

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

EVERBRIGHT DRAWS ON ITS EXPERTISE AND RESOURCES TO  
CREATE DEEP, MEANINGFUL RELATIONSHIPS AND A SUSTAINABLE  
ENVIRONMENT IN COLLABORATION WITH ITS SHAREHOLDERS,  
BUSINESS PARTNERS, EMPLOYEES AND COMMUNITIES.





## ABOUT THIS REPORT

This is the third Environment, Social and Governance (ESG) Report ("Report") of China Everbright Limited ("CEL") (Stock code: 165.HK). The Report illustrates the ESG performance of our headquarters in Hong Kong as well as our regional offices in Beijing, Shanghai, Shenzhen and Qingdao in Mainland China.

This Report was prepared with reference to the "Environmental, Social and Governance Reporting Guide" under Appendix 27 to the Main Board Listing Rules of Hong Kong Stock Exchanges and Clearing Limited. This Report covers the operations of our Hong Kong headquarters and regional offices in Mainland China for the period from 1 January 2018 to 31 December 2018.

CEL has incorporated the United Nation's Sustainability Development Goals (SDGs) in our environmental and social management. The following five SDGs out of 17 are most relevant to our stakeholders:



- Ensure healthy lives and promote well-being for all at all ages



- Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all



- Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all



- Reduce inequality within and among countries



- Take urgent action to combat climate change and its impacts

This Report is available in English and Traditional Chinese. An electronic version of the Report can be accessed on our website [www.everbright.com](http://www.everbright.com).

We welcome your comments and feedback on our Report and sustainability performance. Please email us at [media@everbright.com](mailto:media@everbright.com).

## CEL'S APPROACH TO ESG MANAGEMENT

Based in Hong Kong and with the strong support of Mainland China, CEL has ridden years of continued growth to become a leading cross-border investment and asset management platform among Chinese-funded companies. Despite the volatility of international and domestic financial markets in recent years, CEL has capitalised on a solid foundation and visionary strategies to maintain stable operations and achieve strong growth in AUM, expanding its reach overseas beyond Hong Kong and Mainland China. During this time, the Group has maximised benefits and built long-term relationships based on mutual trust with various stakeholders, including shareholders, investors, clients, business partners and employees.

CEL's environment, social and governance performance is outlined in the following chapters of the Report:

### Our Clients and Collaborating Partners; Our Shareholders and Investors

In order to enhance communications and interactions with our fund investors and business partners, seven Everbright Investment Conference were held from 2012 to 2018. The conference attracted more than 3,200 attendees in total, including institutional investors and business partners from around the globe. During the reporting period, CEL participated in a number of investor forum and teleconferences, and carried out two surveys to help further define our shareholder profile. Findings of the surveys are summarised in shareholder reports for the Board's review on a regular basis. These reports allow the Board to better understand investors' opinions and suggestions regarding CEL's development strategies. In addition, the Group's management maintains close communications with shareholders at the annual general meeting.

### Our Employees

Employees are CEL's most important asset. In 2018, the Group has organised 7,492 hours of training for our 359 employees. The Group was also dedicated to providing a healthy and safe working environment and promoting work-life balance to our employees. Our volunteering team encouraged employees to get involved in volunteering services to give back to the society. In 2018, our CEL volunteering team has received the 'Drive for Corporate Citizenship Volunteer Team' accolade from the Hong Kong Productivity Council for three consecutive years.

### Our Community

As a CSR-committed company, CEL is devoted to charitable services. CEL has been a strong supporter of a wide range of charitable events in Hong Kong and China, covering our four main themes namely "Bright Companion", "Vitality Everbright", "Education Support", and "Art Promotions". Our contributions include: forming a close partnership with Lifeline Express to treat cataract patients in poverty-stricken areas; title sponsoring "Orbis • Everbright Moonwalkers" and becoming its "Hong Kong Corporate Partner" to raise funds to restore eyesight to patients around the world; title sponsoring Spartan Race Hong Kong to promote a healthy and self-challenging lifestyle to foster wellness in the body and soul in society; sponsoring UNICEF Charity Run to support UNICEF's work that aim to eliminate the mother-to-child transmission of HIV in developing countries; supported the founding of Dalton School Hong Kong, offering a world-class learning environment for students; title sponsoring "China Everbright Voice of The Stars Story-Telling Scheme" to help cultivate a better understanding and greater awareness of Chinese history among Hong Kong's young people; co-founding a community service programme, The Everbright Project, with Caritas Family Crises Support Centre serving the middle class; support Social Workers Across Borders in launching the "Project Companion – Professional Social Workers in Greater China Scheme" to establish and train a professional team of social workers in Mainland China; jointly launching "Everbright Teachers' Heritage Discovery Tour" with education workers to provide Hong Kong teachers the opportunity to visit heritage sites and understand new development in Mainland China, where teachers are then required to prepare a lesson plan to share their experiences with their students so as to nurture Hong Kong students' sense of belonging to our motherland; also becoming a long term partner of various local art organisations, such as Hong Kong Ballet, Hong Kong Arts Festival, Hong Kong Repertory Theatre and Opera Hong Kong, to promote the development of arts in Hong Kong. Since the establishment of the China Everbright Charitable Foundation, our charitable donations have amounted to over HK\$60 million.

## Our Environment

CEL understands the importance of sustainable development and environmental protection. We have been closely monitoring our greenhouse gas emissions and waste generation. CEL is dedicated to maximising the Group's operational efficiency while minimise environmental impacts

through greenhouse gas management, energy conservation, waste management and recycling, material purchase and resource utilisation. In 2018, our greenhouse gas emission intensity per employee was reduced by 5% compared with the previous year.

## OUR CLIENTS AND COLLABORATING PARTNERS

CEL's Macro Asset Management platform connects the thriving Mainland China and Hong Kong markets, which both possess huge potential. In recent years, the Group has also actively sought overseas investment and cooperation opportunities. In order to strengthen confidence of fund investors and business partners, the Group employs a proven mechanism in risk management, protects mutual capital and benefits, and focuses on personnel retention. CEL seeks to establish a trusting, long-term relationships with their clients and partners.



