



国家开发银行
CHINA DEVELOPMENT BANK



2021

SUSTAINABILITY
REPORT

Bank Profile

Established in 1994, the China Development Bank (hereinafter referred to as CDB or we) is a state-funded and state-owned development finance institution (DFI). As an independent legal entity directly overseen by the State Council, it is dedicated to supporting China's economic development in key industries and underdeveloped sectors.

With a mission to support national development and deliver a better life for the people, CDB aligns its business focus with China's major medium- and long-term economic development strategies. Tapping into its strengths as a DFI, CDB keeps closely to national development strategies, operates on market principles with the backing of sovereign credit, and ensures principal safety and modest profit. Adhering to the development finance methods for building consensus and synergy and seeking win-win cooperation, CDB mobilizes, guides and allocates economic resources to increase support for key industries and underdeveloped sectors and boost high quality economic and social development. CDB mainly supports the following key areas:

- Socioeconomic development, such as infrastructure, basic industries, pillar industries, public services and management;
- Urbanization, urban-rural integration and balanced regional development;
- Programs essential for national competitiveness, including the transformation, upgrading, and restructuring of traditional industries, energy conservation, environmental protection, and advanced equipment manufacturing;
- Public welfare, including affordable housing, consolidation of poverty alleviation achievements, rural revitalization, student loans, and inclusive finance;
- Areas of strategic importance, including science and technology, culture, and people-to-people exchange;
- The Belt and Road Initiative (BRI) and other international cooperation programs in industrial capacity, equipment manufacturing, infrastructure connectivity, energy and resources, and for Chinese enterprises to "go global";
- Initiatives in support of development and economic and financial reforms;
- Other areas encouraged by national development strategies and policies.

Acting on the new development philosophy and placing a strong premium on reform and innovation, CDB brings into play its role as a DFI in promoting government development goals, compensating for market failures, improving resource allocation efficiency, and alleviating cyclical economic fluctuations. CDB implements a people-centered approach to development to provide high quality support to the national strategies, plans and policy objectives, putting itself on track to be a world-class, modern DFI and a strong force of financial support for China's sustained and sound economic and social development.

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Preamble

The year 2021 was a milestone in the history of the Communist Party of China (CPC) and the country, as the CPC celebrated its centenary and the nation embarked on the journey to fully build a modern socialist China. Under the strong leadership of the CPC Central Committee with Comrade Xi Jinping at its core, CDB conscientiously implemented the decisions and instructions of the CPC Central Committee and the State Council. It acted on the new development philosophy under new circumstances, took the initiative to promote and integrate into the new development paradigm and support high quality development. It promoted thorough and effective learning and education of the history of the CPC. Committed to its founding aspiration and mandate, the Bank made financial services more politically responsive and people-oriented, contributing to a good start in the 14th Five-Year Plan period across all lines of business.

Serving the real economy

Following the cross-cyclical and counter-cyclical macro regulation requirements, CDB focused on its mandate to improve the credit structure, and adopted multiple measures to support the real economy, facilitating the continuous recovery of the national economy. It boosted effective investment to increase support for new infrastructure, new urbanization initiatives and major projects, support the building of a modern infrastructure system, and promote the people-centered approach to urbanization. CDB supported innovation-driven development, formulated work plans for development finance to support the development of key industries, and jointly launched special schemes to reinforce industrial chains with relevant ministries and commissions. We supported the implementation of the strategies for coordinated regional development, such as the coordinated development of the Beijing-Tianjin-Hebei region, development of the Yangtze Economic Belt, development of the Guangdong-Hong Kong-Macao Greater Bay Area, integrated development in the Yangtze River Delta, and ecological protection and high quality development in the Yellow River basin. CDB provided services to open development, rolled out the second phase of its special foreign trade loans and issued special loans for international logistics supply chains, supporting high quality cooperation under the BRI.

Supporting green development

CDB has established a working mechanism to serve green, low-carbon and circular development through development finance, released the plan of action for contributing to carbon peaking and neutrality, and built a policy system that links the carbon peaking and neutrality goals with green and low-carbon business development. It made full use of supporting instruments for carbon emission reduction, providing financial services for coal and coal power supply, actively supporting the clean and efficient utilization of coal, and continuing to improve the quality and efficiency of green and low-carbon finance. CDB rolled out "RMB100 billion loans for 100 counties", a special financing scheme for solid waste and sewage treatment in counties (districts), and supported the improvement of carbon sinks in ecosystems, contributing to the building of a beautiful China.

Promoting common prosperity

CDB promoted inclusive development, improved the overall coordination mechanism for rural revitalization, helped align efforts to consolidate and expand the poverty alleviation achievements with efforts to promote rural revitalization, and supported the development of affordable housing, student loans, medium, small and micro businesses, elderly care, and medical care. CDB joined the Party-wide campaign on CPC history learning and made great efforts in doing practical work. It developed a work plan for the activities of "Doing Practical Work for the People", created a list of key projects for public well-being, and made great efforts in promoting projects in eight areas, including rural revitalization, development of old revolutionary areas, caring for employees, and volunteer services, ensuring that practical work for the benefits of people were done to meet their real needs.

Strengthening internal management

CDB strengthened Party building, promoted the deep integration of Party leadership with corporate governance. It also actively advanced the reform of management systems and mechanisms, strengthened innovation in market-oriented financing models, and constantly improved the quality and efficiency of services. CDB enhanced its comprehensive risk management mechanism, developed better methods and tools for risk management, and built on the achievements made in the special campaign to prevent and defuse financial risks. It carried out the measures identified in the Year of Internal Control and Compliance Management and improved the awareness of compliance and the effectiveness of internal control and management of the whole bank.

In the new year, CDB will follow with greater dedication the leadership of the CPC Central Committee with Comrade Xi Jinping at its core, contextualize its work in the great rejuvenation of the Chinese nation and worldwide changes of a scale unseen in a century, root its actions in the overall national interests, and faithfully deliver the Global Development Initiative and the 2030 UN Sustainable Development Agenda. The Bank will focus on its mandate and leverage its development finance resources to serve the goals of the Party and nation and benefit the people. CDB is determined to contribute more to economic and social development and financial stability and security and facilitate a development paradigm featuring inclusion, balance, coordination, win-win cooperation and shared prosperity.

Steady and Sustained Growth of the Real Economy



- 6 New Infrastructure, New Urbanization and Major Projects
- 11 Scientific and Technological Innovation
- 12 Balanced Regional Development



- 1 Supporting Facilities of Liangjiang Collaborative Innovation Zone, Chongqing
- 2 The Prosperity Intelligent Manufacturing Park in Changchun Automobile Economic and Technological Development Zone, Jilin
- 3 Hangzhou-Shaoxing-Taizhou Railway

New Infrastructure, New Urbanization and Major Projects



In 2021, CDB stepped up its support for new infrastructure, new urbanization initiatives and major projects in such areas as transport and water resources, and boosted effective investment to ensure the steady and sustained growth of economy.



New Infrastructure

- CDB supported new infrastructure such as industrial Internet, big data centers, and industrial digital platforms, and promoted the deep infusion of the Internet, big data, and AI in various industries.
- CDB supported the development of the Guangdong-Hong Kong-Macao Greater Bay Area and Shenzhen as a pilot demonstration area, giving priority to supporting major science and technology infrastructure. CDB developed an action plan for supporting Pudong New Area to build a pioneer area for socialist modernization through development finance, and supported the building of a core area of the international center for science and technology innovation.



New Urbanization

- CDB promoted the transformation of urban development and construction model through urban renewal, and the market-based financing model, with a focus on municipalities and provincial capital cities. By the end of 2021, loans for urban renewal were granted to 32 cities in 20 provinces, supporting the implementation of urban renewal projects in an organized manner.
- CDB supported the balanced regional development with urban-rural integration and the intensive urban development through industry-city integration.



Major Projects

Transport

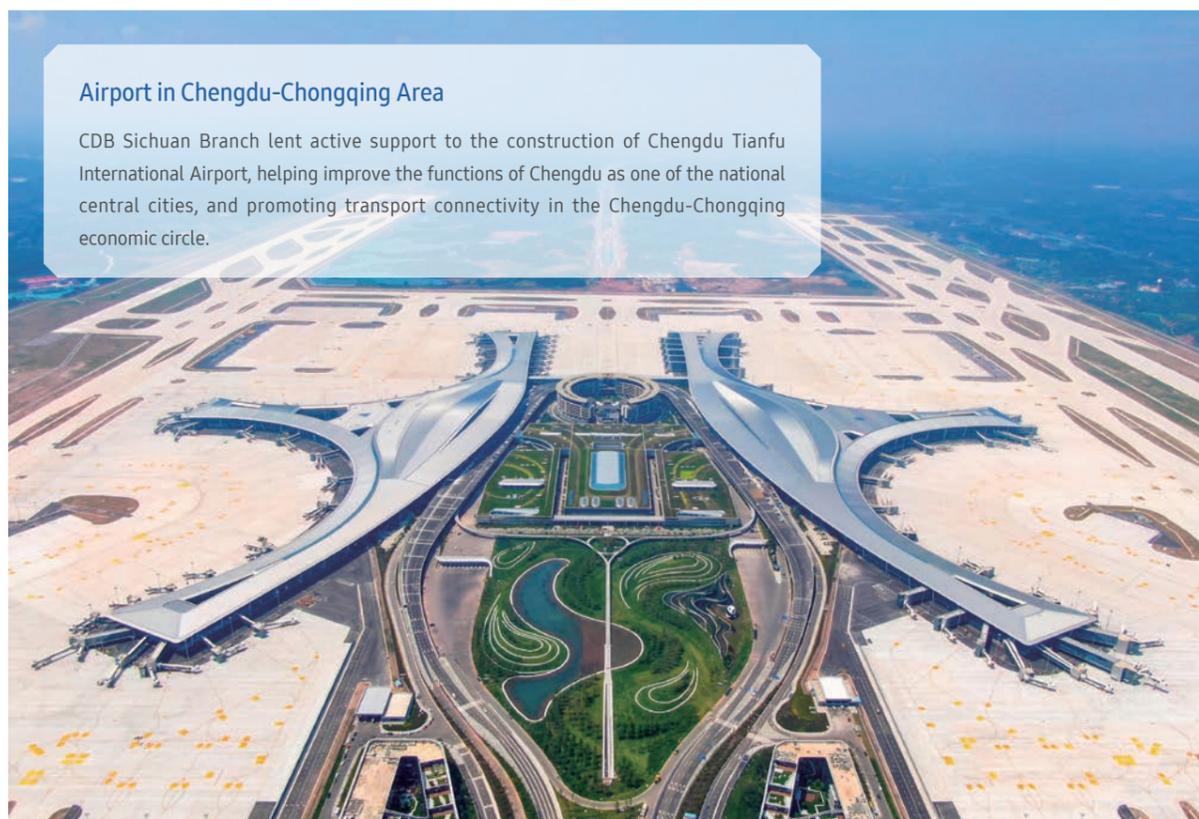
- CDB supported the development of an efficient and integrated backbone transport network as part of the comprehensive transport system across the country. Focusing on the "4 hubs, 8 groups, and 9 clusters", CDB gave priority to supporting the construction of "eight vertical and eight horizontal" high-speed railway trunk corridors, the strategic trunk corridors such as Yanbian Highway and Sichuan-Tibet Highway, and the airport expansion projects such as Chengdu Tianfu International Airport and Chongqing Jiangbei International Airport. CDB made efforts to help improve the quality and efficiency of existing railways along the new western land-sea corridor, expand and renovate congested sections of trunk national expressways, and build parallel expressways and connecting expressways, and expressways in Xiongan New Area, including Beijing-Xiongan Expressway.
- CDB supported the development of smart transport, and helped improve the efficiency of transport by means of driver-vehicle-infrastructure coordination, cloud platform + AI and information-based management and control.
- CDB supported the construction of rural highways by exploring and innovating financing models based on medium- and long-term loans to boost rural transport infrastructure.
- CDB designed differentiated financing schemes to speed up the construction of rail transit networks in central cities, giving full support to projects in Xuzhou, Hefei, Chongqing, Jinan and Ningbo.

Water Resources

- CDB supported the construction of major national water conservancy projects, including 82 major projects to support flood control, better allocation of water resources and water supply security.
- CDB promoted the financing for rural water supply projects, jointly issued the *Notice on Promoting the Financing and Construction of Rural Water Supply Security Projects* with relevant ministries and commissions, giving full play to the advantages of bank-government cooperation and boosting the capacity of rural water supply.

Airport in Chengdu-Chongqing Area

CDB Sichuan Branch lent active support to the construction of Chengdu Tianfu International Airport, helping improve the functions of Chengdu as one of the national central cities, and promoting transport connectivity in the Chengdu-Chongqing economic circle.



Chengdu Tianfu International Airport, Sichuan

"Expressway in the Cloud" in Henan

In September 2021, the Luanchuan-Shuanglong section of Zhengzhou-Xi'an Expressway, supported by CDB Henan Branch, was opened to traffic, which greatly facilitated the travel of people in Xixia and Xichuan and boosted the development of local tourism.



