

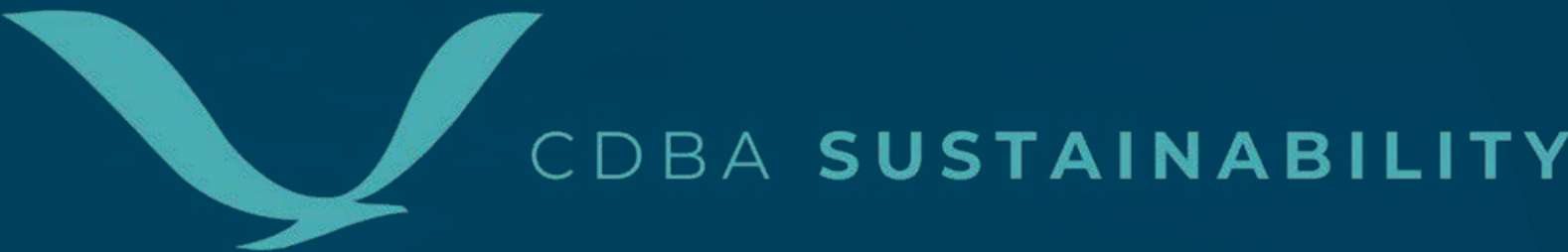


Rising to the Challenge

CDB AVIATION
SUSTAINABILITY REPORT 2023

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This report has been created to provide our stakeholders with a transparent account of how CDB Aviation is addressing the most material sustainability issues facing our business. The report has been prepared in accordance with GRI Standards. Our GRI content index can be found in the Appendix (see pages 57-63).

Unless otherwise indicated, the information and data presented in the report is for the calendar year 1 January 2023 to 31 December 2023. Where appropriate we have also included information on relevant activities from early 2024.

CEO STATEMENT



“
A Year
of Strong
Progress

I am delighted to present CDB Aviation's second sustainability report and to provide an update on the progress made on our sustainability journey during the year.

Over the last 12 months, we have further embedded sustainability into our core strategy, with a focus on the twin pillars of Managing our Impact and Maximising our Influence across our business and the broader industry. In 2023, we were pleased to receive a 'Low ESG Risk' rating from Morningstar Sustainalytics, which placed us in the 6th percentile within our industry group. This speaks to the level of progress we have made across a range of sustainability initiatives and to our efforts in building on our sustainability agenda.

Leading with Action

During the year, CDB Aviation delivered on its commitment to continue to invest in new generation aircraft, increasing the share of the most fuel-efficient and lowest emission types to 50% of our fleet (based on aircraft count).

We also acted on our belief that Sustainable Finance is a crucial driver in enabling the aviation industry to transition to more sustainable pathways. In December 2023, CDB Aviation announced the completion of a Sustainability Linked Loan (SLL) involving a \$625 million syndicated term loan facility. As the world's first syndicated SLL in the aviation leasing industry, this was a landmark transaction and a significant milestone which everyone at CDB Aviation can be extremely proud of. It will help drive our efforts to build a more sustainable fleet, reduce our emissions, and create a workforce with the right knowledge and skills to deliver on our sustainability ambition.

CDB Aviation is also committed to transparency when reporting its sustainability performance. For instance, to the best of our knowledge, we are the first lessor to disclose asset emissions intensity data and to introduce sustainable investing metrics into our underwriting decision-making.

As we move forward, we will continue to lead in the industry by demonstrating and advocating for greater transparency. We are intentionally building a reporting framework across Environmental, Social and Governance (ESG) in preparation for the more extensive reporting requirements that will flow from the Corporate Sustainability Reporting Directive (CSRD) in the coming years.

Building Capability

Collaboration is at the heart of the sustainability agenda, and we continue to engage with our customers, OEMs and other stakeholders towards achieving IATA's Fly Net Zero 2050 goal, albeit cognisant that formidable challenges will have to be overcome over the coming decades including advancements in Sustainable Aviation Fuel (SAF) and the need for breakthrough developments in propulsion technology.

In order to meet these challenges, we need the right knowledge, skills and capabilities across the aviation leasing industry. Last year, we collaborated with Aviation Leasing Ireland (ALI) and Aviation Skillnet on the development of the inniu online sustainability learning platform to deliver ESG training to the sector.

Diversity, Equity and Inclusion (DEI) is a cornerstone of this wider agenda, and it is why the Social key performance indicator (KPI) was included as one of our three targets set in order to fulfil our obligations under the SLL. Over the course of the SLL, CDB Aviation staff members will undergo mandatory ESG and DEI training. To further build on our commitment to be an industry leader in this area, we have developed a new DEI Strategic Plan Framework including vision, mission and strategic priorities.

Looking to the future, we are encouraged by the strong start we have made in implementing our sustainability strategy into business as usual, both internally and externally, but we remain conscious that lots of hard work lies ahead.

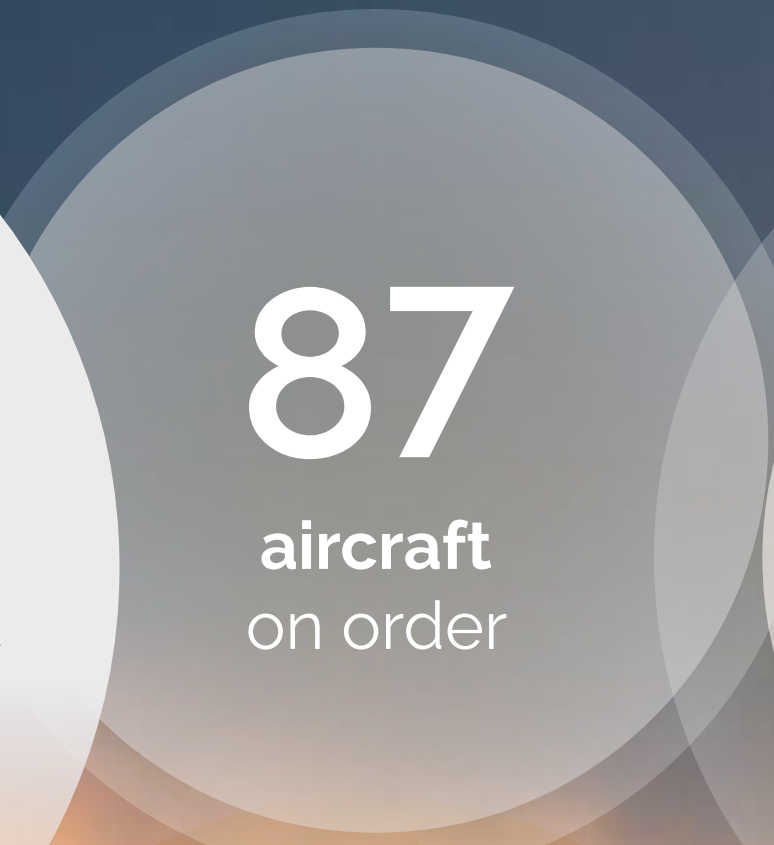
Jie Chen

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.


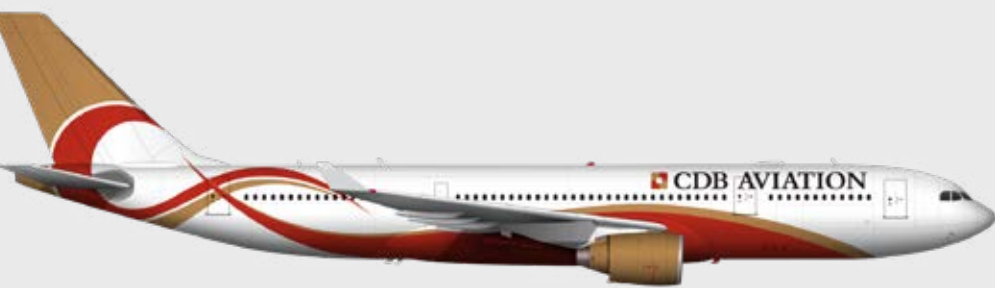

CDB Aviation is 100% owned by CDB Leasing, which is a public limited company listed on the Hong Kong Stock Exchange. CDB Leasing is a top financial leasing company in China and a subsidiary of China Development Bank.

* Newgen fleet share based on aircraft count, not asset values
** Top 10 market position based on CMVs from IBA - December 2023




OUR FLEET

Previous Generation

737-800 NG		47	in-service
A320/A321ceo		47	in-service
A330-200/-300		26	in-service
777-300ER		1	in-service

New Generation

737 MAX 8		34	in-service	35	committed
A320/A321neo		103	in-service	50	committed
A330-900		5	in-service		
A350-900		3	in-service		
787-9		2	in-service		

Regional Jets

Embraer E190		19	in-service
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Freighters

A330 P2F		6	in-service
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293

in-service

147

new generation

87

committed*

* Committed aircraft as of 31 December 2023, comprising 50 A320neo Family aircraft, 35 MAX 8s, one A320-200, and one A330-900.*

KEY ACHIEVEMENTS IN 2023

1st



World's first syndicated **Sustainability Linked Loan (SLL)** in aviation leasing

2

Awards for our SLL

Airline Economics 'Sustainable Finance Deal of the Year' award



Ishka 'Most Innovative Deal of the Year' award



NOVA

Launched our quarterly internal ESG newsletter

Net Zero roadmap

Developed a high level roadmap for decarbonising our portfolio

Sustainable supply chain

Developed and launched our new Supplier Code of Conduct and our Supplier Sustainability Questionnaire

TOGETHER programme

Launched our new CSR programme, *TOGETHER*



19% increase



In hours of staff member training in 2023, including significant focus on ESG and DEI

Maximising our Influence

'inniu' ESG training platform

Co-developed a new online ESG training platform for the aviation leasing industry in partnership with ALI (Aircraft Leasing Ireland), Aviation Skillnet and our industry peers

Heart Aerospace Industry Advisory Group

Continued to have a seat on the advisory board of Heart Aerospace, leaders in electrifying regional air travel



SAF research

Jointly funding university research with ALI and our industry peers into the production of Sustainable Aviation Fuels in Ireland

50%



Newgen aircraft in our portfolio, putting us on track to meet our **60% by 2025 target**

ESG Risk Rating from Sustainalytics



15.6

placing us in the 'low ESG risk' category



ESG industry top rated

Selected for inclusion in **Sustainalytics' 2024 Top-Rated ESG Companies List**

MEETING THE CHALLENGE

In 2023, the aviation industry saw further collaboration among stakeholders, technological innovation, and supportive policies that will be crucial in driving sustainable aviation forward. Governments are actively changing the operating landscape and CDB Aviation welcomes the significant progress that has been made in Europe with the introduction of policy instruments to encourage behavioural change.

Over the last year, EU Taxonomy regulations were clarified, encouraging the adoption of fuel-efficient aircraft, emission reduction strategies, and transparent reporting of the Green Asset Ratio (GAR).

In October 2023, the EU officially adopted the Refuel Aviation Regulation, known as ReFuelEU, steering the aviation industry toward progressively blending kerosene with increasing amounts of Sustainable Aviation Fuel (SAF). This begins with a minimum blend of 2% in 2025, rising to 6% in 2030, and ultimately reaching 70% by 2050.

These are important steps as aviation moves into a transition phase over the coming decades to decarbonise the industry. Aircraft lessors can play a pivotal role in promoting sustainability within the aviation industry, wielding significant influence over fleet composition.

Many lessors are increasingly integrating sustainability considerations into their decision-making processes by investing in fuel-efficient aircraft models and supporting airlines' efforts to reduce emissions.

Notwithstanding this progress, the necessity for climate action and decarbonisation was amply demonstrated in 2023, which was the warmest on record, with the global average near-surface temperature at 1.45°C above the pre-industrial baseline, and the warmest 10-year period in history*.

Aviation enables people to travel and connect, but the sector will soon account for 3% of global emissions (from 2% previously), as other industries decarbonise more quickly. While SAF is expected to drive over 60% of the industry's emissions reduction towards the goal of Net Zero by 2050, it accounted for less than 1% of aviation fuel used last year.


According to IATA, fuel producers delivered 600 million litres of SAF in 2023, double the amount in the prior year. Yet, this only represented 3% of the total renewable fuel produced, meaning that the other 97% was used to produce sustainable fuels for other industries, such as road freight transportation. For the aviation sector to reduce its carbon intensity by 5% before 2030, it would need at least 17.5 billion litres of SAF.

Airlines are working to increasingly incorporate SAF into their operations, albeit still on a limited scale due to supply constraints and cost considerations. Additionally, advancements in electric and hybrid-electric propulsion systems are being pursued for short-haul and urban air mobility applications, offering the potential for zero-emission flights in the future. Advancements in propulsion technologies will be crucial for a successful transition.

CDB Aviation also observed developments across the wider ESG agenda in 2023, such as on the topic of Diversity, Equity and Inclusion (DEI), which we believe is a hugely important challenge for the industry to resolve. For example, the findings of the annual Gender & Diversity in Aviation Survey 2023, conducted by law firm Mason Hayes & Curran, showed that almost two-thirds of respondents in the Irish aviation industry said there had been no improvement in diversity at C-Suite level in their organisations in the previous 12 months.

In developing our own DEI strategy and plan internally, and continuing to partner with our peers on initiatives such as PropelHer and AWAR (Advancing Women in Aviation Roundtable), CDB Aviation believes training and education can play an important role in bringing about positive change.

With regards to Governance, CDB Aviation, like many other large corporates, is preparing for the adoption of the European Sustainability Reporting Standards (ESRS) which will come into effect on foot of the CSRD, and which will accelerate the push towards greater transparency in sustainability reporting. We strongly advocate for greater transparency and welcome the discipline that the disclosures will bring for us and the aviation industry, driving us all to deliver on the sustainability agenda over the coming years.

By
2030 
under ReFuelEU, aircraft
must use a minimum
6% of **Sustainable Aviation Fuel (SAF)**.

* (World Meteorological Organisation, 'The State of the Global Climate 2023' report).



**Our sustainability strategy is
focused on helping to build a
sustainable future for aviation.**

We are implementing and evolving
a comprehensive plan of action
across the ESG agenda.

OUR SUSTAINABILITY STRATEGY



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



PROGRESS ON OUR STRATEGY

Our sustainability strategy, established in 2022, is designed to address the material sustainability risks and opportunities facing our business and our industry. It brings together all of our work on Environmental, Social and Governance (ESG) topics and defines clear areas we will focus on to improve our sustainability performance over the period to 2025.

Our approach, as set out in the strategy, involves **Managing our Impact** as a business and **Maximising our Influence** to help drive change across our industry. This is supported by three underpinning principles: *Enable* our airline customers to achieve their sustainability goals; *Collaborate* with our peers and partners; and *Focus* on where we can make the biggest difference.

For CDB Aviation, our focus in 2023 was to turn our strategy into action. As part of this, we conducted a cross-departmental workshop aimed at defining the specific workstreams to deliver on each area of the strategy. The output was a detailed implementation plan with priorities, key actions, and owners.

Various teams and individuals have been assigned responsibility for delivering actions, which has helped embed sustainability across different business areas, something we believe is especially important. Sustainability should be everyone's job.

Our Sustainability Linked Loan deal was an example of different departments across CDB Aviation coming together to work on a sustainability-related initiative, with teams including capital markets, strategy, legal, HR and marketing all involved.

The delivery of our strategy is overseen by our Sustainability Committee, who meet regularly to review progress. They report directly into the C-Suite and, ultimately, the Board (see more under ESG Governance and Integration, page 52).

Overall, we believe we have made good progress on our strategy in the last year, with strong steps forward across all areas. We aim to build on this momentum in 2024 as we work through our implementation plan and measure our progress.



**Our focus in 2023
was to turn our
strategy into
action.**

PROGRESS ON KEY ACTIONS

In our 2022 sustainability report we set out a list of actions that we would aim to achieve in 2023, to progress the implementation of our sustainability strategy. In the table below we summarise these actions and the status of each one as at the end of 2023. Most actions were achieved and some are ongoing.

STATUS

ONGOING

ACHIEVED

PARTIAL

NOT ACHIEVED

ENVIRONMENT

Sustainable Fleet		Sustainable Operations		Sustainable Finance	
Publicly commit to IATA Fly Net Zero	●	Switch to 100% green energy tariffs for all CDB Aviation offices	◐	Actively engage with finance providers to introduce our first sustainable finance instrument in 2023	●
Develop a Net Zero Roadmap with interim targets	●	Conduct waste audits at all CDB Aviation offices	◐		○
Continue to increase the proportion of new generation aircraft in our portfolio as part of the CDB Aviation Sustainable Fleet Initiative	◐	Calculate baseline carbon emissions from our operations (Scope 1, 2 and 3)	◐		
Introduce Sustainability Metrics for all CDB Aviation Assets and Investments	●	Explore setting science-based targets for emissions reductions	●		
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	◐				

SOCIAL

Staff Wellbeing and Development		Inclusive Workplace		CSR	
Develop and implement a DEI strategy, policy and programme	●	Develop and implement a DEI strategy, policy and programme	◐	Develop a CSR recognition programme	●
Embed LIFT leadership programme into CDB Aviation training plan	●	Measure and disclose diversity metrics	●	Run four environmental, homeless, STEM and educational events	●
Continue to evolve the WheelsUp Wellbeing Programme	◐	Prepare for gender pay gap reporting	◐	Re-launch an updated CSR <i>TOGETHER</i> programme and branding	●
		Conduct companywide DEI training	◐		

GOVERNANCE

Ethics and Compliance		Sustainable Supply Chain		ESG Governance and Integration	
Enhance our staff training programme on ethics and compliance	●	Conduct baseline review of current suppliers to assess their sustainability performance	◐	Establish a sustainability committee	●
Develop and publish modern slavery statement	●	Develop Supplier Code of Conduct and Sustainable Supply Chain Questionnaire	●	Launch first sustainability report	●
Develop and launch new whistleblowing hotline	●			Enhance stakeholder engagement on sustainability, building on the work conducted during our 2022 materiality assessment	◐



ENVIRONMENT

Our ambition is to be Net Zero carbon by 2050.

We are paving the way for an industry transition through building a more sustainable fleet, utilising sustainable finance and supporting SAF development.



Average
Fleet age
today

5.1

years

50%

Proportion of
new generation
aircraft in fleet
today

60%

Target proportion of new
generation aircraft by
end of 2025

57%

Share of lease and
finance income
from new generation
aircraft



67 grams
CO₂/ASK

Emission intensity in 2023
vs 75 grams CO₂/ASK
in 2019



20-25%

Lower emissions from
new generation
aircraft types

Introduced sustainable
investing metrics in
all investment
underwriting
decisions



12%

Reduction in CDB
Aviation relative
CO₂ emissions
since 2018

SUSTAINABLE FLEET

Why it matters?

Our fleet is responsible for the majority of the carbon emissions associated with our business – some 99.96% of our total emissions in 2023. For this reason, transitioning to a sustainable fleet is the single most important thing CDB Aviation can do to reduce our impact on the environment. It requires us to invest in next-generation, fuel efficient aircraft, and embrace SAF and new propulsion technologies to achieve our goal of Net Zero emissions by 2050.

Key targets:

- New generation aircraft to make up 60% of our fleet by 2025 and 80% by 2030
- Net Zero emissions from our fleet by 2050

Key Actions for 2024:

- Continue to increase the proportion of new generation aircraft in our portfolio as part of the CDB Aviation Sustainable Fleet Initiative
- Share our Net Zero Roadmap externally through our sustainability report
- Set targets beyond 2025 for portfolio mix and relative emissions
- Explore CDB Aviation Green Weighting Factor to assess airline customer sustainability
- Continue passenger to freighter (P2F) programme to extend the life of mid-life aircraft
- Seek common sustainability reporting metrics across lessors to foster greater transparency and comparability

CDB Aviation has developed and implemented a Sustainable Fleet Initiative which commits us to investing in new generation aircraft in pursuit of a transformation of our fleet. Our target, by 2030, is to have 80% of our fleet comprised of the most fuel-efficient and lowest emission types of aircraft. Looking to the future, we have developed a Net Zero 2050 Roadmap and built a framework around Sustainable Finance to help fund our transformation.

Fleet Management

During 2023, CDB Aviation delivered on its commitment to continue to invest in new generation aircraft, reaching the milestone of 50% of these aircraft in our fleet portfolio (based on aircraft count) and putting us on course to meet our interim target of 60% in 2025. In the broader industry, new generation aircraft constituted less than a third of the fleet of jet aircraft in service at the end of 2023.

