

2023

**ENVIRONMENTAL,
SOCIAL AND GOVERNANCE REPORT**



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About this Report

This is the fourteenth annual Corporate Social Responsibility (CSR) Report (hereinafter referred to as “this Report”) issued by Everbright Securities Company Limited (simply referred to as “Everbright Securities” or “the Company”). This Report provides a truthful and objective overview of the performance of Everbright Securities’ corporate social responsibility initiatives across all branches, business departments, and subsidiaries during 2023, with a particular emphasis on the Company’s commitments in three primary areas: social, environmental, and governance (ESG).

All monetary values presented in this Report are denominated in RMB, unless expressly stated otherwise.

Scope

- Reporting period: This is an annual report, with the reporting timeframe extending from January 1, 2023 to December 31, 2023. Certain information included herein may extend beyond this specified period.
- Organizational coverage: Unless indicated otherwise, this Report covers the entirety of Everbright Securities, including its headquarters, branches, business departments, and subsidiaries. Some information featured may also pertain to China Everbright Group Ltd. (“Everbright Group”).

Basis of Preparation

- *Guideline No. 1 for the Self-Regulation of Listed Companies — Regulated Operations* released by the Shanghai Stock Exchange (SSE) in 2023
- *Environmental, Social and Governance Reporting Guide as set forth in Appendix 27 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited* issued by the Stock Exchange of Hong Kong Limited (HKEx) (effective from January 1, 2022)
- *Sustainability Reporting Guidelines* published by the Global Reporting Initiative (GRI) in 2021

Language

This Report is available in Simplified Chinese, Traditional Chinese and English for readers’ reference.

Confirmation and Approval

This Report has been formally approved on March 27, 2024 upon confirmation of the Board of Directors.

Reporting Principles

- Principle of Materiality: This Report is based upon stakeholder research, data analysis, and other work, with the aim to identify and address material ESG issues impacting the sustainable development of the Company. For further details, please refer to “Materiality Analysis” of this Report.
- Quantitative Principle: This Report discloses the Company’s key ESG performance indicators in numerical terms. For further specifics, please refer to “Appendix 1 ESG Key Performance” of this Report.
- Principle of Consistency: This Report endeavors to maintain consistency with indicators used across different reporting periods. Any significant changes to key performance indicators are accompanied by an explanation.
- Principle of Balance: The content of this Report offers an objective representation of facts, disclosing both positive and negative performance indicators in a balanced manner.

Abbreviations

In this report, unless otherwise stated by the context, the following abbreviations refer to:

Everbright Securities, the Everbright Securities Company Limited Company, our Company

Everbright Group	China Everbright Group Ltd.
Everbright Limited	China Everbright Limited
Everbright Futures	Everbright Futures Co., Ltd.
CSRC	China Securities Regulatory Commission
SSE	Shanghai Stock Exchange
SZSE	Shenzhen Stock Exchange
HKEx	The Stock Exchange of Hong Kong Limited
ESG	Environmental, Social and Corporate Governance
Reporting period	From January 1, 2023 to December 31, 2023

Foreword: About Everbright Securities

Board Statement

In 2023, the Board of Directors undertook significant steps to enhance Everbright Securities' ESG governance. Approaches towards ESG governance and risk management were refined, cementing a strong foundation for high-quality, sustainable development. As a result, the directors of Everbright Securities are proudly presenting improved ESG performance to all stakeholders.

With regard to ESG governance structure, the Strategy and Sustainable Development Committee is responsible for setting ESG objectives, building the ESG system, and reviewing ESG reports.

On the front of ESG risk management, the Company incorporated ESG risks into its broad risk management framework in line with strategic goals and operations. Material ESG issues alongside related risks were identified. These issues include brokerage-related customer rights protection, privacy and information security, and investor education; innovative green financing tools tied to investment banking; and responsible investment related to asset management. These actions have allowed the Company to effectively fulfill the social responsibilities as a financial enterprise, and facilitate achieving our long-term sustainable development.

Regarding the review of material issues, the board followed HKEx's Principle of Materiality, using stakeholder demands as the criterion for determining annual material issues. Then, the impact of such issues on the Company's sustainable development was analyzed and assessed in collaboration with external experts. Nine key issues identified for 2023 are: deepening green finance, advancing digital finance, serving inclusive finance, encouraging sci-tech innovation finance, serving the real economy, aiding rural revitalization, improving corporate governance, reinforcing risk management, and adhering to compliance operations. These form the focal points of the Company's 2023 ESG report.

Everbright Securities will unify its thoughts and actions on the task of financial services for the real economy, implement the policy spirit of the "Five Major Articles", fulfill the call of the times to finance for the well-being of the people and the strength of the country, and strive to write a new chapter for the company's high-quality development.

Company Profile

Everbright Securities, established in 1996 and headquartered in Shanghai, stands among the initial three pilot securities companies accredited by the China Securities Regulatory Commission (CSRC). It serves as a core financial service platform of Everbright Group, a Fortune 500 company. Everbright Securities made its debut on SSE and HKEx's Main Board on August 18, 2009, and August 18, 2016, respectively. This positions it as an AH company in the securities industry.

Chinese Name	光大证券股份有限公司
English Name	Everbright Securities Company Limited
Ticker Symbols	601788 SH
	06178 HK
Headquarters Address	1508 Xinzha Road, Jing'an District, Shanghai
Total Assets	RMB 259.604 billion
Operating Income	RMB 10.031 billion
Number of Employees	8,064

As of the end of December 2023, the Company had 8 subsidiaries, 14 branches and 242 securities sales departments, with business covering 122 cities in 30 provinces, autonomous regions and municipalities across the country. As an intermediary, the Company focuses on customizing wealth management, corporate financing, institutional customer business, investment transactions, asset management, and equity investment services for retail, institutional, and corporate customers.

Based in Hong Kong, the Company operates robust international operations extending throughout Asia and Europe. In January 2022, Everbright Sun Hung Kai Company Limited, Everbright Securities' subsidiary in Hong Kong, was officially renamed as "China Everbright Securities International Company Limited", providing customers with global financial services under corporate brand "Everbright Securities International", completed with a fresh brand logo. Everbright Securities International has established wealth management centers in Hong Kong and Macau.

Guided by the strategic goal of emerging as “China’s premier investment bank”, and the principles that financial work needs to be both rooted in politics and centered on the needs of the people, Everbright Securities is committed to contributing to the real economy and national strategies, all while keeping the needs of customers at the forefront. As a securities organization, we uphold our essential duties and business practices while consistently improving our service capabilities. At the heart of the Group’s comprehensive financial services system, we act as a main channel for direct financing. Our aim is to develop a distinguished and role-model investment banking brand focusing on five cornerstone sectors: technology finance, green finance, inclusive finance, pension finance, and digital finance.

Awards and Honors

Awards	Issued by
ESG-related awards	
2023 Wind Gold Analyst 2023 Best ESG Research Institute	Wind
2023 (Seventh) Corporate Social Responsibility Development Forum - 2023 Corporate Social Responsibility Low Carbon Model	Beijing Business Today
“Financial Industry ESG Action Report” was included in the China Listed Financial ESG Pioneers 30	Financial Program Center, China Media Group
2023 Enterprises With Excellent ESG Performance in Serving Real Economy	Xinhuanet, China Enterprise Reform and Development Society
CSR-related awards - talent training	
2023 Human Resource Management Excellence Award – Top Employer	Qianjin Network Information Technology (Shanghai) Co., Ltd. (51job.com)
Excellent Employer for Professional Credibility	Professional Credit Committee of Guangdong Credit Association Best Check Human Resource Co., Ltd.
2022 SSE Cup College ETF Elite Selection Competition Excellent Cooperation Award	Shanghai Stock Exchange
CSR-related awards - products and services	
2023 China Securities Industry Junding Award for Investment Banks Underwriting IPOs	Securities Times
2023 China Securities Industry Junding Award for Projects Supporting Private Enterprises	
2023 China Securities Industry Junding Award for ABS Teams	
CSR-related awards – digital transformation	
China Securities Industry Junding Award for Outstanding Practice Cases of APP-Based Digital Operation	Securities Times · Brokerage China
“Ensuring Market Continuity Based on Side Output Data” won the 13th Fin-Tech Application Innovation Cases - Outstanding Contribution Award for Digital Transformation in the Financial Industry	Financial News (e-version)
Data Security Promotion Plan Financial Working Group Members with Outstanding Contribution	China Academy of Information and Communications Technology

in 2022	
Award for Securities Companies with Outstanding Performance in Digital Transformation in 2022	Organizing Committee of the China Digital and Intelligent Finance Annual Conference
2022 Big Data Product Innovation Award	
CSR-related awards - rural revitalization	
2023 Jinding Award for Best Classic Case of Rural Revitalization	Daily Economic News
CSR-related awards - investor education	
Annual Investor Education Works Award	China Business News
2022 Award for Securities Companies with Outstanding Performance in Southbound Stock Connect Investor Education	HKEx
Special Award for Members Cooperating with SSE in Investor Education in 2022	SSE
Golden Consultant Award for Emerging Fund Investment Consulting Service Providers	Xinhua Finance
Golden Consultant Award for Fund Investment Consulting Communication	
The 6th Investment Consulting Team Best Style Award	NewFortune
The 6th “NewFortune” Best Investment Consulting Team	
Best Pioneering Investor Education Video	China Fund News

ESG Governance

Improving ESG Governance Structure

Recognizing ESG operations as not just a current trend, but also as a key approach to ensuring a company’s high-quality growth, the Company integrates CSR into corporate culture, strategic objectives, and daily operations, for the purpose of generating sustainable comprehensive value that benefits shareholders, employees, other stakeholders, and the society at large.

The board assigns significant weight to ESG management and development. In 2022, the Company renamed its Strategy and Development Committee as Strategy and Sustainable Development Committee and formulated the *Rules of Procedure of the Strategy and Sustainable Development Committee of Everbright Securities*, providing clear roles, responsibilities, and authorities for the committee. In 2023, the Company enhanced its three-tier ESG governance structure encompassing supervision, management, and execution, to bolster stakeholder management, and better identify material ESG issues. These measures continuously improved our ESG governance level.









Stakeholder Management

Effective stakeholder communication is an important tool for ESG information disclosure, and good stakeholder communication can reduce operational risks. In 2023, the Company continued to optimize communication with stakeholders. Through consultation and communication, we effectively identified ESG risks that are most relevant to our development, improved the quality of ESG information disclosure, and enhanced stakeholders' sense of participation in corporate operations. Consequently, shareholders have shown growing trust in the Company.

In accordance with guidance documents such as CSRC's *Code of Corporate Governance for Listed Companies*, and HKEx's *How to Prepare an ESG Report - ESG Reporting Guide*, as well as our business and industry attributes, we have divided stakeholders into six categories: governments and regulators, investors, employees, customers, suppliers and partners, and communities. We're committed to responding actively to the demands of various stakeholders.



Stakeholders	Issues	Communication and Feedback
<p>Government and Regulators</p> 	<ul style="list-style-type: none"> • Strengthen risk management and control • Deepen anti-corruption initiatives • Compliant operations • Contribute to the “dual carbon” goals • Promote rural revitalization 	<ul style="list-style-type: none"> • Risk management and control system • Integrity in the workplace • Compliance management • Green financial products • Financial assistance
<p>Shareholders/Investors</p> 	<ul style="list-style-type: none"> • Strengthen corporate governance • Promote business development • Deepen anti-corruption initiatives • Protect the rights and interests of shareholders and investors 	<ul style="list-style-type: none"> • Shareholders’ meetings, performance presentation meetings, etc. • Product and service innovation and upgrade • Integrity in the workplace • Communication channels for shareholders and investors
<p>Customers</p> 	<ul style="list-style-type: none"> • Excellent customer service • Cutting-edge financial technology • Ensure data security and privacy 	<ul style="list-style-type: none"> • Customer complaints and satisfaction • Golden Sunshine APP • Investor education activities

<p style="text-align: center;">staff</p> 	<ul style="list-style-type: none"> • Comply with labor standards • Protect employees' rights and benefits • Promote employee career development • Care for employee health and safety • Promote work-life balance • Practice employee care 	<ul style="list-style-type: none"> • Open and fair recruitment • Compensation structure and benefits • Classified multi-level employee training • Employee promotion mechanism • Employee physical examination, psychological counseling lectures, fire drills • Cultural and sports activities • Employee Congress
<p style="text-align: center;">Suppliers</p> 	<ul style="list-style-type: none"> • Compliance management • Supply chain management • Business ethics 	<ul style="list-style-type: none"> • Cooperation and exchange • Supplier audit • Anti-commercial bribery
<p style="text-align: center;">Communities</p> 	<ul style="list-style-type: none"> • Consolidate the results of poverty alleviation • Engage in social welfare and charity 	<ul style="list-style-type: none"> • Assistance actions • Volunteer activities • Charity donation

Materiality Analysis

The Company analyzes material issues from two perspectives: “Impact on Stakeholders” and “Impact on the Sustainable Development of Everbright Securities”, in line with HKEx’s Principle of Materiality. Our Issues Database draws upon various credible references and aligns with Everbright Securities developmental strategy, and internationally acclaimed ESG conceptual frameworks and standards. These benchmarks include the UN Sustainable Development Goals (SDGs), HKEx’s ESG Reporting Guide, Sustainability Accounting Standards Board (SASB), and MSCI ESG Ratings. Our comprehensive four-step process consists of external analysis, internal assessment, issue identification, and issue verification. Through this process, we have identified the material issues for 2023: deepening green finance, advancing digital finance, serving inclusive finance, encouraging sci-tech innovation finance, Serving the real economy, aiding rural revitalization, improving corporate governance, reinforcing risk management, and adhering to compliance operations.

<p>High</p> <p>↑</p> <p>Impact on Stakeholders</p> <p>↓</p> <p>Medium</p>	<p>Financial product innovation</p> <p>Wealth management</p>	<p>Investor protection</p> <p>FinTech Application</p> <p>Customer satisfaction and complaint handling</p> <p>Investor education</p> <p>Stakeholder communication</p> <p>Protect the rights and interests of small and medium shareholders</p> <p>Anti-corruption</p> <p>Information security and customer privacy protection</p>	<p>Deepen green finance</p> <p>Advance digital finance</p> <p>Serve inclusive finance</p> <p>Encourage sci-tech innovation finance</p> <p>Serving the real economy</p> <p>Aid rural revitalization</p> <p>Improve corporate governance</p> <p>Reinforce risk management</p> <p>Adhere to compliance operations</p>
	<p>Expand the cooperation ecosystem</p>	<p>Responsible investment</p> <p>Protect intellectual property</p> <p>Protect customer rights and interests</p> <p>Promote industry development</p> <p>Collaborative business development</p> <p>Employee training and development</p>	<p>Employee recruitment and employment</p> <p>Employee rights</p> <p>Low carbon operation</p> <p>Promote rural revitalization</p>
	<p>Supply chain management</p>	<p>Volunteer service</p> <p>Charity donation</p> <p>Employee care</p> <p>Green public welfare</p>	<p>Support community development</p>
<p>Medium ← Impact on Sustainable Development → High</p>			

Contributions to the United Nations Sustainable Development Goals

SDGs	Our Actions	Corresponding Chapters in the Report
 <p>1 无贫穷</p>	<p>Support rural revitalization</p> <p>Carry out donations</p>	<p>1.6 Enhancing Rural Revitalization through Multi-Dimensional and Collaborative Efforts</p> <p>5.3 Building a Culture of Philanthropy to Contribute to the Society</p>
 <p>3 良好健康与福祉</p>	<p>Ensure employee welfare</p>	<p>3.2 Creating a Healthy and Safe Work Environment</p> <p>3.4 Caring for Employees to Foster Corporate Cohesion</p>
 <p>4 优质教育</p>	<p>Carry out public welfare activities</p> <p>Conduct employee training</p>	<p>5.3 Building a Culture of Philanthropy to Contribute to the Society</p> <p>3.3 Enhancing Talent Development to Strengthen Talent Base</p>
 <p>5 性别平等</p>	<p>Employee hiring and development</p>	<p>3.1 Creating a Positive Workplace that Upholds Employee Rights and Interests</p> <p>3.3 Enhancing Talent Development to Strengthen Talent Base</p>
 <p>7 经济适用的清洁能源</p>	<p>Support green industries</p> <p>Promote green operations</p>	<p>1.3 Promoting Low-Carbon Green Finance in Line with the “Dual Carbon” Goals</p> <p>5.2 Responding to Climate Change through Low-Carbon Operations</p>
 <p>8 体面工作和经济增长</p>	<p>Employee hiring and development</p>	<p>3.1 Creating a Positive Workplace that Upholds Employee Rights and Interests</p> <p>3.3 Enhancing Talent Development to Strengthen Talent Base</p>
 <p>9 产业、创新和基础设施</p>	<p>Support industrial development</p>	<p>1.1 Effectively Propelling the Real Economy into a New Era of Economic Development</p>
 <p>10 减少不平等</p>	<p>Support rural revitalization</p>	<p>1.6 Enhancing Rural Revitalization through Multi-Dimensional and Collaborative Efforts</p>
 <p>11 可持续城市和社区</p>	<p>Support regional development</p> <p>Promote rural</p>	<p>1.6 Enhancing Rural Revitalization through Multi-Dimensional and Collaborative Efforts</p>

	<p>revitalization</p> <p>Organize charity activities</p>	<p>5.3 Building a Culture of Philanthropy to Contribute to the Society</p>
	<p>Product liability</p> <p>Risk management</p> <p>Supplier management</p>	<p>2.1 Delivering High-Quality Services to Ensure a Pleasant Customer Experience</p> <p>4.4 Building a Risk Management System to Prevent and Mitigate Financial Risks</p> <p>4.2 Continuously Enhancing Corporate Governance through Lean Management</p>
	<p>Contribute to the “dual carbon” goals</p>	<p>1.3 Promoting Low-Carbon Green Finance in Line with the “Dual Carbon” Goals</p> <p>5.2 Responding to Climate Change through Low-Carbon Operations</p>
	<p>Corporate governance</p> <p>Anti-corruption</p> <p>Anti-money laundering</p>	<p>4.2 Continuously Enhancing Corporate Governance through Lean Management</p> <p>4.3 Reinforcing the Compliance Management System to Increase Compliant Business Practices</p>
	<p>Industry cooperation</p> <p>Responsible sourcing</p> <p>Customer service</p>	<p>5.1 Engaging in Industry Exchanges to Foster Mutually Beneficial Collaborations</p> <p>4.2 Continuously Enhancing Corporate Governance through Lean Management</p> <p>2.1 Delivering High-Quality Services to Ensure a Pleasant Customer Experience</p>

Chapter I Executing Financial Functions in Line with National Strategies

As a central state-owned financial enterprise, Everbright Securities consistently places national strategies at the forefront of its developmental objectives. Strategically, we enacted the *Plan and Ten Measures of Everbright Securities for Serving the Real Economy and Implementing Major National Strategies*, and set the strategic goal of building “China’s Premier Service-Oriented Investment Bank”. Further, we have taken effective measures based on core businesses, contributing to the real economy and major national strategies.

As of the end of December 2023, Everbright Securities had

- Had provided RMB **246.81** billion of direct financing services to enterprises, a year-on-year increase of **17.7%**
- Raised RMB **76.885** billion for the real economy, increased by RMB **13.258** billion or **20.84%** compared with previous year
- Underwritten RMB **440.777** billion of bonds, increased by **25.82%** compared with the previous year
- Underwritten **42** green bonds for RMB **19.69** billion, including RMB **2.956** billion of the Carbon Neutrality Bond
- Underwritten **10** rural revitalization bonds for RMB **3.035** billion
- Underwritten **32** science-tech innovation bonds for RMB **15.143** billion
- Underwritten **47** private enterprise bonds for RMB **9.5** billion
- Successfully executed over **50** joint ventures worth RMB **44.5** billion with partners including China Everbright Bank, China Everbright Environment Group Limited, etc.

