# ESG Risk Management in Business Operation



CDB has established a customer ESG rating system to enhance the identification and rating of ESG risks in customers. We promoted the integration of ESG risk classification and green loan management requirements into the entire process of loan management, so as to constantly improve the quality and effectiveness of the risk control of green finance business.

## Incorporating ESG-related Factors into the Entire Process of Loan Management



## Establishment of a Customer ESG Rating System

In 2023, we established the customer ESG rating system, developed the ESG rating model, and specified the ESG rating verification procedure to conduct comprehensive evaluations on customers in terms of environmental impact, social responsibilities and corporate governance. We applied the results of customer ESG rating in customers' credit rating and further in processes such as loan pricing and risk classification.

# Supply of Green Finance



Regarding green finance as an important direction of business development, CDB continued to increase support for priority areas such as green industries, environmental infrastructure construction, green technology innovation, and national forest reserves to provide higher-quality and more efficient financial services for green development. At the end of 2023, we witnessed our balance of green loans exceeding RMB2.5 trillion, with RMB21 billion green finance bonds issued for "Environmental Conservation and Green Development of the Yangtze River" and "Climate Investment and Financing" throughout the year.

## Transition to Green Development

We leveraged the Carbon Emission Reduction Facility of the People's Bank of China (PBC) to increase support for priority areas of carbon emission reduction including clean energy, energy conservation and environmental protection, and carbon emission technology. We implemented the work requirements of the PBC on the special re-lending program for clean and efficient utilization of coal and established a special mechanism for supporting clean and efficient utilization of coal with development finance, to promote green and low-carbon transition of coal.

## Steadfast Fight Against Pollution

We took the initiative to support the ongoing efforts to keep skies blue, waters clear, and lands pollution-free. We provided support for such projects as the comprehensive governance and ecological restoration of major rivers and lakes such as Yangtze River, Yellow River, Taihu Lake, and Chaohu Lake, the governance of small and medium rivers, and the comprehensive improvement of rural water systems. We also helped to strengthen the control of solid waste and new pollutants for the improvement of ecological environment.



CDB Fujian Branch provided financing support for Fuzhou's water system governance





River Depollution Brings Back Lucid Water and Green Banks

Chishui River flows through the four cities of Zhaotong, Bijie, Zunyi and Luzhou at the neighboring areas of Yunnan, Guizhou and Sichuan provinces. It is a nature reserve for rare and unique fish in the upper reaches of Yangtze River. In 2023, CDB Sichuan Branch granted loans to support the sewage treatment project in the main stream reaches of Chishui River in Gulin County. By building new sewage treatment facilities and renovating existing sewage treatment plants, the project effectively enhanced the sewage treatment capacity of this region and improved the quality of life of residents in the basin.



The sewage treatment project in the main stream reaches of Chishui River in Gulin County



Prevention and Control of Solid Waste Pollution in the “Spring City in North China”

Changchun in Jilin Province, known as the “Spring City in North China”, is a pilot city for building national zero-waste cities. In 2023, CDB Jilin Branch issued loans to support the expansion of the urban domestic waste incineration power plant in the city. Once completed, the project will be able to treat 1,500 tons of waste per day, which will further improve the city's comprehensive treatment capacity, minimizing the amount of urban domestic waste produced, transforming it to harmless substances, and even recycling it into useful resources.

Diversity, Stability and Sustainability of Ecosystems

We supported major projects for protecting and restoring important ecosystems and large-scale land greening moves. We drove substantial progress in ecology-oriented development (EOD) and facilitated the building of national forest reserves in 15 regions including Guizhou, Guangdong, and Anhui provinces throughout the year, helping the ecosystems of these regions to achieve a virtuous cycle.



“Xin’an River Remains as Clear as Before” – Development Finance for the Ecological Protection of Xin’an River

Originating from Huangshan, Anhui Province, Xin’an River flows into Qiandao Lake in the east and merges into Qiantang River. It is an important ecological barrier and strategic water source in the Yangtze River Delta region. CDB Anhui Branch took the initiative to support the ecological protection of Xin’an River. By the end of 2023, it had granted loans totaling RMB4.56 billion for the Comprehensive Governance of Xin’an River Basin (Phase I and II), effectively helping to improve the overall water quality of the basin and maintain its ecological balance.



Scenery of Xin'an River

Low-carbon and Energy-efficient Operation



CDB practices the concept of being thrifty in running the bank. We launched initiatives such as green office, green operation, green procurement, green travel, and “empty plate” campaign to strengthen the publicity and education of green concepts, gradually reducing the carbon footprint left by our own operation in an organized way.

In 2023, we formulated a timetable and roadmap for realizing our goal of carbon peaking and carbon neutrality in bank-wide operation. We established a mechanism for application of the research findings of the carbon peaking and carbon neutrality planning and consultancy projects, promoting energy-efficient transformation across the bank. We revised energy and resources conservation plans for business operation and offices, sorted out nearly 300 indicators of energy consumption, and set energy and resources conservation goals and requirements for subsidiaries and branches. Besides, we carried out carbon footprint verification on all domestic and overseas agencies under the bank in accordance with relevant national standards to provide strong support for getting a clear general picture of our own carbon emissions.

Energy management	• We refined lighting power management and reduced office lighting energy consumption by replacing high-brightness, high-energy-consuming lamps with LED lamps and by adopting human and vehicle detection technology.
	• The fresh air units and some fan coil units were cleaned to improve the heat exchanger efficiency. The exterior wall insulation layer was installed, which effectively reduced the heat loss in office buildings and saved energy costs.
	• We actively promoted energy conservation and consumption reduction of the data center, adopted refined management measures, and saved approximately 850,000 kWh of electricity throughout the year.
Water management	• Water-saving appliances were installed for rational utilization of water resources to reduce water waste.
Paper management	• We promoted customized comprehensive approval, with the efficiency of online whole-process approval increased by 60% throughout the year.
	• We kept records of paper use to monitor paper consumption in a timely manner. In 2023, the Head Office witnessed a decline of over 20% in the consumption of office printing paper compared with 2021.
Food management	• We formulated detailed guidelines for anti-food waste practices in canteens and established an anti-food waste effectiveness evaluation and reporting system, so as to effectively save food and reduce losses in processes of food procurement, storage, processing, consumption, and kitchen waste disposal.
Procurement management	• We advocated procuring energy-efficient and environment-friendly products, and incorporated qualification requirements, such as national and industrial standards and the energy-efficient and environment-friendly product catalogs, into the centralized procurement management system.
	• We intensified efforts to review suppliers' qualifications and evaluate their performance in environmental protection, energy conservation, occupational health and safety, and fulfillment of social responsibilities.

We proactively practiced the concept of circular economy to reduce, reuse, and recycle resources, and promoted resource recycling and reuse and professional, scientific and classified waste disposal.

Waste type	Waste disposal methods
Non-hazardous waste <sup>1</sup>	• Kitchen waste: It was disposed on-site with professional equipment to separate water, oil and residue. The water separated was discharged to the municipal gray water system; the waste grease was collected and transported for mixed combustion by the entity running the kitchen waste disposal equipment; and the remaining materials after treatment were recycled by the entity as plant fertilizer or collected and transported by local kitchen waste clearance companies.
	• Recyclables: They were recycled as resources by recycling stations.
	• Other waste: It was handed over to waste clearance companies for unified disposal.
Hazardous waste <sup>2</sup>	• Hazardous waste was handled by waste clearance companies with hazardous waste disposal qualifications for unified disposal.

1 Non-hazardous waste mainly includes kitchen waste, recyclables (including products made of glass, metal, paper, plastics, textile, etc.) and other non-hazardous garbage.

2 Hazardous waste mainly includes expired drugs and their inner packaging, toner cartridges and their packaging, paint, hair dye, engine oil, lubricating oil, energy-efficient fluorescent tubes and lamps, mercury-containing thermometers, rechargeable batteries, lithium batteries, button batteries, etc.



