



1508 Xinzha Road, Jing'an District, Beijing, China Zip Code:200040  
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# 2020

## Corporate Social Responsibility Report of

Everbright Securities Company Limited





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# Instructions For Report Preparation

This report is the eleventh annual corporate social responsibility report (referred to as "this report") of Everbright Securities Company Limited (referred to as "Everbright Securities", "the Company" or "we"). This report truly and objectively introduces the activities of Everbright Securities, its branches, business departments and subsidiaries in terms of fulfilling corporate social responsibility in 2020, and focuses on the disclosure of relevant information in the three major categories: the company's society, environment and governance. All financial data in this report is taken from the 2020 H Share Annual Financial Report, which was audited by Ernst & Young Public Accountants in Hong Kong. The reporting data is mainly based on the year 2020. Monetary amounts shown in this report refer to the currency RMB, unless otherwise specified.

## Report Scope

### Time:

This report is an annual report. The reporting period is from January 1, 2020 to December 31, 2020, and some information is beyond the reporting period.

### Organization:

Unless otherwise specified, this report covers the headquarters, branches, business departments and subsidiaries of Everbright Securities. Some information relates to China Everbright Group Co., Ltd. ("Everbright Group").

## Preparation Basis

- ♦ The Guiding Opinions on the Fulfillment of Social Responsibilities by Central Enterprises of the State-owned Assets Supervision and Administration Commission of the State Council.
- ♦ The Notice on Strengthening the Work of Listed Companies to Undertake Social Responsibility and Issuing the 'Guidelines for Environmental Information Disclosure of Listed Companies on Shanghai Stock Exchange and The Guidelines for Internal Control of Listed Companies by Shanghai Stock Exchange.
- ♦ Appendix 27 The Environmental, Social and Governance Reporting Guidelines of the Rules for the Listing of Securities on The Stock Exchange of Hong Kong Ltd. of the Pox Stock Exchange of Hong Kong Ltd. (the "Stock Exchange")
- ♦ Sustainability reporting standards of the Global Reporting Initiative (GRI)

## Confirm And Approve

After the report was confirmed by the board of directors, it was approved by the board of directors on March 25, 2021.

## Report language

This report provides simplified Chinese, traditional Chinese and English versions for readers to refer to.

## Report Principles

- ♦ **Importance:** Based on stakeholder research and data analysis, this report identifies and responds to important social responsibility issues that affect the company's sustainable development. Please refer to P14 of this report for details.
- ♦ **Principle of quantification:** This report has disclosed the company's key performance in the quantification of social responsibilities, please refer to P03、 P06、 P17、 P22、 P31 of this report for details.
- ♦ **Principle of consistency:** This report keeps the indicators used in different reporting periods as consistent as possible. If the key performance indicators change, the changed indicators will be explained and described.
- ♦ **Principle of balance:** The content of this report reflects objective facts, and discloses both positive and negative indicators.

## How To Get The Report

The electronic version of the report is available at Everbright Securities (<http://www.ebscn.com>), Shanghai Stock Exchange (<http://www.sse.com.cn>), Hong Kong Stock Exchange (<https://www.hkex.com>), and cninf ([www.cninfo.com.cn](http://www.cninfo.com.cn)) by downloading.

## Obtain And Respond To This Report

We attach great importance to the opinions of stakeholders and welcome readers to contact us according to the following contact information. Your opinions will help us further improve this report and enhance the overall social responsibility performance of Everbright Securities.

Email: [ebs@ebscn.com](mailto:ebs@ebscn.com)

Contact address: No. 1508, Xinzha Road, Jing'an District, Shanghai

Contact number: (8621) 2216 9999

Fax: (8621) 6215 1789



During the reporting period, the company achieved

Total assets

**228.7** Billion Yuan

Revenue and other income

**21** Billion

Net profit attributable to shareholders of listed companies

**2.3** Billion Yuan

## About Us

Everbright Securities Company Limited was founded in 1996 and is headquartered in Shanghai. It is one of the first three innovative pilot securities companies approved by the China Securities Regulatory Commission ("CSRC"), and also a core financial service platforms of China Everbright Group Co., Ltd. (Referred to as "China Everbright Group"), a Fortune 500 company. The company is listed on the Shanghai Stock Exchange and the main board of the Hong Kong Stock Exchange, and is an A+H-share listed securities dealer.

- Currently, it has **7** first-class wholly-owned and holding subsidiaries, **14** branches, and **254** business departments
- The total revenue and other income in 2020 reached **21** billion yuan, and it was rated as an **AA**-level securities company by the China Securities Regulatory Commission
- The business covers **126** cities in **30** provinces, autonomous regions and municipalities across the country

## Company Profile

Chinese name	光大证券股份有限公司
English name	Everbright Securities Company Limited
Main businesses	Brokerage And Wealth Management Business, Credit Business, Institutional Securities Business, Investment Management Business, Overseas Business
A-share stock code	601788
H-share stock code	06178

## Business Layout

The business spreads over Mainland China, Hong Kong Special Administrative Region, Macau Special Administrative Region, and other countries and regions. Overseas business is under the supervision of the Hong Kong Securities and Futures Commission and legal institutions around the world, and strictly implements the internal management methods and requirements set by the parent company Everbright Group.







Social Recognition

Recognition Or Honorary Title	Awarded by
Contribution to underwriting of anti-epidemic special treasury bonds	Ministry of Finance of the People's Republic of China
Outstanding Underwriter of Local Government Bonds in 2020	Shanghai Stock Exchange
Excellent Interest Rate Bond Underwriter	Shenzhen Stock Exchange
Advanced Unit of Hong Kong Stock Connect Investment Education	The Stock Exchange of Hong Kong Limited
Outstanding Contribution Institution Award for Non-Bank Underwriters of Local Government Bonds in 2020	China Central Depository & Clearing Co., Ltd.
National Financial Pioneer	Chinese Financial Workers' Union
Advanced Unit of Cultural Construction in National Financial System	Research Association of Ideological and Political Work of China Financial Institutions
"China Charity Award" Shanghai Nomination Award	Shanghai Civil Affairs Bureau
Securities Company Social Responsibility Award in 2020	China Securities Journal
Excellent topic in the study on key research topic of "Comprehensively deepening the reform of the capital market and promoting the high-quality and innovative development of the securities industry" of the Securities Association of China in 2020	Securities Association of China
2020 Junding Award for Outstanding Poverty Alleviation Futures Company in China	Securities Times
Innovation Studio for Model Workers and Artisans in the National Financial System	National Committee of Chinese Financial Workers' Union



Steady Governance

2020 is the first year of the full implementation of the new strategy by Everbright Securities. The company adhered to the responsibility concept of "red genes, green development", unswervingly promoted "market-oriented, specialization, intensive" reforms based on the cultural system with "Four Cores and Eight Backbones", continued to follow the new management regulations while returning to business origins and seeking higher-quality development, consolidated the foundation of compliance management, kept improving various compliance management mechanisms, and strove to create a first-class investment bank with "leading value and distinctive feature", creating values for shareholders, customers, employees and society.

- Employees participated in the compliance culture learning for **70,000** person-times
- WeChat official account "Guangzhengpufa" released **245** issues of original content
- The information of Promotion Month Preventing Illegal Securities covered more than **1.6** million people



## Leading By Party Building

The company thoroughly implements the work requirements of "ensuring stability on the six fronts and security in the six areas" by the Party Central Committee, and guides party organizations at all levels to think about problems, make decisions and do things more proactively. In the study and education for the special topic of "building a stronger party", the leading body combined the implementation of the "six ones" requirements for party building, and took 6 measures such as giving party lectures, adhering to the weekly learning system among groups, and organizing middle-level cadres above to participate in online seminars, etc., in which the "key minority" played an exemplary role, stimulating the exemplary and vanguard role of party members.

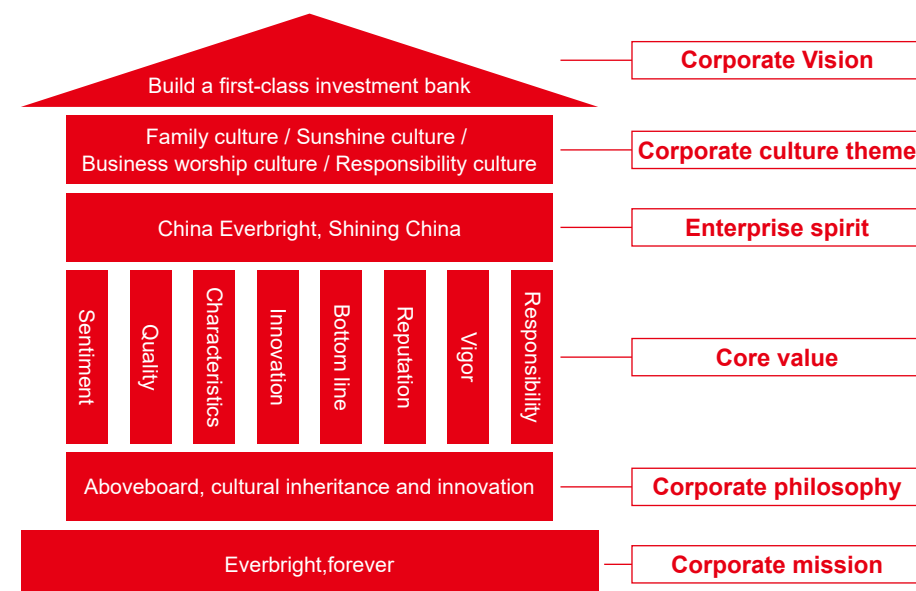
At the same time, the company coordinates to promote epidemic prevention and control as well as the resumption of work and production, carries out the project of "Serving People's Livelihood in Actions", and creates "Everbright Securities". Through party building and cultural empowerment, the Group optimizes intensive management and coordinated development mechanisms, and sets up the six major business clusters; the company's operating income and net profit have increased significantly, creating a new win-win situation for client revenue and operating efficiency.

