

# Rising to the Challenge

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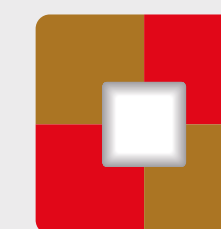
## About this report

This report has been produced to provide our stakeholders with a transparent account of how CDB Aviation is addressing the most material sustainability issues facing our business. In preparing the report we have referenced GRI Standards. Our GRI content index can be found in the Appendix (see pages 73 – 75). Unless otherwise indicated, the information and data presented in the report is for the calendar year 1 January 2022 to 31 December 2022.





# WHO WE ARE



**CDB**  
AVIATION

# CDB Aviation at a glance

CDB Aviation is a full-service aircraft leasing platform with a global footprint, offering airline customers a suite of fleet solutions – new and used aircraft leases, sale/ leasebacks and financing. We are backed by China Development Bank, China's largest development bank, and one of the world's largest institutions supporting domestic and foreign infrastructure projects.

*\* Newgen fleet share based on aircraft count, not asset values*

*\*\* Top 10 market position based on CMVs from Cirium Market Tracker Q4 2022*

273  
aircraft in the fleet



Average age of 4.4 years

96 new aircraft  
on order

46%  
of fleet latest  
generation aircraft\*

Top 10  
lessor market position\*\*

132  
staff members



63 lessees across  
37 countries and regions



CDB Aviation's CSR program

Subsidiary of China Development Bank Financial Leasing Co. (CDBL)





# Our Fleet

## Previous Generation

737-800 NG



48 in-service

A320/A321ceo



47 in-service

A330-200/-300



30 in-service

777-300ER



1 in-service

## New Generation

737 Max 8



32 in-service

37 committed

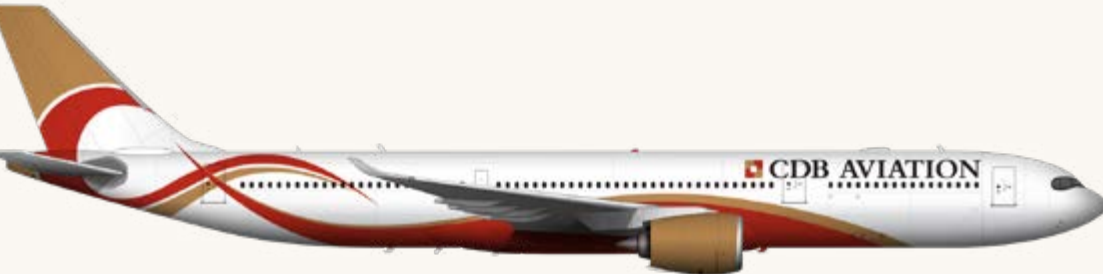
A320/A321neo



83 in-service

71 committed

A330-900



5 in-service

A350-900



3 in-service

787-9



2 in-service

## Regional Jets

Embraer E190



20 in-service

## Freighters

A330 P2F



2 in-service

273 in-service

125 new generation

108 committed

# The Challenge of Our Times



**It is my privilege to introduce CDB Aviation's first Sustainability Report, which marks an important milestone on our business's sustainability journey. CDB Aviation is committed to providing the leadership needed to help build a sustainable aviation industry over the coming years, with the ultimate goal of the decarbonisation of our industry by 2050. In this report, we share our progress to date in addressing the sustainability issues that impact our business. We also outline our plans and ambitions for the future.**

## Aviation Brings People, Business and Communities Together

For over a century, since the Wright Brothers took the first flight in Kitty Hawk in 1903, aviation has transformed our world, enabling humans to interact and cultures to connect. The aviation industry has contributed enormously to building global co-operation, breaking down barriers and promoting social cohesion. It now supports 4% of global GDP and employs millions of people directly (and tens of millions indirectly through enabled trade and tourism).

Since its introduction 50 years ago, aircraft leasing has revolutionised how aircraft are financed and how airlines manage their fleets.

Today, more than half of the world's fleet is leased, and the sector has helped facilitate expansion of the global fleet (by 6x in 50 years) and helped contribute to lowering the cost of air travel (by 4x over 50 years), making it more affordable and available to more people.

Founded in 2009, CDB Aviation has grown to become a top-10 player in this dynamic and expanding sector. As we look towards the future, it is only right that we assess our role in society and the broader role of aviation and its impacts. CDB Aviation stands ready to do this.

We recognise that climate change poses a fundamental challenge to our planet, society and economy, and that the aviation industry, like all other industries, needs to transition to a low carbon future. In this transition, aircraft leasing has an important role to play.

## Our Commitment

CDB Aviation is committed to evolving our business, facilitating positive change across our industry, and building a better future together. As part of this commitment, we are proud to launch our new sustainability strategy, which we have developed over the last year.

The strategy is underpinned by our belief that to achieve our corporate mission, we must respond to the sustainability risks and opportunities that will fundamentally shape our industry's future and indeed the future of the world. We recognise that the long-term commercial success of our business relies on it.

Our approach, as set out in our strategy, is twofold: Managing our Impact as a business, while Maximising our Influence to drive progress and accelerate change across our industry. The strategy sets out clear actions we will take across key Environmental, Social and Governance (ESG) issues over the coming years.

Today, CDB Aviation sets a target of being a net-zero carbon business by 2050, formally aligning our ambition with the Fly Net Zero commitment made by the International Air Transport Association (IATA) in 2021. Alongside this commitment to reduce emissions, we will continue to operate to the highest levels of corporate governance, integrity and social responsibility in all that we do. Our business will positively contribute to society, recognise its impact on the planet and create an environment in which staff members can grow and develop.

## A New Chapter

Since becoming CEO in January 2023, I am highly cognisant of the responsibility entrusted on us all to begin writing a new chapter for our industry. I look forward to working with my colleagues, our Board and our shareholder to embed the sustainability agenda throughout our business. I also look forward to partnering with our airline customers, OEMs and the wider aviation industry to achieve our collective net-zero ambition and to address important social issues such as diversity, equity and inclusion.

CDB Aviation is committed to being part of the solution. I firmly believe that together we can rise to the challenges that are before us.

*Jie Chen*

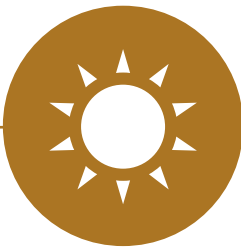


# Rising to the Challenge



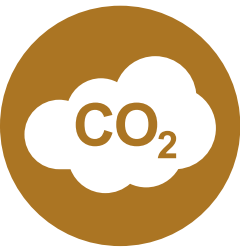
## A defining decade for aviation

The aviation industry is no stranger to challenges. Time and again, it has shown itself to be resilient and adaptable, as evidenced most recently by its strong recovery in the wake of the COVID-19 pandemic and the response to the ongoing difficulties posed by the war in Ukraine. Despite these external impacts, aviation has continued to adapt and grow, providing extraordinary opportunities for more of the world to connect, at increasingly lower costs. The next decade, however, will see the industry face its biggest test yet – the existential challenge of climate change. The actions taken by the international aviation community in the next decade in response to this challenge will shape the future of the industry.



## Aviation's impact on the climate

It is now widely accepted that to limit global warming to 1.5°C and achieve the goals of the Paris Agreement on climate change, all sectors of the economy need to rapidly decarbonise and reach net-zero carbon emissions by 2050. Aviation is currently responsible for around 2.5% of global emissions. However, that proportion is set to increase as air travel continues to grow year-on-year, driven by population growth and the rise of the middle classes in emerging markets, and as other sectors of the economy decarbonise more quickly. Added to this, research indicates that 'non-CO2' impacts from flying mean the overall climate impact of aviation is potentially significantly higher still.



## The scale of the challenge

The aviation industry is now stepping up to play its part in climate action, with both the International Air Transport Association (IATA) and the Air Transport Action Group (ATAG) announcing industry-wide 'net-zero by 2050' targets and publishing net-zero roadmaps. In the short-term, there is a heavy reliance on carbon off-setting to deliver against these roadmaps, but post 2030 they call for disruptive change focused initially on sustainable aviation fuel (SAF) and later transitioning to the development of new and revolutionary aircraft and engine technology.

In this context, fuel efficiency has a vital role to play in a transition to a cleaner 2050. However, with just 20% of the global jet fleet today comprised of the latest, low emission aircraft types and with just 300m to 450m litres of SAF produced in 2022 (compared to IATA's goal of 30 billion litres by 2030), SAF still accounts for a minute fraction of total aviation fuel demand – less than 1% of global jet fuel consumption. The scale of the challenge facing the industry is clearly immense.



## Lessors' responsibility

The world's fleet is now majority leased for the first time, having passed the 50% mark in 2021. All indicators point to leasing continuing to expand its share of the global fleet – particularly in light of the important role played by lessors to support airlines over the past few years. As a critical enabler of airline fleet composition, we must play a leading role in driving change and advocating for our industry to take responsibility for our footprint.

Achieving sustainable aviation is an industry-wide challenge that will only be solved by an industry-wide collaborative and coordinated response.



“

There will be those who say that we face impossible numbers and technical challenges. Aviation has a history of realising what was thought to be impossible. From the first commercial flight to the first commercial jet was about 35 years. And twenty years on, we had the first jumbo jet.

Sustainability is the challenge of our generation. But in 30 years, it is also within reach of human ingenuity, provided governments and the whole industry work together and hold each other accountable for delivery.

*Willie Walsh, Director General of IATA*





# STRATEGY



CDB  
AVIATION



**Our sustainability strategy defines how we will manage our impacts and maximise our influence on key ESG issues.**

We believe a comprehensive sustainability strategy will make our business more competitive, resilient, and fit for the future.



# Key Sustainability Challenges

CDB Aviation's sustainability strategy is focused on building a sustainable future for aviation by tackling key challenges facing our industry. These challenges present significant risks to our business, but also significant opportunities to use our influence to drive positive change. The environmental challenge is undoubtedly the most urgent and significant to be addressed, but there are important social and governance challenges too. Later in this report, we share CDB Aviation's view on how we aim to rise to each of these challenges.



## ENVIRONMENTAL CHALLENGE

### Climate Action

How can we rapidly decarbonise aviation while continuing to enable global travel and trade? How can we adapt to the commercial risks that climate change poses and seize the opportunity to revolutionise air travel?



## SOCIAL CHALLENGE

### The Future of Work

How can we build an inclusive company and encourage the industry to attract and retain the best and most diverse talent in the face of a global skills shortage and significant changes to the world of work?



## GOVERNANCE CHALLENGE

### The Need for Radical Transparency

How can we respond to the demand for increased corporate transparency and disclosure from all stakeholders including investors, governments, regulators and the public, whilst embedding sustainability into the heart of our decision-making process?





# Our Sustainability Strategy

In 2022, CDB Aviation formed a Sustainability Working Group tasked with developing a comprehensive new sustainability strategy that brings together all of our existing activities across the areas of Environmental, Social and Governance (ESG) and defines clear actions we will take to improve our sustainability performance in the future. These actions fall into two categories – those focused on Managing our Impact as a business, and those focused on Maximising our Influence to help drive progress across our industry.

Our strategy is intentionally focused initially on the next three years, to the end of 2025. This is to keep us focused on ensuring key baseline measures, policies and processes are in place to inform and help deliver a longer-term strategy to 2030 and beyond.

## Managing Our Impacts

Looking across the different areas of our strategy, CDB Aviation already has a strong Governance foundation. The main body of Governance work needed from here is to formally embed ESG into our governance framework and strengthen specific areas such as supply chain management. Similarly, we already have strong practices in place on many aspects of the social agenda, such as employee wellbeing and development. Our immediate focus will be to formalise our approach to diversity, equity and inclusion (DEI), develop DEI targets and implement actions to achieve them.

In keeping with our industry, the area with greatest scope for improvement is on the environmental agenda. In the long-term, we are committed to achieving the IATA Fly Net Zero 2050 target, which means that in the short-term, we need to develop a net-zero carbon roadmap showing how we in CDB Aviation will achieve this. For our next steps, we will continue to increase the proportion of new generation aircraft in our fleet, reduce the environmental impacts of our operations, and work with our finance providers to explore opportunities related to sustainable finance.

## Maximising Our Influence

To really affect change on the ESG agenda and accelerate progress towards a more inclusive, sustainable future, we recognise the need to collaborate. As part of our strategy, we have identified three areas where CDB Aviation will focus our collaborative efforts, forming partnerships and working with others in the aviation ecosystem. These reflect the topics on which we believe there is the most need for collaboration, as well as the most opportunity for us to have an impact.

## Key Principles

Three key principles underpin our approach to becoming a sustainable business: enable our airline customers to achieve their sustainability goals, collaborate with key players in the aviation ecosystem to accelerate change, and focus on the areas where we can make the greatest positive difference. With these principles at the forefront of our minds, we look forward to taking this important step forward on CDB Aviation's sustainability journey.

# Our Sustainability Strategy



## VISION



### CDB AVIATION MISSION

To enable air travel by leasing the most popular and sustainable modern aircraft types to airlines around the world.



### CDB AVIATION SUSTAINABILITY

To achieve our business mission by actively responding to sustainability risks and opportunities that will fundamentally shape our industry's future and the future of the world.



## APPROACH



### OUR BUSINESS

#### MANAGING OUR IMPACT

Actively managing the material sustainability risks and opportunities facing our business.



### OUR INDUSTRY

#### MAXIMISING OUR INFLUENCE

Working with partners to accelerate our industry's progress towards a more inclusive, sustainable future.



## PRINCIPLES



### ENABLE

our customers to achieve their sustainability goals by incentivising, encouraging and supporting them to make progress.



### COLLABORATE

with all players in the aviation ecosystem to drive change.



### FOCUS

our efforts on the things we can control or influence and have a meaningful impact on.



# Our Approach

## OUR BUSINESS

### MANAGING OUR IMPACT



Sustainable Fleet

Sustainable Operations

Sustainable Finance



Staff Wellbeing & Development

Inclusive Workplace

Corporate Social Responsibility



Ethics & Compliance

Sustainable Supply Chain

ESG Governance Integration

- Environmental
- Social
- Governance

## OUR INDUSTRY

### MAXIMISING OUR INFLUENCE



Accelerate Innovation in  
SAF and New Technology



Advance Progress on  
Diversity, Equity & Inclusion



Advocacy &  
Sustainability Leadership

# Stakeholder Engagement

Every day across our business, we actively engage with our stakeholders on a wide variety of topics. The type of engagement varies, from regular meetings and conversations to more infrequent interactions via conferences, events, or other forums.

We firmly believe that regular, meaningful stakeholder engagement and communication is crucial to our ongoing business success. It helps us to identify and understand our stakeholders' needs and expectations, stay ahead of market trends, and proactively manage business risks and opportunities. This in turn enables us to evolve our business model and be nimble in our way of operating in response to changing stakeholder needs.

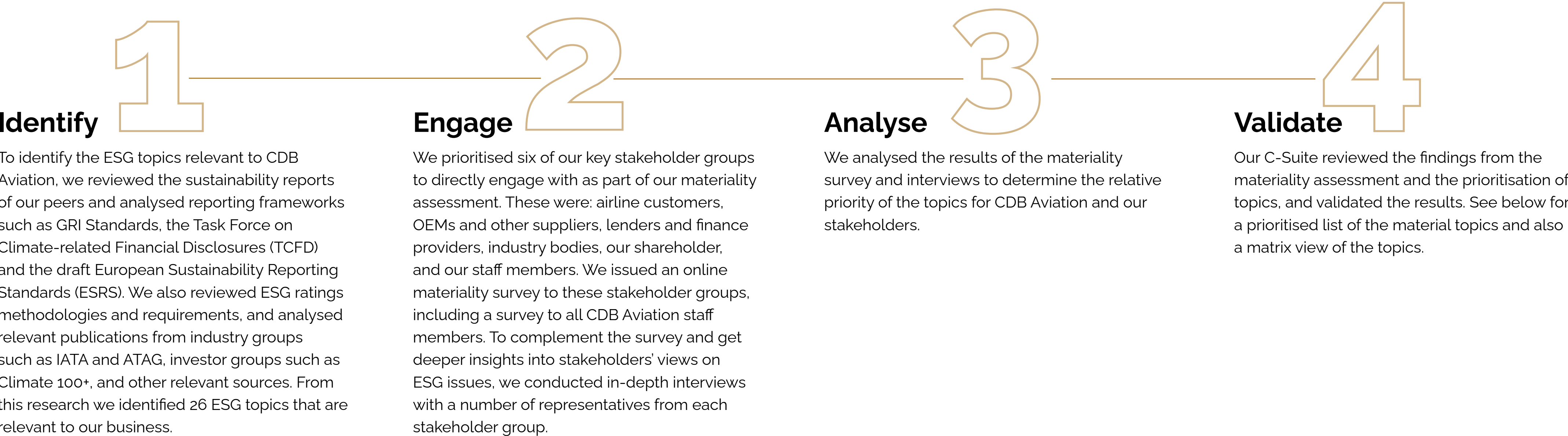
### Identifying our key stakeholders

We identify our key stakeholders by examining our end-to-end value chain and understanding our most important relationships at each point. There are eight key stakeholder groups that are a priority for our business and that we actively engage with, via multiple channels and on multiple issues.