1.1 Effectively Propelling the Real Economy into a New Era of Economic Development

In 2023, Everbright Securities fortified its commitment to serving the real economy and implementing national strategies. We continued to strengthen our business advantages to cultivate a robust real economy, resulting in numerous direct financing projects that delivered economic benefits and widespread influence while benefiting the society.

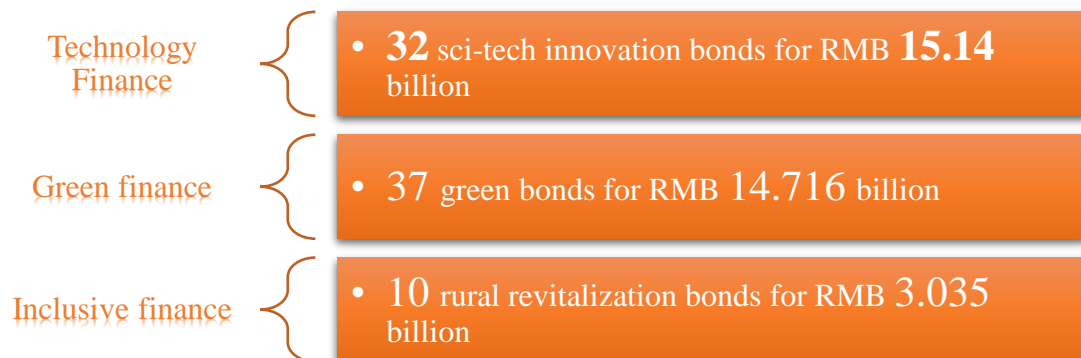
As of 2023, Everbright Securities had directly raised RMB 246.81 billion for enterprises, increased by 17.7% compared with previous year, including RMB 76.89 billion to real businesses, accounting for 31.2% of the total.

In January 2024, the 10th Financial Corporate Social Responsibility Forum, co-hosted by Xinhuanet and Shanghai Finance and Development Laboratory among others, was held in

Shanghai. Our project “Fostering the Rapid Development of the Real Economy and Supporting the Technological Transformation of Energy Companies” was selected among the “Responsible Finance Blue Book (2023) Typical Cases of Serving the Real Economy”.

Meanwhile, the Company successfully executed over 50 joint ventures worth RMB 44.5 billion with other subsidiaries under the Everbright Group, helping partnering units directly finance over RMB 18 billion. Moreover, collaborative financing to real businesses stood at RMB 19.121 billion, including RMB 3.49 billion from 5 bonds for the Beijing-Tianjin-Hebei Region, and RMB 8.17 billion from 10 bonds for the Guangdong-Hong Kong-Macao Greater Bay Area. Of the RMB 19.121 billion, RMB 6.05 billion is from 5 bonds issued in line with the Great Western Development Strategy, and the remaining RMB 13.071 billion is from 18 bonds which support the spearheading development of the eastern region.

By the end of December 2023, the Company had underwritten the following bonds in several key sectors:



1.1.1 Promoting Strategic Emerging Industries

Strategic emerging industries demand comprehensive financial support throughout their lifecycle. Everbright Securities has leveraged its business strengths to bolster equity financing significantly. In collaboration with various Everbright Group subsidiaries, we increased investments and loans through innovative products and services, facilitating the integrated development of strategic emerging enterprises and clusters. By the end of December 2023, we had assisted 7 strategic emerging enterprises in equity financing for RMB 4.374 billion.

Case: Everbright Securities assisted the listing of Fengzhushou on the GEM

Fengzhushou Co., Ltd. (“Fengzhushou”) is a comprehensive digital goods service platform, focusing on the R&D and application of digital goods, Internet of Things, and cloud terminal technology. It is acknowledged as a National High-Tech Enterprise and a Specialized and Sophisticated Enterprise in Guangdong Province. In May 2023, Everbright Securities and China Everbright Bank jointly enabled the successful listing of Fengzhushou on SZSE GEM. Moreover, Everbright Securities assisted Fengzhushou’s shareholders in opening accounts, and worked with China Everbright Asset Management Limited (“Everbright Asset Management”) to complete the strategic placement.

Case: Everbright Securities assisted the listing of HHCK on STIB

Jiangsu HHCK Advanced Materials Co., Ltd. (“HHCK”) is a leading manufacturer of epoxy molding compound, a core part of semiconductors. It is positioned as a National Specialized and Sophisticated Enterprise, and a High-Tech Enterprise. In April 2023, Everbright Securities joined forces with China Everbright Bank to ensure HHCK’s successful listing on the SSE STIB for RMB 706 million.

Case: Everbright Securities successfully issued strategic emerging industry themed equity products

In 2023, Everbright Securities partnered with Everbright Asset Management to launch two themed equity products: Advanced Manufacturing Guangyuan No. 1 and Sunshine Intelligent Chip Selection No. 1, collectively raising a total of RMB 20 million. These funds primarily targeted investments in high-end manufacturing, semiconductors, chips, and other strategic emerging industries. By the end of December 2023, both products had garnered significantly higher excess returns compared to the CSI 300 Index, showcasing excellent performance in the market.

1.1.2 Promoting the Prosperity of Modern Service Industry

Case: Everbright Securities assisted Huashan Travel in issuing short-term financing bond

Shaanxi Huashan Travel Group Co., Ltd. (“Huashan Travel”) has encountered difficulties in recent years due to the widespread impact of the pandemic. Fortunately, with the help of a professional enterprise cluster financing team composed of members from Everbright Securities and Everbright Group’s subsidiaries, Huashan Travel issued a short-term financing bond, successfully raising RMB 500 million. These funds enabled the recovery of Huashan Travel.

1.1.3 Establishing Modern Infrastructure Systems

Case: Everbright Securities helped Shenyang Metro issue green bond

In August 2023, Everbright Securities supported Shenyang Metro Group Co., Ltd. (“Shenyang Metro”) in launching the first tranche of a green ultra-short-term financing bond, with an issuance scale of RMB 500 million. The proceeds were dedicated exclusively to rail transit construction and operations, reinforcing the commitment to green transportation.

Case: Everbright Securities assisted Cangzhou Transportation in successfully issuing a “Rural Revitalization” PPN

In September 2023, Cangzhou Transportation Development (Group) Co., Ltd. (“Cangzhou Transportation”) launched the third tranche of a “Rural Revitalization” private placement note (PPN), underwritten by Everbright Securities. In a collaborative approach, Everbright Securities and China Everbright Bank delivered comprehensive financing services for the issuer, blending underwriting and investment. This meticulous teamwork showcased the cohesive advantages of the Everbright Group and furthered our service to the national rural revitalization strategy.



1.1.4 Supporting the Transformation and Upgrading of Conventional Enterprises

Steered by new development principles, Everbright Securities remains committed to promoting industrial transformation and upgrading. We continually seek novel financial instruments and service models to expedite the optimization of industrial structures and the progression of industrial technology, effectively promoting industrial transformation and upgrading. As of December 2023, Everbright Securities had successfully assisted a total of 10 manufacturing corporations in completing equity financing, amassing a financing volume of RMB 3.965 billion.

Case: Everbright Securities helped Kayo Motor land on BSE

Zhejiang Kayo Motor Co., Ltd. (“Kayo Motor”) is a well-renowned enterprise specializing in the independent research, development, production, and sales of off-road vehicles. In August 2023, Everbright Securities, acting as the sponsor and lead underwriter, leveraged an in-depth understanding of Kayo Motor’s business capabilities and technical advantages to unveil its unique strengths and product benefits, assisting Kayo Motor in its successful listing on the Beijing Stock Exchange (BSE). This has further bolstered Kayo Motor’s commendable reputation in the capital market.



Case: China launched its first local credit enhancement industrial bond in Meishan

In March 2023, Everbright Securities had the distinct honor of serving as the sole lead underwriter for China’s first local credit enhancement industrial bond issued by Meishan Industrial Investment Co., Ltd. The issuance raised a sizable RMB 450 million. The proceeds were strategically allocated to the industrial aluminum business sector, supplementing the necessary capital for daily production and operations. The successful issuance effectively enabled the issuer to capitalize on credit enhancement opportunities, thereby fostering new development opportunities for local industries.

Case: Everbright Securities assisted BYD Auto Finance in issuing green car loan ABS

In August 2023, Everbright Securities successfully guided BYD Auto Finance Company Limited (“BYD Auto Finance”) in the issuance of the third tranche of Shengshi Rondi 2023 Personal Auto Mortgage Loan Green Asset-Backed Securities. The issuance amassed an impressive figure of RMB 10 billion and a priority coupon rate of 1.96%. This set a new low for the “Shengshi Rondi” series products that year, and simultaneously established a record for the largest single-issue of green car loan ABS in the capital market. The asset-backed securities issue was jointly undertaken by Everbright Securities

and China Everbright Bank. Ultimately, they were awarded a bid of RMB 3.5 billion, accounting for nearly 40% of the priority issuance scale. This significantly lowered financing costs for the customer and displayed Everbright’s high-quality innovative collaborative development model that signifies its brand within the industry-financing collaborative ecosystem of major investment banks.

1.2 Leveraging Technology Finance to Bolster Business Innovation and Pave the Way for a New Economic Growth Paradigm

Technological innovation serves as the driving force behind production. This means that financial institutions, as the lifeblood of the real economy, have the responsibility to develop technology finance, encouraging financial investment in key areas bolstering technological innovation. Everbright Securities recognizes technology finance as a key instrument to build up national strength. For this purpose, we continuously enhanced the strength, breadth and precision of the financial support to scientific innovation, promoting the real economy through high-quality financial services.

Case: Everbright Securities instrumental in facilitating Evergreen Technology’s successful IPO on SSE

In April 2023, Everbright Securities, serving as the primary sponsor and lead underwriter, successfully guided JiangSu Evergreen New Material Technology Incorporated Company (“Evergreen Technology”) to its public listing on SSE. This distinguished Evergreen Technology as one of the pioneering enterprises to be listed under the SSE’s main board registration system. Established as a frontrunner in China’s new polymer materials sector, Evergreen Technology is dedicated to the R&D, manufacture, and sale of innovative polymer materials, providing robust support to the downstream new polymer material manufactures.



Case: Everbright Securities facilitated Prulde’s Successful Listing on GEM

Zhejiang Prulde Electric Appliance Co., Ltd. (“Prulde”), known as a National High-Tech Enterprise and a “Little Giant” company, is one of the most competitive professional electric power tool manufacturers in China. Prulde has successfully addressed residual fluid in electric spray guns which previously resulted in resource wastage and environmental pollution.

In May 2023, Everbright Securities facilitated Prulde’s successful listing on SZSE GEM as its sponsor. This milestone will greatly enhance Prulde’s capacities in technological innovation, and the R&D of core technologies, allowing it to further establish itself as a leading enterprise in the electric power tool industry.

Case: Everbright Securities spearheaded Taybo Technology’s private placement

Taybo (Shanghai) Environmental Technology Co., Ltd. (“Taybo Technology”) is a National Specialized and Sophisticated Enterprise, a High-Tech Enterprise in Shanghai, and a Patent Demonstration Entity in Jinshan District, Shanghai. It focuses on the R&D and production of vehicle air conditioning and thermal management systems. In May 2023, Everbright Securities played a decisive role in Taybo Technology’s private placement of new shares, raising RMB 60 million. These funds aim to bolster the company’s business scale, improve profitability, strengthen risk-resistance capabilities, and ensure sustainable and robust development in the long term.

Case: Everbright Securities played a central role in China Railway Group’s successful issuance of its “Tech-Innovation” renewable corporate bond

In September 2023, Everbright Securities successfully underwrote the sixth tranche of a “Tech-Innovation” renewable corporate bond issued by China Railway Group Limited to professional investors in 2023 on SSE, raising RMB 2 billion. With subscription rate surpassing three times the issue size, this marked a record for Everbright Securities’ underwriting capacity in the field of sci-tech innovation corporate bonds in recent years. The issuance significantly bolsters China Railway’s ability to fortify capital base, trim financing costs, and implement its “three transformations”, paving the way for its high-quality development.

Case: Everbright Securities assisted in the issuance of the first batch of sci-tech innovation notes in Hebei Province

In August 2023, Everbright Securities successfully led the issuance of the “Second Tranche of Medium-term Notes (Sci-tech Innovation Note) of Kailuan (Group) Co., Ltd.

in 2023” in the interbank bond market. This represents both Kailuan Group’s and Hebei’s inaugural sci-tech innovation note product. The issuance has achieved a historic low-interest rate for similar term debt in Kailuan Group’s history, piquing the interest of numerous investors. This strong subscription base has significantly bolstered the company’s sci-tech innovation endeavors.



1.3 Promoting Low-Carbon Green Finance in Line with the “Dual Carbon” Goals

Green and low-carbon practices have become imperative to high-quality enterprise development. Everbright Securities prioritizes green finance and ESG-related businesses by seamlessly integrating green and ESG concepts into operations. We commit to green and ESG investments and persistently deepen our research in green and low-carbon sectors, aiming to assist enterprises in achieving green, low-carbon development with exceptional financial services. In 2023, Everbright Securities backed the green industry with financing worth RMB 15.4 billion, marking a year-on-year surge of 88.5%.

1.3.1 Practicing Green and ESG Investment Concepts

As global attention shifts increasingly towards sustainable development, ESG investment has emerged as a focal point in the capital markets. To cater to this growing investor interest in ESG, the Company has proactively organized comprehensive training programs and roadshows to endorse the seamless integration of public funds with ESG investment principles. These efforts are in line with China’s green initiatives and carbon peak and carbon neutrality goals. As of December 2023, the Company oversaw 337 ESG funds. We’ve successfully made available 26 ESG public offerings in the past year, garnering a sales volume close to RMB 200 million.

Integrating ESG investment concepts

- **Equity Proprietary Investment Business:** We've integrated comprehensive ESG risk assessment criteria for investment targets within operational guidelines, such as the *Measures of the Multi-Asset Investment Department for On-Site Investment Business Management* and the *Measures of the Multi-Asset Investment Department for Investment Pool Management*. These guidelines allow us to steer clear of investment in listed companies within high-polluting and high-energy consuming industries.
- **Asset Management Business:** It covers key ESG-related industries and incorporates a long-term tracking mechanism. We've incorporated evaluation factors like environmental governance, social responsibility, and government governance within our urban investment credit appraisal system.
- **Fixed-income Proprietary Investment Business:** We've recently updated the *Implementation Rules of the Fixed-Income Foreign Exchange Commodity Department for Green Bond Investment Pool Management* to further refine the management of external green bond investments from our own funds. This enhancement aids our funds to invest more effectively in green, low-carbon related sectors.

Financial services help drive forward green and low-carbon development of enterprises

Case: Everbright Securities assisted Yanshan Yulong in energy-saving and environmental protection transformation

In August 2023, Everbright Securities facilitated Beijing Yanshan Yulong Pec Co., Ltd. ("Yanshan Yulong") with its private placement of new shares. This strategic move, aimed at fostering the company's energy-efficient and eco-friendly transformation, contributes to the company's sustainable development and the "dual-carbon" goals.

Case: Everbright Securities assisted Everbright Environment in issuing green medium-term notes

In 2023, under the lead underwriting of Everbright Securities, China Everbright Environment Group Limited ("Everbright Environment") triumphantly issued the first and second tranches of its medium-term notes, raising a total of RMB 4 billion. Notably, the second tranche comprised a green medium-term note, classified as a carbon-neutrality bond, with an impressive issuance scale of RMB 2 billion. This issuance marked the largest single-issue perpetual panda note in the market. The projects financed by these bonds are anticipated to reduce 265,400 tons of carbon dioxide emissions every year.

This initiative has won the "Excellent ABS Trust Product" award at the 2023 China Asset

Management and Wealth Management Industry Annual Summit and the Third “Golden Honor Award” Ceremony. Additionally, it was distinguished as an innovative demonstration case by the Shanghai Clearing House.



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Case: Everbright Securities assisted in the successful issuance of Zhejiang Province’s first double-labeled (Carbon Neutrality Bond & Rural Revitalization Bond) green medium-term note

In June 2023, Everbright Securities successfully spearheaded the issuance of Shaoxing Communications Investment Group Co., Ltd.’s first tranche of Green Medium-Term Note (Carbon Neutral Bond/Rural Revitalization Bond) in 2023. The total issuance amounted to RMB 500 million, with all the raised funds allocated for the new energy bus business. This endeavor marks the first-ever double-labeled (Carbon Neutral Bond & Rural Revitalization) green medium-term note in Zhejiang Province, substantially bridging the “last mile” of transportation for rural residents. Consequently, the project is projected to save 17,877 tons of standard coal annually, which in turn would reduce carbon dioxide emissions by 42,963 tons, reinforcing our commitment to sustainability.

Case: Everbright Securities assisted Xi’an Happiness Forest Belt PPP project

In August 2023, Everbright Securities, acting as the lead underwriter, successfully issued the Xi’an Happiness Forest Belt PPP Project Green Asset Support Special Bond. With an issuance scale of RMB 2 billion, it was deemed the largest PPP-ABS operation in China without credit enhancement, and the first of its kind for green PPP-ABS in the northwest

region. Moreover, it boasted the lowest interest rate since 2023 among PPP-ABS operations not backed by credit enhancement.

The Xi'an Happiness Forest Belt PPP Project integrates the construction of five fields — landscape greening, underground space development, municipal roads, comprehensive pipe corridors, and subway construction. Achieving a green coverage rate of 85%, it currently stands as the world's largest comprehensive underground space utilization project and the largest urban landscape forest belt in China. By combining green finance with PPP, the initiative transforms ecological value into market value, effectively attracting social funds towards investment in the green PPP sector, and fostering green, high-quality development.

1.3.2 Deepening Research in Green and Low-Carbon Sectors

Everbright Securities harnesses its expertise in investment research and keeps abreast of the latest laws, regulations, regulatory policies, and market practices both domestically and internationally. We are dedicated to enhancing our research capabilities in the green industry sector, both in scope and depth, leveraging research outcomes to drive development and support the achievement of the “dual carbon” goals. In 2023, the Everbright Securities Research Institute published 23 research papers on responsible investment, ESG investment, and climate risk management; 300 research articles focusing on carbon neutrality, and 20 biweekly reports tracking ESG policies and market developments.



Pic.: “Finance and Carbon Neutrality” study series

Case: Everbright Futures published specialized reports on hotspot issues in the field of green development

In recent years, propelled by the “dual carbon” goals, China’s lithium carbonate industry has seen rapid growth. Correspondingly, lithium carbonate futures and options have been officially listed on the Guangzhou Futures Exchange. In light of these developments, the Everbright Futures Research Institute has keenly followed the emerging trends in the field of green development. It has published six specialized reports on lithium carbonate futures and options, and launched the “Finance and Lithium Carbonate” research project, centered on the lithium carbonate industry. These efforts aim to better serve entities within the lithium battery industry.



Pic.: “Finance and Lithium Carbonate” Lithium Carbonate Industry Special Research Project

1.4 Applying Inclusive Finance to Micro and Small-Sized Enterprises to Energize Economic Development

Everbright Securities aims to enhance the scale and quality of financial services offered to micro and small-sized enterprises. Our vision is to build an effective financial service system that resonates with economic and societal progress, implementing greater credit availability and insurance liability guarantees, expanding direct financing avenues, and ensuring

the coverage, accessibility, and convenience of services effectively tailored to these businesses. We strive to refine financing rules surrounding micro and small-sized enterprises, enhance service evaluation methodologies, guide financial institutions to construct and refine sustainable service models, and customize services for customers.

Case: Everbright Securities facilitated the additional issuance for small high-tech enterprise on NEEQ

In 2023, Everbright Securities successfully catered to Taybo Technology, a burgeoning enterprise listed on the NEEQ market, helping raise RMB 60 million. Taybo Technology, a distinguished high-tech entity, specializes in the R&D, production, and sales of innovative technologies and related products in the vehicle air conditioning and thermal management system, vehicle air conditioning energy-saving system, and vehicle air conditioning control system. The company primarily offers its cutting-edge, eco-friendly air-conditioning products, systematic solutions, and comprehensive services to manufacturers of engineering, agricultural, and other specialty vehicles.