## Cultural construction with "Four Cores and Eight Backbones"

Cultural values are the cornerstone of achieving high-quality development. Based on the characteristics of securities companies, combined with the requirements of regulatory authorities and the group, the company organically integrates cultural concepts into strategic goals, business management, compliance and risk control, and employee standards. By taking "One Everbright" as the core, "Everbright New Culture" as the foundation, and "Four Cores and Eight Backbones" as the framework of the cultural system, and refining the basic principles of "rejuvenating energy, casting prosperity, and adhering to the truth", the company constructs the cultural values system of "Four Cores and Eight Backbones" with the characteristics of Everbright Securities. The cultural advantages are effectively transformed into competitive advantages and development advantages, as well as the daily management measures and employees' conscious action, forming a "behavior contract" jointly practiced by the people of Everbright Securities, namely the Commitment by the People of Everbright Securities.

In 2020, the company made every effort to promote the project of corporate culture diagnosis, further promote the deep integration of culture and business management, and transform cultural potential into governance capabilities. The company won the "Advanced Unit of Cultural Construction in National Financial System" in 2019-2020 issued by the Research Association of Ideological and Political Work of China Financial Institutions, the 2020 "Excellent Research Achievement Award of Ideological and Political Work and Cultural Construction in National Financial System", and the "Outstanding Key Research Topics in 2020" issued by the Securities Association of China.

### Cultural system of Everbright Securities

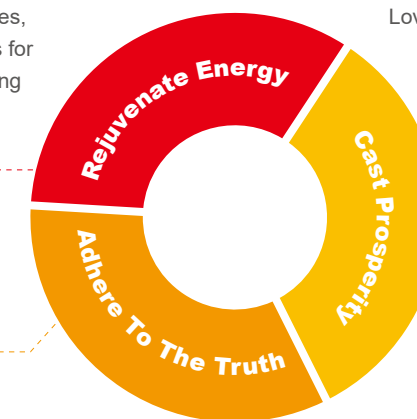


### Basic principles of corporate culture

In 2020, the company determined its basic principles of culture, "rejuvenating energy, casting prosperity, and adhering to the truth", which embodies the red gene and humanistic philosophy of everbright culture; launched the new brand logo, to guide employees to rejuvenate energy for the country, cast prosperity for the industry, adhere to the truth for the party, and to unify personal growth and struggle with family and national feelings and collective dreams.

Keep vigor while complying with the rules, inspire the creativity and bravely strives for the first place with active and enterprising spirit, firmly move towards the first class, and eliminate sluggishness

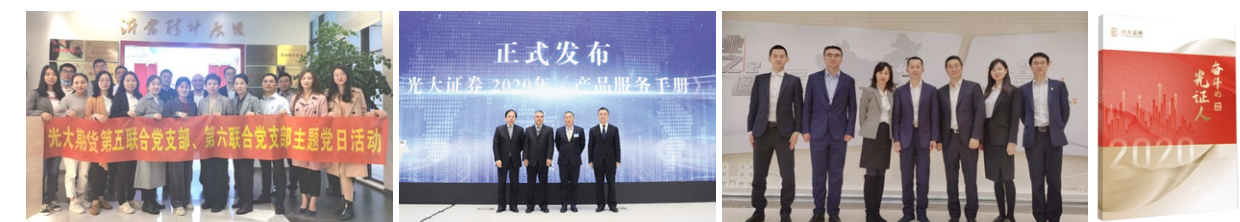
Keep pure, plain, and simple, cultivate high professional ethics, and strictly stick to the bottom line and morality



Love and constantly pursue professionalism, diligently study, continuously progress, cast outstanding professional talents, willing to change instead of sticking to convention

### Behavior contract - Commitment by the People of Everbright Securities

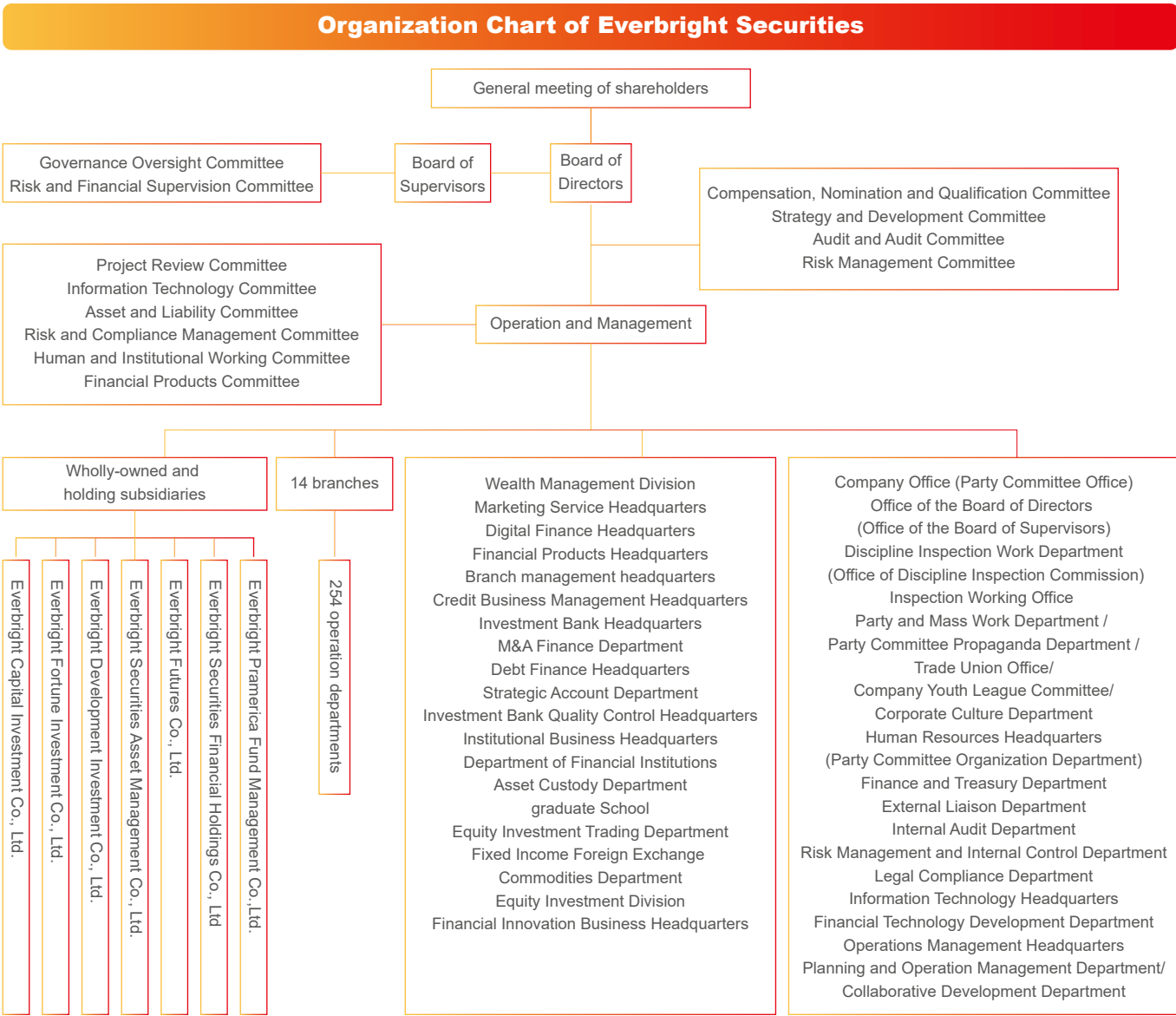
- ◆ With the desire to climb high mountains, work together to build a first-class investment bank
- ◆ All challenges are opportunities, and all achievements come from responsibility
- ◆ Keep starting business and have the courage to face the open arena
- ◆ Collaboration is an essential quality for every professional manager
- ◆ Go all out to create the greatest value and best experience for customers
- ◆ Make a little progress every day, even if only 1%
- ◆ Creative thinking makes us full of vigor and vitality
- ◆ Professionalism and craftsmanship are the prerequisites for excellence
- ◆ Practical and efficient, avoid simple things to complicate
- ◆ Responsible to ourselves, to the company, to the society, and maintain high professional ethics



Corporate Governance

Three meetings and one layer

The company strictly abides by the domestic and overseas laws and regulations on listed companies. A corporate governance structure consisting of the general meeting of shareholders, the board of directors, the board of supervisors and senior management is established, forming a mechanism for independent operation and mutual checks and balances among the power organs, decision-making organs, supervisory organs and executive organs. The company continues to optimize the Articles of Association and attaches importance to diversity and inclusiveness issues. According to the requirements of the Hong Kong Stock Exchange, the board of directors formulates a diversity policy for the board. The selection of directors will consider factors including but not limited to gender, age, cultural and educational background, race, industry experience, technical and professional skills and/or qualifications, knowledge, and term of service. During the reporting period, there were female members in the board of supervisors and senior management.



Focus on investor communication and shareholder returns

The company attaches great importance to communication with investors, pays continuous attention to shareholder returns, and firmly believes that good communication with investors is an effective means to enhance shareholder confidence. During the reporting period, we responded to investors' questions for more than 400 times through general meeting of stockholders, investor hotline, emails, and SSE E-interaction; in addition, we held 6 communication meetings with H-share cornerstone shareholders to comprehensively introduce the company's strategy, development reforms, business performance, and risk disposal to shareholders and strengthen their confidence. At the same time, the company pays attention to shareholder returns, abides by the Company Law and other relevant laws, regulations and administrative regulations, establishes a scientific, continuous and stable shareholder return mechanism, effectively protecting the legitimate rights and interests of shareholders. For details, please refer to the 2020 Annual Report of Everbright Securities.