Stakeholder group	How we engage	Frequency	Key topics
Airline customers	Our marketing/commercial team engages directly with our airline customers via face-to-face meetings and calls. We also engage with customers via industry conferences.	Daily/weekly	<ul style="list-style-type: none"><li>• Fleet requirements</li><li>• Aircraft fitouts</li><li>• Lease negotiations</li><li>• Sustainability and decarbonisation</li></ul>
OEMs and other suppliers	<p>Our technical team engages directly with OEMs and key suppliers via face-to-face meetings and calls.</p> <p>Our facilities team also engages with office-related suppliers who provide us with goods and services (e.g. catering suppliers, services suppliers).</p>	Daily / weekly	<ul style="list-style-type: none"><li>• Aircraft specifications</li><li>• New technology developments</li><li>• Sustainability and decarbonisation</li><li>• Parts and materials specifications</li><li>• Product and service requirements</li><li>• Service level agreements and contracts</li></ul>
Shareholder (CDBL)	Our Board, C-Suite members and Team Heads engage directly with our shareholder, CDBL, via calls and face-to-face meetings. We also have quarterly Board meetings which engage the shareholder and monthly senior leadership meetings between CDB Aviation and CDBL.	Regularly throughout the year	<ul style="list-style-type: none"><li>• Financial performance</li><li>• Business risks and opportunities (including ESG-related)</li><li>• Industry trends</li><li>• Regulatory changes</li></ul>
Lenders / finance providers	Our capital markets team engages directly with banks and finance providers via face-to-face meetings and calls.	Regularly throughout the year	<ul style="list-style-type: none"><li>• Debt financing</li><li>• Industry trends</li><li>• Sustainability and ESG</li></ul>
Staff members	<p>Our HR team, C-Suite and Team Heads engage directly and indirectly with our staff members via various channels and conference calls including:</p> <ul style="list-style-type: none"><li>• Weekly global commercial and operations calls</li><li>• Quarterly all-staff updates</li><li>• Team meetings and one-to-one meetings</li><li>• Regular performance management reviews</li><li>• WheelsUp – our staff wellbeing and development programme</li><li>• Sports and social club activities</li></ul>	Regularly throughout the year	<ul style="list-style-type: none"><li>• Company updates or organisational changes</li><li>• Safety, health and wellbeing</li><li>• Training and development</li><li>• Sustainability and ESG</li></ul>
Local community organisations	Our CSR Committee engages directly with a variety of charitable and non-profit organisations as part of our CSR activities and corporate fundraising.	Regularly throughout the year	<ul style="list-style-type: none"><li>• Fundraising initiatives</li><li>• Staff workshops and events</li><li>• Other CSR initiatives</li></ul>
Government and regulators	We engage with governments and regulators from time to time and various industry associations and groups that we are part of including Aircraft Leasing Ireland (ALI).	Periodically	<ul style="list-style-type: none"><li>• Industry trends</li><li>• International aviation sector agreements</li><li>• Regulatory changes</li></ul>
Industry bodies	We are members of several industry bodies, such as Aircraft Leasing Ireland (ALI), through which we engage with our peers and other players in the aircraft leasing industry.	Periodically	<ul style="list-style-type: none"><li>• Industry trends</li><li>• International aviation sector agreements</li><li>• Government or industry consultations on policy or regulatory change</li><li>• Industry issues and initiatives</li><li>• Sustainability and ESG</li></ul>

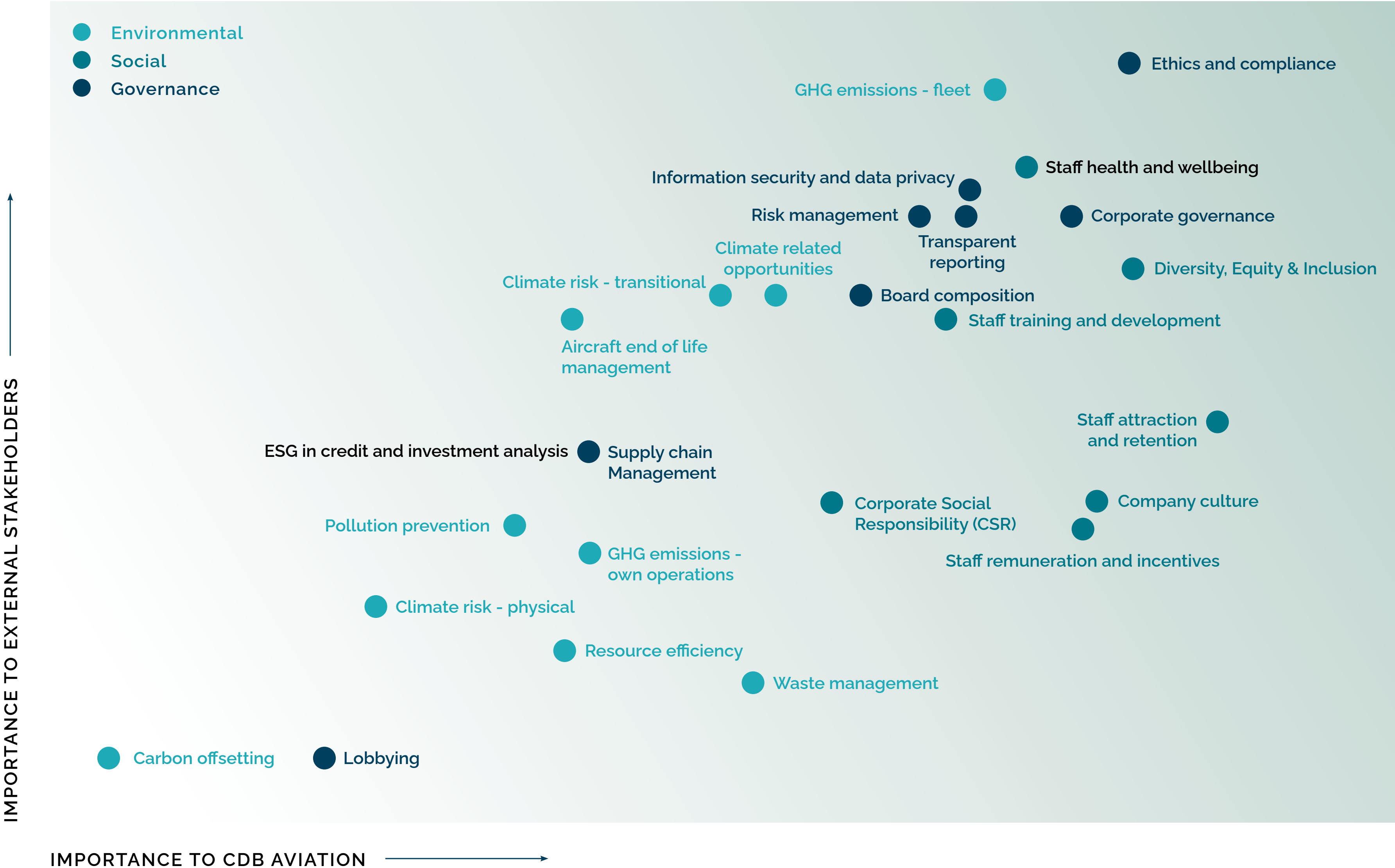
# Materiality Process

In 2022, we conducted a materiality assessment to help us identify and prioritise the ESG topics that are most material for our business. We believe this was an important first step with the results of this materiality assessment directly informing the development of our sustainability strategy and our sustainability reporting.





# CDB Aviation Materiality Matrix



## Our Material Topics

### Highest priority

- Ethics and compliance
- Fleet GHG emissions
- Diversity, Equity & Inclusion
- Staff health and wellbeing
- Corporate governance
- Staff attraction and retention
- Information security and data privacy
- Transparent reporting
- Risk management
- Staff training and development

### Medium priority

- Company culture
- Board composition
- Staff remuneration and incentives
- Climate-related opportunities
- Climate risk – transition
- Corporate Social Responsibility
- Aircraft end-of-life management
- Supply chain management
- ESG in credit and investment analysis

### Lower priority

- Waste management
- Operational GHG emissions
- Pollution prevention
- Resource efficiency
- Climate risk – physical
- Lobbying
- Carbon offsetting

# Key Insights

**Our materiality assessment was an extremely valuable exercise in identifying and understanding the views and expectations of our stakeholders with regards to sustainability and ESG, and we are very grateful for the time and insights that people gave to the process. The assessment reinforced the significance of key agenda items and opened our eyes on the value of others.**

We recognise that the sustainability agenda is evolving at pace and what is a high priority today, may be less important in future years. Similarly, issues currently ranked lower may become more important over time as markets, customer demands, and regulation alter the aviation industry and the broader societal landscape. The materiality process is a key tool to monitor and stay on top of the evolution of these issues.

For CDB Aviation, there are a number of key takeaways from our materiality assessment that influenced our thinking and had a significant bearing on the development of our sustainability strategy. These include:

## **Good governance underpins everything.**

The positioning of the governance (G) topic – ethics & compliance – obtaining the highest scoring topic overall for both internal and external stakeholders is an important acknowledgment that good corporate governance is a critical foundation for commercial success. In a global and highly scrutinised industry such as ours, it reminds us of the continued importance of upholding the highest standards of governance at all times.

## **Looking after people is key.**

The prevalence of social (S) issues among the highest priority topics is reflective of the people-centric nature of our business. We are reliant on the talents and the commitment of the brightest and best to innovate and steer our industry through what will be defining decades in the history of aviation as we seek to decarbonise. The challenges faced by our industry continue to evolve year-on-year. It's crucial that we invest in developing skills and opportunities for our people and in looking after their wellbeing, so that aircraft leasing remains an attractive career choice.

## **We must influence Scope 3 emissions.**

The overwhelming consensus on environmental (E) issues is that reducing emissions from our fleet is where our focus needs to be. This reflects our stakeholders' understanding of the relative magnitude of the carbon emissions from our fleet versus the carbon emissions from our corporate operations. It poses a challenge for CDB Aviation as to how to influence the reduction of so-called 'Scope 3 emissions' from our fleet when we are not directly involved in the manufacturing or operation of the aircraft. And crucially, it highlights that the only way we will succeed in decarbonising our industry is if all players in the aviation industry, lessors included, work together towards a common goal.

## **We need to better understand our exposure to climate risk.**

Climate change risk and opportunity emerged as a medium priority in our assessment. Climate risk is a topic that CDB Aviation intends to give considerable focus to going forward as part of integrating ESG considerations into our governance and risk management framework. We have already made some progress in this regard having recently completed our first high-level climate risk and opportunity assessment, guided by the TCFD recommendations (see pages 69 - 70). We intend to build on this and further develop our climate risk disclosures in the future.

## **It's vital that we 'walk the talk' on environment.**

Although topics related to the environmental impacts of our operations were ranked as lower priority relative to the environmental impacts of our fleet, we believe it is nonetheless important to give operational 'E' issues focus within our sustainability strategy. The reason is clear: it is our responsibility to take action to help reduce these impacts and it's important to all of us in CDB Aviation that we do our utmost to 'walk the talk'.

## **Anticipating issues that will shift in priority.**

We anticipate that the issues of 'sustainable supply chain management' and 'ESG in credit and investment analysis' will increase in priority as ESG topics in the near future. There are already signs of this taking shape. For this reason, we have decided to give focus to these topics within our sustainability strategy and to implement actions on them during 2023 to enable us to progress in these areas.



# Collaboration

CDB Aviation's portfolio accounts for about 1% of the global fleet of 26,000 aircraft. On our own, there is a limit to the level of change we can affect. However, the leasing industry as a group, manages over 50% of the global fleet.

Collaborating as one, we can be genuine drivers of adoption, innovation, investment and inclusion. Together, we can be a resonant, influential voice within the industry's sustainability conversation.

Below, we showcase some of the key collaborators with whom CDB Aviation is taking our sustainability journey.





# CDB Aviation is a Signatory to the ALI Sustainability Charter

In October 2022, the lessor community came together in Dublin for the Aircraft Leasing Ireland (ALI) Global Aviation Sustainability Day.

In keeping with the theme of the event - 'Collaboration and Inspiration' – ALI used the occasion to launch its Sustainability Charter, the first set of ESG and climate-aligned principles for the aviation industry.

CDB Aviation is proud to be a signatory of the Charter, along with over 30 other lessors, which

jointly committed to taking action and disclosing performance on key environmental, social and governance topics. These topics are fully aligned with those addressed in CDB Aviation's own sustainability strategy and we describe our approach to them in this report.

We applaud ALI for its leadership in bringing the industry together in this way and we look forward to working with our peers to drive greater transparency and increase standards on ESG across the aviation leasing industry.





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Our sustainability strategy gives us clarity and direction on the ESG issues that matter most and where we can make a difference. A lot of consideration went into developing a strategy that would result in better outcomes for CDB Aviation's business, for our stakeholders and for future generations. The real work starts now and we will be judged by the progress we make against the targets and objectives we've set for ourselves.



*Oisín Murray,  
Head of New Aircraft Programmes  
Member of the Sustainability Working Group*





# ENVIRONMENT





## **CDB Aviation fully supports the aviation industry's goal of net-zero carbon by 2050.**

We believe aviation has a place in a low carbon future and we are committed to playing our part to support and accelerate the sector's decarbonisation.

# Aviation's Moment of Truth

“ The time is always right to do what is right.

- Martin Luther King



**The earth's temperature is rising, and its population is increasingly urbanising. In many emerging countries, a growing middle class is working hard to have the same opportunities afforded to their families that they see people enjoying in more developed countries, which increasingly includes air travel.**

As an enabler of air travel, CDB Aviation recognises that we need to do all we can to leave our world in a better place for the next generation.

But how can we accommodate such seemingly paradoxical needs – the desire for more travel and the necessity to protect our planet? Aviation's moment of truth has arrived.

There is no denying that ours is a hard-to-abate sector compared to others because of the unique technology and timeframe challenges involved in achieving net-zero aviation. Compared to the automotive sector, in aviation we see battery technology and alternative fuels (like hydrogen) still at the early stages of application. But the solutions are becoming increasingly well understood. Over the last year, consensus has grown within and outside the industry as to what the path to net-zero carbon looks like. Papers published by the International Energy Agency (IEA), IATA, ATAG, and Aircraft Leasing Ireland (among others) point to a common set of enabling drivers: much faster adoption of SAF, fleet transition to aircraft types that consume less fuel and produce less CO<sub>2</sub>, introduction of next-level technology development (such as hybrid-electric

and hydrogen power), infrastructure and airspace efficiencies, offsets and carbon capture.

Today, CDB Aviation has one of the youngest fleets of any lessor, with an average age of 4.4 years. We are committed to having a fleet comprised of 60% new generation aircraft by 2025 – aircraft that will consume around 20% less fuel per passenger. In 2022, 46% of our fleet was next generation aircraft, up from just 12% in 2018. We are also committed to introducing green leasing products that incentivise our customers to transition to new technology types through innovative lease terms.

Beyond this, we are determined to use our influence to drive positive progress on SAF and new technology. This requires us to step outside

of our comfort zone and leverage our knowledge, our access to capital and our connections in new ways. We have already taken our first step by supporting Heart Aerospace, a Swedish OEM founded in 2018, with its development of a 30-seat hybrid-electric powered regional aircraft, the ES-30. We hope to establish more of these types of collaborations in the future and we also see enormous potential to engage our shareholder, CDB Leasing, in exploring investment opportunities linked to the decarbonisation agenda.

For those of us working in aviation today, the actions we take and choices we make over the next few years will be critical. They will help determine our industry's and our society's long-term future. It's on all of us to step up and deliver.



# Sustainable Fleet

## Why it matters?

At CDB Aviation, we aim to profitably lease the most popular and most sustainable modern aircraft types to airlines around the world. Key to achieving this goal is ensuring that we continuously improve the fuel efficiency of our fleet and increase the proportion of new generation aircraft within our portfolio. Our fleet is responsible for the majority of the carbon emissions associated with our business so setting targets over the medium and long-term to transition to electric, hydrogen or other new propulsion technology is also an important part of delivering on our business mission.

## Key targets:

- 60% of new generation aircraft in our fleet by 2025
- Net-zero emissions from fleet by 2050

## Key Actions for 2023:

- Publicly commit to IATA Fly Net Zero 2050 target
- Develop a net-zero roadmap for our fleet with interim targets
- Continue to increase the proportion of new generation aircraft in our portfolio as part of the CDB Aviation Sustainable Fleet Initiative
- Introduce Sustainability Metrics for all CDB Aviation Assets and Investments
- Develop CDB Aviation Green Weighting Factor to assess Airline Customer Sustainability
- Continue passenger to freighter (P2F) programme to extend the life of older aircraft
- Cooperation with leading partners for aircraft recycling

A key focus for CDB Aviation under the 'Managing our Impact' pillar of our sustainability strategy is our aim to continuously reduce the environmental impact of our fleet by investing in the latest, most fuel-efficient aircraft, and retiring older aircraft.

We recognise, however, that simply improving the efficiency of our fleet over time, while a positive and critical step, will not be enough to achieve net-zero by 2050. Meeting this target will require CDB Aviation to work in partnership with other players in the aviation ecosystem. This is why in parallel with ongoing fleet efficiency improvements, we seek to accelerate innovation in SAF and new technology, under the 'Maximising our Influence' pillar of our strategy. It's a two-pronged approach to delivering our goal of a sustainable fleet.

## Our approach to fleet management

CDB Aviation's strong financial capability allows us to focus on financing the most advanced and efficient aircraft available on the market. We actively manage our portfolio by selling older aircraft and redeploying capital to continuously promote and finance the latest generation of aircraft. The share of new generation aircraft within the CDB Aviation fleet has increased rapidly from 12% in 2018 to 46% in 2022.







Average  
Fleet age  
today... **4.4**  
years

Proportion of **new  
generation aircraft**  
in fleet today...

**46%**

Target proportion of new generation  
aircraft by **end of 2025**



**60%**

**20-25%**

**lower emissions** from new  
generation aircraft types



Up to **30%** **projected efficiency improvement**  
when we reach our target

**12%**

reduction in CDB Aviation Relative  
CO2 Emissions since 2018

**96**

aircraft on order  
and committed



**35**

737 MAX



**61**

A320neo family

A further commitment  
has been made to finance

**12**

future SLBs

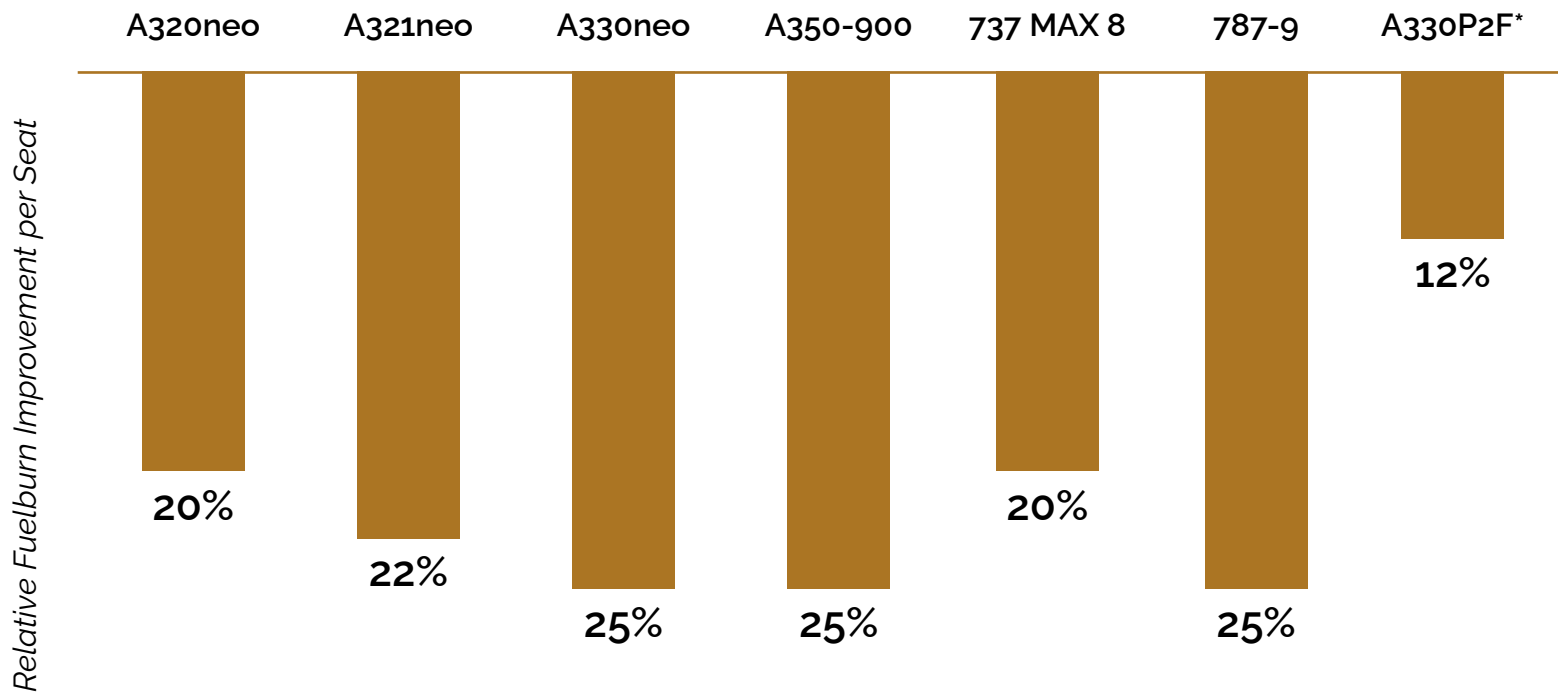


Orders and commitments for new gen aircraft will nearly  
**double today's fleet of 125** new generation aircraft