1.5 Incorporating Age-Friendly Elements into Pension Finance as Part of CSR

In alignment with the strategic directives of the Party Central Committee and the State Council regarding resident pensions, and to leverage the pivotal role of personal pensions as the “Third Pillar”, Everbright Securities has proactively expanded into pension finance. We have received approval to undertake personal pension investment fund operations, marking a significant step forward in our commitment to broadening and enhancing our pension finance business.

<p>Developing a personal pension investment management system</p>	<ul style="list-style-type: none"> Formulated and released the <i>Implementation Rules of Everbright Securities for the Management of Personal Pension Investment in Publicly Offered Securities Investment Funds (Interim)</i>
<p>Expanding the pension finance module</p>	<ul style="list-style-type: none"> Comprehensively expanded the Golden Sunshine APP pension finance module, E-counter pension finance module, and Hang Seng OTC pension business module
<p>Expanding the pension finance product portfolio</p>	<ul style="list-style-type: none"> Expanded the offering of financial products according to the risk preference characteristics of senior customers, and added age-friendly functions, effectively managing pension assets
<p>Publishing research reports on pension finance</p>	<ul style="list-style-type: none"> Published a series of comprehensive and methodical reports on pension finance, which, after delving deep into the three pillars of the global pension system, collate experiences and traits, and offer investment advice

In our endeavor to assist seniors in traversing the “digital barrier”, we have added old-friendly design to Golden Sunshine App. This design considers both the physiological attributes and factors of senior users. It enhances the accessibility in financial contexts, providing a more complete, considerate, and user-friendly service to this demographic. Our goal is to thoughtfully facilitate seniors in embracing the benefits of digital life.



Case: Everbright Securities provided financial risk education for the elderly

To help senior users enjoy financial services safely, fully protect their rights and interests, and create a harmonious and inclusive financial consumption environment for them, Everbright Securities has launched the “Combating Illegal Financial Activities” live streaming campaign, helping the elderly identify financial scams, safeguarding their “money bags”.



1.6 Enhancing Rural Revitalization through Multi-Dimensional and Collaborative Efforts

The multifaceted nature of rural areas dictates complexity in their revitalization. Everbright Securities leverages its unique business strengths to promote rural

revitalization in three dimensions: talent development, organizational structure optimization, and industrial development. In line with China's rural revitalization strategy, we've launched a series of measures to attract and nurture talent, foster local economies, energize rural industries, improve rural environment, and promote rural culture.

Effectively strengthening organizational leadership

Everbright Securities has established a dedicated leadership team for rural revitalization, led by our Party Secretary and supported by our Deputy Party Secretary. Under this leadership is the Rural Revitalization Office, responsible for supervising the rural revitalization performance of various entities in accordance with annual plans and their responsibilities.

Enhancing financial support

Everbright Securities has donated a total of RMB 7.73 million to targeted impoverished counties through avenues like the Everbright Group's poverty alleviation programs and the Shanghai Charity Foundation. These funds have been particularly instrumental in enhancing rural basic education infrastructure, production and living service facilities, and rural ecological conservation and environmental governance initiatives.

In 2023, Everbright Securities launched various initiatives to promote the consumption of agricultural products. Specifically, we assisted impoverished counties in developing green, organic, and geographically indicated agricultural products. Moreover, we issued the *Notice on Further Promoting the Consumption of Agricultural Products*, and the *"Rural Revitalization" Initiative on Promoting the Consumption of Agricultural Products*, encouraging all entities under the Everbright Securities framework to join our efforts. By the end of December 2023, we'd purchased RMB 206,300 of specialty agricultural products, effectively assisting disadvantaged areas in lifting themselves out of poverty through developing specialty industries.

Continuing to delegate temporary local officials

Since 2016, we have consistently delegated exceptional management personnel to work in Xintian County, Hunan Province, where Everbright Group and the Company offer targeted aid. By the end of December 2023, we had delivered over RMB 24 million of free assistance funds and carried out more than 60 tailored assistance projects in Xintian County.

Carrying out in-depth research

In June 2023, an investigation team led by senior management embarked on a hands-on research visit to Xintian County, Hunan Province. The insights gathered from the visit were instrumental in formulating the report titled *Consolidating Achievements and Leveraging Industry-Finance Synergies to Elevate Rural Revitalization to New Heights*. In December 2023, our senior management visited Fujian branch to gain an on-the-ground perspective of its ongoing rural revitalization efforts. Further investigations were conducted in Xintian County in Hunan Province and Xingguo County in Jiangxi Province that is paired assistance with Fujian branch. The two visits led to the formation of the research report *Consistently Intensifying Investigations to Address Real-World Challenges for People’s Livelihoods and Propel Xintian’s Rural Revitalization*.



Photos: Investigation in Xintian county in Hunan Province

1.6.1 Helping Rural Areas Developing Talents

In 2023, Everbright Securities orchestrated an array of financial knowledge and skills training programs. Through a blend of online and offline methods, we imparted technical support and entrepreneurial guidance to grassroots officials, technical personnel, and rural revitalization leaders across our four designated assistance areas.






Photo: Wuhan Branch joined hands with Wan’an County, Jiangxi Province to organize basic financial knowledge training activities

1.6.2 Assisting Organizational Improvement in Rural Areas

In 2023, the Company harnessed the power of thematic education to support and encourage exemplary party branches to initiate collaborative learning and Party building activities with rural Party branches at the county level. In March 2023, our Company’s

office Party branch undertook joint Party building activities with the village Party branch of Xintian County, Hunan. Then, in September 2023, key Party members from our Company were chosen to engage in Party building dialogue and exchanges with Party members and leaders in paired impoverished counties. This was specifically implemented in the four areas the Company has prioritized for targeted assistance.

		
<p>The general Party branch of the Fujian branch and the grassroots Party organization in Xingguo County, Jiangxi Province carried out a collaborative Party building activity</p>	<p>The general Party branch of the Guangdong branch and the Danxi Township Clerks Association of Xunwu County, Jiangxi Province conducted a collaborative Party building activity</p>	<p>The Party branch of the Yinchuan Fenghuang North Street Outlet of Xi'an branch and the Party branch of Linjiagou Village, Xitan Township, Xiji County, Ningxia jointly held a themed Party day event</p>

1.6.3 Promoting Industrial Development in Rural Areas

Industries form the cornerstone of development. They enduringly serve as the key means and strategic avenue to consolidate and broaden the outcomes of poverty alleviation, and drive comprehensive advancement of rural revitalization. Using our robust business strengths, Everbright Securities is committed to rejuvenating rural industries by offering innovative and tailored financial solutions.

Case: “Insurance + Futures” solution support rural revitalization

In 2023, Everbright Futures, a subsidiary of Everbright Securities, collaborated with China Life Property & Casualty Insurance to launch the innovative “Insurance + Futures” project supporting the natural rubber industry in Jinggu County, Yunnan Province. The project underwrote 2,000 tons of natural rubber from 19,340 mu (approx. 1,296 ha.) managed by 39 farmer households, effectively safeguarding their income from rubber. Encouraged by the success of this project model, we expanded it to 106 additional counties and towns, including Xintian County in Hunan Province, Yanchang County in Yan’an City, and Menglian County in Yunnan Province. Our efforts resulted in guaranteed insurance coverage for agricultural goods valued at approximately RMB 2.3 billion, benefiting around 55,000 local Farmer households. This tailored approach, based on our

business characteristics, underscored our commitment to product innovation and industrial development in rural areas.



Case: Everbright Securities facilitated the issuance of China’s first “Rural Revitalization” PPN for a municipal-level transportation enterprise

In January 2023, Cangzhou Transportation Development (Group) Co., Ltd. (“Cangzhou Transportation”) issued the first tranche of its “Rural Revitalization” PPN, with Everbright Securities as the lead underwriter. It is China’s first “Rural Revitalization” PPN from a prefecture-level transportation company, and the first “Rural Revitalization” PPN in northern China. This issuance holds significant implications for improving infrastructural development in poverty-stricken regions along expressways. Also, it enhances the transportation efficiency of agricultural and sideline products and bolsters the development of the tourism industry along these routes. Moreover, it plays a crucial role in broadening the impact of poverty alleviation measures.

Chapter II Optimizing Financial Services and Highlighting Operating Characteristics

Everbright Securities remains steadfast in keeping our customers at the heart of everything we do. We diligently execute our duties, reinforce responsibility, and continuously refine our financial services, aiming to enhance public accessibility, satisfaction, and benefits from these services. In 2023, we were committed to bolstering customer privacy protection and data security management, implementing suitable investor management strategies, enhancing customer complaint resolution framework, and fostering financial literacy through consumer education. Our collective efforts were targeted towards maintaining a harmonious and stable financial market environment.

By the end of December 2023, Everbright Securities had

- conducted **4** major event security protection campaigns;
- carried out **316** information security emergency drills, without recording any major information technology risk;
- provided consulting and complaint services to **185,600** people and online customer service to **31,000** people, with a service satisfaction rate of **99.42%**;
- published **5,412** investor education articles of various types, offered **1,749** original investor education products, and held **1,734** investor education activities

2.1 Delivering High-Quality Services to Ensure a Pleasant Customer Experience

In accordance with the *Investor Protection Standards for Securities Companies*, the *Securities Law*, and other relevant regulations, Everbright Securities has established an Investor Protection Committee. Further, we've formulated the *Management Measures of Everbright Securities for Investor Protection* and the *Rules of Procedure of the Investor Protection Committee of Everbright Securities*, to distinctly outline the organizational structure, division of responsibilities, and various management norms related to investor protection. Additionally, we place a high emphasis on customer privacy, information security, and effective response to complaints.

2.1.1 Protecting Customer Privacy and Information Security

Everbright Securities ardently upholds the requirements of laws, regulations, regulators and application markets regarding the collection and use of customer data. Through a variety of methods and means, we prioritize and successfully safeguard customer privacy and information security.

Improving information security management regulations

So far, we have formulated 69 sets of regulations related to information technology, with 37 new and revised sets implemented and one system abolished in 2023.

Protecting customer privacy and information security

- Minimized the collection of necessary personal information in conducting various business activities
- Continually updated the privacy policy on Everbright Securities' Internet platforms
- Provided reminders and confirmation prompts to customers on the official website and client interfaces
- Blurred sensitive information
- Ensured that services involving account inquiries and service provision were provided exclusively to account holders
- Adopted a multi-tier permission system for service personnel
- Incorporated PIN code login into the trading App

Ensuring safe and stable operation of the trading system

- Improved the ITSM platform to allow quantifiable and traceable operation and maintenance
- Established a vulnerability and threat identification system, and a comprehensive coordinated defense system
- Revised the emergency response manual, drafted an annual emergency drill plan, and executed 316 emergency drills
- Further improved the standardization requirements on operation and maintenance activities
- Improved the information system supervision and control platform and created unified monitoring indicators

Conducting cybersecurity training and education

In 2023, we enriched the “Sunshine Academy” internal learning platform. This includes releasing 40 security awareness education videos, publishing a monthly security magazine on the “Technical Service” WeChat Official Account, conducting nine centralized cybersecurity training sessions and one offline “Cybersecurity Week” cybersecurity education event, and organizing four tests simulating phishing email attacks.

2.1.2 Improving the Customer Complaint Handling Mechanism

The Company greatly values customer complaint management. Alongside providing

multi-faceted products and services, we actively engage in customer communication and complaint resolution. We enhanced customer complaint management system and diversified complaint handling tactics, with efforts to broaden the channels for customer grievances while also ensuring that their voices are heard. Concurrently, we organized regular complaint handling training sessions to ensure that better services were provided by professional service personnel.

Improving the complaint management system	<ul style="list-style-type: none"> • Implemented the <i>Guidelines for the Handling of Investor Complaints by Securities Funds and Futures Institutions (Trial)</i> and formulated the <i>Implementation Rules of Everbright Securities for the Handling of Investor Complaints (Trial)</i>
Establishing a closed-loop complaint handling process	<ul style="list-style-type: none"> • Relevant business departments or sales departments submit customer complaints within the specified time, and independently analyze such complaints and the reasons behind. • If the problem is caused by the Company, the customer service personnel should provide the customer with a feasible solution; if the problem is caused by the customer’s misunderstandings or personal reason, the customer service personnel should explain and communicate with the customer to gain understanding. • If a complaint is found to involve suspicion of a major issue, the Customer Service Center should immediately report it to the Company’s Compliance and Risk Control Department to jointly participate in the investigation and handling of the complaint.
Expanding complaint channels	<ul style="list-style-type: none"> • Contact information, including complaint hotline number, fax number, and email address, is displayed on the Company’s website, business premises, and client interfaces. • The hours for manual complaint handling on trading days are from 8:30 to 21:30, with dedicated personnel on duty on weekends and holidays.
Increasing customer	<ul style="list-style-type: none"> • We are committed to continuously refining our customer service system, making timely improvements based on

satisfaction

customer feedback in our pursuit to enhance customer satisfaction. By the end of December 2023, we had provided consultation and compliant handling services to 185,600 customers, and offered online customer service to 31,000 customers. Indeed, we responded to a total of 289 valid customer complaints, and conducted 299 investor engagements, culminating in a service satisfaction rate of 99.42%.

2.1.3 Offering Investment Advisory Services According to Investor Needs

In 2023, under the slogan of “Golden Sunshine Butler – Your Trusted Wealth Manager”, Everbright Securities strove to build two brands: “Golden Sunshine Investment Consultant” focusing on securities investment consulting, and “Golden Sunshine Butler” focusing on fund investment consulting. By uninterruptedly providing a library of free consulting services, we help investors relish a worry-free investment atmosphere, focusing more on their work and life.

Golden Sunshine Investment Consultant

- As of December 31, 2023, “Golden Sunshine Investment Consultant” had recorded 89,200 orders. With a cumulative total of 232,100 orders from 111,700 signed customers, the service involved customer assets amounting to an impressive RMB 50.4 billion.



Pic.: “Golden Sunshine Consultant” live stream

“Golden Sunshine Butler” fund investment consulting service

- Offered self-research and “dual investment consulting” to meet the diverse allocation needs of the investors
- Equipped with a professional investment research team to cover the entire process from pre-investment portfolio construction to post-investment tracking and position adjustment
- Offered 1v1 investment consulting to enhance investors’ investment experience
- By the end of December 2023, the “Golden Sunshine Butler” had served a total of 21,000 customers, 80% of our customers have achieved profitability, underscoring our commitment to delivering a positive investment experience.



Pic.: “Golden Sunshine Butler” 1st Anniversary Live Stream

2.1.4 Sending Product Risk Reminders to Mitigate Financial Risks

Strengthening the management of high-risk products

- Introduced a new prompt feature on the customer position page to clearly inform relevant risks to customers.
- Launched the “online cooling-off period” follow-up process, enabling customers to complete a 24-hour cooling-off period review after purchasing private equity products.

强化高风险产品管理

Before	After
<ul style="list-style-type: none"> • No fund listing notices to investors • The bank-securities transfer page of Golden Sunshine APP is unable to display all customer information (“Cash Manager” balance) 	<ul style="list-style-type: none"> • MOT-based instant notification • Added “Cash Manager” balance reminder function to the bank-securities transfer page of Golden Sunshine APP

Remarkable results

In an effort to mitigate regulation transaction risk, the head office took a unified approach by introducing centralized monitoring, notification, and risk warning systems. Throughout 2023, we reached out to approximately 20,600 customers, reminding them of risks arising from forced conversion and stock delisting.

2.2 Conducting Investor Education Activities to Improve Public Financial Literacy

Everbright Securities recognizes that providing excellent investor education is not just beneficial to the public but also a critical aspect of our social responsibility as a participant in the market. In 2023, we tailored our approach by integrating market trends,

regulatory mandates, strategic objectives, and business directions to develop, plan, and craft investor education content. Through methodological innovation, we offered more detailed and in-depth investor education, nurturing informed and rational investors with high financial literacy. This, in turn, contributed to the high-quality development of the capital market.

2.2.1 Improving the Financial Literacy of Investors

In 2023, we amplified our commitment to investor education through various channels such as our WeChat official account and our online investor education platform. We published a total of 5,412 articles encompassing a wide range of investor education topics, including 237 risk warning announcements and 327 policy and regulation promotion articles. We also issued 427 risk securities warnings. Furthermore, we produced 1,749 original investor education materials and conducted 1,734 investor education events. Additionally, we managed 20 specialized survey initiatives of diverse nature, reaching over 1,000 participants

Diversified Investor Education Channels

Everbright Wealth Management WeChat Official Account	"Voice of Chief Consultor", "Guangxin Strategy", "Golden Sunshine Butler Weekly": 702 articles related to investment services and investor education
Golden Sunshine APP	"Intraday News", "Closing Comments", "Investment Consulting", "Butler's Appointment", "Option Academy": 1,050 video live streams and 328 graphic live streams
Video accounts of Everbright Wealth Management and its branches	"News Express", "Closing Time", "Everbright Spotlight": 693 investment consulting and investor education short videos, "Investment Online" "November 11" themed live stream, "August 18" Wealth Season live stream series, "June 18" Summer Investment Season

Case: Promoting financial literacy within communities and business districts

With the theme of “Amalgamating Financial Strength for a Better Life”, the Company initiated the “Finance Helps Create Better Community” program. We established booths to popularize financial knowledge, displayed themed slogans and posters, and disseminated anti-illegal activities and anti-money laundering information through hand-outs. Our employees also patiently addressed the queries and concerns of community members.



We also promoted financial literacy at business districts, reminding citizens to avoid illegal establishments, prompting the use of legitimate channels, and raising awareness about money laundering risks. We disseminated information about how to combat and prevent illegal activities, promoted positive financial attitudes, and championed the principles of rational and value investing.



Case: Everbright Securities partnered with the Beijing Stock Exchange in investor education

In partnership with the Beijing Stock Exchange, we launched an investor education initiative around “Amalgamating Financial Strength for a Better Life”. Titled “For the Benefits of Investors - Deep Reform of Beijing Stock Exchange”, the initiative comprised on-site thematic presentations about “Beijing Stock Exchange’s Reform” and “Contemplating the Future - Investment Opportunities and Strategies of the Beijing Stock Exchange”. Through face-to-face lectures and interactive dialogues, we assisted investors in understanding the workings of the Beijing North Exchange, address their queries, and help enhance the financial acumen of minority investors.






Case: Everbright Futures launched campus futures education campaign

In 2023, backed by the Zhengzhou Commodity Exchange, Everbright Futures collaborated with Tongji University and other institutions to launch the “Campus Futures Education” campaign. This initiative aimed to disseminate knowledge on futures and derivatives among college students. Concurrently, the sixth “Zhengzhou Commodity Exchange Cup” National College Student Simulation Trading Competition was held, attracting over 300 students to compete.



2.2.2 Managing Investor Suitability

The securities market is a specialized market full of risks, features a diverse range of products, each with unique risk profiles. Investors within this space also vary considerably in terms of their professional acumen, risk tolerance, and preferences for risk versus return. Everbright Securities is steadfast in our commitment to implementing effective investor suitability management. Our goal is to help investors navigate the issues of information asymmetry and to ensure they have access to the most suitable products or services for their individual needs.

 <p>Improving the management system</p>	<ul style="list-style-type: none"> We formulated the <i>Everbright Securities Investor Suitability Management Measures</i>, and required various business departments to work out corresponding implementation rules under this framework.
 <p>Clarifying job responsibilities</p>	<ul style="list-style-type: none"> The Wealth Management Division is responsible for the suitability management and coordination of the brokerage business line. Other relevant functional management departments are responsible for supervising the implementation of suitability management regulations. Various branches are responsible for carrying out investor suitability assessment, investor matching and follow-up management.
 <p>Conducting investor suitability assessment</p>	<ul style="list-style-type: none"> Utilizing customer basic information records and a fundamental risk tolerance assessment questionnaire, we meticulously classify and manage investor risk levels as well as those of financial products and services. Ordinary investors are categorized into at least five levels based on their risk tolerance. The risk levels of financial products and services are similarly divided into five types, with level matching adhering to a “backward compatibility principle” .