The Luanchuan-Shuanglong Section of Zhengzhou-Xi'an Expressway, Henan



Establishment of a Modern Energy System and High Quality Development of the Energy Sector

In 2021, we gave full play to the leading role of development finance. By strengthening top-level design and issuing special loans, we promoted the implementation of major energy projects and helped build a modern energy system that is clean, low-carbon, safe and efficient.

Promoting the low-carbon energy transition

CDB issued the *Plan of Action for Energy Sector to Realize Carbon Peaking and Carbon Neutrality*, proposed to prioritize the key areas such as hydropower on the main streams in major river basins, coastal nuclear power, affordable wind power and photovoltaic power, offshore wind power, comprehensive energy bases integrating generation and storage of wind power, photovoltaic power, hydropower, and thermal power, inter-regional transmission corridors, and pumped storage power station, substantially contributing to the reduction of carbon emissions. At the same time, CDB actively assisted in improving the structure of the coal and coal-power industries, and increased support for safe, efficient, green and intelligent coal mining as well as clean and efficient utilization of coal-fired power.



Clean Energy Project of Zhongmin Energy Co., Ltd.



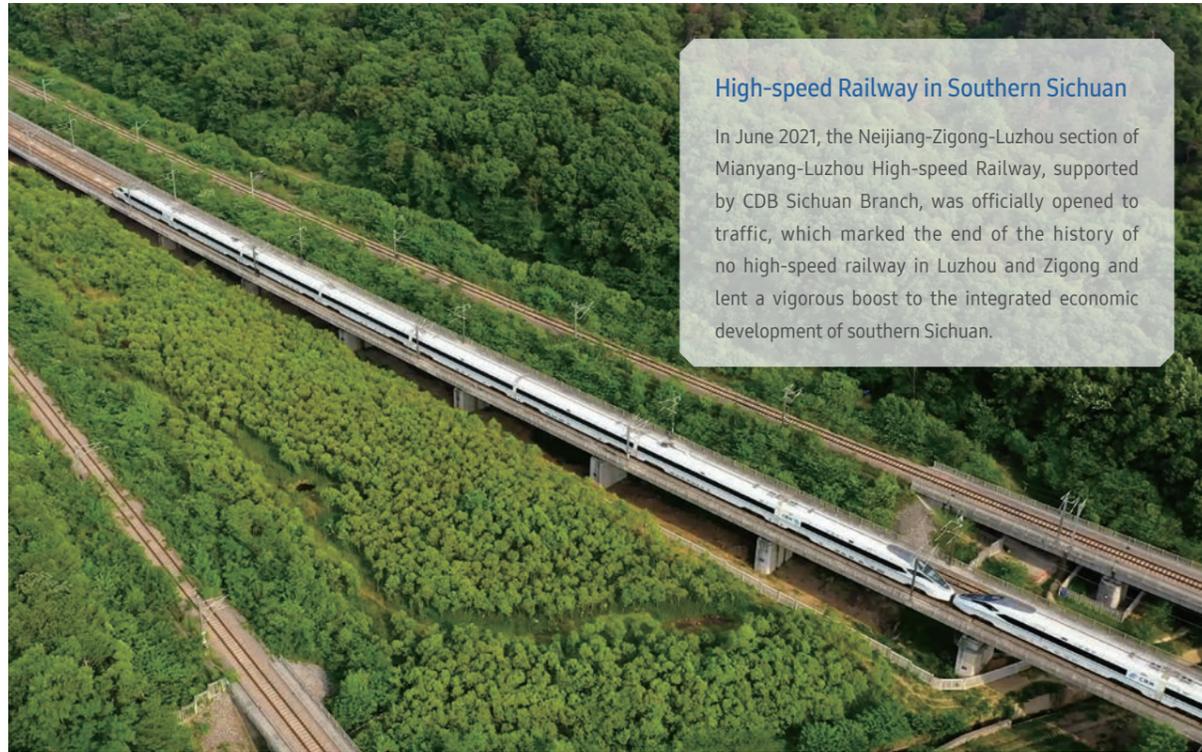
Supporting energy supply

CDB launched special loans to provide targeted support for major coal mining areas and key coal enterprises to increase thermal coal supply, helped key electric power enterprises in key areas of power and heating supply to build up their thermal coal reserves. CDB spared no efforts to provide financial services for safeguarding energy supply and guaranteeing people's livelihood, development and security.



Special Transportation Line for Coal Supply of Shandong Energy Group

Case



High-speed Railway in Southern Sichuan

In June 2021, the Neijiang-Zigong-Luzhou section of Mianyang-Luzhou High-speed Railway, supported by CDB Sichuan Branch, was officially opened to traffic, which marked the end of the history of no high-speed railway in Luzhou and Zigong and lent a vigorous boost to the integrated economic development of southern Sichuan.

The Neijiang-Zigong-Luzhou Section of Mianyang-Luzhou High-speed Railway in Sichuan

Water Resources in Tianjin

CDB Tianjin Branch innovated its financing model and led a syndicated loan to support the ecological and environmental protection project of Tianjin Yuqiao Reservoir, helping enhance the reservoir's functions in water conservation, flood control and water supply, and protecting the important water source of Tianjin.



Tianjin Yuqiao Reservoir

Scientific and Technological Innovation



In 2021, as one of the leading banks to provide medium- and long-term investment and financing, with the advantage to offer comprehensive financial services, CDB intensified its efforts to promote scientific and technological innovation and basic research, made great efforts to carry out the special campaigns to reinforce industrial chains, and increased support to scientific and technological innovation through equity investment. CDB released the *Guideline on Special Loans for Speeding Up Scientific and Technological Innovation and Basic Research*, formulated the work program for development finance to support key industries, and provided better services to promote sci-tech self-reliance at higher levels by supplying high quality development finance.



Deepening Cooperation between the Bank and Government

- CDB signed strategic cooperation agreements with relevant ministries and commissions to enhance China's strength in manufacturing and promote the upgrading of the industrial foundation and the modernization of industrial chains during the 14th Five-Year Plan period, advancing the implementation of key tasks in the 14th Five-Year Plan, such as equipment upgrading and technical transformation of enterprises.
- CDB jointly issued the *Notice on the Special Bonds for the Industrialization of Major Scientific and Research Findings* with relevant ministries and commissions, and guided private capital to support the commercialization of scientific and research findings, the R&D of key technologies of enterprises, and the growth of technology-based enterprises by issuing special bonds.



Promoting the Application of Scientific and Research Findings

- CDB combined financing and intellectual support, closely connected the key players in innovation such as enterprises, universities, research institutes, laboratories, and technological innovation platforms, integrated all kinds of innovation factors, and concentrated on supporting the commercialization of basic research findings, bringing scientific and research findings from the "laboratories" to "production lines".



Supporting Scientific and Technological Innovation and Basic Research

- CDB launched special loans for scientific and technological innovation and basic research, with a focus on supporting major national tasks in scientific and technological innovation, breakthroughs in core technologies in key fields, and cutting-edge basic research during the 14th Five-Year Plan period.
- CDB strove to improve its financial services, enhance its financing models and financial services, and break financing bottlenecks for basic research through market-based methods. It customized financing plans for enterprises, and provided long-term and stable sources of R&D funds to enhance enterprises' innovation capabilities.



Supporting the Development of Technology-based Medium, Small and Micro Businesses

- CDB continued to prudently promote the investment-loan linkage and pilot projects for technology-based medium, small and micro businesses. By the end of 2021, CDB supported 88 sci-tech start-ups by way of investment-loan linkage, and 156 sci-tech medium, small and micro businesses in Shenzhen, Hangzhou and Beijing through "financing + guarantee".
- CDB leveraged the advantages of comprehensive services to shore up weak links and reinforce strong links with active investment, to drive the development of the manufacturing industry chain, and to incubate "unicorn" enterprises in sci-tech innovation.



The Assembly Line of New Energy Hybrid Engines of Wuhu Acteco Powertrain Co., Ltd.



The Technological Transformation Project of the Large-megawatt Wind Turbine Bearing of the Wafangdian Bearing Group Wind Power Bearing Co., Ltd.

Balanced Regional Development



In 2021, CDB fully implemented China's major regional development strategies and the coordinated regional development strategy, explored and innovated market-based financing models, and strengthened cooperation with ministries and commissions, local governments, and key enterprises to promote the regional economic planning featuring complementary advantages and high quality development.

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3	

- 1 Ningbo Rail Transit Phase III Construction Plan Project
- 2 Southeast Health and Medical Big Data Center, Fujian
- 3 The Agricultural Industry Infrastructure in a Dam Area of More Than 500 Mu in Wuchuan, Guizhou

Yellow River Basin

- CDB made clear the top priorities for ecological protection and high quality development in the Yellow River basin in 2021, and established the systems and mechanisms to support the strategies for the Yellow River basin.
- CDB created a list of major projects for ecological protection and high quality development in the Yellow River basin, focused its financing support on key areas such as ecological protection in the Yellow River basin and high quality development in the nine provinces (regions) along the Yellow River, and promoted the implementation of major projects.

Yangtze River Economic Belt

- CDB supported the top priorities for the environmental conservation and green development of the Yangtze River in 2021. According to the "project, shortlist and responsibility-based" principles, CDB created a list of key projects and set goals for promoting the environmental conservation and green development of the Yangtze River to actively drive the implementation of major projects.
- By issuing joint policy papers with relevant ministries and commissions, CDB bundled environmentally important yet un-bankable projects with profitable industrial projects. In such an effective, integrated and coordinated way, China supported a number of pilot projects for ecological protection and rehabilitation through market-based financing.
- CDB joined hands with the National Forestry and Grassland Administration to drive the application and innovation of the national forest reserve model, and granted a loan for China's first national forest reserve program, the Ecological Protection and Rehabilitation and National Forestry Reserve Program at Longquan Mountain in Chengdu, by including the pledge of charging right of forest carbon sinks into the security structure. This model promoted the conversion of ecological carbon sinks and ecological value with financial support.



Beijing-Tianjin-Hebei Region

- CDB strengthened cooperation with governments and enterprises and established a high-level coordination mechanism to support the priorities for the coordinated development of the Beijing-Tianjin-Hebei region and the planning and development of Xiongan New Area in 2021, with a focus on key areas such as integrated transportation, industrial upgrading and relocation, ecological protection, and rural revitalization. Efforts were also concentrated on the development of key areas such as Xiongan New Area, Beijing's sub-administrative center, Tianjin Binhai New Area, Zhangjiakou Ecological Conservation Area as well as the development of Beijing's "Two Zones", namely the Integrated National Demonstration Zone for Opening Up the Service Sector and the China (Beijing) Pilot Free Trade Zone.
- CDB issued special financial bonds totaling RMB22.6 billion, guiding private and public capital to support the coordinated development of the Beijing-Tianjin-Hebei region and to facilitate the integrated development of the three regions.

Yangtze River Delta

- CDB supported the top priorities for the integrated development in the Yangtze River Delta in 2021, participated in the development of relevant plans and research projects, improved the management mechanism for major projects, and gave full play to the leading role of development finance, providing financing support to the Yangtze River Delta through loans, investment, bonds, leasing services, and securities.

Guangdong-Hong Kong-Macao Greater Bay Area

- CDB supported the top priorities for the development of the Guangdong-Hong Kong-Macao Greater Bay Area and the development of Shenzhen into a pilot demonstration area of socialism with Chinese characteristics in 2021, made full use of differentiated support policies to support the key areas in the Greater Bay Area and Shenzhen Pilot Demonstration Area, and helped build the Greater Bay Area into a world-class bay area and a world-class city cluster.
- CDB Hong Kong Branch issued RMB2.5 billion overseas yuan-denominated bonds for the "Development of the Guangdong-Hong Kong-Macao Greater Bay Area" through bookkeeping and filing. The funds raised were mainly used for the infrastructure development in the Greater Bay Area and its surrounding areas.

Green, Low-carbon and Circular Development



16 Increased Supply of Green Finance

19 Green Belt and Road

20 Green and Low-carbon Operation



- 2
- 1 3

- 1 The Public-Private Partnership (PPP) Program for Water Supply and Drainage, Village Sewage Treatment and Supporting Pipe Networks in Linwu County, Chenzhou, Hunan
- 2 CDB Securities Innovated the First Special Green Bonds for Carbon Neutrality to Support Metro Construction in Shenzhen
- 3 CDB Head Office Launched the "Clear Your Plate" Campaign



Increased Supply of Green Finance



► Plan of Action for Carbon Peaking and Neutrality

In 2021, CDB implemented the major strategic decisions of the CPC Central Committee and the State Council on carbon peaking and neutrality, and incorporated the green and low-carbon finance strategy into the high quality development strategy and business development plan of the Bank in the 14th Five-Year Plan period. CDB set up a leading group for green, low-carbon and circular development, issued the *Plan of Action of CDB for Implementing Green and Low-carbon Strategy and Contributing to Carbon Peaking and Neutrality*, focused on supporting the key tasks of China's Ten Actions for Carbon Peaking, clarified the action pathways, and established and improved the long-term mechanism for supporting carbon peaking and neutrality with development finance. CDB increased support for the priority areas such as clean, low-carbon, safe and efficient energy systems, energy conservation, carbon reduction and efficiency improvement in key industries, and low-carbon transportation systems, contributing to new progress in green and low-carbon finance.