# 03

## THE PEOPLE’S NEED FOR A BETTER LIFE

China’s financial industry belongs to and prospers with the Chinese people. To follow the path of financial development with Chinese characteristics, we must effectively guarantee the investment of financial resources in the sectors involving people’s livelihood and keeps improving the supply of financial services in them. We take it as the ultimate goal of our financial services to meet the people’s growing needs for a better life, effectively improving the coverage and accessibility of financial services. We provide high quality financial services for key sectors involving the people’s livelihood such as housing, education, elderly care, and medical care. CDB helps advance rural revitalization and build China into a country with strong agriculture on all fronts, and supports the stable and sustainable development of micro, small and medium-sized enterprises. We have been actively fulfilling our social responsibilities, providing paired-up assistance and partner assistance, making charitable donations, and offering voluntary services, to showcase the power of love through actions.

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# The People's Well-being



CDB invests financial resources in priority areas and underdeveloped sectors that are of great importance to the people, and strives to meet the people's financial needs in such fields as housing, education, elderly care, and medical care.

## A Safe and Good Living of the People

### A Good Start for Subsidized Housing, Renovation of Urban Villages, and Dual-use Public Infrastructure that can Accommodate Emergency Needs

CDB promotes the construction of subsidized housing, renovation of urban villages, and construction of dual-use public infrastructure that can accommodate emergency needs, helping to solve housing problems, improve living environment, and enhance the capacity of cities to respond to emergencies. In 2023, we spared no effort to implement relevant rules and regulations as well as regulatory requirements. Adhering to the market-based and rule-of-law principles, we continued to grant special funds for special purposes and adopt closed-off management measures to facilitate the initiatives in the three areas to get off to a good start.

#### Subsidized Housing

CDB helps to accelerate the construction of subsidized housing. In 2023, CDB Fujian Branch issued loans to support the implementation of Shuanglong New Home Affordable Housing in Fuzhou New Area. It is the first for-sale subsidized housing project in China.

#### Renovation of Urban Villages

CDB provides support for vigorous and steady renovation of urban villages in megacities. In 2023, CDB Hunan Branch issued loans to China's first mega-city urban village renovation project in Changsha.

#### Dual-use Public Infrastructure that can Accommodate Emergency Needs

CDB provides support for the construction of dual-use public infrastructure that can accommodate emergency needs, helping to establish an infrastructure system that has both the functions of daily operation and the capabilities of emergency responses, and enhancing the resilience of urban development. In 2023, CDB established a policy system to support dual-use public infrastructure that can accommodate emergency needs. We strengthened institutional building, adopted differentiated authorization, and improved project identification and pricing management mechanisms. We took the initiative to help to deliver pilot projects of this kind, such as large suburban warehouse bases.

### Supporting Development of the Housing Sector

CDB issued loans of RMB146.3 billion to the housing sector for affordable rental housing across the year. At the end of 2023, a total of over 480,000 households had benefited from the affordable rental housing programs supported by CDB. We helped to solve the housing problems of new urban residents and young people. CDB implemented the requirements of Rental Housing Loan Support Plan of the PBC and issued loans to support the pilot programs for the rental housing loans in eight cities. Besides, CDB steadily advanced the renovation of shanty towns with projects that were implemented in a comprehensive, balanced manner. CDB has helped a total of over 30 million households move into new apartment buildings from shanty towns. We promoted the renovation of dilapidated housing on all fronts, helping to improve the living environment for a total of 1.10 million households in old residential quarters and substantially improving the people's sense of living comfort and happiness.

## Educational Equity

In 2023, we continued to provide financial services for student loans and enabled new progress and achievements in this field. CDB granted student loans of RMB59.9 billion across the year, benefiting 5.63 million of students from families with financial difficulties.

### Waiving Interest and Executing Deferred Principal Repayment of Student Loans

- In 2023, CDB helped to defer the principal repayment of student loans of RMB1.3 billion for 250,000 students and waived interest of student loans amounting to RMB2.1 billion for 3.71 million students, which well relieved the pressure of repayment for the students from families with financial difficulties.

### Implementing the National Policies on Increasing Credit Lines and Adjusting Interest Rate of Student Loans

- **Credit lines+** From the autumn semester of 2023, the maximum credit lines of student loans for full-time undergraduates and junior college students were increased from RMB12,000 to RMB16,000 per student per year, and those for full-time postgraduates increased from RMB16,000 to RMB20,000.
- **Interest rate-** From the autumn semester of 2023, the interest rate of student loans was reduced from the loan prime rate (LPR) of the same period and grade minus 30 basis points to the LPR of the same period and grade minus 60 basis points, further cutting the borrowing costs of students.

### Voices from Students Receiving Support

"My father is a worker at construction sites in the county. The student loan really relieved my family from the heavy financial pressure. Thanks to 'the hand in need' from CDB Sichuan Branch, I finally entered my dream university."

A student from Xuanhan County, Dazhou, Sichuan

"I didn't expect it to be so fast and convenient to apply for the student loans from CDB. I thought the formalities and procedures would be very complicated. But it actually took only 5 minutes to get things done and sign the contract. It's so convenient."

A student from Qianxian County, Xianyang, Shaanxi



In 2023, CDB Guangdong Branch, together with the Department of Education of Guangdong Province, held the activity "Taking the National Subsidy and Student Loan Policies to the Countryside" and publicized the policy on student loans by multiple means such as campus presentations, community stalls, and door-to-door visits



### The First Special Scholarship for Students Borrowing Student Loans in China

In 2023, CDB joined hands with Bank of Communications, China Merchants Bank and Ping An Bank to establish the Dream Scholarship, the first public welfare program of special scholarship for students borrowing student loans in China. The program donates RMB80 million to China Education Development Foundation every year, providing a scholarship of RMB4,000/student for more than 20,000 students, encouraging excellent students to complete their education.




A Happy Life for the Elderly

We innovate the system and mechanism for investment and financing in the elderly care sector, support the building of the elderly care system and the construction of inclusive elderly care infrastructure, and facilitate the implementation of the national strategy to address population aging. As of the end of 2023, CDB has granted elderly care loans totaling RMB70.7 billion.



Support for More Elderly Care Services


CDB Shaanxi Branch provided financing support for Beilin District Elderly Care Center and Epang Palace Apartment for Elderly Care in Xi'an, which can be used to add nearly 2,600 beds for the elderly, thereby effectively addressing the shortage of elderly care services.



The Epang Palace Apartment for Elderly Care and the elderly service center in Xi'an's construction industry

Healthy China Initiative

In 2023, we promoted the improvement of the healthcare service system and supported the development of non-governmental healthcare institutions and the establishment of healthcare alliances, promoting the balanced development of high quality healthcare resources and helping to build a strong healthcare service system. As of the end of 2023, CDB had granted a total of RMB128.9 billion medical care and healthcare loans.



As of the end of 2023, CDB had granted a total of RMB **128.9** billion medical care and healthcare loans

Response to Natural Disaster

When there is a disaster requiring emergency response, we will issue emergency loans promptly and provide financial support for post-disaster reconstruction in the affected areas. In 2023, CDB issued emergency loans of RMB3.1 billion and post-disaster reconstruction loans of RMB600 million.




"Safe Levees" of Financial Support for Disaster Relief Against Extreme Weather

In late July and early August of 2023, extreme rainfall occurred in the Beijing-Tianjin-Hebei region, causing floods and waterlogging disasters. After the occurrence of the disasters, CDB Hebei Branch formed a portfolio plan consisting of loans for short-term emergency response, medium-term reconstruction, and long-term governance. It opened a "green channel" for credit extension to provide financial support for the purchase, storage and transportation of emergency materials, emergency maintenance of infrastructure and living facilities damaged by the disasters, and post-disaster reconstruction in the disaster-stricken areas.




CDB Hebei Branch issued post-disaster reconstruction loans to support the renovation of the urban heat supply facilities and pipelines




Post-disaster Financial Services for the Earthquake-stricken Areas

After the 6.2-magnitude earthquake hit Jishishan County, Linxia Prefecture, Gansu, CDB Qinghai Branch immediately activated the emergency response financing mechanism and issued emergency loans for emergency maintenance of road infrastructure and the supporting facilities damaged by the earthquake as well as the purchase and storage of disaster relief supplies, providing strong support for disaster relief in the areas. CDB Qinghai Branch visited the disaster-stricken areas many times to learn about the progress in repairing the damaged local infrastructure and identify their financing needs. It issued working capital loans to support post-disaster renovation and maintenance of highways, helping to restore safe and smooth traffic in the disaster-affected areas.