In 2020, a number of measures were taken to enrich the communication methods between management and investors to ensure high-quality and high-frequency.





The company formulates and abides by internal rules and regulations such as the Management System for Information Disclosure, and the Inside Information and Insider Registration System, discloses all information truthfully, accurately, completely, timely and fairly, effectively protects the rights and interests of small and medium shareholders, and ensures their right to know. In 2020, a total of 119 temporary announcements, 4 periodic reports and other non-announcement online documents were disclosed on the Shanghai Stock Exchange website, and all disclosures were accurate with standard disclosure process.

Compliance Information Disclosure  
Pay Taxes According To Law

Paying taxes according to law is a basic requirement for enterprises to fulfill their social responsibilities and give back to the society. The company actively adheres to the concept of dedication to society, works hard to create good social benefits, and strives to develop and progress together with the society; it always truthfully declares tax amounts and pays various taxes in a timely manner.

Management Of Social Responsibility Concept

The company is committed to building "Everbright Securities", continuously optimizing management in terms of supporting economic development, fighting the epidemic, targeted poverty alleviation, staff development and green operations, and actively communicating with various stakeholders. We aim to be a good corporate citizen, win social respect, and achieve sustainable economic, social and environmental development.

Structure Of Social Responsibility Governance

According to Appendix 27 The Environmental, Social and Governance Reporting Guidelines of the Rules for the Listing of Securities on The Stock Exchange of Hong Kong Ltd., an environmental, social and governance (ESG) structure has been established.

Board of Directors

- ◆ Assess and determine the company's ESG-related risks
- ◆ Ensure the establishment of a suitable and effective ESG monitoring system
- ◆ Approve ESG-related policies and corporate social responsibility reports

ESG Work Management Group

- ◆ Execute ESG risk management and internal control
- ◆ Direct the work of the ESG working group
- ◆ Approve ESG-related policies and corporate social responsibility reports, and confirm the accuracy of performance indicator data

ESG Work Execution Group

- ◆ Collect ESG-related data and prepare the report
- ◆ Regularly report to the company's management to help them assess and determine whether the company's ESG risk management and internal control system are appropriate and effective





Stakeholder Communication

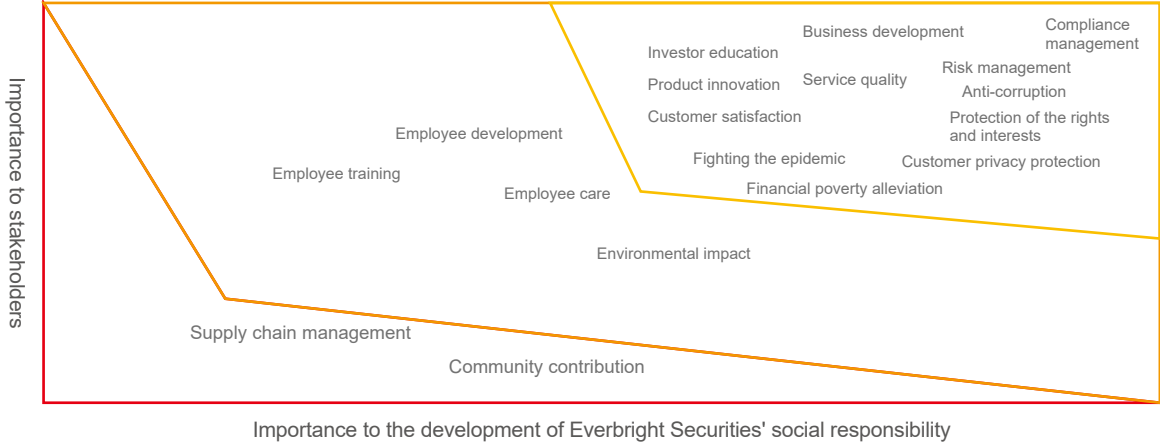
The company attaches great importance to communication with stakeholders, and has established a regular communication mechanism with shareholders, customers, employees, governments, regulatory agencies, and communities. Through communication, we can deeply understand the demands, opinions and suggestions of all sides, integrate their concerns into the operation and decision-making process, combine social responsibility with the company's daily operations, and drive the company's sustainable development.

We have identified five types of major stakeholders that have decision-making power or influence over Everbright Securities and are closely related to us, as well as their concerns.

<div><div>Government/ Regulatory Agency</div><div></div><div></div></div>	<div><div>Shareholders/ Investors</div><div></div><div></div></div>	<div><div>Client</div><div></div><div></div></div>	<div><div>Staff</div><div></div><div></div></div>	<div><div>Community</div><div></div><div></div></div>
<div><div>Concern</div><div><ul style="list-style-type: none"><li>◆ Compliance management</li><li>◆ Risk management</li><li>◆ Corporate culture construction</li></ul></div></div>	<div><div>Concern</div><div><ul style="list-style-type: none"><li>◆ Corporate governance</li><li>◆ Business development</li><li>◆ Anti-corruption</li></ul></div></div>	<div><div>Concern</div><div><ul style="list-style-type: none"><li>◆ Financial technology innovation</li><li>◆ Rights protection</li><li>◆ Service quality</li></ul></div></div>	<div><div>Concern</div><div><ul style="list-style-type: none"><li>◆ Promotion and development</li><li>◆ Rights and benefits</li><li>◆ Education and training</li></ul></div></div>	<div><div>Concern</div><div><ul style="list-style-type: none"><li>◆ Targeted poverty alleviation</li><li>◆ Fight the epidemic</li><li>◆ Contribution to communities</li></ul></div></div>
<div><div>Communication and feedback</div><div><ul style="list-style-type: none"><li>◆ Regular information disclosure</li><li>◆ Strengthen the risk control mechanism &amp; deepen the risk control management</li><li>◆ Build a cultural system with "Four Cores and Eight Backbones", and carry out corporate culture diagnosis projects</li></ul></div></div>	<div><div>Communication and feedback</div><div><ul style="list-style-type: none"><li>◆ Hold the annual general meeting, hold an extraordinary general meeting if there are special circumstances</li><li>◆ Hold investor meetings and performance announcements</li><li>◆ Carry out training on integrity practice</li></ul></div></div>	<div><div>Communication and feedback</div><div><ul style="list-style-type: none"><li>◆ Optimize Golden Sunshine APP and E Counter</li><li>◆ Hold investor education activities</li><li>◆ Carry out customer satisfaction survey</li></ul></div></div>	<div><div>Communication and feedback</div><div><ul style="list-style-type: none"><li>◆ Carry out employee performance appraisal</li><li>◆ Activities of trade unions</li><li>◆ Organize employee training</li></ul></div></div>	<div><div>Communication and feedback</div><div><ul style="list-style-type: none"><li>◆ Carry out "Securities +" poverty alleviation project</li><li>◆ Donate materials to help enterprises resume work and production</li><li>◆ Organize volunteer activities</li></ul></div></div>

Analysis of substantive issues

In order to better respond to the demands and expectations of stakeholders, the company regularly identifies important issues. During the reporting period, after expert analysis and evaluation, combined with the company's development strategy and operational priorities, the annual important social issues were determined and taken as one of the important bases for the preparation of the annual social responsibility report. The importance ranking of the issues is analyzed based on the importance to stakeholders and the importance of the company's social responsibility, and the important issues are replied in this report.



## Compliance Risk Control

### Strengthen the line of defense against risks

#### Various core risk indicators are well controlled

Optimize the risk management organization structure

Promote risk resolution

Strengthen credit risk management and control mechanism

Deepen internal control management of risks

Strengthen the vertical control of subsidiaries

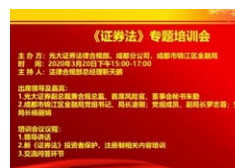
In 2020, the company strictly grasped the basic requirements of risk prevention and control in the company's business processes, risk management, and internal control, and achieved positive results in optimizing the risk management organizational structure, promoting risk disposal and resolution, strengthening the credit risk control mechanism, deepening risk internal control management, and strengthening vertical management of subsidiaries. During the reporting period, risk indicators such as credit, market, and liquidity were all controlled within the risk tolerance of the group and the board of directors.

### Consolidate internal control of compliance

In 2020, a total of **31** compliance promotions were carried out

employees participated in the compliance culture learning for **70,000** person-times.

Through continuous efforts, risk exposure has continued to decline and asset quality has steadily improved. At the same time, the company focuses on fighting illegal securities activities and implementing intellectual property protection.



#### • Hold special training

Carry out special training around the Civil Code, Constitution, and the new Securities Law, and raise employees' legal awareness by watching videos, live lectures, and conducting exams.

#### • Month for the promotion of preventing illegal securities

Launched a month for the promotion of preventing illegal securities with the theme of "Rational Investment, Staying Away from Traps of Illegal Securities", and released more than one million pieces of information, covering more than 1.6 million people.

Promoted around the key points and policy boundaries of special rectification such as "stock market manipulator", "illegal recommendation of stocks", and "off-the-market funding".

#### • Protection of intellectual property rights

Produced and published the Notice on Organizing and Carrying out the Personnel Management of the Company's Subsidiaries and Their Subsidiaries and Special Rectification of the Use of Trademarks and other related documents.

Created a database of genuine software and pictures to reduce reputation risks caused by infringement.

### Implement anti-money laundering and anti-corruption



During the epidemic, recorded courseware and provided employees with online honesty training and promotion of "Sunshine Academy" and conducted examinations. Collected a number of honesty cases and produced a series of short films about honesty.



Established the WeChat official account "Guangzhengpufa" and the column on Himalaya. Produced and pushed original law popularization materials every day. After nearly a year of development, the official account for law popularization series has been released in a total of 245 issues, with more than 10000 hits.