► Priority Areas for Green, Low-carbon and Circular Development

In 2021, CDB continued to increase green loans to support key areas such as clean energy, green urban-rural development, green transport, energy-efficient and environment-friendly transformation in industrial sectors, integrated conservation and rehabilitation of mountains, rivers, forests, fields, lakes, grasslands and deserts, environmental infrastructure and pollution control, and forestry and grassland, so as to boost green, low-carbon and circular development.



The Citywide Waste Sorting System (Phase I) of Tai'an, Shandong



The "RMB100 Billion Loans for 100 Counties" Financing Scheme

Walking into the garbage sorting and collecting station of Tai'an High-tech Zone in Shandong, you can see the tidy four-type auto-sorting garbage cans lined up in a row, the bus-system-based operation of new garbage trucks, and the green and standardized countywide garbage treatment... This is the citywide waste sorting project of Tai'an supported by CDB. Once completed, the project will benefit 5.58 million local people.

This is a vivid epitome of CDB's support for green development. In 2021, CDB rolled out "RMB100 billion loans for 100 counties", a special financing scheme to help townships and villages build high-standard infrastructure and ancillary facilities for solid waste and sewage treatment in more than 200 counties (districts), which helped solve the problems of garbage and sewage treatment and promoted ecological progress.

Pulling the strength of CDB, governments and enterprises

Based on the local economic development and financing needs, CDB developed plans to support garbage and sewage treatment in counties, held meetings with local governments on garbage and sewage treatment for relevant counties (districts), and established working mechanisms for regular consultation, information sharing, and joint promotion, lending targeted support to the better treatment of garbage and sewage for the counties (districts).

Innovating in market-based financing models

CDB actively promoted the ecology-oriented development (EOD) models, and explored the market-based, sustainable financing model for garbage and sewage treatment combining payment by residents, subsidy from local governments, costs shared by enterprises, grant from ministries and commissions, donation from society, and overall project balancing, thus encouraging investment of more private capital in the green industry on the market-oriented principles.

► Improvement of Forestry Ecosystem

In 2021, CDB supported the improvement of forestry ecosystem in practicing the principle that "lucid waters and lush mountains are invaluable assets", innovated financing models, increased financing support and achieved remarkable results. By the end of 2021, CDB had financed the building of 60.58 million mu of high quality forests in 23 provinces (regions), including Fujian, Jiangxi and Guizhou, which are expected to realize carbon sinks of 72 million tons annually after completion.



Guangxi National Forest Reserve Base and Ecological Poverty Alleviation Program

► Environmental Protection of the Yangtze River and Ecological Protection and High Quality Development in the Yellow River Basin



The Comprehensive Urban Water Environment Improvement PPP Program for Jingzhou, Hubei

In 2021, CDB created a list of key projects and targets in promoting the environmental protection and green development of the Yangtze River, and actively boosted the implementation of major projects to help the ecological conservation and rehabilitation and pollution control of the Yangtze River. Based on the differences and advantages of the nine provinces (regions) along the Yellow River in terms of ecological environment, natural resources, and industrial base, CDB focused on supporting water conservation capacity upstream, soil and water conservation and pollution control midstream, and ecological protection and governance downstream, comprehensively supporting the ecological protection and high quality development in the Yellow River basin.

Upon completion, the Yangtze River ecological protection and restoration project supported by CDB will see ecological governance and renovation covering 1,542 kilometers of watercourses along the relevant rivers and 21,000 mu of lake water, dredging of 448 kilometers of water courses, and clearing of 3.17 million cubic meters of silt in lakes, and increased daily sewage and garbage treatment capacities of 4.53 million tons. In addition, 158 polluting enterprises will be relocated, 5.69 million mu of reserve forests will be built, 14,000 mu of wetland ecology will be under protection, and 3,476 kilometers of rural water supply networks will be constructed. All these will create good ecological, economic and social benefits.

Case

Multiple Measures to Support the Protection and Development of the Yellow River Basin

In 2021, CDB granted loans of RMB149.6 billion to promote the ecological protection and high quality development in the Yellow River basin, actively supporting priority areas of ecological protection such as comprehensive governance of the Yellow River basin and water security.

- CDB lent support to water resources allocation projects such as the Yellow River Diversion in central Shanxi, and helped Qingyang, Gansu and Qingdao, Shandong build pilot sponge cities.
- CDB granted loans to support the development of water sources in Lanzhou, Gansu, and helped build new water sources and water plants, solving the water supply problem for 4.36 million residents.
- CDB supported desertification control projects including the China-Israel Desertification Control Eco-Industrial Park in Inner Mongolia to assist in soil and water conservation. It also supported a number of comprehensive improvement projects of rivers and lakes, covering the first and secondary tributaries of the Yellow River and urban inland rivers (lakes) such as the Yazi Pond in Yuncheng, Shanxi.

► Diversification of Green Financial Products

In 2021, CDB vigorously promoted innovation in bonds products and the offering mechanisms and channels to diversify the financing methods of green projects, reduce the financing cost of green projects, and improve the coverage, availability and convenience of green financial services. CDB participated in the fundraising and establishment of the National Green Development Fund, China's first state-level government investment fund, to mobilize more private capital to green development.



Green Bonds to Mobilize Private Capital to Support Green Development

Innovating green bond channels for financing of "carbon neutrality"

As a new investment product, the carbon neutrality-targeted green financial bonds can provide a realistic solution to the financing difficulties of traditional industries for low-carbon transformation and bring new sources of growth to the green investment market. In 2021, CDB issued the first carbon neutrality-targeted green bonds under the Bond Connect scheme to global investors. The projects supported by the bonds were expected to save 7,349,700 tons of coal equivalent (TCE), and reduce the emission of 18.997 million tons of carbon dioxide, 4,269.73 tons of sulfur dioxide, 4,677.52 tons of nitrogen oxide, and 911.52 tons of soot emission annually.

- Offering in the inter-bank bond market to lead the allocation of financial resources to carbon neutrality
- Offering in over-the-counter market of commercial banks to encourage the public to participate in carbon neutrality initiatives
- Offering in the overseas market synchronously to draw the attention of global investors to carbon emission reduction

Creating new green opportunities for sustainable transport

CDB used diversified financial instruments to issue "Bond Connect" green financial bonds exclusive for "developing the low-carbon transportation system" to raise funds for the green upgrading of infrastructure and the improvement of the transportation structure. It was estimated to save 10,500 TCE and reduce the emission of 21,500 tons of carbon dioxide, 35.42 tons of nitrogen oxide, and 0.66 tons of PM₁₀ annually. Meanwhile, the successful issuance of green corporate bonds for Shenzhen Metro 2021 (Phase I), for which CDB Securities, a subsidiary of CDB, acted as a co-lead underwriter, would help improve urban traffic efficiency and reduce urban carbon emission intensity.

Improving the ecology along the Yangtze River and Yellow River basin

In July 2021, CDB issued the first green financial bonds for the development of the Yangtze River Economic Belt, which were expected to save 11,400 TCE, and reduce carbon dioxide by 23,200 tons, nitrogen oxide by 30.73 tons and PM₁₀ by 0.58 tons per year. In the same month, CDB issued to global investors the first "Bond Connect" green financial bonds exclusive for the ecological protection and high quality development of the Yellow River basin, which were expected to save 10,000 TCE, and reduce carbon dioxide by 20,100 tons, nitrogen oxide by 34.99 tons and PM₁₀ by 0.66 tons annually.

Green Shipping and Safe Operation

In 2021, CDB Leasing, a subsidiary of CDB, actively engaged in the leasing of new and second-hand ships to support the development of blue economy and boost strategic industries.

The International Maritime Organization (IMO) proposed to cut the carbon intensity of the global shipping sector by 40% by 2030 and by 70% (a reduction of 50% in the total annual GHG emissions) by 2050, compared to the 2008 baseline. Currently, all the new ships of CDB Leasing under construction and planned orders meet the Energy Efficiency Design Index (EEDI) of IMO to implement the requirements of the international community for reducing carbon emission reduction, namely, an increase of 20%-30% in carbon emission energy efficiency indicator compared to the baseline, effectively lowering carbon emissions. At the end of 2021, the environment-friendly vessels of CDB Leasing accounted for 73.21% of its entire fleet.



Green Belt and Road



In 2021, CDB actively advocated and practiced the philosophy of responsible financing, and worked with other parties to promote the green development of the Belt and Road.

► Championing Responsible Financing

In 2021, CDB actively integrated the philosophy of responsibility into the policy system, and improved country-specific strategies in international operations in accordance with the host country's goals, plans and policies on carbon peaking and neutrality, green development and climate change.

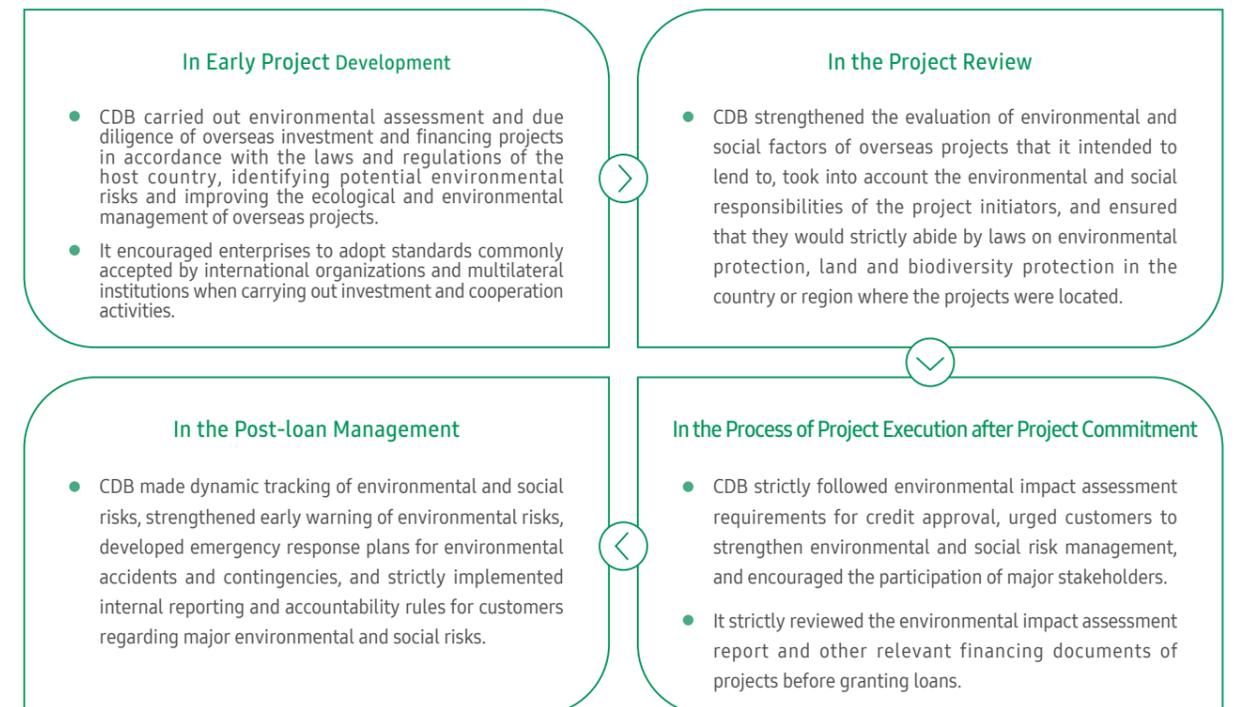
► Practicing Responsible Financing

In 2021, CDB continued to improve the credit review system for international business, and developed a complete environmental and social impact assessment system. On the basis of respecting the conditions, laws and regulatory policies of different countries, CDB drew on internationally recognized standards and best practices to guide and constrain enterprises in developing, constructing and operating projects, and achieve integrated economic, social and ecological benefits.

Case

Incorporation of Environmental and Social Factors into the Project Management Process of BRICS Cooperation

In the cooperation with BRICS countries, CDB carried out responsible financing practices with Chinese characteristics that meet international standards and reflect the characteristics of medium- and long-term investment and financing, and translated the philosophy of responsible financing into practical results.



Green and Low-carbon Operation



In 2021, CDB launched a bank-wide green and low-carbon campaign to incorporate green, low-carbon and circular development into its publicity and education system, instilling the green and low-carbon philosophy in the consciousness of the staff. CDB continued to promote green and low-carbon office, and encouraged employees to translate the green ideas into practices by conserving electricity and implementing paperless office. It advocated green and low-carbon work and lifestyle, and carried out activities such as food saving and green commuting, to realize green and low-carbon operation.

