

2022 Baidu Sustainability Bond Allocation and Impact Report

July 2022

Table of Content

Introduction

Baidu Overview

Baidu's Green and Sustainability Vision

Carbon Neutrality by 2030

About Our Sustainability Bond

Our Sustainability Bond

Allocation of Proceeds

Impact Reporting

Project Highlight



01 Introduction

Baidu Overview

Founded in 2000, Baidu's mission is to make the complicated world simpler through technology.

Baidu is the world's leading Chinese search engine, China's leading information and knowledge-centered internet integrated service company, and also the world's leading AI platform company.

Based on the search engine, Baidu has developed an array of AI technologies such as intelligent voice, intelligent image, knowledge graph, and natural language processing. Over the past decade, Baidu has invested heavily in frontier fields ranging from deep learning and conversational AI operating system to autonomous driving and AI chips. Baidu has emerged as one of the few global providers of full-stack technologies including AI chips, software architecture and applications. Baidu is also rated, by multiple international organizations, as one of the top AI companies in the world.

As a high-tech company, Baidu does not only focus on business development, but also have continuously explored the ESG value in corporate governance, pursuing the new “intersection” of ESG value with an innovation-driven engine, as well as fulfilling our commitments to the environment and society. We hope that ESG is not only a strategic concept, but a cornerstone and starting point of our culture and actions.

In 2021, we announced our goal of achieving carbon neutrality at the Group level by 2030 and working with our ecosystem partners to achieve “zero-carbon growth” with AI. We also set up a Sustainable Finance Working Group, and published the Baidu Sustainable Finance Framework, which demonstrates how we intend to enter into Sustainable Finance Transactions (“SFT”) to fund projects, assets and developments that will deliver environmental benefits and support our green and sustainability vision, as well as business strategy. Under the guidelines of the Baidu Sustainable Finance Framework, we successfully issued our debut sustainability bond offering in August 2021, further enhancing the environmental performance and social impact of our operations in China and contributing to the UN SDGs.

Baidu's Green and Sustainability Vision

Baidu aims to fully integrate the ESG philosophy and standards into our business operations.

We actively explore low carbon operations, sustainable economic indicators, supply chain management, intellectual property, technological innovation, compliance, data privacy, information security, user experience, human capital development, and community engagement.

By devoting time and the attention, we aim to solve social problems with technology, leverage our corporate strength and innovation capability, and contribute long-term, sustainable value to stakeholders and the human community at large.

We pledge to achieve and continuously improve responsible environmental and social benefits, and ensure effective management and governance of business operations. We believe the commitments can support our performance growth, help us manage reputation and risks, control costs, and improve efficiency. It can also contribute to establishing and maintaining constructive relationships with stakeholders as well as attracting and retaining quality talents.



Carbon Neutrality by 2030

On June 22, 2021, Baidu officially released our group-wide carbon neutrality targets. Taking 2020 as the baseline year, we plan to comprehensively build science-based pathways to achieve carbon neutrality, based on existing green practices and with reference to Scope 1 and Scope 2 of the Greenhouse Gas Protocol (GHGP).

Six pathways to carbon neutrality:

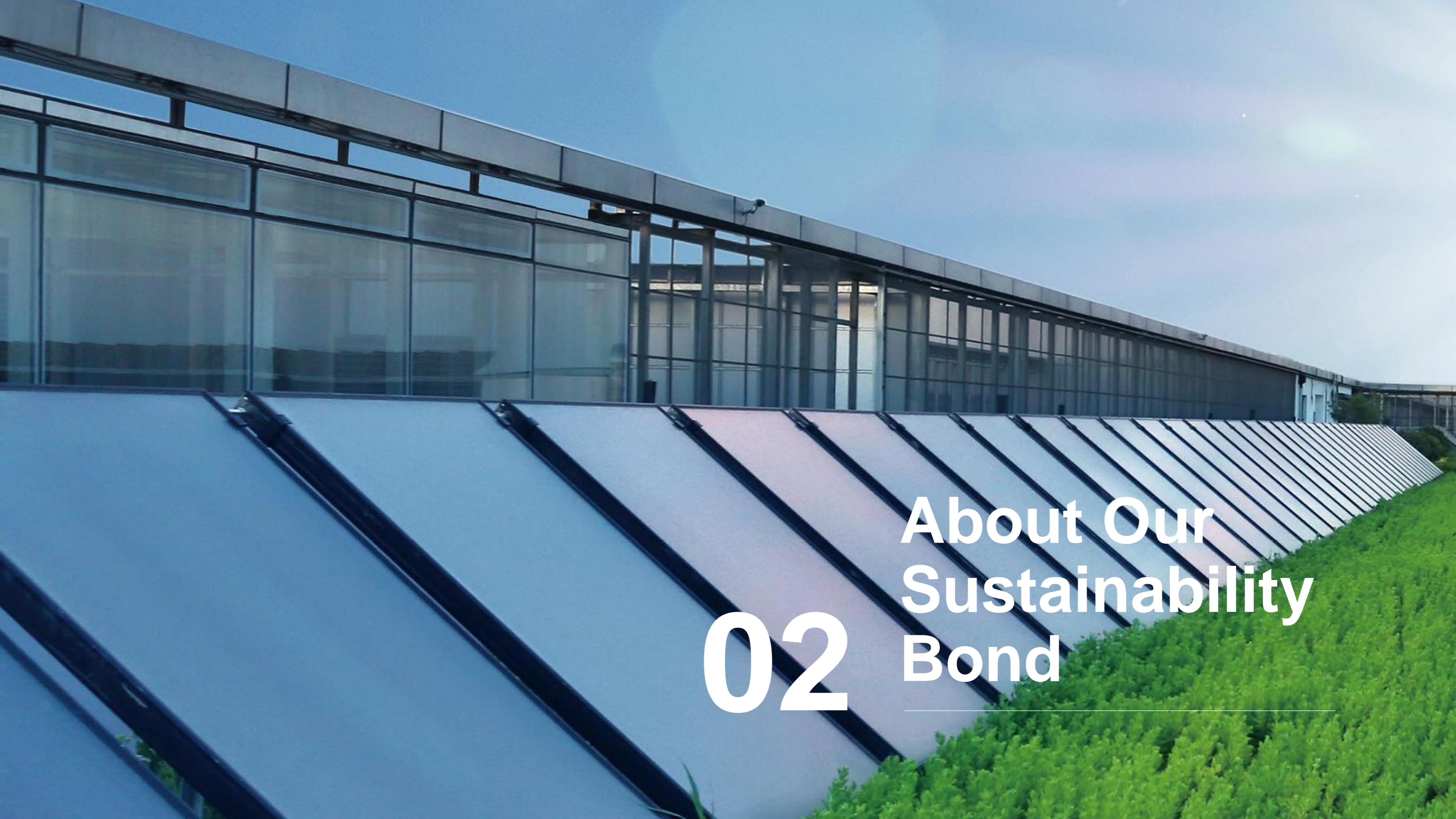
- Building Green Data Centers
- Constructing Smart Office Buildings
- Carbon Offset
- Whole-chain Carbon Reduction Technologies Empowered by Intelligent Transportation
- Energy-efficient and Carbon Reduction Technologies Empowered by Baidu AI Cloud
- Partnership Mechanism for Green Supply Chain



The photovoltaic systems installed on the roofs of Baidu Campus and Penghuan Building generate 1 million kWh of electricity annually, reducing carbon dioxide emissions by around 600 tons



Baidu has introduced Apollo's 5th generation Robotaxi vehicles in June 2021, with 60% drop in cost per mile. Apollo Go is available in 10 cities and provided 196,000 rides in 1Q2022



02

**About Our
Sustainability
Bond**

Our Sustainability Bond

Details of Our Sustainability Bond

Issuer	Baidu, Inc.	
Issue Date	August 18, 2021	
Tenor	5.5 years due 2027	10 years due 2031
Amount Issued	US\$300 million	US\$700 million
Net Proceeds	Approximately US\$992 million	
Fixed Coupon Rate	1.625% p.a.	2.375% p.a.
Use of Proceeds	For general corporate purposes, including repayment of certain existing indebtedness. Baidu plans to use an equivalent amount of the net proceeds from the Sustainability Bonds to finance or refinance, in whole or in part, one or more of Eligible Projects, pursuant to the Sustainable Finance Framework.	
External Review	Sustainalytics Second Party Opinion	

The Eligible Projects falls into below categories described in Baidu's Sustainable Finance Framework (the "Framework").