The company actively fulfills its anti-money laundering obligations by improving the system, enhancing risk prevention capabilities, strengthening the vertical management of subsidiaries and branches, and deepening anti-money laundering promotion and training. In the Announcement of Shanghai Branch of the People's Bank of China on the Anti-money Laundering Classification and Ratings of Shanghai Securities Companies in 2019, the company obtained a BB-level rating result, and several indicators of inherent risks and management and control efficiency were significantly improved.





## Intelligent Everbright Securities

In 2020, under the development pattern dominated by domestic circulation, in which domestic and international dual circulation promote each other, Everbright Securities, as an innovation leader, continued to improve its hard power, carefully researched the needs of real economy enterprises, and refreshed the real economy. At the same time, the company continued to provide customers with better and more valuable services via the power of financial technology, protected the legitimate rights and interests of investors, especially small and medium investors.

- ♦ Provide financing services for enterprises, realize realizing financing scale of **366.40** billion yuan
- ♦ 8 IPO projects support strategic emerging industries, with a total issuance scale of **6.32** billion yuan
- ♦ Provide financing services for many corporate customers in the Yangtze River Delta, with a total financing scale of **50.47** billion yuan

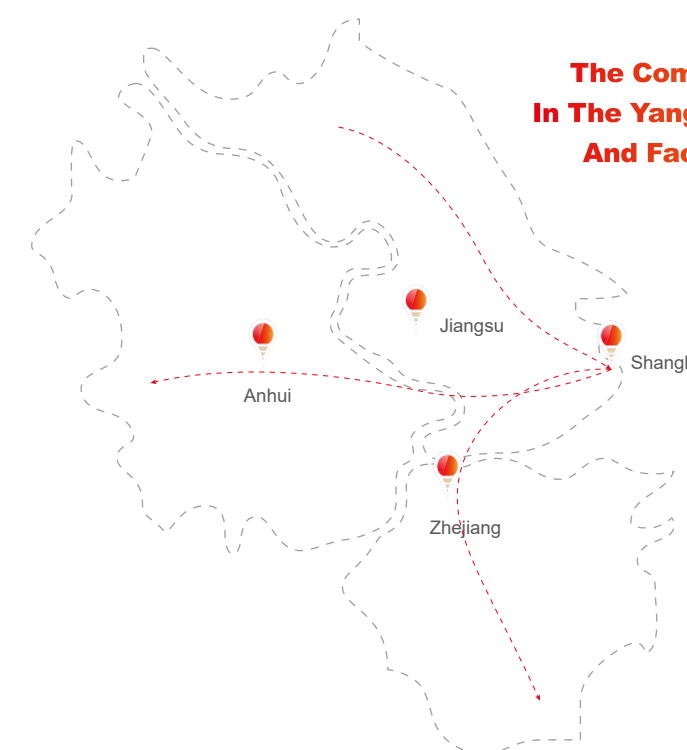
## Coordinated Strategy Promotes High-quality Economic Development

### Promote the development of the real economy

In 2020, the E-SBU coordinated development strategy of Everbright Group was further improved and implemented. The company led the construction of the group's investment bank E-SBU, strove to build the "three large and one new" large investment bank service system of the industry, and actively participated in the environmental protection, health, and tourism E-SBU strategic unit. During the reporting period, the company provided underwriting services for fixed-income products to corporate customers in 28 provinces, municipalities and autonomous regions across the country, achieving a financing scale of 366.395 billion yuan, truly refreshing the real economy. It undertook 19 IPO projects, among which 8 projects supported strategic emerging industries such as the new generation of information technology industry, biological industry, high-end equipment manufacturing industry, and new material industry, with a total issuance scale of 6.323 billion yuan.

At the same time, the company is rooted in the Yangtze River Delta and faces all of China. In 2020, the company provided underwriting services of short-term financial, medium-term notes, corporate bonds, asset-backed securities and asset-backed notes for several corporate customers in the Yangtze River Delta, with a total financing scale of 50.468 billion yuan. In addition, the company actively develops business in the Beijing-Tianjin-Hebei region and the Guangdong-Hong Kong-Macao Greater Bay Area to help the structural reform on the financial supply side. In 2020, the company won the bids for local debt projects of 32 provinces, municipalities, and autonomous regions, with a bid winning amount approaching 50 billion yuan.

### The Company Is Rooted In The Yangtze River Delta And Faces All Of China





### Help green finance

During the reporting period, the company continued to implement "developing green finance" as "promoting green development" and actively met the company's individualized needs for green financing.



### Bank panda medium-term note project

The company gave full play to its advantages in the domestic bond underwriting market and assisted Everbright's green panda medium-term note project to successfully obtain the registration notice of the Interbank Dealers Association, with an approval amount of 3.5 billion yuan. The first batch of panda medium-term notes was successfully issued in June 2020, which was Everbright Group's first bank panda medium-term note project in the environmental protection sector.

### Underwrite green asset-backed notes

In June 2020, as a co-lead underwriter, the company supported Zhongzai Resources & Environment Co., Ltd. for the first-phase green asset-backed notes in 2020, with a total issuance scale of 300 million yuan. The basic asset projects in the pool could process and consume old household appliances for 15.9 million times, which reduced the pollution of waste household appliances to the ecological environment, and realized the utilization of waste resources. In June 2020, as a co-lead underwriter, the company supported Zhongzai Resources & Environment Co., Ltd. for the first-phase green asset-backed notes in 2020, with a total issuance scale of 300 million yuan. The basic asset projects in the pool could process and consume old household appliances for 15.9 million times, which reduced the pollution of waste household appliances to the ecological environment, and realized the utilization of waste resources.

## Technology Empowering, Providing Quality Services

### Deepen online services and enhance customer experience

The company has firmly adhered to the "customer-centered" service concept. In 2020, the mobile client Golden Sunshine APP and the full-process counter business platform "E Counter" continued to optimize and upgrade to continuously enhance the user experience, and build a service system covering "before investment, during investment, and after investment" for customers. As of December 2020, multiple versions of Golden Sunshine APP and E Counter have upgraded, and more than 300 new additions or optimizations of business processes were achieved, enhancing user experience.

At the same time, the company has further integrated online services into inclusive financial services. It cooperated with Cloud Payment Technology Co., Ltd. to introduce convenient payment services such as water, electricity and coal into the Golden Sunshine APP, to provide life-benefiting services; at the same time, it introduced the travel services of CYTS into the benefiting life services of Golden Sunshine APP to facilitate life services for customers.



### Digital innovation empowers development

The company regards science and technology as its core competitiveness, chooses an integration and innovation path of emerging technologies that fits its own reality, improves operation and maintenance efficiency and financial service levels, and achieves technology-led business. By promoting the deep integration of technology and business, the company improves the construction of cloud computing platforms, big data platforms, and AI-based basic technology capability platforms, and then better improves the construction of customer service systems, protects consumers' rights and interests, and better serves the development of the real economy.



### Create online featured products

Launched products such as smart tracking, investment advisory shop, Everbright information, game-like operations, smart tools, and more than 40 business processing functions, optimized "Zhitoumofang" smart wealth management services, gave full play to the advantages of contactless services, provided customers with digital, intelligent and personalized securities financial services.



### Build an AI platform

After the self-research and upgrading of intelligent outbound calls, the average return visit completion rate has reached or approached the completion level of manual return visits, effectively reducing the workload of outbound calls. The video quality inspection service realizes face detection and can support video and image face detection. It has been successfully applied to smart dual recording and one-way video account opening scenarios, with an accuracy rate of over 98%, and the average time consumption is compressed to 200 milliseconds.



### Build a Data Middle Platform

The company continuously optimizes the data base environment, improves data service capabilities, and deepens the effectiveness of data empowerment. The unified service window of the data service platform provides individualized data query services. According to the regulatory requirements of the People's Bank of China on anti-money laundering and the real-name system of CSDC, the company formulates inspection rules to comprehensively assess customer account data and accurately locate account data quality problems. It assists the E Counter system in filling the key information of existing customers, and assists the compliance department in the consistency check of data and information between customer counters.

With the help of artificial intelligence services attracting more customers to use it.

In 2020, "Smart Magic Cube " signed contracts and served over **72000** customers.

With the help of big data technology fully empowering precise marketing services,

in 2020, " Smart Magic Cube " sent a total of **8.29 million** information reminders.



### Consolidate the investor education system

Improving customers' awareness of cyber security is an important part of the protection of consumer rights, and also a prerequisite for investor education. In 2020, the company held activities of cyber security publicity week with the theme of "Never forgetting the original intention during the epidemic, and proceeding safely", which attracted investors to participate through multi-scenario simulation, and enhanced their awareness of cyber security.

In 2020, a provincial-level offline investor education was completed, and the online investor education base is under construction. As one of the first five securities dealers in Shanghai, the company participated in the "Project to Promote Investor Education into the National Education System" organized by the Shanghai Stock Exchange, and signed a tripartite memorandum of cooperation with the Shanghai Stock Exchange and its counterpart Shanghai University of Finance and Economics. The four lecturers of the company's "Special lecturer group" went to Shanghai University of Finance and Economics successively, and taught practical knowledge in various fields covering capital market, securities research, investment bank, wealth management, etc. from different perspectives.