Before seeking external funding, the Group invests a certain amount of seed capital in each fund to demonstrate its confidence and commitment. During the capital commitment period, investment teams are required to invest a certain ratio 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

(or similar entity) is also established for each fund to maintain sound operations and protect the interests of external investors. When funds are used for investing in or are being exited from a specific project, the interest stake 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 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 and Risk Management Reports in our 2018 Annual Report for details), the Group has managed to achieve fast yet steady growth in 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, which received positive feedback from attendees as well as CEL's various

business units. The conference has been held every year since then, and has taken place in Sanya, Shanghai, Xiamen, Chongqing, Qingdao, Hong Kong and Hangzhou, in that order, over the past seven years. The conference has attracted more than 3,200 attendees in total, including institutional investors and business partners from around the world. Attendees are updated on the latest developments in CEL's macro asset management platform, the Group's strategies and prospects, its fund operations, and its business developments and advantages. They also take advantage of the opportunity to explore synergistic collaborations across sectors and areas. Since the 2014 event CEL has also invited key journalists from Hong Kong and the Mainland, enabling the wider business and financial community to learn the latest news about the Group through leading media outlets.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT / continued





## OUR SHAREHOLDERS AND INVESTORS

To enhance corporate transparency and disclosure, CEL places significant emphasis on maintaining strong communication channels with shareholders and investors. In 2018, the Group has participated in 19 investor forums and roadshows organised by CICC, CITIC, HSBC, Citibank, HTSC, and others. The Group has shed light on its strategies and performance through exchange in a sustainable, genuine, accurate and complete manner with institutional investors and analysts from across the globe. Highlights of these conferences are available under the “Investor Relations” section of the Group’s website.



As of 31 December 2018, eight analyst reports on the Group have been published by three well-known institutions, and a number of research reports have been published by other institutions. The Group also summarised shareholder reports for the Board’s review on a regular basis. The report is generated from the analysis of a series of investor relations work carried out through two surveys on the Group’s shareholder profile throughout the year, covering shareholdings and patterns. It included external communications, investor feedback and changes in stock price, and allows the Board to better understand investors’ opinions and suggestions regarding CEL’s development strategies.

For the ease and convenience of investors and shareholders, CEL’s website ([www.everbright.com](http://www.everbright.com)) underwent a face lift in 2017 with a compelling layout design and functionality to support its business growth and international branding. The website revamp reorganised the structure and design of the pages. A mobile version of our website has also been set up for the ease and interest of mobile phone users. Our clients and investors can communicate closely and share information with our fund management teams via the login function for funds on the website. In 2015, CEL also launched its WeChat public account (WeChat ID: chinaeverbright), providing another convenient and diversified information channel for stakeholders and the public.



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

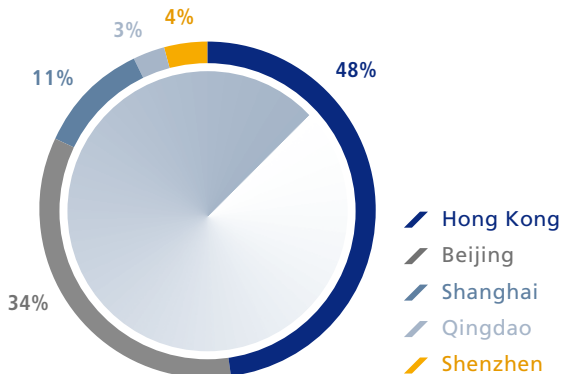
## OUR EMPLOYEES



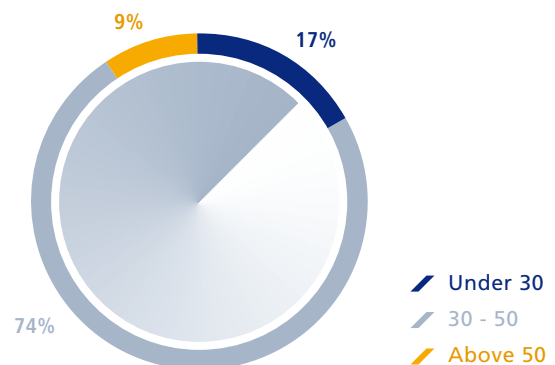
The Group sees its employees as partners and its most important asset. The Group recruits top-notch talent from the financial sector and builds its distinguished management team in accordance with the principle, "Create Value to Share Value". Employees are able to share the fruits of the Group's success, through creating economic value and enhancing work efficiency. We have a Staff Handbook in place to protect our employees from any form of discrimination due to gender, disability, family status, marital status, race, and so on, and against any related harassment and slander. In order to provide a safe working environment and prevent occupational accidents, our Occupational Safety and Health Policy has a list of safety measures for employees to follow. For instance, we encourage new employees to participate in fire drill conducted by the building's management office annually and maintain a fire drill attendance record to track the employee's awareness on safety. In addition, we conduct safety audit in the office to ensure the safety of the working environment and check that all escape routes are free from obstruction.

The Group is dedicated to promote equality in the workplace and has employed staff from different age groups. As of 31 December 2018, the Group had 359 employees, all of which were employed on a full-time and permanent basis. The ratio of male to female staff was 1.1:1.

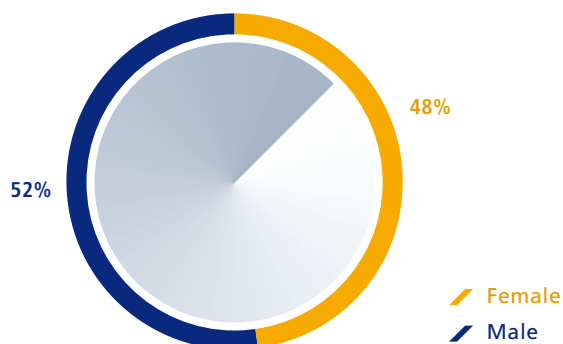
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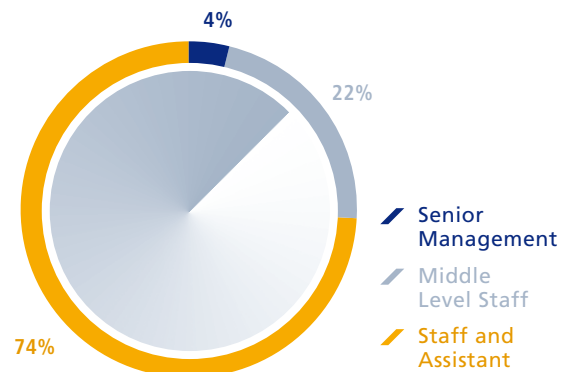
### BY AGE GROUP