CDB Aviation New Fleet Types offer Significant Emissions Improvements

Fuelburn Improvement of Newgen Types<sup>1</sup>



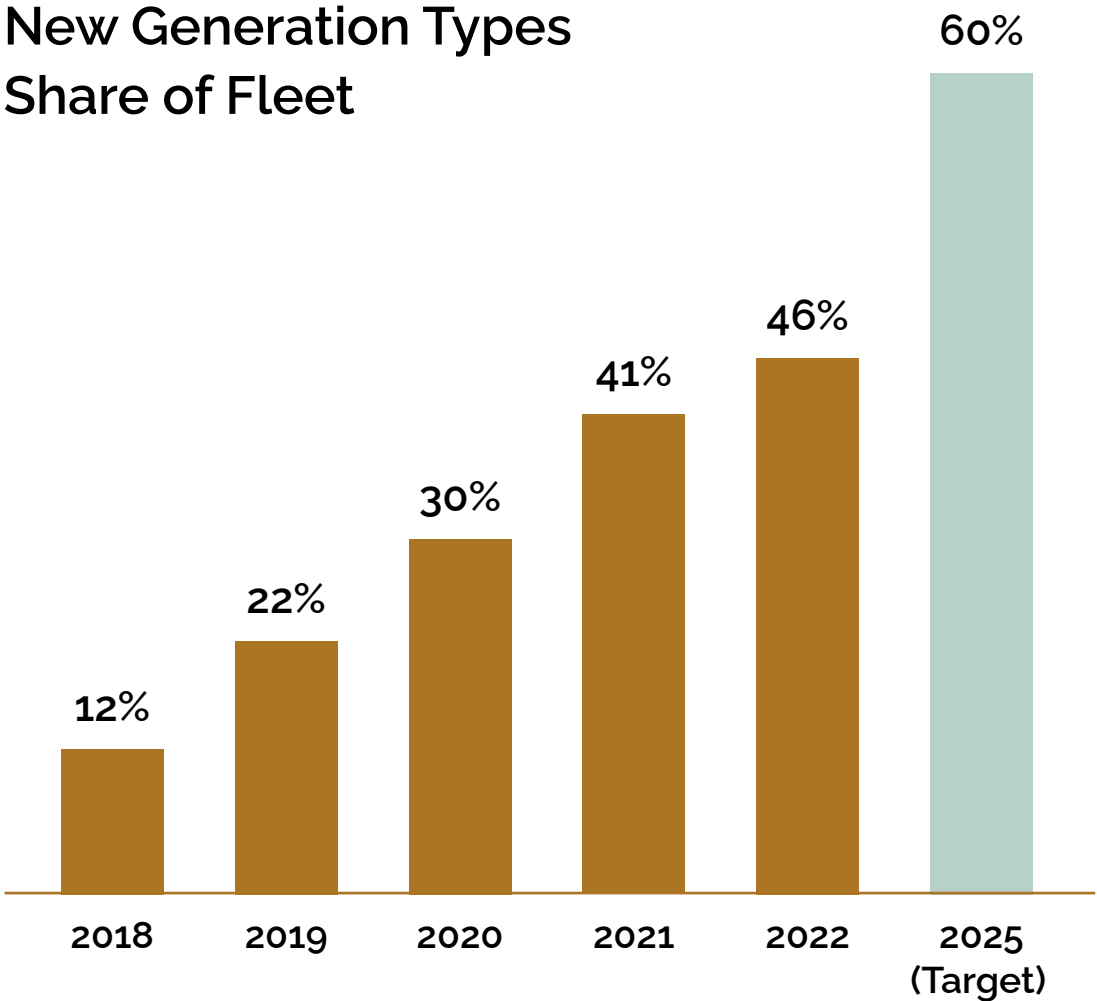
**Note:**  
<sup>1</sup> All values from Airbus and Boeing.  
Type comparisons used: A320neo vs A320ceo; A321neo vs A321ceo; A330-900 vs B767-300ER; A350-900 vs B777-200ER; 737-8 vs 737-800; 787-9 vs 767-300ER; A330-300P2F vs 767-300F.  
\* A330 P2F is measured per tonne and not per seat.

Our fleet consists of 273 aircraft today – regional, narrowbody, widebody and freighter assets - with an average age of 4.4 years. 125 are the latest generation available in their segment (Airbus A320neo Family, A330neo, A350, Boeing 737 MAX and 787). They are 20-25% more fuel efficient and less CO<sub>2</sub> intensive per seat than the generation of aircraft they replace. In addition, we offer the lowest emission widebody freighter through the A330 P2F, which offers 12% lower emissions per tonne of payload than the type it replaces.

<sup>1</sup> Calculated based on the weighted average by book value.

CDB Aviation Newgen Types - up from 12% in 2018 to 46% by 2022

New Generation Types Share of Fleet

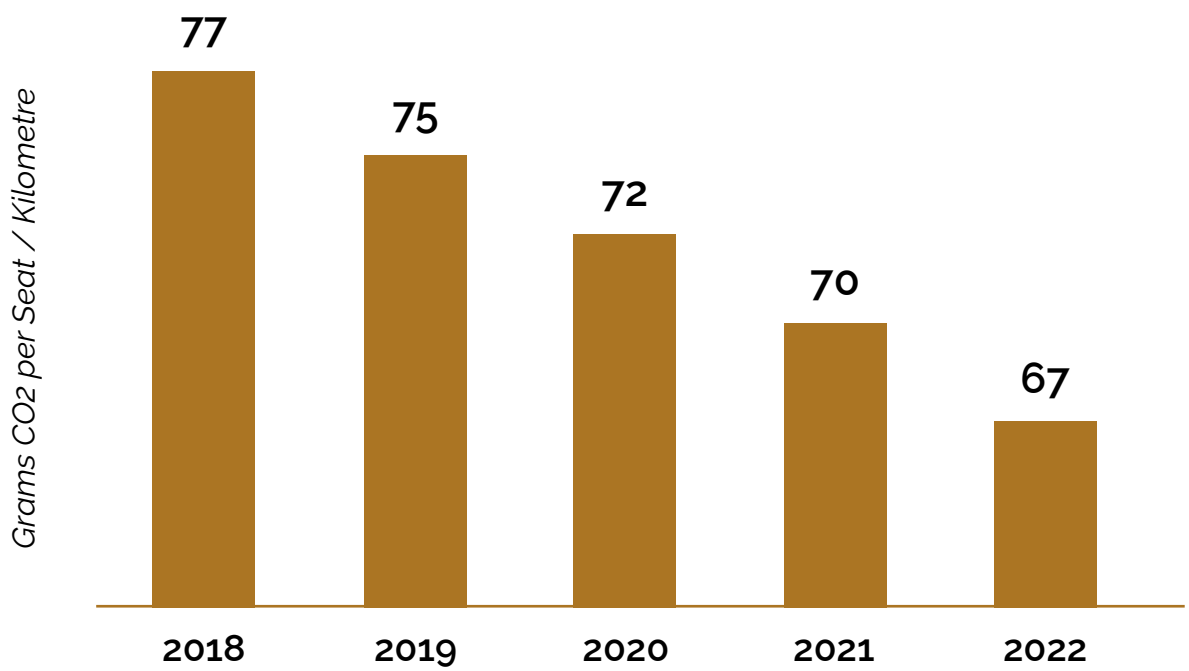


**Note:**  
In the interest of transparency, newgen share is by aircraft count and not asset CMV.

The goal of the CDB Aviation Sustainable Fleet Initiative is to achieve 60% new generation aircraft by the end of 2025 by aircraft count. This significant portfolio transition from 12% new generation in 2018 to 46% today and 60% by 2025 is happening through active portfolio management - exiting older generation aircraft and adding new generation types from our orderbook and through acquisitions. By increasing the relative share of new generation aircraft in the portfolio, we expect to improve the overall efficiency of our fleet by a further 30% over the next three years from 2022's level.

CDB Aviation CO<sub>2</sub> Emissions Improvement 2018 to 2022 -12%

Relative CO<sub>2</sub> Emissions  
(Grams per Available Seat / Kilometre)



**Source:** IBA NetZero Emissions data for the CDB fleet



As can be seen above, the relative efficiency of the fleet has improved by 12% since 2018, from 77 grams of CO<sub>2</sub> per Available Seat Kilometre (ASK) to 67 grams. Considering relative fleet efficiency through the CO<sub>2</sub> per ASK metric provides greater clarity on emissions evolution at different levels of fleet productivity – for instance, when utilisation was lower during the recent pandemic. It also captures the efficiency benefits of increasing average aircraft capacity.



# Measuring the carbon footprint of our fleet

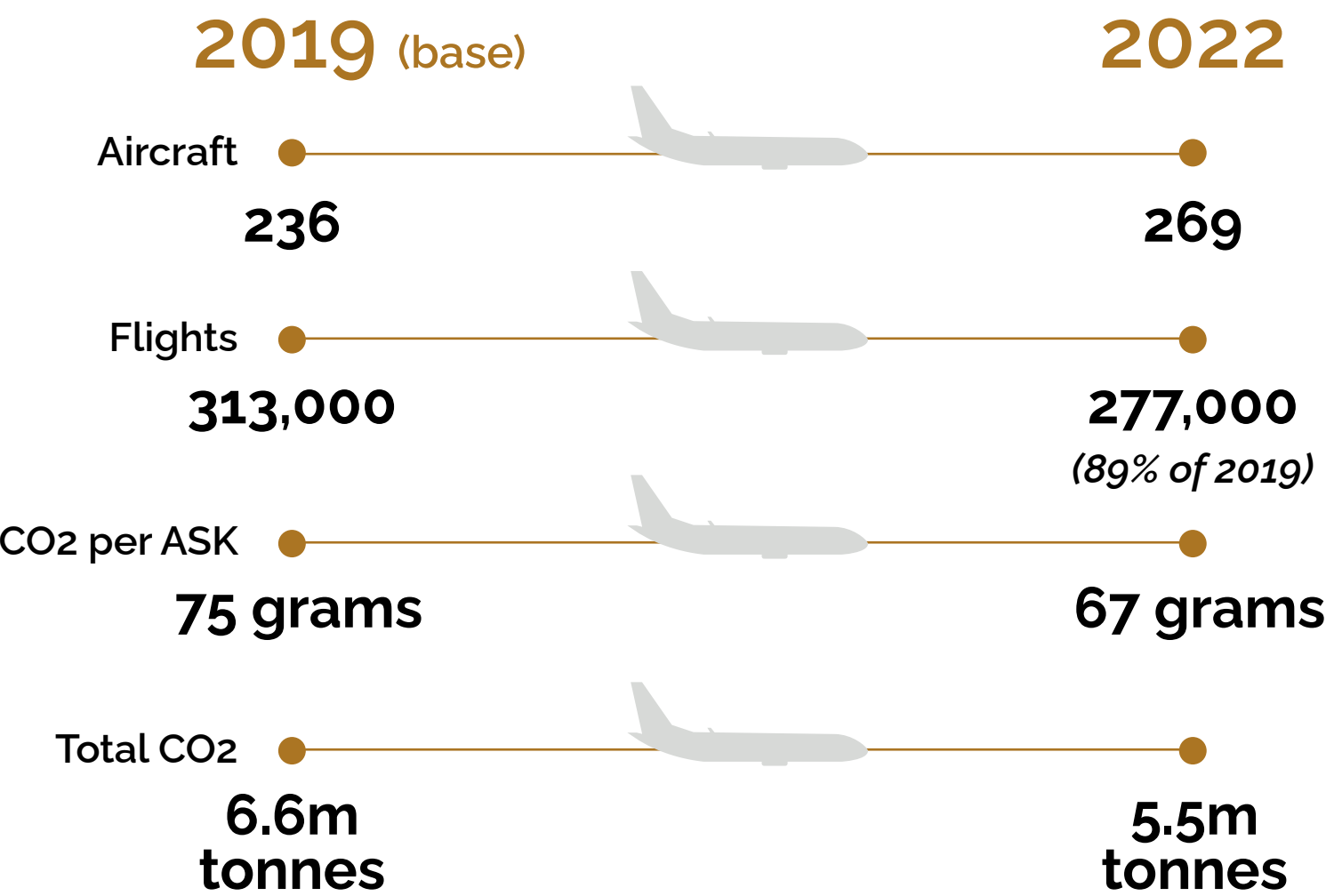
Developing a baseline for our fleet emissions is a key step in enabling us to develop a decarbonisation roadmap and set concrete interim targets on the path to net-zero by 2050. To gather data on our fleet we partner with IBA – a leading appraiser and data and information provider for aircraft values, flights, and emissions. We use IBA's NetZero Carbon Emissions Calculator for aviation emissions analysis, ESG reporting, strategic planning and insights into the risks and opportunities associated with decarbonising commercial aviation.

2022 reflected an ongoing reduction in the absolute CO2 emissions produced by CDB Aviation's fleet. 5.5m tonnes of CO2 were produced by the portfolio throughout the year, compared to 6.6m tonnes in the base year of 2019, a reduction of 16%.<sup>2</sup> The level of flying between 2020 and 2022 was heavily impacted by COVID-19.

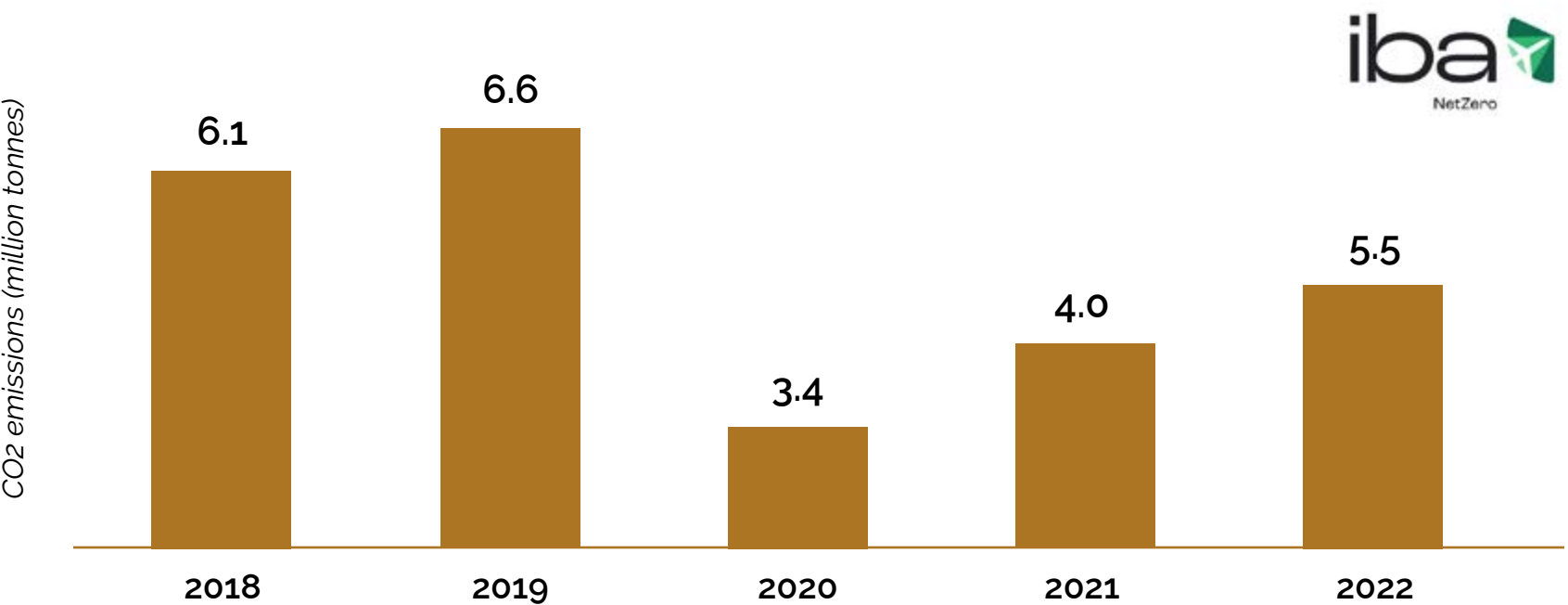
In terms of CO2 emissions per seat / kilometre (which is a useful measure of fleet efficiency), a 10% reduction in 2022 was observed compared to a 2019 baseline, from 75 grams to 67 grams.<sup>2</sup> Over the last five years, there has been an ongoing decline in CO2 emissions per seat / kilometre, from 7.7 grams in 2018 to 6.7 in 2022 (a 12% reduction). This improvement highlights the ongoing efficiency gains of our fleet.

<sup>2</sup> We have selected 2019 as the baseline year for our carbon footprint measurement, a year for which we are measuring both our fleet emissions and the emissions from our own operations.

Comparison of CDB Aviation fleet emissions data in 2019 and 2022



**CO2 Emissions Improvement 2018 to 2022: -16%**  
*Fleet productivity from 2020 to 2022 was heavily influenced by COVID.*



CDB Aviation's Total CO2 emissions (million tonnes)





# Sustainable Aviation Fuel

**Currently, our fleet of Airbus, Boeing and Embraer aircraft are certified to operate on a blend of up to 50% SAF. We are closely monitoring the progress that OEMs are making towards achieving 100% SAF capable aircraft in the near future.**

Sustainable Aviation Fuels, technically certified to international specifications and standards, must have the same qualities and characteristics as Conventional Aviation Fuel (CAF) - otherwise known as Jet A1 - in order to substitute it. Currently regulators have approved that conventional Jet A1 can be fully replaced or combined with 'drop-in' SAF inside any commercial aircraft fuel tanks. This means that SAF can be used as a standard fuel without modifications to an aircraft's structure or systems.

This 'drop-in' SAF is a blend of kerosene and technically modified feedstock (for example, used cooking oil, sawdust, or municipal solid waste). SAF can be made from any of 60 different feedstocks — among them plant oils, algae, greases, fats, waste streams, alcohols, sugars, captured CO2 and other alternative feedstock sources and processes. Practically, a SAF is produced in a bio-refinery and then blended up to the maximum certified blending limit (between 10% and 50% depending on the technical pathway).

CDB Aviation actively encourage initiatives by our customers to increase their use of SAF in daily operations. Aircraft lessors are constrained as to their ability to control or influence what type of fuel airlines use in aircraft they lease from us. Airlines are entitled to 'quiet enjoyment' of the assets without direction from the leasing entity. That said, CDB Aviation has an opportunity to influence and/or incentivise the lessee, which is why we are exploring the introduction of a green weighting factor for leases, and stepping up our engagement with customers on their SAF and broader decarbonisation plans.

## CASE STUDY



### United uses CDB Aviation aircraft to operate world's first revenue flight using 100% SAF

On December 1st, 2021, United Airlines made aviation history when it flew from Chicago O'Hare to Washington's Reagan National Airport with 115 people on board – operating the first commercial flight with passengers on board to use 100% drop-in sustainable aviation fuel (SAF). The flight was operated with a CDB Aviation-owned 737 MAX 8 aircraft.

Currently, ATSM standards permit airlines to use a maximum of 50% SAF in commercial flights. This United flight operated one of the plane's engines on 100% conventional jet fuel and the other on 100% SAF — about 500 gallons in each engine. The SAF used by the jet was 'drop-in' ready, meaning it is interchangeable with conventional Jet A1 fuel and requires no modifications to engines or airframes.

This also makes it compatible with the existing commercial fleet and the existing fuel distribution and storage infrastructure.

CDB Aviation's technical team worked with United, Boeing, GE and Honeywell to actively support this endeavour – researching the technical implications of using 100% SAF, proving the concept through a series of prior demonstration flights, and providing operator warranty indemnification.