► Green and Low-carbon Culture

CDB Initiative

助力绿色发展 共创低碳未来

——致全行干部职工倡议书

绿色是中华民族永续发展的底色，绿色发展更是中国实现高质量发展的关键所在。为深入贯彻落实习近平生态文明思想，全面融入、全力服务“碳达峰、碳中和”战略目标实现，在全行营造节能降碳浓厚氛围，特发出如下倡议：

提高站位，形成助推绿色发展的政治自觉。2021年是“十四五”开局之年，也是实现碳达峰的关键期、窗口期。习近平总书记宣布减排新举措，明确碳中和路线图，展现了中国促进经济社会发展全面绿色转型、推动全球可持续发展的决心。开发性金融使命在肩，全体开行人责无旁贷，全行各级组织要引导广大干部职工胸怀“国之大者”，深刻领会实现碳达峰、碳中和的重大意义，争做政治上的明白人、行业中的领跑者，抓住机遇乘势而上、立足本职担当作为，汇聚助推绿色金融服务高质量发展的强大合力。

点滴着手，当好绿色低碳理念的实践者。广大干部职工要秉持自然情怀，将“绿水青山就是金山银山”的理念根植于心、外化于行，争做绿色办公多面手、低碳环保生活家。“节”尽所“能”，积极参与节约型组织创建，标注全行文明的新刻度，让我们互相勉励，一同做到：合理设置空调温度，下班后自觉关闭电源，杜绝“长明灯”；时刻保持节水意识，让小水流发挥大作用；倡导无纸化办公，适度取用办公耗材，避免重复打印、尽量双面打印，充分利用废旧纸张，自觉践行“光盘行动”，尽可能轻车简行、绿色出行；减少使用一次性纸杯、木筷，拒绝过度包装，严格按标准分类投放垃圾……在小事小节中培育绿色价值理念，在举手投足间彰显开行人良好作风。

人人参与，引领绿色环保文明新风尚。推进碳达峰、碳中和并非一日之功，更非一人之事。广大干部职工要争做中华民族传统美德守护者，争做生态文明新风尚代言人，以优良家风涵养高尚价值取向，积极宣传绿色低碳环保理念，影响和带动更多人自觉增强节约意识、环保意识、生态意识，坚守生态道德和行为准则，减少能源消耗和污染排放，为全民绿色生活齐出一份力、共担一份责，为建设美丽中国、地球家园贡献智慧和力量！

Diversified Activities

CDB launched the initiative of “Boosting Green Development and Creating a Low-carbon Future”, opened sections such as Practicing the Concept of Green Development on the WeChat official account of “CDB Youth” and carried out activities such as collection and display of green development slogans.

- **CDB Yunnan Branch shared the low-carbon concept during the national campaign week to promote energy conservation:** Cherish every kWh of electricity, every drop of water, every piece of paper and office supplies, practice the concept of green development, adhere to the principle of moderate conservation, and reduce energy and resource waste.
- **CDB Dalian Branch launched a series of activities under the theme “Boosting Green Development and Creating a Low-carbon Future”:** It organized speeches and activities to share green and low-carbon concept, organized staff members to watch the promotional video on environmental protection, and carried out themed quizzes, integrating the three sessions of “Youth Talking on Low Carbon”, “Youth Studying Environmental Protection”, and “Youth Answering Questions on Green Development”.

The Collection and Display of Green Development Slogans, Collecting Slogans Across CDB, Encouraging Active Participation of All Staff Members, and Displaying the Collected Slogans

► Green and Low-carbon Office

Electricity Conservation

- Intelligent building-management systems (heating/cooling) and lighting systems are adopted for centralized control of buildings.
- Office buildings are insulated to reduce energy loss.
- To conserve electricity for air conditioners, the indoor air-conditioning temperature of office buildings are set at no less than 26°C in summer.
- The management of electrical equipment is strengthened by turning off the display or switching to the sleeping or energy-saving mode when a computer is not being used, and turning off the computer and other electrical appliances in time after work.
- The high-energy-consuming lamps are being replaced with LED lamps, and natural light is used instead to save electricity for lighting. Every employee is asked to turn off the lights when leaving.

Water Conservation

- Water-saving taps are adopted, with waste water treatment systems and oil-water separators.
- Enhancing the awareness of water conservation.

Paper Conservation

- Paperless office and meeting are advocated across CDB, which makes full use of electronic information systems and devices to transfer documents, data and release information via the office network, saving 11.53 million sheets of paper through paperless meeting.
- Double-sided printing and reusing of waste paper is advocated.

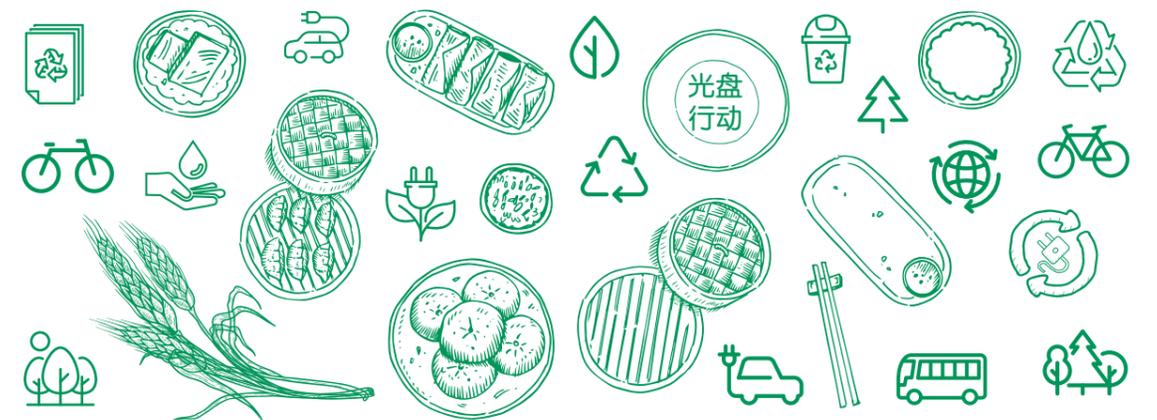
► Green and Low-carbon Lifestyles

Food Conservation

- CDB advocates saving food and developing healthy eating habits, promotes the “clear your plate” campaign, asks employees to take meals as needed, thus creating a good atmosphere of “honor on those who save food and shame on those who waste”.

Green Commuting

- CDB controls the use of official cars, advocating reasonable “carpooling” for business trips, and public transportation, cycling or walking for short-distance travel.



People's Well-being and Social Development



24 Rural Revitalization

26 Financial Inclusion

29 Client-centered Services



- 1 The Construction of New Urbanization Infrastructure in Xiantao, Hubei – Rural Revitalization Project (Phase I)
- 2 Centralized Resettlement Site for Poverty Alleviation Relocation in Daping Sub-district, Wuchuan, Guizhou
- 3 Colored Rice Paddy in Simola Wa Ethnic Village, Tengchong, Yunnan

Rural Revitalization



In 2021, we implemented the decisions and instructions of the CPC Central Committee and the State Council, established the CDB leading group of rural revitalization, developed guidelines on supporting the consolidation and expansion of poverty alleviation achievements and comprehensively promoting rural revitalization, and put forward a series of differentiated policies to continue increasing financial support for agriculture, rural areas and farmers. CDB effectively aligned efforts to consolidate and expand the poverty alleviation achievements with efforts to promote rural revitalization, so as to consolidate the foundation of poverty alleviation and achieve more sustainable results. It intensified intellectual support and launched financing plans for counties supported by national policies of rural revitalization, old revolutionary areas, and common prosperity demonstration zones. It also increased financing for priority areas such as agricultural modernization, rural infrastructure, businesses that utilize local resources, and livelihood programs for relocated households, promoted the development of counties supported by national policies of rural revitalization and demonstration zones for revitalizing rural areas with development finance, and helped build new villages that are beautiful, livable, prosperous and harmonious.

Consolidating and Expanding the Poverty Alleviation Achievements and Laying a Solid Foundation for the Revitalization of Areas Lifted Out of Poverty



- CDB supported livelihood programs for relocated households, benefiting 1.06 million people, and helping them live a stable life, find a job and increase their income.
- CDB gave preferential support to counties identified as priorities in the national rural revitalization program, implemented differentiated supportive policies, and issued loans to support all of the 160 key counties of rural revitalization.
- CDB upheld the principle of “alleviating poverty without compromising responsibility, policy, assistance and supervision”, continued to support high quality economic and social development in the four targeted counties, and granted loans and donated funds to the four counties.



Rural Revitalization Eco-industry Project in Gaotai County, Zhangye, Gansu – Rural Housing Construction and Reconstruction (Phase I)



Deepening Consultancy Services to Increase People's Confidence and Enhance the Rural Sustainability

- CDB provided intellectual support and consultancy services to 384 local officials from 50 counties, cities and districts in Yunnan, Hebei, Jiangxi, Guizhou and Xinjiang, and helped old revolutionary areas, areas of paired-up assistance, ethnic minority areas in the borderlands and other areas supported by national policies of rural revitalization to enhance their sustainability.



Supporting Agricultural Modernization and Ensuring China's Supply of Grain and Important Agricultural Products

- In line with the national goal of building 100 million mu of high-standard farmland by 2021, CDB increased financing support for high-standard farmland through coordination with local governments.
- Geared for the capital needs of Chinese enterprises in the seed industry, CDB provided all-round financial services for them, to support the high quality development of the seed industry.
- Based on local conditions and competitive industries, CDB focused on developing and reviewing a number of replicable projects typically for rural revitalization in Nanning in Guangxi, Poyang Lake in Jiangxi, Zunyi in Guizhou and Lingwu in Ningxia.
- CDB continued to launch special working capital loans for spring farming preparation, prioritizing the procurement, production and distribution of seeds, fertilizers and other means of agricultural production.



Taking the Initiative in Developing Demonstration Areas for Rural Revitalization with Development Finance

- CDB formulated the guidance on the building of demonstration zones for rural revitalization with development finance, identifying Sanming in Fujian, Ganzhou in Jiangxi, Zunyi in Guizhou, Luzhou in Sichuan and Yan'an in Shaanxi as the demonstration areas for rural revitalization supported by development finance, and providing differentiated policy support to them.
- CDB organized special work meetings and discussed the policies and measures for the building of the demonstration zones with local governments.
- CDB held the matchmaking meetings to attract investment, and invited more than 40 leading enterprises in Guangdong to cooperate on businesses that utilize local resources and key projects in Zunyi.

Case

A “New Chapter” for Rural Revitalization in Tengchong

Tengchong in Yunnan, with its superior ecological environment, rich tourism resources and profound cultural heritage, is in a critical period for its urban and rural restructuring, industrial transformation and upgrading, and value transformation of ecological resources. CDB Yunnan Branch actively cooperated with the Tengchong Municipal Government to coordinate the integrated construction of rural infrastructure and business development for poverty alleviation within the county, and issued loans of RMB1.07 billion to support the rural revitalization efforts of Tengchong in infrastructure construction and industrial revitalization. CDB supported the county to improve its rural residential infrastructure, ecological and livable rural environment, boost its rural businesses and its development of rural tourism and culture, and promote its social civility, so as to build beautiful villages where people live in prosperity and businesses flourish.



Living Environment of Jietou Town, Tengchong, Yunnan

Case

Financing to Turn Tea into Treasure

In order to assist the development of Aikou Town in Chongqing, CDB Chongqing Branch provided targeted support to the building of local tea industrial chain with developmental finance based on local natural conditions and industrial basis, and created the competitive brand of “Xiushan Tippy Tea”, building its capacity to eradicate poverty on its own. By establishing an operation system of the tea industry that integrated “planting, R&D, processing and sales”, the project increased the equity dividends and labor income of poor households, and guided the local tea farmers to take advantage of rich ecological resources to develop efficient ecological tea gardens, contributing to seamless transition from poverty alleviation to rural revitalization.



The Building of Tea Industrial Chain in Aikou Town, Xiushan, Chongqing

Financial Inclusion



In 2021, CDB intensified its efforts to support people's livelihood, and boosted the development of healthcare, elderly care and other livelihood programs. It guaranteed the scale of student loans, and supported flood control and disaster relief, making financial services more inclusive to improve people's well-being.

► Development of Healthcare, Elderly Care and Other Livelihood Programs

In 2021, CDB actively implemented the Healthy China Initiative, supported the balanced development of quality medical resources, strengthened healthcare services in lower levels of administration, and helped build a high quality healthcare service system and guarantee the supply of high quality healthcare services. It supported the construction of shelter hospitals and procurement of medical supplies to facilitate pandemic prevention and control.

In 2021, CDB issued a joint policy with relevant ministries and commissions to bring into better play the role of special loans of development finance, supported the building of an elderly care service system during the 14th Five-Year Plan period, and promoted the high quality development of elderly care services in the new era. CDB made solid progress in implementing the "331 senior care program", namely to support the development of 300 leading elderly care enterprises and the building of elderly care service systems in 300 cities, and to issue special loans of RMB100 billion for elderly care services during the 14th Five-Year Plan period. In 2021, CDB supported 158 elderly care projects of 142 enterprises in 80 cities.