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### BY EMPLOYEE CATEGORY

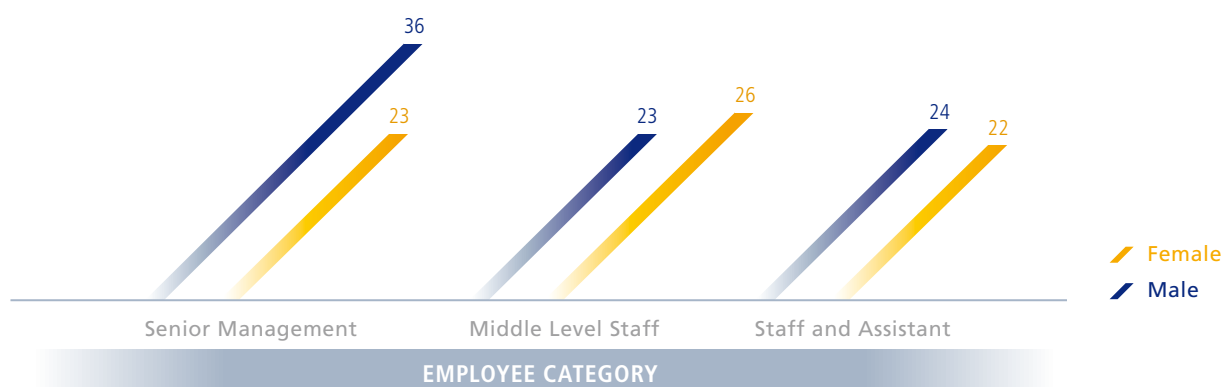




## Employee Training and Development

According to the Group's Training and Development Policy, all new joiners have an annual 30-hour training target, while existing employees' target is 20 hours. In order to further standardise employee development programmes, the Group has developed a training system, that sets an annual training target hour according to the years of service of the employee, and takes it into consideration during appraisals. This encourages employees' involvement in both internal and external training activities, boosting their personal skill sets to align with the Group's development strategies, and thus increasing the Group's competitiveness in the industry. During the reporting period, our employees have undergone 7,492 hours of training, including 25 internal training sessions, covering topics such as business ethics, anti-money laundering, taxation, risks, macroeconomic trends, soft skills, online courses, personal wellness and others. All employees received training during the reporting period. To extend our care to our employees, the Group has rolled out a series of personal wellness courses in 2018, including setting up an Employee Assistance Programme (EAP) where specialists are invited to provide assistance and consultation to our employees and their families.

### 2018 AVERAGE TRAINING HOURS (Hours)



The Group also arranges exchange visits every year for employees in Hong Kong and the Mainland to enrich their experiences and exchange views. The Group has been arranging exchange tours between Hong Kong and Mainland China since 2013, allowing employees across regions to enrich their knowledge of our business operations in Mainland China and foster closer collaboration and communication between our teams. In line with its growing overseas activities, the Group has organised overseas training for outstanding employees.



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT / continued



New hires receive a clear overview of the Group through online orientation training sessions on human resources, brand culture and compliance. The Group also arranges meetings to facilitate conversation between senior management and new hires, which not only enables better understanding of employees and their views, but also enhances contact and interaction. General new hires are automatically enrolled into our mentor-mentee programme, which provides timely support and guidance in adapting to our corporate culture and working environment.

The Group's Staff Handbook has laid out key information on employee management, remuneration, welfare, attendance policy, working hours, leave, equal opportunity, anti-discrimination, code of conduct, and so on. In addition to the Staff Handbook, all employees must strictly follow the Group's Anti-Money Laundering Policy and Whistleblowing Policy, which prescribe the relevant laws and their implementation, as well as related audit procedures, regular training, and prevention of corruption, blackmail, fraud and money laundering.

## COMMUNICATION AND CONNECTION

The Group puts considerable effort into maintaining productive information exchange and interaction with its employees via various means of communication. The Group uses an internal email system, "Partner Express", as its platform for publishing company news and real-time information. Institutional investors and media receive relevant content in the form of presentations and press releases. The "Partner", CEL's bimonthly electronic periodical, integrates key business information, branding development and snapshots of employee life together in one handy publication, which is disseminated through 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 copies of the year into a single book, to accommodate employees' reading habits. In order to offer greater convenience to employees and improve work efficiency, CEL has developed an online collaborative Office Automation Platform with comprehensive functions and mobile apps, allowing employees to access company information and conduct administrative work from anywhere, whether they are in or out of the office.





## VOLUNTEERING SERVICES

In 2012, CEL set up a volunteer team to encourage employees to contribute to society by participating in charitable initiatives. This programme also serves to further enhance camaraderie among employees. Over the past few years, CEL's volunteer team has visited nursing homes, special child-care centres and schools, as well as sheltered workshops. The team has also prepared meals for the elderly with Food Angel, joined garden maintenance activity at a historical monument, hosted mural painting in schools and took part in outreach activities. The team has also participated in the "Sowers Action Challenging – Charity Hiking" for four consecutive years. A parent-child visit to Shangdong, Heilongjiang, Guiyang, Jilin and Xinjiang at the eye-train hospital by Lifeline Express were also among the many volunteering services we participated in, which are strongly supported by our colleagues. In 2018, CEL invited district councillors from the Sham Shui Po and Central-Western Districts to take part in volunteering services with a view to get first-hand experience with the living standards of families and secondary school students with limited caring support, and raise awareness and improve living standards with the assistance of the councillors.

CEL's volunteer team has been awarded the "Drive for Corporate Citizenship Volunteer Team" accolade from Hong Kong Productivity Council for the past three consecutive years starting 2016.





## WORK-LIFE BALANCE

In the past few years, the Group has built a closer partnership with employees through various initiatives, including timely information sharing, diverse activities, staff welfare programmes and incentives. These efforts have also resulted in meaningful contributions to the Group's business success in terms of retaining and recruiting the best talent.

The Group puts great care in employees' work-life balance by providing various kinds of training and events, such as an "Escape Room" activity, "Moon Light" crafting workshop and CNY New Year Family Day, cultural activities such as discounted tickets to ballet performances, recreation activities such as orienteering competitions, sports activities such as industry basketball league enrolment and so on. These are designed to meet the range of different interests of our employees.



## AWARDS

In recognition of the Group and China Everbright Charitable Foundation's work, CEL has been awarded a "Caring Company" and "Caring Organisation" for seven consecutive years since 2011, acknowledging the Group's efforts and involvement in corporate social responsibility.

For four consecutive years since 2015, the Hong Kong Productivity Council and the Promoting Happiness Index Foundation have jointly awarded a "Happy Company" label to CEL in recognition of its commitment to build a caring corporate culture and recognising employees' quality of life. This was evidenced by the Group's conscientious efforts to create a pleasant working environment for employees. In addition, CEL has been awarded its second consecutive years as a "Manpower Developer" for outstanding achievement in the Employees Retraining Board Manpower Developer Award Scheme which recognised the Group's effort in talent development. CEL was also named as Family-Friendly Employers and has received Special Mention 2017/18 from the Home Affairs Bureau and the Family Council for two consecutive years, the company's efforts praised in their promotion of core-values relating to a healthy work-life balance for their employees.



## OUR COMMUNITY



Giving back to society is an important part of CEL's CSR efforts. While we develop our business, we strive to use our expertise and resources to maximise the benefits of stakeholders, and establish long-term, trusting partnerships with them in accordance with our "CSR Policy". We divide our stakeholders into four groups and actively give back to the society through different aspects. As a

company committed to corporate social responsibility, CEL is a strong supporter of disaster and poverty relief. The Group also contributes long-term support to many social service projects, most of which are unique, sustainable in nature, and benefit those who are often overlooked in society and given limited resources and support.