## Corporate Responsibility

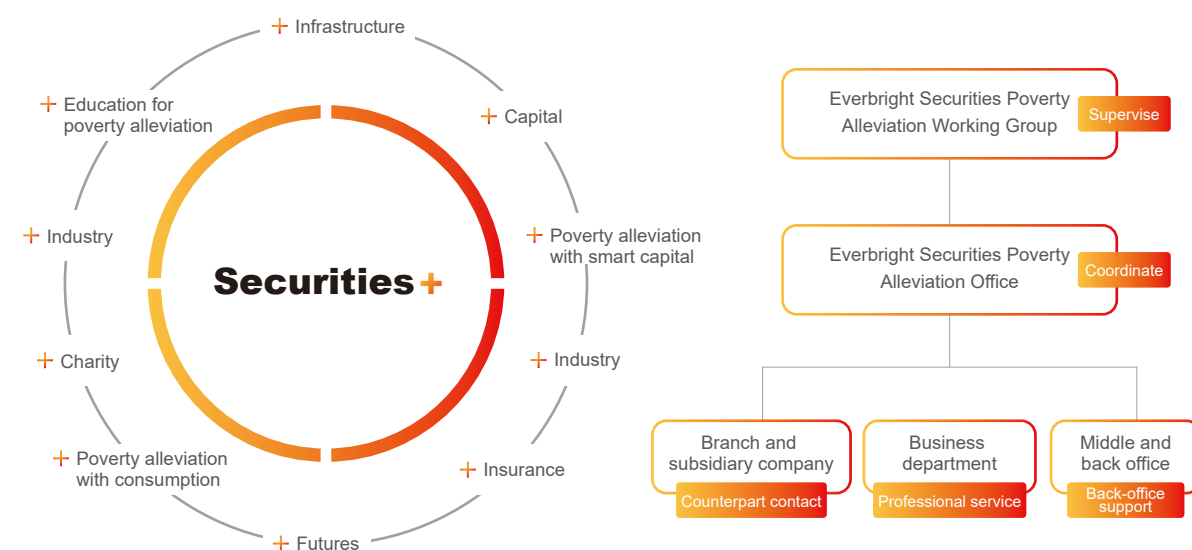
In 2020, we won the fight against poverty and jointly responded to challenges of COVID-19. As a state-owned securities company with a red gene, the company led by example, fulfilled its mission and responsibilities, warmed the society with financial power, and continued to create values. At the same time, Everbright Securities actively implemented the "people-oriented" development concept, respected the individuality and contribution of each employee, and strove to transform the wisdom and loyalty of employees into productivity, realizing the common development of the company and employees.

- All the **5** state-level poverty-stricken counties assisted as partners achieved poverty alleviation
- Promoted 9 anti-epidemic bond projects, with an actual underwriting amount of **2.854** billion yuan
- Set up a special fund of **10 million** yuan for the prevention and control of COVID-19

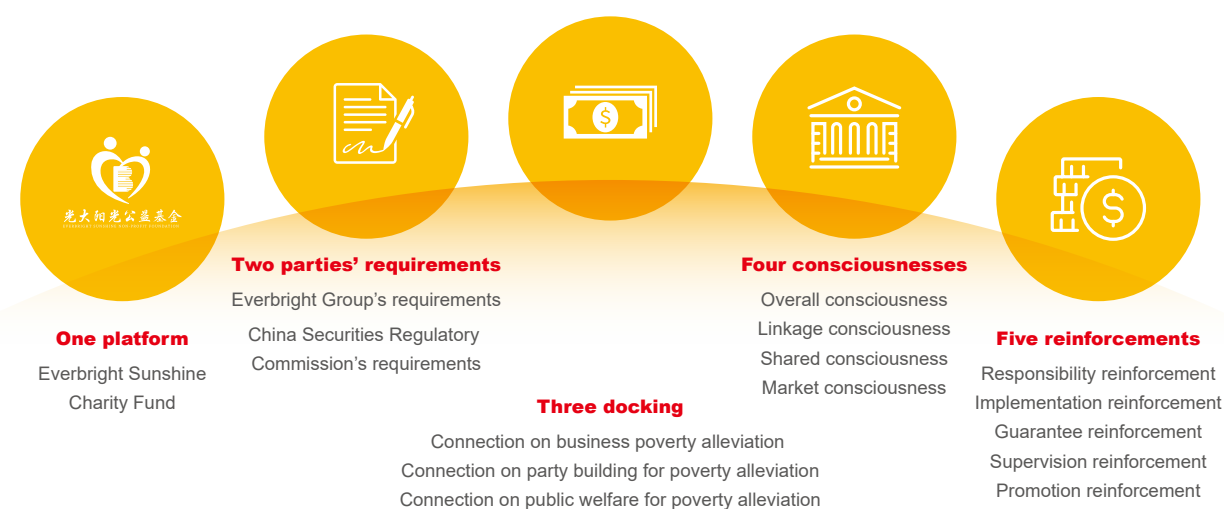


## || Improve The Long-term Mechanism And Achieve Poverty Alleviation Flexibly

The company developed the Work Plan of Everbright Securities on Implementing the Spirit of the 2020 Group Poverty Alleviation Conference, earnestly implemented the initiative of "one company to one county", and actively carried out various assistance actions in an orderly manner. With the power of "securities + poverty alleviation", the five state-level poverty-stricken counties assisted by the company, Xintian County in Hunan, Xiji County in Ningxia, Wan'an County, Xingguo County, and Xunwu County in Jiangxi all achieved poverty alleviation!



The company adheres to the "One Two Three Four Five" poverty alleviation work method, and innovatively implements the "securities + precise comprehensive poverty alleviation" model of "finance + consumption + industry + medical care + education + infrastructure + public welfare" based on financial poverty alleviation.



### "One Two Three Four Five" Poverty Alleviation Working Method



The company held a special promotion meeting for poverty



The company's party committee secretary and chairman, Yan Jun, went to Xintian County, which was paired for assistance, to conduct poverty alleviation research and organize a poverty alleviation special promotion meeting for 2020.



Liu Jiping, deputy secretary of the company's party committee, chief supervisor, and deputy leader of the poverty alleviation leading group, went to Xingguo County, Jiangxi to investigate targeted poverty alleviation work.



The company president, Liu Qiuming, attended the meeting for the promotion of poverty alleviation cooperation and counterpart support of the east and west of Jing'an District in 2020.

## Assistance achievement in 2016-2020



Everbright Securities invested more than **72.5 million** yuan cumulatively



The amount of financing for enterprises in poor areas reached nearly **3 billion** yuan



Everbright Securities has helped **400,000** teachers and students in our districts to buy major disease insurance in three consecutive years



The total insured amount is nearly **33 billion** yuan



Everbright Securities helped **49,000** people to register

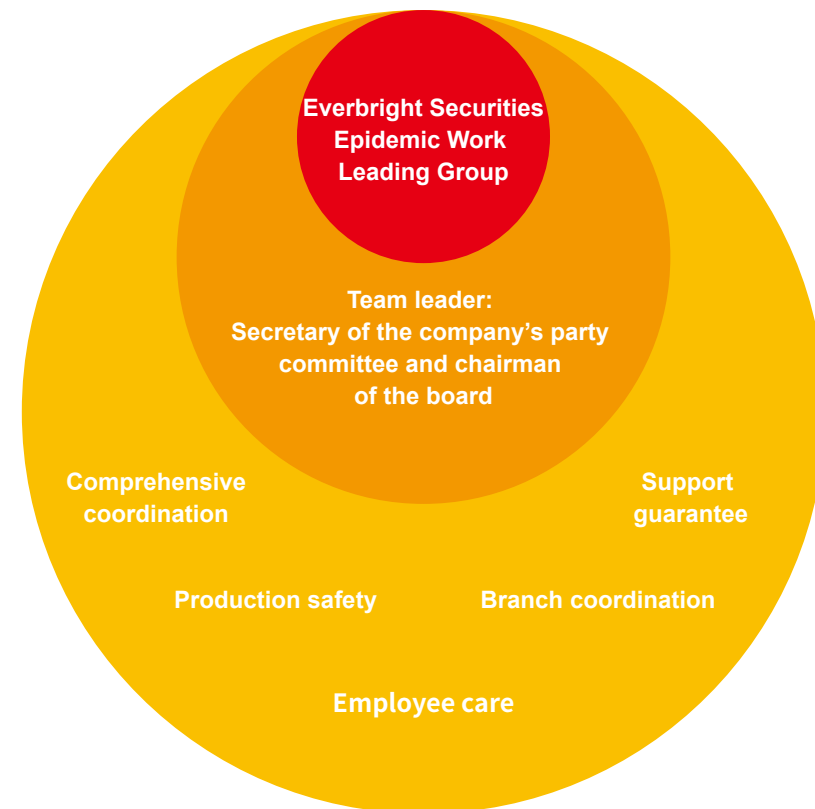
Since 2016, Everbright Securities has invested a total of more than 72.5 million yuan for poverty alleviation and various public welfare projects, helped enterprises in poor areas raise nearly 3 billion yuan in financing. For three consecutive years, Everbright Securities helped nearly 400,000 teachers and students in the region to buy major disease insurance, with a total insurance amount of nearly 33 billion yuan, helped 49,000 people to register, and helped more than 10,000 people to lift out of poverty. Since 2020, the Everbright Securities, fully embodies the responsibility of central enterprises in poverty alleviation and public welfare, has won the 11th "China Charity Award" Shanghai Nomination Award issued by Shanghai Civil Affairs Bureau, and the "2019 National Financial Pioneer" awarded by China Financial Trade Union and other honors.

After paired up to help the poverty-stricken counties to "take off the hat", the company will continue to carry out the central committee's policy of "four no-picks", establish and improve a long-term mechanism for preventing poverty return, conduct in-depth studies on the effective link between promoting comprehensive poverty alleviation and rural revitalization, adhere to the thought of "sincerity, truth and true force", help poor counties consolidate their achievements in poverty alleviation, and take the road to rural revitalization well by taking the thought on socialism with Chinese characteristics for a new era of Xi Jinping as guidance.