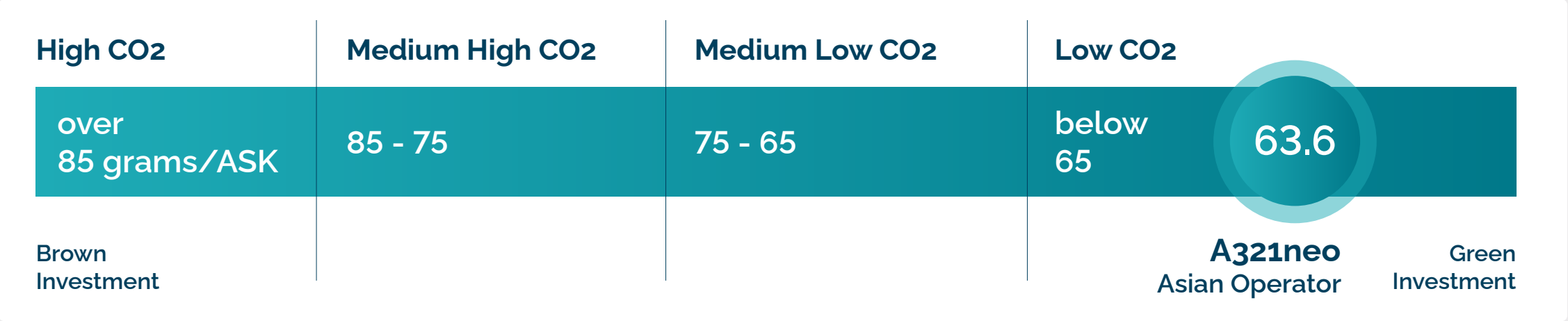
In 2023, we added 26 new generation aircraft to our fleet and exited nine older generation aircraft, to drive this relative improvement from 46% to 50% of more fuel efficient, new generation types.

Our fleet consists of 293 aircraft today – regional, narrowbody, widebody and freighter assets – with an average age of 5.1 years. Of these, 147 are the latest generation available in their segment (Airbus A320neo Family, A330neo, A350 and Boeing 737 MAX, 787). In 2023, a total of 57% of our lease income came from these latest generation aircraft, which are 20-25% more fuel efficient and less CO2 intensive per seat than the generation of aircraft they replace. In addition, we lease the lowest emission medium-widebody freighter through the A330 P2F, which has a 12% lower emissions per tonne of payload than the type it replaces.

New generation aircraft are also quieter and less polluting than older aircraft. For example, the 737 MAX 8 has a 50% less noise footprint than the previous generation 737-800. Similar reductions in noise can be seen in the A320neo, A330neo, A350 and 787s. Other benefits include reduced air pollution with A320neo NOx emissions up to 49% below CAEP/6 (Committee on Aviation Environmental Protection) standards.

Sustainable Investing Metrics

CDB Aviation now includes sustainability metrics in all investment underwriting decisions. Investments are rated to ascertain whether they help us meet our sustainability goals or not on a scale from High CO2 (brown investments) to Low CO2 (green investments). Mitigation actions are recommended if the investment does not meet ascribed goals.



OUR NET ZERO ROADMAP

In 2023, air traffic increased by 37% compared to 2022 as world travel continued to recover from the pandemic. Airbus and Boeing forecast traffic to increase at a rate of 3.6-3.7% annually over the next two decades. Without any intervention by 2050 (that is, assuming keeping the current fleet and current level of operational efficiency), the forecasted level of activity would generate approximately 2,800 million tonnes of CO2 and require over 620 Mt of fuel.**

SAF is fundamental to decarbonising the aviation sector – IATA expects it to account for 65% of the improvements needed to reach Net Zero by 2050. Yet, SAF constituted just 0.2% of aviation fuel in 2023. Production of SAF doubled to 0.6 billion litres in 2023 with the expectation that 449 billion litres will be needed by 2050.

Against this backdrop, CDB Aviation in 2023 committed to developing its first Net Zero Roadmap with a focus on how our aircraft portfolio is forecast to perform over the subsequent 27 years. The purpose is to set challenging near-term targets and develop near-term actions that drive tangible results, while also clarifying CDB Aviation's long-term goal of achieving Net Zero by 2050.

With committed aircraft orders and anticipated acquisitions, CDB Aviation expects to continue to grow its aircraft portfolio size over the next decade. The impact of this growth is likely to see our level of absolute carbon emissions increase between now and 2030; even with our shift to purchasing more new technology aircraft, we simply do not expect there to be sufficient uptake of SAF in the industry before 2030 to allow a reduction in our absolute carbon emissions. Today, SAF is both in short supply and significantly more costly than conventional Jet A1 fuel, two drivers that we expect will improve as we reach 2030 and into the next decade.

Over the subsequent timeframe to 2050, we expect our emissions intensity level to rapidly improve as we invest based on sustainable criteria and see SAF usage increase in the industry. However, this improvement in performance is likely to first plateau as we get closer to 100% new generation aircraft, until such time that SAF usage grows to 10% and then further accelerates.

CDB Aviation believes two major pillars will drive our fleet to decarbonisation. The first and most impactful in the medium term is the increased use of SAF, as significant additional refining capacity comes on stream towards the end of this decade.

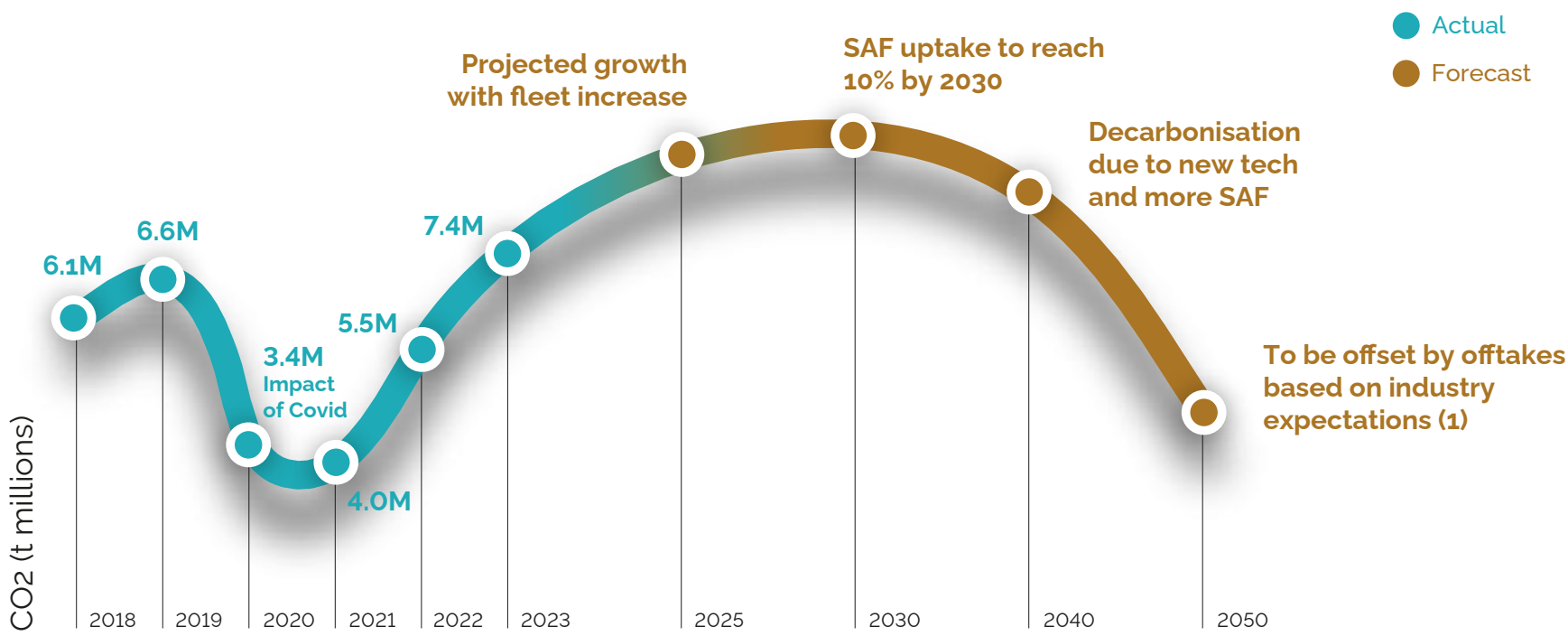
The second accelerator to reduce emissions will come from new technology – meaningful developments in propulsion technology as well as hybrid-electric and hydrogen aircraft, particularly for sub-100 seats aircraft. While CDB Aviation expects hybrid-electric aircraft like Heart Aerospace's ES-30 to enter into service before 2030, we do not expect the same level of new technology development to be implemented on narrowbody aircraft at scale before 2040 and widebody aircraft before 2050.

That said, we are optimistic about the positive impact of technologies such as GE / Safran's RISE open-rotor engine design, designed to reduce narrowbody aircraft fuel burn by a further 15% compared to current LEAP technology from the mid-2030s.

CDB Aviation commits to updating our stakeholders on our progress against targets each year as outlined in our Net Zero Roadmap which is set out on the next page.

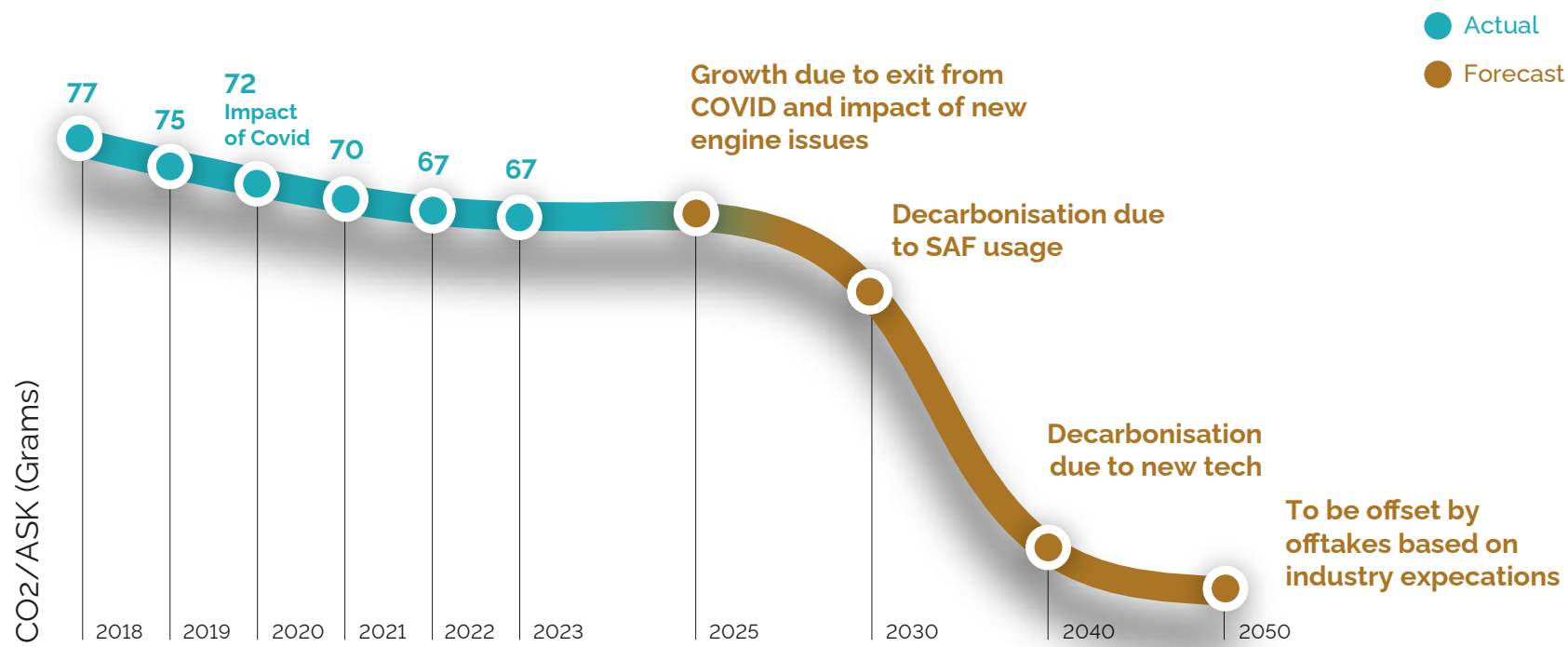
** (Waypoint 2050 Report)

CDB Aviation's Fleet Emission Roadmap









(1) Based on IATA NetZero 2050 with 19% of 2050 reductions coming from offsets and carbon capture

CDB Aviation's Fleet Emission Intensity Roadmap



OUR NET ZERO ROADMAP

	2019	2020	2021	2022	2023	2025	2030	2040	2050
 Absolute CO2 (t)	6.6M	3.4M	4.0M	5.5M	7.4M	Increase vs 2023	Increase vs 2025	Decrease vs 2030	Net Zero when including offsets
 Proportion of new generation aircraft in fleet	22%	30%	41%	46%	50%	Target: 60%	Target: 80%	Target: 100%	Shift to Next Generation
 CO2 intensity of fleet (gCO2/ASK)	75g (baseline)	72g	70g	67g -10%	67g -10%	Target: -9%		Target: -60%	Target: -90%
 Use of Sustainable Aviation Fuel (SAF)					Explore strategies regarding use of SAF	Measure & report on SAF usage across our fleet (data depending)	Target: 80% of delivery flights are partially fuelled by SAF	Target: 40% of fleet is fuelled by SAF	Target: 60% of fleet is fuelled by SAF
 Use of new technologies (hybrid/electric/hydro)				Partnership with Heart Aerospace			First investment in hybrid/electric/hydro powered aircraft	Target: 5% of portfolio is hybrid /electric/ hydro powered	Target: 10 – 15% of portfolio is hybrid/electric/ hydro powered
 Carbon offsetting									Offset residual emissions Target: max. 20-25% of total emissions

MEASURING THE CARBON FOOTPRINT OF OUR FLEET

In 2023, Scope 3 emissions from our fleet were 12% higher than our baseline year of 2019. CDB Aviation's fleet emitted 7.4m tonnes of CO2 in 2023, 1.9m tonnes more than the previous year as aircraft were significantly more active due to continued industry recovery from the pandemic, in addition to a 24% increase in the size of our fleet from 236 to 293 aircraft.

For reference, IATA reported 37% more Revenue Passenger Kilometres (RPKs) and 31% more Available Seat Kilometres (ASKs) in 2023 versus 2022. This was also reflected in the utilisation of our fleet as CDB Aviation aircraft flew 22% more ASKs (per aircraft) in 2023 versus 2022. Compared to our base year 2019, our fleet produced 1% fewer ASKs (per aircraft).

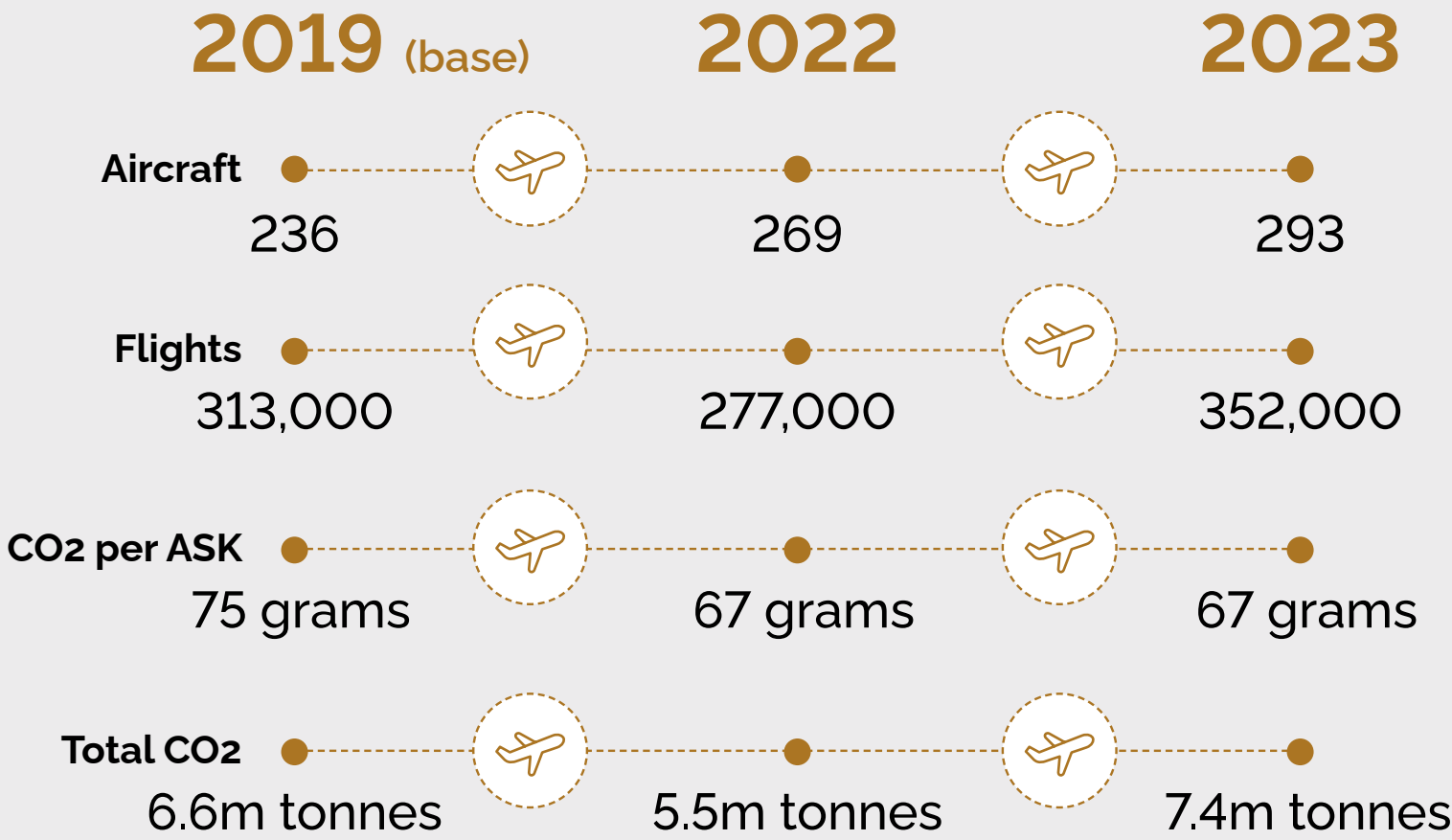
Overall, CDB Aviation's relative emission intensity in 2023 steadied at 67 grams (2022: 67 grams) even though the portion of our fleet that is new generation increased from 46% to 50% year-on-year.

This was due to airlines returning into service their older and less fuel-efficient aircraft as demand recovered, in addition to ongoing issues with certain new generation aircraft/engines that resulted in groundings.

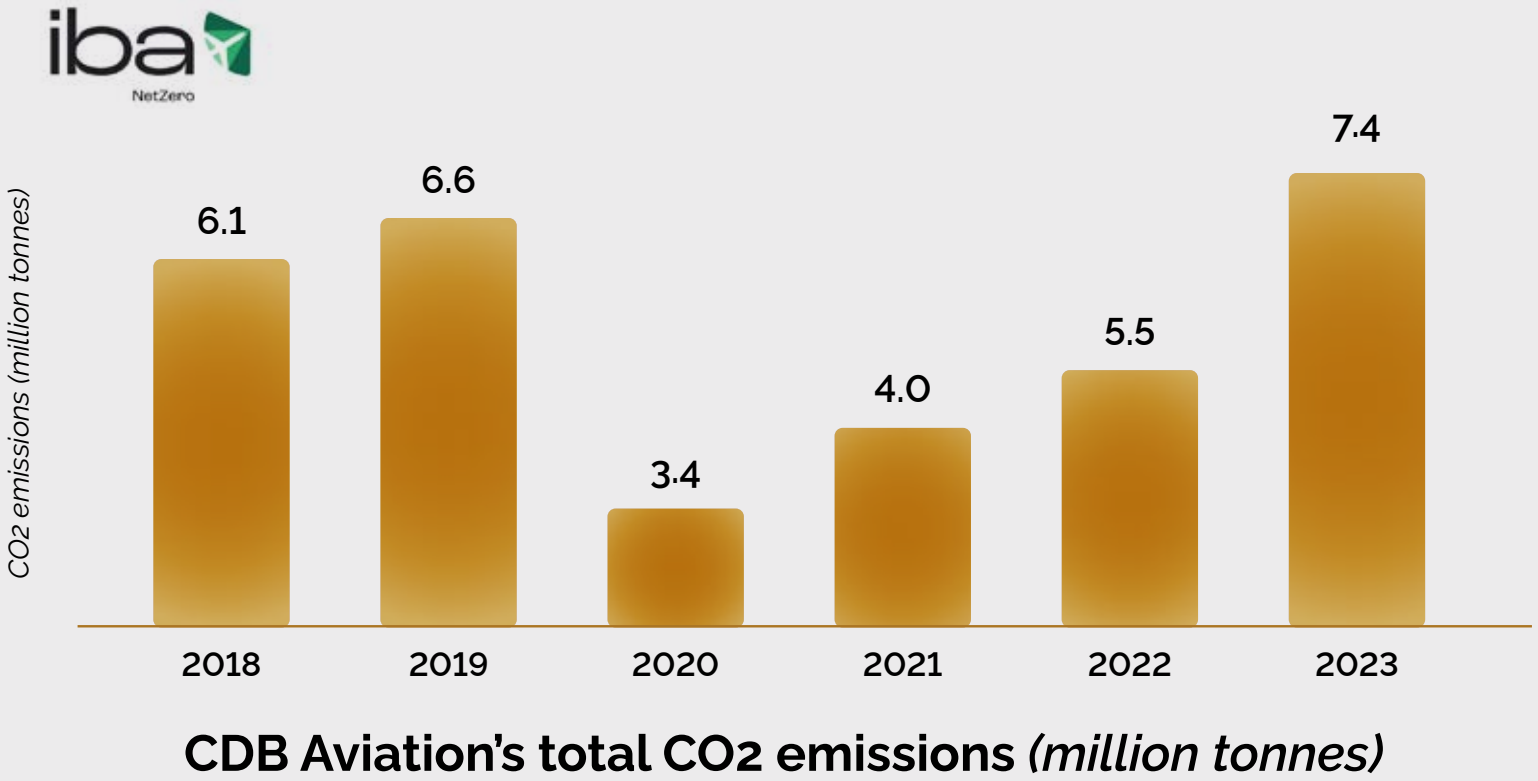
The fuel uploaded for delivery or ferry flights of aircraft is classified as Scope 1 for lessors and is usually the only aviation fuel that they purchase during the year (with airlines responsible for their own fuel requirements once aircraft are on lease). In 2023, CDB Aviation had 22 new aircraft delivery flights to new lessees (both direct order and SLBs) and 21 ferry flights to follow-on lessees or to/from storage locations. These 22 new aircraft delivery flights created 1301.2t CO2e, 0.02% of our total emissions.