In 2008, CEL established the China Everbright Charitable Foundation (CECF), a charitable organisation recognised by the Hong Kong Government. CEL has been a strong supporter of a wide range of charitable events since the establishment of the foundation, covering our four main themes "Bright Companion", "Vitality Everbright", "Education Support", and "Art Promotions". Our contributions include: forming a close partnership with Lifeline Express to treat cataract patients in poverty-stricken areas; title sponsoring "Orbis • Everbright

Moonwalkers" and becoming its "Hong Kong Corporate Partner" to raise funds to restore eyesight to patients around the world; title sponsoring Spartan Race Hong Kong to promote a healthy and self-challenging lifestyle to foster wellness in the body and soul in society; supporting the founding of Dalton School Hong Kong, offering a world-class learning environment for students; title sponsoring the "China Everbright Voice of The Stars Story-Telling Scheme" to help cultivate a better understanding and greater awareness of Chinese history among Hong Kong's young people; forming partnership with Caritas Family Crises Support Centre to launch the Everbright Project that serves the middle class; supporting Social Workers Across Borders to launch the "Project Companion • Professional Social Workers Greater China Scheme" to train up social workers in China; jointly launching "Everbright Teachers' Heritage Discovery Tour" with education workers to provide Hong Kong teachers the opportunity to visit heritage sites and understand new development in Mainland China, and then required to prepare a lesson plan to share their experiences with their students so as to nurture Hong Kong students' sense of belonging to our motherland; and also becoming a long term partner of various art organisations in Hong Kong, including Hong Kong Ballet, Hong Kong Arts Festival, Hong Kong Repertory Theatre and Opera Hong Kong to promote the development of arts in Hong Kong.

### Bright Companion

CEL's Chinese and English name of "Everbright" symbolises the company's vividness and optimism, in line with our aim to create a bright future and support to the needy through our actions. In recent years, CEL has supported sight-saving campaigns of "Lifeline Express" and "Orbis", hoping to restore eyesight to the visually impaired around the world.

- ✓ **"Lifeline Express": A mobile eye-train hospital providing free surgical operations for cataract patients in remote, poverty-stricken areas in the Mainland**

Over the past couple of years, CEL has formed a close partnership with Lifeline Express, becoming one of the largest funding sources helping the charity treat cataract patients in poverty-stricken areas in the Mainland. CEL has served as a sponsor of Lifeline Express' annual fundraising dinner for seven consecutive years. It has made substantial donations in support of the Lifeline Express Charity Golf Day fund raising events and the Group's CEO,



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT / continued

Mr. Chen Shuang, has participated in the charity concert. Starting from 2014, the Group, together with Lifeline Express, has arranged for a parent-child group to visit the eye-train hospital and cataract patients for five consecutive years in Shandong, Heilongjian, Guizhou, Jilin and Xinjiang, providing help for paramedics and bringing love to patients. In 2016, with support from CEL, Lifeline Express has travelled outside of China for the first time to Sri Lanka, providing treatments to the blind. In 2018, CEL continued supporting Lifeline Express as part of our initiative in aligning our business development with the “Belt and Road” Policy. Our support has extended to charity involvement and the civilisation development in the region.



#### “Orbis”: International sight-saving organisation

CEL partnered with Orbis, the world’s largest sight-saving organisation across the globe, for the first time in 2017 as the title sponsor of their annual flagship fund-raising event “Moonwalkers”. This event gives participants a chance to experience the joy of restored vision by experiencing the loss of eyesight through a walk from dark to light, symbolising the blind being able to walk out of darkness. In 2018, CEL became Orbis’ “Hong Kong Corporate Partner” to support its sight-saving campaigns across the globe, and to help restore the eyesight of cataract patients.



救盲伙伴 2018-19  
Corporate Partner



## Vitality Everbright

CEL has an energetic corporate image thanks to our staff and management's enthusiasm for sports. Through participating in various running/walkathon events, CEL has made substantial donations to a number of charitable organisations.

### ✦ Spartan Race Hong Kong

In 2018, CEL title sponsored "Spartan Race Hong Kong". Spartan was first organised in 2007 in USA, and the event has since then expanded to 30 countries and 240 races around the world in 12 years. It was launched in Hong Kong in 2016 and became a signature event for elites in two years' time. The event was welcomed by financial institutions and HSBC, ICBC, UBS, BNP Paribas, and Barclays participated in the event to show team spirit.

As a highly popular and challenging obstacle race, the event received an overwhelming response and attracted more than 13,000 racers joining the competition in April and November. With perseverance and grit, racers took part in a tough 6km course featuring 20 obstacles. Spartan Race not only tests physical strength, willpower and endurance of its participants, but also promotes a healthy and self-challenging lifestyle to foster wellness in the body and soul in society.



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT / continued

### Oxfam Trailwalker

For the third consecutive year, the Group's CEO, Mr. Chen Shuang, led a team for the Oxfam Trailwalker, Hong Kong's largest fund-raising hiking activity. The team managed to complete a 100 km hiking trail in 28 hours and 54 minutes and raised more than HK\$200,000. This year, the Group's CEO, Mr. Chen Shuang, was invited by the Chairman of the Oxfam Trailwalker Advisory Committee, Mr. Bernard Chan, to participate in the "Leader Walk". The event was available to only 20 or so invited business leaders, including Vice President of the Fok Ying Tung Group, Mr. Fok Kai Kong, and the CEO of AIA Hong Kong and Macau, Mr. Peter Crewe, among other notable persons.



### UNICEF Charity Run

The Group has participated in the "UNICEF Charity Run" for three consecutive years. This year, our CEO, Mr. Chen Shuang, together with four of our colleagues, ranked in eighth place in the 21km half marathon enterprise relay race competing with over 30 corporate teams. In addition, approximately 30 employees and their families participated in the 10km race and the 3km family run. Through participating and sponsoring this charity event, CEL supports UNICEF in their work to prevent the transmission of HIV in developing countries.





## Education Support

Since the establishment of CECF, the Group has supported various community projects relating to education, childcare and young people. By promoting a range of social work, we are contributing to the fostering of the next generation.

### ✓ Dalton School Hong Kong: A top-notch teaching team, boasting a world-class learning environment for children

After years of preparation and support from CECF, Dalton School Hong Kong (DSHK) was officially opened in mid-August 2017. DSHK is a new non-profit, bilingual primary school that has both Mandarin and English as its language of instruction. What sets DSHK apart from other schools is its unique child-centred program based on the world-renowned Dalton plan, along with its partnership with the esteemed Tsinghua University Primary School to provide a strong emphasis on Chinese language, culture and values. Establishing an international school not only meets its extraordinary demand, but also combines Chinese traditional education with international teaching methods, and enhances Hong Kong students' awareness of Chinese culture and history. In 2018, our CEO, Board of Director of Dalton Foundation as well as the Chairman of the fundraising Committee, Mr. Chen Shuang, has fully supported the fundraising work of the foundation and has sponsored "Little Basel" which aims to contribute to the development of arts in Hong Kong by creating an unique art exhibition that serves as an educational and interactive platform for students to learn.