2.2.3 Supporting the Registration-Based IPO System Reform

In February 2023, CSRC issued rules for the implementation of the Registration-Based IPO System. This signaled the official rollout across the entire market after a four-year pilot phase, accelerating towards the overarching goal of establishing a standardized, transparent, open, dynamic, and resilient capital market. Against this backdrop, Everbright Securities initiated a special investor education campaign — “Insight into the Future: Registration-Based IPO System Reform” — that spanned the course of 2023. The campaign aimed to help investors understand the significance and rules of the comprehensive registration reform, enable rational investment practices, and ensure the smooth operation of the Registration-Based IPO System.

(1) Launching Original Investor Education Products

Throughout 2023, Everbright Securities generated a total of 144 entirely original investor education products to promote the implementation of Registration-Based IPO System, garnering roughly 20.46 million clicks. These products were sequentially introduced through multiple online platforms including the Everbright Securities Internet Investor Education Base, the Everbright Securities Investor Education Base WeChat Official

Account, branch-level investor education contact group, the Golden Sunshine APP, Financial Associated Press, the China Fund News client-side app and other digital channels.



Pic.: Original high-quality posters

(2) Conducting live streams

We conducted a series of live streams to introduce the Registration-Based IPO System to investors. Throughout 2023, we conducted 143 live streams, attracting approximately 146,400 audience.



Pic.: Live streams

(3) Conducting Special Offline Publicity Activities

To amplify our outreach, we proactively organized 374 offline events in 2023 to promote the Registration-Based IPO System. These initiatives covered approximately 14,400 individuals, disseminating critical knowledge about the Registration-Based IPO System amongst a wider range of investors. Our steadfast efforts aimed at cultivating a conducive environment for the reform of the Registration-Based IPO System.

Business premises

We established investor education areas within our business premises, leveraging resources like display screens and marquees to introduce the Registration-Based IPO System. Additionally, we placed relevant investor education materials in areas such as investor lounges and bulletin boards. All this aimed at guiding investors' attention and facilitating their learning process.



We conducted a series of educational initiatives aimed at minority investors, including visits to our sales departments, participation in Q&A sessions, lectures and forums, interpretation of rules, and case analyses. These served to introduce the Registration-Based IPO System to investors, enhancing their financial literacy and risk identification ability.



Campuses

As part of the “Investor Education at 100 Colleges” campaign, we conducted lectures in colleges and universities, helping students have a full understanding of the Registration-Based IPO System through case study.



Communities

We also sought to engage community residents through the distribution of pamphlets at local booths, interactive games, one-on-one Q&As, among others. We found that

blending education and entertainment effectively encouraged community participation. One notable initiative was the dance and recitation program dubbed “Prosperous China — Registration-Based IPO System” which helps investors understand the milestones and significance of the system easily.



Listed companies

Furthermore, we arranged minority investors to visit listed companies, to gain insights into their operations, culture, and management practices. This, in turn, effectively encouraged listed companies to improve management skills, effectively safeguarding the rights and interests of investors.



(5) Improving Employees’ Professional Knowledge

To help our employees better understand and use the Registration-Based IPO System, to deliver professional services to investors, we organized a month-long training campaign around the system reform. Totally 8 online training sessions were conducted, covering 1,573 employees from the business departments, all branches, and the Investor Education Base.



2.3 Promoting Digital and Intelligent Finance

Everbright Securities underscores the importance of business scenarios and persists in augmenting the use of technologies such as cloud computing, big data, artificial intelligence, and large-scale models. This is done to enable the growth of various business sectors and hasten our digital transformation. We developed the *Everbright Securities Fintech Development Plan*, which executes platform-based, component-based, and intelligent technology developmental strategies. These approaches effectively promoted Everbright Securities' overall operations and high-quality development.

2.3.1 Leveraging Digital Finance to Improve Management Efficiency

Improving the organizational structure

Everbright Securities has established a three-tiered information technology management and authorization system, consisting of the Board of Directors, operational management, and the Information Technology Committee. Under the Information Technology Committee, we set a Data Governance Working Group which governs the Data Governance Office. These entities work collectively to enhance our digital finance management capabilities.

Strengthening data governance

In 2023, Everbright Securities published the *Everbright Securities Data Governance Development Plan (2023-2025)* along with the *Everbright Securities Data Security Control System Establishment Plan*. These initiatives aim to optimize the data governance framework, enhance the quality of data services, solidify the data security system, and establish checks and balances for all facets of the data lifecycle. Our primary goal is to build a company-wide data service hub that is technology-enabled, data-driven, and business-connected, to bolster the Company's high-quality progress.

Empowering centralized operations

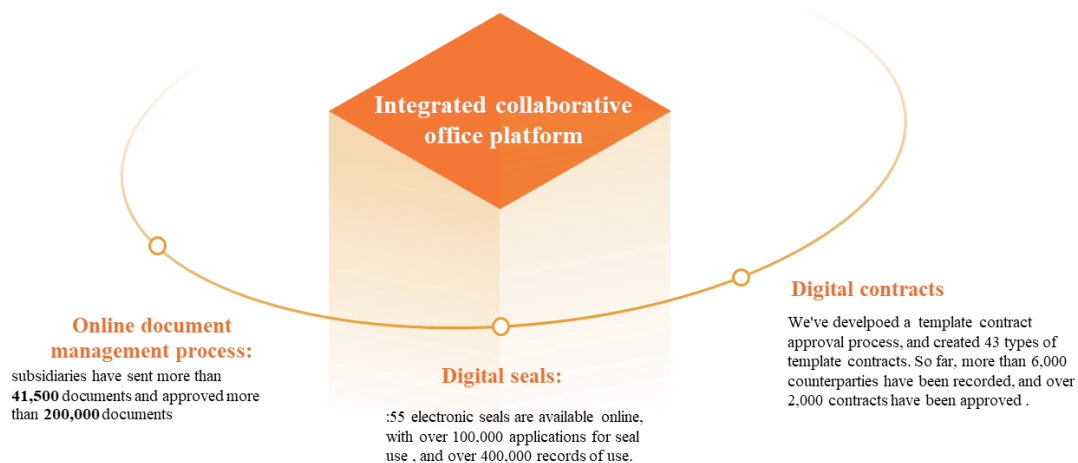
Furthermore, we have built a data-based integrated intelligent platform to achieve more efficient middle and back office operations management, in line with the digital transformation strategy focusing on “one core and two wings”.

Improving the digital operation service system

- Throughout the year, we added and optimized 41 MOT events, recording approximately 830 million customer engagements.
- Online intelligent feedback questionnaires and other notices were sent to approx. 5,000 users every day.
- We centralized SMS management to reduce repeated text messages.
- The intelligent outbound call system made nearly 13 million outbound calls and received over 3 million calls, serving more than one million customers.
- We launched the construction a professional trading technology platform, enabling real-time tracking of the entire digitization process of various textual materials.

Accelerating the construction of the digital operation and management system

- An integrated collaborative office platform has been built to achieve efficient collaborative office work using online document management process, digital seals, digital contracts and other measures.
- Back-end financial functions and asset management have been integrated into a centralized financial system shared by the parent company and its subsidiaries.
- We sped up the construction of a centralized HR management system.



Improving digital system R&D competencies

- We've further refined the management and oversight of the system development process, with a steady rise in the proportion of independently researched and developed systems. As of December 2023, we had launched 101 ITC innovation

projects.

- We've implemented 7x24 real-time monitoring on the App side, a project that won the “Excellent Case — Observability Award” at the second “Stable and Safe Operation of Cloud Systems” competition.



Figure: Full-link monitoring

Awards and Honors:

- In August 2023, Everbright Securities was awarded the title of “2023 Typical Innovation Securities Institution for High-Quality Development and Data Governance in the New Era” at the 2023 Platform Economy High-Quality Development and Data Governance Forum hosted by the China Communications Industry Association. Besides, it was selected to draft the *Guidelines for the Evaluation of Platform Economic Data Governance* for its innovative ideas and highlights in data governance system construction in recent years.
- In October 2023, Everbright Securities won the “First Prize for 2022 Intro-Industry Joint Research Projects” issued by the Securities Information Technology R&D Center (Shanghai). The project outcomes, which have been applied and promoted by the center, help foster data sharing, facilitate comprehensive supervision, optimize business processes, reduce operating costs, and establish trustworthy systems.
- In October 2023, our DevOps Capability Maturity Model successfully passed the Level 3 continuous delivery assessment by the China Academy of Information and Communications Technology. This signifies that Everbright Securities’ DevOps-related capabilities are at the forefront nationally.
- In November 2023, Everbright Securities participated in the 2023 Global Data Ecosystem Conference organized by the Shanghai Data Exchange, and won the award of “Digital Intelligence: 2023 Shanghai Excellent Data Management Cases”.
- In December 2023, Everbright Securities’ Sensitive Business Continuous Delivery Platform won the award of “2023 IT New Governance Leadership Forum Annual Outstanding Innovation Case”.
- In January 2024, Everbright Securities attained the DCM Robust Level (Level 3) certification. This important acknowledgement underlines our data governance

strength and industry-leading position. Specific areas such as data governance, data application, data security, and data quality have essentially achieved the Quantitative Management Level (Level 4).



2.3.2 Leveraging Digital Finance to Improves Risk Management

Establishing a comprehensive risk management platform

In 2023, the Company significantly augmented the development of a comprehensive risk management platform. We completed the functional design of the platform’s second phase, enhanced the risk management of every business line, accomplished the construction of the authorization management function module, and facilitated the launch of functions attached to the risk management “Workbench”. Moreover, we further refined the process of collecting and submitting business data and risk control indicator data from subsidiaries, to strengthen vertical management and ensure comprehensive oversight.

Improving customer transaction risk monitoring

We revised the *Implementation Rules for the Monitoring of Abnormal Trading Behavior*, and enhanced the enforcement of monitoring and control measures through intensified training and publicity efforts, and regular notifications, for the purpose of boosting the effectiveness of monitoring and managing abnormal trading activity.

Aligned with new regulations supervising pledged repos, we have established and refined our business management system, procedures, and systems. We formulated the *Guidelines of Everbright Securities for the Management of Pledged Repo Risk*, to incorporate the business into our comprehensive risk management system. This culminated in the successful construction of a pledge repo risk monitoring module.

Strengthening practical exercises and major event security protection

To intensify cyber-attack and defense exercises, the Company established a Collaborative Cyber Attack and Defense Exercise On-Site Command Center, and implemented a range

of defensive tasks. As a result, we got full marks in the 2023 Cyber Attack And Defense Campaign.

Moreover, we have developed emergency response measures to ensure network and data security during imperative meetings and major events. In 2023, we provided security services for four major events, fortifying the security of critical network systems and data.

2.3.3 Promoting Digital Finance to Improve Service Quality and Efficiency

The Company remains steadfast in customer-centric approach, constructing an efficient, intensive, and intelligent “smart support system” to fully empower the development of frontend, middle, and backend businesses. This system provides robust technological support to each respective business cluster. By leveraging the Golden Sunshine APP, PC clients, technology development tools, we have been able to build a comprehensive service matrix, thus improving customers’ smart finance experience.

Empowering wealth management business

In 2023, we further optimized our core mobile terminal — Golden Sunshine APP. We amplified the platform’s bespoke service capabilities and enhanced the service matrix, including Golden Sunshine Investment Consultant, Golden Sunshine Butler, Financial Mall, and Smart Transactions. Furthermore, we bolstered employees’ technological support capabilities in line with industry advancement, creating an expansive service matrix incorporating enterprise WeChat, Big Housekeeper, mobile PAD, and Everbright Securities Digital Person.

Improving the quality and efficiency of institutional business

In 2023, we steadfastly advanced the provision of high-performance, personalized solutions tailored to institutional customers, enhanced the digitalization of corporate financing services, and delved into the utilization of intelligent technologies within the investment banking sector. We also achieved the comprehensive management across all phases of underwriting. The Everbright Securities Digital Investment Banking project has been progressing smoothly. The initial phase is predicted to enable intelligent monitoring of bond trusteeship. The system will promptly issue early warning alerts to minimize project risks.

2.3.4 Sharing Through Open Source to Promote Industry-wide Win-Win Outcomes

In recent years, open source technology has seen extensive adoption within the financial

sector, proving to be a significant catalyst for high-quality development of the digital economy.

In August 2023, Everbright Securities became a member of the Fintech Open-Source Community (FINOC). Established in 2018 by the China Academy of Information and Communications Technology, Shanghai Pudong Development Bank, Agricultural Bank of China, etc., it marks China's initial efforts to explore the application of open-source technology in the financial industry. By December 2023, at a closed-door meeting held to review the progress over the community's five years, Everbright Securities was honored as an ascending member of FINOC.

Engagement with FINOC facilitates technological innovation and knowledge sharing. Through active discourse and exchanges, community members may collaboratively monitor the latest tech trends, identify best practices, and generate revolutionary financial solutions. In general, the community promotes technical exchanges and achievement sharing among financial institutions.

Chapter III Fostering Employee Growth and Collaboratively Building a Promising Future

As a “people-oriented” company, Everbright Securities treats each employee with fairness while staunchly defending their rights and interests. We feature comprehensive employee welfare policies and prioritize the physical and psychological health, and personal development of employees. Our aim is to provide an equitable, fair working environment where employees grow healthily and positively.

By the end of December 2023, Everbright Securities had

- **8,064** employees, of which **3,850** were women, representing **47.74%** of the workforce;
- signed labor contracts with all employees and included all employees in social insurance;
- conducted **2,376** training sessions in **672,486.5** hours, covering all employees;
- assisted **96** employees in need with RMB **745,000**.

3.1 Creating a Positive Workplace that Upholds Employee Rights and Interests

The Company strictly abides by the requirements of relevant laws and regulations such as the *Labor Contract Law of the People’s Republic of China*, the *Labor Law of the People’s Republic of China*, the *Law of the People’s Republic of China on the Protection of Rights and Interests of Women*. We uphold the rights and interests of employees, including continually refining labor relations and salary management systems, and cultivating a fair and just work environment.

3.1.1 Recruitment

In 2023, Everbright Securities revised the *Measures of Everbright Securities for Open Recruitment Management*, with the intent to strengthen recruitment oversight. The revisions aimed at refining selection criteria, standardizing recruitment workflows, and enhancing the supervision mechanism throughout the recruitment process.

The Company is firmly committed to conducting recruitment on the tenets of fairness, impartiality, and transparency, ensuring all applicants have equal opportunities to compete. We are driven by the ultimate goal of selecting the most exceptional talents for optimal utilization of their abilities. Our system mandates that all recruitment activities adhere strictly to the established rules and regulations. We require strict compliance with

work procedures, comprehensive enforcement of work responsibilities, and willingness to undergo scrutiny and inspection. Unapproved alterations to recruitment plans or qualifications are strictly forbidden. Any breaches of rules or ethical conduct discovered during inspections will be diligently investigated in adherence to the relevant regulations.

3.1.2 Employee Rights

In accordance with the guidelines set by the Ministry of Finance and regulatory agencies, Everbright Securities has established a series of comprehensive frameworks, including the *Measures of Everbright Securities for Remuneration and Welfare Management*, the *Measures of Everbright Securities for Incentive and Constraint Mechanism Management*, and the *Implementation Rules of Everbright Securities for Remuneration Recovery and Deduction (Trial)*. Compensation is determined by job function and rewards are performance-based, with income distribution being standardized. This leads to the establishment of a scientifically sound and fair compensation and benefits system.

We fulfill our legal obligations by contributing to social insurance and provident funds for all our employees. In addition, we've also expanded our employee welfare policies by offering childcare leave, extending statutory holidays, and granting additional paid leave. We aim to arrange work schedules that are conducive to maintaining a healthy work-life balance. If weekend or overtime work becomes necessary due to business demands, arrangements can be made for adequate adjustments. We also have an enterprise annuity plan, managed by the Enterprise Annuity Management Committee. This structure aims to safeguard our employees' rights and interests by securing positive long-term returns.

3.2 Creating a Healthy and Safe Work Environment

Everbright Securities recognizes that a safe and healthy workspace is a fundamental right of all employees. We are dedicated to fostering a healthy and friendly workplace that promotes the physical and mental well-being of employees, promoting the symbiotic growth of both employees and the Company.

3.2.1 Employee Health

Everbright Securities is committed to ensuring a safe, healthy, and comfortable workplace for our employees. Beyond offering annual health check-ups, we also provided supplemental commercial insurance, organized group insurance plans, and hosted physical examination program presentations. Subsequent to the check-ups, we furnished detailed interpretation of reports and consultations. We arranged health lectures centered on seasonal diseases, high-risk diseases, and emotional health to bolster employees'

health consciousness. We also hired TCM physiotherapists to provide free physical treatment, benefiting over 300 employees. These proactive measures provided our employees with comprehensive healthcare support and alleviated their associated anxieties.

Moreover, we are deeply concerned with the mental well-being of employees. Through lectures such as “Preventing the Transmission of Emotional Stresses - Techniques for Self-Care and Stress Management”, we helped employees effectively channel emotions and mitigate psychological stress.



Pic.: Options Academy

3.2.2 Employee Safety

Everbright Securities upholds a strict policy of prioritizing safety and the value of life above everything else. We regard the protection of employee safety and property, and the stable operation of corporate systems as paramount duties. In 2023, our commitment to safety resulted in zero work-related injuries.

Clear management structure

- The Company has set up a Special Work Team under the Workplace Safety Leading Group, to be fully responsible for emergency response. Depending on the nature of the emergency, we immediately delegate either personnel or response teams to direct, supervise, and scrutinize the necessary interventions.

Establish working mechanism

- We have devised the Everbright Securities Overall Emergency Response Plan. This plan embodies and refines the emergency response mechanism, aiming to minimize loss of life and property during any emergency, ensuring the safety and stability of operations.
- We have instituted a multi-tier emergency management model focusing on local efforts. Business entities in different regions proactively respond to emergencies under unified leadership.

Case: “First Aid Tips” Lecture

We held a “First Aid Tips” Lecture, attracting about 450 employees both online and offline. The training was conducted by professional rescue instructors, covering cardiopulmonary resuscitation, AED, and the Heimlich maneuver. The training also emphasized the importance of correct and swift execution of dialing emergency services within the critical first four minutes of a medical emergency. Employees actively participated in simulated rescue drills.



Photo: Employee participated in simulated rescue drills

3.3 Enhancing Talent Development to Strengthen Talent Base

Everbright Securities is dedicated to fostering a talent management atmosphere where talents are recognized, cherished, nurtured, and effectively used. We are committed to providing a broad platform for employee development, aiming to cultivate competitive talents that promote business development.

3.3.1 Employee Development

Establishing talent pools

Everbright Securities prioritizes the development of professional talent pools as a pivotal springboard, guiding talent cultivation across all facets of our organization. Pool members were involved in Group-level professional training focused on financial management and legal risks. For members from investment banking and research, we've conceptualized specialized programs – the Investment Research Training Courses and Major Investment Bank Growth Plan. We've also invited key employees to share their expertise and methods.



By the end of December 2023, the Company had successfully established seven professional talent pools. Furthermore, we have instituted a preliminary management mechanism aimed at identifying, nurturing, and deploying professional talents effectively.

Strengthening the ability to independently cultivate talents

To promote talent development in critical sectors like investment banking, investment research, and fintech, we've launched the 100-Day Growth Program, encouraging seasoned professionals and key employees to mentor newly hired graduates. Activities including centralized training, daily coaching, and the Three-Member Team Mentoring were implemented to bolster the professional growth of young employees.