Case

Improving Elderly Care for People's Well-being

In order to cope with population aging and promote the building of the elderly care service system and high quality development of the elderly care industry, CDB Beijing Branch actively supported the projects of the Social Welfare Center of Fangshan District, Beijing, and supported the center to upgrade and renovate 7 elderly care facilities in the district, purchase beds and medical equipment, and arrange beds for the elderly.



A Project of the Social Welfare Center of Fangshan District, Beijing

► Emergency Response for Disaster Relief



Staff of CDB Henan Branch Went by Shovel Loader to the Hard-hit Areas in Weihui, Henan

In 2021, CDB made full use of the unique role of development finance in supporting people's livelihood, granting RMB8.09 billion emergency loans to support local governments in responding to floods, earthquakes and COVID-19. It also developed the Guidance on Loans for Post-disaster Reconstruction to provide medium- and long-term loans to support the post-disaster reconstruction of infrastructure and resumption of disaster-hit enterprises.

► Affordable Housing

Case

Financing and Consultancy Services to Meet the Housing Needs of People

With newly-painted building facades, smooth and clean road surface, and orderly-arranged new parking spaces..., the residents of the Changle Community (Chang'an District, Xi'an, Shaanxi) said that they felt as if they moved into a new community after decades living here. The community had not only changed the "external", but also changed the "internal" – the utility poles disappeared, wires moved into the ground, roofs and walls renewed with waterproof and thermal insulating materials, and water, gas and heating pipe network repaired and maintained.

CDB Shaanxi Branch innovated market-based financing models, explored reasonable security structures, and improved efficiency of financing approval for the renovation of old residential areas, facilitating the smooth progress of the renovation of old residential areas in Chang'an District. The project involved 135 old residential quarters in the district, improving the quality of life of 45,100 residents.

Renovation and Upgrading for a Better Living Environment

CDB Zhejiang Branch provided active support for the renovation and upgrading of old residential areas in Nanhu District, Jiaxing, Zhejiang. Effectively improving the living environment of 20,618 households in 84 old residential quarters, the project was of great significance in promoting Jiaxing's urban construction and urbanization, enhancing residents' living standards and creating a better living environment.



Comprehensive Upgrading and Renovation of Old Residential Areas in Chang'an District, Xi'an, Shaanxi



Renovation and Upgrading of Old Residential Areas in Nanhu District, Jiaxing, Zhejiang

▶ A Leading Bank for Student Loans

Adhering to the principle of “providing loans to those in need”, CBD helped students with financial difficulties realize their college dreams through student loans. In 2021, CBD granted RMB37.9 billion loans to 4.67 million students with economic challenges, covering 2,459 counties and districts in 27 provinces, regions and municipalities, and all the higher education institutions identified by the Ministry of Education. To better help those students in their development, CBD joined hands with several banks to launch a financial inclusion campaign, provided the students funded by CBD loans with a support package consisting of scholarships, internships, jobs, and insurance, and helped them get employed through job fairs, thus promoting equal access to education and improving people's livelihood.



Upgraded Student Loans for Promoting Equal Access to Education

Equal access to education is an underpinning of social equity. As the leading bank for student loans, CBD issued student loans to support poverty alleviation through education and help prevent the intergenerational transmission of poverty.

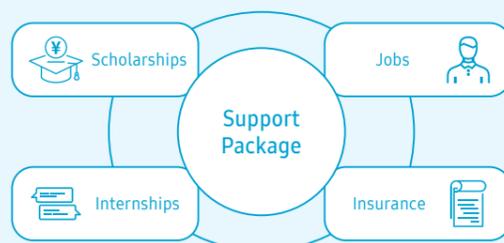
Expanding the service coverage

CDB opens the pre-application channel for students with financial difficulties to apply for student loans when they are in high school, so that they can complete the loan qualification before the national college entrance examination, relieving them from worries about the future. After they graduate, CDB also connects enterprises with the students' employment needs, and cooperates with relevant departments to hold job fairs dedicated for them, and organize job-hunting skills training to help them get employed, thus preparing them for the future. When those students encounter special difficult situations such as death, disappearance, loss of labor capacity, extremely low income, or serious illness or natural disasters on the part of their family members, CDB will make efforts to work with the local education departments to assist the most needy students to repay the principal and interest of their loans, reducing the burden on these students and their families.

Providing convenient and efficient loan services

In order to facilitate students' loan applications, CDB established an IT system group for student loans, realizing the “door-to-door, one-stop, and paperless” loan application. With the continuous improvement of the system, the paper contracts for student loans have been upgraded to electronic ones. By the end of 2021, the coverage rate of electronic contracts had reached nearly 99%. Remote services for renewing loans have been made available, with a proportion exceeding 90% by the end of 2021. Information technology has been widely applied to improve the processing efficiency and improve the loan processing procedures, making it more convenient for students to apply for loans. The average time to apply for a student loan has been shortened from 8-10 minutes to 3-5 minutes. CDB also developed the customer call center 9593 to provide consultant services to students anytime and anywhere. By the end of 2021, the center has answered over 10 million calls.

Providing a support package



Improving and upgrading loan policies

As China issued new policies in September 2021 to further improve the student loan program, increasing the amount of loans and broadening their uses, CDB immediately adjusted the ceiling of the amount of student loans and opened the remote service for increasing the credit limit. As the number of students registered for college entrance examination increased and higher vocational colleges expanded their enrollment, CDB continued to ensure that the scale of student loans should be fully guaranteed on the principle of “providing loans to those in need”.



A Lecture on Integrity Education for Student Loans Organized by CDB Qingdao Branch

Client-centered Services



In 2021, adhering to the client-centered approach, CDB provided clients with more comprehensive and premium services based on a deep understanding of their needs.

- CDB reached out more actively to the clients, by enhancing the three-tier liaison system, paying visits to clients, carrying out in-depth research, and exchanging ideas on the projects during the implementation.
- CDB expanded the scale of e-banking clients in green development, manufacturing, transport and other fields, comprehensively upgraded e-banking channels such as online banking and bank-corporate direct connection system, and provided green services to clients in all links of financial services. It also explored digitization of business management, realized automatic monitoring of key business indicators, and promoted online development of business management. For student loans, CDB expanded online channels for repayment, provided students with more efficient and convenient services for agency payment, and improved the convenience and accuracy of online services.
- CDB introduced new processes such as online agreement signing, UKey prefabricated certificate and self-management of client-side authority, comprehensively improving business efficiency and customer experience.
- Passing the upgraded ISO20000 Information Technology Service Management System Certification, CDB promoted the building of an operation and maintenance management system that is standardized, quantifiable, traceable, and auditable. It also improved the quality management of data center construction for enhanced information security.

Case

Attentive to Client Needs

“This device is really advanced, and the clerks are patient. That is so convenient!” “Yeah, I thought I had to spend a lot of time filling in the forms with hands before I came, but I never thought I could just print it out. That is so fast.” The device praised by the two clients was the “multi-functional self-service filling machine” and “self-service receipt printer” newly installed in CDB Jilin Branch. The branch uses “electronic equipment + AI service” to improve the customer experience, business efficiency and customer satisfaction and reduce the financial costs of enterprises, enabling clients to complete payment and settlement in “one visit at most”.

<p>Improving customer experience by optimizing operation process</p> <p>Benchmarking against the “star outlets”, the branch installed electronic self-service equipment, designed the “self-service filling desks” and publicity boards to promote its intelligent upgrading, providing clients with a pleasant environment and convenient services.</p>	<p>Improving business efficiency by establishing a “filling-free” mechanism</p> <p>The branch increased an additional post of “lobby manager” to provide manual assistance to clients to fill in forms and collect information in advance, greatly reducing the amount of files that clients are required to fill manually on site for account opening application, receipts and bills.</p>	<p>Improving customer satisfaction by adding remote services</p> <p>In terms of payment and settlement, the branch verified the identity and willingness of clients for those services in compliance with regulations and with controllable risks by way of telephone inquiry, remote video and other means, so as to complete the whole process electronically.</p>	<p>Reducing the financial costs of enterprises by cutting fees</p> <p>The branch continued to reduce fees to benefit enterprises, actively exempting 14 payment and settlement service fees, including the account management fees.</p>
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Modernization of Governance Capacity



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1 The Badminton Competition Held by CDB Xinjiang Branch
 2 CDB Project Hope – Happy Music Classroom
 3 A Special Training Session on Leadership at CDB Head Office
 4 The Activities of Sending Holiday Gifts and Blessings to Staff and Retirees Organized by CDB Guangdong Branch



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Strengthening CPC Leadership

CDB maintains the centralized and unified leadership of the CPC Central Committee, and armed with the party's innovation theory, all party members continuously study and carry out Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, follow up General Secretary Xi Jinping's important speeches, as the Bank has promoted thorough and effective learning and education of the history of the CPC. All party members in the Bank are instructed to acquire a deep understanding of the decisive significance of the establishment of both Comrade Xi Jinping's core position in the CPC Central Committee and in the CPC as a whole and the guiding role of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era; demonstrate with real action its commitment to political integrity, thinking in big-picture terms, following the leadership core and keeping in alignment with the central Party leadership; stay confident in the path, the theory, the system and the culture of socialism with Chinese characteristics; and firmly uphold General Secretary Xi Jinping's core position in the CPC Central Committee and in the CPC as a whole, and upholding the Central Committee's authority and its centralized, unified leadership. CDB marked the CPC's centenary with warm celebrations and promoted the great founding spirit of the CPC to align thinking and action, inspire confidence, and motivate the entire staff.

CDB strives to build and strengthen primary-level Party organizations, implement the CPC's regulations on organizational work and the system for organizational activities, and improve the organizational system that links all levels of the Party with effective enforcement. It held leadership group meetings on Party building and Party's Day activities themed on "learning from the role models and doing practical work, holding high the Party flag at the primary level", established points of contact of primary-level Party building and Party branch work, carried out the Party's management and self-governance, strengthened the list-based management system of primary-level Party building, and promoted the standardization of primary-level Party organizations. CDB also stepped up the campaign to counter corruption and build a clean Party, formulating and implementing measures to strengthen oversight of top officials and leaders. It held the Bank's first educational exhibition on anti-corruption and clean governance, alerting and educating staff to keep the bottom line of clean governance. It also identified corruption risks in key areas for clean governance, strengthened joint prevention and control of corruption and credit risks, and worked together to foster a clean political environment, ensuring that officials do not dare, are not able, and ultimately have no desire to be corrupt.

Improving Corporate Governance

CDB improves corporate governance in sync with strengthening the CPC leadership, and puts in place a legally defined corporate governance system with transparent powers and responsibilities, effective coordination, and balance between different functions. CDB promotes an effective combination of the leadership of the CPC CDB committee, the strategic decision of the Board of Directors and the authorized management functions of the senior executives, and strengthens its research and decision-making on major issues concerning the reform and development of the Bank. It keeps modernizing its system and capacity for governance to ensure the Bank achieves sustainable development while supporting the national development strategies.

Improving corporate governance mechanisms

In accordance with relevant laws and regulations, the *CDB Articles of Association* and various rules of procedures, CDB clarifies the powers and responsibilities of different entities of governance, keeps improving the effective coordination between the CPC CDB Committee, the Board of Directors and the senior management, and continues to improve the operational efficiency of its corporate governance system. In 2021, the Board of Directors convened nine meetings, at which members deliberated and approved 52 proposals, including the development strategy of CDB, the business development plan of the Bank during the 14th Five-Year Plan period and the management plan for capital adequacy ratio. The Board of Directors heard nine special reports on supporting poverty alleviation, curbing and eliminating risks, and reforming credit approval, etc. It systematically made plans for the future development of CDB, and kept improving risk management, balanced supervision and the incentive and restraint system. The senior management strengthened operational management as authorized, implemented important strategies concerning technology finance, green finance, inclusive finance, infrastructure and balanced regional development. It continued to enhance risk management and internal control, actively promoted internal management reform and digital transformation, and made steady progress in operation while promoting national development. The Employees Congress played an active role in increasing democracy in corporate management and supervision and protecting the rights of staff members in accessing information, participating in CDB management, expressing opinions and exercising supervision.

Enhancing supporting regulations of corporate governance

CDB strictly observed relevant requirements by regulators and financial authorities, established a management system of the Board of Directors for the appraisal targets of the Bank, and continued to strengthen the restraint of the business management goal of the Bank. It worked out management measures for guaranteeing the discharge of duties of equity directors so as to effectively ensure that they can get comprehensive and accurate information required for the discharge of duties in a timely manner. CDB also improved its system of data governance, established an interconnected framework for data governance with clearly defined powers and responsibilities, and took the initiative in promoting the development of a "digital CDB". It revised the management system for reputational risk and the write-off of bad debts and articles of association of subsidiaries, and further intensified the risk control in key areas and sectors.

Boosting Sustainability

The Board of Directors of CDB focuses on integrating development and security, continuously improves comprehensive risk management, strengthens risk management capacity and supervises senior management in carrying out comprehensive risk management, to make risk management more scientific and effective. The senior management is responsible for implementing comprehensive risk management, establishing a comprehensive risk management committee, and improving the comprehensive risk management mechanism, strengthening risk management in key areas, and handling risk resolution and disposal to maintain business sustainability.