### ✓ "China Everbright Voice of the Stars Story-Telling Scheme": A project to promote understanding and greater awareness of Chinese History among the young generation in Hong Kong



To help cultivate a better understanding and greater awareness of Chinese history among the younger generation in Hong Kong, CEL launched the "China Everbright Voice of the Stars Story-Telling Scheme" in 2016. Title-sponsored by CEL, the project is run by Endeavour Education Centre Limited with a mission to provide opportunities for local youths to learn more about China's history and culture, and acquire a more solid understanding of the country's development. Through different avenues and platforms, and by organising a diverse range of activities, the project aims to help the younger generation develop a historical perspective and sense of belonging to China, as well as cultivate a positive attitude towards learning so that youths will contribute to the future development of Hong Kong and China.

The project invited celebrities, radio DJs and famous community members to make audio recordings on different topics for the Chinese History for Children series. These audiobooks were distributed as gifts to all primary and secondary schools in Hong Kong. The books are intended to engage students with interesting stories and cultural anecdotes from China's past. In addition, the project also broadcasts stories on Endeavour Education Centre's website. On top of that, there is an online quiz with prizes to generate interest among students and their parents in reading these books together – an activity that will promote closer family ties and enhance their understanding of Chinese history.



## Art Promotions

Throughout the years, CEL has promoted local art development by supporting various local art organisations in Hong Kong, promoting widespread interest among the general public for the refinement and elegance of arts.

### Hong Kong Ballet

Since 2015, CEL has been title sponsoring classical productions of Hong Kong Ballet including "Nutcracker", "Swan Lake" and "Don Quixote", as well as their "Mixed Bill" programme in Mainland. In 2018, CEL title sponsored "Giselle" and the 1st Annual International Gala of Stars. Through donations to Hong Kong Ballet's "Accessibility Fund", the Group offered free tickets to underprivileged families in the New Territories to enjoy ballet performances for the third year running.



### Hong Kong Arts Festival

In March 2018, CEL title sponsored the "Asian Premiere of Bosch Dreams", a co-production by Les 7 Doigts de la Main and Theatre Republique in the 46th Hong Kong Arts Festival, which was a presentation of a remarkable international performance to audience in Hong Kong.

### Hong Kong Repertory Theatre

In August 2018, China Everbright Limited title sponsored a highlighted drama production by Hong Kong Repertory Theatre – "Hu Xueyan, My Dear" that toured both Hong Kong and Mainland China. As a leading cross-border investment and asset management company in Hong Kong and Mainland China, CEL serves as a bridge to bring the excellence of Hong Kong drama to Mainland audience promoting Hong Kong culture while also fostering connections and development of arts and culture between Hong Kong and Mainland China.



#### Other Community Projects and Donations

Over the past few years, CEL has supported disaster relief efforts following the Sichuan and Qinghai earthquakes, and also aiding victims of the typhoons in Taiwan, and people living in impoverished areas in the Mainland. The Group has also helped the Central Conservatory of Hong Kong Foundation and the Jackie Chan Charitable Foundation in organising fundraising events. In 2018, the Group has supported numerous community projects relating to childcare and teenagers, including the sponsoring “Yo Dancical” party by Youth Outreach for the fourth consecutive year, an organisation that is committed to turning at-risk teenagers into positive teenagers; funding the “Daddy Daughter Ball” hosted by The Child Development Centre to help children with special educational needs in Hong Kong for the fourth consecutive year; sponsoring the “Teach for China Gala” to raise funds in support of education for poor children in China; becoming one of the supporting organisations for Our Hong Kong Foundation to promote the development of Hong Kong’s economy, technology and innovation, culture, and so on. Since its establishment, CECF’s donations to all these charitable activities have exceeded HK\$60 million.



#### Contributing to Socioeconomic and Cultural Activities

The Group is involved in promoting socioeconomic and cultural activities through its knowledge and influence in the financial sector. Our CEO, Mr. Chen Shuang, holds a number of honourable positions in society, including Honorary Chairman of the Chinese Financial Association of Hong Kong that promotes exchanges and communications between Hong Kong and Mainland’s financial industry and strengthens cooperation with relevant institutions, and contributes to the reform and development of the financial industry in Hong Kong and Mainland. Regarding the Chinese Financial Association of Hong Kong, Mr. Chen was involved in the reorganisation of the association, recruitment of members and formation of a membership system. Mr. Chen is also the Vice Chairman of the Chinese Securities Association of Hong Kong, where he safeguards the common interests of Chinese-funded securities and related companies, creates a conducive business environment, and contributes to the stability and prosperity of Hong Kong’s economy. In addition, as the Vice-chairman of China Mergers and Acquisitions Association, Mr. Chen not only ensured the establishment of the Hong Kong branch, but also promoted the standardisation and maturity of the Chinese mergers and acquisitions market; his work also promotes the deep integration of industrial capital and financial capital, and the globalisation of Chinese enterprises. Moreover, Mr. Chen is the Standing Committee Member of the Centre for China and Globalisation committed to the study in China’s globalisation strategy, global governance, talent internationalisation and corporate internationalisation. Mr. Chen Shuang has also served as a non-official member of the Financial Services Development Council of Hong Kong (FSDC), where he has made many practical recommendations to the Hong Kong Government in relation to the globalisation of the Renminbi and development of the Hong Kong financial market. In 2017, in order to promote the development of the aircraft leasing and aviation financing industry in Hong Kong, Mr. Chen served as the Chairman of Hong Kong Aircraft Leasing and Aviation Finance Association, and proposed practical recommendations on taxation to the Hong Kong Government in facilitating Hong Kong’s development towards an aviation and financial centre.

Furthermore, Mr. Chen currently serves as the Counsellor of Our Hong Kong Foundation in supporting the Hong Kong Government’s large-scale events and policy researches which aim to foster social cohesion, economic prosperity and development of sustainability. He is also a Member of the Strategic Committee of France China Foundation. CEL, as a Master Member of the Strategic Committee of France China Foundation, has strengthened communication and cooperation between China and France by supporting various activities. Mr. Chen is also a Visiting Professor of East China University of Political Science and Law and has played a significant role in promoting education and cultivating talents.

In 2017, Mr. Chen Shuang was appointed as a non-official JP by the HKSAR Government for his contribution in the financial industry and the society.

## OUR ENVIRONMENT



CEL understands the importance of sustainable development and environmental protection, and has been investing in environmental protection and renewable energy enterprises since 2006, including Goldwind Science and Technology Co., Ltd, CECEP Wind Power Corporation Co., Limited, Beijing Jingneng Clean Energy Co., Limited, Chongqing Taike Environmental Protection Technology Co., Guodian Northeast China Environmental Protection Industry Group Co., Ltd., Zhejiang Wangneng Environment Co., Ltd, Beijing JeeGreen Technology Co., Ltd, Anhui Yuanchen

Environmental Protection Polytron Technologies Inc., Shenyang Shengyuan Water Affairs Co., Ltd, Dalian Wastewater Treatment Project, among others. The group also supports the overall development of the environmental protection sector.