## Extending Aircraft Life, Lowering Emissions

### CDB Aviation was a catalyst lessor for the A330 P2F conversion programme.

The A330 P2F is the most advanced and efficient freighter aircraft in its class, offering a double-digit improvement in emissions versus the types it replaces. The benefit of passenger to freighter (P2F) conversions is that they enable key cargo routes to be flown by the most efficient technology, and at the same time, allow older, less efficient freighters to be removed from service, retired, and have key components recycled to be used as spare parts. CDB Aviation placed its first orders for A330 P2Fs in 2020; it has ordered 14 to date, with 2 aircraft now in-service.

**The A330 P2F has 12% lower emissions per  
tonne than aircraft types it replaces**



## CDB Aviation supports Heart Aerospace

It is clear that to achieve our industry's commitment to Net Zero by 2050, we will need next generation technology that delivers game-changing improvements in emissions – through either battery or hydrogen applications.

At CDB Aviation, we are interested in developments that will affect genuine change by removing older aircraft from our skies; 'green washing' is of no interest. Therefore, we were impressed by the ambition of Heart Aerospace and its goal to introduce the largest hybrid electric regional aircraft (available with current battery technology) within this decade.

Heart Aerospace targets entry into service of the 30-seat ES-30 by 2028. It will be powered by four electric motors, with an all-electric range of 200 km, a reserve hybrid range of 400 km with 30 passengers and ability to fly up to 800 km with 25 passengers. The ES-30 will also have a cost-effective and scalable upgrade path as future battery technology matures. The battery upgrade roadmap allows for increased usable energy at the same weight, allowing it to fly longer routes. Heart Aerospace has orders for 230 ES-30s.

CDB Aviation is a member of the Industry Advisory Group advising Heart Aerospace, providing the perspectives of a leading aircraft manager and financier.



“

**The world was built by people not much smarter than you. At one point, you have to look at yourself and realize that 'Hey, I have a toolkit and skillset to be able to do something about that.' You're never going to feel like you're going to build the next thing, but you have to start. It's a long marathon and you'll learn along the way.**

*Anders Forslund, Founder & CEO, Heart Aerospace*



# Aircraft Recycling and End of Life

When assessing the sustainability of aircraft, it is critical to consider the entire life cycle of the asset. For any of our aircraft that reach the end of their useful life, we are proud to partner with TARMAC Aerosave, a global leader in aircraft and engine recycling.

Two CDB Aviation aircraft have been recycled in the past two years. Through TARMAC's processes, 90% of the total weight of the aircraft is recovered, which can be broken further into the following categories:

- ▶ **30%** of products (by weight) used in direct reuse
- ▶ **60%** of material (by weight) upcycled and used again
- ▶ **8%** (by weight) used for energy recovery
- ▶ **2%** of the aircraft is final waste

# Digitisation of Aircraft Documents

CDB Aviation, like other lessors, is active in transitioning aircraft maintenance record management from paper to digital format. Digitisation of records is more sustainable through the eventual elimination of paper waste, reduced document transportation and less travel to Maintenance, Repair and Overhaul (MRO) organisations for oversight. In addition, digital records have the advantage of reduced cost, enhanced reliability, and faster aircraft transition.

However, there are still challenges to overcome – there is no globally accepted standard, many airlines and MROs still rely on paper records and wet signatures, and there are concerns around data ownership. That said, the COVID-19 environment, when travel to MROs was restricted, helped ignite an acceleration of digitisation efforts and the transition of many aircraft using digital documentation and electronic sign-off.

CDB Aviation supports moves to adopt the Spec 2500 standard for records and efforts by regulators to agree common standards. In the future, we look forward to the onset of a digital twin for each aircraft in the portfolio, updated automatically by airline systems.



Aircraft Recycling by TARMAC Aerosave



Looking to the sustainable future of aircraft records – with digital twins



Moving from paper to digital format



# Sustainable Operations

## Why it matters?

For CDB Aviation, taking steps to 'green' our offices and our work practices is about 'walking the talk'. We have a responsibility to minimise the environmental impact of our operations and promote sustainable behaviours in the workplace. While our operational emissions may be small relative to the emissions of our fleet, we have greater control and influence over them, and we are committed to reducing them as much as we can.

## Key targets:

- Use of 100% renewable electricity at all CDB Aviation offices by 2023
- Zero waste to landfill across our offices by 2025

## Key Actions for 2023:

- Switch to 100% green energy tariffs for all CDB Aviation offices
- Conduct waste audits at all CDB Aviation offices
- Calculate baseline carbon emissions from our operations (Scope 1, 2 and 3)
- Explore setting science-based targets for emissions reductions

We are committed to help build a more sustainable future for the aviation industry. We believe this transformation must begin at home – in our places of work and in our operations. To deliver on this promise, we are examining our carbon and environmental footprint across our business with a focus on moving to 100% renewable electricity, achieving zero waste to landfill, and taking other concrete actions to reduce our impact.

## Greening our offices

We are proud to have our head office at 1 GQ Dublin, a state-of-the-art, sustainable building. Completed in 2018, the building has a LEED Platinum (core and shell) sustainability rating. Some of the key features include:

- ▶ Energy efficient LED lighting with motion sensors
- ▶ Full rainwater harvesting system on-site which helps to reduce water usage
- ▶ Extensive recycling and food composting facilities across the building
- ▶ All cleaning products used are LEED certified

Our Hong Kong Office is located at Three Pacific Place, in a state-of-the-art, sustainable building. The building has been awarded with a Platinum rating in the Beam Plus 2.0 sustainability scheme.

Some of the key features include:

- ▶ Energy efficient LED lighting
- ▶ Extensive recycling and food composting facilities across the building
- ▶ Smart water meters being installed for all tenants to record their water usage

Like many businesses coming out of the COVID-19 pandemic, in 2021 we initiated a hybrid working model where staff members are able to work from home on Thursdays and Fridays, meaning the office is quieter on those days. This helps to reduce staff member commuting and energy consumption.







### Energy

At the start of 2023, we switched to a 100% renewable energy tariff for our Dublin office. Thanks to the presence of motion sensor lights and the switch to hybrid working, our energy consumption at the Dublin office has decreased over the last few years, with electricity use for 2022 totalling 134,600 kWh against a 2019 baseline of 169,000 kWh.

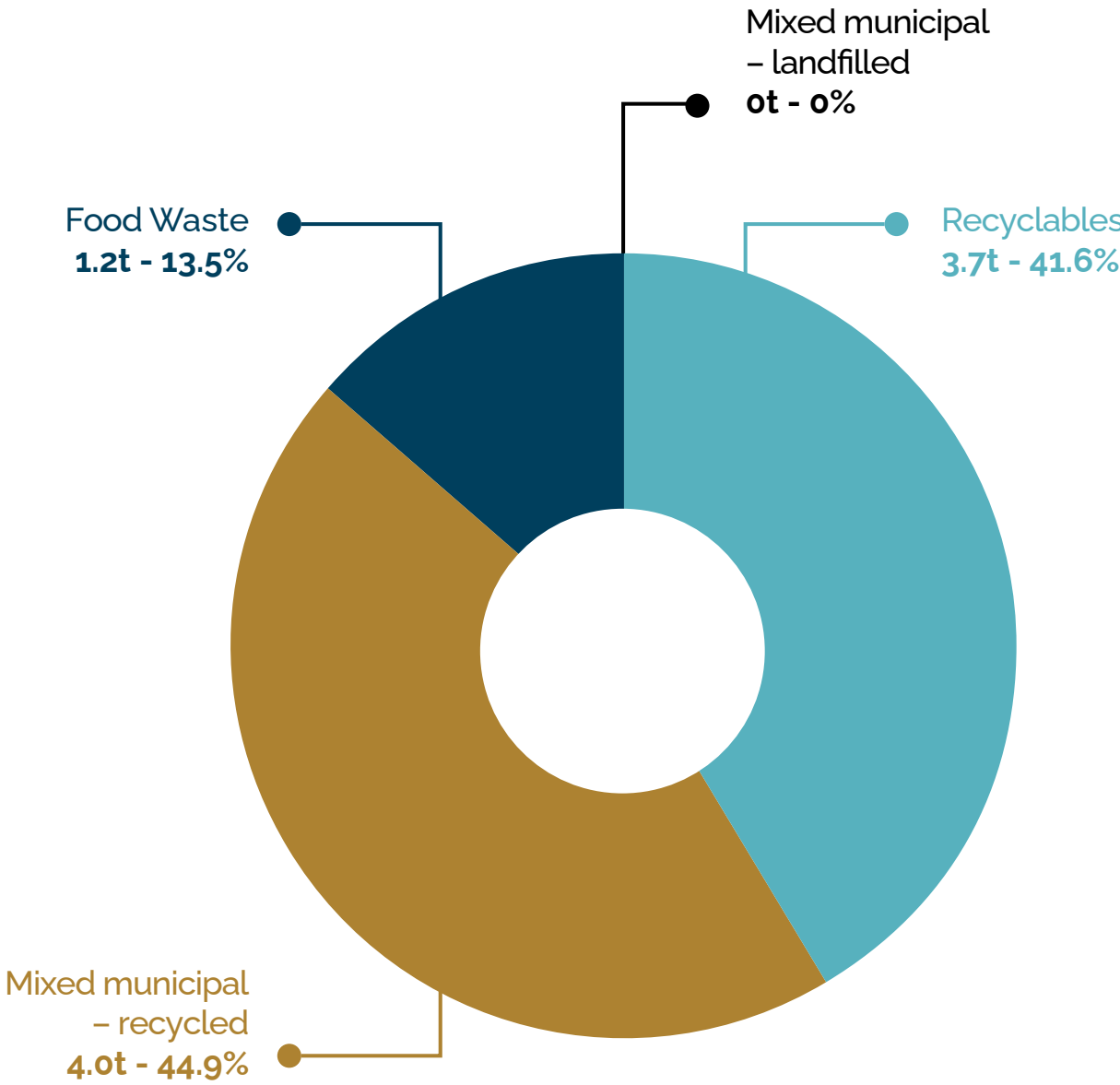
The office is heated by a gas-fired central heating system, but this is rarely used thanks to the highly energy efficient design of the building and the quality of insulation. As a result, our Scope 1 emissions from heating are low (see page 34).



### Waste

Across our offices we are proactive in trying to reduce waste. At our Dublin HQ, we have moved from decentralised individual waste bins to a centralised waste management system, which has increased the amount of waste recycled and composted. With the support of our building facilities manager, we have also implemented a take-back policy for any deliveries, whereby we insist vendors take packaging back offsite.

As a result of these efforts, we're proud to say that we are a zero waste to landfill office.



Waste recycled from 1GQ in 2022



### Business travel

We are conscious that our business travel makes up a significant portion of CDB Aviation's carbon footprint. We work with our travel partners to ensure we travel efficiently and to keep track of the emissions our travel produces. Flights taken, and therefore emissions produced, were well down in 2020, 2021 and 2022 as the pandemic limited travel, but these levels are expected to rise in 2023.



### Commuting

CDB Aviation's Dublin office location is at 1GQ, on the banks of the River Liffey. Given this central location, we encourage staff members commuting to our office to make use of the many modes of public transport (tram, train or bus) and active modes of travel (walking, running or cycling). At our Dublin offices, we have top-class facilities for bike riders (including shower facilities and bike storage) and we offer a cycle-to-work incentive scheme. We also have EV chargers onsite to enable the charging of vehicles.

Our Hong Kong office, at Three Pacific Place in Wan Chai, is also located at a convenient location with easy access to the local bus and train network. The train station that is directly connected to our office building is the interchange for 4 rail lines. Our hybrid working arrangements now in place also serve to significantly reduce the volume of office commuting by two days per week.



### Biodiversity: the CDBees

At our Dublin offices, there are four beehives on the roof of the office building. These are home to some 120,000 bees that we like to call the CDBees. The hives are managed by the Federation of Irish Beekeeping Association. Twice a year, they gather the honey that the bees create and share it out among CDB Aviation staff members. In addition to the hives, wildflowers have been planted at the front of the office building to support the bees and other local biodiversity.



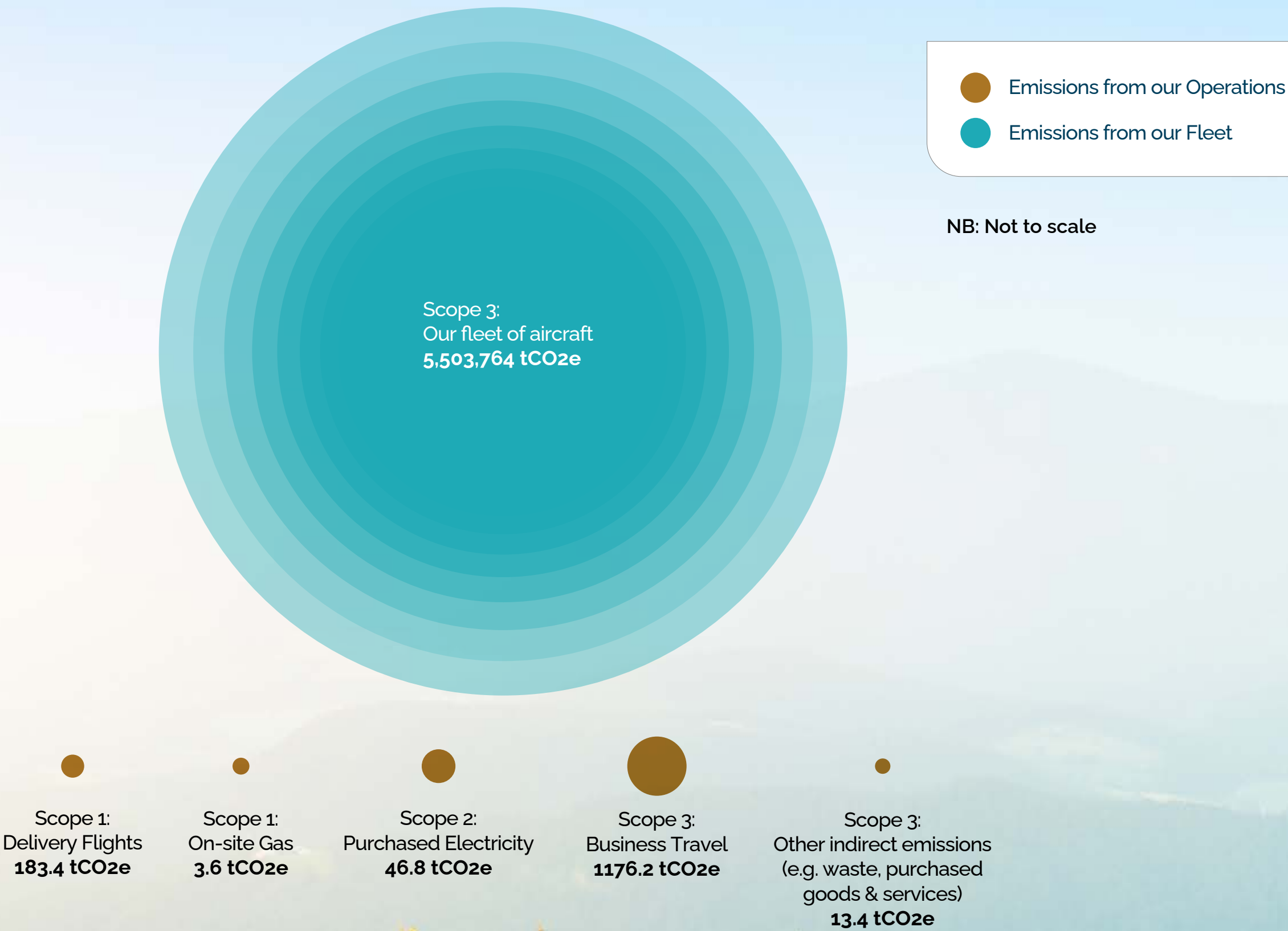
# Measuring our carbon footprint

CDB Aviation recently undertook a carbon footprinting exercise to measure the carbon emissions from our business. Working with expert consultants, data from across our value chain – Scope 1, 2 and 3 emissions – was gathered and analysed.

We took 2019 as our baseline year. CDB Aviation's carbon emissions across Scopes 1, 2 and 3 in that year were 6.6 million tonnes of CO<sub>2</sub>e. In 2022, our total emissions were 5.5 million tonnes of CO<sub>2</sub>e, which is a 16.6% reduction. This reduction can mainly be attributed to a reduction in ferry flights, business travel and energy use, alongside our fleet becoming more efficient. A full breakdown of our 2019 and 2022 emissions can be found in the Appendix on page 77.

	2019	2022
Scope 1	504.4	187
Scope 2	54.8	47
Scope 3	6,602,344	5,504,954
Total	6,602,904	5,505,188

The graphic on the right depicts the scale of the various sources of carbon emissions across CDB Aviation's value chain in 2022. It illustrates the vast difference between our operational emissions and the emissions related to our fleet of aircraft. It highlights – very starkly – why increasing the proportion of new generation aircraft in our fleet and using our influence to help advance progress on SAF and new propulsion technologies across our industry is of paramount importance, as well as working to continually reduce emissions from our own operations.





# Sustainable Finance

## Why it matters?

Decisions made within the financial sector affect the pace at which we replace aging, carbon-intensive infrastructure and assets with reduced emissions alternatives and eventually, net-zero solutions. As part of the global financial sector, aviation lessors have a crucial role to play in driving aviation's decarbonisation and sustainable finance is an important lever we can deploy. For CDB Aviation, sustainable finance instruments such as sustainability-linked bonds, loans and leases are a key tool that we can leverage to positively influence the industry and help us to deliver on our sustainability strategy.

## Key targets:

- Develop sustainability-linked leases and other innovative sustainable finance products by 2025

## Key Actions for 2023:

- Actively engage with finance providers to introduce our first sustainable finance instrument in 2023
- Actively engage with airline customers to introduce our first sustainability-linked leases in 2023 as well as innovative finance products that incentivise lower emissions

<sup>3</sup> [https://finance.ec.europa.eu/sustainable-finance/overview-sustainable-finance\\_en](https://finance.ec.europa.eu/sustainable-finance/overview-sustainable-finance_en)

<sup>4</sup> <https://www.wbcsd.org/Overview/News-Insights/WBCSD-insights/Sustainable-finance-taking-stock-and-maintaining-momentum>

<sup>5</sup> *Bloomberg article, 5 January 2023.*

<sup>6</sup> *Including the Net Zero Asset Managers Initiative, the Net Zero Asset Owner Alliance, Net Zero Banking Alliance, Glasgow Financial Alliance for Net Zero, Paris Aligned Investment Initiative.*

Sustainable finance can be described as follows:

- ▶ A process of integrating ESG factors into financial decision-making
- ▶ A source of finance to support sustainable economic growth
- ▶ Encompasses transparency around ESG risks that may impact the financial system<sup>3</sup>

The objective of sustainable finance, whether achieved through voluntary adoption or through public policy, is to lead to more long-term investments in sustainable and climate-aligned economic activities and projects (aligned to the goals of the Paris Agreement on climate change).