For full details on our total carbon emissions across scopes 1, 2 and 3, see Sustainable Operations page 26 and Appendix page 66.

Comparison of CDB Aviation fleet emissions data in 2019, 2022 and 2023



Absolute fleet CO2 emissions from 2018 to 2023
Fleet productivity from 2020 to 2022 was heavily influenced by Covid-19 pandemic



Extending Aircraft Life

In 2023, CDB Aviation delivered two more A330 aircraft in its ongoing support of the passenger to freighter (P2F) initiative and now has four such aircraft in our fleet, with 2 more undergoing conversion. The A330 P2F is the most advanced and efficient medium widebody freighter aircraft in its class, offering a double-digit improvement in emissions versus the legacy generation aircraft it replaces.

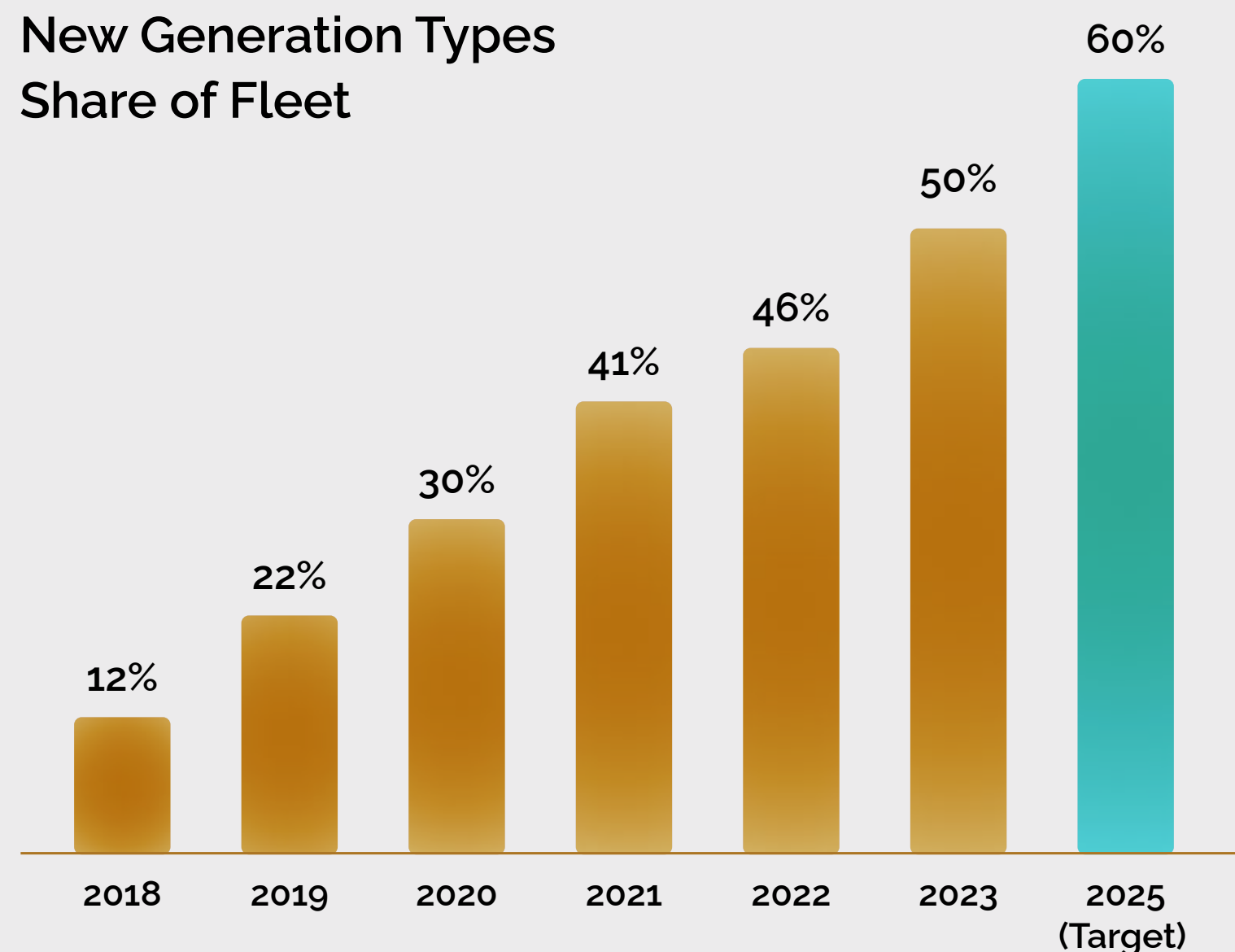
In May 2023, CDB Aviation delivered China's first-ever converted A330 P2F to Sichuan Airlines, making the aircraft the first A330-300 P2F to operate in China. The A330 was converted by STARCO at its Shanghai Pudong facility.

CDB Aviation also partners with TARMAC Aerosave, the leading provider worldwide of aircraft and engine green recycling. TARMAC has a recovery rate of 90% of total weight as recognised by ISO 14001 certification. No aircraft were parted out by CDB Aviation in 2023.



CDB Aviation Newgen Types - up from 12% in 2018 to 50% by 2023

New Generation Types
Share of Fleet

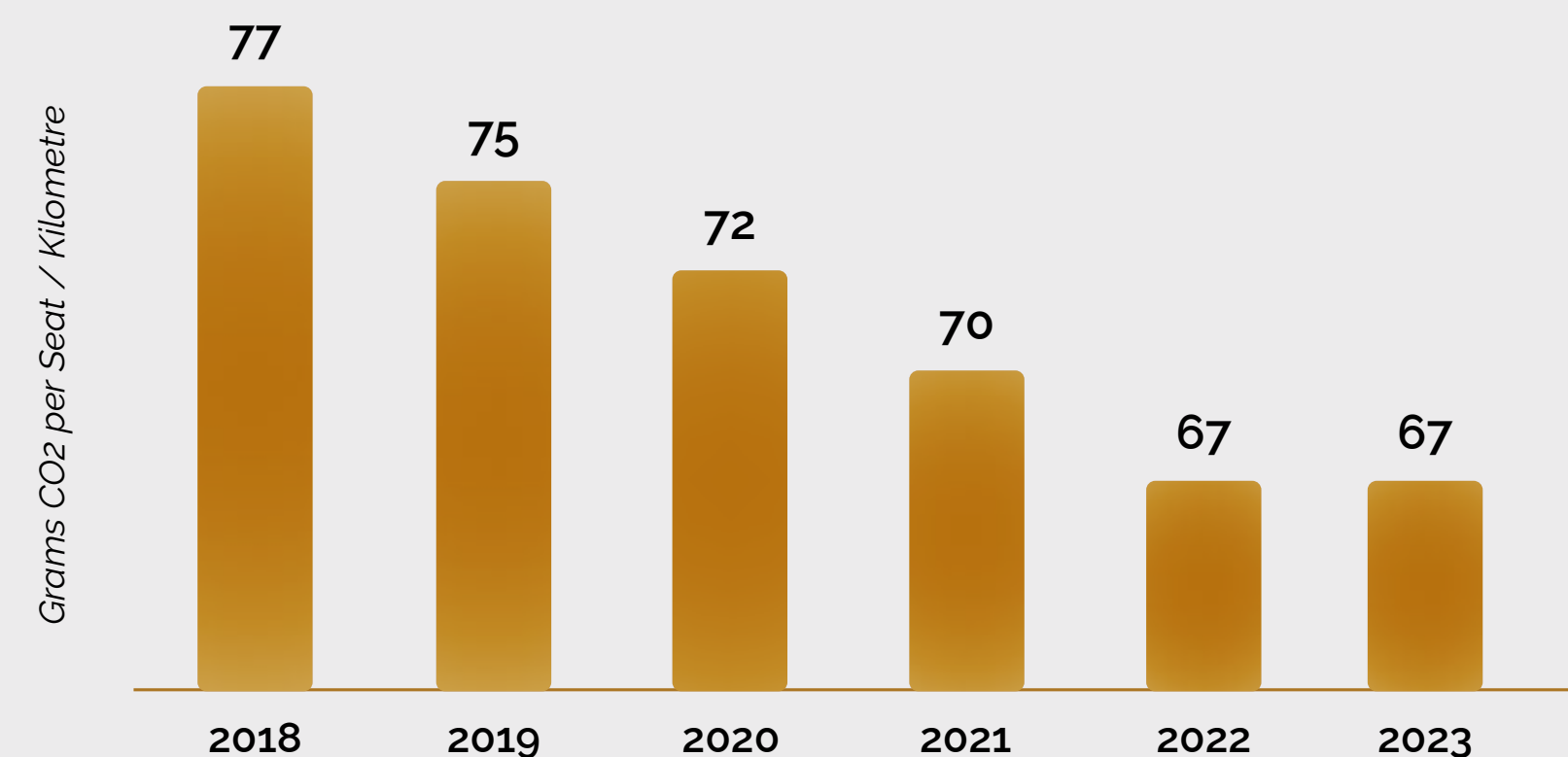


Note:

In the interest of transparency, Newgen share is by aircraft count and not asset CMV

CDB Aviation CO2 Emissions Improvement 2018 to 2023 -12%

Relative CO2 Emissions
(Grams per Available Seat / Kilometre)



Source: IBA NetZero Emissions data for the CDB Aviation fleet



“

12% improvement in the CO2 emissions intensity of CDB Aviation's fleet since 2018



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.

Looking to the future, together with ALI peer lessors, CDB Aviation has joined a group of other lessors in funding research into the development and commercialisation of sustainable aviation fuel in Ireland at two universities, Trinity College Dublin and University of Limerick, over a four-year period commencing in 2024.

ALI represents over 40 aircraft leasing companies which are headquartered or have operations in Ireland, which is the leading centre for aircraft leasing globally and is a high growth sector of international financial services representing approximately US\$100 billion of assets.

Ireland's aviation leasing industry contributes US\$975 million to Ireland's economy, supporting nearly 8,600 jobs.

The projects will promote research, development and innovation that is critical to enabling the production of SAF in Ireland, and globally. It will train SAF literate PhD and Master level graduates and improve the state of science and engineering knowledge that underpin SAF production technologies. The overall goal is to understand the business for SAF production in Ireland.



CDB Aviation supporting new technologies

Building a truly sustainable future for the aviation industry will require a transformation in aircraft propulsion technologies – the physics that enables aircraft to fly over distance. These next-generation technologies are focused on delivering electric battery and hydrogen solutions.

In pursuit of this ambition, CDB Aviation is a member of Heart Aerospace's Industry Advisory Board, providing practical advisory support to the Swedish company as it seeks to develop the world's largest hybrid electric regional aircraft by 2030.

Heart Aerospace is seeking to enter into commercial service with its 30-seat ES-30 aircraft by 2028. The ES-30 is a regional hybrid-electric airplane and will have a fully electric zero emissions range of 200 km, an extended hybrid range of 400 km with 30 passengers, and flexibility to fly up to 800 km with 25 passengers. The company has firm orders from the industry for 250 ES-30s.

In November 2023, CDB Aviation participated in a gathering of the Industry Advisory Board in Gothenburg focused on discussing key design elements, supplier selections, charging infrastructure and the path to certification. The members of the Industry Advisory Board assist in defining the requirements for the ES-30 and their inputs progress the development and accelerate time to entry into service.



Separately, CDB Aviation closely monitors industry developments including the promising Revolutionary Innovation for Sustainable Engines (RISE) programme, a joint venture between General Electric and Safran. RISE is developing new propulsion technologies aimed at providing the next generation of narrowbody aircraft by the mid-2030s. The new technologies could reduce fuel consumption and CO2 emissions by more than 20% compared to today's most efficient engines. CDB Aviation will continue to track the development of the RISE architecture as we plan for our fleet requirements post 2030.

CDB AVIATION SUSTAINABLE FLEET REPORTING GUIDELINES

CDB Aviation is building its sustainability reporting capabilities in preparation for CSRD and other disclosure requirements in the coming years. With Maximising Our Influence on the aviation industry a key pillar of our sustainability strategy, we have been in regular dialogue with our peers as to how lessors should report on environmental sustainability matters to do with the impact of their fleet.

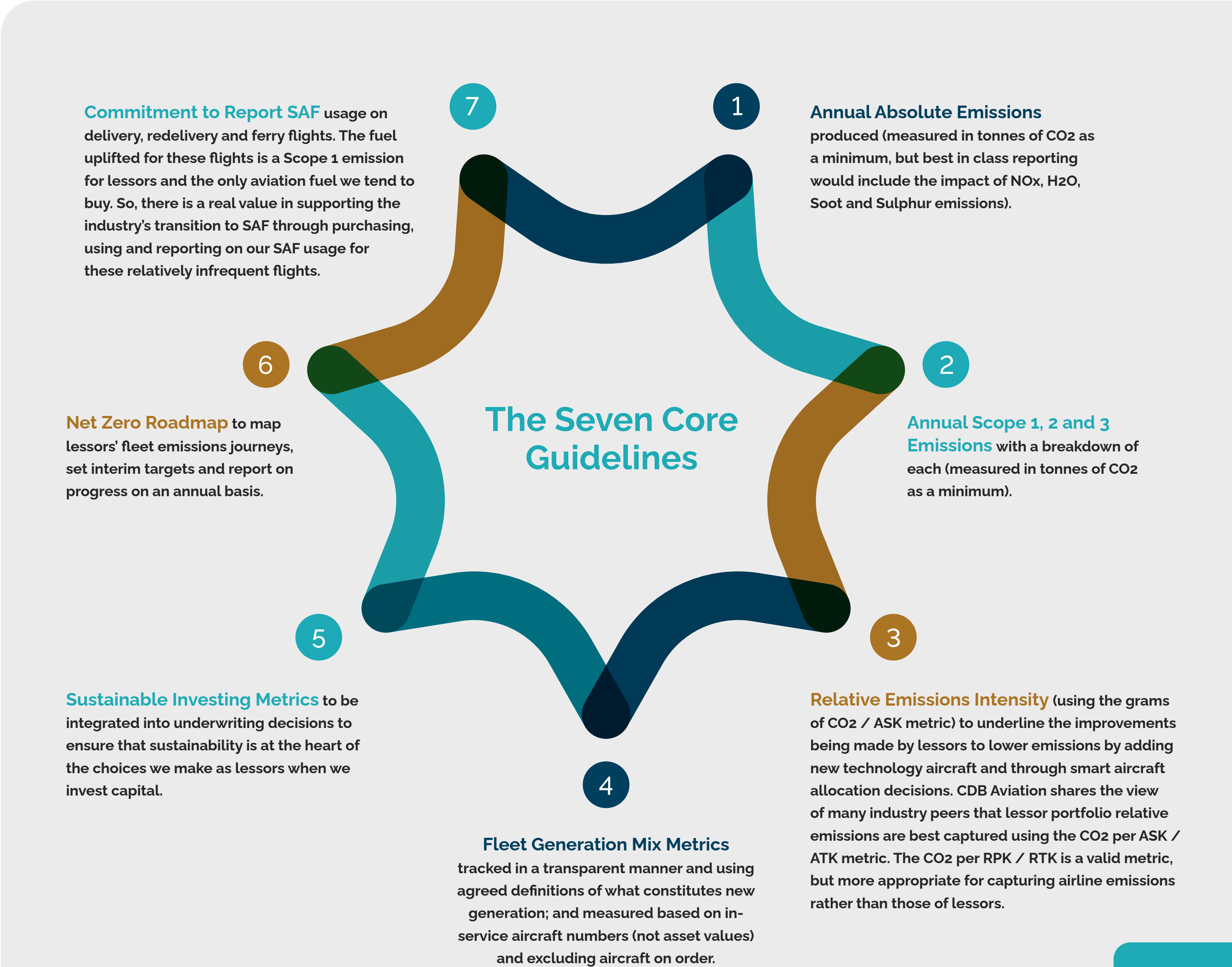
Our purpose is to seek a consensus in the leasing sector to agree on common standards for reporting and disclosures related to a lessors' portfolio and their transition to a sustainable fleet.

The environmental issues associated with climate change are a common problem which require a common solution. We believe a widespread adoption of common standards would promote transparency and comparability, providing a basis for the industry to be assessed and to help avoid allegations of greenwashing.

We recognise that each leasing company is free to choose its own pathway on reporting, but in the spirit of engagement and advocacy we have developed a draft set of core standards that we are sharing in this report and which could, in all or in part, provide a basis for an agreed set of standards.

The seven core guidelines are:

1. **Annual Absolute Emissions** (tonnes of CO₂)
2. **Annual Scope 1, 2 and 3 Emissions** Breakdown (tonnes of CO₂)
3. **Relative Emissions Intensity** (grams of CO₂/ASK)
4. **Fleet Generation Mix Metrics** with agreed definitions
5. **Sustainable Investing Metrics** Integrated into Underwriting Decisions
6. **Net Zero Roadmap** with Interim Targets
7. **Commitment to Use and Report SAF** on Delivery / Redelivery / Ferry Flights



SUSTAINABLE OPERATIONS

Why it matters?

CDB Aviation seeks to reduce its environmental impact across our business including developing a sustainable workplace. The impact associated with our operations amount to a relatively small proportion of our overall emissions, but nevertheless requires our focus as part of our commitment to building a sustainable culture and organisation.

Key targets:

- Continue to improve energy and water efficiency and reduce waste in our offices, year-on-year
- Continue to reduce the carbon footprint of our operations, year-on-year

Key Actions for 2024:

- Implement measures to reduce energy use, water use and waste in our offices
- Measure and report our total carbon footprint across Scopes 1, 2 and 3 and evolve our emissions reporting to go beyond direct CO2 emissions and include other GHGs



Our head office at 1GQ Dublin is certified LEED platinum (core and shell)

We are committed to help build a more sustainable future for the aviation industry. We believe this transformation must begin in our places of work and in our operations. New technologies in buildings and operations are enabling significant improvements in environmental outcomes so there is an onus on companies operating in financial services to deliver sustainable workplaces.

Sustainable office buildings

We are proud to have our head office at 1GQ Dublin, a state-of-the-art sustainable building. Completed in 2018, the building has a LEED Platinum (core and shell) sustainability rating. Our Hong Kong Office, located at Three Pacific Place, is also 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.

In 2023, 1GQ's management undertook multiple projects to improve the building's sustainability, including the addition of four EV chargers, in addition to providing facilities for electric bike and scooter charging. It also commissioned an energy audit from experts IES to help identify further areas to improve the building's efficiency and reduce its use of natural resources.



Greening our operations

In 2023, we took various steps to improve the environmental sustainability performance across our operations. Key highlights include:



Environmental policy:
We formalised and documented our company's Environmental Policy to give staff, suppliers and customers an overview of our commitment to environmental sustainability.



Energy:
Energy consumption in our Dublin office in 2023 was 148,573 kWh. This was a slight increase on our 2022 usage (134,600 kWh) and reflected a continued return to the office post-Covid-19, but it is still below our 2019 baseline of 169,000 kWh.



Waste:
We are proud to say that our Dublin office is a zero waste-to-landfill office. The breakdown of the waste from our Dublin office can be seen in the figure on the right.



Water:
CDB Aviation is aware and recognises the importance of minimising water use at our sites and minimising our impacts on this vital global resource. In our Dublin office, we have water efficient fixtures in place. In 2023, CDB Aviation used 881 m³ of water in our Dublin and Hong Kong offices.



Hong Kong office:
In our Hong Kong offices, we've installed a water meter allowing this data to be incorporated to this year's report. In 2024, we hope to install energy efficient lighting and gather more granular data on the waste we produce.