Green Buildings



Energy Efficiency



Clean Transportation



Renewable Energy



Pollution Prevention and Control



Access to Essential Services (Healthcare)

Refinancing of Eligible Projects has a look-back period of no longer than 24 months from the time of issuance.

This report describes our allocation of proceeds and expected impact from Eligible Projects.

Allocation of Proceeds

US\$992 million

(100% allocated including 40% for refinancing)

We have fully allocated an equivalent amount of net proceeds of our inaugural sustainability bond offering for the financing and refinancing of Eligible Projects in accordance with Baidu Sustainable Finance Framework.

By Eligibility Category



US\$649.4 million

Green Buildings



US\$15.4 million

Energy Efficiency



US\$321.4 million

Clean Transportation



US\$3.5 million

Renewable Energy



US\$0.01 million







Pollution Prevention and Control



US\$2.4 million

Access to Essential Services (Healthcare)

Impact Reporting

Category		Projected Benefit
	Green Buildings	<ul style="list-style-type: none"> ■ Average annual PUE of Baidu's self-built data centers reached 1.16 in 2021 ■ Average annual PUE of the most energy-efficient single data center decreased to 1.08 in 2021
	Energy Efficiency	<ul style="list-style-type: none"> ■ 1.81 million kWh of electricity saved annually from replacing ordinary lamps with LED lights ■ Energy efficiency increased by more than 40% with Baidu's industry-leading cooling system ■ 7,200 tons of hot water generated and 54,000 m³ gas consumption reduced annually with solar hot water system in Baidu Technology Park ■ 1 million kWh of electricity produced and 600 tons of carbon dioxide emissions reduced annually with photovoltaic panels installed
	Clean Transportation	<ul style="list-style-type: none"> ■ 500+ electric Robo Taxis exist in Baidu by March 31, 2022
	Renewable Energy	<ul style="list-style-type: none"> ■ Our data centers generated 268,021 kWh of renewable energy and purchased 500,000 kWh of green electricity, and reduced GHG emissions by approximately 577 tons of carbon dioxide equivalent in 2021
	Pollution Prevention and Control	<ul style="list-style-type: none"> ■ The water treatment system of Baidu Campus reused 3,836 tons of waste water in 2021
	Access to Essential Services (Healthcare)	<ul style="list-style-type: none"> ■ 200 fundus cameras and 10 sets of 'Assistance to Doctors' primary medical solutions donated in 2021

Project Highlight - Green Data Center



The pioneering installment of distributed battery backup units (BBU) based cabinet server enables a power supply efficiency of

99.5%

Since 2017, Baidu Yangquan Data Center has contracted

156 million KWh of renewable energy including wind power

Baidu Yangquan Data Center Awarded the First 5A Green Data Center Certification in China

Module 1# of the Baidu Yangquan Data Center was awarded the Carbon Neutral Data Center Leader (5A) - the highest level of green data center certification by People's Posts and Telecommunications Press, CAICT and the Open Data Center Committee (ODCC).

Baidu Cloud Computing Center in Yangquan (Baidu Yangquan Data Center) has been continuously developing innovative technologies since its operation, realizing energy conservation, emission reduction and resource utilization efficiency improvement in all links of operations. In terms of electronic architecture, the world's first Mains Supply + UPS/HVDC offline infrastructure and China's first distributed battery backup units (BBU) based cabinet server installed in the data center, enables a power supply efficiency of 99.5%. In terms of cooling systems, the "zero-power" rooftop cooling system OCU independently developed by Baidu, has integrated with the high-temperature server technology and a new type of air distribution. This has enabled over 98% of cooling time to be free of charge.

By building green data centers, Baidu continuously reduces energy consumption per unit of computing power through such means as technological innovation, the continuous iteration of software and hardware, and integration of AI and innovation applications. Meanwhile, we optimize the energy consumption structure of data centers, build new data centers in regions with rich renewable energy and increase the use of renewable energy year on year.