## Sustainable finance and aircraft leasing

From an aviation lessor perspective, the sustainable finance agenda impacts both sides of our balance sheet. On the lender / finance provider side, financial institutions are under pressure to consider climate-related financial risk and to deploy more capital to support net-zero and sustainable transitions in the real economy. Institutional investors are setting out clear expectations on ESG performance. All major banking players in sustainable finance have announced firm-level commitments<sup>4</sup>, whilst sustainable debt issuance worldwide raised \$863 billion in 2022.<sup>5</sup>

The largest asset owners, asset managers and banks are joining together and committing to net-zero emissions across their portfolios by 2050 through the development of various alliances and coalitions.<sup>6</sup>

To ensure we continue to positively position CDB Aviation to the capital markets, we need to be aligned with the ESG objectives of our shareholder, our bondholders, and our banking partners. As part of our stakeholder engagement and materiality assessment, we commenced a dialogue with several of our banking partners, along with our shareholder, to understand their objectives and where the risks and opportunities lie for us to use sustainable finance instruments as a tool for maintaining access to capital and attractive pricing.

In 2023, we are committed to arranging our first sustainable finance instrument to maintain good access to capital, which will be linked to CDB Aviation's sustainable fleet target (the percentage of new generation aircraft) and other appropriate metrics.

In parallel, and at the other end of our balance sheet, we will engage with our airline customers and key suppliers seeking their co-operation for improvements in their ESG performance. Sustainability-linked leases, where pricing is linked either to the carbon emissions performance of the underlying aircraft or of the airline as a lessee, are being explored for introduction in 2023.



“

There was a time when lessors tended to expect other participants in the aviation value chain to take more responsibility for emissions – we were not the aircraft operators after all. It is fair to say that time has passed. Lessors now own more than half of the global fleet, and we are increasingly cognisant of the pivotal role we play in enabling global connectivity, facilitating the future growth of air travel and our responsibility towards reducing emissions and supporting decarbonisation in the decades to come. At CDB Aviation, we take that leadership obligation very seriously.



*Cronan Enright,  
Head of Strategy, CDB Aviation  
Member of the Sustainability Working Group*



**CDB AVIATION**  
国银航空金融租赁





# SOCIAL





## **Our people drive our business success.**

We strive to create an environment and a culture in CDB Aviation that enables every staff member to give their best and feel a sense of achievement and belonging at work, helping them to fulfil their potential in their careers.



# Time for Action



CDB Aviation is a business that relies on the talents of its people to deliver sustainable success. Diversity, Equity & Inclusion (DEI) is at the heart of our strategy to compete in a global marketplace, to foster integrity and innovation, and to develop and retain the team necessary to deliver this shared ambition.

- Stephen Kavanagh, Non-Executive Director, CDB Aviation



**The aircraft leasing industry is built around a workforce of highly educated, highly motivated people. Our sector has always attracted top talent, but in an increasingly competitive labour market, we need to ensure that a career in this industry remains an attractive choice for the graduates of today and tomorrow. Given the sustainability challenges we face, we also need to make sure that we have a pipeline of innovative thinkers who will bring fresh perspectives to the industry.**

All of this makes Diversity, Equity & Inclusion (DEI) fundamental to the future development of the global aircraft leasing industry.

Over recent years, initiatives such as Advancing Women in Aviation Roundtable (AWAR) and PropelHer have driven awareness and elevated DEI to become an integral part of the industry conversation and this is further bolstered by ESG reporting requirements and the ALI Sustainability Charter. However, there is no room for complacency. The available data suggests that progress to date is limited and that there is much distance to travel with this important agenda. A recent report by Mason Hayes Curran<sup>7</sup> revealed that just 17% of employees at C-Suite or Board level within aircraft leasing identify as female or as a member of a minority group. This was unfortunately a decrease from the 22% peak recorded in 2020, which was still below the generally accepted threshold of 30%.

Why is this so? The impact of the Covid-19 pandemic or consolidation within the industry may be contributing factors, but the reality is that we have not yet as an industry addressed the systemic barriers to diversity in our sector. While we have seen a discernible increase in female networking events, remarkably not all lessors offer paid maternity leave; we sponsor DEI panels, but we do not embrace human leadership; we talk about welcoming women into senior leadership teams, but we do not give them the practical tools and supports to get there. It is telling that many airlines, financial institutions and suppliers are well ahead of lessors on this journey. There is no quick fix. Addressing gender and minority imbalances requires our industry to commit to a step-change in vision, policies and outcomes.

At CDB Aviation, we are proud of our values and the strong culture we have built, and are now focused on formally embedding DEI into the organisation as a vital component of our present and future success. Looking to the future, we believe that the industry's embrace of ESG will shine a light on DEI as never before. By focusing beyond the aspirational and requiring hard data on diversity, equity & inclusion, enhanced ESG reporting requirements may well be the catalyst that the wider aircraft leasing industry requires to finally provide a practical work plan that helps to deliver on the agenda.

**Note:**  
<sup>7</sup> [Mason Hayes Curran Gender in Aviation Survey 2022](#)



“

Only by coming together as an industry, can we ensure that aircraft leasing becomes a more viable career path for talented, motivated women who wish to progress their careers to the most senior, ambitious level.

*PropelHer*

**PropelHer**

“

AWAR passionately supports Action for Equity – it's time to move past the rhetoric and generate real results. This includes a commitment to individual action and accountability at every level.

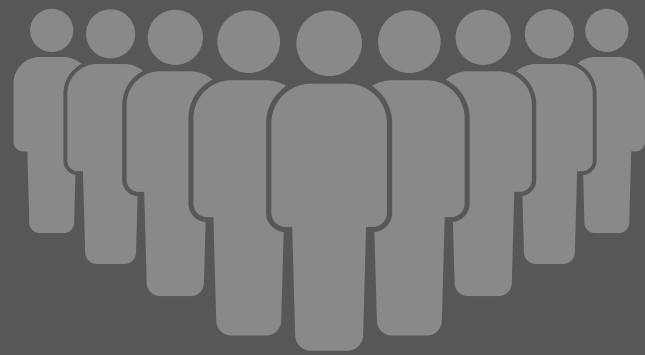
*Emily Wicker, President AWAR*



*AWAR Leaders Luncheon, Jan 2023*



**132**  
permanent staff  
members



CDB Aviation is an  
**equal opportunities employer**  
and we value a **diverse workforce**



**17**  
Nationalities



**62%**  
of team based in  
**Europe**

**33%**  
of team based in  
**APAC**

**5%**  
of team based in  
**the Americas**



**32%**  
of new hires in  
2022 were **female**



**CDB Aviation Team - % female**



**1,434**  
training hours  
delivered

**46%**  
Wider Team



**55%**  
of team heads

**14%**  
of C-Suite



# Staff Wellbeing and Development

## Why it matters?

CDB Aviation's ability to attract the best and most diverse talent is critical to our long-term success. In today's competitive labour market, the highly skilled professionals that we employ are in demand. In order to attract and retain staff we need to ensure that we offer competitive compensation and benefits, look after people's wellbeing and provide opportunities for career development.

## Key targets:

- Sustainability training rolled out companywide by end of 2023
- CDB Aviation Graduate Programme established by end of 2025
- CDB Aviation Seconded Programme established by end of 2025

## Key Actions for 2023:

- Embed Sustainability training into CDB Aviation training plan
- Embed LIFT leadership programme into CDB Aviation training plan
- Continue to evolve the WheelsUp Wellbeing Programme

At CDB Aviation, we recognise that our commercial success is reliant on the hard work, dedication and ingenuity of our people. It is therefore incumbent on us as a responsible employer to respect and look after our people and nurture their talent. We constantly invest in our staff member's education, development and wellbeing and strive to create a positive working environment.





# Taking care of our people

## Health and safety

It is CDB Aviation's policy to ensure that we provide a safe working environment for all our staff members. Our Health and Safety Statement is reviewed and signed by our CEO and is mandatory reading for all staff members. We comply with all applicable health and safety legislation and regulations in the regions where we operate. Our staff members are encouraged to contribute to health and safety improvements by making suggestions to our Health and Safety representative.

The success of our Health and Safety policy is down to the co-operation and excellence of our staff members. Within our Dublin office, we have eight trained first aiders and four trained fire wardens who are ready to step up in an emergency. As part of the onboarding process for new staff members they are briefed on health and safety procedures in the office. Any health and safety incidents that occur are logged in our Health and Safety Report Book. To date, no incidents have been recorded.

## Staff benefits

We have various initiatives and programmes in place to support our staff members' physical and mental health and wellbeing, and their financial wellbeing. All staff members have the option to participate in our Group Pension scheme and also our Group Healthcare and Dental Insurance

scheme, which also covers their spouses and dependants. In addition, the company provides Life and Disability Insurance to all staff members.

Our Employee Assistance Programme is available under the company's Health Insurance Plan. It gives staff members free access to a dedicated counselling and advisory service. There are also a number of further wellbeing initiatives for staff members including mindfulness classes, access to a nutritionist and dietician, and gym membership.

## Financial compensation and reward

We aim to reward our staff members with fair and competitive compensation. We have a performance-driven compensation philosophy balancing the need to compete globally for the very best talent with the need to compensate fairly, within an established governance structure, that is equitable, relevant and aligned to both the staff member and company performance. We are committed to providing a total reward package that enables us to attract and retain skilled and talented individuals in a highly competitive environment.

## Performance management

We have a Performance Appraisal Framework which applies to all staff members and is designed to support people's career progression and professional development, as well as inform

decisions regarding pay and reward. Performance KPIs and objectives are established between staff members and their managers at the start of the year. These are constantly monitored throughout the year through quarterly check-ins before an end-of-year meeting and review is conducted.

## Sports and social club

At CDB Aviation, we believe that having good working relationships with our colleagues is essential for our health and wellbeing. Our Sports & Social Committee was set up in 2018 with the goal of creating a sense of togetherness and wellbeing amongst staff members. In our Dublin office, staff members enjoyed lots of different activities during 2022. A few of the highlights included a cliff walk from Bray to Greystones, wine tasting events, a children's Christmas Party, and various holiday celebrations including the Chinese New Year and St Patrick's Day. In Hong Kong, CDB Aviation staff celebrated Chinese New Year, took a summer boat trip and enjoyed a World Cup Quiz lunch.



2022 Children's Christmas Party  
at CDB Aviation Dublin Office



## Hybrid and flexible working

**Conscious of an evolving world of work in recent years, we recognise that a hybrid working approach can deliver many benefits including talent attraction and retention, boosts to staff wellbeing and productivity, and greater diversity.**

Our hybrid working practice requires staff members to be on-site on 'Core days' of Monday to Wednesday. Hybrid working practices are a new concept for our business and may evolve and change in the future but, for our current needs, we believe that a mixture of Core Days and Non-Core days will strike a positive balance between workplace collaboration and personal flexibility.

We are also proud to have a Work from Anywhere approach which allows staff members to work from anywhere in the world for 30 days plus two weeks annual leave, subject to approval. Like our Hybrid Policy, we hope this will have a positive impact on staff attraction and retention and will improve our team's wellbeing.

At CDB Aviation, on top of annual leave, staff members are entitled to maternity, paternity, parental, carer's, sick, and jury leave. The amount of leave permitted is dependent on a staff member's location, terms of contract and local employment legislation.



*CDB Aviation's Asia Pacific presence is centred in Hong Kong*



# Staff training and career development

## Our approach to learning and development

One of the things we are most proud of at CDB Aviation is our promotion and fostering of a strong continual learning culture. We believe in the value of education and so are constantly creating space for learning and development opportunities in our fast-paced transaction-driven environment. We currently have five major learning and development initiatives:

**1. LIFT**

This is our in-house leadership programme for Team Heads, which aims to create stronger leaders within a stronger CDB Aviation. The programme consists of five leadership workshops, three one-to-one executive coaching sessions, four Action Learning Pods, and five individual reflective activities.



**2. WheelsUp**

Our personal in-house learning platform is available to all staff members. Through the platform we have an hourly presentation and Q&A every month which brings all staff members together to learn about a particular relevant topic. In 2022, topics included ESG and sustainability, CSR, personal development and in-house projects.



**3. Educational Support Policy**

This policy is designed to support staff member's professional development plans by providing financial and flexible assistance to those who wish to enrol in further educational courses.

**4. MS Training**

We support productivity and collaboration by upskilling staff members on Microsoft updates and releases.

**5. Coaching**

CDB Aviation provides personalised coaching support to ease transitions, focus on development gaps or stretch staff member perspectives.

## 2022 HIGHLIGHTS

**20+** Team Heads completing the LIFT programme

**12** WheelsUp sessions available to all staff members

**12** CDB Aviation staff members are currently undertaking a third-level education course

**52** Staff members access to Microsoft training

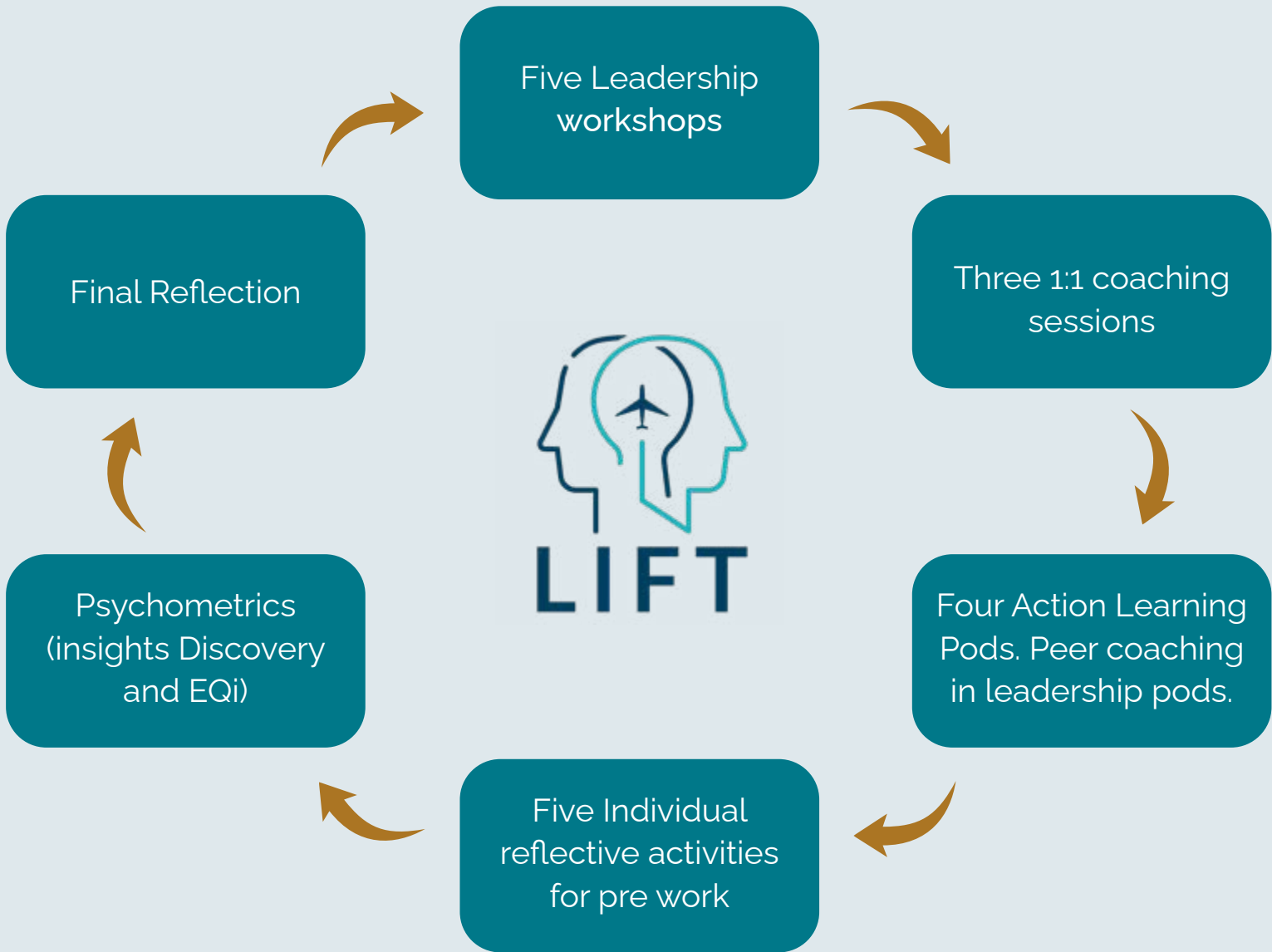
**7** Staff members completing one-to-one executive coaching



# CDB Aviation's LIFT leadership programme

Our LIFT programme in 2022 was completed by over 20 of our Team Heads. We hope this will enable each leader to realise and release their potential, improve CDB Aviation's performance and ensure greater connectivity across teams.

We had some superb venues for our LIFT workshops, including The K Club, Airfield, a visit to the River Liffey at Neptune Rowing Club, and the Cliff at Lyons. Our fifth and final workshop will be held early in 2023.





# What the CDB Aviation team had to say. . .



"As facilitators of the LIFT Leadership Programme throughout 2023, we have been hugely impressed with the thoughtful way CDB Aviation engaged with us in co-creating a programme to align with both the strategic ambitions and culture of the business. The Team Heads engaged in the programme and its content in a very open and collaborative way, ambitious for their own development as individuals and as a group of Team Heads. The programme continues to focus the Team Heads on developing their personal and collective leadership to positively and conscientiously impact in the widest possible way within and outside CDB Aviation."

*Dave Gribben (Enable) and  
Anna Rowan (Anna Rowan Training)*



"I thoroughly enjoyed the experiences of our Leadership training programme during 2022. It is not your typical theory-based training but very interactive and linked to our day-to-day leadership topics so the learnings you gain can be utilised straight away!"

*Qing Liu, Head of Controllers,  
CDB Aviation*



"I thoroughly enjoyed taking part in the LIFT programme. It helped me investigate my leadership qualities, both good and bad, and what adjustments I can make to become a better leader for my team and also the wider CDB Aviation group. I particularly enjoyed the group sessions where I got to know my peers and build trust in our relationships. Executive one-on-one coaching is also provided as part of the programme, and I have taken so much from that. You learn more from reflection rather than when you are doing and it has helped me in becoming the best that I can be, for myself and for others."

*Ann-Marie Browne, Head of Pricing,  
CDB Aviation*



"The LIFT Programme was a breath of fresh air with regards to a leadership programme. It was an honest and insightful programme which fostered collaboration across the whole leadership team. Powerful and thought-provoking guest speakers who challenged the way we work, think and manage everyday challenges in a work and personal context."

*Paul Conroy, Global Head of Information  
and Communication Technology,  
CDB Aviation*



# Inclusive Workplace

## Why it matters?

With today's growing competition for talent, diversity, equity and inclusion (DEI) leaders must distinguish their organizations by designing and executing strategies to foster diverse and inclusive work environments. At CDB Aviation, we are striving to embed DEI into our existing talent and business processes to ensure we consistently apply DEI values.

## Key targets:

- Install comprehensive DEI programme
- DEI objectives to be included in senior management KPIs by 2025

## Key Actions for 2023:

- Develop and implement a DEI strategy, policy and programme
- Measure and disclose diversity metrics
- Prepare for gender pay gap reporting
- Conduct companywide DEI training

## Our stance on discrimination

CDB Aviation is an equal opportunities employer. We are committed to promoting equal opportunities throughout the company and to ensuring a culture in which discrimination is totally unacceptable. All staff members are required to take personal and individual responsibility to comply and behave in a non-discriminatory way.

CDB Aviation promotes equality in all areas including recruitment, employment, training, terms and conditions of employment, and promotional opportunities that are free from barriers, both systemic and deliberate, that directly or indirectly discriminate against people.