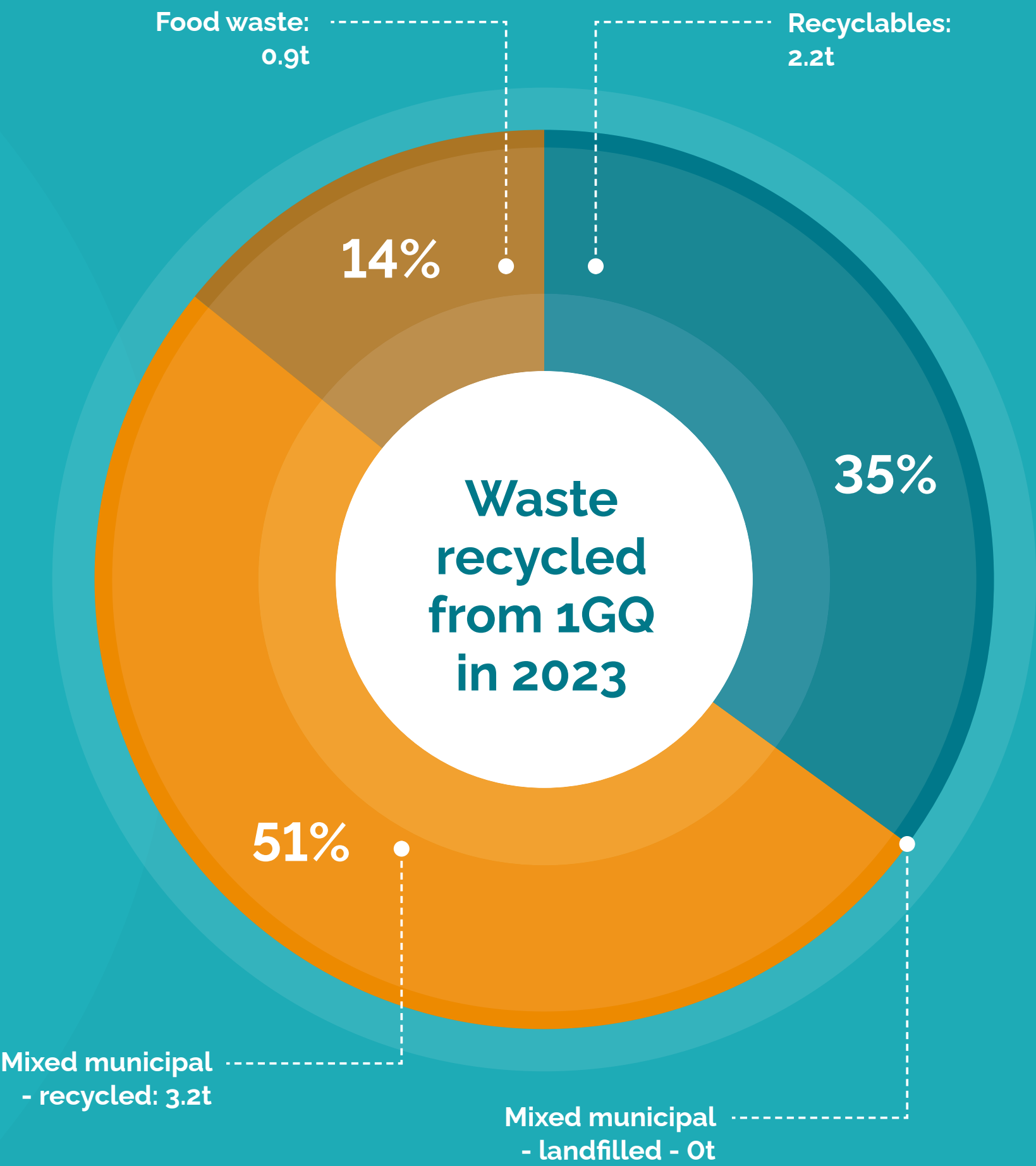
Biodiversity:
The CDBees consist of four beehives on the roof of our Dublin office building. These are home to some 120,000 bees that are managed by the Federation of Irish Beekeeping Association. Each year they provide CDB Aviation staff members with delicious honey!



Business travel:
We work with our travel partners to ensure we travel efficiently and to keep track of the emissions our travel produces.



Commuting:
Our centrally located offices in both Dublin and Hong Kong encourage staff members to commute via the many modes of public transport (tram, train or bus) and active modes of travel (walking, running or cycling) available to them. In Dublin, we have top-class facilities for cyclists (including shower facilities and bike storage) and we offer a cycle-to-work incentive scheme.



MEASURING OUR CARBON FOOTPRINT

CDB Aviation measures the carbon emissions from our business annually, with our Scope 3 emissions from our portfolio tracked on an ongoing basis. We selected 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 CO₂e.

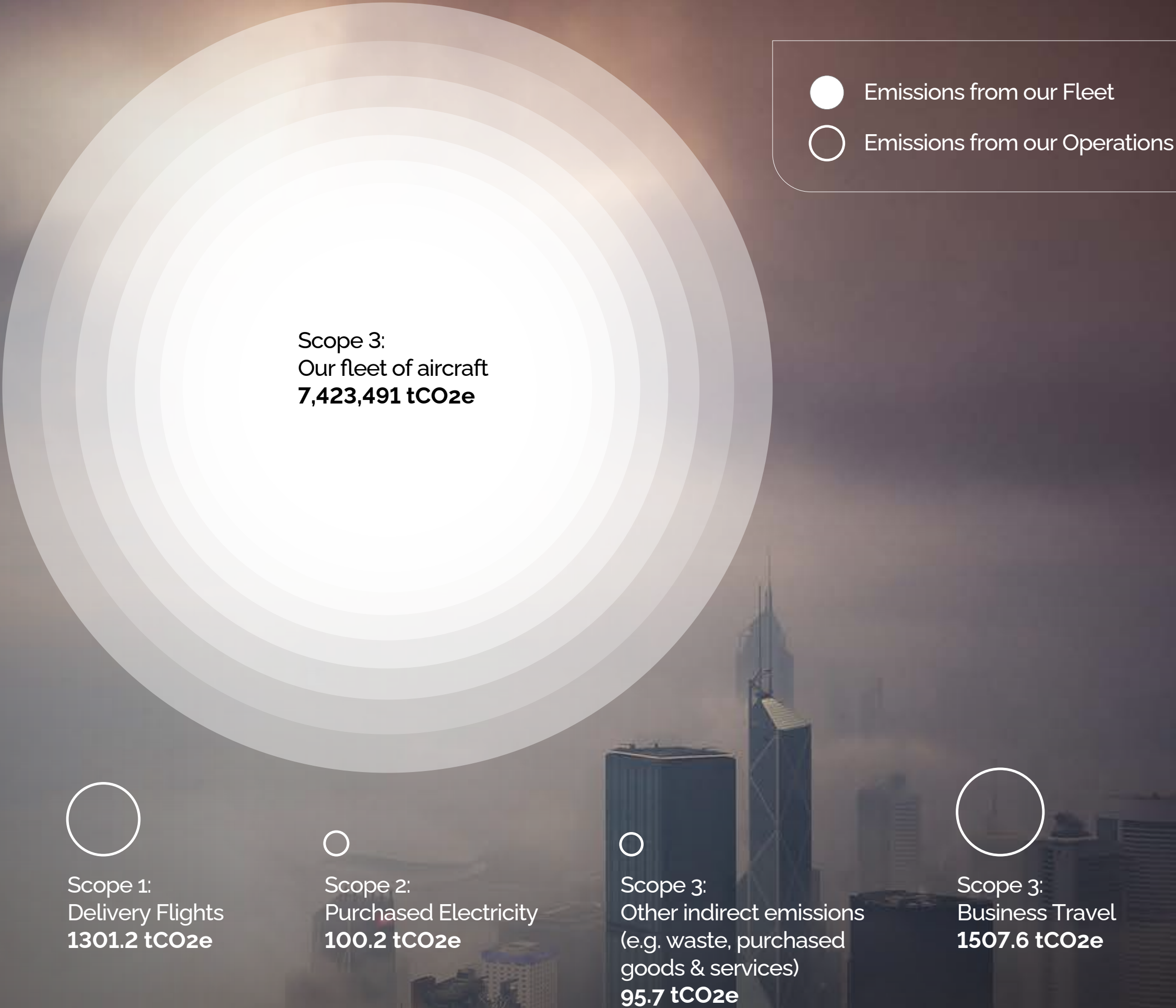
In 2023, our total emissions were 7.4 million tonnes of CO₂e, which is a 12.5% increase versus our 2019 baseline. The emissions from our fleet grew in 2023 due to an increase in the number of aircraft in our portfolio (See full details in Measuring the carbon footprint of our Fleet). A full breakdown of our emissions can be found in the Appendix on page 66.

The graphic on the right depicts the scale of the various sources of carbon emissions across CDB Aviation's value chain in 2023. It illustrates the vast difference between our operational emissions and the emissions related to our fleet.

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 is of paramount importance, as well as working to continually reduce emissions from our own operations.

	2019	2022	2023
Scope 1 tCO ₂ e	499	183	1,301
Scope 2 tCO ₂ e	50	95	100
Scope 3 tCO ₂ e	6,602,595	5,505,040	7,425,094
Total	6,603,145	5,505,318	7,426,496

Note: some of the 2019 and 2022 figures shown here have been re-stated from our 2022 sustainability report. This is due to a combination of more accurate data being available, enhancements in the measurement methodology, and a re-allocation of some emissions to alternative activities categories.



SUSTAINABLE FINANCE

Why it matters?

In aviation, sustainable finance has a crucial role to play. Sustainability-linked loans, sustainability-linked leases and other innovative financing mechanisms will help to drive change in replacing legacy, carbon-intensive aircraft with more fuel efficient, lower carbon emitting ones.

Key targets:

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

Key Actions for 2024:

- Actively engage with finance providers to introduce additional sustainable finance instruments to continue the success of our first SLL
- Actively engage with airline customers to introduce our first sustainability-linked leases as well as innovative finance products that incentivise lower emissions



CDB Aviation announced a landmark transaction as the world's first syndicated SLL in the aviation leasing industry

In December 2023, CDB Aviation announced the completion of a Sustainability Linked Loan (SLL) involving a \$625 million syndicated three-year term loan facility – a landmark transaction as the world's first syndicated SLL in the aviation leasing industry.

SLLs are increasingly being used as a financing means for industry players to improve their overall commitment to ESG and anchor their business decisions towards more sustainably-minded goals and outcomes.

The terms of this financing arrangement are linked to CDB Aviation achieving certain predefined Sustainability Performance Targets (SPTs) based on three key performance indicators:

- Reducing the carbon emission intensity of our fleet (Scope 3 emissions, CO2/ASK)
- Increasing the share of new generation aircraft (pursuing the 2025 target of 60% of new generation aircraft)
- Increasing the level of ESG and DEI-related training for our workforce

In setting an emission intensity SPT, we are linking the loan terms to how our customers operate the aircraft we lease to them. This imposes a discipline on CDB Aviation to focus on not only leasing next-generation aircraft but also finding lessees who operate the aircraft most efficiently and who use the highest proportion of SAF.

Delivery of the \$625 million facility was completed by financing from a group of banks including Crédit Agricole CIB, BNP Paribas, HSBC, Natixis Corporate & Investment Banking, China Minsheng Banking Corp, China Guangfa Bank, and China Construction Bank Corp.

Crédit Agricole CIB acted as a sole Sustainability Agent, as well as lead Sustainability Structuring Advisor jointly with BNP Paris and HSBC.

Ratings agency Moody's Investors provided a Second Party Opinion, confirming the facility conformed to SLL Principles with a sustainability rate of SQS2, considered best in class for aircraft lessors. Moody's rating of the loan SQS2 highlights the strong positive influence the loan will have on CDB Aviation going beyond business as usual to achieve the SPTs and the ambitiousness of the targets. This financing has been multiple-award winning.



Airline Economics 'Sustainable Finance Deal of the Year' award



Ishka 'Most Innovative Deal of the Year' award





Our Sustainable Finance Strategy

A key consideration for CDB Aviation in the planning of the SLL and in its outcomes was our desire to also create a framework for a sustainability loan that could be replicated and reused in the coming years. The success in achieving the world's first syndicated SLL in aviation leasing will enable us to consider further SLLs in the future as we work towards IATA's Net Zero target.

Moody's rating of the loan at SQS2 (Sustainability Quality Score - very good) highlights the strong positive influence the loan will have on CDB Aviation going beyond business as usual to achieve the SPTs and wider targets.

An important outcome of Sustainable Finance is rewarding sustainable activities with more competitive pricing, and as such, incentivising positive behavioural change in favour of more sustainable outcomes.

In addition to the environmental SPTs, it was important for CDB Aviation to include a strong social target with ESG and DEI training hours as the company is committed to building industry leadership positions in DEI. The benefits of this enhanced training programme will be seen in future years and aligns with the Maximising our Influence pillar of our sustainability strategy by educating and empowering everyone at CDB Aviation on key ESG topics.

As the SLL was signed in December 2023, the main positive outcomes and impacts of the loan on emission intensity and overall emissions will accrue in future years as the penetration of new generation aircraft increases.

In parallel with the SLL, 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. With this in mind, among our key actions in 2024 is to explore the introduction of sustainability-linked leases, where pricing is linked either to the carbon emissions performance of the underlying aircraft or of the airline.



Our key action in 2024 is to continue on the momentum of our first sustainability-linked loan



SOCIAL



CDB Aviation operates in a people critical industry.

We are committed to fostering an inclusive workplace where every staff member is cared for and treated with respect, while upskilling our people with ESG and DEI training.



132
staff members



61%
of team based
in **Europe**

33%
of team based
in **APAC**

6%
of team based
in **the Americas**



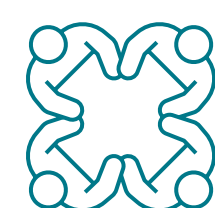
**CDB Aviation Team -
% female**

48%
Wider Team

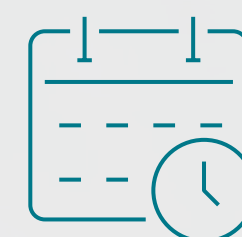
61%
of **Team
Heads**

17%
of **C-Suite**

16 
Nationalities



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



1,706
training hours
delivered



33%
of new hires in
2023 **were female**

STAFF WELLBEING & DEVELOPMENT

Why it matters?

CDB Aviation operates in a people critical industry where the ability to attract the best and most diverse talent is fundamental to the long-term sustainability of the business. In order to attract and retain staff we are focused on delivering a workplace environment where staff wellbeing is a priority. To help achieve this, we offer competitive compensation and a range of benefits, take care of people's wellbeing and provide opportunities for career development and growth.

Key targets:

- CDB Aviation Graduate Programme established by end of 2025
- CDB Aviation Seconded Programme established by end of 2025

Key Actions for 2024:

- Deliver ESG and DEI training in line with KPIs for our Sustainability Linked Loan
- Design CDB Aviation Graduate Programme in preparation for 2025 launch
- Expand rollout of LIFT Leadership Programme within CDB Aviation



We are focused on delivering a workplace environment where staff wellbeing is a priority

At CDB Aviation, we recognise that our commercial success owes much to the hard work, dedication and innovation of our people. We are a responsible employer who cares for our people, treats them with respect and nurtures their talent. We are building an inclusive company and are committed to investing in our staff members' education, development and wellbeing.

Staff training and career development

Our approach to learning and development

A strong learning culture is a cornerstone of CDB Aviation's approach to people and business. We are committed to enabling education and development programmes for our staff members as part of efforts to encourage and support professional growth and talent development.

Our Learning & Development strategy serves the business in providing the right learning, at the right place and right time in support of the company's growth priorities.

The aims of the strategy are to: cultivate a learning culture with high learning engagement; centralise learning governance to optimise spend and ensure consistent messaging; equip our staff members with the skills they need now and for future success; and create agile pathways for staff members to grow within and across the business.





Onboarding our new staff members

We were honoured to invite Lisa Cusack, a female pilot and A330 First Officer in Aer Lingus, to host an inspirational keynote session to our new staff members who were completing their onboarding programmes.

Lisa's story on funding her pilot lessons through her entrepreneurial efforts in running a cupcake business, and her final success after many obstacles and challenges, resonated with the group.

- 1. Lisa Cusack hosting inspirational keynote session to new staff members
- 2. Lisa Cusack



3. LIFT group welcomed Jack Kavanagh



4. LIFT group on Dublin Bay Cruise

Our staff training and career development framework is built around five key initiatives. We describe each of these in turn on the right.



1. Rory O'Sullivan, CEO of Chronos Sustainability
2. Sharon Kearns, Founder of SGK Leadership Coaching
3. Karen Deignan, Co-founder of SustainabilityWorks

1. ESG and DEI Training



At CDB Aviation, we recognise that it is essential for everyone in the company to be upskilled on the ESG agenda. We believe this is a fundamental enabler to engaging in commercial conversations with our airline customers around green leasing and other ESG related topics, to apply an ESG lens to business decisions, and to ultimately deliver on our sustainability strategy.

Under our current sustainability strategy devised in late 2022, CDB Aviation is committed to embracing and embedding ESG across the business. Following the completion of the aviation industry's first syndicated Sustainability Linked Loan in 2023, CDB Aviation staff members are required to undertake formal ESG and DEI training as part of the terms of the loan agreement, targeting a 20% year-on-year increase in annual training on this topic.

To facilitate this training, the company is using Aviation Skillnet's sustainability eLearning platform, inniu, details of which are set out on page 35.

To complement the inniu programme, we will also utilise WheelsUp, our internal learning programme, to provide additional content, training and inspiration for staff. Training will be mandatory and a full training log maintained.

2. LIFT



LIFT is our tailored leadership programme for our Team Heads, helping to build greater depth to our leadership team, and which we are embedding into our Learning & Development training. In 2023, we hosted three new LIFT workshops involving 15 Team Heads. Each workshop had individually-themed topics with a focus on promoting future leadership development in CDB Aviation.

Our first workshop focused on building high-performance relationships and upward feedback, followed by a talk from guest speaker Paul Gleeson, who shared his outdoor adventure journeys aligned to the theme of mental agility. To complete the workshop, the team worked collaboratively to deliver a reflective assignment on leadership and management.

Our second workshop focused on reflection sessions around communications and change, including insight discovery exercises and an open discussion between the 15 Team Heads and the senior leadership team.

Our third workshop centred on leadership and communications topics, in addition to a talk from Dave Gribben of Enable Consulting on the topic of wellbeing. The workshop concluded with a contribution from Jack Kavanagh, an inspirational keynote speaker who has battled through his life-changing spinal cord injury and delivered an impactful speech on leading ourselves and living without fear.

3. WheelsUp



WheelsUp is our tailored learning platform and resource for all staff members. Our learning sessions are delivered through the platform with one-hour presentations and Q&A sessions each month. In 2023, we increased the number of sessions to 15 from 12 in the prior year. Topics included compliance, CSR, DEI, ESG and staff wellbeing. In addition, we invited external expert guests to present on a range of topics. These included:

- The Eight Steps to Becoming a Great Leader, hosted by Sharon Kearns, a leadership coaching consultant who spoke on long-term strategic decision-making, thinking like an entrepreneur, time management, effective team-working, and the importance of networks.
- The Roadmap to Net Zero, hosted by Rory O'Sullivan, CEO of Chronos Sustainability, who covered investor expectations on Net Zero, Net Zero pathways and the roles and responsibilities of regulators, airlines and leasing companies.
- The Corporate Sustainability Reporting Directive (CSRD), hosted by Karen Deignan, Co-Founder of consultancy firm SustainabilityWorks. The session focused on what CSRD is and how the new European Sustainability Reporting Standards (ESRS) will apply to companies.
- Other WheelsUp session topics with experts included Changing perspectives on mental health, Presenting for maximum impact, Public speaking, Staying resilient, Unconscious bias, and Wellbeing through creative expression.

4. Educational Support Policy



CDB Aviation supports a lifelong approach to learning and development and accordingly this policy is in place to offer financial and flexible assistance to staff members who wish to develop their careers by enrolling in further education courses. In 2023, we supported 10 staff members under this policy.



5. Summer School

We support enhanced productivity and collaboration by upskilling staff members on Microsoft training, updates and releases. This support was delivered through our Summer School, where staff members could avail of upskilling training sessions with an industry expert on modules including Excel, PowerPoint, Word and Visio. In 2023, there were over 60 attendances in Summer School across seven courses with a total of 96 learning hours completed.



inniu

S U S T A I N A B I L I T Y L E A R N I N G

INNIU ESG TRAINING PLATFORM

To deliver ESG training, CDB Aviation is primarily using Aviation Skillnet's eLearning platform inniu, which was launched in November 2023.

The inniu programme is the result of a collaboration between members of Aircraft Leasing Ireland (ALI) working with Aviation Skillnet (the Irish State's business support agency and training provider) to develop and deliver a best-in-class training programme to help embed ESG across the sector in Ireland.

Inniu is the Irish, or Gaelic, word for 'today', and is based on the concept that change and action on sustainability are required today.

Inniu' is also a play on words as it is pronounced 'in you' meaning that real change starts within each of us. CDB Aviation also led on the branding design for the programme.

Operating under the ALI Sustainability Charter, inniu is a full Learning Management System (LMS) with a reporting backend for audit purposes. Tailored for the aircraft leasing and wider aviation community, it is a web-based programme consisting of 12 modules that cover all of the key aspects of the ALI Charter.

