
PASSING ON THE LOVE

WITH CARING, UNIQUE CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Everbright draws on its expertise and resources to create deep, meaningful relationships and a 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 into a cross-border macro asset management platform by capitalising on its solid foundation and visionary strategies. With rich knowledge about China, world-class operations and a skilled team, Everbright has achieved strong growth in AUM and expanded its reach beyond Hong Kong and mainland China to overseas markets, taking advantage of recent opportunities presented by the internationalisation of the RMB and cross-border capital flow. During this time the Group 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 is also committed to the communities it calls home. The Group established the China Everbright Charitable Foundation in 2008, which has supported a number of charity initiatives since the global financial tsunami.

These efforts have been recognised by the Hong Kong Council of Social Service, which has presented the Foundation and the Group with “Caring Company” and “Caring Organisation” awards for four consecutive years for achievements in corporate social responsibility. In 2014 the Foundation also received the “5 Years Corporate Partnership with Caritas Award” from Caritas, the largest charitable organisation in Hong Kong, in recognition of its support over the past five years as the sole sponsor of “The Everbright Project”, a social service project that aims to support middle-income individuals in Hong Kong.



Long-term Trusting Partnership with Four Groups of Stakeholders



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 ensure confidence among fund investors' and business partners, the Group implements a proven risk management mechanism that protects mutual capital investors, equilibrium benefits and personnel retention, aiming to build long-term relationships 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 the Group's proprietary funding as risk capital, ensuring the same level of interest from both the fund management teams and investors. An independent investment assessment committee (or similar entity) is also established for each fund to maintain sound operations and protect the interests of external investors. When funds are investing in or exiting from specific projects, the interest stake held by the fund management team is also 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 the global financial crisis. The collapse of large financial institutions led to a review of fundamental thinking 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 fund investors and business partners, the Group held its first Everbright Investment Conference in 2012. The event received positive feedback from institutional investors, business partners and various Everbright business units. In 2013 and 2014, more than 500 attendees from around the world come to learn about the latest developments in Everbright's macro asset management platform, the Group's strategies and prospects, its fund operations, and its business developments and advantages. They also take the opportunity to explore synergistic collaborations across sectors and formats. For the 2014 edition, Everbright also invited key journalists from Hong Kong and the Mainland, enabling the wider business and financial community to learn about the Group and its latest updates through the media.

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 2014 Everbright took part in group or one-on-one meetings with almost 330 institutional investors and analysts. Highlights of these meetings are available on the “Investor Relations” section of the Group’s website.) As a result, six well-known financial institutions generated 30 analyst reports. During the year, the Group undertook a number of reviews of its shareholding structure by examining shareholding volume and changes, helping it conduct investor relations more efficiently. 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. Everbright’s shareholding pattern allows the Board to better understand the investment community’s views and suggestions regarding Everbright’s development strategies.

For the ease and convenience of investors and shareholders, Everbright optimised and upgraded its website (www.everbright165.com) in 2013. 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, visitors can keep abreast of the latest developments at Everbright by subscribing to receive alert of new announcements, circulars and press releases. In 2014 the Group upgraded its website’s back-end configuration, strengthening its log-in function for funds to allow closer communication and information-sharing between fund management teams, clients and investors.

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 are published. These presentations are recorded and made available as webcasts on Everbright’s website for viewing at any time by the public.

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Employees

Everbright 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 its distinguished fund management team upon the principle of “Create Value to Share Value”. Employees share in the fruits of the Group’s success, 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 also organises regular training programmes to boost skill sets and team spirit. In 2013, for example, Everbright held an Outward Bound event in Qingdao for middle and senior management. China-based employees are provided on-the-job training exchanges in Hong Kong, and in 2014 the Group held an exchange visit and training in Shanghai for middle management and back office employees from 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 also arranges talks to facilitate exchange between senior management and new staff, giving management a better understanding of employees and their views, and enhancing contact and interaction. In addition, the Group organises an annual gathering of employees and their families to promote work-life balance.