In our offices, CEL has identified energy and paper usage, and waste generations as its key environmental impact. Therefore, the Group has instituted various environmental protection policies, aiming to minimise its environment impact while sustaining its operational efficiency at the same time.

### Energy Conservation

Energy consumption is a major cause of environmental destruction. CEL has initiated different measures to reduce energy usage. In order to cultivate awareness of environmental protection among employees, the Group's "Green Office and Sustainable Procurement Policy" has a strict requirement on employees' conduct, so as to reduce energy use in day-to-day operations. Employees are encouraged to conserve energy by turning off their computers and monitors after working hours. Our printers are switched into energy-saving mode automatically when not in use to reduce energy usage. Notices on switching off computers and monitors before leaving the office are sent out to all employees before long holidays. In 2018, our electricity consumption intensity and fuel consumption intensity was reduced by 7% and 2% respectively.

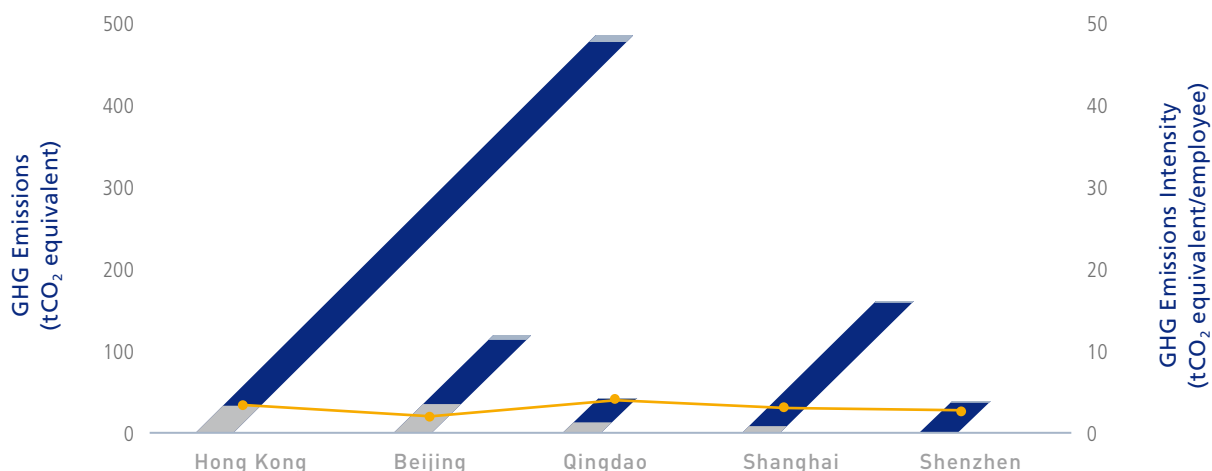
|             | DIRECT ENERGY CONSUMPTION | DIRECT ENERGY CONSUMPTION INTENSITY |
|-------------|---------------------------|-------------------------------------|
| Electricity | 993,067 kWh               | 2,766 kWh/employee                  |
| Fuel        | 27,347 L                  | 76 L/employee                       |



## Greenhouse Gas Emissions and Management

Effective management of greenhouse gas (GHG) emissions is one of the pressing topics in environmental protection. Our GHG emissions are calculated according to "Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purpose) in Hong Kong (2010 Edition)"<sup>1</sup> compiled by the Electrical and Mechanical Services Department and the Environmental Protection Department. The emission intensity is used as a reference for the Group in monitoring future GHG emission performance. Our overall GHG emissions intensity in 2018 has been reduced by 5% compared to the previous year, at 2.4 tCO<sub>2</sub> equivalent/employee.

### GHG EMISSIONS IN 2018



|                                         | Hong Kong | Beijing | Qingdao | Shanghai | Shenzhen |
|-----------------------------------------|-----------|---------|---------|----------|----------|
| Other Indirect GHG Emissions (Scope 3)  | 3.0       | 4.5     | 0.6     | 2.9      | 3.6      |
| Energy Indirect GHG Emissions (Scope 2) | 455.4     | 91.1    | 28.3    | 150.9    | 35.4     |
| Direct GHG Emissions (Scope 1)          | 25.8      | 26.5    | 12.4    | 9.4      | 0.0      |
| Intensity                               | 2.8       | 1.0     | 4.1     | 4.0      | 2.6      |

## Waste Management and Recycling

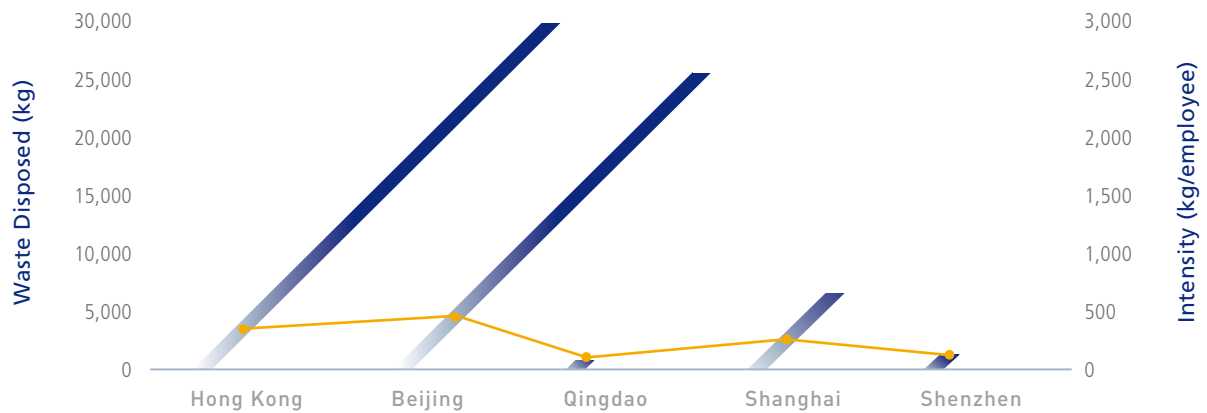
Waste is generated mainly from office operations. Cultivating a habit of recycling among employees is key in our environmental protection initiative. A recycling box for paper is placed next to every printers to make paper cycling easier for all employees. Employees are also encouraged to recycle toner cartridges. The waste collection service is provided by the building's management and disposed of designated waste collectors.

During the reporting period, we recycled 3,217 kg of paper and 93 cartridges<sup>2</sup>.

<sup>1</sup> GHG calculation includes: direct fuel consumption (scope 1), electricity consumption (scope 2), paper and drinking water (scope 3); Emissions factors for electricity purchased is referenced to the latest information released by Hong Kong Electric and "Average CO<sub>2</sub> Emission Factor of Regional Grids of China in 2011 and 2012" released by National Development and Reform Commission.