In developing the inniu programme, CDB Aviation led by co-creating two of the modules:



Diversity, Equity & Inclusion

Lessons included:

- *What is DEI?*
Gillian Harford, Country Executive, 30% Club Ireland
- *Regulatory View*
Gender Pay Gap reporting – Mary Brassil, Partner, McCann FitzGerald
- *Aviation View*
DEI in Aviation - Dr Marina Efthymiou, Associate Professor in Aviation Management, DCU



Employee Wellbeing

Lessons included:

- *Well-being for Well-doing; the heart of Sustainable, Repeatable High Performance*
Dave Gribben, Founder, Enable Consulting
- *The Wellness Audit*
Gerry Hussey, Co-Founder, SoulSpace

The inniu programme is required because:



Education and awareness of ESG is a fundamental building block if we are to overcome the challenges of the agenda that lie ahead

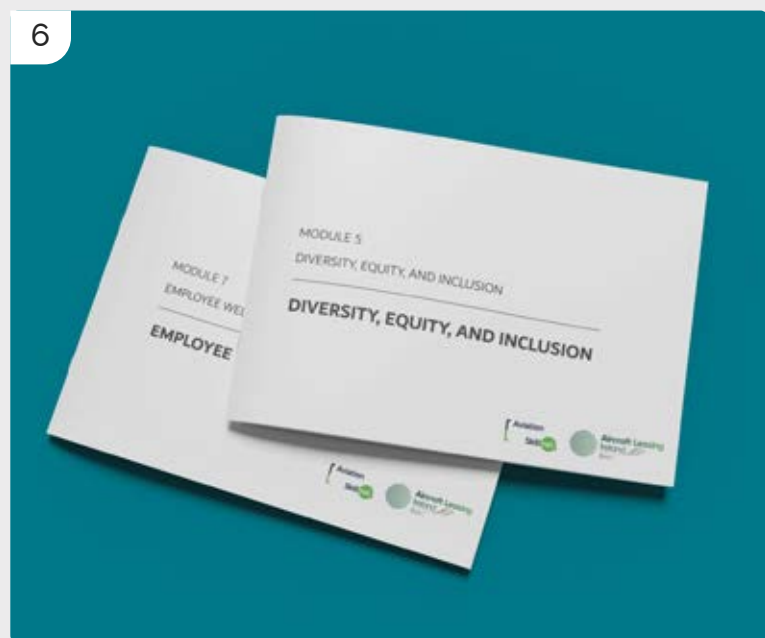


This programme offers our colleagues from across the leasing industry and beyond the opportunity to take that first step, starting today, to raise their own awareness of some of the key issues that will fundamentally define their future company operations, and even their careers



The inniu program is designed to give everyone, from new graduate recruits to the CEO, a broad understanding of ESG, and the challenges we face in our sector, across all three sustainability pillars

CASE STUDY



1. Dave Gribben - Employee Wellbeing
2. Gerry Hussey - Employee Wellbeing
3. Gillian Harford - Diversity, Equity & Inclusion
4. Marina Efthymiou - Diversity, Equity & Inclusion
5. Mary Brassil - Diversity, Equity & Inclusion
6. inniu ESG training platform modules 5 and 7



TAKING CARE OF OUR PEOPLE



Health and safety

Health and safety is an absolute priority for CDB Aviation. Our Health and Safety Statement is reviewed and updated annually, signed by our CEO and is mandatory reading for all staff members, for all staff members. New staff members are briefed on safety procedures as part of their onboarding process.

The company complies with all applicable health and safety legislation and regulations in the regions in which we operate, while also monitoring new or pending developments. We encourage our staff members to contribute to this environment by making suggestions to our Health and Safety Representative. Any health and safety incidents that occur are logged in our Health and Safety Report Book, with no incidents recorded to date.

In 2023, we continued our safety training programme for staff. We now have eight staff members trained in First Aid and four designated Fire Wardens in our Dublin office, while we also have staff members trained in First Aid and Fire Warden in our Hong Kong office.

During the year, workstation ergonomics assessments were completed for all staff members working both onsite and remotely to ensure wellbeing and productivity.



Flexible working

The world of work changed during the Covid-19 pandemic and today our hybrid working model sees our staff members on-site on our 'Core days' of Monday to Wednesday, providing a positive balance between workplace collaboration and personal flexibility.

In addition to annual leave, staff members are entitled to maternity, parental, carer's, sick and jury leave. The amount of leave permitted is dependent on a staff members' location, terms of contract and local employment legislation.



Staff benefits and compensation

CDB Aviation believes in rewarding its staff appropriately and fairly, and so we have developed a number of initiatives and schemes to support their mental, physical and financial wellbeing.

Staff members may participate in our Group Pension scheme and our Group Healthcare and Dental scheme, which can also cover their spouses and dependents. Our Employee Assistance Programme is covered by this scheme, giving staff members free access to a dedicated counselling and advisory service.

The company provides Life and Disability Insurance to all staff members.

CDB Aviation operates in a global industry where there is competition for talent and so we reward our staff members with fair and attractive remuneration, including performance-driven compensation.



Performance management

We employ a Performance Appraisal Framework to support our staff members' career progression and professional development, in addition to informing decisions around pay and reward. The latter includes annual KPIs which are monitored and assessed quarterly and reviewed annually.



CASE STUDY



SPORTS AND SOCIAL CLUB

CDB Aviation's Sports & Social Committee was set up in 2018 with the goal of creating a sense of togetherness and wellbeing amongst staff members. We believe sports and social activities can help foster a positive company culture and environment, whilst building a sense of camaraderie and collegiality. The committee designs and organises events that bring people together and prioritise keeping active and wellness.

In 2023, a range of activities were organised which attracted strong participation of staff members. These activities included a number of sporting activities such as a football tournament, bouldering, softball and hiking.

On the social side, activities included visits to the Dublin Fringe Festival, Hooky Spooky Halloween Experience, Dublin Zoo Wild Lights and Quiz Night. The committee also organised participation in a number of great bake-offs, and summer and Christmas parties in the respective locations.

1. CNY lunch - HK team

2. Christmas Party

3. Shenzhen Team

4. HK team - Bouldering
5. Football Tournament

6. Summer Party

7. Dublin S&S Committee



What the CDB Aviation team had to say...

“The Sports and Social Committee is an intrinsic part of CDB Aviation. It not only encourages and promotes a positive company culture, it also brings colleagues together that you may never usually have the opportunity to collaborate with, to then create some really brilliant events. The sense of satisfaction and pride when the events come together is immense.”



Caroline Harte (Head of Legal),
Chairperson of Sports and Social Committee 2023

“It was such a memorable 2023 as Sports and Social events brought us together after a long time of separation due to travel restrictions. It was great to see everyone enjoying the gatherings and having lovely catch-ups with old friends to embrace team spirit.”



Emily Wong (Operations Executive), Member of the
Sports and Social Committee, Hong Kong office

INCLUSIVE WORKPLACE

Why it matters?

Diversity, Equity and Inclusion are core values of CDB Aviation where we create a work environment in which all staff members are valued and treated fairly and respectfully. Aviation is a people-centric business and maintaining a strong DEI culture fosters a sense of belonging and enables us to reach a more extensive talent pool in what is a competitive global industry.

Key targets:

- Implement a comprehensive DEI programme
- Deliver DEI training according to Sustainability Linked Loan metrics
- DEI objectives to be included in senior management KPIs by 2025

Key Actions for 2024:

- Build on DEI framework to develop a three-year DEI roadmap for implementation
- Preparation of DEI objectives for senior management
- Conduct DEI engagement questionnaire with CDB Aviation team



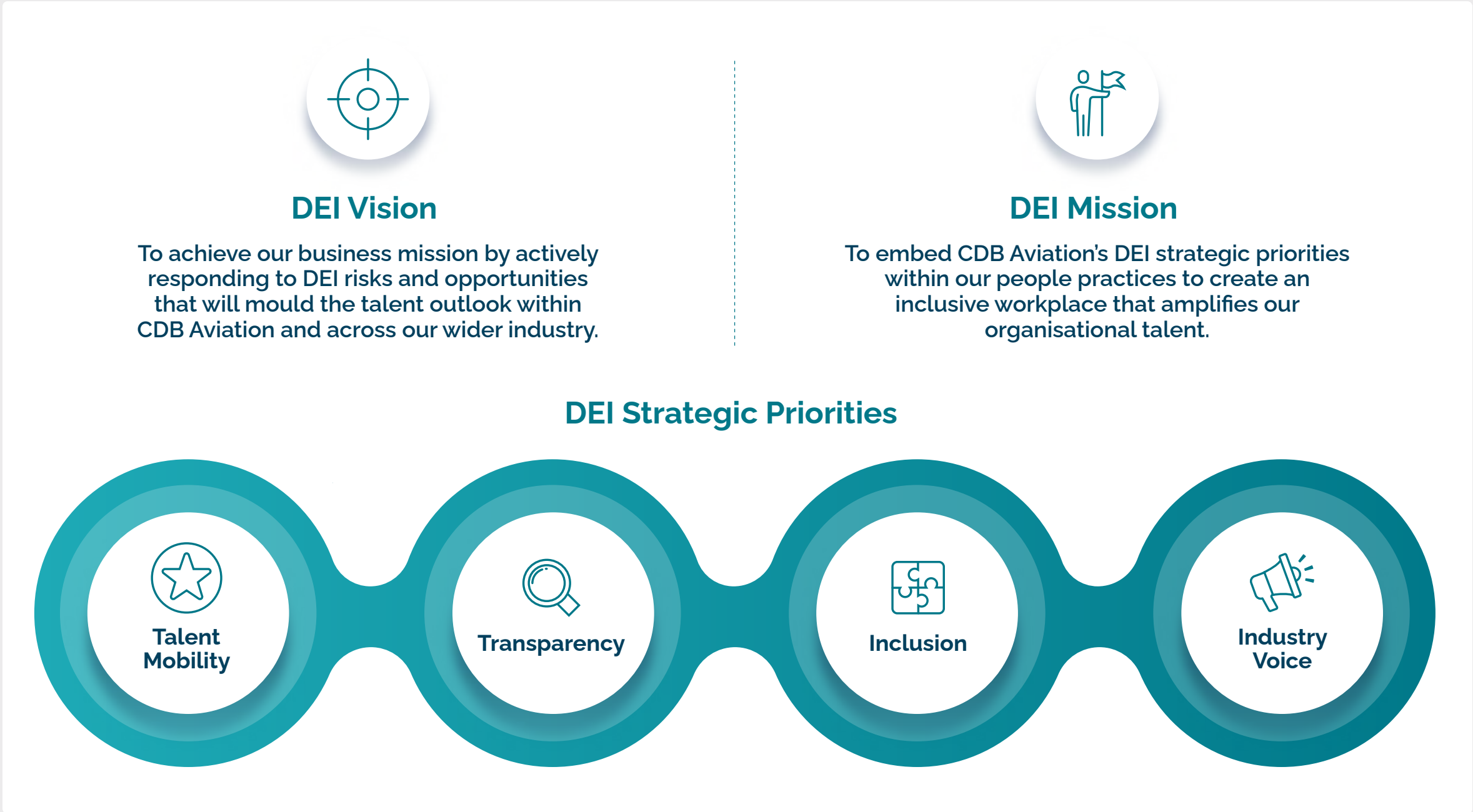
We are committed to promoting fair and equal opportunities throughout the company

CDB Aviation is strongly committed to equity and is an equal opportunities employer. We are committed to promoting fair and equal opportunities throughout the company and to ensuring a culture in which discrimination in any form is totally unacceptable across all areas including recruitment, employment, training, and terms and conditions of employment.

In 2023, CDB Aviation undertook to develop a DEI strategy, policy and programme to formalise our processes and procedures.

We are pleased to report that significant progress was made during the year towards fulfilling this commitment.

We have established a new DEI Strategic Plan Framework including DEI Vision, Mission and Strategic Priorities. We will work towards our DEI Vision to achieve the company's business mission by actively responding to DEI risks and opportunities that mould the talent outlook within CDB Aviation and across our wider industry. Our new DEI Mission and Strategic Priorities are contained in the panel below.





Talent Mobility

Talent Mobility amplifies the potential of our workforce through continuous learning, supporting the movement of staff members within our organisation and providing equitable development and advancement opportunities. Encouraging higher retention and staff member satisfaction rates, talent mobility also enhances organisational performance with a more agile, diverse and resilient workforce. Key areas of focus for talent mobility include knowledge sharing, coaching, workforce planning and organisational design.



Transparency

DEI is a journey of organisational accountability, measurable impact and positive business outcomes. Transparency is the lens that maximises the confidence of staff members in the organisation while on the DEI journey. As we strive to develop and improve our DEI initiatives, it is crucial that we are transparent on the wins, losses and overall results. From pay transparency and reporting to DEI KPIs, our goal is to be transparent and authentic, accurately reflecting our organisation's current state.



Inclusion

An inclusive workplace is where all staff members feel respected, supported, accepted and valued; a working environment where diverse individuals can fully participate in development opportunities and their views and feedback are heard by the organisation.

An inclusive culture allows us to attract and retain talent, improve team performance and enhance organisational flexibility. All talent management practices should help to weave inclusion into our day-to-day organisational activities. Areas such as internal communications, learning and development, employee benefits and organisational design can serve as levers to foster inclusion.



Industry Voice

To really affect change on the DEI agenda and accelerate progress towards a more inclusive industry, we recognise the need to collaborate. Working arm-in-arm with industry bodies, grassroots and not-for-profit diversity organisations and other aviation lessors to enhance the diversity, equity and inclusivity of the industry will drive exceptional performance within aircraft leasing – servicing the needs of our customers, our investors, our staff members and the communities in which we operate.



DEI training

During 2023, there were two significant corporate developments for CDB Aviation which highlighted the importance of DEI training.

First, CDB Aviation was pleased to obtain its first rating from ESG rating agency Sustainalytics with Human Capital emerging as a top material ESG issue driving the ESG Risk Rating. Accordingly, the company has identified ESG and DEI training as a key enabler to managing our sustainability-related risks and delivering on our sustainability ambition and strategy.

Second, CDB Aviation achieved a significant industry milestone in 2023 when completing an SLL, which contained three KPIs, including KPI #3 to increase the level of ESG and DEI training for the workforce over the period of the loan.

The rationale for this KPI was that while the leasing community was rightly focused on the Environmental component of the ESG agenda, CDB Aviation also wished to lead the way more broadly by including a tangible Social KPI. Our sustainability strategy revolves around Managing our Impact and Maximising our Influence at an industry level – and so introducing a Social target into financing arrangements would be meaningful for both of these areas.

Looking to the future, CDB Aviation intends to provide mandatory ESG and DEI training to all staff members and has set a KPI of 80% of staff members to complete such training.

The rationale for not setting the target at 100% is that in any given year there will be staff member turnover, while the company would also reasonably expect to have staff members on maternity leave, parental leave, sick leave or other.

As part of this KPI, the company will not only complete all regulatory and legal minimum level training required of an aircraft lessor in the jurisdictions in which we operate, but the ESG and DEI training hours counted against this KPI will be additional training that CDB Aviation voluntarily adopts and chooses to undertake as part of our commitment to achieving sustainability leadership.

Impact measurement

CDB Aviation believes training is a key pillar of our DEI efforts, with research from the Gartner DEI Effectiveness Survey (2021) showing training was a cornerstone practice for driving DEI for 82% of organisations. Looking to the future, we anticipate the following training outcomes:



Our targets include the development of a DEI strategy, policy and programme. DEI training will underpin this programme of work and embed DEI practices within the organisation



DEI training will be the first step in creating allies and advocates within CDB Aviation



CDB Aviation anticipates DEI training will impact employer branding, succession planning and recruitment processes



DEI training will be a critical tool in maintaining equity in performance appraisal ratings



We plan to include a number of DEI-related questions in our staff surveys to enable us to measure our impact on an ongoing basis



CDB Aviation will introduce DEI-related questions into exit interviews to monitor the impact of DEI on attrition



We will work towards our DEI Vision to achieve the company's business mission



CHAMPIONING DEI ACROSS OUR INDUSTRY

As part of the Maximising Our Influence pillar of our sustainability strategy, and the Industry Voice pillar of our DEI strategy, CDB Aviation is committed to championing DEI across the aviation leasing industry.

We are active participants in PropelHer, the association of aircraft leasing professionals who exchange ideas, opinions and experiences around relevant topics with the goal of motivating women in the industry to strive for advancement in their careers and create networking and learning opportunities.

We also sit on the board of AWAR (Advancing Women in Aviation Roundtable), a thought leader in women's advancement in the aviation industry, and participate in and contribute to AWAR events during the year.

Since our last report, CDB Aviation participated in a number of events including:

To celebrate International Women's Day 2023, CDB Aviation hosted an event with Propel, a Hong Kong-based non-profit organisation, in the Hong Kong offices of King & Wood Mallesons. The event featured a conversation with Tanis Herriot, a pilot with Cathay Pacific, who shared her story of working in the aviation industry.

In early 2024, PropelHer held an event during AirFinance week, 'Mentoring Matters – Together We Rise', in which mentees and mentors provided insights. Panellists included Virginia Walker, SVP Transaction Legal at CDB Aviation.

The Advancing Women in Aviation Roundtable (AWAR) Leaders Luncheon in Dublin in early 2024, which featured a panel discussion on Diversity and Inclusion in the industry, an event in which CDB Aviation played a key role in organising. The theme of discussion was on how D&I was now part of the CFO's agenda with new opportunities around sustainability-linked financing which incorporate into D&I metrics.



1. In early 2024, PropelHer held an event during AirFinance week, 'Mentoring Matters – Together We Rise', in which mentees and mentors provided insights. Panellists included Virginia Walker, SVP Transaction Legal at CDB Aviation.



2. To celebrate International Women's Day 2023, CDB Aviation hosted an event with Propel, a Hong Kong-based non-profit organisation, in the Hong Kong offices of King & Wood Mallesons. The event featured a conversation with Tanis Herriot, a pilot with Cathay Pacific, who shared her story of working in the aviation industry. (Virginia Walker, SVP Transaction Legal (left); Caitriona Jennings, VP Commercial APAC (right).)

CORPORATE SOCIAL RESPONSIBILITY

Why it matters?

Our approach to CSR embodies the values of the company to care for our communities by making a meaningful and positive contribution to the lives of people in the local and global communities in which we operate. Our people are drawn from all parts of our communities and we adopt a culture of active participation and gratitude towards giving back. Called **TOGETHER**, our CSR programme is designed to create initiatives that enable our people to make a difference in our communities.

Key targets:

- Achieve 150 CSR staff member participation hours in 2024, up 50% on prior year
- Deepen relationships with existing charity partners

Key Actions for 2024:

- Prioritise a key strategic charity partner, Debra Ireland, by assisting with a new CSR fundraiser for them, working with our industry partners
- Grow our relationships with existing charities, whilst encouraging a sense of commitment within staff to social responsibility
- Develop charity partnerships in Hong Kong



We supported 27 charities, community organisations and deserving causes in 2023

As a business, CDB Aviation has over 130 staff members located across a number of geographies, so it is important that the company maintains a sense of togetherness, commitment and social responsibility towards our local communities.

Through our **TOGETHER** programme, we supported 27 charities, community organisations and deserving causes in 2023, across healthcare, early education, homelessness and the environment. The spread of activities reflects the active participation of our staff who are encouraged to take ownership of our CSR initiatives.

Governance and leadership are provided by our CSR committee, made up of five staff members from different departments and regions of the company. In 2023, the CSR committee recognised significant staff efforts through the gifting of customised, sustainable **TOGETHER** merchandise, internal communications, social media and recognition from our charity partners. Various CSR initiatives and in-person events were run in Dublin, Hong Kong and China during the year which were supported by matched funding financial contributions from the company and staff fundraisers.



CSR activities

In 2023, the CSR committee supported our existing range of charities and good causes, whilst also adding new partners. These activities included:

- Staff members participated in the Orbis Great Ethiopian Run, a first for the company
- Staff members participated in Debra Ireland's Kerry Challenge, a two-day hike in Dingle, Ireland
- Nine staff members participated in a sky dive in aid of LauraLynn, Ireland's children's hospice
- Our offices in Dublin, Hong Kong and Shenzhen held a "wear pink" coffee morning to raise awareness for breast cancer
- Site visits by staff to Ronald McDonald House. The CSR Committee also sponsored a table at the Ronald McDonald Charity Gala for RMH volunteers
- CDB Aviation was proud to support two girls soccer teams (under 5s and under 15s) for Dublin club Raheny United
- The company made a donation in support of the Mi Zhi Ga Village, Council Zhangyi District, Qujing City's drought relief and water supply implementation plan, with several staff members visiting the village
- Staff participated in the Hell & Back challenge to fundraise for their chosen charities with the CSR committee making matched contributions
- The CSR programme was proud to make a matched donation to the Make a Wish Foundation in conjunction with a companywide raffle

Evolving our CSR programme in 2024


In 2024, we are developing our internal CSR engagement by expanding our CSR intranet content to include a calendar of planned activities, a suggestion box and a match funding tool. Other initiatives include:

- Improve internal awareness of **TOGETHER** CSR programme by providing regular updates of future activities and recognising participation and achievement by staff members
- Work closely with our communications team to highlight staff participation on social media under the hashtag of **#TOGETHER**
- Build out the company's CSR intranet site to facilitate internal communications to achieve our objectives
- Align CSR activities with the company's Sustainability Working Group by selecting charities that support and enhance the SWG goals

- Orbis Great Ethiopian Run
- Sky dive in aid of LauraLynn
- Dublin, Hong Kong and Shenzhen offices hold a "wear pink" coffee morning to raise awareness for breast cancer
- As above
- As above







At CDB Aviation, we believe strong governance is non-negotiable.

We are committed to transparency and support the adoption of new disclosures standards as a means to drive progress on the sustainable development agenda.



100%

staff completion of
compliance & cyber
security training



ISO 27001

aligned security
standards



Dedicated

Sustainability

Committee



China-SOX

Compliant

CDB Leasing strong
track record in ESG
reporting

8

Annual Reports to date



**Developed
new Supplier
Code of Conduct**

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



Launched
**new confidential
whistleblowing
hotline**

ETHICS & COMPLIANCE

Why it matters?