# Diversity, Equity and Inclusion

**Although DEI has always been a core value of CDB Aviation, we have not always formalised our processes and procedures in line with this. During the course of 2023, we intend to address this by rolling out a full DEI strategy, policy and programme.**

The DEI policy will be approved by the board of CDB Aviation and implemented by the senior leadership team. The DEI lens will be applied to the full employee lifecycle from recruitment and on-boarding through to training and performance appraisal. With the advent of gender pay gap reporting in Ireland, compensation will be a topic that is high on the agenda as we work towards full reporting complete with narrative and action plan. DEI training will also be introduced at all levels of the organisation to support unified, holistic communication on this topic. We strive to foster enterprisewide alignment with DEI change efforts by communicating our efforts to all staff members and embedding bias mitigation into business processes. We will also utilise established DEI metrics to better track and measure progress over time. Finally, the C-Suite of CDB Aviation will voluntarily adopt DEI related metrics into their compensation KPIs symbolising how serious CDB Aviation is about progressing DEI efforts.

At CDB Aviation, we also think about creating a work environment in which all staff members are treated fairly and respectfully, have equal access to opportunities and resources and can contribute fully to the organisation's success. We particularly pride ourselves on melding Chinese and Western corporate cultures, allowing everyone to feel comfortable bringing their whole selves to work. Evidence of this is transitioning colleagues from our Hong Kong office to Dublin and vice versa. Recently, VP Insurance Sisi Cheng relocated from Hong Kong with her family and described her experience.



“Dublin is a very friendly city! My colleagues and my neighbours here are very nice, always helping me with my work and with my life. I am learning and enjoying the culture here!”

*Sisi Cheng, VP Insurance*





# Corporate Social Responsibility

## Why it matters?

We believe in making a meaningful and positive contribution to the lives of people in the local and global communities in which CDB Aviation operates. As a business, our staff members are drawn from all parts of the local community; it is important to us that we are a positive presence in our local communities and that we give back. Our CSR programme is called *together*, which invigorates and organises our staff members across key initiatives where they can make a difference.

## Key targets:

- Achieve 100 CSR staff member participation hours in 2023
- Select a key long-term charity partner

## Key Actions for 2023:

- Develop a CSR recognition programme
- Run four environmental, homeless, STEM and educational events
- Re-launch an updated CSR *together* programme and branding



As a business we are committed to helping improve the quality of life of the local and global communities where we operate. We are proud of our company culture and our commitment to CSR plays no small part in creating that culture. It also gives our staff something to feel proud of and a sense of meaning beyond the professional achievements and rewards of their day job and career.

## Our approach to CSR

Our CSR programme is called *together*, through which CDB Aviation supports charities and community organisations working in the areas of childhood education, homelessness, and the environment. We encourage our staff to take ownership of our *together* CSR activities, which are organised and overseen by the CSR committee, which in turn is made up of five staff members from different departments and regions of the company.

There are monthly scheduled meetings to discuss various initiatives and review local charities that CDB Aviation may wish to support. The committee welcomes requests from staff and will match-fund staff's personal fundraising or donations.





# CSR activities in 2022

In 2022, the CSR committee continued to support charities associated with the topics of childhood education, homelessness, and the environment. We are proud to showcase some of the events we organised and took part in:

► **Homeless sleepout challenge**

Our team slept out to raise awareness of homelessness in Ireland.

► **Run in the Dark**

Some of the keen athletes amongst us dusted off their trainers and completed the annual Run in the Dark event to raise funds for the Mark Pollock Foundation.

► **Aoibhneas**

We were proud to support Aoibhneas in the run-up to Christmas to provide hampers and gifts for children and families staying in sheltered accommodation due to domestic abuse within their homes.

► **Plastic Free Seas HK**

The Hong Kong office came together to participate in a beach-clean which resulted in 33kg of waste being removed from a beach in Hong Kong.



# Evolving our CSR programme in 2023

In 2023, we intend to build on our progress to date by rebranding the CSR programme and expanding it to include our mainland China office. As part of the ongoing development of our sustainability agenda, we will also align the CSR committee with the Sustainability Working Group, build an intranet site for CSR, and expand the company's CSR social media presence. We plan to set up a small sub-committee to start planning an industry CSR challenge that will see us engage with our suppliers and customers.

The CSR Committee has already planned a number of initiatives and activities for 2023, aligned to our chosen CSR topics and causes. For example, we will continue our established partnerships with Junior Achievement and FoodCloud in Ireland, and with Plastic Free Seas in Hong Kong. We will also take part in various fundraising events including a hike to raise awareness for a skin-condition charity, Debra Ireland, and the annual run for global blindness charity, Orbis. In terms of sponsorship, CDB Aviation will sponsor a local girls' soccer team in Dublin, Raheny United.



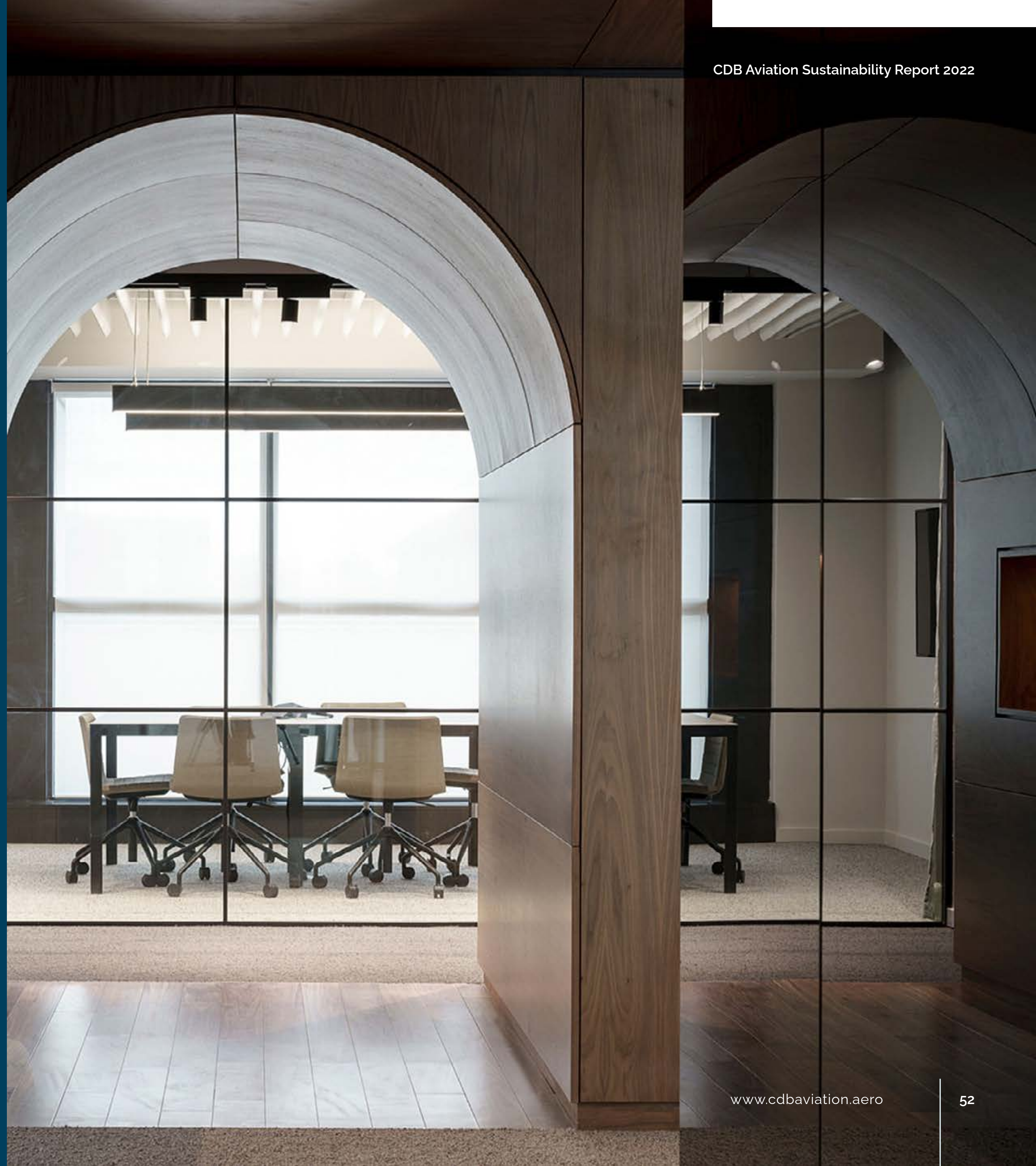




At CDB Aviation, we firmly believe that our people are our greatest asset and a source of real competitive advantage. We strive to create an inclusive workplace which nurtures and develops that talent and to play an active role in advancing the wider leasing industry's DEI agenda.



*Fiona Scott,  
Chief People Officer, CDB Aviation  
Member of the Sustainability Working Group*





# GOVERNANCE

*CDB Aviation's parent company CDBL is based in Shenzhen*



**CDB**  
AVIATION

[www.cdbaviation.aero](http://www.cdbaviation.aero)



**At CDB Aviation, we believe that a strong governance framework is a critical foundation for commercial success.**

It enables good decision-making, robust risk management and ultimately, sustainable long-term value creation for our key stakeholders.





**100%**

**staff completion** of compliance  
& cyber security training



**ISO 27001**

**aligned security standards**

**CDB Leasing strong track  
record in ESG reporting**

**7**



annual reports  
to-date



**Fully independent**  
Audit & Compliance Committee

Dedicated

**Sustainability**

working group

**China-Sox** **Compliant**



**Financial Action Task Force best practice**  
AML policies and procedures



# Time for Radical Transparency

“Governance and leadership are the yin and the yang of successful organisations.

- Mark Goyder, Director of think-tank Tomorrow's Company



**At CDB Aviation, we have always prided ourselves on being transparent – both internally in our dealings with colleagues and externally in our interactions with our stakeholders. In preparing our first sustainability report, we have been open and honest about the aspects of ESG where we are currently doing well and those where we have identified gaps and areas where there is room to improve.**

The development of ESG reporting demands much in terms of time and resources but we believe in its value and importance in terms of holding companies like ours accountable.

We recognise that the availability of quality, comparable and standardised disclosures (such as those now mandated by the new European Sustainability Reporting Standards) will drive progress on the sustainable development agenda. This type of environment pushes businesses to up their game in response to the pressure of stakeholder scrutiny and reputational risk.

In 2022, we were proud to sign up to the Aircraft Leasing Ireland Sustainability Charter, which commits us to setting ambitious ESG targets and reporting on our progress against them. CDB Aviation is a strong supporter of collaborative approaches such as the Charter, bringing lessors together, raising the bar and improving transparency across our industry as a whole.

We recognise that without industry-wide co-operation, there are significant limits on the progress that any one industry player can accomplish.

From an internal perspective, embedding ESG reporting into our day-to-day work is part and parcel of ensuring our approach to corporate governance is fit for the future. This belief was reinforced in the materiality assessment we completed in 2022 to inform the development of our sustainability strategy. In our assessment, Ethics and Compliance emerged as the top-rated, most material topic, reflecting the importance that we attach to it along with our external stakeholders.

In some ways, the high priority given by stakeholders to Ethics and Compliance was unsurprising given the global and highly scrutinised industry in which we operate.

In an age where governance can, at times, be viewed as a 'hygiene factor', it reaffirmed to us the importance of constantly striving to be best in class in this area.

Today, being best in class in Governance means embracing and providing greater levels of transparency. We in CDB Aviation are fully committed to delivering on this agenda.



# Ethics and Compliance

## Why it matters?

With CDB Aviation's global reach, we adhere to and comply with applicable laws and regulatory regimes not only in our home jurisdictions of Ireland, the EU, China and Hong Kong, but also in all other jurisdictions where we conduct business. We view upholding the highest standards of ethics and ensuring we are in full compliance with applicable laws as being business critical and non-negotiable. Our reputation and the trust of our customers and other stakeholders depends on it as, therefore, does our commercial and financial success.

## Key targets:

- Continual improvement to ensure best-in-class compliance framework in place
- Zero cyber security breaches
- 100% of staff trained on ethics and compliance annually

## Key Actions for 2023:

- Enhance our staff training programme on ethics and compliance
- Develop and publish modern slavery statement
- Develop and launch new whistleblowing hotline

We firmly believe that behaving ethically and complying with local and international regulations is a prerequisite to business success. We take a zero-tolerance approach regarding any unlawful behaviour, and we actively seek to protect the reputation of the company, our shareholder, staff members, customers and all other stakeholders in the business.

We expect our staff members to conduct themselves according to the highest standards of ethics and integrity, and these principles are reinforced within our Staff Member Code of Conduct.

## Approach to Compliance

We have a robust compliance framework in place and our compliance team works closely with their counterparts in our shareholder company, CDB Leasing, and local legal advisers to ensure compliance with all relevant laws and regulations. Our C-Suite KPIs place considerable emphasis on ensuring the business operates in a fully compliant manner.

There is also close co-operation and alignment with other internal functions such as Internal Audit, Risk, and Finance to ensure that overlapping controls are in place where required and to minimise risk of duplication of effort. The compliance team communicates regularly with staff on topics of interest and new developments.

We adopt a '3 lines of defence approach' to compliance, as follows.







Oversight of the '3 lines of defence approach' is provided firstly by the C-Suite and then ultimately at Board level, where our Audit and Compliance Committee oversees business dealings to ensure we are in full compliance with regulations. Compliance is a standing agenda item at quarterly Board meetings.

**Policies and Procedures**

CDB Aviation has a full suite of documented policies and procedures in place which are designed to ensure we always conduct business in an ethical manner and to protect staff members and stakeholders from potential compliance or ethics risks. These policies are reviewed and updated on a regular basis to ensure continued relevance and accuracy. We also have an annual compliance monitoring programme in place for key risk areas such as anti-money laundering.



Staff member code of conduct



Anti-money laundering, sanctions and know your customer



Anti-bribery policy, corruption and anti-fraud



Data protection



Whistleblowing



Conflicts of interest



Dealings in securities



Confidential information



## Ethics and Compliance Training

CDB Aviation provides a detailed and thorough compliance training programme which is mandatory for all staff members. This is provided both in-person and online for staff members in remote locations.

In 2022, detailed training was provided on the following topics, through a combination of in-person training sessions and online courses. Attendance and completion of these was mandatory for all staff:

- ▶ Anti-money laundering
- ▶ Anti-bribery and corruption
- ▶ International sanctions

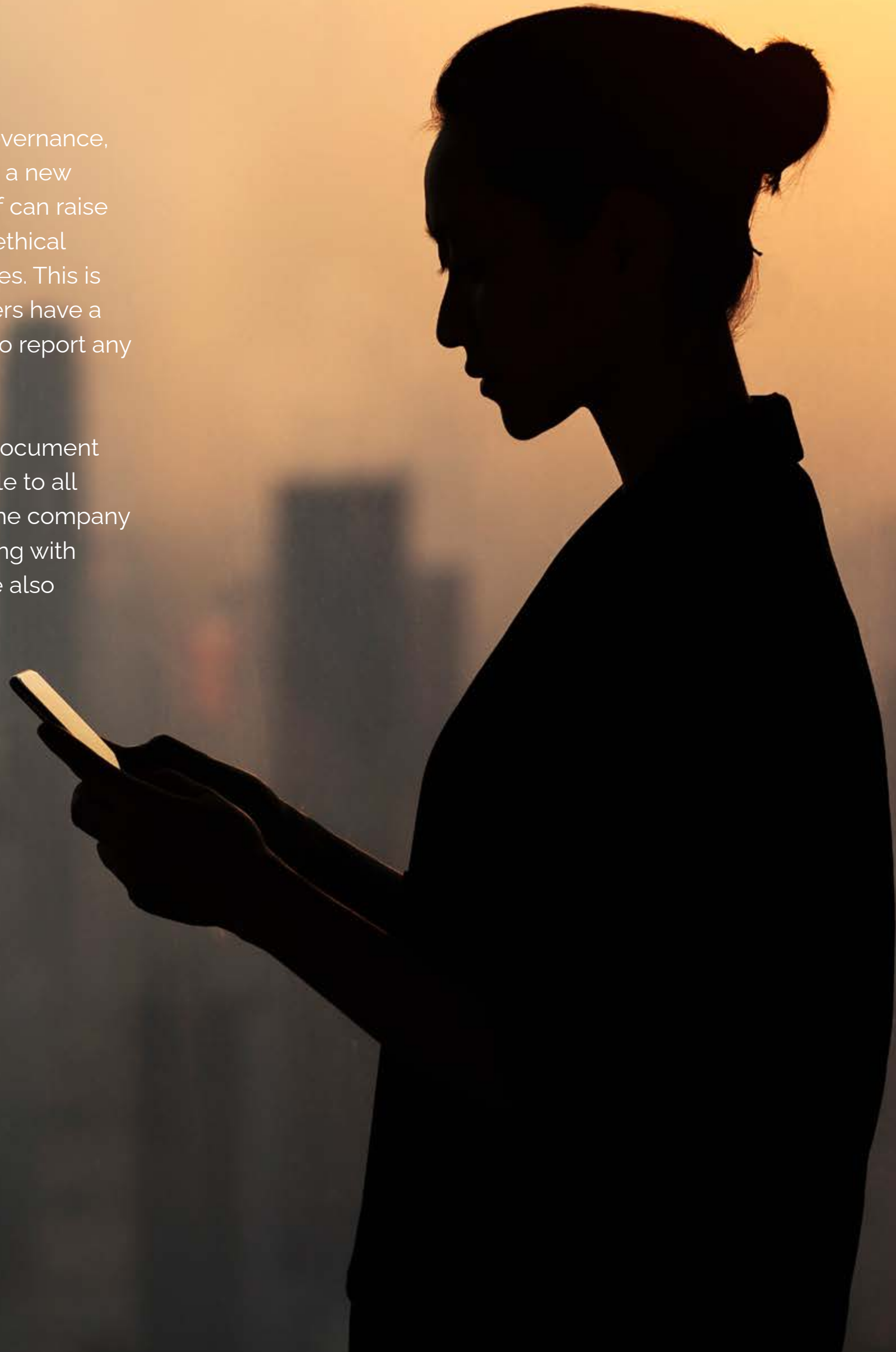
In addition, there were Compliance communications to all staff, including on the following topics:

- ▶ Staff member code of conduct
- ▶ Conflicts of interest
- ▶ Dealing with government officials
- ▶ Lobbying of government officials
- ▶ Examples of bribery and corruption in the aviation sector

## Whistleblowing

As part of our commitment to good governance, in early 2023 CDB Aviation put in place a new confidential hotline through which staff can raise concerns about possible violations of ethical codes and report any issues or breaches. This is a key step in ensuring our staff members have a safe and confidential point of contact to report any concerns they may have.

A detailed Whistleblowing Guideline document has been published and made available to all staff and to external stakeholders via the company website. Detailed procedures for dealing with any whistleblowing reports made have also been prepared.





# Risk Management

Our approach to risk management is guided by our risk management framework which sets out clearly our approach to the governance, implementation and workings of risk management practices across the organisation. The approach is supported by the fostering of a risk awareness culture, and combined with our framework it enables us to prepare and respond to changing circumstances.

Our risk reporting is conducted in the first instance by a number of teams working together across the business. Each team has specific procedures they follow to identify and mitigate risks related to their work on a day-to-day basis. Our strategy and risk teams liaise to review longer-term horizon risks to ensure these are effectively factored into business planning. The outcome of this process enables us to identify and prioritise material topics including ongoing and emerging risks.