CDB Qinghai Branch issued emergency loans to help restore safe and smooth traffic in the disaster-affected areas



CDB Gansu Branch supported post-disaster road restoration and maintenance after the earthquake

Development of the Cultural Tourism Sector

We attach great importance to culture and tourism, which can empower and drive development. To protect historical and cultural cities, towns and villages, we provide support for the construction of infrastructure, including national cultural parks and cultural and sports facilities. At the end of 2023, CDB's balance of loans to the cultural tourism sector reached RMB131.9 billion.



CDB Jiangxi Branch issued loans to support the comprehensive protection, development and continued construction of Jingdezhen Heritage of Ceramic Industry Museum (Ceramic Factory) and the protection and restoration of Jingdezhen Taoyangli Historical Streets



# Inclusive Finance



CDB promotes the efforts to consolidate and build on the poverty alleviation achievements and to promote rural revitalization, and increases support for agricultural and rural infrastructure such as high-standard farmland. CDB provides on-lending services for small and micro businesses to help them reduce fund-raising costs and stabilize employment.

## Rural Revitalization

Promoting rural revitalization in all aspects is an important task in building China into a country with strong agriculture in a new era. We learned and applied the experience of the Green Rural Revival Program to help achieve a virtuous cycle of agricultural production, rural construction and rural living ecosystem. CDB issued loans of RMB534.5 billion relating to agriculture, rural areas and the well-being of farmers throughout the year.

### Consolidating the Foundation of Food Security

We have been implementing the food crop production strategy based on farmland management and technological application. We increase medium- and long-term credit support within our business scope for priority areas such as stable production and supply of grain and other important agricultural products, agricultural and rural infrastructure, and agricultural sci-tech innovation. In 2023, we launched special loans for farmland construction to support targeted improvement of underdeveloped infrastructure. CDB issued loans to support the construction, renovation and upgrading of high-standard farmland in regions such as Sichuan, Hunan, and Guangxi.



#### Turning Sand Land into High-standard Farmland for Harvest

Located in the transition area between the Loess Plateau and the Mu Us Desert, Yulin in Shaanxi Province has scarce water resources and infertile soil. In 2023, CDB Shaanxi Branch issued loans to support Shaanxi NK to build 6,681 mu (about 165 acres) of high-standard farmland in Shenmu and Dingbian. The soil quality and fertility in these regions has been effectively improved by means of field improvement, irrigation and drainage, and field road construction.



High-standard farmland in Yulin, Shaanxi Province

## Consolidating the Poverty Alleviation Achievements

In 2023, we formulated policies and documents on consolidating the poverty alleviation achievements to ensure steady increase in the income of people who have been lifted out of poverty, maximize the impact of assistance, and prevent people from slipping back into poverty in large scale. CDB issued loans totaling RMB276.2 billion to 832 counties that have been lifted out of poverty and issued RMB59.3 billion to 160 key counties to receive assistance in pursuing rural revitalization throughout the year.

### Supporting Follow-up Livelihood Programs for Relocated Families

CDB launched important special projects to support follow-up livelihood programs for relocated families to consolidate the poverty alleviation achievements. As of the end of 2023, CDB had issued a total of RMB86.1 billion loans for follow-up livelihood programs for relocated families.

### Facilitating Development of Featured Industries

CDB implements the industry support policies, provides support for the leading industries of the areas that have been lifted out of poverty, and diversifies sources for farmers to increase their income, so as to enhance the internal impetus for development of the areas and the people that have been lifted out of poverty.

## Promoting Rural Construction

In 2023, CDB granted loans to support the construction of rural living infrastructure such as roads, energy and water supply, rural circulation system and rural public facilities, helping to build a beautiful and harmonious countryside that is desirable to live and work in.



#### Beautiful and Harmonious Villages in Wuchuan

Wuchuan Gelao and Miao Autonomous County in Zunyi, Guizhou Province is located in the hinterland of Wuling Mountains, which is characterized by high mountains, deep valleys and steep slopes. Investment in infrastructure has long been insufficient there due to the high construction costs. Taking into consideration the urban-rural differences of Wuchuan, CDB Guizhou Branch promoted the construction of beautiful and harmonious countryside based on local conditions. By renovating houses, kitchens, toilets, pens, and courtyards and building roads reaching to doorsteps and leading into villages, activity venues, sewage treatment facilities, and garbage disposal facilities, it helped the county achieve full coverage of comprehensive environmental governance and improve the living environment for local farmers, benefiting 86,000 rural households.



Changjiao Village, Baicun Town, Wuchuan County, Zunyi, Guizhou Province



Development of Medium, Small and Micro Businesses

SMEs are a vital force driving the development of the national economy and promoting social employment. We have been actively providing support for healthy development of SMEs and striving to build a good ecosystem where large, medium and small enterprises depend on each other, help each other and grow together.

- Improving the on-lending business model in the inclusive finance sector: We improve our refined management, enhances division of labor and cooperation with banking institutions, and issues on-lending loans to targeted areas in urgent need of financial support. CDB granted on-lending loans of RMB377.9 billion throughout the year, benefiting nearly 450,000 households.
- Sharing and applying credit information: CDB has signed a memorandum and an agreement with the former National Center for Public Credit Information (now the National Center for Public Credit and Geospatial Information) and participated in the building of "Xinyidai", a joint credit information collection and processing laboratory. CDB has been increasing the value of credit information application to finance medium, small and micro businesses.



Helping Alleviate Financing Difficulties and Reduce High Financing Costs for Small and Micro Enterprises with On-lending Loans

In 2023, CDB Suzhou Branch joined hands with Suzhou Rural Commercial Bank (SZRCB) to launch the Special Green on-lending loans to meet the financing needs of small and micro enterprises in such areas such as green production, sewage treatment, and resource recycling.

Public Welfare



CDB keeps carrying out voluntary activities for public welfare, increasing efforts to make donations for areas such as paired-up assistance, education aid, and natural disaster relief.

Paired-up Assistance

In 2023, we donated RMB29.72 million to paired-up counties in such fields as public services and infrastructure, safe drinking water, education facilities, and improvement of living environment. We also made an annual work plan to solve the problems of unsalable agricultural products and continued to carry out relevant activities.



In 2023, we donated **RMB29.72** million to paired-up counties



"Promoting Agricultural Products of Guizhou to Support Local Rural Revitalization", a Campaign to Help Solve the Problems of Unsalable Agricultural Products

In 2023, through the model of procurement by "canteens + assistance and purchase by the trade union + cooperation with e-commerce platforms + mass organizations-assisted distribution", CDB directly purchased agricultural products worth RMB10.01 million and helped to sell products worth RMB3.33 million from the areas that have been lifted out of poverty. The Head Office initiated the campaign to help solve the problems of unsalable agricultural products themed on "Promoting Agricultural Products of Guizhou to Support Local Rural Revitalization", for which we innovated ways of paired-up assistance and diversified the channels to sell specialty agricultural products of the paired-up areas in Guizhou Province by means of Guizhou products exhibition counters and bulk procurement by canteens.



Scenes of the campaign to help solve the problems of unsalable agricultural products themed on "Promoting Agricultural Products of Guizhou to Support Local Rural Revitalization"



Charitable Donations

In 2023, we continued to carry out public welfare programs such as CDB Guardianship Plan and Yellow Bracelet Action, and donated RMB17.42 million to ten public welfare organizations including China Foundation for Rural Development (CFRD), China Education Development Foundation (CEDF), and China Population Welfare Foundation (CPWF).



In 2023, CDB donated **RMB 17.42 million** to **10** public welfare organizations

Major Sectors and Programs to which CDB Made Public Welfare Donations in 2023

Education

- CDB donated to CFRD to support the CDB Education Empowerment program which aims to provide financial and educational support for high-school students and vocational college students from families with financial difficulties in paired-up counties.
- CDB also donated to CEDF for relevant programs such as campus culture building, teenager health care, and teacher care programs.