Everbright places appreciable emphasis on maintaining a productive exchange of information and interactions with its employees via diverse formats. The Group uses an internal email system, “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”, Everbright’s bimonthly electronic periodical, integrates key business information, branding development and scenes of employee life together into one handy publication, which is 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 varied reading habits of employees. In order to offer more convenience for employees and improve work efficiency, Everbright 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 2012 Everbright set up a volunteer team that gives staff the chance to give back to society by participating in charitable initiatives. This programme also serves to further enhance camaraderie among employees. During 2014 the Group’s management and employees volunteered at a home-based child care service center, a special child care centre, “Lifeline Express Hospital Eye-Train” and other social service agencies. Management and employees also formed teams and participated in charitable activities such as the “Sowers Action Challenging – Charity Hiking”. The Group will continue to organise regular volunteer activities so that Everbright can continue to grow and serve the community.

The overall effect of these staff initiatives – including timely information-sharing, diverse company activities, staff welfare programmes and incentives – is to help build a closer partnership with employees. These efforts have also resulted in meaningful contributions to the Group’s business success in terms of establishing its own fund teams, and retaining and recruiting the best talent.



Community

In Hong Kong, the Government, social service groups, corporate philanthropy organisations, individuals and others contribute much-needed resources to help those in need. As a CSR-committed corporation, Everbright is a strong supporter of disaster relief and poverty relief. The Group has given generously to disaster victims and impoverished 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 Province. After the visit, teachers talked to students about what they saw and heard during



their travels, enriching the students’ National Education curriculum and deepening 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 helping this worthy cause cure cataract patients in poverty-stricken areas in the Mainland. The middle class, social workers and teachers share a common trait: 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 Everbright Project has organised several major seminars and nearly 400 service activities. These activities proved the popularity of the Project. As at the end of 2014, they had drawn the participation of over 8,000 people, showing high demand among the middle class. In addition, the Everbright Project has held more than 120 corporate workshops that help companies and their employees build harmonious interpersonal relationships and achieve sound work-life balance. The Everbright Project has also invited renowned local academics to carry out several comprehensive studies on the stress levels of the middle class in Hong Kong, later issuing a report and hosting a press conference that generated wide media coverage of the survey results. The survey report was also submitted to relevant Government departments, which made the Everbright Project not just a service initiative, but also a communication platform for the Government and the middle class. As at the end of 2014 the Everbright Project had more than 2,200 registered members and nearly 150 registered volunteers. The Everbright Project’s services have benefited over 20,000 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”). 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 trainees acquire the knowledge and skills required for post-disaster support and other social services, such as crisis management, counselling and social worker skills.

Project Companion was officially launched in early 2013 with two-year operations in Wuhan, Chengdu and Harbin. After recruiting over 70 Hong Kong social workers as teachers, and training over 900 social workers in the Mainland, the Project set up a Project Companion Team of 60 social workers who provided professional post-disaster counselling and support. Following the Sichuan earthquake, Project Companion immediately dispatched the Project Companion Team to affected areas, putting the Project into practice. In August 2014 there was a dust explosion at a Zhongrong factory in Kunshan, Jiangsu Province. Project Companion arranged a four-day training for social workers that focused on practical skills for intervention in disaster



relief, hospital visits, and techniques in providing companionship and emotional counseling. More than 500 people have benefited from Project Companion over the last two years, gaining the initiative 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 national education programme providing Hong Kong teachers with a chance to visit heritage sites and understand new development in mainland China. Running under a different cultural topic every year, the programme brings 40 to 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

Over the past five years, Everbright has supported people impacted by the Sichuan and Qinghai earthquakes, 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 has also supported Lifeline Express's annual charity gala dinner as the title sponsor for three consecutive years. Donations to all these charitable activities exceeded HK\$10 million.



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. Since 2013 Chen Shuang, Chief Executive Officer of the Group, has served as a non-official member of the Financial Services Development Council of Hong Kong, which 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.



Environmental Protection and Energy Conservancy

Since 2006 Everbright has been investing in environmental protection and renewable energy enterprises including Goldwin Science and Technology Co., Ltd, CECEP Wind Power Corporation Co., Limited, and Beijing Jingneng Clean Energy Co., Limited. The Group also supports the overall development of the sector. Everbright has also instituted numerous energy-saving and conservation initiatives throughout its operations. For example, employees are advised to switch off their computers and monitors after work and make photocopies on recycled paper. Also, Everbright's annual report is printed on FSC-certified paper.