



## Sowing the seeds of love with caring and unique corporate social responsibility initiatives

Everbright draws on its expertise and resources to create deep, meaningful relationships and sustainable environment with shareholders, business partners, employees and communities.

# Corporate Social Responsibility Report

The international financial market has seen substantial volatility over the past few years. Despite this, Everbright has been able to successfully transform itself from a traditional investment bank to a cross-border macro asset management platform by capitalising on its solid foundation and visionary strategies. During this time it has generated steady business, driving maximum benefits and forging long-term partnerships based on mutual trust with shareholders, investors, clients and business partners and employees. Everbright has also been committed to the communities it calls home. The Company established the China Everbright Charitable Foundation in 2008, which has supported a number of charitable initiatives since the global financial tsunami.



The Foundation's success has been recognised by the Hong Kong Council of Social Service, which presented it and the Group with "Caring Company" and "Caring Organisation" awards for four consecutive years. These awards were given for the Group's on-going efforts and achievements in the field of corporate social responsibility.



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## Clients and Business Partners

Everbright's cross-border macro asset management platform connects the thriving mainland China and Hong Kong markets, both of which possess huge potential. In recent years the Group has also actively sought overseas investment and cooperation opportunities. In order to strengthen fund investors' and business partners' confidence, the Group implements a proven risk management mechanism that protects mutual capital investors, equilibrium benefits and personnel retention, aiming to build long-term partnerships based on mutual trust with clients and business partners.

Before seeking external funding, the Group invests a certain amount of seed capital in each fund to demonstrate its confidence and commitment to the fund. During the capital commitment period, investment teams are required to invest a certain amount of its proprietary funding as risk capital into the fund, enabling the same level of interest for both the fund management teams and fund investors. An independent investment assessment committee (or similar entity) is also established for each fund to maintain sound operations and ensure that the interests of external investors are protected. When the funds are investing in or exiting from specific projects, the stake interest held by the fund management team is in line with the holdings of other investors. This ensures that the fund management teams exercise a prudent, pragmatic approach underscored by proper risk awareness when making investment decisions.

In the last decade, the financial sector was heavily impacted by market turbulence from both the financial crisis and financial tsunami. The collapse of gigantic financial institutions led to fundamental thoughts about the equilibrium between rapid business expansion and risk control. By leveraging its sound corporate governance and risk management system (please refer to the Corporate Governance Report for details), the Group has managed to achieve fast yet steady growth in a notably bearish investment environment, while capturing opportunities by expanding its business horizons as markets recovered.

In order to enhance communications and interactions with the fund investors and business partners, the Group held its first Everbright Investment Conference in 2012, which received positive feedback from institutional investors, business partners and various business units within Everbright. In 2013 the Group held the second Everbright Investment Conference in Shanghai. Over 250 institutional investors and business partners from all around the world attended the conference, which was themed "New Frontiers for China". The Group showcased the latest developments in its asset management platform as well as its strategies and prospects, which gave guests the opportunity to learn more about the funds' operations. The conference provided investors and business partners with a better understanding of Everbright's business developments and advantages, and it also allowed attendees to explore collaboration opportunities across different sectors and formats for maximum synergy and benefit.

For the ease and convenience of investors and shareholders, Everbright optimised and upgraded its website ([www.everbright165.com](http://www.everbright165.com)).

## Shareholders and Investors

To enhance corporate transparency, the Group places significant emphasis on maintaining good communication channels and keeping close contact with shareholders and investors.

Every year the Group participates in investor conferences organised by leading financial institutions. In 2013 there were group or one-on-one meetings with almost 200 institutional investors and analysts. Highlights of these meetings are available on the “Investor Relations” section of the Group’s website. 16 analyst reports were generated by seven well-known financial institutions. During the year, the Group also undertook a number of reviews of its shareholding structure by examining shareholding volume and changes, which helped it implement its investor relations programme in a more efficient way. The Group also aggregated investor relations reports for the Board’s review on regular basis. These included external communications, investor feedback and changes in share price. The Company’s shareholding pattern allows the Board to better understand the investment community’s views and suggestions regarding Everbright’s development strategies.

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In addition to giving the site a clearer, more artistic design and layout, the Group also enriched the content of the “Investor Relations” section, providing practical tools such as interactive financial data and stock charts. As to disclosure of information, viewers can subscribe to the latest news and be updated automatically about the Company and its activities.

In addition, the Group’s management communicates directly with shareholders at the annual general meeting. The Group also holds press conferences and analyst presentations twice a year, after its interim and annual results published. These presentations are recorded and made available as webcasts on the Company’s website for viewing at any time by the public.