Photo: “100-Day Growth Program” centralized training for newly hired graduates

Clarifying organizational hierarchy

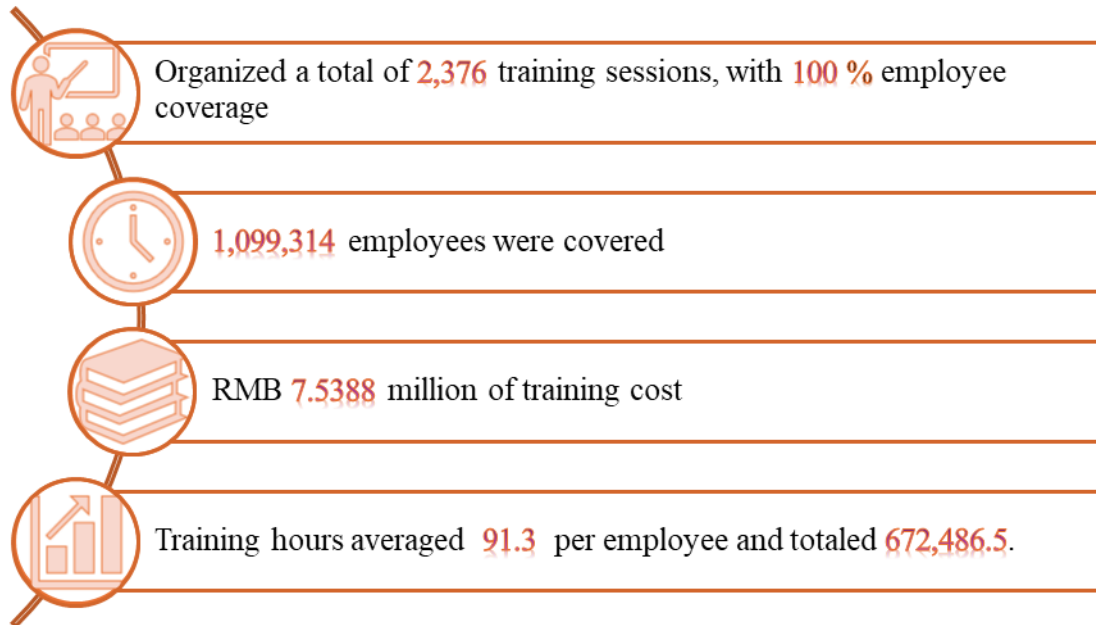
In 2023, the Company formulated the *Measures of Everbright Securities for the Management of MD Hierarchy* to establish a performance and ability-oriented MD hierarchy that accommodates both promotions and demotions. This structure streamlines career development pathways for employees and incentivizes them to initiate tasks and shoulder responsibilities, thereby cultivating competitive employees.

Social responsibility performance assessment

Everbright Securities is engaged in ongoing improvements to our performance assessment mechanism, with 2023 set to incorporate the measurement of employees' fulfillment of social responsibilities. The mechanism incorporates scientifically and reasonably determined social benefit assessment indicators, and considers social, operational, and management performance, particularly performance in contributing to the real economy, national strategies, and societal well-being. These improvements help enhance our social responsibility incentive and constraint mechanisms, and guide employees towards heightened CSR awareness, promoting the healthy development of Everbright Securities.

3.3.2 Employee Training

Human resources are central to our Company’s competitive advantage. We prioritize talent development and reservation and strive to develop a systematic talent cultivation system that adopts scientific and refined methods.



Pay attention to the growth of new employees

The Company has initiated the “100-Day Growth Program” specifically designed for new hires straight from academic institutions. This plan encompasses three key aspects: centralized training, coaching, and ongoing training to reinforce political guidance and provide hands-on industry experience for young professionals.

In September 2023, the Company launched the “Flying Eagle Program” for new employee training. Coach is assigned to each new employee to expand the internal talent base. More than 160 individuals, comprising department heads, coaches, and new graduates, participated in the kickoff event online or offline.



Photos: “Flying Eagle Program” new employee training

Supporting the growth of key employees

The Company launched the “Elite Program” and “Pilot Program” to provide “tailor-made” training courses for key employees such as reserve talents, emerging management personnel, and award-winning management personnel. These programs enable key employees to derive insights from real-life cases and acquire new methodologies. Moreover, exchanges such as the Frontline Managers Walking into Headquarters, and Everbright Securities Zero Distance Communication, were held to foster profound interactions between the headquarters and frontline personnel.



Photo: Elite Program



Photo: Pilot Program

Elevating Professional Capacities

In 2023, by combining live streaming with Sunshine Academy course reviewing, Everbright Securities conducted nine “Investment Banks in Action” training sessions. The training involved “equity under the Registration-Based IPO System”, “interpretation of business line policies in the NEEQ framework”, “analysis of bond underwriting opportunities after the reform of corporate bond issuance” and other topics. Training approaches include experience sharing, policy interpretation, and case study.

Developing common workplace skills

Everbright Securities prioritizes the career development aspirations of employees. Through the “Sunshine Lecture Hall” training series which cover workplace skills, general competency, and business etiquette, we helped employees enhance professional acumen and practical skills, cultivating a learning and positive working atmosphere.



Photo: “Sunshine Lecture Hall” business etiquette training

3.4 Caring for Employees to Foster Corporate Cohesion

Everbright Securities considers the genuine needs of employees, enacting employee support initiatives down to the smallest details. We are dedicated to fostering open lines of communication and striving toward a more human-centric and efficient management philosophy. We pay special attention to employees in need, offering them assistance that truly makes a difference.

3.4.1 Continuous Employee Communication

In 2023, Everbright Securities updated the *Everbright Securities Employee Handbook* to provide clearer guidance on communication and dispute resolution methods during labor conflicts, in compliance with relevant laws and regulations. As part of our commitment to respecting our employees’ rights and creating a safe workplace, we established a reporting mechanism to address unfair behaviors like workplace sexual harassment and bullying.

Within this year, we convened three Employee Congress meetings and two Trade Union Member Congress sessions, deliberating on and listening to 20 propositions and reports pertaining to employees’ fundamental interests, strictly in accordance with legal stipulations. We continued to champion our employees’ rights to be informed, participate, voice their opinions, and exercise oversight.

In 2023, we launched the “Caring for Employees” initiative to address pressing concerns of frontline employees. We compiled a list of 199 urgent, challenging, and distressing concerns raised by employees. By the end of December 2023, through coordination with pertinent departments, we had addressed 173 of these concerns.

3.4.2 Employee Care

Everbright Securities is committed to implementing meaningful employee care initiatives, extending our support to special demographic groups, such as female and retired employees. We have established a standardized assistance mechanism to help employees in times of need. Whenever employees face temporary, unforeseen, or unusual hardships, we stand ready with assistance and support. In 2023, we assisted a total of 96 employees in need with an aggregate of RMB 745,000.

<p>Establishing an employee assistance fund</p>	<ul style="list-style-type: none"> As far back as 2008, Everbright Securities established a dedicated Employee Assistance Fund, resourcefully derived from individual employee contributions and matching funds from our Trade Union. This fund was expressly designed to extend one-time relief to employees in need. Employees or their immediate family members (including parents, spouses, or children) afflicted with a serious illness or facing a calamity that incurs substantial household financial stress are eligible to apply for support from this fund.
<p>Launching the “Love Among Us” campaign</p>	<ul style="list-style-type: none"> We initiated the “Love Among Us” campaign every year during primary occasions such as the New Year and Spring Festival, delivering effective aid to employees in need. This support is meticulously classified and targeted to ensure that help reaches those who genuinely require it. We encouraged all departments to visit employees in need, to resolve their tangible hardships, bringing our care to them.
<p>Offering employee communications packages</p>	<ul style="list-style-type: none"> In collaboration with three major telecom operators, we offered employees cost-effective, diversified communication package solutions, reducing their communication expenses while meeting their needs for Internet-based educational pursuits. <div data-bbox="667 1525 1161 1794" style="text-align: center;"> </div> <ul style="list-style-type: none"> We invited telecom operators to our premises, providing immediate, “zero-distance” services to our employees.
<p>Caring for female</p>	<ul style="list-style-type: none"> In addition to female health insurance, we also provided female employees with childcare insurance and childcare leave.

<p>employees</p>	<ul style="list-style-type: none"> We specifically organized a series of activities for female employees, such as potting Phalaenopsis plants, learning hand-brewed coffee techniques, enjoying snack services, and participating in DIY crafts, among others. 
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3. 4. 3 Work life balance

Everbright Securities places high emphasis on achieving a balance between work and personal life for employees. We recognize the integral role of cultural and sporting activities in shaping our corporate culture and continuously strive to enhance employees’ sense of fulfillment and joy. Moreover, by encouraging staff to participate in various company activities, we strengthened team unity and fostered a greater sense of belonging to the “Everbright Home”.

We take pride in our employee-initiated sports clubs — basketball, football, and badminton — that organize regular activities. These clubs invite widespread participation and serve as an effective motivator for employees to engage in regular physical exercise. The commendable performances of our teams in various competitions have brought great prestige to the Company. In support of these activities, our Trade Union provides annual financial assistance to these clubs, effectively promoting employee health and bolstering their sense of fulfillment, joy, and pride.

Themed spring (autumn) outings

To extend our care for our employees, the Trade Union distributed funds to all tiers of union organizations to organize spring (autumn) outings themed “We are Family”. Various departments successfully organized outings in diverse and engaging forms. These initiatives also served to bolster and disseminate the uplifting image of the Everbright brand.



Photo: “City Walk” organized by the Trade Union of Everbright Securities Chaozhou Branch

Staff Bookstore

Our Trade Union has inaugurated an online employee bookstore, offering access to over 100,000 e-books across a variety of topics, including education, economic management, literature, and history, catering to employees’ diverse reading preferences. Throughout 2023, we facilitated three reading activities to promote a reading culture among employees, aiming to cultivate a learning organization, significantly enrich our corporate culture, and bolster the Company’s trajectory towards high-quality development with enduring cultural momentum.



Dating platform for young employees

In response to the challenges faced by our single young employees, Everbright Securities has collaborated with the headquarters and other financial institutions to create dating platforms for young employees. The Trade Union and Youth League Committee played

the main role in organizing such dating events. Collaborating with the Group’s office in Shanghai and local trade unions, they have successfully hosted two such events, attracting around 110 participants. Delightfully, these events resulted in six pairings.



Photos: Youth Dating Activities

City orienteering

In September 2023, Everbright Securities took part in the “Run for Dream” Jing’an Financial Industry Urban Orienteering Competition, and was honored with the Excellent Organization Award. Our Everbright Securities Sunshine Team, an assembly from the digital finance headquarters, further received the Best Pilot Award. This event enabled us to have an in-depth understanding of Jing’an’s urban landscape and financial infrastructure and facilitated comprehensive exchanges and collaborations among financial institutions in the Jing’an District.



Photo: Everbright Securities Sunshine Team participated in the Jing’an Financial Industry Urban Orienteering Competition

Chapter IV Upholding Compliance Standards and Enhancing Corporate Governance

In strict accordance with the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, and other rules and regulations, Everbright Securities continuously progressed the modernization of corporate governance system and capabilities. This includes formulating a series of rules and regulations to ensure that various entities under the “Everbright Securities” framework operate independently, while supervising, supplementing and coordinating with each other, improving corporate governance and sustainable operations.

By the end of December 2023, Everbright Securities had

- held **13** board meetings and reviewed and listened to more than **60** proposals;
- participated in **53** governmental symposiums on economic situation;
- published **102** macro-data commentary reports and **5** reports interpreting the spirit of important national meetings;
- implemented **19** in-depth research reports on national strategies;
- conducted **21** risk management training sessions, with **1,261** participants;
- conducted **136** anti-money laundering training sessions, with more than **4,615** participants;
- published **237** compliance promotion articles and **25** compliance promotion short videos;
- **450** suppliers, of which **12** suppliers have been prohibited partnership with us, and **19** suppliers have been summoned for violations.

4.1 Leveraging Party-Building for Effective Execution of Central Directives and Strategies

In 2023, Everbright Securities diligently implemented the directives and strategies assigned by the Party Central Committee. As per the mandates from the Everbright Group Party Committee, we promoted Party building, fully acting on the guiding principles from the 20th CPC National Congress, the Central Financial Work Conference, and the Central Economic Work Conference. In this process, we further augmented the political orientation and public-spirited character of our financial operations.

4.1.1 Conducting Productive Thematic Education Activities

Everbright Securities' Party Committee steadfastly upholds and reinforces the Party's comprehensive leadership. We acquired a deep understanding of the decisive significance of the establishment of both Xi Jinping's core position on the Party Central Committee

and in the Party as a whole and the guiding role of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, and boosted our consciousness of the need to maintain political integrity, think in big-picture terms, follow the leadership core, and keep in alignment with the central Party leadership. Also, we stayed confident in the path, the theory, the system, and the culture of socialism with Chinese characteristics, and firmly upheld Xi Jinping’s core position on the Party Central Committee and in the Party as a whole and uphold the Central Committee’s authority and its centralized, unified leadership. By fully acting on the guiding principles from the 20th CPC National Congress, and the Central Financial Work Conference, we integrated Party leadership across all aspects of corporate governance.

Our Party Committee is committed to the thematic education’s core requirements of “learning theories, strengthening Party spirit, focusing on practical applications, and striving for new achievements”, and meticulously and methodically organized corresponding initiatives. During the thematic education, our Party Committee conducted ground-level research and adhered to a problem-oriented approach for inspection and rectification. By establishing regulations and a sustainable framework, we utilized learning as a tool for enlightenment, wisdom enhancement, and style improvement. This approach fosters a culture of learning and practice, ensuring a robust political foundation for Everbright Securities’ high-quality development.



4.1.2 Comprehensively Studying the Guiding Principles from the 20th CPC National Congress

Everbright Securities places significant emphasis on political theory training. We recognized the study and implementation of the guiding principles from the 20th CPC National Congress and Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era as the primary task in management and employee training. All our mid-level and senior management participated in a centralized rotational training program at the China Executive Leadership Academy in Pudong to study the guiding principles of the 20th CPC National Congress. Additionally, all management personnel as Party members

engaged in online training at Sunshine Academy, learning how to effectively incorporate the Party's innovative theories into their ideas and actions.



4.2 Continuously Enhancing Corporate Governance through Lean Management

As a state-owned enterprise, Everbright Securities consistently strives to enhance modern corporate governance with Chinese characteristics. Guided by enterprise development and tailored management requirements, we incorporated lean management principles to bolster basic management infrastructure and elevate overall operational efficiency. This focused approach strengthens our foundation for growth, fostering an ongoing enhancement of performance.

4.2.1 Improving the Governance System

Everbright Securities further optimized its *Articles of Association*. Under the “Three Meetings and One Layer” corporate governance structure, the power-bearing, decision-making, supervisory, and executive bodies each perform their respective duties, operate effectively, and maintain checks and balances.

We continued to prioritize diversity and inclusion. In accordance with the *Everbright Securities Board Diversity Policy*, we considered multiple facets of diversity when appointing board members. These facets include, but are not limited to, gender, age, cultural and educational background, professional experience, skills, knowledge, and length of service.

As of December 2023, the Company had a board comprised of 11 directors, including two executive directors and nine non-executive directors, along with eight supervisors. The supervisory board and senior management both have female representation. Throughout the year, three shareholder meetings, thirteen board meetings, and six supervisory board meetings were held.

4.2.2 Enhancing Investor Communication

Everbright Securities remains committed to optimizing investor relations management strategies and models. Relying on effective fair communication mechanisms in the capital market, we deepened engagement with shareholders and fostered a positive relationship in the financial marketplace.

In 2023, the Company conducted both the 2022 annual results and 2023 interim results briefings through live streams at the SSE Roadshow Center and secondary roadshow platforms. The cumulative viewership across all platforms surpassed 47,000, earning us the “Best Practice Award” at the 2022 Annual Performance Briefing Session from the China Association for Public Companies.

In the same year, we made further revisions to the *Measures for the Management of Investor Relations*. We gave over 200 responses to an array of investor inquiries throughout the year via shareholders’ meetings, hotlines, emails, “SSE E Interactions”, and other channels. We received over 20 surveys by analysts and investors and participated in over 10 brokerage investment strategy meetings. Furthermore, we successfully maintained Moody’s Baa3 credit rating. Based on the efficient and good shareholder relationship, the Company was awarded the Best Shareholder Relationship Award in the 7th China IR Excellence Awards in Roadshow.

4.2.3 Intensifying Information Disclosure

Everbright Securities enhanced information disclosure management in strict accordance with disclosure requirements applied to listed companies, and the regulatory rules of both Shanghai and Hong Kong. With strive to ensure that true, accurate and complete data is disclosed in a timely, fair, compliant, transparent, and open manner, in line with relevant regulations. Totaling 158 documents were disclosed during 2023.

4.2.4 Strengthening Supplier Management

In an effort to standardize the management of centralized procurement suppliers and continuously improve the procurement system and process, Everbright Securities revised several key regulatory documents in 2023. These include the *Everbright Securities Centralized Procurement Management Measures*, the *Implementation Rules of Everbright Securities for the Centralized Procurement Management Measures*, and the *Rules of Procedure of the Everbright Securities Centralized Procurement Committee*. Additionally, the *Regulations of Everbright Securities for the Management of Centralized Procurement Review Experts* and the *Regulations of Everbright Securities for the Management of*

Centralized Procurement Suppliers were updated to standardize various aspects of supplier management. These modifications aim to stipulate guidelines for the development, admission, selection, integrity management, performance evaluation, and penalty of suppliers. We encourage the preferential use of eco-friendly and energy-saving products and has incorporated this principle into the centralized procurement management system.

Establishing a bidding and procurement process

To enhance the efficiency and compliance of centralized procurement, we developed *Regulations of Everbright Securities for the Management of Bidding Agencies* in 2023. Throughout third-party bidding for major projects throughout the year, we further standardized the bidding agency management process.

As part of our vigorous commitment to procurement management, the *Notice on Further Strengthening Centralized Procurement Management* was released in November 2023. With this, we stringently governed procurement needs and approaches, predominantly favoring competitive bidding procurement while exercising strict control over single-source procurement. We also bolstered information disclosure, accepting broader social supervision and enhancing publicity avenues. Our visibility extends from our collaborative and centralized procurement platforms to the largest, most professional, and authoritative financial procurement website in China - the China Financial Procurement (CFCPN.com).

Strengthening anti-corruption across the supply chain

During the supplier selection process, Everbright Securities adheres to principles of transparency, fairness, and impartiality, ensuring no supplier faces unreasonable, differential, or discriminatory treatment. Suppliers that meet the unified standards are added to our supplier database, with recruitment documents clearly outlining anti-commercial bribery policies. Suppliers are required to commit to and confirm these provisions.

To further our commitment to integrity, we have established dedicated channels for reporting commercial bribery and corruption. Suppliers can lodge complaints or reports via the designated phone number found in the “Contact Us” section of our centralized procurement platform, through our 24-hour customer service hotline at 95525, or via email.

Enhancing supplier performance management

Everbright Securities segments supplier performance into four tiers, ranging from high to low as grades A, B, C, and D. In 2023, we conducted interviews with 19 suppliers classified under the “C” rating. This allowed us to better understand any extenuating, unforeseeable circumstances that may have contributed to their lower assessment result. Furthermore, we engaged directly with suppliers exhibiting poor conduct and ranking low in annual evaluations to find solutions to their challenges and aid in elevating the quality of their service.

4.3 Reinforcing the Compliance Management System to Increase Compliant Business Practices

Everbright Securities proactively focuses on enhancing the compliance management system, considering areas such as system frameworks and process mechanisms, to fortify the effectiveness of compliance oversight. In 2023, we conducted 46 training sessions on integrity, anti-money laundering, internal control, and compliance, covering approximately 21,000 participants.

4.3.1 Strictly Abiding by Integrity Principles

Everbright Securities persistently implement integrity training and promotion, focusing on enhancing the effectiveness of risk prevention and control in crucial areas and key roles. In 2023, we further fortified integrity measures, and revised the *Integrity Management Measures of Everbright Securities and its Employees*. We also reviewed the *Integrity Risk Management Manual*.