CDB Aviation is one of the world's leading aviation lessors and operates globally, adhering to and complying with all applicable laws and regulatory regimes in our home jurisdictions of Ireland, the EU, China and Hong Kong, in addition to all jurisdictions where we conduct business. We uphold the highest standards of ethics, cognisant that doing so is also a business imperative. Our reputation and the trust of our customers and stakeholders depends on it, as does our commercial and financial success.

Key targets:

- Enhance systems to ensure best-in-class compliance oversight
- Zero cyber security breaches
- 100% of staff trained on ethics and compliance annually

Key Actions for 2024:

- Enhance our staff training and communications on ethics and compliance
- Automate and enhance systems to facilitate implementation of compliance framework
- Complete internal audit on various key compliance areas



Our staff members are expected to conduct themselves with the highest standards of ethics and integrity

Maintaining the highest levels of ethics and integrity are non-negotiable core values of CDB Aviation and it was no surprise to the company when Ethics and Compliance emerged as the highest priority among our stakeholders when we conducted our materiality assessment in 2022. We systemically and actively seek to protect the strong reputation of the company, our shareholder, staff members, customers and all other stakeholders in all our business dealings. Our staff members are expected to conduct themselves with the highest standards of ethics and integrity as outlined by our Staff Member Code of Conduct.

Approach to Compliance

We have developed a robust compliance framework and established processes. Working closely with our shareholder company, CDB Leasing, and respective local law legal advisers, we ensure strict compliance with all relevant applicable laws and regulations. Our C-Suite KPIs are also designed to ensure the business operates in an ethical and fully compliant manner.

Our processes ensure close co-operation and alignment of our compliance team with other internal functions including Internal Audit, Risk, and Finance to ensure that overlapping controls are in place where required, in addition to reducing duplication of effort. To enhance the compliance function in the organisation, our Compliance Team communicates regularly with staff, keeping them apprised of topics of interest and new developments.

In keeping with best practice, we adopt a '3 lines of defence' approach to compliance, which is set out as follows on the right.



Oversight of the '3 lines of defence' approach is provided in the first instance by the C-Suite and ultimately at Board level, where our Audit and Compliance Committee oversees business dealings to ensure we are in full compliance with applicable regulations and best practice standards.

In addition, compliance is a standing agenda item at quarterly board meetings, with additional communications taking place with Board and C-Suite members as and when required throughout the year.

Policies and Procedures

CDB Aviation has a full suite of compliance 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 (detailed below) were reviewed and updated during the course of 2023 to ensure continued relevance and accuracy with particular emphasis on heightened risk areas such as sanctions and fraud:

- 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

We also have an annual compliance monitoring programme in place for key risk areas such as anti-money laundering, anti-bribery and corruption, and international sanctions. In 2023, we carried out updated risk assessments for these areas to ensure that CDB Aviation is continuing to identify key risk areas and follows international best practice standards.

Ethics and Compliance Training

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

In 2023, detailed training was provided on the following topics, through a combination of in-person training sessions and online sessions. Attendance and completion of these was mandatory for all staff:

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

In addition, there were compliance-related communications and webinars to all staff, including on the following topics:

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

Each staff member is required to complete an annual staff certification where they acknowledge their understanding of the requirements under the core compliance policies listed above. A 100% staff completion rate is sought and attained by the end of Q1 each year.

During 2023, the compliance team provided a series of functional specific targeted training sessions aimed at enhancing staff understanding of compliance across the wider business. This was complemented by additional compliance training for Board members and C-Suite, and the rollout of data privacy training to the Data Privacy Working Group, a focused working group comprised of representatives from the Legal, HR, IT and Data Governance teams.





Whistleblowing

CDB Aviation strives for a workplace which is ethical, open and transparent. Adopting clear formal procedures on whistleblowing is an important step to achieving this form of workplace. In addition, the promotion of a 'speak-up' culture enables companies to keep a finger on the pulse and make better-informed decisions.

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

We are pleased to report that we had no whistleblowing incidents in 2023.



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 risks to ensure these are effectively factored into business planning. The outcome of this process enables us to identify, assess and prioritise material topics including ongoing and emerging risks.

To aid decision-making when purchasing aircraft, and given the high capital cost, 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

Alignment with our sustainability strategy including new ESG metrics for our asset and credit evaluation process as we make investment decisions.



Information Security and Privacy

Information security has emerged as a primary risk area in an increasingly digitalised world. Consequently, our approach to cyber security is taken with the utmost seriousness by our Shareholder, Board and Management Team.

In recognition of its importance as a potential issue, our IT team reports formally twice a year to the Audit and Compliance Committee in relation to CDB Aviation's cyber security position.

The company has implemented a range of procedures and measures to build its security, including that all IT procedures are aligned to the ISO 27001 standard on information security. We continue to invest in security and make best-in-class use of data and technology through the implementation of a cloud-first strategy. This approach allows for greater agility and speed to change, adjust and respond effectively to any potential data security issues.

Working closely with 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.

As part of our ongoing investment in cyber security protection, 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.



Human Rights

Ethical behaviour within the organisation 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.

Nevertheless, we recognise that modern slavery and human trafficking are serious issues that we must be alert to on an ongoing basis. We are also cognisant that while disclosures and actions on human rights issues have been voluntary to date, new requirements are likely to follow under the Corporate Sustainability Reporting Directive (CSRD) and Corporate Sustainability Due Diligence Directive (CSDDD). In preparation for greater levels of disclosures, CDB Aviation published its first anti-slavery and human trafficking statement in 2023.

SUSTAINABLE SUPPLY CHAIN

Why it matters?

In the aviation leasing industry, a robust supply chain is essential to support 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 key suppliers adhering 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 2024:

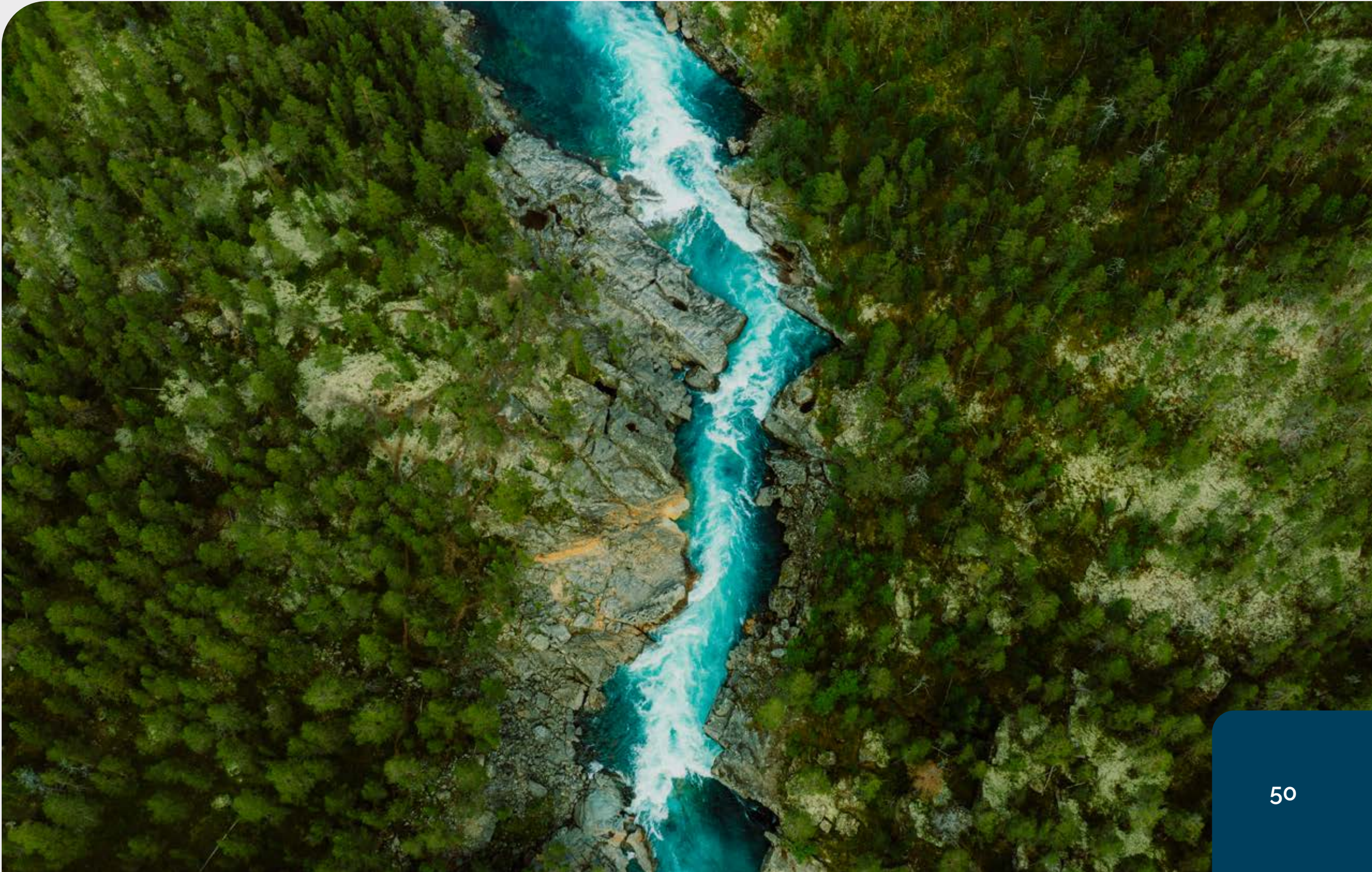
- Finalise baseline review of current suppliers to assess their sustainability performance
- Implement new Supplier Code of Conduct and Supplier Sustainability Questionnaire



**We recognise that
our supply chain is a
significant contributor
to our environmental
impact.**

CDB Aviation operates in a complex industry and deals with a wide range of organisations across its supplier base. This varies from financial institutions 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.

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.



New Supplier Code of Conduct

In 2023, CDB Aviation prepared and finalised its inaugural Supplier Code of Conduct. This was developed on a cross-functional basis with significant input from our OEM, Procurement and Legal and Compliance teams. The Supplier Code of Conduct outlines the standards to which CDB Aviation requires all suppliers to adhere in terms of business ethics, environmental sustainability, employment practices, human and labour rights, and information protection.

Alongside this, CDB Aviation has begun its baseline review of key suppliers to assess their sustainability performance. This involved the preparation of a Supplier Sustainability Questionnaire initially targeted at key suppliers, particularly those on the aviation side.

Approach to Procurement

Having developed our Supplier Code of Conduct and begun its rollout, we are committed in 2024 to further reviewing our relationships with our key suppliers to ensure that we minimise any ESG-related risks. We truly believe we can use our not insignificant purchasing power to influence positive behavioural change towards achieving greater levels of sustainability across our supply chain.

To date, our procurement policy required all new suppliers to be risk assessed according to various criteria, such as sector, country, and impact risk, in order to determine whether further due diligence was required. In 2024, we plan to further expand these criteria to incorporate sustainability criteria into supplier selection decisions.

Due diligence process for asset transactions:

- **Know Your Customer (KYC)**

CDB Aviation conducts KYC checks on both our customers and business partners. The KYC process involves three steps: Customer Identification, Customer Due Diligence and Ongoing Monitoring. It is overseen by our Compliance Team with the assistance of the deal team involved in a 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**

We seek suppliers who meet and maintain high industry standards. Any suppliers we engage with to purchase parts or materials for an aircraft must have their products approved by EASA (European Union Aviation Safety Agency), FAA (Federal Aviation Administration) or JAA (Joint Aviation Authorities).



ESG GOVERNANCE INTEGRATION

Why it matters?

The successful management of ESG risks and opportunities is critical to CDB Aviation's long-term commercial success. It is essential that ESG considerations are properly integrated into our governance framework and become mainstreamed as part of Business as Usual (BAU).

Key targets:

- Maintain a strong ESG risk rating from a recognised ESG rating provider

Key Actions for 2024:

- Publish our second sustainability report
- Continue to enhance our understanding of our business's exposure to climate risk and improve our TCFD-aligned climate risk disclosures
- Prepare for the introduction of CSRD reporting requirements



In 2023, we were delighted to receive our first ESG Risk Rating from Morningstar Sustainalytics.

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 regulated and scrutinised industry. Following the development of our inaugural sustainability strategy in 2022, as part of our plans to build and scale sustainability in our organisation and to influence our stakeholders, it is imperative we continue to embed and incorporate ESG considerations into the workings of this framework.

It is also crucial that we have strong policies and processes in place to manage ESG risks. In 2023, we were delighted to receive our first ESG Risk Rating from Morningstar Sustainalytics, achieving a 'Low ESG Risk' rating of 15.6, with one of the top scores among aircraft lessors and placing CDB Aviation in the top 6th percentile of over 200 global organisations across the sub-industry category "Traders and Distributors". This outcome is a testament to the very considerable progress achieved by the company across a diverse range of sustainability initiatives, and one for which our staff can feel very proud.

In January 2024, we were further recognised by Sustainalytics as a 2024 ESG Top-Rated Company and awarded the Sustainalytics 2024 ESG Top-Rated Badge.



ESG Governance Structure

Board Members



Madam Hong Ma
Chairperson & Non-Executive Director



Jie Chen
Chief Executive Officer & Executive Director



Yu Chen
Non-Executive Director



Alan Geraghty
Non-Executive Director



Chris Quinn
Non-Executive Director



Stephen Kavanagh
Non-Executive Director

Leadership



Jie Chen
Chief Executive Officer



Zheng Huang
Chief Investment Officer



Brendan O'Neill
Chief Financial Officer



Fiona Scott
Chief People Officer



Peter Goodman
Chief Marketing Officer

Sustainability Committee

A key action for 2023 was to establish a Sustainability Committee with oversight responsibility for our sustainability strategy and all relevant ESG topics. This committee is made up of senior leaders from across the business and reports directly to the CEO and senior management of the company.

During the year, we formalised the Sustainability Committee's Terms of Reference. The Committee is tasked with further developing the sustainability strategy and implementation plan for the business and driving the ESG agenda throughout the organisation. The Committee also has responsibility for ESG company policies, standards, reporting and disclosures, along with ESG-related auditing and compliance issues.

Transaction Approval Processes

As a leading aviation lessor with 293 aircraft in our fleet, our business model involves the completion of multiple transactions annually as we make investment decisions on an ongoing basis. As such, our governance process is set up to operate at a transactional level. Each deal must follow one of two internal approval and recommendation processes, starting with an Investment Committee (IC) recommendation, then followed by different levels of Board approval depending on the significance of the underlying transaction or project.

Our IC is comprised of C-Suite members, who engage with deal team members to consider the economics, potential exposure, key risks and any other relevant information about the deal. The IC makes a recommendation in relation to the transaction which is then assessed by the Board as required.

Integrating ESG into Credit and Investment Analysis

Our approach to credit and investment analysis includes an extensive due diligence process depending on the type of transaction. In 2023, CDB Aviation introduced new ESG metrics into its asset and credit evaluation process as it makes investment decisions. (See Environment chapter, page 17, for further details.)

This new approach allows 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. The ESG metrics are directly aligned with our publicly stated targets including achieving 60% of our total fleet as new generation aircraft by 2025, as well as meeting the conditions of our new sustainability linked loan signed in December 2023. Where appropriate, the IC will propose mitigation actions to try and maximise alignment with our overarching sustainability targets.

Managing Climate Risk

Climate change presents significant risks for the aviation industry and for CDB Aviation as a business. In understanding and managing our exposure to climate risk, we have been guided by the recommendations of the Taskforce on Climate-Related Financial Disclosures (TCFD). In our 2022 sustainability report, we shared the results of our first, high-level climate risk assessment aligned to TCFD. In 2023, our Strategy Team reviewed and updated this initial assessment, and we provide our updated TCFD disclosures in the Appendices on page 71.



In 2023, CDB Aviation introduced new ESG metrics into its asset and credit evaluation process as it makes investment decisions.



Our TCFD-aligned disclosures on climate risk can be found in the Appendices section of this report.



APPENDICES



APPENDICES CONTENTS

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GRI CONTENT INDEX

Our sustainability report has been prepared in accordance with GRI Standards. The report covers information and performance data from 1st January 2023 to 31st December 2023. Where relevant, we have also included updates from the first quarter of 2024

Statement of use	CDB Aviation has reported in accordance with the GRI Standards for the period 1st January 2023 to 31st December 2023
GRI 1 used	GRI 1: Foundation 2021

"GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	REASON FOR OMISSION
GENERAL DISCLOSURES			
GRI 2: General Disclosures 2021	2-1 Organizational details	CDB Aviation at a glance, p.04 and Sustainable Operations p. 24	
	2-2 Entities included in the organization's sustainability reporting	This sustainability report 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 2023 - 31st December 2023. It is CDB Aviation's second annual sustainability report. For any queries related to the report please contact esg@cdbaviation.aero .	
	2-4 Restatements of information	CDB Aviation has restated information regarding its 2019 and 2022 GHG emissions. See Measuring our carbon footprint p 26	
	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	CDBA About Us	
	2-7 Employees	As of 31st December 2023, CDB Aviation had 132 staff members and 6 directors. For additional information on employees, see Appendix p. 67	
	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	See Governance Structure p. 53 and ESG Governance Structure p. 52	
	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 our Shareholders based on the requirements of the business. See Appendix p.67 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 signed-off on the company's Sustainability Strategy in Q4 2022. In 2023, a Sustainability Committee was established. This Committee is responsible for overseeing implementation of the company's Sustainability Strategy, actively monitoring and responding to ESG risks and opportunities, and reporting to the Board on ESG matters.	
	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 Committee (a cross-functional team of senior leaders from the business) and to relevant Team Heads.	
	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 2023 sustainability report.	

"GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	REASON FOR OMISSION
GENERAL DISCLOSURES			
	2-15 Conflicts of interest	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: - Maintain the highest possible standard of integrity in all your business relationships, both inside and outside CDB Aviation. - Reject any business practice which might reasonably be deemed improper. - Never use authority or position for personal gain. - At all times, act with impartiality, independence and integrity. - Avoid being in a position which may result in an actual or perceived detriment to CDB Aviation's reputation and/or interests.	
	2-16 Communication of critical concerns	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.	
	2-17 Collective knowledge of the highest governance body	The CDB Aviation C-Suite and several non-executive 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. Since then, the C-Suite and Board have been kept up to date with progress against the strategy and relevant industry or regulatory developments via periodic updates from the Sustainability Committee.	
	2-18 Evaluation of the performance of the highest governance body	Our new Sustainability Committee was established in 2023. This committee's performance will be reviewed by the Board on a quarterly basis. See ESG Governance integration p. 52	
	2-19 Remuneration policies	See Staff benefits and compensation p. 37	
	2-20 Process to determine remuneration	See Performance management p. 37	
	2-21 Annual total compensation ratio	Not disclosed.	Confidentiality constraints
	2-22 Statement on sustainable development strategy	See CEO Statement p. 3	
	2-23 Policy commitments	See Human Rights p. 49 and Ethics and Compliance p. 47 We have developed an Anti-Slavery and Human Trafficking Policy (available here) and issued a Supplier Code of Conduct to key suppliers.	
	2-24 Embedding policy commitments	See ESG Governance Integration p. 52	
	2-25 Processes to remediate negative impacts	Beyond our whistleblowing hotline (See Whistleblowing p. 49) CDB Aviation does not operate other formal grievance mechanisms.	
	2-26 Mechanisms for seeking advice and raising concerns	See Whistleblowing p. 49	
	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	Aircraft Leasing Ireland (ALI) IATA (Strategic Partner) Irish Business and Employers Confederation (IBEC) AWAR PropelHer ISTAT (International Society of Transport Aircraft Trading) Heart Aerospace Industry Advisory Group	

"GRI STANDARD/ OTHER SOURCE"	DISCLOSURE	LOCATION	REASON FOR OMISSION
GENERAL DISCLOSURES			
	2-29 Approach to stakeholder engagement	See Stakeholder Engagement p. 64	
	2-30 Collective bargaining agreements	Not disclosed.	Not applicable. CDB Aviation staff members are not covered by collective bargaining agreements.
MATERIAL TOPICS			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	See Materiality Assessment, p. 65	
	3-2 List of material topics	See Materiality Assessment, p. 65	
ECONOMIC PERFORMANCE			
GRI 3: Material Topics 2021	3-3 Management of material topics	CDB Aviation's Finance and Commercial teams manage our economic performance on a day-to-day basis.	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Not disclosed.	Confidentiality constraints. CDB Aviation does not report externally on financial performance.
	201-2 Financial implications and other risks and opportunities due to climate change	See Managing Climate Risk, p. 54	
	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 Staff Benefits and Compensation p. 37	
	201-4 Financial assistance received from government	Not disclosed.	Not applicable. CDB Aviation does not receive any financial assistance from the government.
PROCUREMENT PRACTICES			
GRI 3: Material Topics 2021	3-3 Management of material topics	See Sustainable Supply Chain (Approach to Procurement) p. 50	
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Not disclosed.	Information unavailable/incomplete.
ANTI-CORRUPTION			
GRI 3: Material Topics 2021	3-3 Management of material topics	See Ethics and Compliance, p. 47	
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. 47	
	205-3 Confirmed incidents of corruption and actions taken	There were no confirmed incidents of corruption within the reporting period.	
ANTI-COMPETITIVE BEHAVIOUR			
GRI 3: Material Topics 2021	3-3 Management of material topics	See Ethics and Compliance, p. 47	