## Jointly Respond To Challenges, Bring Warmth In Anti-epidemic Actions

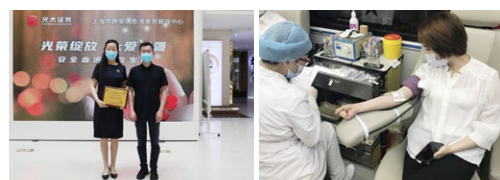
In January 2020, the company's party committee established a leading group for responding to the epidemic, urgently launched an emergency response plan, and fully guarded the three major safety lines of defense for employees, customers, and production by strengthening the organization of epidemic prevention and control. The company set up a special fund of 10 million yuan for COVID-19 prevention and control, and clarified the legal, reasonable and effective use and management of the special fund for prevention and control. From January to February 2020, the company donated more than 7.5 million yuan to epidemic areas in Hubei, to jointly respond to challenges with compatriots in Hubei.



### Social care

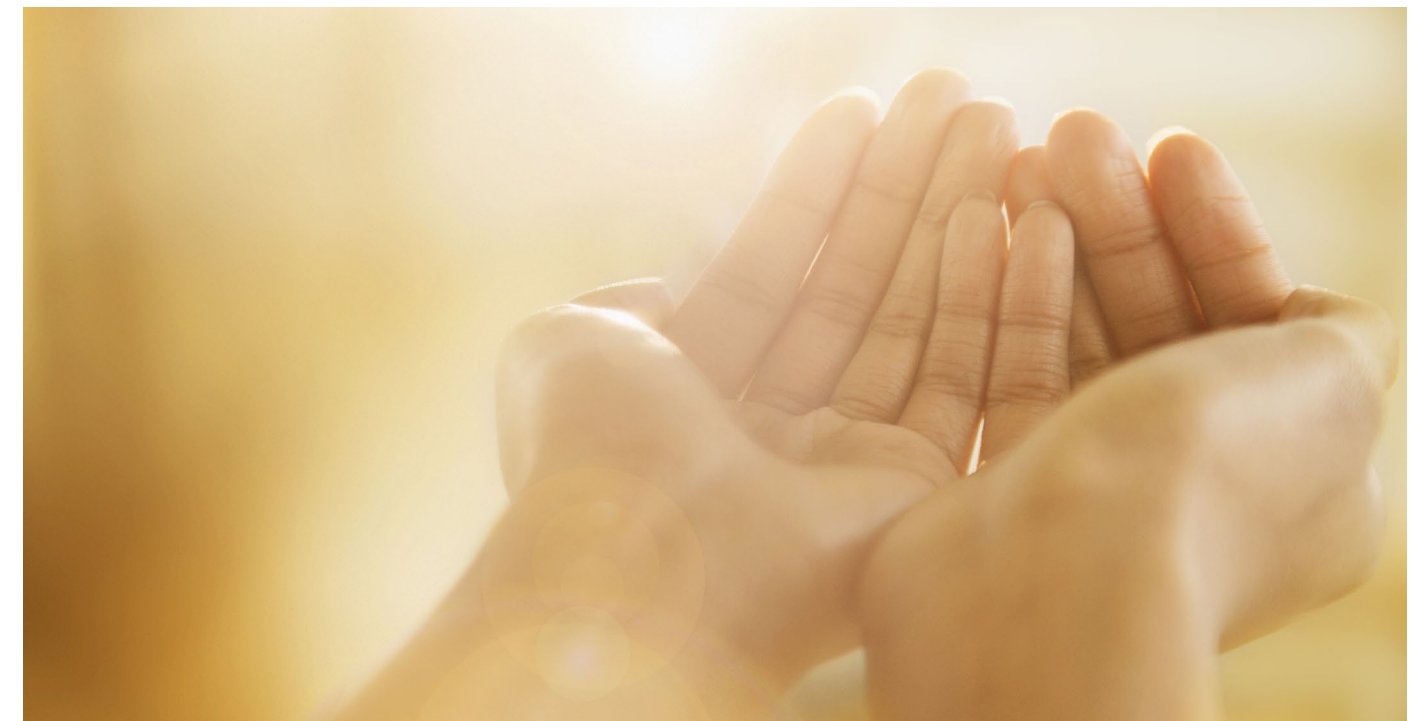
#### Carry out voluntary blood donation "Glory Blooming, Boundless Love"

Since the outbreak of the epidemic, clinical blood has been used in large quantity to fight the epidemic. The company organized and carried out a voluntary blood donation. A total of 77 volunteers participated, completed 115 voluntary blood donation targets, and donated 23,000 ml of blood.



#### Employees of Everbright Securities care about Wuhan

During the epidemic, the company carried out "China Force" public service advertising, and organized the publicity video Come on , Wuhan, which was forwarded 14,000 times. The company collected a series of original calligraphy, paintings and poems by employees, such as "calligraphy and painting", and "fighting the epidemic with ode", which brought together the blessings of employees from all over the country, cheering for the compatriots in Hubei.



#### Employee safety

Purchased anti-epidemic materials as soon as possible to ensure the safety of employees. Purchased anti-epidemic materials worth 1.282 million yuan for 6,410 employees from partner, CYTS Yaoyue (Beijing) Travel Co., Ltd.

#### Customer safety

Guided customers to choose electronic channels; promoted the operation and empowerment of big data precise marketing platforms; added an "epidemic part" in Golden Sunshine APP to provide 7 epidemic services free of charge, such as 24-hour online free consultation, and patient itinerary inquiry.

#### Production safety

Promoted 9 prevention and control bond projects, with a total issuance amount of 9.64 billion yuan, and actual underwriting amount of 2.854 billion yuan. The funds were used for the production of prevention and control strategic materials, the purchase of anti-epidemic materials, and the supplement of circulating funds for epidemic prevention and control. Gave priority to support the application and approval of enterprise investment banking business in Hubei.

#### "Insurance + futures" of subsidiary, Everbright Futures , supports post-disaster reconstruction in epidemic areas

Everbright Futures, a wholly-owned subsidiary of the company, actively participated in 8 pilot projects of "insurance + futures", which achieved total premiums of over 40 million yuan, covered nearly 80,000 rural households, and benefited nearly 20,000 registered poor households. After the outbreak of the epidemic, Everbright Futures assisted a large-scale pig breeding company in Hubei Province. The insured quantity of the project was 50,000 tons of pig feed, involving more than 130,000 pigs. Finally, 1.56 million yuan was compensated for the project, which effectively alleviated the pressure on the company caused by the rising cost of pig feed, and truly helped the post-disaster reconstruction in the epidemic area.



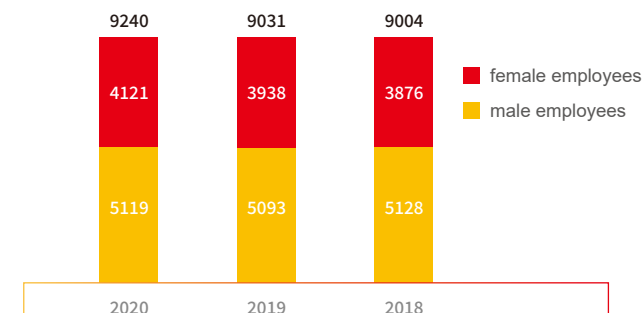
## Work With Employees To Create A Better Future

### Provide a high-quality development platform

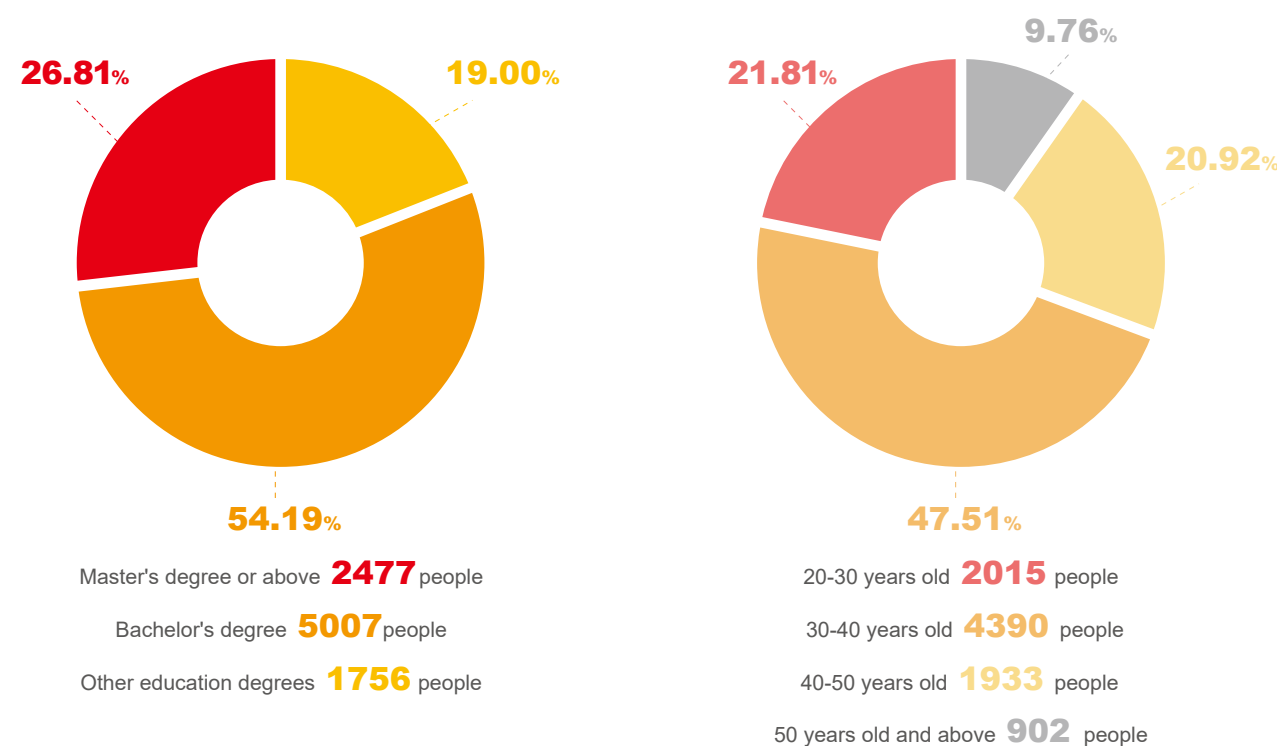
#### Employment policy

The company strictly abides by relevant laws and regulations, adheres to the concept of fair and equal employment, and completely eradicates any discrimination based on race, gender, religion, age, social origin and other factors. It has formulated a series of internal policies such as recruitment management, salary and benefits, to truly protect the legitimate rights and interests of employees. During the reporting period, the company implemented the employees identity verification procedures, and added background investigations to the enrollment procedure. The company prohibits all other illegal labor practices, such as employing child laborer, forcing labor, and restricting the freedom of employees. During the reporting period, there were no incidents of child labor or forced labor.