Improving integrity awareness

- Hosted a warning and education session in 2023, focusing on typical instances of violation accountability and integrity breaches within the industry
- Conducted training on integrity risk prevention and control, delivering education on ethics and rectitude to all employees alongside publicity of disciplinary cases, complemented by a test
- Organized training sessions on investment information declaration specifically for directors, supervisors, and senior executives
- Released three narratives as part of a warning education series on cases of integrity violations on our WeChat Public Account
- Reported on the number and outcomes of legal cases related to corruption against the Company or its employees concluded within the reporting period is 0.

4.3.2 Promoting the Significance of Anti-Money Laundering

In 2023, in a bid to strengthen the management of money laundering risks and improve the timeliness and effectiveness of the procedures for handling suspicious transactions, Everbright Securities underwent a systematic review and revision of several key management protocols. These include the *Measures of Everbright Securities for Anti-Money Laundering Management*, the *Measures of Everbright Securities for Customer Money Laundering Risk Grading Management*, the *Implementation Rules of Everbright Securities on Strengthening Anti-Money Laundering Customer Due Diligence*, and the *Rules of Everbright Securities on Anti-Money Laundering in Equity Investment Banking*, among others. Concurrently, we conducted anti-money laundering training and launched campaigns to raise awareness, aimed at augmenting the anti-money laundering knowledge and skills of all our employees.

In 2023, we optimized the functions of the anti-money laundering system as follows

Intensifying compliance promotion

- We reviewed the existing customer money-laundering risk assessment indicator system. This yielded an optimized customer risk level management strategy, focusing on building a differentiated indicator framework, establishing new customer risk rating models, and enhancing those already in place. These steps were taken to improve the effectiveness and adaptability of risk indicators in line with operational requirements.

Conducting due diligence

- In alignment with regulatory trends, we refined customer due diligence scenarios with the addition of 11 new business logic judgments.
- We expanded due diligence scenarios for high-risk customers in line with the Management Measures for Customer Due Diligence and Preservation of Customer Identity Information and Transaction Records by Financial Institutions (Order No. 1).

Identifying suspicious transactions

- As per the monitoring requirements for margin lending and securities-based lending on the Beijing Stock Exchange, we integrated lending data and refined suspicious activity models. This facilitated the steady introduction of single-source entrustment portfolio indicators and insider trading indicators, improving the accuracy of suspicious activity models and reducing the workload for employees.

Adopting anti-money laundering system

- We drafted a strategy to integrate derivatives business with the anti-money laundering system, with a trial run anticipated in February 2024.
- The construction of an anti-money laundering system for the investment banking division was completed after a thorough inspection.
- We conducted a training session to introduce the anti-money laundering system, and corresponding business procedure. The training covered over 400 employees, aiming to improve their knowledge and skills.

4.3.3 Optimizing the Compliance Management System

Everbright Securities enhanced its compliance management system through the development of robust compliance regulations and processes, thus bolstering the efficiency of compliance management. To date, we have implemented 54 set of regulations pertinent to legal compliance management. In 2023, we introduced one set of regulations and revised 10 existing sets. These updates helped strengthen our compliance management practices at the institutional level.

In 2023, **1** set of regulations was newly formulated:

Regulations of Everbright Securities for Programmed Trading Reporting Management

In 2023, **10** sets of regulations were revised:

Implementation Measures of Everbright Securities for Compliance Management

Measures of Everbright Securities for Compliance Assessment

Everbright Securities New Business Compliance Review Procedure

Regulations of Everbright Securities for the Review and Management of Conflicts of Interest in Investment Banking

Regulations of Everbright Securities for the Registration and Management of Insider Information in Investment Banking

Regulations of Everbright Securities Co., Ltd. Investment Banking Business

Employment of Third Party Integrity Risk Prevention and Control Management

Everbright Securities Employee Code of Conduct

Measures of Everbright Securities for Anti-Money Laundering Management

Measures of Everbright Securities for Customer Money Laundering Risk Grading Management

Implementation Rules of Everbright Securities on Strengthening Anti-Money Laundering Customer Due Diligence

Subsidiary compliance management

- We intensified oversight of overseas subsidiaries, in accordance with the Group's enhanced management policies and guidelines. This includes promoting the Group's compliance regulations and related mechanisms, ensuring enhanced management of overseas subsidiaries, and urging them to improve their compliance management systems.

"Regulation Implementation Year" activities

- In our efforts to promote excellence, we strengthened efforts to uphold, consolidate, develop, improve, abide by, and implement various regulations, fostering the Company's high-quality growth.

Compliance management in key areas

- We launched inspections of OTC derivatives, and optimized measures for suitability management and hedging transaction management.
- We enhanced the review of significant impact research reports as required, including incorporating compliance requirements into research report sales, customer service, and other related processes.
- We optimized processes and mechanisms for securities proprietary business adjustment, business model transformation, and capital concentration in line with compliance standards.

4.3.4 Fostering a Compliance Culture

Everbright Securities places significant emphasis on cultivating a robust compliance culture as an integral part of our overarching cultural framework. We've built compliance management teams at various levels across the Company, and provided continuous training for them, ensuring they reflect the distinctive compliance culture of Everbright.

Compliance promotion

Based on our compliance promotion channels — “Everbright Securities Legal Education” WeChat public account and video account, we comment on regulatory focuses and industry news on a daily basis. In 2023, we released a total of 237 compliance promotion articles and 25 short videos.

We combined the “Regulation Implementation Year” with themed education, conducting a top-to-bottom approach to compliance and enforcement led by our leadership. Through this endeavor, we embed the principles of “top-to-bottom compliance”, “compliance creates value”, and “everyone is responsible for compliance” into the fabric of our corporate culture.

Compliance training

In 2023, we conducted 46 compliance training sessions and tests, encompassing areas such as integrity and probity requirements, anti-money laundering management, branch compliance management, along with key compliance obligations within each business line. These initiatives consolidated the foundation of our compliance culture.

Case: Compliance culture training series

In June 2023, the Company hosted a series of training events centered on “Implementing New Development Concepts and Strengthening Legal and Compliance Governance”. With over 3,400 participants, these activities further solidified the foundation of our compliance culture, and helped establish a comprehensive, stringent, orderly, scientific, rational, and effective governance system. These initiatives steered the development of our compliance culture towards greater depth and broader scope, underpinned by regulations, standards and procedures.



Compliance research

Everbright Securities is dedicated to fortifying compliance theoretical research. We persistently conducted research and provided forward-looking analysis of regulatory policies, leveraging theoretical study to encourage practical improvements. In 2023, we published four issues of quarterly magazine *Legal Compliance Research Reference*, as part of our ongoing efforts.



4.3.5 Intellectual Property Protection

To safeguard the trademark names of Everbright Group and Everbright Securities, we formulated the *Trademark Size Management Measures*. This policy strictly governs trademark size applications in line with the Group's trademark management regulations and fosters active collaboration with the Group and its subsidiaries in the use and management of trademark sizes. In 2023, there were no instances of unauthorized use of the Everbright trademark and font size or issues in management identified by the Company and its subsidiaries.

To mitigate the risk of intellectual property infringement, we enhanced our intellectual property infringement risk prevention mechanism and issued the *Notice on Conducting a Self-examination of Genuine Software by the Information Technology Headquarters and Legal and Compliance Department* in 2023. This initiative aimed at identifying and addressing potential software, images, and other infringement risks, with relevant departments working proactively to investigate and respond. Consequently, there were no intellectual property infringement risk events reported in 2023.

4.4 Building a Risk Management System to Prevent and Mitigate Financial Risks

Everbright Securities remains firmly adherent to the stipulations set forth in the *Comprehensive Risk Management Standards for Securities Companies* and the *Measures for the Management of Risk Control Indicators of Securities Companies*, among other key regulatory documents. We are actively crafting a comprehensive risk management framework that aligns with both regulatory obligations and the specific needs of our business. We have integrated ESG risks into our broader business risk management. Moreover, as part of our commitment to the “dual carbon” goals, we have amplified our efforts to enhance capabilities related to climate change risk assessment and information disclosure in critical sectors. With a holistic approach to boosting our enterprise's risk management and control capabilities, we prioritize risk prevention and process control. Our strategy entails thoroughly identifying significant risks and potential hazards, effectively mitigating any major operational risks, and thereby assuring the healthy and sustainable growth of the enterprise.

4.4.1 Establishing an ESG risk Management System

To further enhance the prevention of ESG risks, in 2023, we incorporated ESG factors into our comprehensive risk management ambit, refined the ESG risk management framework, and intensified measures to prevent and control ESG risks. Through enhanced analysis, identification, evaluation, and reporting of various risks—particularly climate

change and changes to regulatory policy—we aim to improve our handling of ESG-related risks in business operations. Our objective is to effectively guard against any harm to the Company’s interests or reputation stemming from inadequate ESG management, while actively integrating ESG principles with our corporate strategy to foster the Company’s long-term sustainable development.

Establishing an ESG risk management system

Credit risk management

- Our annual credit guidelines explicitly stipulate: the effective mitigation of ESG risks; proactive adoption of the new green development concept, coupled with the expansion of our green finance business scope; refinement of the company's asset architecture to boost support for key sectors like clean energy, new materials, and innovative infrastructure; and amplification of our environmental and climatic risk management within our financial services, with a particular emphasis on stringent regulation of investment and financing in sectors known for high energy consumption, extensive pollution, and significant emissions.

Operational risk management

- We seamlessly integrated ESG objectives within the scope of our operational risk management, homing in on key risk sectors for targeted management. By persistently leveraging our three main operational risk tools, we strove to effectively mitigate ESG risks.
- Taking into account extreme climate-related risk factors, we worked to reduce the potential impact of natural disasters on the Company through the formulation of emergency procedures and the implementation of regular drills.

Liquidity risk management

- In an effort to buffer the impact of liquidity risks on the Company's finances, we stayed abreast of industry regulatory changes, maintained real-time tracking of market liquidity, refined our liquidity risk contingency plans, conducted routine liquidity risk stress tests, and ensured an ample supply of liquid reserve assets.

Information technology risk management

- We employed a 3+4+N approach to build three data centers and IDC centers in two regions to manage any information technology risks posed by natural disasters or severe weather conditions.
- In all three of our data centers, our backup and production systems boast equal processing capabilities, guaranteeing that every crucial information system has met the required level of information system backup capacity.

4.4.2 Improving the Risk Management System

In strict accordance with the *Comprehensive Risk Management Standards for Securities Companies*, we promptly updated our internal management system in response to changes in external regulations, and supervised implementation of risk management strategies. As of the end of December 2023, the Company maintained 34 sets of regulations, including 11 newly formulated or revised sets.

New

- Implementation Guidelines of Everbright Securities on Operational Risk and Control Self-Assessment
- Implementation Guidelines of Everbright Securities on Key Operational Risk Indicators
- Implementation Guidelines of Everbright Securities on Operational Risk Loss Data Collection
- Guidelines of Everbright Securities for the Management of Pledged Repo Risk
- Everbright Securities Internal Credit Rating Management Measures

Revised

- Everbright Securities Risk Management Assessment Measures
- Implementation Rules for the Monitoring of Abnormal Trading Behavior
- Procedures of Everbright Securities on the Management of High-Risk Projects during the Follow-up Management Phase for Investment Banking
- Procedures of Everbright Securities on the Management of Continuous Project Risk during the Follow-up Management Phase for Investment Banking
- Implementation Guidelines of Everbright Securities on OTC Derivatives Risk Management
- Measures of Everbright Securities for the Management of Non-Exchange Traded Derivatives Valuation

4.4.3 Preventing Key Risks

In 2023, to fully implement the rectification requirements of the Central Leading Group for Inspection Work, and continually enhance our comprehensive risk management system encompassing all staff, processes, and businesses, we rigorously oversaw and propelled an extensive risk consolidation effort. This was done in line with regulatory guidelines and industry best practices. Our initiative further involved a meticulous self-examination of our management system, benchmarking, and refining processes. This pursuit led various entities to implement over 50 optimization measures, thereby strengthening our ability to monitor, warn early, identify, assess, and manage various risks. We are tirelessly focused on mitigating risks at their roots, specifically in key areas.

Liquidity Risk Management

- We heightened the management of overall liquidity reserves and structure, ensuring a consistently ample reserve level throughout 2023.
- By optimizing our liability term structure, increasing and maintaining our financing counterparties, and conducting comprehensive liquidity risk stress tests and emergency drills, we effectively mitigated the occurrence of liquidity risks. In 2023, we reported no instances of liquidity risk limit exceedances or warnings.

Market Risk Management

- For equity and fixed-income securities investment, we proactively conducted an array of stress tests, monitoring the potential profits and losses under varying scenarios and maintaining alertness for any anomalous business conditions.
- Regarding over-the-counter derivative transactions, we optimized risk control measures, increased our focus on emergency preparedness, improved valuation management mechanisms, and revised the *Measures of Everbright Securities for the Management of Non-Exchange Traded Derivatives Valuation*.

Credit Risk Management

- Throughout 2023, we diligently implemented credit approval procedures, updated our credit risk evaluation and lending guidelines, and refined our credit risk limit indicators. In addition, we optimized our internal credit rating systems and improved our credit risk management infrastructure.

Operational Risk Management

- We upgraded our operational risk systems, optimizing existing features and incorporating new modules for stress testing, thereby enhancing our overall information management capabilities.
- We strictly monitored new business risk evaluations, ensured internal control acceptances prior to offering services, and carefully managed critical business authorization processes.
- We bolstered our inspection and supervision protocols. This includes intensifying internal control audits, conducting comprehensive internal control assessments, and rectifying identified risk issues promptly.
- We emphasized efficient authorization management. By developing a comprehensive authorization management system and enhancing evaluations of tiered authorization management, we've driven advancements in authorization procedures. This has allowed us to stringently safeguard against potential risks like over-authorization or exceeded authorization.

Legal and Compliance Risk Management

- Following new registration regulations, we upgraded our early-stage risk control system, including optimizing risk indicators, to help key accounts reduce abnormal trading frequencies. Consequently, the number of abnormal trading warnings and regulatory correspondence have decreased significantly.
- We concentrated on legal risk control in high-priority areas. This includes establishing a template contract system for key business areas, launching over 40 sets of contract templates, and developing and revising over 20 template agreements for custodial services.

Reputation Risk Management

- We revised the *Measures of Everbright Securities for the Management of Reputation Risk and Public Opinion*, effectively embedding salary management into our reputation risk management framework and enhancing our control over reputation risks related to compensation structure.
- We refined our routine public opinion management mechanism, promptly addressed negative publicity, conducted 13 comprehensive public opinion risk assessments, and pre-emptively managed potential public sentiment risks.
- In 2023, we organized public opinion management training and emergency response drills, disseminating the *Measures of Everbright Securities for the Management of Reputation Risk and Public Opinion*, the *Measures of Everbright Securities for violation accountability Management*, and other related rules and regulations. Approximately 150 entity representatives and public opinion collectors attended the training, which focused on risk warnings for research business operations and on-site inspections.

4.4.4 Improving Risk Prevention Capabilities

Improving the professional quality of employees

In 2023, to bolster risk response and mitigation capabilities, the Company proactively conducted employee training and knowledge exchange initiatives. We organized 21 risk management training sessions, delivered through a mix of online courses, on-site workshops, and exchanges, attracting 1,261 participants for a total of 27.5 hours of instruction.

In July, we conducted a training session on risk asset management, focusing on the interpretation of six sets of management regulations, including the *Risk Asset Management Measures*, the *Risk Asset Due Diligence Implementation Rules*, the *Risk Asset Disposal Plan Implementation Rules*, the *Bad Debt Write-Off Management Measures*, the *Interpretation of Registered Write-Off Asset Management Measures*, and the *Risk Asset Transfer Procedures*. The training attracted over 40 participants across 9 relevant business departments.

Later in September, we conducted a seminar on asset liability and liquidity risk management, aiming to educate various departments on the requirements and key collaboration areas essential for effective liquidity risk management.

Creating a talent selection system

The Company has developed a comprehensive system for the selection, training, and development of risk management personnel, aimed at fostering strong professional ethics and competence among employees. We rigorously recruit individuals with specialized backgrounds in finance, technology, risk management, and other related fields, emphasizing the importance of professional and technical qualifications. Encouraging our employees to pursue higher-valued professional certifications, we focus on attracting highly skilled and experienced professionals in internal control management, derivatives market risk management, and overseas subsidiary risk management through both internal and external recruitment strategies. Our goal is to build a formidable team of risk management experts capable of addressing the Company's evolving business and risk management requirements.

Building a comprehensive risk management platform

We expedited the development of the second phase of our comprehensive risk management platform, optimizing the user login and menu system. Customizing authorization management modules based on the Company's tailored internal control

system, we enhanced the risk management function for similar business operations while advancing the automation of risk reports and management. We also launched online several risk control platform-related functionalities, such as risky project management. These efforts have significantly elevated our ability to consolidate, digitize, and automate risk management processes.

Chapter V Working with Stakeholders to Create a Harmonious Society

Everbright Securities places significant importance on fostering communication with other businesses and industries, collaborating with stakeholders to achieve mutual benefits and shared growth. We are committed to understanding the environmental impact of our operations, advocating for and implementing green development principles, and practicing low-carbon operations. Dedicated to fulfilling our CSR, we actively engage in targeted aiding projects and donations, encourage employee involvement in public welfare activities, and contribute to community development. Through prioritizing public service, supporting social causes, and giving back to the community, we have cultivated a positive social image.

By the end of December 2023, Everbright Securities had

- registered external donations totaling RMB **7.73** million
- donated RMB **7** million to targeted support alleviation projects through Everbright Group

5.1 Engaging in Industry Exchanges to Foster Mutually Beneficial Collaborations

As a frontrunner in the industry, Everbright Securities has consistently prioritized the robust industry development as part of our corporate mission. Concentrating on business expansion in key regions and reinforcing our footprint in favorable areas characterized by initiatives such as Everbright Futures, we are actively engaged in industry dialogue. We strive to leverage the resource strengths of all stakeholders to cultivate long-term partnerships defined by mutually beneficial outcomes, collectively fostering the sustained, healthy evolution of the industry.

5.1.1 Focusing on Key Areas

In 2023, the Company, in collaboration with China Everbright Bank, hosted large-scale research meetings with investment institutions in Shandong, Henan, and Hebei. This initiative marked a new chapter in facilitating nationwide cooperation between major enterprises and investment bodies. It underscored our commitment to enhancing the bond financing service mechanism and supporting the real economy's healthy growth. These efforts significantly contributed to the Company's synergistic development across the Beijing-Tianjin-Hebei area, the central region, and the Shandong region.

Hebei

In May 2023, Everbright Securities, together with China Everbright Bank, jointly hosted the “Everbright Supports Hebei’s Future” conference, inviting bond investment institutions from all over the country to Hebei Province. The event brought together 36 bond-issuing companies from Hebei and over 100 nationally represented investment institutions for insightful discussions and exchanges.

Experts from the Innovation and Development Research Department of the State Council’s Development Research Center, the National Association of Financial Market Institutional Investors, and SZSE delivered enlightening speeches, offering participating businesses and institutional investors new strategies for the evolution of the bond capital market under the current socioeconomic climate. A total of 14 companies, including Baoding Guokong Group, held on-site roadshows, facilitating dialogues on topics of concern to institutional investors.

In 2023, Everbright Securities ranked first among credit bond underwriters in Hubei, underwriting the largest share of bonds for real businesses. Since 2023, we have led the issuance of five sci-tech innovation bonds, considerably contributing to high-quality regional development.



Henan

In June 2023, under the guidance of the Local Financial Supervision and Administration Bureau of Henan Province, the Company successfully convened a large-scale research meeting called “Everbright in Henan”, building a platform of exchange for bond investment institutions from all over the country and corporate issuers in Henan Province. This event held substantial importance in enhancing market confidence, broadening financing channels, deepening relationships between banks and enterprises, serving the real economy, propelling project developments, and addressing critical bottlenecks,

obstacles, and challenges faced during enterprise growth.