When purchasing aircraft, given the high cost and value and long life-cycle of the asset, we have rigorous controls in place to assess risk. Some of the key variables considered on transactions include:

- ▶ Airline creditworthiness
- ▶ Country risk / concentration
- ▶ Asset type (core vs non-core assets)
- ▶ New generation vs current generation technology

# Information Security and Privacy

Our approach to cyber security is taken with the utmost seriousness by our management team, Board and shareholder. As such, our Global Head of ICT reports formally twice a year to the Board in relation to CDB Aviation's cyber security position.

All IT procedures are aligned to the ISO 27001 standard on information security. Against a backdrop of continued investment and best-in-class use of data and technology, we have implemented a cloud first strategy. This allows for greater freedom and speed to change, adjust and respond effectively to any potential data security issues.

Alongside our cyber partners, we have implemented a Security Information and Event Management (SIEM) solution to ensure resilience within our system at all times. The SIEM solution provides real-time analysis of security alerts generated by our applications and day-to-day workings.

CDB Aviation has a number of initiatives underway to further embed and increase the maturity of cyber security within the organisation and to adopt a continuous approach to service improvement. To date, we have had no breaches or major cyber security incidents. Any potential issues were identified early and removed immediately.

All CDB Aviation staff attend multiple mandatory Cyber Security Awareness sessions each year and we provide specific training for our management team.

All staff are subject to multiple phishing simulations annually to help them recognise, avoid and report potential threats that could compromise the business. Mandatory training is provided to anyone who fails the phishing simulation.

CDB Aviation is committed to protecting and respecting the privacy of all of our stakeholders. We adhere to the principles inherent in the EU General Data Protection Regulation (GDPR). This commitment is detailed on our website privacy notice (<https://www.cdbaviation.aero/privacy-policy/>).

# Human Rights

When we say ethical behaviour is of the highest importance to CDB Aviation, this principle extends to having zero tolerance, both within our company and the suppliers we work with, for any activity that is illegal, unethical or that breaches human rights.

We believe that the risk of modern slavery or human trafficking in the aviation leasing industry is relatively low and to date, CDB Aviation has not identified any occurrences of modern slavery or human trafficking in our business or supply chain. In addition, we are not aware of any such instances in the wider aircraft leasing industry. However, we recognise that modern slavery and human trafficking are serious issues that we must be alert to on an ongoing basis. For this reason, in early 2023 we published an anti-slavery and human trafficking statement.





# Sustainable Supply Chain

## Why it matters?

Our supply chain is essential to support our business operations. We expect all suppliers to adhere to high standards of business conduct and environmental, social and governance practices. By implementing sustainable procurement practices we can use our purchasing power to influence suppliers' ESG performance and improve the sustainability of our business.

## Key targets:

- 100% of suppliers to adhere to new CDB Aviation supplier code of conduct by end of 2024
- Launch enhanced procurement processes to assess supplier sustainability performance and incorporate this into supplier selection and performance management

## Key Actions for 2023:

- Conduct baseline review of current suppliers to assess their sustainability performance
- Develop supplier code of conduct and sustainable supply chain questionnaire

CDB Aviation deals with a wide array of organisations across its supplier base. This varies from financial services and professional services firms, to IT system providers, utility companies, office catering and stationery suppliers. On the aviation side, the principal supply relationships are with the leading OEMs including Airbus, Boeing, CFM, Pratt & Whitney and Rolls Royce. We also contract with a considerable number of suppliers in relation to aircraft fitout.

## Supply chain impacts

We recognise that our supply chain is a significant contributor to our environmental impact and that it is our responsibility to reduce those impacts by setting certain standards for our suppliers, encouraging or incentivising them to reach or surpass those standards, and partnering with them to drive improvements. When it comes to social impacts, we have a similar responsibility to ensure that all people within our supply chain are treated well and that high standards of human and labour rights are upheld.

## Approach to procurement

Our procurement policy currently requires that all new suppliers are risk assessed according to various criteria, such as sector, country, and impact risk, in order to determine whether further due diligence is required.

In 2023, we plan to expand this to incorporate sustainability criteria into supplier selection decisions.

We are committed to developing a supplier code of conduct and a sustainable supply chain questionnaire with the aim of having the code adhered to by all suppliers by 2024. As part of our work to improve the sustainability of our supply chain, our relationships with our key suppliers will be further reviewed and monitored to ensure that we minimise any ESG-related risks. We truly believe we can use our purchasing power to influence positive change towards sustainability across our supply chain.

## Due diligence process for asset transactions

► **Know Your Customer (KYC):**  
CDB Aviation conducts KYC checks for our customers and business partners. Our KYC process is overseen by our compliance team with the assistance of the deal team involved in the particular transaction. The KYC process must be completed before we enter into any dealings with new clients. For existing clients, we review KYC periodically with the frequency of review dependent on the risk rating assigned to the particular client.

► **Certifications and standards:**  
Any suppliers we engage with to purchase parts or materials for an aircraft must have their products approved by EASA (EU European Aviation Safety Agency, FAA (Federal Aviation Administration) or JAA (Joint Aviation Authorities).



CASE STUDY

DocuSign - Modernisation of the document execution process

As a business, CDB Aviation completes transactions that require a lot of legal and contractual paperwork. Since implementing electronic signing via DocuSign we have reduced the number of original documents required within the business by over 60%.

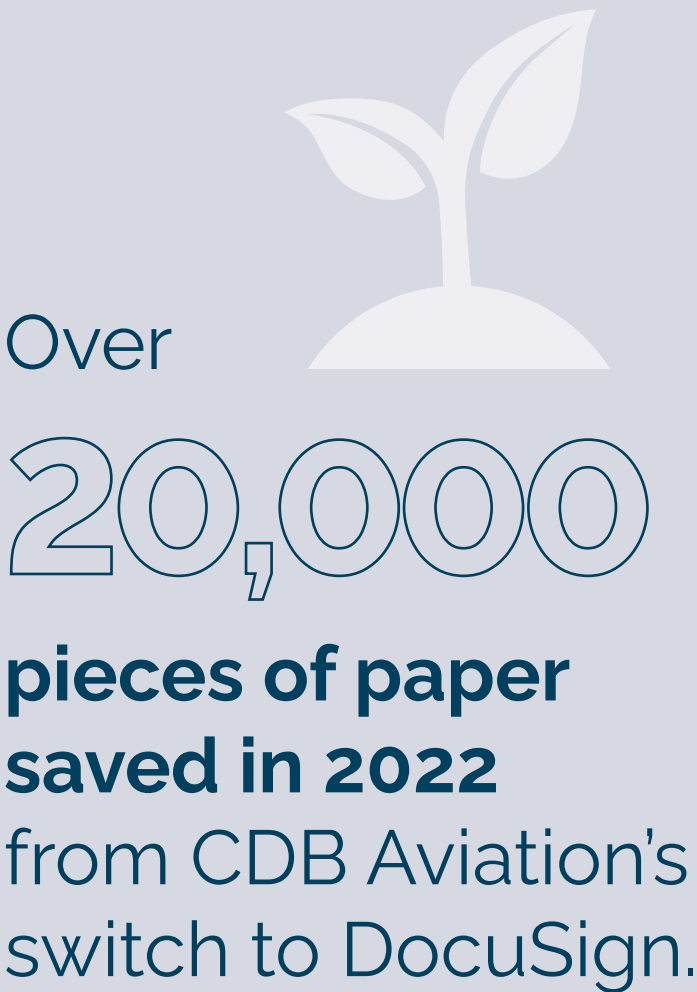
The migration to DocuSign was expedited by the increased need for remote working during the COVID-19 pandemic.

Both the extensive uptake and the concrete benefits– quicker, easier to use and more secure than traditional 'wet ink' signatures – means that it is now a fundamental feature of our remote working approach, allowing greater mobility for staff members who are travelling.

An important concern when making the change was ensuring that our robust information security controls are upheld by DocuSign, when sharing documents on the platform. The common adherence to ISO 27001 requirements provides comfort that high standards are maintained.

This change also had an environmental impetus. The environmental impact of hard copy, 'wet ink' signatures is readily apparent in the inherent paper use but is also amplified considerably by the long-distance couriering of originals that was previously required for an international business like ours. The transition to DocuSign has significantly reduced the need for cross-jurisdictional couriers. Electronic signatures simplify the process of completing documents, making them exceptionally energy efficient.

We believe there is considerable room to make further improvements in this area in the years ahead as more and more jurisdictions move to adopting the custom and use of e-signatures.





# ESG Governance Integration

## Why it matters?

The successful management of ESG risks and opportunities is critical to CDB Aviation's long-term commercial success. If ESG is not properly integrated into our governance framework, it will remain as a peripheral theme that gets 'picked up' and 'put down' on an intermittent basis.

## Key targets:

- Complete TCFD-aligned climate risk analysis in 2023
- Achieve an ESG rating score from a recognised ESG rating provider

## Key Actions for 2023:

- Establish a sustainability Board sub-committee
- Launch first sustainability report
- Enhance stakeholder engagement on sustainability, building on the work conducted during our 2022 materiality assessment

In order to fulfil our ESG ambitions, we rely upon a strong established governance framework that is in place as part of operating in a highly scrutinised industry. As part of our plans to build and scale sustainability in our organisation and influence our stakeholders, it is imperative we embed and incorporate ESG considerations into the workings of this framework.





# ESG Governance Structure

## Board Members



**Madam Hong Ma**  
Chairperson



**Jie Chen**  
Chief Executive Officer



**Yu Chen**  
Non-Executive Director



**Alan Geraghty**  
Non-Executive Director



**Chris Quinn**  
Non-Executive Director



**Stephen Kavanagh**  
Non-Executive Director

## C-Suite



**Jie Chen**  
Chief Executive Officer



**Brian Dowling**  
Chief Technical Officer



**Brendan O'Neill**  
Chief Financial Officer



**Fiona Scott**  
Chief People Officer



**Nick Hazeldine**  
Chief Operating Officer



**Peter Goodman**  
Chief Marketing Officer



The CDB Aviation Board meets at least quarterly and ad hoc meetings happen as required outside of this. The CDB Aviation Delegation of Authority outlines specific items that the Board may delegate to sub-committees of the Board or further delegate to the company's management team. As part of our corporate governance structure, CDB Aviation currently has three established sub-committees of the Board.

### Board sub-committees

The Board has established a Board Investment Committee ("BIC"), a Board Audit and Compliance Committee ("BACC") and a Board Governance Committee ("BGC") as sub-committees of the Board.

The BIC was formed as a sub-committee of the Board of CDB Aviation with authority to consider and approve transactions that meet the requirements outlined in the charter.

The BACC is responsible for oversight of audit and compliance within the business.

The BGC was formed as a sub-committee of the Board of CDB Aviation with authority to consider and approve administrative functions and tasks that meet the requirements outlined in the charter.

In 2023, we intend to establish a new ESG-focused sustainability sub-committee which will be comprised of three members including a non-executive independent director. The Sustainability Committee will meet at least quarterly and report directly to the Board of CDB Aviation on a quarterly basis.

### Role of the Sustainability Committee

A Sustainability Committee Charter has been prepared which sets out the objectives, authority, organisation, membership, meeting procedures and responsibilities of the new Board sustainability sub-committee. The aim of the Sustainability Committee is to establish a unified view of ESG across CDB Aviation, increasing understanding of all three aspects – environmental, social and governance – and promoting robust standards of corporate governance that integrate all these aspects into the day-to-day operations of the business.

The Committee will have responsibility for ESG company policies, standards, reporting and disclosures, along with ESG related auditing and compliance issues.

The key objectives will be as follows:

- ▶ Emphasise the importance of environmental measures, sustainability goals and performance at all levels of the business
- ▶ Provide best practice on the structure, policies and regulations that impact the business
- ▶ Increase understanding and awareness of corporate governance and social aspects that impact the industry
- ▶ Implement and promote common and workable standards of corporate governance for the business

We strongly believe that by placing sustainability at the top of our governance structure it will ensure that all three ESG pillars are at the forefront of our decision-making process as our business continues to grow and as we develop our strategy in the future.







**Sustainability Working Group**

In 2022, CDB Aviation established a Sustainability Working Group tasked with developing a sustainability strategy for the business. With dedicated oversight of Environmental, Social and Governance topics, this group will report into the Board Sustainability Committee.

The members are:

- ▶ Oisin Murray, Head of New Aircraft Programs
- ▶ Cronan Enright, Head of Strategy
- ▶ Fiona Scott, Chief People Officer
- ▶ Ciaran Healy, Head of Corporate Legal & General Counsel







# Transaction Approval Processes

Our governance process also operates at a transactional level. Each deal must follow one of two internal approval and recommendation processes, starting with an Investment Committee (IC) meeting, then followed by some form of board approval.

Our IC is comprised of C-Suite, who meet with deal team members to discuss the economics, potential exposure, key risks and any other relevant information about the deal. They make a recommendation in relation to the transaction which is then assessed by the Board or BIC.



# Integrating ESG into credit and investment analysis

Our current approach to credit and investment analysis includes an extensive due diligence process depending on the type of transaction. In 2023, CDB Aviation will introduce new ESG metrics into its asset and credit evaluation process as it makes investment decisions.

This will allow us to make holistic decisions – considering both economic and environmental drivers – about the assets we add to the portfolio and those we dispose of, as we focus increasingly on lower emission, newer generation aircraft.

# Managing Climate Risk

**Analysing climate-related risks and opportunities is vital for all businesses as the global economy moves towards a low carbon future. For CDB Aviation, it is important to understand the potential financial risks posed by climate change and what actions we can take to manage and mitigate those risks.**

The Taskforce on Climate-related Financial Disclosures (TCFD) classifies risks associated with climate change into two categories: physical and transition. One potentially significant transition risk for aircraft lessors is the risk of strict new regulations or taxation being introduced in relation to carbon emissions such as new or higher carbon taxes.

For CDB Aviation, it is crucial that we assess and understand our exposure to the full range of climate risks so that we can put in place actions to mitigate them, while also exploring potential opportunities that may emerge in the transition to a decarbonised world. In early 2023, we completed our first, high-level climate risk assessment, following the recommendations of the TCFD. The results of this assessment are shown below across the four pillars of the framework.



# CDB Aviation Climate Risk Disclosures



## Governance

As referenced above, the CDB Aviation Sustainability Committee will have oversight for assessing and managing climate-related risks and opportunities and reporting on these issues to the Board.



## Strategy

We have not yet developed a comprehensive climate risk strategy, but the table below shows the results of our initial climate risk assessment. These risks were rated and discussed with a selection of our key internal and external stakeholders, as part of our 2022 materiality assessment. During 2023, we plan to undertake a more in-depth assessment, following which we will disclose the results in our second sustainability report in 2024.



## Risk Management

We do not yet have a formal process in place for managing climate risk on an ongoing basis. Defining this process and overseeing it will, however, be part of the remit of the new Sustainability Committee. We will report on our progress on this as part of our sustainability reporting in 2024.



## Metrics and Targets

CDB Aviation undertook a carbon footprint assessment in late 2022/early 2023 to understand our baseline CO2 emissions across scopes 1, 2 and 3. We disclose our emissions within this report (see page 77). Having established our baseline, we will now set ourselves carbon reduction targets that we will report against year-on-year from 2024. Our long-term target is to be net-zero carbon by 2050.



# Climate risk assessment

We have identified a number of climate-related risks and opportunities, which emerged as part of our stakeholder engagement and materiality assessment conducted in 2022. These are set out in Table opposite, along with our sense of the potential impact of the risks on our business, and a description of the actions we are taking to manage these risks. We have assessed each potential risk individually and have given each an overall ranking of high, medium or low.

## Summary of material climate related risks and opportunities

Risk Type	Description of Risk(s)	Potential Impact (time frame)	Actions Taken to Manage Risk	High Medium Low risk
Physical Risks				
Acute	<ul style="list-style-type: none"><li>Extreme weather and climate change</li></ul>	<ul style="list-style-type: none"><li>Potential financial impact from extreme weather damaging aircraft or increasing maintenance costs (for instance, engine maintenance costs)</li><li>Potential impact of extreme weather and climate change influencing the broader movement of people (Short to long term)</li></ul>	<ul style="list-style-type: none"><li>Ensure our portfolio is always fully insured against the risk of hull loss</li><li>Actively manage our fleet and lease contracts to control maintenance cost exposure</li><li>Actively manage our fleet to satisfy evolving geographic demand</li><li></li></ul>	Low
Chronic	<ul style="list-style-type: none"><li>Climate change impacted sea level rise</li></ul>	<ul style="list-style-type: none"><li>Population migration leads to evolving urban settlements</li><li>The airports favoured by travellers may evolve (Medium to long term)</li></ul>	<ul style="list-style-type: none"><li>Engage with airports and airlines to assess how they are managing this issue</li><li>Reallocate aircraft resources to areas of most demand</li><li></li></ul>	Low
Transition Risks				
Policy and Legal	<ul style="list-style-type: none"><li>Government restraints on the level of short-haul flying</li><li>Increase in carbon price and taxes</li><li>Government regulation to control or limit air travel</li></ul>	<ul style="list-style-type: none"><li>Reduced demand for short-haul travel which could impact demand for our portfolio</li><li>Reduced demand from airlines for older, higher emissions aircraft assets (Short to long term)</li></ul>	<ul style="list-style-type: none"><li>Strategically evolve our portfolio by investing in fleet renewal by adding the most fuel-efficient as possible, all capable of facilitating SAF at scale</li><li>Focus growth towards geographic areas where demand shifts</li><li>Consider other aircraft types that could be better suited to evolving airline networks</li></ul>	High
Technology	<ul style="list-style-type: none"><li>Underdevelopment of SAF</li><li>Lack of investment in new technology</li></ul>	<ul style="list-style-type: none"><li>Impact on airlines which have mandates to fly with SAF but no / limited supply of it</li><li>Reduced short haul flying (where there may be surface transport alternatives) and/or long haul flying (which has the highest actual carbon emissions) (Short to medium term)</li></ul>	<ul style="list-style-type: none"><li>Exploring our role as a lessor to help the development of SAF, either as an aggregator or scaling the technology required</li><li>Evolve our fleet mix and size to be aligned with shifting demand patterns</li><li></li></ul>	Medium



## Summary of material climate related risks and opportunities (Cont.)

Risk Type	Description of Risk(s)	Potential Impact (time frame)	Actions Taken to Manage Risk	High Medium Low risk
Market	<ul style="list-style-type: none"><li>Older aircraft become less in demand assets</li><li>Cost of air travel rises with emissions taxes on Jet A1 fuel</li><li>Challenges to raise capital at competitive rates due to carbon emitting profile of our industry</li></ul>	<ul style="list-style-type: none"><li>Potentially, a significant financial impact due to assets which have to end their life earlier than planned and be scrapped due to market change moving faster than expected</li></ul> (Medium to long term)	<ul style="list-style-type: none"><li>Strategically evolve our portfolio to invest in the most fuel-efficient types and exit older generation types as quickly as reasonable</li><li>Engage with airlines and OEMs to assess what the market is expecting and be ready to adapt</li><li></li></ul>	High
Reputational	<ul style="list-style-type: none"><li>CDB Aviation fails to achieve goals set out in its Sustainability Report</li><li>Flight-shaming movement develops and spreads worldwide</li></ul>	<ul style="list-style-type: none"><li>Stakeholders expect us to achieve our targets and we want to be accountable for our actions</li><li>CDB Aviation to take responsibility to drive an improving performance by aviation.</li></ul> (Short to long term)	<ul style="list-style-type: none"><li>Ensuring transparent and clear communications and reporting</li><li>Deviations from targets will require clarification on how recovery will be achieved</li><li>Actively facing up to the role aviation has in contributing to global warming and helping to change the industry</li></ul>	Medium
Climate-Related Opportunities				
Products and services	<ul style="list-style-type: none"><li>Market expects emissions-based leasing products</li><li>Increased cooperation and collaboration between OEMs, financiers, lessors and operators of new, low carbon, hydrogen and electric aircraft</li><li>Lessors invest in SAF development directly</li></ul>	<ul style="list-style-type: none"><li>Potential new customers and new revenue streams</li><li>Broader investments in SAF refinement lower its cost and increase its everyday usage</li></ul> (Short to long term)	<ul style="list-style-type: none"><li>New emissions based leasing products introduced</li><li>Lower cost financing secured based on CDB Aviation achieving emissions targets and other ESG metrics</li><li>CDB Aviation explores how it can contribute to the increased usage of SAF</li><li>CDB Aviation supports innovation that drives new product development, for instance, Heart Aerospace's development of a hybrid-electric 30-seater for short air journeys</li></ul>	





Good governance is at the heart of the successful running of any organisation. CDB Aviation's stakeholders confirmed during our materiality assessment the value they place on strong governance structures and frameworks, and companies who continually look to improve in key areas such as transparency, accountability and business ethics. Embedding sustainability reporting into our day-to-day work is part and parcel of ensuring our approach to corporate governance remains fit for the future.