"GRI STANDARD/ OTHER SOURCE"	DISCLOSURE	LOCATION	REASON FOR OMISSION
GENERAL DISCLOSURES			
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.	
ENERGY			
GRI 3: Material Topics 2021	3-3 Management of material topics	See Sustainable Operations, p. 24	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	See Greening our Operations p. 25	
	302-2 Energy consumption outside of the organization	See Measuring our Carbon Footprint p. 26	
	302-3 Energy intensity	Not disclosed.	Information unavailable/incomplete
	302-4 Reduction of energy consumption	See Greening our Operations p. 25	
	302-5 Reductions in energy requirements of products and services	See Sustainable Fleet p. 17	
WATER AND EFFLUENTS			
GRI 3: Material Topics 2021	3-3 Management of material topics	See Sustainable Operations, p. 24	
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Not disclosed.	Not applicable
	303-2 Management of water discharge-related impacts	Not disclosed.	Not applicable
	303-3 Water withdrawal	Not disclosed.	Not applicable
	303-4 Water discharge	Not disclosed.	Information unavailable/incomplete
	303-5 Water consumption	See Greening our Operations p. 25	
EMISSIONS			
GRI 3: Material Topics 2021	3-3 Management of material topics	See Measuring our Carbon Footprint p. 26 and Sustainable Fleet p. 17	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	See Measuring our Carbon Footprint p. 26	
	305-2 Energy indirect (Scope 2) GHG emissions	See Measuring our Carbon Footprint p. 26	
	305-3 Other indirect (Scope 3) GHG emissions	See Measuring our Carbon Footprint p. 26 and Sustainable Fleet p. 17	
	305-4 GHG emissions intensity	See Measuring our Carbon Footprint p. 26 and Sustainable Fleet p. 17	
	305-5 Reduction of GHG emissions	See Sustainable Operations p. 24 and Sustainable Fleet p. 17	
	305-6 Emissions of ozone-depleting substances (ODS)	Not disclosed	Not applicable
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	See Sustainable Fleet p. 17	

"GRI STANDARD/ OTHER SOURCE"	DISCLOSURE	LOCATION	REASON FOR OMISSION
GENERAL DISCLOSURES			
WASTE			
GRI 3: Material Topics 2021	3-3 Management of material topics	See Greening our Operations, p. 25 and Extending Aircraft Life p. 20	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	See Greening our Operations, p. 25 and Extending Aircraft Life p. 20	
	306-2 Management of significant waste-related impacts	See Greening our Operations, p. 25 and Extending Aircraft Life p. 20	
	306-3 Waste generated	See Sustainable Operations p. 24	
	306-4 Waste diverted from disposal	See Sustainable Operations p. 24	
	306-5 Waste directed to disposal	See Sustainable Operations p. 24	
SUPPLIER ENVIRONMENTAL ASSESSMENT			
GRI 3: Material Topics 2021	3-3 Management of material topics	See Sustainable Supply Chain, p. 50	
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	See Sustainable Supply Chain, p. 50	
	308-2 Negative environmental impacts in the supply chain and actions taken	See Sustainable Supply Chain, p. 50	
EMPLOYMENT			
GRI 3: Material Topics 2021	3-3 Management of material topics	See Taking Care of our People, p. 37	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	See Appendix p. 68	
	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. 37	
	401-3 Parental leave	3 Staff members took maternity leave (3 in Dublin). 0 staff members took parents leave. 3 Staff members took paternity leave.	
OCCUPATIONAL HEALTH AND SAFETY			
GRI 3: Material Topics 2021	3-3 Management of material topics	See Taking Care of our People, p. 37	

"GRI STANDARD/ OTHER SOURCE"	DISCLOSURE	LOCATION	REASON FOR OMISSION
GENERAL DISCLOSURES			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	See Taking Care of our People, p. 37	
	403-2 Hazard identification, risk assessment, and incident investigation	See Taking Care of our People, p. 37	
	403-3 Occupational health services	See Taking Care of our People, p. 37	
	403-4 Worker participation, consultation, and communication on occupational health and safety	See Taking Care of our People, p. 37	
	403-5 Worker training on occupational health and safety	See Taking Care of our People, p. 37	
	403-6 Promotion of worker health	See Taking Care of our People, p. 37	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Not disclosed	Not applicable
	403-8 Workers covered by an occupational health and safety management system	Not disclosed	Not applicable
	403-9 Work-related injuries	Not disclosed	Not applicable
	403-10 Work-related ill health	Not disclosed	Not applicable
TRAINING AND EDUCATION			
GRI 3: Material Topics 2021	3-3 Management of material topics	See Staff training and career development p. 32	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	CDB Aviation provided a total of 1706 hours of training to staff members in 2023. This equates to an average of 12.9 hours of training per staff member.	
	404-2 Programs for upgrading employee skills and transition assistance programs	See Staff training and career development p. 32	
	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 2023.	
DIVERSITY AND EQUAL OPPORTUNITY			
GRI 3: Material Topics 2021	3-3 Management of material topics	See Inclusive Workplace p. 39	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	See Appendix p. 67	
	405-2 Ratio of basic salary and remuneration of women to men	Not disclosed.	Information unavailable/incomplete. 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 STANDARD/ OTHER SOURCE"	DISCLOSURE	LOCATION	REASON FOR OMISSION
GENERAL DISCLOSURES			
NON-DISCRIMINATION			
GRI 3: Material Topics 2021	3-3 Management of material topics	See Inclusive Workplace p. 39	
GRI 406: Non-Discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	There were no incidents of discrimination within the reporting period.	
LOCAL COMMUNITIES			
GRI 3: Material Topics 2021	3-3 Management of material topics	See Corporate Social Responsibility, p. 42	
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	See Corporate Social Responsibility p. 42	
	413-2 Operations with significant actual and potential negative impacts on local communities	Not disclosed.	Not applicable
SUPPLIER SOCIAL ASSESSMENT			
GRI 3: Material Topics 2021	3-3 Management of material topics	See Sustainable Supply Chain, p. 50	
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	See Sustainable Supply Chain, p. 50	
	414-2 Negative social impacts in the supply chain and actions taken	See Sustainable Supply Chain, p. 50	
PUBLIC POLICY			
GRI 3: Material Topics 2021	3-3 Management of material topics	CDB Aviation does not take part in lobbying activities, nor do we participate in the development of public policy.	
GRI 415: Public Policy 2016	415-1 Political contributions	CDB Aviation did not make any political contributions in the reporting period.	
CUSTOMER HEALTH AND SAFETY			
GRI 3: Material Topics 2021	3-3 Management of material topics	See Sustainable Supply Chain (Due diligence process for asset transactions) p. 50	
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	See Sustainable Supply Chain (Due diligence process for asset transactions) p. 50	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	There were no incidents of non-compliance concerning the health and safety impacts of CDB Aviation's products and services within the reporting period.	
CUSTOMER PRIVACY			
GRI 3: Material Topics 2021	3-3 Management of material topics	See Ethics and Compliance, p. 47	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	There were no complaints concerning breaches of customer privacy within the reporting period.	

STAKEHOLDER ENGAGEMENT

Every day across our business, we engage our stakeholders on a wide variety of topics. We believe that regular engagement and communication is crucial to our ongoing business success. It helps us 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 agile in how we operate.

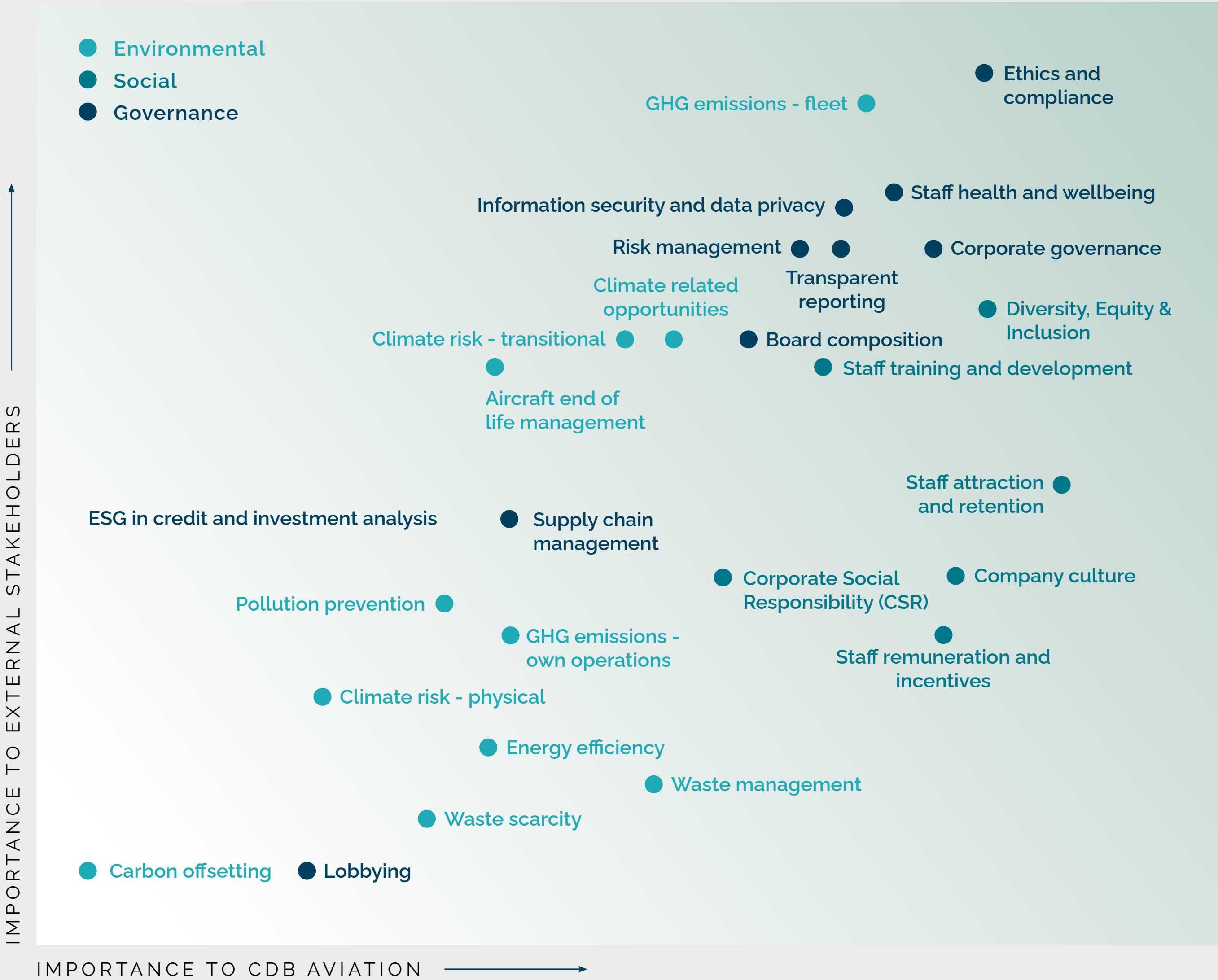
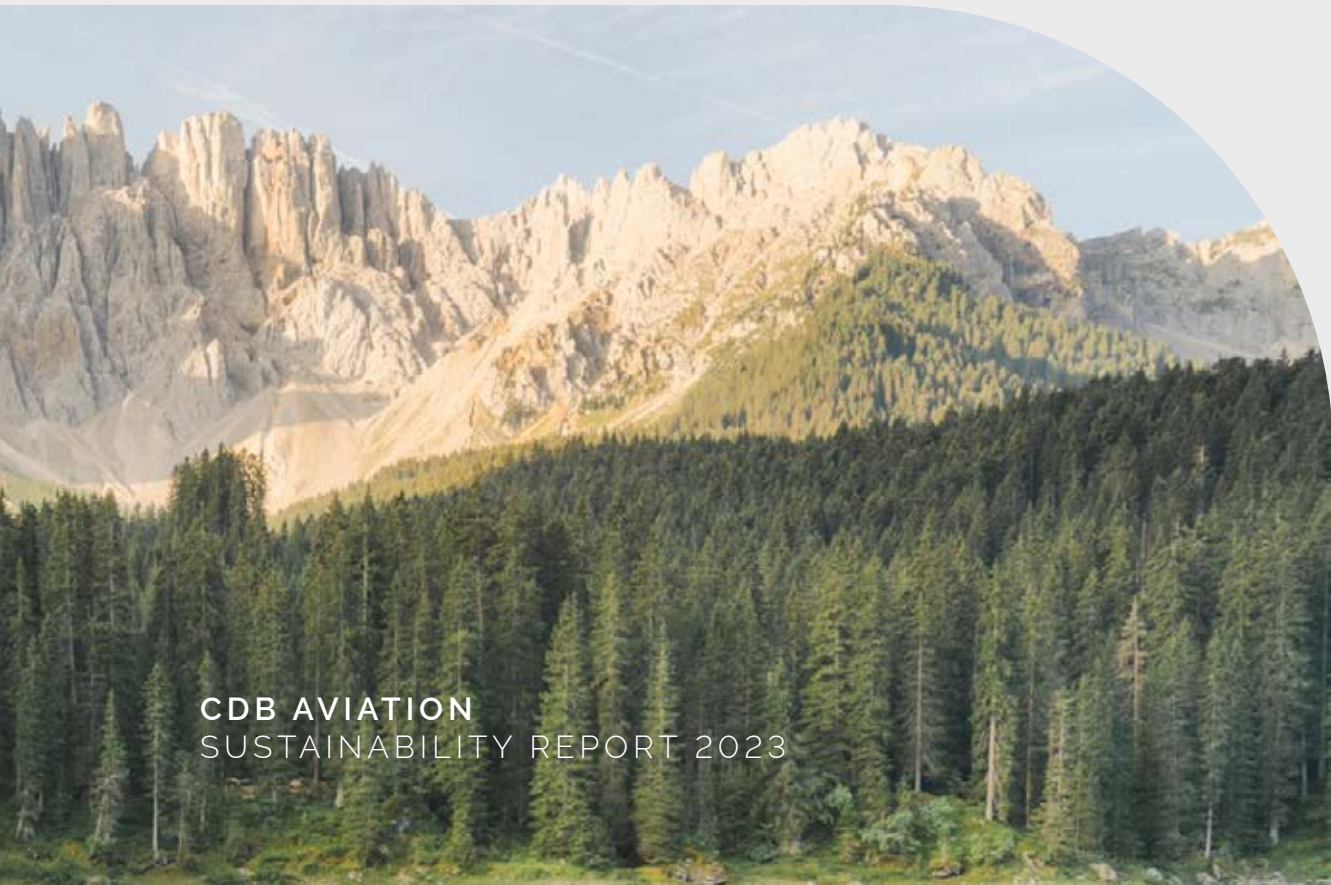
We identify who our key stakeholders are by looking across our value chain and understanding the different groups of people we interact with at each point. There are eight key stakeholder groups that are a priority for our business. We proactively engage with these stakeholders on multiple issues, via multiple channels.

Stakeholder group	How we engage	Frequency	Key topics
Airline customers	Our 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">• Fleet requirements• Aircraft fitouts• Lease negotiations• Sustainability and decarbonisation•
OEMs and other suppliers	Our Technical Team engages directly with OEMs and key suppliers via face-to-face meetings and calls. Our facilities team also engages with office-related suppliers who provide us with goods and services (e.g. catering suppliers, services suppliers).	Daily / weekly	<ul style="list-style-type: none">• Aircraft specifications• New technology developments• Sustainability and decarbonisation• CDB Aviation Supplier Code of Conduct• Parts and materials specifications• Product and service requirements• Service level agreements and contracts
Shareholder (CDB Leasing)	Our Board, C-Suite members and Team Heads engage directly with our shareholder, CDB Leasing, via calls and face-to-face meetings. We also have quarterly Board meetings which engage the shareholders, and monthly senior leadership meetings between CDB Aviation and CDB Leasing.	Regularly throughout the year	<ul style="list-style-type: none">• Financial performance• Business risks and opportunities (including ESG-related)• Industry trends• Regulatory changes and policies update
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">• Debt financing• Industry trends• Sustainability and ESG• Sustainability Linked Loan engagement
Staff members	Our HR team and Senior Leadership Team engage directly and indirectly with our staff members via various channels and conference calls including: <ul style="list-style-type: none">• Weekly global commercial and operations calls• Quarterly all-staff updates• Team meetings and one-to-one meetings• Regular performance management reviews• WheelsUp – our staff wellbeing and development programme• Sports and social club activities	Regularly throughout the year	<ul style="list-style-type: none">• Company updates or organisational changes• Safety, health and wellbeing• Training and development• Sustainability and ESG
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">• Fundraising initiatives• Staff workshops and events• Other CSR initiatives
Government and regulators	We engage with governments and regulators from time to time through various industry associations and groups that we are part of including Aircraft Leasing Ireland (ALI).	Periodically	<ul style="list-style-type: none">• Industry trends• International aviation sector agreements• Regulatory changes
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">• Industry trends• International aviation sector agreements• Government or industry consultations on policy or regulatory change• Industry issues and initiatives• Sustainability and ESG initiatives (e.g. the inniu ESG training platform)

MATERIALITY ASSESSMENT

In 2022, we conducted a materiality assessment to help us identify and prioritise the ESG topics that are most material for our business. This involved engagement with our key stakeholders via an online survey and in-depth interviews to understand their views and expectations.

The Sustainability Committee and Strategy Team review our priority ESG topics annually and have made minor changes to our original results. Changes in 2023, included the addition of water scarcity, which we deem to be a lower priority than other ESG issues, as we are a service-based company with relatively small levels of water consumption and low reliance on water. One other minor change was to rename 'resource efficiency' to 'energy efficiency.'



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
- Energy efficiency
- Climate risk – physical
- Waste scarcity
- Lobbying
- Carbon offsetting

SUPPLEMENTARY ESG DATA

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

These emissions relate to our Dublin HQ office, our Hong Kong office, and our portfolio of aircraft. Data from our office in Shenzhen is not currently included.



CDB Aviation's Greenhouse Gas (CHG) emissions across Scopes 1, 2 & 3

		[tCO ₂ e]		
	Activities	2019	2022	2023
Scope 1 – Direct Emissions		499.7	183.4	1301.2
	S1: TTW* Delivery Fuels Jet A1 kerosene	499.7	183.4	1301.2
	S1: Refrigerants	-	-	-
Scope 2 – Indirect Emissions from Purchased Energy		50.8	95.0	100.2
	S2: Electricity, Dublin office (LBM*)	50.8	40.0	44.2
	S2: Electricity, Hong Kong office (LBM*)	No data	55.0	56.0
	S2: Electricity (MBM*)	-	7.3	-
Scope 3 – Indirect Emissions from Everything Else		6,602,595	5,505,040	7,425,094
Upstream	S3.1: Purchased Goods and Services	2.0	0.7	0.2
	S3.1 Water supply	0.3	0.2	0.2
	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)	264.0	98.1	95.1
	S3.3: WTT* Delivery fuels jet A1 kerosene	8.1	3.0	36.9
	S3.3: TTW* Landlord gas & electricity (Dublin office)	204.9	72.1	40.4
	S3.3: WTT* Landlord gas & electricity (Dublin office)	34.0	11.6	6.4
	S3.3: WTT* Electricity generation incl T&D	17.0	11.5	11.4
	S3.4: Upstream transportation & distribution			
	S3.5: Waste generated in operations & wastewater, Dublin	1.3	0.5	0.3
	S3.5: Waste generated in operations & wastewater, Hong Kong	No data	No data	0.1
	S3.6: Business Travel	2,135.0	1,176.2	1507.6
	S3.6: Flights	2,121.2	1,169.5	1499.6
	S3.6: Hotel accommodation	7.5	2.8	3.6
	S3.6: Taxis, chauffeur service	6.3	3.9	4.4
	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	7,423.491
	S3.14: Franchises			
	S4.15: Investments			
Total Emissions		6,603,145	5,505,318	7,426,496

*WTT = Well-To-Tank; TTW = Tank-To-Wheel; LBM = Location-Based Method; MBM = Market-Based Method

Note: some of the 2019 and 2022 figures shown here have been re-stated from our 2022 sustainability report. This is due to a combination of more accurate data being available, enhancements in the measurement methodology, and a re-allocation of some emissions to alternative activities categories.