As of December 31, 2020, the total number of employees in the company is 9,240. The classification of employees is shown in the figure.



#### Employees Structure of Everbright Securities in 2020



Employee profile by academic qualifications in 2020

Employee profile by age in 2020

#### Talent development

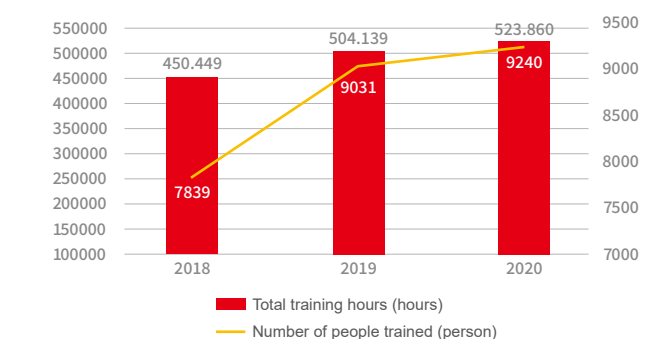
The company continues the tradition of "gathering talents from all over the world and making full use of them", and actively creates a cultural atmosphere of recruiting and utilizing talented people. During the reporting period, talent employment complied with the Staff Recruitment Management Measures of Everbright Securities Co., Ltd., and met the company's needs for various talents in continuous development. By building a "talent recruitment hall", the company is devoted to improving the construction of talent team and improving the efficiency of human resource allocation. The management positions in all departments were opened in large scale for the first time, which broken the restrictions on competition for jobs to the greatest extent, opened selection for promising young "post-80s" in the company, and employed a large number of capable and energetic young cadres, bringing new blood to the company's innovative development.

#### Employee training

Carrying out employee training is an important way to thoroughly implement the company's cultural values. Aiming to forge a strong and first-class investment bank team, the company continuously improves and optimizes the hierarchical and classified education and training system, strengthens cadre training, and organizes new employees, business themes, and innovation training and other trainings, optimizes the construction of the learning platform, and comprehensively improves the professional quality of the majority of cadres and employees.

#### As of the end of December 2020, the company's employee training situation is as follows

- Organized a total of **1115** training sessions, with a coverage rate of **100%**
- Covered **458,871** person-times among employees
- Total training hours of **523,860** hours, increased by **4%** compared to 2019
- Average hours of training completed by employees reached **57.32** hours, increased by **2.3%** compared to 2019



Everbright Securities continued to increase investment in employee training



## Construct a healthy and harmonious environment

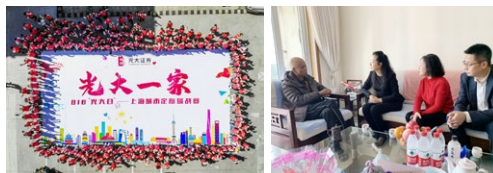
### Health and safety

The company attaches importance to the physical and mental health and safety of employees, strictly abides by relevant laws and regulations, provides employees with health and welfare insurance, and strives to construct a healthy and safe working environment. The company has issued the Proposal to All Employees, collected the health status of employees, launched the "Psychological Epidemic Prevention" column on the Enterprise WeChat end, insured all employees for critical illness, accident, hospitalization, outpatient, emergency medical insurance and special insurance for epidemic prevention, and offered online lectures for anti-epidemic knowledge.



### Caring activities

The company encourages employees to actively participate in various employee activities. During the reporting period, the company continued to hold sports festivals and cultural festivals, organized a variety of cultural and sports activities, enhanced team cohesion, and promoted the construction of corporate culture. During the outbreak of COVID-19, the company opened a green channel for some employees returning to Shanghai, and provided short-term temporary transitional housing to effectively solve the actual difficulties of employees.



### Everbright Securities Youth Apartment

Based on "government surrenders a little bit, the company subsidizes a little bit, and the employees pay a little bit", the youth apartment project is launched to solve the worries of settling in Shanghai. The apartment occupancy rate continues to increase. As of the end of the reporting period, a total of 324 people had lived in, reducing the economic pressure of young employees in Shanghai at the beginning of their work phase.



## Green And Low-carbon Operation To Promote Sustainable Development

### Oppose waste

The company enhances the refined management of staff canteen, launches the event of "cherishing food and opposing waste", and develops the "smart catering" system to avoid food waste at the source and earnestly fulfill social responsibilities. After the launch of the event, the waste at meals was reduced by 45% compared to the past.

#### Procurement

Earnestly fulfill the "Eight Service Commitments", consolidate responsibilities, predict the number of diners based on the order of meals, implement dynamic allocation, achieve on-demand procurement, and reduce waste at the source.

#### Catering

The "Smart Catering" is launched on the company's internal platform, and the function of "Ordering dinner" is offered. The quantity is reasonably proportioned according to the number of diners to reduce waste in catering.

#### Meals

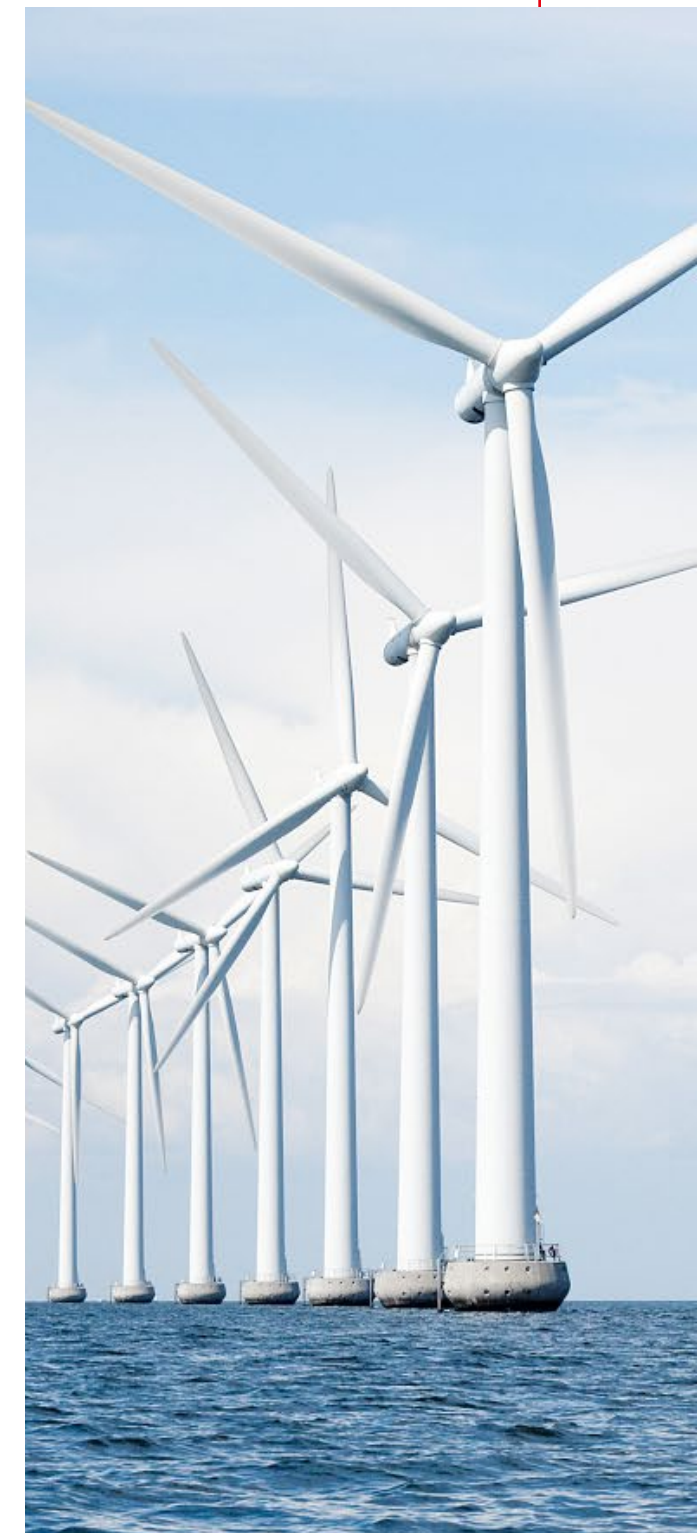
Announce the "Daily Menu" in advance, so that the diners can choose according to their preferences; provide half-share and full-share rice to reduce food waste during meals.

### Responsible procurement

In the procurement process, the company considers the suppliers' environmental and social responsibilities, such as whether the suppliers' products are environmentally friendly, to promote suppliers to improve their performance in environmental and social responsibility. Redundant paper approvals have been canceled in the procurement process, to reduce procurement nodes and improve procurement efficiency.