Special Groups

- CDB donated to Western China Human Resources Development Foundation to support the CDB Guardianship Plan for left-behind children.
- CDB also donated to CPWF to support the Yellow Bracelet Action for the elderly suffering from Alzheimer.

Response to Natural Disasters

- CDB donated RMB3 million to Zhuozhou, Hebei Province for post-flood reconstruction.
- CDB also donated RMB1.3 million to earthquake-stricken regions in Gansu and Qinghai for post-disaster reconstruction and disaster relief materials.

Voluntary Services

We promote the establishment of a long-term mechanism for volunteer activities to guide and encourage employees to participate in various voluntary activities for public welfare. We keep building voluntary public welfare brands such as Spark Action and financial knowledge popularization, making volunteer services part of our daily routine. In 2023, CDB organized a total of 209 voluntary public welfare activities, attracting more than 5,400 participants.



In 2023, CDB organized a total of **209** voluntary public welfare activities



Spark Action – Young People to Light up Dreams

In 2023, CDB continued the campaign titled Spark Action. Over a thousand employees became “dream executives” and helped to fulfill 1,000 dreams for primary school students from different places in the Xizang Autonomous Region by raising more than RMB300,000 and donating 1,000 “warm sun energy packs.” Over the past three years, the Spark Action has helped to fulfill more than 3,000 dreams for teenagers and children from different regions including Sichuan, Guizhou and Jiangxi by raising approximately RMB1 million and holding over 160 voluntary activities.



CDB carried out the public welfare donation activity titled “Spark Action: CDB’s Young People to Light up Dreams” at Semburi Primary School in Gonggar County, Shannan, Xizang Autonomous Region



Volunteer Service Activities  
“Carrying on Lei Feng Spirit with the Shining Light of Youth”

In 2023, CDB Head Office organized more than 600 young volunteers to carry out volunteer service activities such as Sunlight for the Elderly, Colorful Classroom, Integrity Education on Campus, and Enriching the Mind with Donated Books, and brand public welfare activities for bank-community cooperation in Party Building such as Half-day Social Worker and Party Members’ Day for Action, to practice the volunteer spirit and shoulder social responsibilities with actions.



CDB Head Office and CDB Beijing Branch jointly organized young volunteers to carry out volunteer service activities for fixing clogged drains in communities in Mentougou District



CDB Shaanxi Branch held the voluntary service activity “Caring for Children and Helping Them with Their Study”



CDB Chongqing Branch organized educational campaigns to promote legal knowledge on campus



Young volunteers of CDB Beijing Branch carried out the voluntary service activity titled “Sending Warmth to the Elderly in the Golden Autumn”



CDB Fujian Branch launched the paired-up assistance activity for public welfare titled “Love Lasts Forever for Teenagers in Fujian” in rural primary schools



CADFund organized “Light of Hope” donation with joint ventures



# 04

## CORPORATE GOVERNANCE

CDB keeps improving the modern corporate system with Chinese characteristics. We effectively incorporates the Party’s leadership into corporate governance, and continues to improve our corporate governance system with rights and responsibilities clearly delineated, all functions performing their duties, businesses operated in a coordinated manner under effective checks and balances, striving to build a modern financial institution with better performance in our mandate, more standardized management, safer operation and more sustainable development. CDB improves the comprehensive risk management system, and strengthens vertical risk management in both the Head Office and branches, steadily improving the bank-wide risk prevention and control capabilities. CDB helps to accelerate the implementation of the Digital CDB strategy so as to improve the quality and efficiency of management, operation and financial services through digital transformation. We stay firm in improving the professionalism of our staff members. We persist in improving business conduct, enforcing discipline and fighting against corruption, to provide strong protection for CDB’s high quality development.

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# | Effective Corporate Governance



## Upholding and Strengthening CPC Leadership

CDB upholds the centralized leadership of the CPC Central Committee over finance and keeps improving the system for the Party committee to study and deliver General Secretary Xi Jinping’s instructions. CDB establishes and refines the working mechanism for the Party committee to implement the decisions and instructions of the CPC Central Committee and the State Council. CDB adheres to the fundamental principle of supporting real economy, develops a deeper understanding of making financial services more politically-oriented and people-centered, and firmly stays on the path of financial development with Chinese characteristics. We consolidate the studies of the Party’s innovative theories to enhance cohesion and carry out themed educational activities on studying and implementing Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, transforming the achievements made through studying the Party’s innovative theories into the practices in supporting high quality development. We keep improving business conduct and enforcing discipline, and practicing the keynote of being strict in all aspects of our businesses, creating a clean and upright political environment where no one dares, is able to, or wants to get involved in corruption.

### Upholding the Party’s Overall Leadership

The CPC CDB Committee follows the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, and takes the initiative to play a leading role in steering the direction, managing from a big-picture perspective, and ensuring implementation. It promotes the translation of the Party’s propositions and major decisions into CDB’s strategic goals and work initiatives, spontaneous and conscious actions of staff members, and the actual results and achievements of reform and development. It ensures that the decisions and instructions of the CPC Central Committee and the important instructions and comments of General Secretary Xi Jinping are thoroughly implemented across the bank so as to provide strong political and organizational safeguards for CDB’s high quality development.

### Applying the Party’s Innovative Theories

CDB takes Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era as the first, main, and compulsory course for programs on theoretical education and Party character education. CDB attaches great importance to the combination of theoretical studies with practical application, and effectively promotes theoretical studies to go deeper, more mindful, and more practical. CDB holds training sessions for cadres at all levels on studying and implementing Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, and helps Party members and cadres strengthen their abilities of guiding their practices and supporting development with innovative theories. CDB also organized training series on the guiding principles of the 20th CPC National Congress and themed training in rotation on studying and implementing guiding principles of the Central Financial Work Conference. We guide all of our Party members and cadres to think and behave in accordance with the decisions and instructions of the CPC Central Committee. CDB holds the Party character enhancement classes and demonstration training sessions for secretaries at grassroots Party committees. CDB enhances the teaching effects through on-site instructions, micro-Party classes and experiential teaching. We carry out online themed programs of Lectures on Party’s History and Lectures on Five Histories to make learning and education of the Party’s history part of our daily work in the long term.



Trainees went to Zunyi, Guizhou Province for the autumn cadres training session to enhance their Party character

## Building a Culture of Integrity in the New Era

Intensifying  
political  
supervision

CDB goes all out to support reviews over the central inspections, and make corrections against problems identified in inspection, promoting bank self-governance driven by Party self-governance in all respects. We have developed a 5-year plan for inspections of the CPC CDB Committee, organizes regular inspections over the Party committees of 10 branches and 1 subsidiary under our control, and organize special inspection over 1 department under the Head Office. CDB convenes centralized internal inspection feedback meetings to properly transfer the clues of problems discovered during inspections. We establish mechanisms for investigation, evaluation and onsite rectification to further consolidate the rectification of problems discovered in inspections. We also provide guidance for Party committees of subsidiaries under our control to formulate their annual inspection work plans to improve the inspection performance and effectiveness.

Improving the  
conduct of  
Party members  
and enforcing  
Party discipline

CDB strictly investigates and severely punishes behaviors such as abuse of authorized power for private gain, transfer of interest, and rent-seeking. CDB conducts investigations and imposes punishments on corruption in business operations. Cadres suspected of committing duty-related crimes will be investigated or transferred to judicial authorities. CDB also strengthens the analysis and judgment of serious violations of discipline and laws. We carry out special supervision to drive reform with cases, and provides guidance and puts forward requirements for the continuous deepening of rectification. Besides, we formulate opinions on strengthening the supervision of the disciplinary inspection committees of subsidiaries and branches. CDB revises the guidelines for duty performance of disciplinary secretaries to make disciplinary inspections more institutionalized and standardized.

Reinforcing  
warning  
education

CDB holds bank-wide conferences for warning and education and steps up communication of corruption cases to encourage all cadres and employees to learn from actual cases and promote rectifications with reference to the cases. CDB carries out layered education on improving Party conduct and ensuring clean government at different levels and prepares different warning education courses for employees at different levels, ages and positions. We also provide lectures and training for veteran cadres, department-level cadres, and new employees.