SUPPLEMENTARY ESG DATA

Staff member breakdown by gender and by region

	2022	2023
Total number of staff members	142	132
Total number of females	65	63
Total number of males	77	69
Total in Dublin	88	81
Total in HK	28	26
Total in Shenzhen	16	17
Total in other locations	10	8



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

			2022	2023
Within CDB Aviation's governance bodies (Board level)	Gender	Male	5	5
		Female		1
		Prefer not to say		
	Age Group	Under 30		
		30 - 50		
		Over 50	5	6
Within CDB Aviation's governance bodies (C-Suite level)	Gender	Male	6	5
		Female	1	1
		Prefer not to say		
	Age Group	Under 30		
		30 - 50	4	3
		Over 50	3	3
Within CDB Aviation's workforce (Team Heads level)	Gender	Male	9	7
		Female	11	11
		Prefer not to say		
	Age Group	Under 30		
		30 - 50	14	10
		Over 50	6	8
Within CDB Aviation's workforce (Remaining staff members)	Gender	Male	62	57
		Female	53	51
		Prefer not to say		
	Age Group	Under 30	12	10
		30 - 50	91	86
		Over 50	12	12

New staff hires and turnover in 2023

		New staff hires	Staff turnover
Gender	Male	10	16
	Female	5	7
	Prefer not to say		
Age Group	Under 30	5	5
	30 - 50	6	14
	Over 50	4	4
Location	Dublin	13	20
	HK	1	2
	Shenzhen	1	
	Other		1
Overall Number and Rate		Overall No.: 15. Rate: 11%	Overall No.: 23. Rate: 17%

Number of training hours by gender and staff member category

			2022	2023
Average hours of training that the organisation's employees have undertaken during the reporting period by gender and staff member category	Gender	Male	9.9	12.5
		Female	10.4	13.4
		Prefer not to say		
	Staff member category	C-Suite	10.3	8.1
		Team Heads	34.8	22.7
		Team members	5.8	11.6



HUMAN CAPITAL RISK ASSESSMENT

What is Human Capital

Human Capital is a measure of the economic value of a staff member's intangible skillset which usually includes education, experience, intelligence, health and wellbeing, skills, capability, integrity, productivity, and agility, etc.

What is Human Capital Risk

Human Capital Risk often refers to the gap or inconsistency between the existing human capital of the current workforce and the human capital expectation of an organisation at a desired level. It is understood that such a gap or inconsistency will lead to poor performance, inefficiencies, reputational damage and/or inability to achieve optimum business growth.

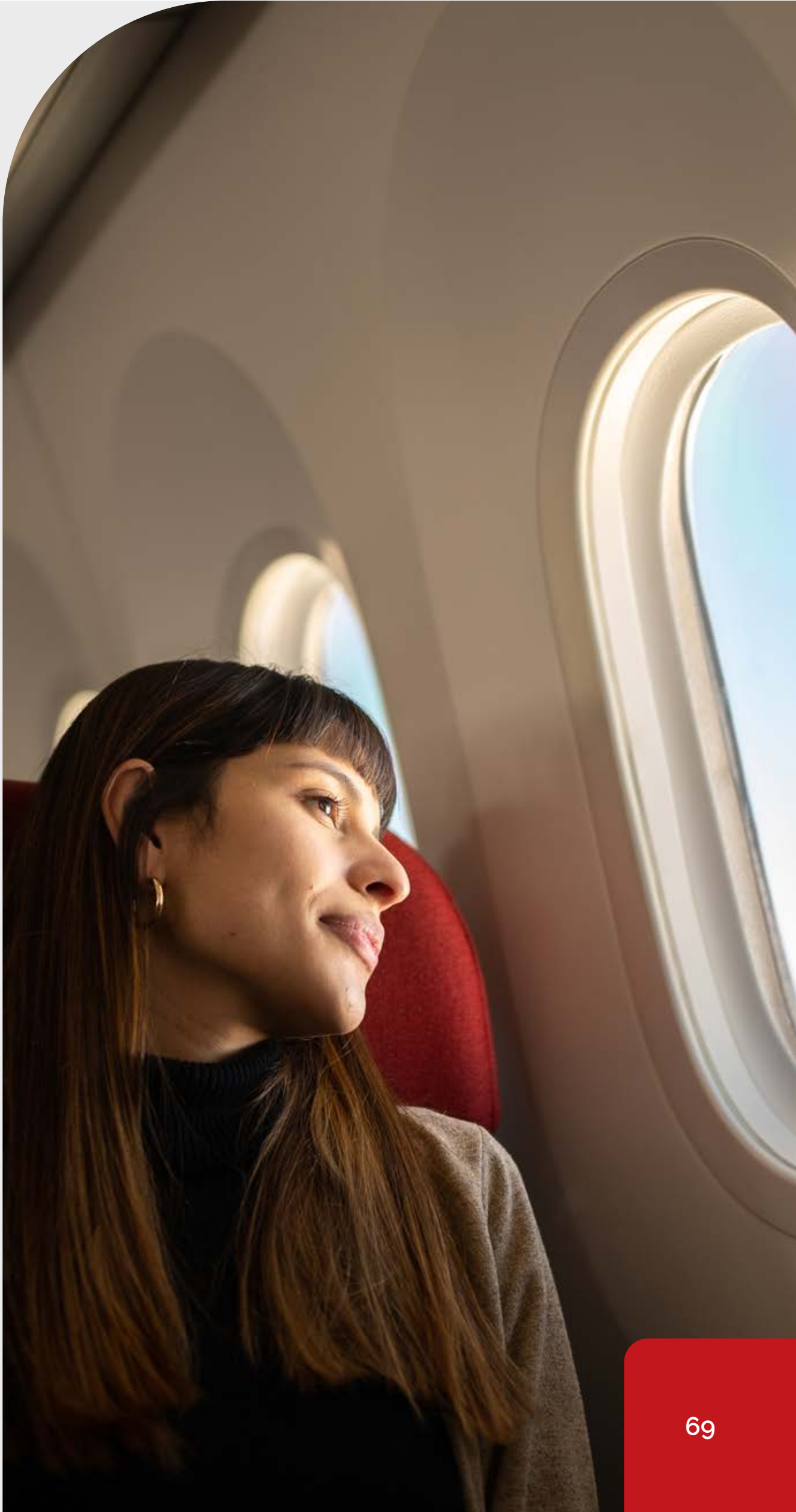
Total Risks Identified Relating to Human Capital

We identified the following risks that could be attributed to human capital. Our goal is to reduce these risks and to foster our staff members in maintaining and improving the value of human capital for continuous optimal business performance and growth:

- Talent attrition
- Physical and mental wellbeing challenges
- Information security breaches
- Dissatisfaction and staff member disengagement
- Regulatory compliance gaps
- Workplace inclusivity and diversity issues

CDB Aviation Key Measures of Human Capital

CDB Aviation is a business that relies on the talents of its people to deliver sustainable success. We recognised below six key measures to value our human capital.



Measure	Relevant Risks	Risk Mitigator	Current Status
Learning and Development	Regulatory compliance gaps; Information security breaches; Workplace inclusivity and diversity issues	<ul style="list-style-type: none">• We are committed to further advancing learning and development initiatives to enable personal and professional growth in CDB Aviation.• Delivering ESG and DEI training in line with KPIs for our Sustainability Linked Loan.• Embedding companywide ESG and DEI trainings through inniu and Wheelsup.• Successfully ran LIFT at Team Head level and expanding LIFT leadership programme within CDB Aviation.• Introducing more purpose-driven IT and compliance trainings, for instance Cybersecurity, Data Breaches, Anti-bribery and Corruption, AML and KYC, etc.• Refreshed Education Support Policy.• Continued to work collaboratively with bodies such as Aviation Skillnet, Aircraft Leasing Ireland and many industry experts and coaches.	<ul style="list-style-type: none">• A total of 1706 hours of trainings achieved in 2023 – 20% increase compared with 2022 of which Wheelsup 903.8 hours, LIFT 294 hours, IT 118.2 hours.• Supported Capital Markets in CDB Aviation's first Sustainability Linked Loan with an ESG/DEI training KPI.• Participated in production and launch of inniu - industry's first Sustainability eLearning Platform – DEI & Employee Wellbeing modules led by CDB Aviation.• 15+ Team Heads completed LIFT and 10 staff members undertaking third level educational courses.• Bi-weekly Wheelsup sessions cover wellbeing, in-house projects, DEI, CSR, Compliance & ESG experts.
Diversity, Equity & Inclusion	Workplace inclusivity and diversity issues	<ul style="list-style-type: none">• Diversity, Equity and Inclusion are our core values. We are strongly committed to create a work environment in which all staff members are valued and treated fairly and respectfully.• We have developed our DEI strategy, policy, and framework to formalise our processes and procedures.• Delivering DEI trainings according to Sustainability Linked Loan metrics.• Actively championing DEI across our industry, for example, through PropelHer, AWAR and ALI.	<ul style="list-style-type: none">• Percentage of females in leadership roles: 9.09%• Wider group: 48% are female.• 33% of new hires were female in 2023.• 16 different nationalities.
Recruitment and Turnover	Talent attrition;	<ul style="list-style-type: none">• Conducting at least two rounds of comprehensive competency-based interviews with involvement from members at different levels within the organisation.• Conducting exit interviews.• Comprehensive learning and development programs in place to nurture and equip our next generation of senior leaders.• Firm Education Support Policy in place to support and retain future talents.	<ul style="list-style-type: none">• 15 joiners in 2023 (13 in Dublin, 1 in HK, 1 in Shenzhen)• 23 leavers in 2023 (20 in Dublin, 2 in HK, 1 in APAC)
Total Rewards	Talent attrition; Dissatisfaction and staff member disengagement; Physical and mental wellbeing challenges	<ul style="list-style-type: none">• Conducting external benchmarking on compensation and various other business indicators each year to maintain competitiveness.• Conducting yearly review on external benefits providers, for example pension and health insurance covers, to ensure its meeting staff members' expectations at large.	<ul style="list-style-type: none">• We offer market competitive, performance driven compensation and responsive welfare and benefits programs including company funded pensions scheme, full health and dental cover for staff members and families, life assurance, etc.
Health and Wellbeing	Talent attrition; Dissatisfaction and staff member disengagement; Physical and mental wellbeing challenges	<ul style="list-style-type: none">• Health and Safety Statement is periodically reviewed and published to all staff members.• Health and Safety representatives are regularly trained across all offices.• Dedicated Sports & Social Committee who organised a good number of staff events throughout the year in fostering a positive sense of camaraderie and collegiality.• Guest speakers delivering Wellbeing focused WheelsUp sessions.• Encouraging staff members to take CSR days to fulfil our corporate social responsibility.	<ul style="list-style-type: none">• 0 health and safety incidents reported in 2023.• Over 10 staff events were successfully organised by Sports and Social Committee.• CSR Committee continued to support existing range of charities and good causes with high level of staff engagement.• We offer paid sick leave, income protection scheme, EAP program.• Dietitian, nutritionist and gym membership are in place to support various staff wellbeing demand.
Organisational Design and Communication	Talent attrition; Dissatisfaction and staff member disengagement;	<ul style="list-style-type: none">• Introduction of FLIGHTPLAN – a new direct communication from CEO to all staff members on a candid and regular basis.• Regular Board Meetings, C Suite, Team Head and all staff meetings hosted to engage with stakeholders at all levels.• Delivered training, coaching and workshops with a primary focus on communication.	<ul style="list-style-type: none">• Regular review of organisational structure to ensure that it is aligned to strategic business goals.• 61% of team based in Dublin; 33% based in APAC and 6% based in the Americas.

TCFD DISCLOSURES: MANAGING CLIMATE RISK

Governance	Describe the Board's oversight of climate-related risks and opportunities.	<p>The Board of CDB Aviation, in conjunction with the Sustainability Committee, is ultimately responsible for our sustainability strategy, including our climate action ambition. The Board receives periodic updates from the Sustainability Committee on CDB Aviation's sustainability and ESG activities, including our thinking around the decarbonisation of our operations and our fleet. As part of this, the Committee highlights any significant climate-related risks that the Board needs to be aware of.</p> <p>CDB Aviation's Board Sub-Committees, namely the Board Investment Committee ("BIC"), the Board Audit and Compliance Committee ("BACC"), and the Board Governance Committee ("BGC") are also advised, to the extent applicable, of relevant climate-related risks and broader ESG matters.</p> <p>Sustainability metrics are included in relevant investment approvals to give the Board a clear understanding of the impact any decision will have on how we perform on CDB Aviation's sustainability targets and ambitions. Mitigation actions are proposed if the investment is not aligned with our targets.</p> <p>More information about our governance structure can be found under ESG Governance Integration on page 52.</p>
	Describe management's role in assessing and managing climate-related risks and opportunities.	<p>The Sustainability Committee has oversight of climate-related responsibilities, with a C-Suite member an integral part of this committee along with other members of the senior management team. The Sustainability Committee is tasked with driving the ongoing implementation of our sustainability strategy throughout the organisation. The Committee also has responsibility for ESG company policies, standards, reporting and disclosures, along with ESG-related auditing and compliance issues.</p>
Strategy	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	<p>We have identified our key climate-related risks over the short, medium, and long term and have also identified our key climate-related opportunities.</p> <p>More information can be found under risks and opportunities listed on page 73.</p> <p>We classify short-, medium-, and long-term time horizons as follows: Short-term: 1-5 years (Our business strategy has a five-year focus) Medium Term: 5-10 years (Two business strategies in length) Long-term: 10-30 years (Based on an aircraft life span of 30 years, and taking us up to and beyond 2050)</p> <p>As an aviation lessor, operating within the wider aviation industry, we are very aware of the impact of aviation on climate and the need to decarbonise at pace, in order to achieve the goals set out in the Paris Agreement on climate change. Climate action and managing climate risks and opportunities are therefore of paramount importance to CDB Aviation. Climate risk emerged as a top priority in our materiality assessment in 2022 and is at the forefront of our sustainability strategy.</p>
	Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	<p>Managing climate risks and opportunities is a central part of our sustainability strategy. We have clear targets on fleet renewal to allow us to improve the percentage of new generation aircraft in our fleet and ensure we have a portfolio of aircraft that is attractive to our airline customers.</p> <p>We include sustainability metrics in all investment underwriting decisions. Investments are rated to ascertain whether they help us meet our sustainability goals or not on a scale from High CO2 (brown investments) to Low CO2 (green investments). Mitigation actions are recommended if the investment does not meet ascribed goals.</p> <p>In 2023, we completed our first Sustainability Linked Loan (see page 27), which is part of delivering on the sustainable finance objectives of our sustainability strategy and supports our overall business strategy.</p> <p>Linked to our ambition to 'Maximise Our Influence' on the wider industry's approach to climate change, CDB Aviation is an active member of Aircraft Leasing Ireland (ALI) and a signatory to its ESG Charter. In 2023, we played an integral part in the development of the 'inni' ESG training platform (see page 35). We are also on Heart Aerospace's Industry Advisory Board to progress the development of its new zero-low emissions aircraft, the ES-30.</p>
	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	<p>In late 2023 and early 2024, CDB Aviation developed a high-level Net Zero Roadmap setting out a pathway by which we will decarbonise our fleet by 2050, in keeping with the Paris Agreement goal of seeking to limit global warming to 1.5°C. This takes into account research conducted by the International Energy Agency (IEA), IATA, the Science Based Target initiative and others.</p> <p>Beyond this, we are working on accessing the impact of different climate scenarios from 1.5C to 4C on both our lessees and suppliers.</p>

Describe the organisation's processes for identifying and assessing climate-related risks.	The CDB Aviation Risk Management team performs counterpart credit risk assessments on a continuous basis including any imminent threats to financial and operational health, such as those from climate-related risks.
Describe the organisation's processes for managing climate-related risks.	CDB Aviation has introduced new ESG metrics into its asset and credit evaluation process as it makes investment decisions. The Strategy Team also reviews asset risk and classification annually, as part of our approach to managing climate risk.
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	<p>Our approach to credit and investment analysis includes an extensive due diligence process depending on the type of transaction. In 2023, CDB Aviation introduced new ESG metrics into its asset and credit evaluation processes as it makes investment decisions.</p> <p>This new approach allows 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.</p> <p>The ESG metrics are directly aligned with our publicly stated targets, including achieving 60% of our total fleet as new generation aircraft by 2025, as well as meeting the conditions of our new Sustainability Linked Loan signed in December 2023. Where appropriate, the Investment Committee will propose mitigation actions to try and maximise alignment with our overarching sustainability targets.</p>

Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	CDB Aviation measures: <ul style="list-style-type: none">• Scope 1, 2 and 3 GHG emissions• The carbon intensity of our fleet in CO2e / ASK (Available Seat Kilometre)• The % of new generation aircraft in our fleet
Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	See 'Measuring the carbon footprint of our fleet' and a breakdown of our Scope 1, 2 and 3 emissions on page 26 with further detail in the Appendix on page 66.
Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	<p>CDB Aviation has set a long-term target to be Net Zero carbon by 2050. We have set a target to have 60% new generation aircraft in our fleet by the end of 2025.</p> <p>In this report we also share a high-level decarbonisation roadmap – 'Our Net Zero Roadmap' (see pages 18). This shows how we intend to get to Net Zero, with interim targets along the way.</p>

Risk Type	Description of Risk(s)	Potential Impact (Time Frame)	Actions Taken to Manage Risk	Risk Rating (High / Medium / Low)
Acute	Extreme weather and climate change	<ul style="list-style-type: none">• Potential financial impact from extreme weather damaging aircraft or increasing maintenance costs (for instance, engine maintenance costs)• Potential impact of extreme weather and climate change influencing the broader movement of people• Potential impact of extreme water scarcity on movement of people and travel demand (Short to long term)	<ul style="list-style-type: none">• Ensure our portfolio is always fully insured against the risk of hull loss• Actively manage our fleet and lease contracts to control maintenance cost exposure• Actively manage our fleet to satisfy evolving geographic demand	Low
Chronic	Climate change impacted sea level rise	<ul style="list-style-type: none">• Population migration leads to evolving urban settlements• The airports favoured by travellers may evolve (Medium to long term)	<ul style="list-style-type: none">• Engage with airports and airlines to assess how they are managing this issue• Reallocate aircraft resources to areas of most demand	Low

Policy and Legal	<ul style="list-style-type: none">• Government restraints on the level of short-haul flying• Increase in carbon price and taxes• Government regulation to control or limit air travel	<ul style="list-style-type: none">• Reduced demand for short-haul travel which could impact demand for our portfolio• Reduced demand from airlines for older, higher emissions aircraft assets (Short to long term)	<ul style="list-style-type: none">• Strategically evolve our portfolio by investing in fleet renewal by adding the most fuel-efficient as possible, all capable of facilitating SAF at scale• Focus growth towards geographic areas where demand shifts• Consider other aircraft types that could be better suited to evolving airline networks	High
Technology	<ul style="list-style-type: none">• Underdevelopment of SAF• Lack of investment in new technology	<ul style="list-style-type: none">• Impact on airlines which have mandates to fly with SAF but no/limited supply of it• 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)	<ul style="list-style-type: none">• Exploring our role as a lessor to help the development of SAF, either as an aggregator or scaling the technology required• Evolve our fleet mix and size to be aligned with shifting demand patterns	Medium
Market	<ul style="list-style-type: none">• Airlines accelerate fleet renewal causing older aircraft to become less in demand assets• Cost of air travel rises with emissions taxes on Jet A1 fuel	<ul style="list-style-type: none">• 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 (Medium to long term)	<ul style="list-style-type: none">• Strategically evolve our portfolio to invest in the most fuel-efficient types and exit older generation types as quickly as reasonable• Engage with airlines and OEMs to assess what the market is expecting and be ready to adapt	High

Risk Type	Description of Risk(s)	Potential Impact (Time Frame)	Actions Taken to Manage Risk	Risk Rating (High / Medium / Low)
Financial	<ul style="list-style-type: none">Challenges to raise capital at competitive rates due to carbon emitting profile of our industryRestrictions on access to finance for non-green investments or requirements to meet sustainability KPIs	<ul style="list-style-type: none">Potential significant financial impact due to increased financial costs and / or limited access to capitalPotentially, 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 (Medium to long term)	<ul style="list-style-type: none">Strategically evolve our portfolio to invest in the most fuel-efficient types and exit older generation types as quickly as reasonableEngage with airlines and OEMs to assess what the market is expecting and be ready to adapt	High
Reputational	<ul style="list-style-type: none">CDB Aviation fails to achieve goals set out in its sustainability reportCDB Aviation fails to achieve targets in SLLFlight-shaming movement develops and spreads worldwide	<ul style="list-style-type: none">Stakeholders expect us to achieve our targets and we want to be accountable for our actionsLoss of confidence from financial market for not achieving SLL targets and possible exclusion from doing future green financingCDB Aviation to take responsibility to drive an improving performance by aviation (Short to long term)	<ul style="list-style-type: none">Ensuring transparent and clear communications and reportingDeviations from targets will require clarification on how recovery will be achievedActively facing up to the role aviation has in contributing to global warming and helping to change the industryEnsure all investment decisions incorporate the impact of general sustainability as well as SLL targets	Medium

Products and services	<ul style="list-style-type: none">Market expects emissions based leasing productsIncreased cooperation and collaboration between OEMs, financiers, lessors and operators of new, low carbon, hydrogen and electric aircraftNew OEMs come to market with zero-low emission aircraftLessors invest in SAF development directly	<ul style="list-style-type: none">Potential new customers and new revenue streamsPotential new OEMs with innovative products entering the market, driving fleet renewal and accelerating progress towards NetZeroBroader investments in SAF refinement lower its cost and increase its everyday usage (Short to long term)	<ul style="list-style-type: none">New low emissions based leasing products introducedLower cost financing secured based on CDB Aviation achieving emissions targets and other ESG metricsCDB Aviation explores how it can contribute to the increased usage of SAFCDB Aviation supports innovation that drives new product development, for instance, Heart Aerospace's development of a hybrid-electric 30-seater for short air journeys
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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, and 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, change of government policies or regulatory requirements, changes in interest rates, global trade wars, the financial strength rating of CDB Aviation and our shareholders, 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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