### Energy conservation and emission reduction

The company actively responds to the call of Shanghai Municipal Government for garbage sorting, and sets up sorting bins on each floor of the headquarters building to achieve full coverage of the four types of garbage sorting. At the same time, the company optimizes the vehicle management system, and enhances the efficiency of vehicle use, which achieves energy conservation and emission reduction to a certain extent.



Environmental Performance Table

Resource use	2018		2019		2020	
	Total	Density	Total	Density	Total	Density
Electricity	25203722 kWh	2799.17 kWh/person	28035385 kWh	3200.75 kWh/person	26201022 kWh	2835.61 kWh/person
Water	206764 tons	22.96 tons/person	118549 tons	13.53 tons/person	74540 tons	8.07 tons/person
Gasoline	289382 liters	32.14 liters/person	351463 liters	40.13 liters/person	458187 liters	49.59 liters/person
Diesel	543 liters	0.06 liters/person	435.19 liters	0.05 liters/person	0 liters	0.00 liters/person
Paper	123 tons	0.01 tons/person	148 tons	0.02 tons/person	136 tons	0.01 tons/person

Waste						
Office waste	608 tons	0.07 tons/person	451 tons	0.05 tons/person	246 tons	0.03 tons/person
Waste ink cartridges	3007 pcs	0.33 pcs/person	2620 pcs	0.30 pcs/person	1706 pcs	0.18 pcs/person
Toner	-	-	-	-	540 kg	0.06 kg/person
Discarded toner cartridges	2507 pcs	0.28 pcs/person	2693 pcs	0.31 pcs/person	3250 pcs	0.35 pcs/person
Discarded fluorescent tubes	4084 pcs	0.45 pcs/person	6797 pcs	0.78 pcs/person	2057 pcs	0.22 pcs/person
Scraped computers and scrapped fixed assets above 5,000 yuan	2852 units	0.32 units/person	2587 units	0.30 units/person	6634 units	0.72 units/person

Energy consumption and greenhouse gas emissions						
Total direct energy consumption	2499840 kWh	277.64 kWh/person	3033925 kWh	346.38 kWh/person	3977411 kWh	430.46 kWh/person
Total indirect energy consumption	25203722 kWh	2799.17 kWh/person	28035384 kWh	3200.75 kWh/person	26201022 kWh	2835.61 kWh/person
Greenhouse gas emission category 1	635 tons	0.07 tons/person	771 tons	0.09 tons/person	995 tons	0.11 tons/person
Greenhouse gas emission category 2	17157 tons	1.91 tons/person	19115 tons	2.18 tons/person	22090 tons	2.39 tons/person
Greenhouse gas emission category 3	17792 tons	1.98 tons/person	19886.20 tons	2.27 tons/person	23085 tons	2.50 tons/person

Note: Toner data is collected from 2020, so data for 2019 and 2018 are not included.

Appendix

Esg Index

Category A Environment		
A1 Emissions	Index description	Index location
	A1.1 Types of emissions and related data of emissions	Green and low-carbon operation to promote sustainable development
	A1.2 Direct (scope 1) and indirect energy (scope 2) total greenhouse gas emissions (calculated in tons) and (if applicable) density (calculated per unit of output and per facility)	Green and low-carbon operation to promote sustainable development
	A1.3 The total amount of hazardous waste generated (calculated in tons) and (if applicable) density (calculated per unit of output and per facility)	Green and low-carbon operation to promote sustainable development
	A1.4 The total amount of non-hazardous waste generated (calculated in tons) and (if applicable) density (calculated per unit of output and per facility)	Green and low-carbon operation to promote sustainable development
	A1.5 Describe the emission targets set and the steps taken to achieve these targets	Green and low-carbon operation to promote sustainable development
	A1.6 Describe the methods of disposing hazardous and non-hazardous wastes, and describe the waste reduction targets set and the steps taken to achieve these targets	Green and low-carbon operation to promote sustainable development
A2 Resource use	Index description	Index location
	A2.1 Total consumption (calculated in thousands of kwh) and density (calculated per unit of output and per facility) of direct and/or indirect energy (such as electricity, gas or oil) by type	Green and low-carbon operation to promote sustainable development
	A2.2 Total water consumption and density (calculated per unit of output and per facility)	Green and low-carbon operation to promote sustainable development
	A2.3 Describe the targets set for energy efficiency and the steps taken to achieve these targets	Green and low-carbon operation to promote sustainable development
	A2.4 Describe any problems that may arise in seeking suitable water sources and the efficiency of water use, as well as the targets set and the steps taken to achieve these targets	The company's business operations do not involve significant water use, and this topic's stakeholders has not expressed excessive concern and therefore this index is not disclosed
	A2.5 The total amount (calculated in tons) of packaging materials used in finished products and (if applicable) the amount per production unit	Not applicable due to the business nature
A3 Environmental and natural resources	Index description	Index location
	A3.1 Describe the major impacts of business activities on the environmental and natural resources and the actions taken to manage relevant impacts	Not applicable due to the business nature
A4 Climate change	Index description	Index location
	Policies for identifying and responding to major climate-related matters that have affected and may affect the issuer	The company plans to disclose in the future
	A4.1 Describe the major climate-related matters that have affected or may affect the issuer, and the actions to be taken	The company plans to disclose in the future



Category B Society		
B1 Employment	Index description	Index location
	General disclosure B1.1 The total number of employees by gender, type of employment (such as full-time or part-time), age and region	Provide a high-quality development platform
	B1.2 Employee turnover rate by age, gender, group and region	The company plans to disclose in the future
B2 Health and safety	Index description	Index location
	B2.1 The number and rate of work-related deaths in each of the past three years (including the reporting year)	No work-related deaths occurred during the reporting period
	B2.2 Lost working days due to work-related injuries	The company plans to make detailed disclosures in the future
B3 Development and training	B2.3 Describe occupational health and safety measures adopted, as well as related implementation and monitoring methods	Construct a healthy and harmonious environment
	Index description	Index location
	B3.1 The percentage of trained employees by gender and employee category (such as senior management, middle management)	Provide a high-quality development platform
B4 Labor standards	B3.2 The average number of hours for each employee to complete training by gender and employee category	Provide a high-quality development platform
	Index description	Index location
	B4.1 Describe measures to review recruitment practices to avoid child labor and forced labor	Provide a high-quality development platform
B5 Supply chain	B4.2 Describe the steps taken to eliminate the relevant situation when a violation is found	Provide a high-quality development platform
	Index description	Index location
	B5.1 The number of suppliers by region	The company plans to disclose in the future
B6 Product liability	B5.2 Describe the practices related to hiring suppliers, the number of suppliers to which the related practices are implemented, and the related implementation and monitoring methods	Green and low-carbon operation to promote sustainable development
	B5.3 Describe the practice of identifying environmental and social risks in each link of the supply chain, as well as related implementation and monitoring methods.	The company plans to disclose in the future
	B5.4 Describe the practices that promote the use of environmentally friendly products and services when selecting suppliers, as well as related implementation and monitoring methods.	Green operation, frugal and low-carbon to promote sustainable development
B7 Anti-corruption	Index description	Index location
	B6.1 The percentage of products that must be recycled due to safety and health reasons in the total number of products sold or shipped	Not applicable due to the business nature
	B6.2 The number of complaints received about products and services and how to respond	Consolidate the investor education system
	B6.3 Describe the practices related to the maintenance and protection of intellectual property rights	Consolidate internal control and compliance
	B6.4 Describe the quality verification process and product recycling procedures	Not applicable due to the business nature
B8 Community investment	B6.5 Describe consumer data protection and privacy policies, as well as related implementation and monitoring methods	Deepen online services and enhance customer experience
	Index description	Index location
	B7.1 The number of concluded lawsuits regarding corruption brought against the issuer or its employees during the reporting period and the results of the lawsuits	The company plans to disclose in the future
	B7.2 Describe preventive measures and reporting procedures, as well as related implementation and monitoring methods	Implement anti-money laundering and anti-corruption
	B7.3 Describe the anti-corruption training provided to directors and employees	Implement anti-money laundering and anti-corruption
	Index description	Index location
	B8.1 Focus on contribution categories (such as education, environmental issues, labor needs, health, culture, sports)	Improve the long-term mechanism and achieve poverty alleviation flexibly Jointly respond to challenges, bring warmth in anti-epidemic actions Help green finance
	B8.2 Resources used in the focus areas (such as money or time)	Jointly respond to challenges, bring warmth in anti-epidemic actions Help green finance

Opinion feedback form

Thank you for reading the 2020 Corporate Social Responsibility Report of Everbright Securities Company Limited. In order to improve the company's ESG management, we expect you to provide us with valuable comments and suggestions by filling in the feedback form, and choose any of the following methods to feedback your evaluation to us.

Email: ebs@ebscn.com  
Contact address: No. 1508, Xinzha Road, Jing'an District, Shanghai  
Contact number: (8621) 2216 9999

1. Which type of stakeholder do you belong to

☐Government ☐Regulatory agency ☐Shareholder ☐Customer ☐Employee ☐Partner ☐Other

2. Your overall evaluation of this report

☐Not good ☐Normal ☐Good ☐Very good

3. Your evaluation of Everbright Securities in fulfilling social responsibilities in economy

☐Not good ☐Normal ☐Good ☐Very good

4. Your evaluation of Everbright Securities in fulfilling social responsibilities in environment

☐Not good ☐Normal ☐Good ☐Very good

5. Your evaluation of Everbright Securities in fulfilling social responsibilities in society

☐Not good ☐Normal ☐Good ☐Very good

6. Do you think the information disclosed in this report is complete

☐No ☐Normal ☐Yes

7. Do you think the content and format of this report are clear and easy to understand

☐No ☐Normal ☐Yes

8. Your other comments and suggestions on improving and enhancing Everbright Securities' fulfillment of social responsibilities and this report