## Improving Corporate Governance Mechanism

By improving systems and mechanisms, we continue to improve our corporate governance system and keep improving our governance efficiency and governance as well as our capabilities of achieving high quality development. In 2023, all functions implemented the guiding principles of the 20th CPC National Congress, the Second Plenary Session of the 20th CPC Central Committee, the Central Financial Work Conference and the Central Economic Work Conference. They abided by the regulatory requirements and the CDB Articles of Association and performed their duties in a dutiful, diligent and standardized manner. The CPC CDB Committee played an active leading role in steering the direction, managing from a big-picture perspective, and ensuring implementation. The Board of Directors conscientiously fulfilled its responsibilities as the main body that makes business decisions by developing strategies, making decisions and preventing risks. The senior management strictly follows the instructions of the CPC CDB Committee and the decisions of the Board of Directors in making operational plans, ensuring implementation, and strengthening management.

### Improving Corporate Governance Mechanism

- CDB revises the rules of work of the CPC CDB Committee, refined the list of major matters deliberated and decided by the Party Committee, and ensured their strict implementation.
- CDB streamlines the agenda of the Board of Directors and its committees, and further clarifies their boundaries of power and methods of duty performance.
- CDB formulates regulations such as the administrative measures of the Board of Directors on duty performance accountability of the Senior Management, the rules on duty performance evaluation of the Board of Directors on the senior management, and the regulations on business performance evaluation of executives. On that basis, CDB organizes duty performance evaluation on directors and senior managers and business performance evaluation on executives in a standardized manner, keeping refining the internal incentive and restraint mechanisms.

### Strengthening Corporate Governance and Operation Performance

- CDB strengthens the integrated planning for subjects and proposals of the Board of Directors, deliberates on subjects and arranges meetings as per plans, and keeps refining the proposal communication and reporting procedures to improve the operation efficiency of the Board of Directors. The Board of Directors convened 11 meetings in the year, at which members reviewed 62 proposals including the annual business operation plan, financial budget plan, and measures for the management of green finance, and heard eight special reports on data governance, IT development and other efforts.
- CDB further improves the feedback mechanism for the implementation of resolutions of the Board of Directors and opinions of directors to ensure that there are relevant records, supervision and feedback on the implementation.
- CDB revises the regulations on information disclosure management to reinforce the whole-process information disclosure management, faithfully performs information disclosure obligations, and standardizes the disclosure of important information.
- CDB organizes and carries out special corporate governance training to improve the awareness of corporate governance compliance across the bank.



Improving Risk Management

We balance development and security, continuously improve our risk management system and mechanism, and optimize methods and tools of risk management to improve our performance in risk management. We have strengthened risk control in priority areas and taken concrete measures to relieve risk and recover losses. We continue to intensify efforts to prevent and resolve financial risks, and firmly hold the bottom line of risk prevention.

In 2023, we maintained a prudent risk appetite in response to the complexities, risks and challenges both at home and abroad. We made a special effort to improve our risk management system to create a clear governance structure and fully-developed procedures, modernize the toolkit and carry out effective monitoring. We refined our risk management system, procedures and tools, and effectively resolved various sources of risks. A group-wide exercise was carried out to identify, evaluate, and categorize risks, screen out hidden risks, and determine responses. A CDB group risk appetite statement was prepared and multi-layered risk appetite management framework established for intensified risk appetite implementation. We continued to optimize the group's client management mechanism, consolidated the whole-process business management, improved the tiered management mechanism, and diversified risk management tools, to better support the development of the group's clients risks while effectively controlling risks. We kept promoting the risk penetration management in subsidiaries and conducted consolidation management capabilities assessments, and strengthened guidance and supervision of the risk and compliance lines of the subsidiaries. We reinforced the risk awareness of the entire staff to enhance the "soft power" of risk control business literacy, promoting a strong and pervasive risk culture. At the end of 2023, CDB group witnessed a non-performing loan (NPL) ratio of 0.58%.



At the end of 2023, CDB group witnessed a non-performing loan (NPL) ratio of **0.58%**

Enhancing Compliance System

In 2023, we constantly improved the top-level design of our compliance management and perfected the group's governance structure. The Board of Directors exercised strategic decision-making and supervisory powers over the bank-wide compliance management; the senior management assumed leadership roles in managing the critical tasks of bank-wide compliance management. We strengthened the group's compliance governance system and reinforced the group's comprehensive compliance management throughout the process. Greater efforts were made to enhance compliance coordination and pre-examination, in-process monitoring and reporting, and post-examination and correction, promoting the collaborative efforts of the "three lines of defense" in management. We reinforced the overall management of group inspections and rectifications, and promoted the implementation of regulatory advice efficiently, adhered to the principle of immediate investigation and rectification and continuously consolidated the effective rectification of fundamental problems. A compliance culture was fostered, encouraging all to take responsibility and increase awareness. In accordance with the regulatory requirements and relevant regulations of the bank, we strictly implemented the administrative measures on recovery and deduction of performance-based salaries.

Enhancing Audit Supervision

In 2023, we conscientiously implemented the guidelines set at the meeting of the Audit Commission of the CPC Central Committee, met regulatory requirements, focused on solving problems, and laid stress on value increase. We carried out tracking audits of five policies implementation projects, including CDB Infrastructure Investment Fund and its supporting loans as well as the business classification and account separation. We also carried out business operation and management auditing in eight branches both at home and abroad. We conducted special audits on NPL transfer and write-off, capital management and implementation of the expected credit loss method, and piloted economic accountability audits on leaders and cadres during their tenure; and completed the annual internal control evaluation, leveraging the efficacy of audit supervision. We went all out to make corrections against the problems identified by the National Audit Office and held responsible people accountable, and implemented the long-acting mechanism for rectifying audit findings, addressing both the causes and symptoms. In addition, we improved the auditing system and intensified process management of audit quality. Special efforts were made to enhance IT support for auditing and promote the application of off-site auditing. Training and qualification management of auditors were also strengthened to raise auditing efficiency continuously.

Digital Transformation



In 2023, CDB implemented the strategy of Digital CDB in a thorough manner and accelerated the promotion of key tasks for digital transformation. We supported business and product innovation in priority areas, completed the configuration of product and accounting parameters for systems in relation to subsidized housing, renovation of urban villages, and dual-use public infrastructure that can accommodate emergency needs. We promoted the improvement of the credit system and mechanism, and successfully launched the new financial system and the second phase of "New Generation Core Business System" project in the system cluster of CDB Hong Kong Branch, and advanced key tasks such as "smart credit" and the new risk system cluster. We sped up the integration of business and technology, improved the IT governance system, and continued to enhance our cybersecurity capabilities, constantly improving our capabilities for independent and controllable IT operations. Efforts were made to improve infrastructure in the three centers in two localities and ensure safe operations at important times, so as to provide strong IT support for business activities.



China's First Student Loans in Digital RMB

Digital RMB features high convenience and security and boasts distinct advantages in all-scenario payment and user privacy protection. In 2023, CDB Suzhou Branch issued China's first student loans in digital RMB, realizing the application of smart contracts on digital RMB among banks, students and universities based on the loan settlement scenario.



Application of Digital Confirmations

In 2023, CDB formulated operating procedures for confirmations and actively promoted the business to be processed in a standardized, intensive and digital manner. From January 1, 2024, we officially started accepting online application for confirmations, and the service has been growing rapidly and applied widely across the bank.



# Building a High Caliber Workforce



CDB has firmly established the concept that human resources are the primary and most important resource. We took concrete measures to implement the action plan for the talent strategy to develop a high caliber workforce and have continued to strengthen our talent team. We have made great efforts to create an environment where talents can be identified, valued, respected, and appropriately appointed, fostering an atmosphere that everyone is inspired to discover and develop their own talent and to realize their full potential.

## Protecting Employees’ Rights and Interests

### Staff Recruitment

- With a focus on campus recruitment, we adopt multiple measures to scale up talent acquisition. It is clearly stipulated that no discriminatory conditions may be set throughout the recruitment process. The recruitment mechanism is continuously improved to ensure that the recruitment is made in a fair, equal and open manner. Any illegal employment in any form such as child labor or forced labor is strictly forbidden.