Over the years, Everbright Securities has established an esteemed market reputation within Henan, courtesy of its high-quality and professional services. As one of the largest credit bond underwriters in Henan, we've built a growing local customer base, including a large number of key real businesses. The success of the research meeting has significantly bolstered our future growth in bond underwriting in Henan.

Shandong

In December 2023, Everbright Securities and China Everbright Bank co-sponsored the “Everbright in Shandong” research meeting, attracting bond investment institutions from all over the country and local corporate issuers. Leaders of Shandong Province and Zibo City, as well as representatives of 59 bond issuers in Shandong and 100 investor representatives and bond industry experts gathered in Zibo, to jointly look forward to the future development of Shandong’s regional economy and bond market.

During the meeting, representatives of corporate bond issuers in Shandong conducted roadshows, inviting investors to investigate the Dongyue Fluorosilicone Materials Industrial Park and Qilu Intelligent Microsystem Innovation Industrial Base. The meeting integrated the resources of governments, enterprises, and financial institutions to contribute to Shandong’s strategy of “speeding up the replacement of old growth drivers with new ones to promote green, low-carbon and high-quality development”.

In the future, Everbright Securities will continue to work with Everbright Bank to support enterprises in Shandong in line with new development strategies, promoting the high-quality development of Shandong’s economy.



5.1.2 Deeply Cultivating Advantageous Areas

As Everbright Securities’ primary venture in the futures sector, Everbright Futures has established itself as a leading presence within the domestic industry. It’s dedicated to

developing a high-quality learning and exchange platform for institutional investors, enhancing expert dialogue within the sector, and playing a vital role in the healthy growth of the futures industry and derivatives market.

In 2023, Everbright Futures organized a total of five lithium carbonate variety sharing sessions in cities including Beijing, Wuhan, Hangzhou, and Ningde. During these events, they orchestrated multiple face-to-face interactions with new energy-related entities, focusing on the market analysis and risk management of lithium carbonate futures.



In October 2023, as a part of the 14th Annual Conference of Futures Institutional Investors organized by the Shanghai Futures Association, Everbright Futures collaborated with Xinhua Futures to host a sub-forum under the theme “Optimizing Market Structure and Proactively Nurturing Institutional Investors”. This event convened senior experts from prominent financial institutions and futures companies. Together, they engaged in robust discussions about the evolution of the derivatives market structure and the significant role of institutional investors in fostering the market’s effective operations.



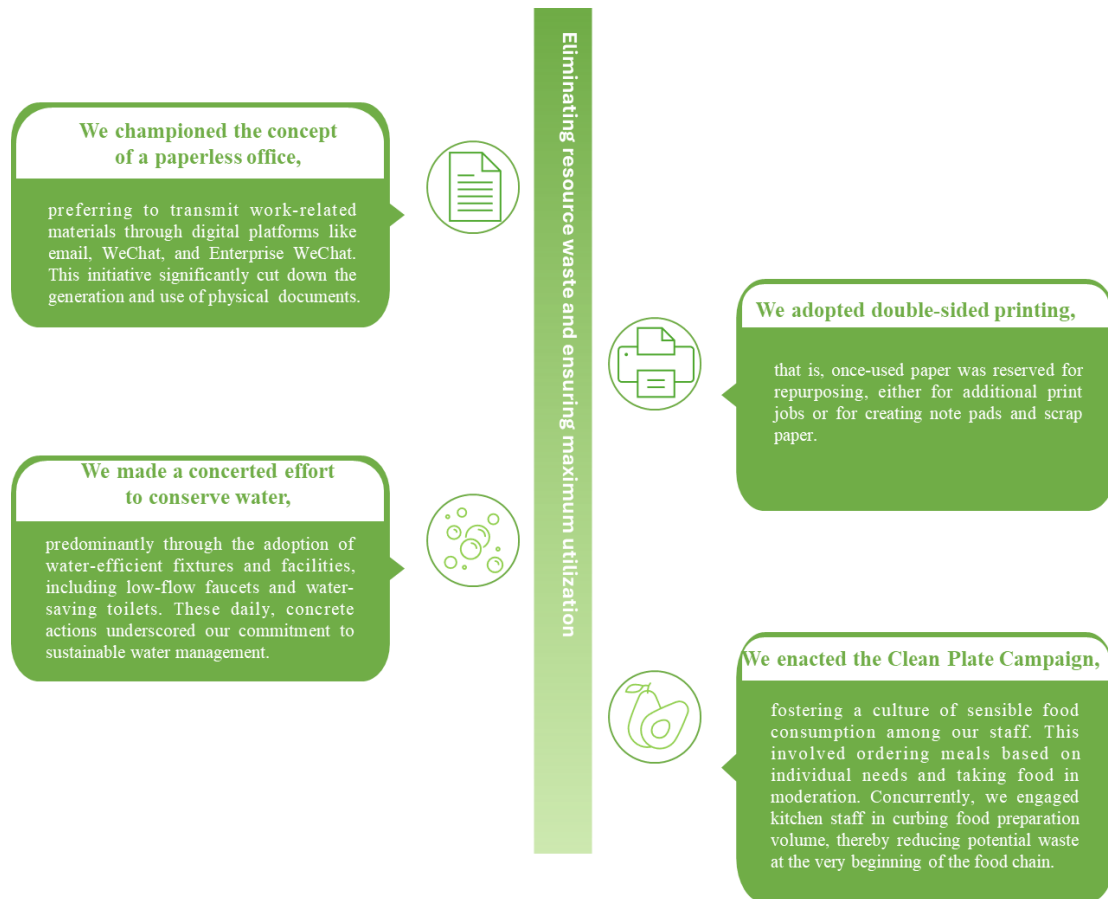
5.2 Responding to Climate Change through Low-Carbon Operations

Preserving our environment and addressing climate change are collective responsibilities

shared by every member of humanity. Everbright Securities takes a proactive stance in fulfilling its duties relating to ecological protection and sustainability. We've developed the *Green Office Energy Saving and Emission Reduction Initiative*, and endorse environmentally friendly and low-carbon operations across all aspects of our business, from internal management to day-to-day office tasks. Our commitment directly contributes to “dual carbon” goals as we strive together to foster a harmonious and sustainable coexistence between humanity and nature for a better, greener future.

Using office facilities rationally and reducing electricity consumption

- We capitalized on natural light and instituted the use of energy-efficient lightbulbs. We encouraged good energy practices, such as turning off lights when they were not needed. This strategy diminished our electricity usage for lighting, thus extending the life expectancy of lightbulbs.
- We leveraged natural ventilation, reducing reliance on air conditioning systems. We structured a routine to turn off air conditioning 30 minutes before closing, ensuring summer temperatures no lower than 26 degrees Celsius and winter temperatures no higher than 24 degrees Celsius.
- For our centralized air conditioning units, we regulated the water outlet temperature, setting it to no less than 9 degrees Celsius in summer and no higher than 43 degrees Celsius in winter. We effectively managed the number of activated units to optimize efficiency.
- We tweaked our computer monitor brightness to medium settings and implemented standby modes when systems were idle. The energy-saving measures yielded an annual saving of approximately 6.3 kWh for desktop computers, resulting in the reduction of about 6 kg of CO₂ emissions. Notebook computers also saw an annual energy saving of around 1.5 kWh, cutting off around 1.4 kg of CO₂ emission.
- We made the conscious decision to disconnect printer power when not in use and habitually unplugged computers, ensuring a total disconnection from the power source when not operational.



5.3 Building a Culture of Philanthropy to Contribute to the Society

In 2023, to adhere to the Group’s mandates prescribed in the *Notice on the Allocation of External Donation Amounts and Related Work Requirements for 2023* and the *Notice on the Transfer of Targeted Assistance Funds in 2023*, Everbright Securities coordinated targeted support alleviation efforts. Through partnerships with the Shanghai Charity Foundation, and the Everbright Sunshine Charity Special Fund among others, we have donated a total sum exceeding RMB 7.73 million to external beneficiaries determined by Everbright Group. We also actively partook in various supportive initiatives such as financial assistance, industry-specific aid, consumption promotion, and public welfare facilitation.

Donation type	Amount (RMB)	Beneficiaries
Supporting rural revitalization	7 million	Beneficiaries determined by Everbright Group
	50,000	Miaoping Village, Xiji County, Ningxia Hui Autonomous Region

	50,000	Chengtang Village, Luojiang Town, Xingguo County, Jiangxi Province
	80,000	Danxi Village, Xunwu County, Jiangxi Province
	50,000	Shaping Town, Wan'an County, Jiangxi Province
Everbright Sunshine Charity Special Fund	500,000	Shanghai Charity Foundation

Case: Youth members of Everbright Securities Party Committee participated in the “Everbright Forest” campaign

In October 2023, young members of Everbright Securities Xining branch’s Party committee participated in a charity fundraising event for tree planting called “Everbright Forest”. Everbright Securities did the preparations including procurement of saplings and the production of nameplates. The event fostered green stewardship by sponsoring saplings individually, as a family, or as an organization. A total of RMB 84,000 was received from across the branch, increased by 189% from the previous iteration.

The “Everbright Forest” campaign reflects Everbright Securities’ active commitment to President Xi’s directive to “Protect the Sanjiangyuan and Conserve the Water Tower of China”. As part of our drive to undertake the greening tasks in Xining, we have carried on with tree-planting activities over the years. With a total investment exceeding RMB 400,000, and a greening coverage spanning more than 40 mu (approx. 2.68 ha.), we have made significant contributions to the environmental preservation of the Sanjiangyuan region.



Case: Everbright Securities’ employees donated blood

Everbright Securities persistently spearheads voluntary blood donation initiatives, while concurrently amplifying awareness and education. We inspire our healthy and eligible employees to contribute to these initiatives, fostering wider participation in blood donation and various other philanthropic endeavors. Consequently, we continually make substantial contributions to the societal voluntary blood donation efforts. In 2023, a

considerable total of 101 employees stepped forward for the cause, cumulatively donating 28,800 CC of blood.



Appendix 1 ESG Key Performance

- **Economic Performance**

Economic Performance Table

Index	Unit	2023	2022	2021
Total Assets	RMB billion	259.604	258.354	239.108
Operating Income	RMB billion	10.03	10.78	16.707
Basic Earnings Per Share	RMB /share	0.84	0.61	0.72
Social Contribution Value Per Share	RMB	2.63	2.74	3.03

Note: Social Contribution Value Per Share = basic earnings per share + (tax revenue generated by the Company for the state during the year + wages paid to employees + loan interest paid to creditors such as banks + value created for other stakeholders such as external donations - other social costs caused by environmental pollution, etc.)/weighted average number of common shares outstanding

- **Environmental Performance**

Resource Consumption and Greenhouse Gas Emissions of Everbright Securities in 2023

	2023		2022		2021	
	Total amount	Density	Total amount	Density	Total amount	Density
Resource consumption						
Office Electricity	29,279,127 kWh	3,630.84 kWh/person	18,955,909 kWh	2,199.32 kWh/person	30,937,342 kWh	3,531.67 kWh/person
Office Water	67,325 t	8.35 t/person	61,747 t	7.16 t/person	111,235 t	12.70 t/person
Natural Gas	39,296 m ³	4.87 m ³ /person	24,457 m ³	2.84 m ³ /person	34,669 m ³	3.96 m ³ /person
Gasoline Consumption	26,417 L	3.28 L/person	27,891 L	3.24 L/person	253,322 L	28.92 L/person
Diesel Consumption	130 L	0.02 L/person	220 L	0.03 L/person	8,215 L	0.94 L/person
Paper	41.85 t	0.01 t/person	133 t	0.02 t/person	160.30 t	0.02 t/person
Waste						
Non-Hazardous Electronic Waste	1,999 Piece	0.25 Piece/person	1,909 Piece	0.22 Piece/person	1,254 Piece	0.14 Piece/person

Hazardous Waste ¹	9.15 t	0.001 t/person	3.48 t	0.0004 t/person	-	-
Office supplies waste	4.73 t	0.001 t/person	30 t	0.003 t/person	-	-
Greenhouse Gas Emission²						
Total Direct Energy Consumption	655,860 kWh	81.33 kWh/ person	508,984 kWh	59.05 kWh /person	2,574,001 kWh	293.84 kWh/ person
Total Indirect Energy Consumption	29,279,127 kWh	3,630.84 kWh/ person	18,955,909 kWh	2,199.32 kWh /person	30,937,342 kWh	3,531.66 kWh/ person
Total Greenhouse Gas Emissions	16,889 t	2.09 t/person	15,535 t	1.82 t/person	18,789 t	2.14 t/person
—Direct greenhouse gas emissions	144 t	0.02 t/person	115 t	0.01 t/person	648 t	0.07 t/person
—Indirect Greenhouse Gas Emissions	16,745 t	2.08 t/person	15,420 t	1.81 t/person	18,142 t	2.07 t/person

Note:

1. The sources of air pollutant emissions include the use of stationary sources and mobile sources. Emissions caused by stationary sources are calculated based on the *First National Pollutant Census Urban Domestic Source Emission Coefficient Manual*; emissions caused by mobile sources are calculated based on the *Technical Guidelines for the Compilation of Air Pollutant Emission Inventory from Road Vehicles (Trial)*. Moreover, since most of the Company's business vehicles conform to the National IV emission standards, emission coefficients provided by the standards are utilized for the calculations related to these mobile sources.
2. Data on greenhouse gas emissions are represented in terms of carbon dioxide equivalents and calculated according to the *Notice on Greenhouse Gas Emission Reporting Management of Power Companies for 2023–2025* (Circular [2023] No. 43) released by the Ministry of Ecology and Environment of China, as well as the *2006 IPCC Guidelines for National Greenhouse Gas Inventories* published by the Intergovernmental Panel on Climate Change (IPCC).
3. Direct greenhouse gas emissions mainly derive from the consumption of natural gas, facility-used diesel, coal gas, and fuel used by business vehicles.
4. Indirect greenhouse gas emissions predominantly originate from the consumption of externally sourced electricity.

¹ The total volume and density of hazardous waste in 2022 are corrected to 3.48 t and 0.0004 t/person respectively.

² Direct GHG emission intensity in 2022 are corrected to 0.01 t/person, total indirect GHG emissions and intensity in 2022 are corrected to 15,420 t and 1.81 t/person, and total GHG emissions and intensity in 2022 are corrected to 15,535 t and 1.82 t/person, respectively.

5. The Company’s operations generate non-hazardous electronic waste, which mainly includes discarded electronic devices and information products such as desktop computers, monitors, laptops, printers, and servers.

6. Hazardous waste resulting from our operations primarily comprises waste lead-acid batteries and discarded fluorescent tubes, all of which are processed by certified professional companies. The data disclosed here cover the year 2023 and are applicable to our headquarters, branches, subsidiaries, and operational departments.

• **Social Performance**

Customer Service Performance

Customer Service Performance Table

Index	Unit	2023	2022	2021
Complaints Accepted	No.	296	551	503
Handling Rate	%	100	100	100
Service Satisfaction	%	99.4	99.2	99
Complaint Satisfaction	%	72	76	76.7

Note 1: “Complaints Accepted” refer to valid complaints.

Note 2: “Service Satisfaction” is calculated based on service provided via the 95525 customer service hotline.

Note 3: “Complaint Satisfaction” refers to the settlement rate.

Supplier Performance

Supplier Performance Table

Index	Unit	2023	2022	2021
Number of Suppliers in Shanghai	No.	182	89	114
Number of Suppliers outside Shanghai	No.	256	141	136
Number of Violating Suppliers	No.	12	7	12

Employee Performance

Employee Composition Performance Table

Index	Unit	2023	2022	2021
Total Number of Employees (regular	No.	8,064	8,541	8,760

employees)					
By gender	Male	No.	4,218	4,524	4,728
	Female	No.	3,850	4,017	4,032
By age group	> 50	No.	818	859	875
	30-50	No.	6,028	6,158	6,044
	< 30	No.	1,218	1,524	1,841
By region	Mainland China	No.	7,329	7,936	8,097
	Hong Kong, Macao, Taiwan and overseas	No.	735	605	663

Note 1: “Total Number of Employees” refers to the number of employees who have signed full-time labor contracts and labor dispatch contracts with Everbright Securities, Everbright Futures, Everbright Capital, Everbright PGIM, Everbright Securities Asset Management, Everbright Securities Financial Holdings, Everbright Securities International, Everbright Development, Everbright Leasing, and Everbright Fuzun.

Employee Rights Performance Table

Index	Unit	2023	2022	2021
Labor Contract Signing Rate	%	100	100	100
Social Insurance Coverage	%	100	100	100
Total Number of Labor Discrimination Incidents	No.	0	0	0
Child Labor And Forced Labor Incidents	No.	0	0	0
Number of work-related deaths	No.	0	0	0
Number of Working Days Lost Due to Work Injury	No.	0	0	0
Turnover rate	%	17.37	18.74	25.57

Note: The above statistics covers Everbright Securities and its subsidiaries and branches.

Employee Training Performance Table

Index	Unit	2023	2022	2021	
Number of Employees Trained	No.	1,099,314	442,392	302,776	
Training Coverage	%	100	100	100	
By gender	Male	%	48	53	54
	Female	%	52	47	46
By employee type	General workers	%	95.33	96.53	94.06
	Middle	%	4.44	3.35	5.16

	management				
	Senior management	%	0.23	0.12	0.78
Average Training Hours Per Employee		Hour	91.30	68.73	105.96

Note 1: The above statistics only covers the parent company of Everbright Securities.