Improving comprehensive risk management mechanism

CDB maintained its prudent risk appetite in response to the complexities, risks and challenges at home and abroad. It made a special effort to strengthen its risk management system to enhance a clear governance structure and fully-developed procedures, modernize the toolkit and carry out effective monitoring. It refined its risk management system, processes, and tools, and effectively handled various sources of risks. A group-wide exercise was carried out to pinpoint, evaluate, and categorize major risks and determine responses. A group risk appetite statement was prepared and a multi-layered risk appetite management framework established for improved risk appetite decomposition and implementation. The group-client management system was improved to make it more elaborate and scientific. The system of consolidated statement management was enhanced to provide a panoramic view for decision-making. Risk awareness among the entire staff was improved and the idea of "everyone taking responsibility for risk management" has been established, which enhanced CDB's culture for risk management.

Intensifying risk management

Risk management was intensified in key areas; quarterly reviews of credit risks were carried out in branches; clients in high-risk areas were monitored monthly. CDB established a risk alerting mechanism, with which risk alerts were put out timely for clients with significant potential risks. Key clients with significant risks were put on a special list and plans were tailor-made to enable proactive measures for risk resolution and disposal. Existing risks were constantly addressed with intensity, rigorously and urgency to answer the government's call for continuously guarding against financial risks. Significant progress was made in mitigating risks in major projects, enhancing the risk resistance capacity of CDB. Focusing on key areas, CDB conducted more

intensive risk monitoring and paid greater attention to the impact of the COVID-19 pandemic on the macro-economy and financial markets, making its risk management more forward-looking and targeted.

Enhancing internal control management

CDB carried out measures identified in the Year of Internal Control Management. Corrections were made upon investigation across the group under centralized management to implement regulatory advice efficiently and consolidate gains. A compliance culture was fostered that encouraged all to take responsibility and increase awareness. Greater efforts were made for compliance risk prediction and pre-examination, in-process monitoring, and post-examination and correction to fully utilize the "three lines of defense". For anti-money laundering and sanctions management, CDB improved its compliance management systems, developed and revised the regulations, and established an internal control management system with comprehensive coverage and clear hierarchy and process, promoting the compliant operation.

Promoting effective audit supervision

Focusing on solving problems with integrated management of auditing, CDB tackled key problems, strictly controlled the auditing quality, and made the full of auditing, enabling it to better serve high quality development. It carried out auditing of loans dedicated to the environmental conservation and green development of the Yangtze River for the first time, focusing on the accuracy, compliance and efficiency of policy implementation. Auditing of the group client management was carried out to improve the management of group clients. Focusing on compliance and corruption risks, it conducted auditing for key infrastructure projects in all respects and throughout the whole process. To meet the regulatory requirements, CDB carried out regular auditing for foreign currency credit, M&A loans, IT management, anti-money laundering, related-party transactions, NPL transfer and write-off compliance, business operation and management of overseas branches, promoting compliance and standardized management. Accountability and whistleblowing audits were intensified to encourage appropriate and prudent exercise of power. Giving full play to the role of auditing in supervising and rectification, CDB improved the long-acting procedures for uncovering and addressing problems in internal and external audits to make follow-up steps of auditing and ensure that the Bank makes steadily and forward progress.

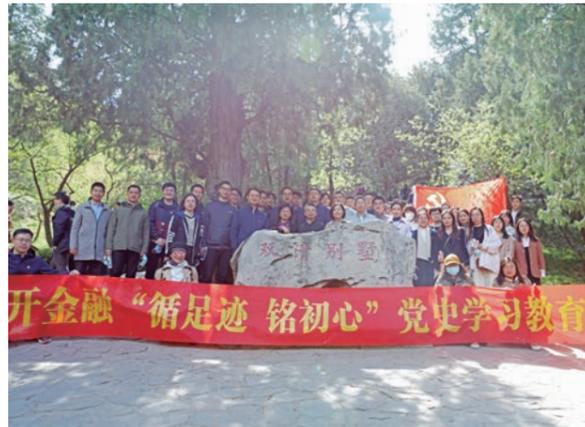
Engagement with Stakeholders

CDB respects and actively responds to the expectations and appeals of all stakeholders, and earnestly fulfills its responsibilities to them. It strengthened exchanges in the field of sustainable development with China Banking Association and other organizations, and shared experience and results of development finance in promoting sustainable development. Through the official website, WeChat, Weibo

and other platforms, CDB shared ideas and achievements of sustainable development in diversified ways, and enhanced communication and cooperation with regulatory authorities, shareholders, investors, industry associations, financial institutions, customers and other stakeholders, making positive contributions to meeting the expectations and demands of stakeholders.

Promoting Staff Development

CDB puts people first and has made every effort to build a strong team of professionals and a work place for staff to grow together.



The Activity on the Theme of "Following the Footprints of CPC and Staying True to the Original Aspiration" Held by CDB Capital



The Brisk Walking Themed on "Following the Revolutionary Road" Held by CDB Qinghai Branch



Young Employees of CDB Heilongjiang Branch Working Together with Villagers from a Site of Paired-up Assistance for Rural Revitalization, Pengsheng Village, Zhonghou Township, Fuyu County, Qiqihar



The May 4th Educational Campaign Themed on "Staying True to the Original Aspiration and Following up the Party's Leadership" Organized by CDB Jiangsu Branch



The Party History Education Activity Themed on "Finding the Trace of the Party and Embarking on a New Journey" Organized by CDB Liaoning Branch

Increasing Democracy in Corporate Management

- Promoting democracy in corporate management**
CDB held the 1st session of the 4th Employees Congress and responded to employees' appeals and helped solve their problems and worries through handling proposals for the Congress; and all 104 proposals were resolved on schedule. CDB also improved the mechanism for protecting employees' rights and interests through collective contracts, and promoted the signing of special collective contracts for the protection of the rights and interests of female employees, safeguarding their legitimate rights and interests.
- Improving working mechanisms**
CDB established working mechanisms for collecting opinions and advice through door-to-door visits, regular seminars, public mailbox, and floor managers, fully open to comments from employees.

Boosting the Development of Employees

- Improving political awareness**
The top political priority was to study and implement the Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era to enhance the theoretical knowledge and political awareness of its staff members; 26 theoretical training sessions were held during the year, providing 53,389 training opportunities. CDB also joined the Party-wide campaign on CPC history learning and education to study the CPC's history, launching a series of training sessions on the principles of the 6th Plenary Session of the 19th CPC Central Committee through on-site + video learning and coaching + discussion throughout the Bank.
- Enhancing proficiency**
CDB arranged special training sessions for major strategies and key offerings by category at different levels to improve proficiency and performance. Industry training sessions were held to strengthen the development of talents through introduction of situations, interpretation of regulations, tutorial from experts, case study, and exchange of experience, with targeted support for strengthening the weak links. Throughout the year, CDB held 71 training sessions on expertise and skills, providing 93,383 opportunities. Innovative teaching methods were applied to improve the training effectiveness, such as action learning, structured discussion, and sand-table exercise. The team of internal trainers were built and strengthened. Cases for the training courses were enriched, and the first series of teaching materials were released and put into use.
- Leading staff members to make achievements**
CDB launched the labor competition for technology finance and green finance and the skills competition for credit management, under the theme of "Making Achievements in the 14th Five-Year Plan period and Forging Ahead on a New Journey". The Forum on New Development of Youth was held to stimulate the enthusiasm and vitality of the staff in work.

Caring for the Employees

- Supporting employees in need**
CDB took care for employees who were in difficulties, remaining at the front line, staying at villages for poverty alleviation, or staying overseas for international business, and paid a total of RMB2,278,500 for staff care.
- Caring for female employees**
CDB upgraded the nursing rooms to caring rooms for female staff members and focused on caring for and assisting those female employees as single parent or in difficulties. It organized the online training program "Outstanding Female Leadership" to help female employees improve their confidence and communication efficiency, and strengthen their leadership and management skills.
- Supporting retired employees**
CDB launched the initiative featuring one policy for one person, creating the list of targeted services to better assist retirees. It organized diversified activities, such as calligraphy and fishing, for the elder to learn and enjoy through the 5 activity stations and 10 activity groups for veteran cadres. On the online platform and activity stations supported by CDB, retirees had been served through more than 25,000 online booking and on-site services.

Ensuring the Health and Safety of Employees

- Caring for the physical and mental health of employees**
CDB set up the "Open Day for Health Consultation", providing more than 5,500 consultations; improved physical examination services through adding 3 Grade-3 Class-A public hospitals for employees to choose from; and equipped the offices with Automated External Defibrillators (AED). It launched the initiative to deliver psychological care to primary-level offices, providing over 550 psychological consultation services, and adding online "intelligent psychology services".
- Implementing pandemic prevention and control**
CDB strictly controlled the entrances, and organized nucleic acid tests at the Head Office throughout the year. It also strictly implemented nucleic acid testing on the object surfaces in the office buildings, covering all key parts. Efforts were made to ensure that the vaccine coverage rate reached over 90%, and all employees eligible for vaccination have got vaccinated. Throughout the year, 12 batches of masks and other items for epidemic prevention were distributed to employees.
- Creating a safe and stable working environment**
CDB held 4 work safety meetings throughout the year, and carried out 9 rounds of comprehensive investigation over safety risks, including on-site inspections by the joint inspection team of the Head Office, cross-checking among branches, and inspection assisted by third-party professional institutions. It also improved employees' awareness and capabilities of fire safety, organizing employees for fire extinguishing practice and training, and fire emergency evacuation drilling.

Lectures on Party History Learning and Education

Marking the CPC's centenary, CDB created the "CPC History Lectures" and invited members of the Central Publicity Group for Party History Learning and Education and professors from the Party School of the Central Committee of CPC to deliver three lectures on the themes including promotion of the Party's fine conduct, the ideals and convictions of CPC and the Long March and the Spirit of Long March for Party members and cadres, providing 20,869 opportunities for employees participating in the training. All Party members were inspired and motivated by the Party's achievements of the past century in the process of studying the CPC's history, understanding its theories, doing practical work and making new advances.



A Lecture on Party History



"Book Fragrance – Reading Exchange" Held by the China-Africa Development Fund



The Mountain Hiking Themed on "A New Height upon the CPC Centenary" Organized by CDB Hebei Branch



The Fun Games 2021 Held by CDB Jiangxi Branch

Social Welfare Undertakings

In 2021, CDB won for the first time the "China Charity Awards", the highest government award in the field of charity issued by the Ministry of Civil Affairs, demonstrating its responsibility as a DFI. Throughout the year, 109 youth volunteer activities were held, and more than 3,300 young employees devoted themselves to the pandemic prevention and control, flood relief and financial knowledge services.

Promoting equal access to education

Supporting education development

CDB donated funds to the China Foundation for Poverty Alleviation to support the Education Empowerment Program, helping high school students complete their studies and higher vocational school students start their own businesses. CDB made donation to the China Youth Development Foundation to support the program of Happy Music Classrooms to help improve essential-qualities-oriented education in remote areas. It also donated to China Education Development Foundation (CEDF) to support the development of campus culture and youth care.

Strengthening international exchanges

CDB donated to the CEDF to support the program of CDB Scholarship for Foreigners to Study in China, and sponsored 67 outstanding young people from partner countries to study in China, promoting cross-cultural exchanges and cooperation.

Participating in social assistance

CDB supported the Yellow Bracelet Action to help the elderly suffering from Alzheimer's disease.

CDB promoted the CDB Guardianship Plan to take care of left-behind children.



Organizing volunteer activities

Promoting mass organizations by Party building and improving Party building by mass organizations

Taking advantages of mass organizations, CDB built innovative platforms to reach out with better, continuous and regular volunteer services in accordance with regulations and standards, and cultivated a number of volunteer service brands with CDB characteristics, such as Spark Action and Financial Knowledge to Campus. More than 2,500 people received assistance in the Colorful Classroom Initiative. Children in counties of partner assistance realized more than 1,000 "micro dreams" through assistance of more than 1,500 employees in the Spark Action, and more than RMB300,000 funds were raised.

Implementing the registering mechanism for young volunteers

CDB guided the members of the Youth League to actively participate in volunteer services, and promoted the volunteer spirit of "dedication, friendship, mutual assistance and progress". By the end of 2021, mobilized by organizations of the Youth League at all levels, all the Youth League members in CDB have registered as volunteers, giving full play to the leading role of youth in volunteer services.

Case



Employees from CDB Shenzhen Branch in the "Colorful Classroom" Volunteer Services

Dreams Realized through the Colorful Classroom Initiative

CDB Shenzhen Branch organizes the "Colorful Classroom" volunteer services and donation activity in the Primary School of Fanghu Village in Heyuan, Guangdong. Employees from the branch delivered lectures on Mathematical Puzzle, Basics of Biology and Basics of Finance and Law, teaching children how to prevent fraud, abducting and trafficking as well as school bullying.