### Remuneration System

- Remuneration for the staff consists of base pay, variable pay, and benefits, including salary, bonuses, allowances, social insurance, housing allowance, and annuities. In strict accordance with relevant national laws and regulations, we join local government’s social insurance schemes for our staff, providing insurance coverage in basic endowment, healthcare, unemployment, workplace injuries, and maternity. We have also set up annuity schemes for our staff.

### All-staff Participation

- We extensively solicit opinions from employees and protect their right in accessing information, participating in CDB management, expressing opinions and exercising supervision. In 2023, we held the third meeting of the fourth Employees Congress. At the meeting, reports on business affairs and operation of the annuity schemes were heard, and 100 proposals on more than 170 specific items from the employee representatives were accepted. The bank-wide democratic management was elevated to a new level.
- We continued to improve the proportion of female members in the Employees Congress and the Trade Union Congress to consolidate the democratic rights of female employees. We also launched the challenge on knowledge of female rights protection themed on “Warm Your Heart with Laws”, so as to improve female employees’ ability and awareness of protecting their legitimate rights and interests.

## Promoting Employee Growth

### Strengthening Staff Training and Empowerment

We carried out targeted training sessions and educational programs for employees at different positions and levels and strove to provide updated, better targeted, and highly effective training or education.

#### Management Training

- Focusing on improving leadership and work performance of division-level executives, we delivered themed training on goal-driven leadership, team management and efficient execution.
- We also carried out online duty performance training for newly appointed management and key young members to enhance their management skills needed for duty performance.

#### Professional Training

- We carried out targeted special training on professional competence for credit reviewers and accounting and auditing personnel to improve CDB’s risk identification, prevention, control and management.
- Centering on supporting high quality Road and Belt development with development finance, we organized special training on international business to improve the professionalism and expertise of international business personnel.
- Focusing on key business areas such as technology finance, industrial upgrading, and agricultural and rural infrastructure, we have carried out training series on industry empowerment to help credit review professionals in relevant areas improve their capabilities in project analysis and risk prevention and control.



CDB’s employees participated in the industry empowerment training and the case study seminars



Prospective and Fundamental Training

- Centering on frontier areas such as digital economy and computing infrastructure, we organized lectures on development finance and online master's class for all staff across the bank to broaden their horizons.
- We launched open courses optional for outstanding employees to motivate their enthusiasm for work and entrepreneurship.
- We organized the on-boarding program for new employees, combining centralized training with continuous training, to improve the knowledge systems needed for different positions and help them take their first step in the workplace.



CDB organized new employees for field research

To further improve the effectiveness of staff training, we have built a learning roadmap and promoted the development of the training system and the course materials for account managers in a systemic way. We have developed the leadership training model and the young staff competency model, with 12 cases for internal teaching regarding such fields as industry upgrading and green finance, and 62 micro-courses based on in-house experiences on such topics as Party building, account managing, and deposits. We also organized training for face-to-face and case-based trainers. We have launched special online courseware and trained more than 100 internal trainers and case study facilitators.

Accessible Career Development Channels

We provided employees with multiple positions and all-round training, tapped the potential of internal human resources, and offered accessible career development channels. In 2023, we revised the administrative measures for professional positions, refined the work mechanism for professionals to give full play to their strengths. We promoted the development of professional positions in parallel with management positions to build up a professional high caliber team of personnel in development finance. We implemented a three-year action plan for two-way exchanges among staff, and selected and appointed outstanding young staff members from the Head Office and branches to important grassroots positions to gain experience and polish their capabilities. We also conducted professional title review for senior economists across the bank to build a strong team of technical professionals. Besides, a pool of talents for exchange and temporary positions was established to support outstanding staff members to exchange and take temporary positions outside the bank.

We verified and evaluated employees' political commitment, professional competence, work performance, conduct, and integrity and self-discipline through various means, including regular assessments, annual assessments, special assessments, and probation/employment period assessments. The assessment results formed an important basis for promotion and appointment, management and supervision, incentives and constraints, as well as training and development.

Caring for the Staff

We adhere to the "people first" philosophy and provided various kinds of sports and cultural activities to enrich employees' lives. We care about employee's physical and psychological wellness and strive to improve their sense of happiness at work.

- Caring for Employees' Lives
- We held the second Head Office staff sports meeting, carrying out a variety of sports activities and encouraged employees to participate in the nationwide fitness program.
  - We held activities such as themed brisk walking and chess and card games to enrich employees' lives after work.
  - We continued the traditional "caring for employee" campaign during the New Year and Spring Festival holidays, sending warmth and comfort to a total of 2,349 employees who were in difficulties, staying in villages for poverty alleviation or staying overseas for international business.



The second Head Office staff sports meeting



CDB Shandong Branch held the brisk walking activity themed "2023 Sowing the Seeds of Hope and Green in Spring"



CDB Zhejiang Branch launched a fun curling experience competition to welcome the Asian Games



CDB Fujian Branch held a fun sports meeting



CDB Suzhou Branch held the "June 1st" Family Day activity



CDB Financial Leasing organized a stress-relieving and relaxing health care salon



Caring for  
Employee's  
Psychological  
Health

- We have established psychological care corners for employees and built an online smart psychological platform that integrates psychological and mental health knowledge, psychological assessment (self-assessment), and consultation appointments, providing employees with round-the-clock psychological counseling services.
- We also endeavored to train key employees for psychological care and improve the internal psychological care service system to provide targeted services for employees.

积极再评价，让心情迅速阴转晴

一件令人不太开心的事，转念一想又发现了好的一面，于是不再受负面情绪的困扰。这个过程被称为积极再评价。研究发现，积极再评价可以帮助缓解压力和提升心理韧性，那么如何掌握这项心理技巧呢？

**1. 让其成为一个习惯**

“积极再评价”是种需要持之以恒的思维习惯。刚开始可以在工作台或者冰箱上贴一张便签提醒自己，当真正掌握了这项技能，就如同学会了骑车一样，能够不费吹灰之力地在生活、工作的各个方面去运用它。

**2. 从小事情开始练习**

先尝试在小事上进行积极再评价。例如，计划去喜欢的面馆吃午餐，到店发现没开门，于是感到失望。但重新评价一下：这正是一个换口味和尝新的好机会。从小事开始，逐步将这种技能运用到更重要的事情上。

**3. 让好情绪积少成多**

积极再评价带来的好情绪也许只能维持片刻，但不必气馁。研究显示，即使暂时无法摆脱困境，但只要能不断感受到短暂的积极情绪，我们的心理能量便能得以提升，压力感受也会因此下降。

保持“新人心态”  
激发工作热情

又是一年新人入职季。新人时期的四大优势心态，可以激发我们的工作潜能和热情，如果一直保持，将是一笔宝贵的财富。

**01 充满好奇心与探索欲**

初入职场时，我们对工作充满了好奇心和探索欲。这能刺激大脑分泌多巴胺，不仅让人心情愉悦，还能让我们沉浸在执行任务所产生的心流当中，忘记时间流逝。所以保持好奇心和探索欲，能让我们做事更热情、专注、有干劲。

**02 对未来满怀希望**

无论在哪个人生阶段，对未来满怀希望都能带来好处。对于职场人来说，对未来满怀希望可以减少职业倦怠，有利于实现积极的自我预言，比如因为相信通过努力能让自己过上想要的生活，从而更加努力奋斗。

**03 乐意深耕自己**

职场新人时，我们大多愿意在工作领域里不断学习与探索，一步步打造扎实可靠的专业能力，日益精进。愿意深耕是一种永不过时的优势心态，只有不断地精益求精，才能在职场路上越走越远。

**04 思想、愿说、愿做**

初入职场的人就像一张白纸，意味着无限可能，不会轻易给自己设限，遇到任务时也乐于寻找问题的最新解、最优解。时刻愿意思考、愿意分享、愿意做事的心态，是保持工作热情的最好武器。

党群群工部

Psychological healthcare corners created for employees



Training on psychological health

# Appendices

## Honors and Awards

Ministry of Finance  
Role Model for Central Financial  
Enterprises (Financial)