## Employees

The Group sees its employees as “partners” and considers them its most important asset. The Group recruits the top-notch talent from the financial sector and builds up its distinguished fund management team upon its principle of “Creative Value to Share Value”. Employees share the fruits of the Group’s success by creating economic value and enhancing work efficiency.

In terms of enhancing individual competencies, Everbright provides an instrumental package for the career development of its employees. In addition to study allowances and paid study leave, the Group organises regular training programmes to boost skill sets and team spirit. In 2013 an outward bound training was held in Qingdao for middle and senior management. China-based employees are provided on-the-job training exchanges in Hong Kong. New staff members receive a clear overview of the Group through regular training sessions on human resources, brand culture and risk management systems. The Group arranges talks to facilitate exchange between senior management and new staff, give management a better understanding of employees and their views, and enhance contact and interaction. Also, the Group organises an annual gathering of employees and their families that help promote work-life balance.



Everbright places appreciable emphasis on maintaining a good exchange of information and interactions with its employees, via diversified formats. The Group uses internal email, “Partner Express”, as the vehicle for publishing company news and real-time information. Relevant content is released to institutional investors and media in the form of presentations and press releases. The “Partner”, the Group’s bimonthly electronic periodical, integrates key business information, branding development and scenes of employee life together into one handy publication, which is then disseminated via online media to keep colleagues in the Mainland and Hong Kong in close contact. The Group also publishes hard copies of the “Partner” by consolidating all the experiences of the past year into a single book, which helps accommodate the various reading habits of employees. In order to offer more convenience for employees and improve work efficiency, the Group is also developing an online collaborative office management platform with comprehensive functions. It is the Group’s wish that this platform will allow employees to access company information and conduct administrative work from anywhere, whether they are in or out of the office.



In order to further enhance camaraderie among employees, Everbright set up a volunteer team in 2012 that gives staff the chance to give back to society by participating in volunteer services. During 2013, the Group’s management and employees visited a special child care centre, sheltered workshop and other social service agencies to volunteer. Management and employees also formed teams and participated in charitable activities such as the “Sowers Action Challenging 2013 – Charity Hiking” and the Everbright Project’s “Happy 1+1 – Support My Family”. The Group will continue to organise regular activities so that the Everbright volunteer team can continue to grow and serve the community.

In recent years Everbright has used various means, including timely information-sharing, diversified company activities, staff welfare programmes and incentives, to build a closer partnership with its employees. These efforts have also resulted in meaningful contributions to the Group’s business success by establishing its own fund teams, and retaining and recruiting the best talent.



Most of the long-term social service projects supported by Everbright are unique, sustainable in nature and benefit those who tend to be overlooked by society.

## Community

In Hong Kong, the poverty, disabled and those with health illness are in general labelled as “the needs”. Government and lots of corporate philanthropists poured resources to the needs. As a CSR-committed corporation, Everbright is a strong supporter of disaster relief, poverty relief and related charitable events. The Group has given generously to disaster victims and poverty-stricken areas in the Mainland, and it contributes long-term support to many social service projects. Most of these causes are unique, sustainable in nature and benefit those who tend to be overlooked by society.

In 2009, before many of the social problems faced by the middle class emerged, Everbright sponsored the Caritas Family Crises Support Centre and jointly launched “The Everbright Project” to provide community services specifically targeted towards Hong Kong’s middle class. Everbright then lent its full support to Social Workers Across Borders in 2012 and established the “Project Companion – Professional Social Workers in Greater China Scheme” (“Project Companion”), with the aim of training professional social workers and providing post-disaster counselling in the Mainland. In 2013 Everbright sponsored the Hong Kong Federation of Education Workers and launched the “Everbright Teachers’ Heritage Discovery Tour”, a programme providing Hong Kong teachers with the opportunity to visit various cities in Jiangsu. After the visit, teachers would talk to students about what they saw and heard during their travels, enriching the students’ National Education curriculum and inspiring their love for their country. Over the past couple of years Everbright has also formed a close partnership with Lifeline Express, becoming one of the biggest sponsors who are helping this worthy cause cure cataract patients in poverty-stricken areas in the Mainland. There is a common trait that the middle class, social workers and teachers share. They are all individuals who work hard and make huge contributions to society, yet they are often overlooked. As an enterprise based in Hong Kong and supported by the Mainland, Everbright hopes to introduce more programmes that will benefit Hong Kong communities and development in the Mainland through important works by its charitable foundation.