Spark Action to Light up Dreams

CDB organized a public welfare campaign titled "Spark Action: CDB to Light up Micro Dreams", in which it collected "micro dreams" from children in 5 counties of paired-up and partner assistance, including Gulin in Sichuan, Wuchuan, Zheng'an and Daozhen in Guizhou, and Quannan in Jiangxi, and called on all Party members to volunteer to help the children realize their dreams. In 2021, nearly 1,500 Party members joined the campaign, helping realize over 1,000 "micro dreams".



Spark Action: CDB to Light up Micro Dreams



The Volunteer Activity Themed on "Painting on Kites to Embrace Spring and Celebrate the Centenary" Held by CDB Suzhou Branch in Collaboration with the Star Program, a Charity Organization for Autistic Children



The "Financial Knowledge Campaign" Organized by CDB Zhejiang Branch



Employees of CDB Shanghai Branch Participating in Voluntary Blood Donation in Shanghai

Appendices

Honors and Awards

People's Daily

Excellent Case of Rural Revitalization
November 2021

People.cn

People's Enterprise Social Responsibility Award for Green Development Case
January 2022

Xinhuanet.com

Chinese Enterprise Social Responsibility Award for Excellent Case of Serving Green Development
January 2022

Official website of CPC History Learning & Education

Outstanding Organizer of Finals of National Contest of CPC History Learning
September 2021

Financial News

Best Bank of the Year for Implementing New Development Philosophy
December 2021

China Banking and Insurance News

Exemplary Case of Inclusive Finance Communications (case of new media communications of CDB student loans)
May 2021

China Banking

Excellent Organization for Selection of Outstanding Research Work in China Banking Industry Development Studies (2020)
February 2021

Sina Finance

Best Bank for Responsible Investment of the Year
December 2021

China Finance Political Work Research Institute, *Studies of Party Building in Party and Government Organs Magazine of the Working Committee of CPC Central Organs and Central Government Departments*

100 Excellent Cases of New Era for Party Building in Chinese Financial Sector
July 2021

Institute for Chinese Social Sciences Research and Assessment

2021 Featured Case of Chinese Think Tanks
September 2021

Western China Human Resources Development Foundation

Outstanding Donor
September 2021

Ministry of Civil Affairs

China Charity Award
September 2021

Chinese Financial Workers' Union

National May 1st Labor Medal for Financial Sector
December 2021

SCO Secretariat

SCO 20th Anniversary Medal
March 2022

China Central Depository & Clearing Co., Ltd.

2021 Leading Institute on Bond Market
2021 Outstanding Issuer of Policy Financial Bonds
2021 Outstanding Issuer of OTC Products
2021 Top 100 Proprietary Trading Bond Dealer
January 2022

Shanghai Stock Exchange

2021 Excellent Issuer of Financial Bonds
January 2022

Shenzhen Stock Exchange

2021 Excellent Issuer of Policy Financial Bonds
February 2022

China Foreign Exchange Trade System

2021 Market Influence Award
2021 Market Innovation Award
January 2022

Clearing House Financial Market Co., Ltd.

2021 Outstanding Issuer
2021 Green Finance Award
January 2022

Bond Connect Co., Ltd.

2021 Bond Connect Primary Market Innovation Award
2021 Bond Connect Outstanding Issuer
July 2021

China Export and Credit Insurance Corporation

2020 Overseas Investment Banking-Insurance Cooperation Case
2020 ESG Banking-Insurance Cooperation Case
April 2021

Key Data

in billion RMB, unless otherwise specified

Key Performance Indicators	2021	2020	2019
I. Economic Indicators			
Total Assets	17,167.9	17,103.6	16,504.6
Balance of Loans and Advances	13,262.5	13,049.9	12,200.5
NPL Ratio (%)	0.84	0.79	0.95
Allowance for Loan Losses to Total Loans (%)	3.80	3.38	4.24
Debt Securities Issued	11,480.4	10,722.1	9,735.8
Total Shareholders' Equity	1,538.3	1,480.6	1,393.7
Capital Adequacy Ratio (%)	11.66	12.03	11.71
Net Profit	80.8	118.8	118.5
ROA (%)	0.47	0.71	0.73
ROE (%)	5.35	8.27	8.80
II. Social Indicators			
Balance of Railway Industry Loans	865.5	865.7	853.7
Balance of Power Industry Loans	1,081.1	998.6	951.6
Balance of Highway Industry Loans	2,405.5	2,233.9	1,980.4
Total Loans to Central and Western China ¹	1,213.8	1,528.9	1,104.6
Total Loans to Old Industrial Bases of Northeastern China ²	138.1	146.2	157.5
Total Education Loans	37.9	33.5	31.0
Students Benefiting from the Education Loans (in 10,000 students)	3,965.9	3,498.8	3,048.8
Total Emergency Loans ³	8.1	19.2	1.1
Total Number of Employees (person) ⁴	10,293	10,092	9,797
Proportion of Female Employees (%) ⁴	41.91	41.73	41.41
Public Welfare Donation (in RMB10,000)	6,016.4	18,109.1	5,781.0
Employee Satisfaction (%)	98.3	98.5	98.8

Key Performance Indicators	2021	2020	2019
III. Environmental Indicators			
Balance of Green Credit Loans ⁵	2,444.7	2,341.7	2,143.7
Total Loans to Yangtze River Protection and Green Development ⁶	449.3	488.8	384.9
Electricity Consumption per Person in the Head Office (kwh/person) ⁷	10,570	11,600	13,893
Paper consumption per Person in the Head Office (kg/person) ⁷	21.48	18.2	17.19
Water Consumption per Person in the Head Office (m ³ /person) ⁷	36.90	28.5	50.76
Number of Video Conferences ⁸	1,843	1,534	916
E-banking Transaction Amount ⁹	14,726.6	14,532.2	16,790.6

1 Loans disbursed to projects located in central and western China, which includes Shanxi, Jilin, Heilongjiang, Anhui, Jiangxi, Henan, Hubei, Hunan, Inner Mongolia, Guangxi, Chongqing, Sichuan, Guangzhou, Yunnan, Tibet, Shanxi, Gansu, Qinghai, Ningxia and Xinjiang.

2 Loans disbursed to projects located in the three provinces of Northeastern China.

3 Loans to eligible borrowers for emergency and rescue purposes, issued by the Bank within the *National Emergency Management System* according to the degree of damage, scope of influence and other factors.

4 Within the Bank's range.

5 Outstanding loans to projects under the 12 categories specified in the *Notice on Reporting Green Credit Statistics* by the CBIRC [2013] No.185.

6 The total loans to the green development projects located in the 11 provinces along the Yangtze River.

7 Per capital use of electricity, paper and water are calculated based on regular employees in the Head Office.

8 Including the number of video conferences held by the Head Office, Xinjiang Branch, Hainan Branch and Hebei Branch.

9 The online transaction amount.

Independent Practitioner's Assurance Report

English Translation for Reference Only

To the Management of China Development Bank

We have been engaged to perform a limited assurance engagement on the selected 2021 key data as defined below in the 2021 Sustainability Report ("the Sustainability Report") of China Development Bank (the "Bank").

Selected Key Data

The selected key data in the Bank's 2021 Sustainability Report are the following environmental indicators and social indicators in the table of key data:

- Balance of Railway Industry Loans
- Balance of Power Industry Loans
- Balance of Highway Industry Loans
- Total Loans to Central and Western China
- Total Loans to Old Industrial Bases of Northeastern China
- Total Education Loans
- Students Benefiting from the Education Loans (in 10,000 students)
- Total Emergency Loans
- Total Number of Employees (person)
- Proportion of Female Employees (%)
- Public Welfare Donation (in RMB10,000)
- Employee Satisfaction (%)
- Balance of Green Credit Loans
- Total Loans to Yangtze River Protection and Green Development
- Electricity Consumption per Person in the Head Office (kwh/person)
- Paper consumption per Person in the Head Office (kg/person)
- Water Consumption per Person in the Head Office (m³/person)
- Number of Video Conferences
- E-banking Transaction Amount

Our assurance was only with respect to the key data selected above for the year ended 31 December 2021 and we have not performed any procedures with respect to earlier periods or any other elements included in the 2021 Sustainability Report.

Criteria

The criteria used by the Bank to prepare the selected key data in the 2021 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 2021 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 2021 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 2021 Sustainability Report based on our work.

We conducted our work in accordance with the International Standard on Assurance Engagements 3000 (Revised) "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 2021 selected key data in the 2021 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 2021 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:

- Henan Branch
- Sichuan Branch
- Heilongjiang 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 2021; and
- 6) 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 2021 selected key data in the 2021 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 Management of 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

28 June 2022

GRI Content Index

Number of the Disclosure Standard and Heading	Disclosure Article	Standard Content	Where to Find
GRI 102: General Disclosures			
Organisational Profile	102-1	Name of the Organisation	Bank Profile
	102-2	Activities, brands, products, and services	Bank Profile
	102-3	Location of headquarters	Back Cover
	102-4	Location of operations	Back Cover
	102-5	Ownership and legal form	Bank Profile
	102-6	Markets served	Bank Profile
	102-7	Scale of the organisation	Appendices: Key Data
	102-8	Information on employees and other workers	4.(5) Promoting Development of Staff
	102-9	Supply chain	Procurement of China Development Bank website
	102-10	Significant changes to the organisation and its supply chain	4.(2) Improving Corporate Governance
	102-11	Precautionary principle or approach	4.(3) Boosting Sustainability
	102-12	External initiatives	Appendices: Notes to the Report
	102-13	Membership of associations	4.(4) Engagement with Stakeholders
	102-14	Statement from senior decision-maker	Preamble
Strategy	102-15	Key impacts, risks, and opportunities	Preamble 4.(3) Boosting Sustainability
	102-16	Values, principles, standards, and norms of behavior	Preamble
Ethics and Integrity	102-17	Mechanisms for advice and concerns about ethics	4.(3) Boosting Sustainability
	102-18	Governance structure	2021 Annual Report: Corporate Governance
Governance	102-19	Delegating authority	2021 Annual Report: Corporate Governance
	102-20	Executive-level responsibility for economic, environmental, and social topics	4.(2) Improving Corporate Governance
	102-21	Consulting stakeholders on economic, environmental, and social topics	4.(4) Engagement with Stakeholders
	102-22	Composition of the highest governance body and its committees	2021 Annual Report: Corporate Governance
	102-23	Chair of the highest governance body	Preamble 2021 Annual Report: Profiles of Directors, Senior Management and Staff 2021 Annual Report: Corporate Governance
	102-24	Nominating and selecting the highest governance body	2021 Annual Report: Changes to the Board of Directors and the Senior Management
	102-25	Conflicts of interest	2021 Annual Report: Profiles of Directors, Senior Management and Staff
	102-26	Role of highest governance body in setting purpose, values, and strategy	2021 Annual Report: Corporate Governance
	102-27	Collective knowledge of highest governance body	4.(4) Engagement with Stakeholders
	102-28	Evaluating the highest governance body's performance	2021 Annual Report: Annual Remuneration
Stakeholder Engagement	102-29	Identifying and managing economic, environmental, and social impacts	4.(4) Engagement with Stakeholders
	102-30	Effectiveness of risk management processes	4.(3) Boosting Sustainability
	102-31	Review of economic, environmental, and social topics	4.(2) Improving Corporate Governance
	102-32	Highest governance body's role in sustainability reporting	4.(4) Engagement with Stakeholders
	102-33	Communicating critical concerns	4.(4) Engagement with Stakeholders
	102-34	Nature and total number of critical concerns	4.(4) Engagement with Stakeholders
	102-35	Remuneration policies	2021 Annual Report: Annual Remuneration
	102-36	Process for determining remuneration	2021 Annual Report: Annual Remuneration
	102-37	Stakeholders' involvement in remuneration	2021 Annual Report: Annual Remuneration
	102-38	Annual total compensation ratio	2021 Annual Report: Annual Remuneration
	102-39	Percentage increase in annual total compensation ratio	2021 Annual Report: Annual Remuneration
Reporting Practice	102-40	List of stakeholder groups	4.(4) Engagement with Stakeholders
	102-41	Collective bargaining agreements	4.(5) Promoting Development of Staff
	102-42	Identifying and selecting stakeholders	4.(4) Engagement with Stakeholders
	102-43	Approach to stakeholder engagement	4.(4) Engagement with Stakeholders
	102-44	Key topics and concerns raised	4.(4) Engagement with Stakeholders
	102-45	Entities included in the consolidated financial statements	Appendices: Key Data
Reporting Practice	102-46	Defining report content and topic boundary	Appendices: Notes to the Report
	102-47	List of material topics	4.(4) Engagement with Stakeholders
	102-48	Restatements of information	Not Applicable
	102-49	Changes in Reporting	Not Applicable
	102-50	Reporting period	Appendices: Notes to the Report
	102-51	Date of most recent report	Appendices: Notes to the Report
	102-52	Reporting cycle	Appendices: Notes to the Report