China Banking Association  
2023 Best News on Innovative  
Development in the Banking Industry

Financial News  
Bank of the Year for Infrastructure  
Development 2023

China Urban-Rural Financial News  
Case of Excellent Practice of Financial  
Services for Rural Revitalization

Financial Computerizing  
Fintech Application Innovation Award

Fintech Committee, China Society  
for Finance and Banking  
Achievement Award for Projects of  
Best Practice Value

China Foreign Exchange Trade System  
2022 Best Post-trade Service Institution in  
the Interbank Foreign Exchange Market

Association of Development Financing  
Institutions in Asia and the Pacific (ADFIAP)  
ADFIAP Outstanding Development  
Projects Awards 2023





Key Data

In billion RMB, unless otherwise specified

Key Performance Indicators	2023	2022	2021
I. Operational Indicators			
Total Assets	18,654.5	18,243.1	17,167.9
Gross Loans and Advances to Customers	14,904.5	14,474.9	13,262.5
Non-Performing Loan Ratio (%)	0.58	0.78	0.84
Allowance to Total Loans Ratio (%)	4.66	4.28	3.80
Debt Securities Issued	12,724.3	12,126.0	11,480.4
Total Equity	1,679.7	1,605.6	1,538.3
Profit for the Year	87.4	84.3	80.8
Capital Adequacy Ratio (%)	11.65	11.37	11.66
ROA (%)	0.47	0.48	0.47
ROE (%)	5.32	5.37	5.35
II. Economic and Social Indicators			
Balance of Railway Industry Loans	962.9	904.1	865.5
Balance of Power Industry Loans	1,220.6	1,166.2	1,081.1
Balance of Highway Industry Loans	2,739.0	2,557.5	2,405.5
Total Sci-tech Industry Loans	230.0	261.9	141.1
Balance of On-lending Loans to Micro and Small Businesses	383.2	332.4	259.7
Total Student Loans	59.9	49.6	37.9
Students Benefiting from the Student Loans (in 10,000 students)	5,044.6	4,481.2	3,965.9
Total Emergency Loans <sup>1</sup>	3.1	28.6	8.1
Total Number of Employees (person) <sup>2</sup>	10,755	10,564	10,293
Total Number of Female Employees (person) <sup>2</sup>	4,575	4,477	4,314
Total Number of Male Employees (person) <sup>2</sup>	6,180	6,087	5,979
Proportion of Female Employees (%) <sup>2</sup>	42.54	42.38	41.91
Proportion of Male Employees (%) <sup>2</sup>	57.46	57.62	58.09
Public Welfare Donation (in RMB10,000)	5,022.0	4,720.3	6,016.4
III. Environmental Indicators			
Green Finance Bonds Issued	21.0	51.0	55.0
Electricity Purchased (kWh) <sup>3</sup>	127,650,044	127,206,921	127,695,277
Natural Gas Purchased by the Head Office (m³)	676,517	795,767	740,893
Gasoline Consumed by the Head Office (L)	62,188	50,206	68,877
Paper Consumption per Person in the Head Office (kg/person)	16.81	17.91	21.48
Water Consumption per Person in the Head Office (m³/person)	39.25	42.32	36.90
Number of Video Conferences (conference) <sup>3</sup>	2,110	2,102	1,843
E-banking Transaction Amount	14,286.3	17,442.2	14,726.6
IV. Governance Indicators			
Total Number of Members of the Board of Directors (person)	11	11	11
Total Number of Female Directors (person)	4	1	2
Total Number of Male Directors (person)	7	10	9

<sup>1</sup> Referring to loans which are issued quickly by CDB after quick decision-making within its business scope to assist local governments and key enterprises and institutions of different places in responding to emergencies before the financial disaster relief funds are in place or the affected enterprises or institutions resume normal production and operation.  
<sup>2</sup> Within the Bank's range.  
<sup>3</sup> Including the number of video conferences held by the Head Office, Xinjiang Branch, Hainan Branch and Hebei Branch (including its secondary branches).

Independent Practitioner’s Assurance Report

English Translation for Reference Only

To China Development Bank

We have been engaged to perform a limited assurance engagement on the selected key data of 2023 (hereinafter referred to as “key data”) as defined below in the 2023 Sustainability Report (“the Sustainability Report”) of China Development Bank (the “Bank”).

Selected Key Data

The selected key data in the Bank’s 2023 Sustainability Report are the following economic and social indicators, environmental indicators, and governance indicators in the table of key data:

- Balance of Railway Industry Loans (in RMB billion)
- Balance of Power Industry Loans (in RMB billion)
- Balance of Highway Industry Loans (in RMB billion)
- Total Sci-tech Industry Loans (in RMB billion)
- Balance of On-lending Loans to Micro and Small Businesses (in RMB billion)
- Total Student Loans (in RMB billion)
- Students Benefiting from the Student Loans (in 10,000 students)
- Total Emergency Loans (in RMB billion)
- Total Number of Employees (person)
- Total Number of Female Employees (person)
- Total Number of Male Employees (person)
- Proportion of Female Employees (%)
- Proportion of Male Employees (%)
- Public Welfare Donation (in RMB10,000)
- Green Finance Bonds Issued (in RMB billion)
- Electricity Purchased (kWh)
- Natural Gas Purchased by the Head Office (m³)
- Gasoline Consumed by the Head Office (L)
- Paper Consumption per Person in the Head Office (kg/person)
- Water Consumption per Person in the Head Office (m³/person)

- Number of Video Conferences (conference)
- E-banking Transaction Amount (in RMB billion)
- Total Number of Members of the Board of Directors (person)
- Total Number of Female Directors (person)
- Total Number of Male Directors (person)

Our assurance was only with respect to the key data selected above for the year ended December 31, 2023 and we have not performed any procedures with respect to earlier periods or any other elements included in the 2023 Sustainability Report.

Criteria

The criteria used by the Bank to prepare the selected key data in the 2023 Sustainability Report is set out in the footnotes to the table of key data (the “basis of reporting”).

The Management’s Responsibilities

The Management is responsible for the preparation of the selected key data in the 2023 Sustainability Report in accordance with the basis of reporting. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation of the selected key data in the 2023 Sustainability Report that is free from material misstatement, whether due to fraud or error.

Our Independence and Quality Control

We have complied with the independence and other ethical requirement of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.



Practitioner’s Responsibilities

It is our responsibility to express a conclusion on the selected key data in the 2023 Sustainability Report based on our work.

We conducted our work in accordance with the International Standard on Assurance Engagements 3000 “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information”. This standard requires that we plan and perform our work to form the conclusion.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance opinion about whether the Bank’s 2023 selected key data in the 2023 Sustainability Report has been prepared, in all material respects, in accordance with the basis of reporting. Our work involves assessing the risks of material misstatement of the selected key data in the 2023 Sustainability Report whether due to fraud or error, and responding to the assessed risks. The extent of procedures selected depends on our judgment and assessment of the engagement risk.

Within the scope of our work, our work was performed at the Head Office and the following branches:

- Yunnan Branch
- Anhui Branch
- Hebei Branch

We performed the following procedures:

- 1) Interviews with the leading department of the Bank involved in preparing the Sustainability Report;
- 2) Interviews with relevant departments of the Bank involved in providing information for the selected key data within the Sustainability Report;
- 3) Analytical procedure;
- 4) Examination, on a test basis, of documentary evidence relating to the selected key data on which we report;
- 5) Recalculation of key data in 2023;
- 6) On-site visits to sample branches and interviews with relevant departments involved in to understand the statistical scope of sustainable development data; and
- 7) Other procedures deemed necessary.

Inherent Limitation

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities.

Conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the 2023 selected key data in the 2023 Sustainability Report is not prepared, in all material respects, in accordance with the basis of reporting.

Restriction on Use

Our report has been prepared for and only for the Bank and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the content of this report.

BDO China SHU LUN PAN Certified Public Accountants LLP

Shanghai, the People’s Republic of China

13 June 2024

Global Reporting Initiative (GRI) Content Index

**Statement** China Development Bank has reported the information cited in this GRI Content Index for the period from January 1, 2023 to December 31, 2023 with reference to the GRI standards.