<sup>2</sup> Includes Hong Kong and Qingdao Offices.

## WASTE DISPOSAL IN 2018



|                | Hong Kong | Beijing | Qingdao | Shanghai | Shenzhen |
|----------------|-----------|---------|---------|----------|----------|
| Waste Disposal | 29,520    | 25,100  | 383     | 6,204    | 632      |
| Intensity      | 171.6     | 207.4   | 38.3    | 151.3    | 42.1     |

### Material Use

In order to lessen the burden on our environment, CEL pays special attention when sourcing materials. As printing paper ranks at the top out of our material consumption, the Group has a strict requirement in choosing printing paper. According to the Group's "Green Office and Sustainable Procurement Policy", both Hong Kong and the Mainland offices are required to use Forest Stewardship Council (FSC)-certified paper from responsible forest resources that discourage deforestation. Paper publications such as CEL's annual report and our business cards and envelopes are also printed on FSC-certified paper. When purchasing office equipment, the Group opts for printers with energy conservation functions and energy-saving lighting such as LED lights.

To reduce our impact on the environment in our supply chain, the Group chooses environmentally responsible suppliers in accordance with the "Green Office and Sustainable Procurement Policy". Our printing paper suppliers are ISO 14001 certified, proven to possess an effective environmental management system.

### Resource Utilisation

Reducing wastage is one of the Group's operational principles. Efforts have been made in different aspects to conserve resources and reduce waste generation. The Group's online collaborative Office Automation Platform and mobile app now covers various procedures for daily administration, management and approval, which has enabled the paperless office concept. Last year, the Board of Directors and Board of Committees have implemented "paperless meetings" to support environmental protection. In addition, the default printing modes for new hires are set to black-and-white and employees are also encouraged to make photocopies with scrap paper.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE CONTENT INDEX

China Everbright Limited's 2018 Environmental, Social and Governance Report is prepared with reference to the "Environmental, Social and Governance Reporting Guide" under Appendix 27 to the Main Board Listing Rules of Hong Kong Stock Exchanges and Clearing Limited. The following table provides an overview on the Subject Areas, Aspects and their General Disclosures, as well as the Key Performance Indicators (KPI), which are either referred to the relevant chapters of the Report or supplemented with additional information.

| KPIs                        | DESCRIPTION                                                                                                                                                                                                                                                                  | CROSS-REFERENCE/REMARKS                                                                                                                                                                                                                                                                                                                                                                                                       |
|-----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Environmental</b>        |                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Aspect A1: Emissions</b> |                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                               |
| General Disclosure          | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws or regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. | We do not hold any relevant policy as our operations do not cause significant impact on the air, greenhouse gas emissions, discharges into water and land, and generation of hazardous waste.<br><br>There are no relevant laws or regulations that have a significant impact on the Group relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. |
| KPI A1.1                    | The types of emissions and respective emissions data.                                                                                                                                                                                                                        | We do not generate significant emissions in our office operations.                                                                                                                                                                                                                                                                                                                                                            |
| KPI A1.2                    | Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).                                                                                                                                          | Our Environment (Page 65)                                                                                                                                                                                                                                                                                                                                                                                                     |
| KPI A1.3                    | Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).                                                                                                                                             | We do not generate any hazardous waste in our office operations.                                                                                                                                                                                                                                                                                                                                                              |
| KPI A1.4                    | Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).                                                                                                                                         | Our Environment (Page 65)                                                                                                                                                                                                                                                                                                                                                                                                     |
| KPI A1.5                    | Description of measures to mitigate emissions and results achieved.                                                                                                                                                                                                          | Our Environment (Page 65)                                                                                                                                                                                                                                                                                                                                                                                                     |
| KPI A1.6                    | Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.                                                                                                                                                               | Our Environment (Page 65)<br><br>We do not generate any hazardous waste in our office operations.                                                                                                                                                                                                                                                                                                                             |



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT / continued

| KPIs                                                    | DESCRIPTION                                                                                                                                                                | CROSS-REFERENCE/REMARKS                                                                                                                                                                                                                                                                                                                                   |
|---------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Environmental</b>                                    |                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                           |
| <b>Aspect A2: Use of Resources</b>                      |                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                           |
| General Disclosure                                      | Policies on the efficient use of resources, including energy, water and other raw material.                                                                                | Our Environment (Page 65)<br><br>Our water supply in offices and washrooms are provided by the building's management. Therefore, we do not have policy on the efficient use of water as it is beyond our control.                                                                                                                                         |
| KPI A2.1                                                | Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility). | Our Environment (Page 65)                                                                                                                                                                                                                                                                                                                                 |
| KPI A2.2                                                | Water consumption in total and intensity (e.g. per unit of production volume, per facility).                                                                               | As the property management could not provide the water consumption figure for the Group's offices, the total water consumption and intensity could not be estimated. However, in 2018, we purchased 12,000 L of bottled drinking water.                                                                                                                   |
| KPI A2.3                                                | Description of energy use efficiency initiatives and results achieved.                                                                                                     | Our Environment (Page 65)                                                                                                                                                                                                                                                                                                                                 |
| KPI A2.4                                                | Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.                                    | Our offices' water is managed by property management. We did not find any issue in water sourcing.<br><br>Measures to improve water efficiency (e.g. installation of appliances with low water consumption) would need to be planned and implemented by the property management. Thus, we are not in the position to plan for improving water efficiency. |
| KPI A2.5                                                | Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.                                                   | We do not generate any packaging material in our office operations.                                                                                                                                                                                                                                                                                       |
| <b>Aspect A3: The Environment and Natural Resources</b> |                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                           |
| General Disclosure                                      | Policies on minimising the issuer's significant impact on the environment and natural resources.                                                                           | Our office operations will not cause any significant impact on the environment and natural resources.                                                                                                                                                                                                                                                     |
| KPI A3.1                                                | Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.                                        | Our office operations will not cause any significant impact on the environment and natural resources.                                                                                                                                                                                                                                                     |

| KPIs                           | DESCRIPTION                                                                                                                                                                                                                                                                                                                   | CROSS-REFERENCE/REMARKS                                                                                                                                                                                                                                                                                  |
|--------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Social                         |                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                          |
| Employment and Labour Practice |                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                          |
| <b>Aspect B1: Employment</b>   |                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                          |
| General Disclosure             | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. | Our Employees (Page 53)<br><br>There are no relevant laws and regulations that have a significant impact on the Group relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. |
| KPI B1.1                       | Total workforce by gender, employment type, age group and geographical region.                                                                                                                                                                                                                                                | Our Employees (Page 53)                                                                                                                                                                                                                                                                                  |
| KPI B1.2                       | Employee turnover rate by gender, age group and geographical region.                                                                                                                                                                                                                                                          | The Group's turnover rate in 2018 (as of 31 December 2018):<br><br>By gender:<br>Male: 16.0%<br>Female: 13.0%<br><br>By age:<br>Under 30: 22.9%<br>Between 30 to 50: 12.8%<br>Above 50: 10.5%<br><br>By location:<br>Hong Kong: 13.6%<br>Mainland China: 15.5%                                           |