Number of the Disclosure Standard and Heading	Disclosure Article	Standard Content	Where to Find
Reporting Practice	102-53	Contact point for questions regarding the report	Appendices: Notes to the Report
	102-54	Claims of reporting in accordance with the GRI standards	Appendices: Notes to the Report
	102-55	GRI content index	Appendices: GRI Content Index
	102-56	External assurance	Appendices: Independent Practitioner's Assurance Report
GRI 200 Economic			
GRI 103 Management Approach	103-1	Explanation of the material topic and its Boundary	Preamble
	103-2	Management approach and its components	1.(1) New Infrastructure, New Urbanization and Major Projects 1.(2) Scientific and Technological Innovation 1.(3) Balanced Regional Development
	103-3	Evaluation of the management approach	2.(1) Increased Supply of Green Finance 2.(2) Green Belt and Road
GRI 201 Economic Performance	201-1	Direct economic value generated and distributed	1.(1) New Infrastructure, New Urbanization and Major Projects 1.(2) Scientific and Technological Innovation 1.(3) Balanced Regional Development 2.(1) Increased Supply of Green Finance 2.(2) Green Belt and Road Appendices: Key Data
	201-2	Financial implications and other risks and opportunities due to climate change	4.(3) Boosting Sustainability
	201-3	Defined benefit plan obligations and other retirement plans	4.(5) Promoting Development of Staff
GRI 103 Management Approach	103-1	Explanation of the material topic and its Boundary	2021 Annual Report: Profiles of Directors, Senior Management and Staff
	103-2	Management approach and its components	
	103-3	Evaluation of the management approach	
GRI 202 Market Presence	202-1	Proportion of senior management hired from the local community	2021 Annual Report: Annual Remuneration
	202-2	Proportion of senior management hired from the local community	2021 Annual Report: Profiles of Directors, Senior Management and Staffs
GRI 103 Management Approach	103-1	Explanation of the material topic and its Boundary	1.(1) New Infrastructure, New Urbanization and Major Projects 1.(2) Scientific and Technological Innovation 1.(3) Balanced Regional Development 2.(1) Increased Supply of Green Finance 2.(2) Green Belt and Road 2.(3) Green and Low-carbon Operation 3.(1) Rural Revitalization 3.(2) Financial Inclusion
	103-2	Management approach and its components	
	103-3	Evaluation of the management approach	
GRI 203 Indirect Economic Impacts	203-1	Infrastructure investments and services supported	1.(1) New Infrastructure, New Urbanization and Major Projects 1.(2) Scientific and Technological Innovation 1.(3) Balanced Regional Development 2.(1) Increased Supply of Green Finance 2.(2) Green Belt and Road 2.(3) Green and Low-carbon Operation 3.(1) Rural Revitalization 3.(2) Financial Inclusion Appendices: Honors and Awards
	203-2	Significant indirect economic impacts	1.(1) New Infrastructure, New Urbanization and Major Projects 1.(2) Scientific and Technological Innovation 1.(3) Balanced Regional Development 2.(1) Increased Supply of Green Finance 2.(2) Green Belt and Road 2.(3) Green and Low-carbon Operation 3.(1) Rural Revitalization 3.(2) Financial Inclusion Appendices: Honors and Awards
GRI 204 Procurement Practices	103-1	Explanation of the material topics and its boundary	Procurement of China Development Bank website
	103-2	Management approach and its components	
	103-3	Evaluation of the management approach	
GRI 205 Anti-corruption	204-1	Proportion of spending on local suppliers	Procurement of China Development Bank website
	103-1	Explanation of the material topics and its boundary	4.(1) Strengthening CPC leadership 4.(2) Improving Corporate Governance
	103-2	Management approach and its components	
103-3	Evaluation of the management approach		
GRI 205-2	205-2	Communication and training about anti-corruption policies and procedures	Confirmed incidents of corruption and actions taken
	205-3	Confirmed incidents of corruption and actions taken	
	205-3	Confirmed incidents of corruption and actions taken	
GRI 300 Environment			
GRI 103 Management Approach	103-1	Explanation of the material topics and its boundary	1.(1) New Infrastructure, New Urbanization and Major Projects 1.(2) Scientific and Technological Innovation 1.(3) Balanced Regional Developments 2.(1) Increased Supply of Green Finance 2.(2) Green Belt and Road 2.(3) Green and Low-carbon Operation 3.(1) Rural Revitalization 3.(2) Financial Inclusion Appendices: Honors and Awards
	103-2	Management approach and its components	
	103-3	Evaluation of the management approach	
GRI 302 Energy	302-1	Energy consumption within the organisation	Appendices: Key Data
	302-2	Energy consumption outside of the organisation	1.(1) New Infrastructure, New Urbanization and Major Projects
	302-3	Energy intensity	2.(1) Increased Supply of Green Finance 2.(3) Green and Low-carbon Operation
	302-4	Reduction of energy consumption	Appendices: Key Data
	302-5	Reductions in energy requirements of products and services	Appendices: Key Data

Number of the Disclosure Standard and Heading	Disclosure Article	Standard Content	Where to Find	
GRI 303 Water	GRI 103 Management Approach	103-1	Explanation of the material topics and its boundary	
		103-2	Management approach and its components	
		103-3	Evaluation of the management approach	
	303-1	303-1	Interactions with water as a shared resource	1.1(1) New Infrastructure, New Urbanization and Major Projects 1.3(3) Balanced Regional Development 2.1(1) Increased Supply of Green Finance 2.2(2) Green Belt and Road
		303-2	Water sources significantly affected by withdrawal of water	Appendices: Key Data
303-3	303-2	Water withdrawal	1.1(1) New Infrastructure, New Urbanization and Major Projects 1.3(3) Balanced Regional Development 2.1(1) Increased Supply of Green Finance 2.2(2) Green Belt and Road	
	303-3	Water withdrawal	1.1(1) New Infrastructure, New Urbanization and Major Projects 1.3(3) Balanced Regional Development 2.1(1) Increased Supply of Green Finance 2.2(2) Green Belt and Road	
GRI 304 Biodiversity	GRI 103 Management Approach	103-1	Explanation of the material topics and its boundary	
		103-2	Management approach and its components	
		103-3	Evaluation of the management approach	
	304-1	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	2.1(1) Increased Supply of Green Finance 2.2(2) Green Belt and Road
		304-2	Significant impacts of activities, products, and services on biodiversity	2.1(1) Increased Supply of Green Finance 2.2(2) Green Belt and Road
304-3	Habitats protected or restored			
GRI 305 Emissions	GRI 103 Management Approach	103-1	Explanation of the material topics and its boundary	
		103-2	Management approach and its components	
		103-3	Evaluation of the management approach	
	305-1	305-1	Direct (Scope 1) GHG emissions	2.1(1) Increased Supply of Green Finance 2.2(2) Green Belt and Road
		305-2	Energy indirect (Scope 2) GHG emissions	
305-3	Other indirect (Scope 3) GHG emissions			
305-4	GHG emissions intensity			
305-5	Reduction of GHG emissions			
GRI 306 Effluents and Waste	GRI 103 Management Approach	103-1	Explanation of the material topics and its boundary	
		103-2	Management approach and its components	
		103-3	Evaluation of the management approach	
	306-1	306-1	Water discharge by quality and destination	1.3(3) Balanced Regional Development 2.1(1) Increased Supply of Green Finance 2.2(2) Green Belt and Road
		306-2	Waste by type and disposal method	
GRI 307 Environmental Compliance	GRI 103 Management Approach	103-1	Explanation of the material topics and its boundary	
		103-2	Management approach and its components	
		103-3	Evaluation of the management approach	
GRI 308 Supplier Environmental Assessment	GRI 103 Management Approach	103-1	Explanation of the material topics and its boundary	
		103-2	Management approach and its components	
		103-3	Evaluation of the management approach	
308-1	New suppliers that were screened using environmental criteria	Procurement of China Development Bank website		
GRI 400 Society				
GRI 401 Employment	GRI 103 Management Approach	103-1	Explanation of the material topics and its boundary	
		103-2	Management approach and its components	
		103-3	Evaluation of the management approach	
	401-1	401-1	New employee hires and employee turnover	4.5(5) Promoting Development of Staff Appendices: Key Data
		401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	4.5(5) Promoting Development of Staff
GRI 402 Labor/Management Relations	GRI 103 Management Approach	103-1	Explanation of the material topics and its boundary	
		103-2	Management approach and its components	
		103-3	Evaluation of the management approach	
GRI 403 Occupational Health and Safety	GRI 103 Management Approach	103-1	Explanation of the material topics and its boundary	
		103-2	Management approach and its components	
		103-3	Evaluation of the management approach	
	403-1	403-1	Workers representation in formal joint management-worker health and safety committees	4.5(5) Promoting Development of Staff
		403-2	Hazard identification, risk assessment, and incident investigation	
403-4	Health and safety topics covered in formal agreements with trade unions			
GRI 404 Training and Education	GRI 103 Management Approach	103-1	Explanation of the material topics and its boundary	
		103-2	Management approach and its components	
		103-3	Evaluation of the management approach	
	404-1	404-1	Average hours of training per year per employee	4.5(5) Promoting Development of Staff
		404-2	Programmes for upgrading employee skills and transition assistance programmes	

Number of the Disclosure Standard and Heading	Disclosure Article	Standard Content	Where to Find	
GRI 405 Diversity and Equal Opportunity	GRI 103 Management Approach	103-1	Explanation of the material topics and its boundary	
		103-2	Management approach and its components	
		103-3	Evaluation of the management approach	
	405-1	405-1	Diversity of governance bodies and employees	4.5(5) Promoting Development of Staff
		405-2	Ratio of basic salary and remuneration of women to men	
GRI 406 Non-discrimination	GRI 103 Management Approach	103-1	Explanation of the material topics and its boundary	
		103-2	Management approach and its components	
		103-3	Evaluation of the management approach	
	406-1	Incidents of discrimination and corrective actions taken	4.5(5) Promoting Development of Staff	
GRI 407 Freedom of Association and Collective Bargaining	GRI 103 Management Approach	103-1	Explanation of the material topics and its boundary	
		103-2	Management approach and its components	
		103-3	Evaluation of the management approach	
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	4.5(5) Promoting Development of Staff		
GRI 408 Child Labor	GRI 103 Management Approach	103-1	Explanation of the material topics and its boundary	
		103-2	Management approach and its components	
		103-3	Evaluation of the management approach	
GRI 409 Forced or Compulsory Labor	GRI 103 Management Approach	103-1	Explanation of the material topics and its boundary	
		103-2	Management approach and its components	
		103-3	Evaluation of the management approach	
GRI 410 Security Practices	GRI 103 Management Approach	103-1	Explanation of the material topics and its boundary	
		103-2	Management approach and its components	
		103-3	Evaluation of the management approach	
GRI 411 Rights of Indigenous Peoples	GRI 103 Management Approach	103-1	Explanation of the material topics and its boundary	
		103-2	Management approach and its components	
		103-3	Evaluation of the management approach	
GRI 412 Human Rights Assessment	GRI 103 Management Approach	103-1	Explanation of the material topics and its boundary	
		103-2	Management approach and its components	
		103-3	Evaluation of the management approach	
412-2	Employee training on human rights policies or procedures	4.5(5) Promoting Development of Staff		
GRI 413 Local Communities	GRI 103 Management Approach	103-1	Explanation of the material topics and its boundary	
		103-2	Management approach and its components	
		103-3	Evaluation of the management approach	
413-1	Operations with local community engagement, impact assessments, and development programmes	3.1(1) Rural Revitalization 3.2(2) Financial Inclusion 4.6(6) Social Welfare Undertakings		
GRI 414 Supplier Social Assessment	GRI 103 Management Approach	103-1	Explanation of the material topics and its boundary	
		103-2	Management approach and its components	
		103-3	Evaluation of the management approach	
414-1	New suppliers that were screened using social criteria	Procurement of China Development Bank website		
GRI 415 Public Policy	GRI 103 Management Approach	103-1	Explanation of the material topics and its boundary	
		103-2	Management approach and its components	
		103-3	Evaluation of the management approach	
415-1	Political contributions	3.1(1) Rural Revitalization 4.4(4) Engagement with Stakeholders 4.6(6) Social Welfare Undertakings		
GRI 416 Customer Health and Safety	GRI 103 Management Approach	103-1	Explanation of the material topics and its boundary	
		103-2	Management approach and its components	
		103-3	Evaluation of the management approach	
416-1	Assessment of the health and safety impacts of product and service categories	3.3(3) Client-centered Services		
GRI 417 Marketing and Labeling	GRI 103 Management Approach	103-1	Explanation of the material topics and its boundary	
		103-2	Management approach and its components	
		103-3	Evaluation of the management approach	
417-1	Requirements for product and service information and labeling	3.3(3) Client-centered Services		
GRI 418 Customer Privacy	GRI 103 Management Approach	103-1	Explanation of the material topics and its boundary	
		103-2	Management approach and its components	
		103-3	Evaluation of the management approach	
418-1	Requirements for product and service information and labeling	3.3(3) Client-centered Services		
GRI 419 Socioeconomic Compliance	GRI 103 Management Approach	103-1	Explanation of the material topics and its boundary	
		103-2	Management approach and its components	
		103-3	Evaluation of the management approach	
419-1	Requirements for product and service information and labeling	4.3(3) Boosting Sustainability		

Notes to the Report

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