### “The Everbright Project”: A community services programme targeting the middle class in Hong Kong

In recent years, the fluctuating Hong Kong economy has put the middle class, the backbone of the society, under significant stress. This pressure stems from work, social life and rising property prices. The middle class often does not benefit from any government policies, which are focused on the grassroots. And, unlike in the golden age of the ‘90s, it is more difficult today for one to work towards affluence. This has caused many middle-class people to develop emotional, confidence, economic, work-related and family issues.

In 2009 Everbright formed a partnership with the Caritas Family Crises Support Centre to launch the Everbright Project, the first-ever community service program targeting the middle class in Hong Kong. The project fosters the idea of positive mentality and life planning to help middle-class individuals realise their full potential at various stages of life – in career development, interpersonal relationships, family planning, retirement planning and lifestyle change after retirement. It also promotes a balanced, happy and healthy lifestyle through the Group’s “Making Life Simple” philosophy.



Since its launch five years ago, the Project has organised several major seminars and over 300 service series activities. These activities were very popular; events held in the last two years have attracted over 10,000 participants, showing high demand. In addition, the Everbright Project has held over 100 successful corporate workshops that help companies and their employees build harmonious interpersonal relationships and achieve sound work-life balance.

The Project has also invited renowned local academics to carry out several comprehensive stress level studies on the middle class in Hong Kong. The report and press conference of the survey results were widely covered by local media. The survey report was also submitted to relevant Government departments, which helped the Project become a communication platform for the Government and the middle class in addition to its diversified service offerings that enhance mutual understanding and feedback. As at the end of 2013 the Everbright Project had over 1,800 registered members and nearly 150 registered volunteers. Its services have benefited over 25,000 people, and it is Hong Kong's largest middle class service programme.



### “Project Companion – Professional Social Workers in Greater China Scheme”: Training professional social workers in mainland China to care for victims of natural disasters

In 2012 the China Everbright Charitable Foundation and Social Workers Across Borders established the “Project Companion – Professional Social Workers in Greater China Scheme” (“Project Companion”), a two-phased project to be carried out over a period of five years. The scheme utilises the expertise of seasoned social workers from Hong Kong to train practicing social workers, social work teachers and students as well as social service organisations in mainland China. It also helps them acquire the knowledge and skills required for post-disaster support and other social services, such as crises management, counselling and social worker skills.

Project Companion was officially launched in early 2013 when its operations commenced in Wuhan, Chengdu and Harbin for a period of two years. After recruiting over 70 Hong Kong social workers as teachers, and training over 900 social workers in the Mainland, the Project also set up a Project Companion Team of 60 social workers, who provided professional post-disaster counselling and support. After the Sichuan earthquake, Project Companion immediately dispatched the Project Companion Team to affected areas, putting the Project into practice. Over 500 people have benefited from Project Companion over the last two years, gaining appreciation from local academic institutions and social service organisations as well as support from local governments.



### **“Everbright Teachers’ Heritage Discovery Tour”: A programme for Hong Kong teachers to visit the Mainland**

In addition to social welfare services, the China Everbright Charitable Foundation also focuses on education. At the end of 2013, Everbright collaborated with the Hong Kong Federation of Education Workers to jointly launch the “Everbright Teachers’ Heritage Discovery Tour”, a five-year national education programme that provides Hong Kong teachers a chance to visit the heritage sites and understand the new development of mainland China. Running under a different cultural topic every year, the programme brings 40–50 Hong Kong teachers to the Mainland to exchange ideas with local educators and visit ancient historic sites, which helps enhance the teachers’ knowledge of Chinese history and culture. After these visits, participating teachers are required to prepare a lesson plan and share their experiences with students.



### **Other community projects and donations**

In the past four years, Everbright has supported victims of the Sichuan earthquake and the Qinghai earthquake, typhoon victims in Taiwan, and impoverished areas in the Mainland. The Group helped the Central Conservatory of Hong Kong Foundation and the Jackie Chan Charitable Foundation organise fundraising events. It also hosted the annual charity gala dinner with Lifeline Express. All these activities raised over HK\$10 million for charity.



### **Contributing to socioeconomic and cultural activities**

Everbright is very involved in promoting socioeconomic and cultural activities through the knowledge and influence of its professional sector. The Group’s management holds a number of honourable positions in the financial sector, including Chairman of the Chinese Financial Association of Hong Kong, Vice Chairman and Founding Member of the Chinese Securities Association of Hong Kong, and standing member of the China Mergers and Acquisitions Association. In 2013 Chen Shuang, Chief Executive Officer of the Group, was also appointed as a non-official member of the Financial Services Development Council, who has made many practical recommendations to the Hong Kong Government in relation to the internationalisation of the renminbi and development of the Hong Kong financial market.