**GRI 1 used** GRI 1: Foundation 2021

GRI standard	Disclosure item	Location
GRI 2: General Disclosures 2021	2-1 Organizational details	2023 Annual Report: Corporate Information
	2-2 Entities included in the organization’s sustainability reporting	Notes to the Report
	2-3 Reporting period, frequency and contact point	Notes to the Report
	Restatements of information	/
	2-5 External assurance	Appendices: Independent Practitioner’s Assurance Report
	2-6 Activities, value chain and other business relationships	2023 Annual Report: Strategic Priorities
	2-7 Employees	Appendices: Key Data 4.3 Building a High Caliber Workforce 2023 Annual Report: Staff
	2-9 Governance structure and composition	4.1.2 Improving Corporate Governance Mechanism 2023 Annual Report: Corporate Governance
	2-10 Nomination and selection of the highest governance body	2023 Annual Report: Changes to the Board of Directors and Senior Management
	2-11 Chair of the highest governance body	2023 Annual Report: Directors, Senior Management and Staff
	2-12 Role of the highest governance body in overseeing the management of impacts	4.1.2 Improving Corporate Governance Mechanism
	2-13 Delegation of responsibility for managing impacts	4.1.2 Improving Corporate Governance Mechanism
	2-14 Role of the highest governance body in sustainability reporting	4.1.2 Improving Corporate Governance Mechanism
	2-15 Conflicts of interest	2023 Annual Report: Corporate Governance
	2-16 Communication of critical concerns	4.1.2 Improving Corporate Governance Mechanism
	2-17 Collective knowledge of the highest governance body	4.1.2 Improving Corporate Governance Mechanism
	2-18 Evaluation of the performance of the highest governance body	2023 Annual Report: Annual Remuneration
	2-19 Remuneration policies	2023 Annual Report: Annual Remuneration 4.3.1 Protecting Employees’ Rights and Interests
	2-20 Process to determine remuneration	2023 Annual Report: Annual Remuneration
	2-22 Statement on sustainable development strategy	Preamble
	2-27 Compliance with laws and regulations	4.1.5 Enhancing Audit Supervision
	2-28 Membership associations	1. Feature: High Quality Belt and Road Cooperation Over a Decade
	2-29 Approach to stakeholder engagement	4.3.1 Protecting Employees’ Rights and Interests
	GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed 201-2 Financial implications and other risks and opportunities due to climate change
		1. High Quality Economic Growth 2.3 Supply of Green Finance 3. The People’s Need for a Better Life Appendices: Key Data
		2. Green and Low-carbon Transition





GRI standard	Disclosure item	Location
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	2023 Annual Report: Annual Remuneration
	202-2 Proportion of senior management hired from the local community	2023 Annual Report: Directors, Senior Management and Staff
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	1. High Quality Economic Growth
	203-2 Significant indirect economic impacts	1. High Quality Economic Growth 2.3 Supply of Green Finance 3. The People's Need for a Better Life
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Procurement of China Development Bank website
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	4.1.2 Improving Corporate Governance Mechanism
	205-2 Communication and training about anti-corruption policies and procedures	4.1.2 Improving Corporate Governance Mechanism
	205-3 Confirmed incidents of corruption and actions taken	4.1.2 Improving Corporate Governance Mechanism
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Appendices: Key Performance Indicators
	302-2 Energy consumption outside of the organization	Appendices: Key Performance Indicators
	302-3 Energy intensity	Appendices: Key Performance Indicators
	302-4 Reduction of energy consumption	Appendices: Key Performance Indicators
	302-5 Reductions in energy requirements of products and services	Appendices: Key Performance Indicators
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	2.4 Low-carbon and Energy-efficient Operation
	303-3 Water withdrawal	Appendices: Key Performance Indicators
	303-4 Water discharge	Appendices: Key Performance Indicators
	303-5 Water consumption	Appendices: Key Performance Indicators
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	2.3.3 Diversity, Stability and Sustainability of Ecosystems
	304-2 Significant impacts of activities, products and services on biodiversity	2.3.3 Diversity, Stability and Sustainability of Ecosystems
	304-3 Habitats protected or restored	2.3.3 Diversity, Stability and Sustainability of Ecosystems
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	2. Green and Low-carbon Transition
	305-2 Energy indirect (Scope 2) GHG emissions	2. Green and Low-carbon Transition
	305-3 Other indirect (Scope 3) GHG emissions	2. Green and Low-carbon Transition
	305-4 GHG emissions intensity	2. Green and Low-carbon Transition
	305-5 Reduction of GHG emissions	2. Green and Low-carbon Transition
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	2.4 Low-carbon and Energy-efficient Operation
	306-2 Management of significant waste-related impacts	2.4 Low-carbon and Energy-efficient Operation
	306-3 Waste generated	2.4 Low-carbon and Energy-efficient Operation
	306-4 Waste diverted from disposal	2.4 Low-carbon and Energy-efficient Operation
	306-5 Waste directed to disposal	2.4 Low-carbon and Energy-efficient Operation


GRI standard	Disclosure item	Location
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	2.4 Low-carbon and Energy-efficient Operation Procurement of China Development Bank website
	308-2 Negative environmental impacts in the supply chain and actions taken	2.4 Low-carbon and Energy-efficient Operation Procurement of China Development Bank website
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	4.3 Building a High Caliber Workforce
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	4.3.1 Protecting Employees' Rights and Interests
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	4.3.3 Caring for the Staff
	403-2 Hazard identification, risk assessment, and incident investigation	4.3.3 Caring for the Staff
	403-3 Occupational health services	4.3.3 Caring for the Staff
	403-4 Worker participation, consultation, and communication on occupational health and safety	4.3.3 Caring for the Staff
	403-5 Worker training on occupational health and safety	4.3.3 Caring for the Staff
	403-6 Promotion of worker health	4.3.3 Caring for the Staff
GRI 404: Training and Education 2016	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4.3.3 Caring for the Staff
	403-10 Work-related ill health	4.3.3 Caring for the Staff
	404-1 Average hours of training per year per employee	4.3.2 Promoting Employee Growth
	404-2 Programs for upgrading employee skills and transition assistance programs	4.3.2 Promoting Employee Growth
GRI 405: Diversity and Equal Opportunity 2016	404-3 Percentage of employees receiving regular performance and career development reviews	4.3.2 Promoting Employee Growth
	405-1 Diversity of governance bodies and employees	4.3.1 Protecting Employees' Rights and Interests Appendices: Key Data
GRI 406: Nondiscrimination 2016	406-1 Incidents of discrimination and corrective actions taken	4.3.1 Protecting Employees' Rights and Interests
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	4.3.1 Protecting Employees' Rights and Interests
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	4.3.1 Protecting Employees' Rights and Interests
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	4.3.1 Protecting Employees' Rights and Interests
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	3. The People's Need for a Better Life
	413-2 Operations with significant actual and potential negative impacts on local communities	3. The People's Need for a Better Life
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Procurement of China Development Bank website
	414-2 Negative social impacts in the supply chain and actions taken	Procurement of China Development Bank website
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	4.2 Digital Transformation
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	4.2 Digital Transformation





## Notes to the Report


-  **Reporting Period:**


January 1 to December 31, 2023, with a few exceptions.
-  **Release Cycle:**

CDB Sustainability Report is an annual report.
-  **Organizational Scope:**

China Development Bank (referred to as CDB or we) and its subsidiaries.
-  **Basis of Preparation:**

ISO26000: 2010 *Guidance on social Responsibility* (<http://www.iso.org>), GB/T36000-2015 *Guidance on Social Responsibility*, *GRI Sustainability Reporting Guidelines* of Global Sustainability Standards Board (GSSB) (<http://www.globalreporting.org>), *UN Transforming our World: the 2030 Agenda for Sustainable Development* and the Global Compact’s 10 principles for businesses, and guidelines of CBIRC and China Banking Association.
-  **Assurance:**

In order to ensure its truthfulness and reliability, BDO China SHU LUN PAN Certified Public Accountants LLP was engaged to provide third-party assurance on the report.
-  **Access to Report:**

Electronic copy can be accessed at <http://www.cdb.com.cn>.
-  **Contact us:**

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