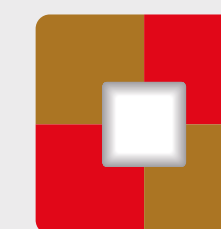


*Ciaran Healy,  
Head of Corporate Legal & General  
Counsel, CDB Aviation  
Member of the Sustainability Working Group*





# APPENDIX



**CDB**  
AVIATION



# GRI Index

Our sustainability report has been prepared with reference to the GRI Standards.  
The report covers a calendar years' worth of information and performance data from 1st January 2022 to 31st December 2022.  
Where relevant, we have also included updates from the first quarter of 2023.

Statement of use	CDB Aviation has reported the information cited in this GRI content index for the period 01 January 2022 to 31 December 2022 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1 Organizational details	CDB Aviation at a glance, p.4 and Sustainable Operations p.32
	2-2 Entities included in the organization's sustainability reporting	The Sustainability Reports covers the entire CDB Aviation group including the primary operating company within our group, CDB Aviation Lease Finance DAC, and all its wholly-owned subsidiaries.
	2-3 Reporting period, frequency and contact point	The Sustainability Report covers the period from 1st January 2022 - 31st December 2022. It is CDB Aviation's first Sustainability Report. We plan to report on an annual basis going forward. For any queries related to the report please contact <a href="mailto:esg@cdbaviation.aero">esg@cdbaviation.aero</a>
	2-4 Restatements of information	As this is our first Sustainability Report, CDB Aviation made no restatements of information during the reporting period.
	2-5 External assurance	This Sustainability Report has not been externally assured. In future years, we plan to seek independent assurance.
	2-6 Activities, value chain and other business relationships	<a href="#">CDB Aviation   About us</a>
	2-7 Employees	As of 31st December 2022 CDB Aviation had 142 FTEs including 132 staff members and 10 fixed term contractors (plus 3 non-executive directors). For additional information on employees, see Appendix p.78
	2-8 Workers who are not employees	CDB Aviation treats all staff members equally. We do not make any distinction between staff members who are permanently employed or employed on a contractual basis.
	2-9 Governance structure and composition	Governance Structure p.66 and ESG Governance Structure p.64
	2-10 Nomination and selection of the highest governance body	The Board of CDB Aviation comprises a mix of individuals that ensures an appropriate range of knowledge, views and experience. Board members are nominated by a combination of C-Suite and shareholder recommendation based on the requirements of the business. See Appendix p.78 for details on current Board members.
	2-11 Chair of the highest governance body	The Chair of the Board is Madam Hong Ma, the chairperson of CDB Leasing.
	2-12 Role of the highest governance body in overseeing the management of impacts	The Board of CDB Aviation and the C-Suite reviewed the company's Sustainability Strategy in Q4 2022. In 2023, a Sustainability sub-committee of the Board will be established. This committee will be responsible for overseeing the implementation of the company's sustainability strategy going forward and for actively monitoring and responding to ESG risks.
	2-13 Delegation of responsibility for managing impacts	The Board of CDB Aviation currently delegates the management of sustainability issues to the CDB Aviation Sustainability Working Group (a cross-functional team) and to relevant Team Heads. Going forward, once the sustainability sub-committee of the Board is established, the Board will delegate responsibility for managing ESG impacts to this committee, who in turn will formalise roles and responsibilities in relation to ESG across the business.
	2-14 Role of the highest governance body in sustainability reporting	The CDB Aviation Board signed off on the output of our 2022 Materiality Assessment to identify the most material ESG topics for CDB Aviation. The Board delegated responsibility for sustainability reporting to the C-Suite, who reviewed and signed off on our 2022 sustainability report.



GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021 (Cont.)	2-15 Conflicts of interest	<p>CDB Aviation has a Conflicts of Interest policy. Staff members are required to disclose, on an ongoing basis, all actual, potential and perceived conflicts of interests. Staff members are expected to:</p> <ul style="list-style-type: none"><li>- Maintain the highest possible standard of integrity in all your business relationships, both inside and outside CDB Aviation.</li><li>- Reject any business practice which might reasonably be deemed improper.</li><li>- Never use authority or position for personal gain.</li><li>- At all times, act with impartiality, independence and integrity.</li><li>- Avoid being in a position which may result in an actual or perceived detriment to CDB Aviation's reputation and/or interests.</li></ul>
	2-16 Communication of critical concerns	<p>CDB Aviation has a Whistleblowing Policy in place. We are committed to ensuring a workplace culture where workers are encouraged to raise any concerns they may have if they have a reasonable belief of wrongdoing. The policy provides clear guidelines on reporting channels and procedures established for facilitating staff members in making a protected disclosure and for dealing with such disclosures. The procedure is in place to encourage staff members to come forward and raise an issue and to provide reassurance that the disclosure will be dealt with in an appropriate manner and that the staff member's statutory rights will be respected.</p>
	2-17 Collective knowledge of the highest governance body	<p>The CDB Aviation C-Suite and several non-Exec members of the Board took part in multiple Sustainability and ESG briefing sessions in 2022 as part of the development of CDB Aviation's Sustainability strategy.</p> <p>Going forward, the new Sustainability sub-committee of the Board will oversee the implementation of the strategy. It is our intention to organise further briefings/training for the members of the sub-committee in particular, and for the wider C-Suite and Board, to ensure that we have the right knowledge at the highest levels of CDB Aviation's business to drive progress on the sustainability and ESG agenda in the coming years.</p>
	2-18 Evaluation of the performance of the highest governance body	<p>When our new sustainability sub-committee of the Board is established in 2023 this committee's performance will be reviewed by the Board on a quarterly basis. See ESG Governance integration p.63</p>
	2-19 Remuneration policies	Financial compensation and reward p.43
	2-20 Process to determine remuneration	Performance management p.43
	2-21 Annual total compensation ratio	Not disclosed due to confidentiality constraints.
	2-22 Statement on sustainable development strategy	CEO Statement p.6
	2-23 Policy commitments	<p>Human Rights p.60 and Ethics and Compliance p.57</p> <p>We are currently developing our anti-slavery statement and a code of conduct. These will be available on our website later in 2023.</p>
	2-24 Embedding policy commitments	ESG governance structure p.64
	2-25 Processes to remediate negative impacts	Beyond our whistleblowing hotline (See Whistleblowing p.59) CDB Aviation does not operate other formal grievance mechanisms.
	2-26 Mechanisms for seeking advice and raising concerns	Whistleblowing p.59
	2-27 Compliance with laws and regulations	CDB Aviation had zero incidents of non-compliance with applicable laws and regulations within the reporting period.
	2-28 Membership associations	<p>Aircraft Leasing Ireland (ALI)</p> <p>IATA (Strategic Partner)</p> <p>Irish Business and Employers Confederation (IBEC)</p> <p>AWAR</p> <p>PropelHer</p> <p>ISTAT (International Society of Transport Aircraft Trading)</p> <p>Heart Aerospace Industry Advisory Group</p>
	2-29 Approach to stakeholder engagement	Stakeholder engagement p.15
	2-30 Collective bargaining agreements	Not applicable. CDB Aviation staff members are not covered by collective bargaining agreements.



GRI STANDARD	DISCLOSURE	LOCATION
GRI 3: Material Topics	3-1 Process to determine material topics	Materiality, p.16
	3-2 List of material topics	Materiality, p.17
	3-3 Management of material topics	Materiality, p.18
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Not disclosed. CDB Aviation does not report externally on financial performance.
	201-2 Financial implications and other risks and opportunities due to climate change	Managing Climate Risk, p.67
	201-3 Defined benefit plan obligations and other retirement plans	CDB Aviation operates a company pension scheme which is offered to all staff members as part of a comprehensive benefits package. See Taking care of our people p.43
	201-4 Financial assistance received from government	Not applicable. CDB Aviation does not receive any financial assistance from government.
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	CDB Aviation's operations are low risk in relation to corruption. We monitor this risk as part of our overall governance processes and procedures.
	205-2 Communication and training about anti-corruption policies and procedures	See Ethics and Compliance training, p.59
	205-3 Confirmed incidents of corruption and actions taken	There were no confirmed incidents of corruption within the reporting period.
GRI 206: Anti-competitive Behaviour 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	CDB Aviation is not subject to any legal actions for anti-competitive behaviour or related practices.
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Greening our offices p.33
	302-2 Energy consumption outside of the organization	Measuring our Carbon footprint p.34
	302-4 Reduction of energy consumption	Greening our offices p.33
	302-5 Reductions in energy requirements of products and services	Sustainable Fleet p.27
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Measuring our Carbon footprint p.34 and Appendix p.77
	305-2 Energy indirect (Scope 2) GHG emissions	Measuring our Carbon footprint p.34 and Appendix p.77
	305-3 Other indirect (Scope 3) GHG emissions	Measuring our Carbon footprint p.34, Measuring the carbon footprint of our fleet p.28 and Appendix p.77
	305-4 GHG emissions intensity	Measuring the carbon footprint of our fleet p.28
	305-5 Reduction of GHG emissions	Measuring our carbon footprint p.34 and Measuring the carbon footprint of our fleet p.28
	305-7 Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	Sustainable Fleet p.27
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Sustainable fleet p.31 (Aircraft end of life) and Sustainable Operations p.33
	306-2 Management of significant waste-related impacts	Sustainable fleet p.31 (Aircraft end of life) and Sustainable Operations p.33
	306-3 Waste generated	Sustainable Operations p.33 for info on our Dublin HQ. We are working to gather data on our HK operations and hope to report on this in the future
	306-4 Waste diverted from disposal	Sustainable Operations p.33 for info on our Dublin HQ. We are working to gather data on our HK operations and hope to report on this in the future
	306-5 Waste directed to disposal	Sustainable Operations p.33 for info on our Dublin HQ. We are working to gather data on our HK operations and hope to report on this in the future



GRI STANDARD	DISCLOSURE	LOCATION
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	We are working to implement a new supplier code of conduct and a sustainable supply chain questionnaire in 2023 which will enable us to screen suppliers on environmental criteria.
	308-2 Negative environmental impacts in the supply chain and actions taken	See Sustainable supply chain p.61
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	See Appendix p.79
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	CDB Aviation treats all staff members equally. All staff members are entitled to our benefits package. See Taking care of our people p.43
	401-3 Parental leave	7 Staff members took maternity leave (4 in Dublin, 3 in Hong Kong) 4 staff members took parents leave (in Dublin) 2 Staff members took paternity leave (USA)
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	See Staff wellbeing and development (Health and safety) p.43
	403-2 Hazard identification, risk assessment, and incident investigation	See Staff wellbeing and development (Health and safety) p.43
	403-3 Occupational health services	See Staff wellbeing and development (Health and safety) p.43
	403-4 Worker participation, consultation, and communication on occupational health and safety	See Staff wellbeing and development (Health and safety) p.43
	403-5 Worker training on occupational health and safety	See Staff wellbeing and development (Health and safety) p.43
	403-6 Promotion of worker health	See Staff wellbeing and development (Health and safety) p.43
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	CDB Aviation provided a total of 1434 hours of training to staff members in 2022. This equates to an average of 10 hours of training per staff member.
	404-2 Programmes for upgrading employee skills and transition assistance programmes	See Staff training and career development p.45
	404-3 Percentage of employees receiving regular performance and career development reviews	100% of CDB Aviation staff members received regular performance and career development reviews during 2022.
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	See Inclusive workplace p.48 and also Appendix p.78
	405-2 Ratio of basic salary and remuneration of women to men	Not disclosed. CDB Aviation is currently preparing to report on our gender pay gap. We will be publishing this information in 2025 in line with gender pay gap regulation.
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	There were no incidents of discrimination within the reporting period.
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programmes	See Corporate Social Responsibility p.50
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	We are working to implement a new supplier code of conduct and a sustainable supply chain questionnaire in 2023 which will enable us to screen suppliers on social criteria.
	414-2 Negative social impacts in the supply chain and actions taken	See Sustainable supply chain p.61
GRI 415: Public Policy 2016	415-1 Political contributions	CDB Aviation did not make any political contributions in the reporting period.



# ESG Data - Environmental Data

Below we provide supplementary environmental and social data to fulfil GRI requirements.

A complete breakdown of our emissions across scopes 1,2 and 3. These emissions relate to our Dublin HQ office and our portfolio of aircraft. Data from our Hong Kong office is not currently included. Data for some relevant scope 3 categories (e.g. Employee commuting) was not readily available, however we don't expect that this data would substantially change our overall carbon footprint.

		[tCO2e]	
	Activities	2019	2022
Scope 1 – Direct Emissions		504.4	187.0
	S1: TTW* Delivery Fuels Jet A1 kerosene	499.7	183.4
	S1: TTW* Natural Gas (offices)	4.7	3.6
Scope 2 – Indirect Emissions from Purchased Energy		54.8	46.8
	S2: Electricity (LBM*)	54.8	46.8
	S2: Electricity (MBM*)	-	12.6
Scope 3 – Indirect Emissions from Everything Else		6,602,344	5,504,954
Upstream	S3.1: Purchased Goods and Services	2.6	1.1
	S3.1 Water supply	0.9	0.5
	S3.1 Office consumables & cleaning products	1.7	0.6
	S3.3: Capital Goods		
	S3.3: Fuel and energy related activities (not in S1 & S2)	11.6	11.2
	S3.3: WTT* Delivery fuels jet A1 kerosene	excluded	excluded
	S3.3: WTT* Natural Gas (offices)	0.6	0.6
	S3.3: WTT* Electricity generation incl. T&D	11.0	10.6
	S3.4: Upstream transportation & distribution		
	S3.5: Waste generated in operations	0.7	0.2
	S3.5: Wastewater	1.9	0.9
	S3.6: Business Travel	2,135.0	1,176.2
	S3.6: Flights	2,121.2	1,169.5
	S3.6: Hotel accommodation	7.5	2.8
	S3.6: Taxis, chauffeur service	6.3	3.9
	S3.7: Employee commuting		
	S3.8: Upstream leased assets		
Downstream	S3.9: Downstream transportation & distribution		
	S3.10: Processing of sold products		
	S3.11: Use of sold products		
	S3.12: End-of-life treatment of sold products		
	S3.13: Downstream leased assets	6,600,193	5,503,764
	S3.14: Franchises		
S4.15: Investments			
Total Emissions		6,602,904	5,505,188

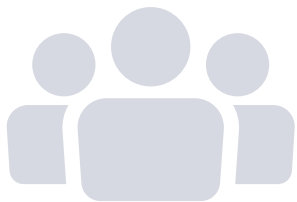


# Social Data

Staff Member breakdown by gender and by region

Total number of staff members	142
Total number of females	65
Total number of males	77
Total in Dublin	88
Total in HK	28
Total in Shenzhen	16
Total in other locations	10

NOTE: Social data is as of 31st December 2022.



132  
Permanent  
staff members

Gender and age profile of staff members at different levels across CDB Aviation

Within CDB Aviation's governance bodies (Board level)	Gender	Male	5
		Female	
		Prefer not to say	
	Age Group	Under 30	
		30 - 50	
		over 50	5
Within CDB Aviation's governance bodies (C-Suite level)	Gender	Male	6
		Female	1
		Prefer not to say	
	Age Group	Under 30	
		30 - 50	4
		over 50	3
Within CDB Aviation's workforce (Team heads level)	Gender	Male	9
		Female	11
		Prefer not to say	
	Age Group	Under 30	
		30 - 50	14
		over 50	6
Within CDB Aviation's workforce (Remaining Staff Members)	Gender	Male	62
		Female	53
		Prefer not to say	
	Age Group	Under 30	12
		30 - 50	91
		over 50	12



New staff hires and turnover in 2022

		New staff hires	Staff turnover
Gender	Male	17	11
	Female	8	7
	Prefer not to say		
Age Group	Under 30	7	3
	30 - 50	12	13
	over 50	6	2
Location	Dublin	21	9
	HK	2	8
	Shenzhen		
	Other	2	1
Overall Number and rate		Overall No.: 25, Rate: 17%	Overall No.: 18, Rate: 12%

Number of training hours by gender and staff member category

Average hours of training that the organization's employees have undertaken during the reporting period by gender and staff member category	Gender	Male	9.9
		Female	10.4
		Prefer not to say	
	Staff member category	C-Suite	10.3
		Team heads	34.8
		Team members	5.8







## DISCLAIMER

Some statements in this report contain beliefs, opinions, estimates and forecasts in relation to future performance and events ("forward-looking statements"). These may include terminology such as, "aim", "anticipate", "assume", "believe", "continue", "could", "expect", "estimate", "intend", "may", "might", "predict", "project", "plan", "potential", "shall", "should", "risk", "will", or any similar terminology, or any negatives thereof. Statements other than those of historical fact are forward-looking statements which may be based on our current expectations, underlying assumptions, predictions about future events. They are subject to risks that are both known and unknown. This includes but is not limited to the impacts of the Ukraine conflict, the COVID-19 pandemic, global economic and financial conditions, changes in interest rates, global trade wars, the financial strength rating of CDB Aviation and our shareholder, the limited number of aircraft and engine manufacturers, loss of key personnel, lessee defaults and attempts to repossess aircraft, the impact of airline restructurings, our ability to obtain additional capital to finance our growth and operations on attractive terms, decline in the value of our aircraft and market rates for leases, our ability to regularly sell aircraft, our ability to successfully re-lease our existing aircraft and lease new aircraft, along with competition from other aircraft lessors.

These or other events could substantially impact the results, performance, achievements, levels of activity or any predictions expressly, or implicitly referred to in forward-looking statements. Such forward-looking statements contained in this report speak only as of the date of this report. For the reasons described above, we caution you against relying on forward-looking statements. We cannot assure you that any statement in this report will prove to be accurate, and we expressly disclaim any obligation to update these statements in line with changes in circumstances and events, which may mean results differ materially from those predicted at the time of publication. Additionally, the methodology for any measurements, figures or quantifications in this report are constantly developing, and may be based on estimates or incomplete data sets. Figures have been rounded for simplicity. No warranty or representation is given concerning any such information and the decision to include or exclude any information does not reflect the importance of the information for the purposes of making investment decisions.





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