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT / continued

| KPIs                                | DESCRIPTION                                                                                                                                                                                                                                     | CROSS-REFERENCE/REMARKS                                                                                                                                                                                                    |
|-------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Social                              |                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                            |
| Employment and Labour Practice      |                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                            |
| Aspect B2: Health and Safety        |                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                            |
| General Disclosure                  | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards. | Our Employees (Page 53)<br><br>There are no relevant laws and regulations that have a significant impact on the Group relating to providing a safe working environment and protecting employees from occupational hazards. |
| KPI B2.1                            | Number and rate of work-related fatalities.                                                                                                                                                                                                     | There were no cases of work-related fatalities during the reporting period.                                                                                                                                                |
| KPI B2.2                            | Lost days due to work injury.                                                                                                                                                                                                                   | There was a total number of five days lost due to work-related injury during the reporting period.                                                                                                                         |
| KPI B2.3                            | Description of occupational health and safety measures adopted, how they are implemented and monitored.                                                                                                                                         | Our Employees (Page 53)                                                                                                                                                                                                    |
| Aspect B3: Development and Training |                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                            |
| General Disclosure                  | Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.                                                                                                                       | Our Employees (Page 53)                                                                                                                                                                                                    |
| KPI B3.1                            | The percentage of employees trained by gender and employee category (e.g. senior management, middle management).                                                                                                                                | Our Employees (Page 53)                                                                                                                                                                                                    |
| KPI B3.2                            | The average training hours completed per employee by gender and employee category.                                                                                                                                                              | Our Employees (Page 53)                                                                                                                                                                                                    |



| KPIs                                      | DESCRIPTION                                                                                                                                                                                | CROSS-REFERENCE/REMARKS                                                                                                                                                                                                                                                                                        |
|-------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Social                                    |                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                |
| Employment and Labour Practice            |                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                |
| <b>Aspect B4: Labour Standards</b>        |                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                |
| General Disclosure                        | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour. | Our Employees (Page 53)<br><br>There are no relevant laws and regulations that have a significant impact on the Group relating to preventing child and forced labour.<br><br>Our operations do not involve any deployment of child or forced labour. Therefore, the Group did not formulate relevant policies. |
| KPI B4.1                                  | Description of measures to review employment practices to avoid child and forced labour.                                                                                                   | The Group regularly reviews its employment practice to ensure that we are in compliance with the Employment Ordinance of Hong Kong, Labour Law of the PRC, and other laws and regulations related to child and forced labour.                                                                                  |
| KPI B4.2                                  | Description of steps taken to eliminate such practices when discovered.                                                                                                                    | The Group has zero tolerance towards such practice. Violations are subject to internal disciplinary actions or handled by relevant authorities.                                                                                                                                                                |
| Operating Practices                       |                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                |
| <b>Aspect B5: Supply Chain Management</b> |                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                |
| General Disclosure                        | Policies on managing environmental and social risks of the supply chain                                                                                                                    | Our Environment (Page 65)                                                                                                                                                                                                                                                                                      |
| KPI B5.1                                  | Number of suppliers by geographical region.                                                                                                                                                | Not applicable                                                                                                                                                                                                                                                                                                 |
| KPI B5.2                                  | Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.                            | Not applicable                                                                                                                                                                                                                                                                                                 |

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT / continued

| KPIs                              | DESCRIPTION                                                                                                                                                                                                                                                                             | CROSS-REFERENCE/REMARKS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|-----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Social                            |                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Operating Practices               |                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Aspect B6: Product Responsibility |                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| General Disclosure                | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. | <p>The Group has not identified material concerns in its operations regarding health and safety, advertising, labelling and privacy matters relating to its services provided, thus a dedicated policy is not in place. Nevertheless, the Group strives to safeguard client assets, protect the interests of all stakeholders and at the same time meet our statutory responsibility as a Hong Kong listed company and parent of a number of regulated entities.</p> <p>There are no relevant laws and regulations that have a significant impact on the Group relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.</p> |
| KPI B6.1                          | Percentage of total products sold or shipped subject to recalls for safety and health reasons.                                                                                                                                                                                          | Not applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| KPI B6.2                          | Number of products and service related complaints received and how they are dealt with.                                                                                                                                                                                                 | Not applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| KPI B6.3                          | Description of practices relating to observing and protecting intellectual property rights.                                                                                                                                                                                             | Not applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| KPI B6.4                          | Description of quality assurance process and recall procedures.                                                                                                                                                                                                                         | Not applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| KPI B6.5                          | Description of consumer data protection and privacy policies, how they are implemented and monitored.                                                                                                                                                                                   | Please refer to General Disclosure.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |

| KPIs                              | DESCRIPTION                                                                                                                                                                                            | CROSS-REFERENCE/REMARKS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|-----------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Social                            |                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Operating Practices               |                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Aspect B7: Anti-corruption</b> |                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| General Disclosure                | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering. | <p>Our Employees (Page 53)</p> <p>In order to promote a healthy development of the socialist market economy, encourage and protect fair competition, prohibit unfair competition, and protect the legitimate rights of operators and consumers, China has implemented the “Anti-Unfair Competition Law of the People’s Republic of China”, and Hong Kong has revised the “Prevention of Bribery Ordinance” to prevent bribery or other related matters. These laws and regulations are of paramount importance to the Group’s investment and asset management activities.</p> <p>We established the “Code of Conduct” in accordance with China’s “Anti-Unfair Competition Law of the People’s Republic of China” and Hong Kong’s “Prevention of Bribery Ordinance”. The Group believes that honesty, integrity and fairness are important values in business activities. Employees must be responsible for their actions. There were no cases of non-compliance during the reporting period.</p> |
| KPI B7.1                          | Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.                                     | There were no legal cases regarding corrupt practices during the reporting period.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| KPI B7.2                          | Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.                                                                                             | Please refer to General Disclosure, Our Employees, and the Corporate Governance section of our 2018 Annual Report.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT / continued

| KPIs                                   | DESCRIPTION                                                                                                                                                                            | CROSS-REFERENCE/REMARKS |
|----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|
| Social                                 |                                                                                                                                                                                        |                         |
| Community                              |                                                                                                                                                                                        |                         |
| <b>Aspect B8: Community Investment</b> |                                                                                                                                                                                        |                         |
| General Disclosure                     | Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests. | Our Community (Page 58) |
| KPI B8.1                               | Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).                                                                            | Our Community (Page 58) |
| KPI B8.2                               | Resources contributed (e.g. money or time) to the focus area.                                                                                                                          | Our Community (Page 58) |