Note 2: According to *How to Prepare An ESG Report - Appendix 3: Appendix 3: Reporting Guidance on Social KPIs* issued by HKEx, the “Training Coverage” of each category of employees = the number of employees trained of that category / the total number of employees trained

Note 3: The “Average Training Hours Per Employee” of each category per year = the total number of training hours received by employees of this category / the total number of employees of this category

Social Contribution Performance

Index	Unit	2023	2022	2021
External Donation	RMB	7,730,000	7,387,100	7,036,200
Annual Amount Raised for Social Welfare	RMB	-	84,100	-

Employee Volunteering Performance Table

Index	Unit	2023	2022	2021
Total Volunteering Employees	No.	460	1,574	208
Total Volunteering Hours	Hour	690	2,178	524

Appendix 2 Shanghai Stock Exchange Self-Regulatory Guidelines for Listed Companies No. 1 - Standardized Operations

Index

Chapter 8 Social Responsibility		
	Main Content	Chapter
8.1	<ol style="list-style-type: none"> 1. Actively protect the legitimate rights and interests of creditors and employees 2. Treat suppliers, customers and consumers with integrity 3. Practice the concept of green development 4. Actively engage in public welfare undertakings such as environmental protection and community building 	3.1.2 Employee Rights 5.2 Responding to Climate Change through Low-Carbon Operations 5.3 Building a Culture of Philanthropy to Contribute to the Society
8.2	<ol style="list-style-type: none"> 1. Follow the principles of voluntariness, fairness, compensation of equal value, and good faith 2. Comply with social ethics and business ethics 3. Receive supervision from the government and the public 4. Not make profits through exaggerated claims, false advertising and other improper methods 5. Not seek illegitimate interests through bribery, smuggling and other illegal activities 6. Not infringe on the intellectual property rights such as trademarks, patents and copyrights of others 7. Not engage in unfair competition 	4.3.1 Strictly Abiding by Integrity Principles 2.1.4 Sending Product Risk Reminders to Mitigate Financial Risks 4.3.1 Strictly Abiding by Integrity Principles 4.3.4 Intellectual Property Protection
8.3	The Company's social responsibility strategic planning and working mechanism: <ol style="list-style-type: none"> 1. Business ethics principles 2. Employee protection plan and career development plan 3. R&D investment and plan on rational use of resources and effective environmental protection 4. Social development funding plan 5. Mechanisms and arrangements for managing and 	4.3.1 Strictly Abiding by Integrity Principles 3.3 Enhancing Talent Development to Strengthen Talent Base

	supervising CSR plans	5.3 Building a Culture of Philanthropy to Contribute to the Society
8.4	Disclose social contribution value per share - On the basis of the basic earnings per share created by the Company for shareholders, add the annual amount of value created for other stakeholders, including the tax revenue collected by the government, wages paid to employees, loan interest paid to creditors such as banks, and external donations, and then subtract other social costs caused by environmental pollution, etc.	Appendix 1 ESG Key Performance
8.5	Disclosure of non-financial reports such as CSR reports; separate review of such reports by the board of directors	About the Report
8.6	<ol style="list-style-type: none"> 1. Establishment and implementation of CSR regulations regarding employee protection, environmental protection, product quality, community relations, etc. 2. Identified problems and shortcomings in fulfilling CSR, discrepancies with these guidelines, and reasons behind 3. Measures for improvements and their specified timelines 	2.1.4 Sending Product Risk Reminders to Mitigate Financial Risks 3.1.2 Employee Rights
8.7	<ol style="list-style-type: none"> 1. In accordance with the provisions of the <i>Company Law</i> and the Company's <i>Articles of Association</i>, establish a system for the selection and appointment of employee directors and employee supervisors to ensure that employees enjoy full rights in corporate governance 2. Support the Trade Union to carry out its work in accordance with law, and ensure that it listens to the opinions of employees through democratic means such as employee representative conferences and trade union meetings on matters involving employees' vital interests, such as wages, benefits, labor safety and health, social insurance, etc., and pay attention to the reasonable needs of employees. 	4.2.1 Improving the Governance System 3.4.1 Continuous Employee Communication

8.8	<p>Environmental protection responsibilities:</p> <ol style="list-style-type: none"> 1. Comply with environmental protection laws, regulations and industry standards 2. Develop and implement the Company's environmental protection plan 3. Efficiently use energy, water resources, raw materials and other natural resources 4. Dispose pollutants in compliance with regulations 5. Build and operate effective pollution prevention and management facilities 6. Pay environmental protection related taxes and fees in full 7. Ensure the environmental safety of the supply chain 8. Other environmental protection responsibilities that should be fulfilled 	5.2 Responding to Climate Change through Low-Carbon Operations
8.9	<p>Environmental information disclosure:</p> <ol style="list-style-type: none"> 1. Environmental protection policy, and annual environmental protection goals and results 2. Total annual resource consumption 3. Environmental investment and environmental technology development 4. Types, quantities, concentrations and destinations of pollutants discharged 5. The construction and operation of environmental protection facilities 6. Treatment and disposal of waste generated in the production process, and the recycling and comprehensive utilization of waste products 7. Voluntary agreement signed with environmental protection departments to improve environmental behavior 8. Awards from environmental departments 9. <i>Other</i> environmental information voluntarily disclosed 	Appendix 1 ESG Key Performance - Environmental Performance
8.10	<p>Disclosure of corporate operations and their impact on stakeholders:</p> <ol style="list-style-type: none"> 1. The Company has major investment activities such as new, renovated, or expanded construction projects with significant environmental impact. 2. The Company has been investigated by environmental bodies for potential violations, or has been subject to major administrative penalties or criminal penalties, or has been requested by the government or relevant departments to rectify within a specified timeframe, suspend operations, relocate, or 	NA

	<p>close down.</p> <p>3. The Company is involved in major environment-related lawsuits or its main assets are seized, detained, frozen, mortgaged or pledged.</p> <p>4. The Company or any of its primary subsidiaries is listed by the national environmental department as a key pollution contributor.</p> <p>5. Newly issued environmental laws, regulations, rules, and industry policies may have a significant impact on the Company's operations.</p> <p>6. Other environment-related material events that may have a serious impact on the trading prices of the Company's stocks and their derivatives</p>	
8.11	<p>1. Special personnel should be assigned regularly to inspect the implementation of environmental policies. Behaviors that are not in compliance with the Company's environmental policies should be corrected, and corresponding remedial measures should be taken.</p> <p>2. In case of any major environmental accident, the Company should promptly disclose the causes, its impact on the Company's performance and the environment, and remedial measures to be taken.</p>	NA
8.12	<p>A listed company or any of its primary subsidiaries, identified as key pollution contributor by the environmental protection department, should disclose:</p> <p>1. The pollutants' names, discharge modes, concentrations, total discharge, exceedance of standards, and exceedance of total discharge limit</p> <p>2. Environmental facilities' construction and operation status</p> <p>3. Environmental emergency plan</p> <p>4. Pollution reduction strategies and future work plans</p> <p>The Company shall not refuse to disclose the environmental information provided in the preceding paragraphs on the grounds of commercial confidentiality.</p> <p>During the reporting period, if the Company discloses environmental information through an interim report, any subsequent updates or changes must be communicated accordingly. For issues that have been disclosed in the interim report and there hasn't been any follow-up progress or changes, the Company only needs to provide a summary of those issues along with a link to the website where the interim report is disclosed.</p>	NA

8.13	<p>Production and product safety responsibilities:</p> <ol style="list-style-type: none"> 1. Comply with product safety laws, regulations and industry standards 2. Establish a safe and reliable production environment and production process 3. Establish a product quality and safety assurance mechanism and product safety accident emergency plan 4. Other production and product safety responsibilities that should be performed 	NA
8.14	<p>Employee rights protection responsibilities:</p> <ol style="list-style-type: none"> 1. Establish management systems for employee employment and dismissal, salary and benefits, social insurance, working hours, etc. and measures to deal with violations 2. Create a working environment and supporting safety measures to prevent occupational hazards 3. Conduct necessary employee knowledge and skills training 4. Other responsibilities to protect employees' rights and interests that should be fulfilled 	<p>3.1.1 Recruitment</p> <p>3.1.2 Employee Rights</p> <p>3.2.2 Employee Safety</p> <p>3.3.2 Employee Training</p>
8.15	<ol style="list-style-type: none"> 1. Listed companies should stringently follow science-based ethical standards, respect its principles, uphold due values, social responsibilities and behavioral norms, and maximize the beneficial impacts of scientific and technological advancements. 2. Listed companies should avoid the R&D and application of any technology detrimental to the environment, human health, public safety, or ethical standards, and should not engage in any R&D and business activities infringing basic individual rights or undermining public interests. 3. When innovative technologies are being developed or applied within fields such as life sciences, artificial intelligence, information technology, environmental ecology, or new materials, list companies should adhere to principles of prudence and stability, making comprehensive assessments of potential impacts and ensuring their reliability. 	<p>Chapter 1: Executing Financial Functions in Line with National Strategies</p>

Appendix 3 Index of Environmental, Social and Governance Reporting Guide (2022 version) on Hong Kong Stock Exchange

Aspects, General Disclosures and KPIs	Description	Sections
Aspect A1: Emissions		
KPI A1.1	The types of emissions and respective emissions data.	Appendix 1 ESG Key Performance Indicators
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Appendix 1 ESG Key Performance Indicators
KPI A1.3	Total hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production, per facility).	Appendix 1 ESG Key Performance Indicators
KPI A1.4	Total non-hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production, per facility).	Appendix 1 ESG Key Performance Indicators
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	5.2 Responding to Climate Change through Low-Carbon Operations
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	5.2 Responding to Climate Change through Low-Carbon Operations
Aspect A2: Use of Resources		
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, per facility).	Appendix 1 ESG Key Performance Indicators
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production, per facility).	Appendix 1 ESG Key Performance Indicators-

Aspects, General Disclosures and KPIs	Description	Sections
		Environmental performance, intensity based on per person water use
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	5.2 Responding to Climate Change through Low-Carbon Operations
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	N/A
KPI A2.5	Total packaging material used for finished products (in tons) and, if applicable, with reference to per unit produced.	N/A
Aspect A3: 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.	4.4.1 Establishing an ESG risk Management System
Aspect A4: Climate Change		
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	4.4.1 Establishing an ESG risk Management System
Employment and Labor Practices		
Aspect B1: Employment		
KPI B1.1	Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region.	3.1 Creating a Positive Workplace that Upholds Employee Rights and Interests
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	3.1 Creating a Positive Workplace that

Aspects, General Disclosures and KPIs	Description	Sections
		Upholds Employee Rights and Interests
Aspect B2: Health and Safety		
KPI B2.1	The number and rate of work-related fatalities over each of the past three years (including the reporting year).	Appendix 1 ESG Key Performance Indicators
KPI B2.2	Lost working days due to work injury.	Appendix 1 ESG Key Performance Indicators
KPI B2.3	Description of occupational health and safety measures adopted and how they are implemented and monitored.	3.3 Enhancing Talent Development to Strengthen Talent Base
Aspect B3: Development and Training		
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	3.3 Enhancing Talent Development to Strengthen Talent Base
KPI B3.2	The average training hours completed per employee by gender and employee category.	3.3 Enhancing Talent Development to Strengthen Talent Base
Aspect B4: Labor Standards		
KPI B4.1	Description of measures to review employment practices to avoid child and forced Labor.	3.1 Creating a Positive Workplace that Upholds Employee Rights and Interests
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	3.1 Creating a Positive Workplace that Upholds Employee Rights and Interests
Operating Practices		
Aspect B5: Supply Chain Management		

Aspects, General Disclosures and KPIs	Description	Sections
KPI B5.1	Number of suppliers by geographical region.	Appendix 1 ESG Key Performance Indicators- Supplier Performance
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	4.2.4 Strengthening Supplier Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	4.2.4 Strengthening Supplier Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	4.2.4 Strengthening Supplier Management
Aspect B6: Product Responsibility		
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	N/A
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	2.1.2 Improving the Customer Complaint Handling Mechanism
KPI B6.3	Description of practices relating to maintenance and protecting intellectual property rights.	4.3.5 Intellectual Property Protection
KPI B6.4	Description of quality assurance process and recall procedures.	N/A
KPI B6.5	Description of consumer data protection and privacy policies and how they are implemented and monitored.	2.1.1 Protecting Customer Privacy and Information Security
Aspect B7: Anti-corruption		

Aspects, General Disclosures and KPIs	Description	Sections
KPI B7.1	Number of corruption lawsuits filed and concluded against issuers or their employees during the reporting period and litigation outcome.	4.3.1 Strictly Abiding by Integrity Principles
KPI B7.2	Describe preventive measures and reporting procedures, as well as related implementation and monitoring methods.	4.3.1 Strictly Abiding by Integrity Principles
KPI B7.3	Description of anti-corruption training provided to directors and staff.	4.3.1 Strictly Abiding by Integrity Principles
Community		
Aspect B8: Community Investment		
KPI B8.1	Focus on areas of contribution (e.g. education, environmental issues, Labor needs, health, culture, sports).	5.3 Building a Culture of Philanthropy to Contribute to the Society
KPI B8.2	Use of resources (e.g. money or time) in the area of focus.	5.3 Building a Culture of Philanthropy to Contribute to the Society

Appendix 4 GRI Standards Index (2021) issued by Global Reporting Initiative

GRI Standard	Disclosure	Location
GRI 2 General Disclosure 2021		
The Organizations and Its Reporting Practices		
2-1	Organization details	Company Profile
2-2	Entities included in the organization's sustainability reporting	About this Report
2-3	Reporting period, frequency and contact point	About this Report
2-4	Restatements of information	N/A
2-5	External assurance	N/A
Activities and workers		
2-6	Activities, value chain and other business relationships	Company Profile
2-7	Employees	Chapter III Fostering Employee Growth and Collaboratively Building a Promising Future
2-8	Workers who are not employees	N/A
Governance		
2-9	Governance structure and composition	4.2.1 Improving the Governance System/ Improving ESG Governance Structure
2-10	Nomination and selection of the highest governance body	4.2.1 Improving the Governance System/ Improving ESG Governance Structure
2-11	Chair of the highest governance body	4.2.1 Improving the Governance System/ Improving ESG Governance Structure
2-12	Role of the highest governance body in overseeing the management of impacts	4.2.1 Improving the Governance System/ Improving ESG Governance Structure
2-13	of responsibility for managing impacts	N/A

GRI Standard	Disclosure	Location
2-14	Role of the highest governance body in sustainability reporting	Improving ESG Governance Structure
2-15	Conflicts of interest	N/A
2-16	Communication of critical concerns	Stakeholders Management
2-17	Collective knowledge of the highest governance body	Improving ESG Governance Structure
2-18	Evaluation of the performance of the highest governance body	N/A
2-19	Remuneration policy	3.1.2 Employee Rights
2-20	Process to determine remuneration	3.1.2 Employee Rights
2-21	Annual total compensation ratio	/
Strategy, Policy and Practices		
2-22	Statement on sustainable development strategy	ESG Governance
2-23	Policy commitments	3.1.1 Recruitment
2-24	Embedding policy commitments	3.1.1 Recruitment
2-25	Processes to remediate negative impacts	2.1.2 Improving the Customer Complaint Handling Mechanism
2-26	Mechanism for seeking advice and raising concerns	2.1.2 Improving the Customer Complaint Handling Mechanism
2-27	Compliance with laws and regulations	4.3 Reinforcing the Compliance Management System to Increase Compliant Business Practices
2-28	Membership associations	N/A
Stakeholder Involvement		
2-29	Approach to stakeholder engagement	Stakeholders Management
2-30	Collective bargaining agreements	N/A
GRI3 Material Topics 2021		
3-1	Process to determine material topics	Materiality Analysis
3-2	List of material topics	Materiality Analysis
3-3	Management of material topics	Materiality Analysis
GRI 201 Economic Performance 2016		

GRI Standard	Disclosure	Location
201-1	Direct economic value generated and distributed	Appendix 1 ESG Key Performance Indicators
201-2	Financial implications and other risks and opportunities due to climate change	4.4.1 Establishing an ESG risk Management System
201-3	Defined benefit plan obligations and other retirement plans	3.2 Creating a Healthy and Safe Work Environment/3.4 Caring for Employees to Foster Corporate Cohesion
201-4	Financial assistance received from government	/
GRI 202 Market Presence 2016		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	/
202-2	Proportion of senior management hired from the local community	/
GRI203 : Indirect Economic Impact 2016		
203-1	Infrastructure investments and services supported	1.1 Effectively Propelling the Real Economy into a New Era of Economic Development
203-2	Significant indirect economic impacts	1.1 Effectively Propelling the Real Economy into a New Era of Economic Development
GRI204 Procurement Practices 2016		
204-1	Proportion of spending on local suppliers	/
GRI205 Anti-Corruption 2016		
205-1	Operations assessed for risks related to corruption	4.3.1 Strictly Abiding by Integrity Principles
205-2	Communication and training about anti-corruption policies and procedures	4.3.1 Strictly Abiding by Integrity Principles
205-3	Confirmed incidents of corruption and actions taken	/
GRI206 Anti-competitive Behavior2016		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly	4.2.4 Strengthening Supplier Management

GRI Standard	Disclosure	Location
	practices	
GRI207 Tax2019		
207-1	Approach to tax	/
207-2	Tax governance, control and risk management	/
207-3	Stakeholder engagement and management of concerns related to tax	/
207-4	Country-by-country reporting	/
GRI301 Materials 2016		
301-1	Materials used by weight or volume	Appendix 1 ESG Key Performance Indicators
301-2	Recycled input materials used	/
301-3	Reclaimed products and their packaging materials	/
GRI 302 Energy 2016		
302-1	Energy consumption within the organization	Appendix 1 ESG Key Performance Indicators
302-2	Energy consumption outside the organization	Appendix 1 ESG Key Performance Indicators
302-3	Energy intensity	/
302-4	Reduction of energy consumption	5.2 Responding to Climate Change through Low-Carbon Operations
302-5	Reductions in energy requirements of products and services	5.2 Responding to Climate Change through Low-Carbon Operations
GRI 303 Water and Effluents 2018		
303-1	Interactions with water as a shared resource	/
303-2	Management of water discharge- related impacts	/
303-3	Water withdrawal	/
303-4	Water discharge	/
303-5	Water consumption	Appendix 1 ESG Key Performance Indicators

GRI Standard	Disclosure	Location
GRI 304 Biodiversity 2016		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	/
304-2	Significant impacts of activities, products and services on biodiversity	/
304-3	Habitats protected or restored	/
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	/
GRI 305 Emission 2016		
305-1	Direct (Scope 1) GHG emissions	Appendix 1 ESG Key Performance Indicators
305-2	Energy indirect (Scope 2) GHG emissions	Appendix 1 ESG Key Performance Indicators
305-3	Other indirect (Scope 3) GHG emissions	/
305-4	GHG emissions intensity	/
305-5	Reduction of GHG emissions	Appendix 1 ESG Key Performance Indicators
305-6	Emissions of ozone-depleting substances (ODS)	/
305-7	Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	/
GRI 306 Waste 2020		
306-1	Waste generation and significant waste-related impacts	/
306-2	Management of significant waste-related impacts	/
306-3	Waste generated	Appendix 1 ESG Key Performance Indicators
306-4	Waste diverted from disposal	/
306-5	Waste directed to disposal	/
GRI 308: Supplier Environmental Assessment 2016		

GRI Standard	Disclosure	Location
308-1	New suppliers that were screened using environmental criteria	4.2.4 Strengthening Supplier Management
308-2	Negative environmental impacts in the supply chain and actions taken	4.2.4 Strengthening Supplier Management
GRI 401: Employment 2016		
401-1	New employee hires and employee turnover	3.1.1 Recruitment
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees.	/
401-3	Parental leave	/
GRI 402: Labor/Management Relations 2016		
402-1	Minimum notice periods regarding operational changes	3.4.1 Continuous Employee Communication
GRI 403: Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	3.2 Creating a Healthy and Safe Work Environment
403-2	Hazard identification, risk assessment and incident investigation	3.2 Creating a Healthy and Safe Work Environment
403-3	Occupational health services	3.2 Creating a Healthy and Safe Work Environment
403-4	Worker participation, consultation, and communication on occupational health and safety	3.2 Creating a Healthy and Safe Work Environment
403-5	Worker training on occupational health and safety	3.2 Creating a Healthy and Safe Work Environment
403-6	Promotion of worker health	3.2 Creating a Healthy and Safe Work Environment
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	3.2 Creating a Healthy and Safe Work Environment
403-8	Workers covered by an occupational health and safety management system	3.2 Creating a Healthy and Safe Work Environment
403-9	Work-related injuries	3.2 Creating a Healthy and Safe Work Environment

GRI Standard	Disclosure	Location
		Work Environment
403-10	Work-related ill health	/
GRI 404: Training and Education 2016		
404-1	Average hours of training per year per employee	3.3.2 Employee training
404-2	Programs for upgrading employee skills and transition assistance programs	3.3.2 Employee training
404-3	Percentage of employees receiving regular performance and career development reviews	/
GRI 405: Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	4.2.1 Improving the governance system
405-2	Ratio of basic salary and remuneration of women to men	/
GRI 406: Non-Discrimination 2016		
406-1	Incidents of discrimination and corrective actions taken	Appendix 1 ESG Key Performance Indicators
GRI 407: Freedom of Association and Collective Bargaining 2016		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	/
GRI 408: Child Labor 2016		
408-1	Operations and suppliers at significant risk for incidents of child labor	/
GRI 409: Forced or Compulsory Labor 2016		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	/
GRI 410: Security Practices 2016		
410-1	Security personnel trained in human rights policies or procedures	/

GRI Standard	Disclosure	Location
GRI 411: Rights of Indigenous Peoples 2016		
411-1	Incidents of violations involving rights of indigenous peoples	/
GRI 413: Local Communities 2016		
413-1	Operations with local community engagement, impact assessment, and development plans	/
413-2	Operations with significant actual and potential negative impacts on local communities	/
GRI 414: Supplier Social Assessment 2016		
414-1	New suppliers that were screened using social criteria	4.2.4 Strengthening Supplier Management
414-2	Negative social impacts in the supply chain and actions taken	4.2.4 Strengthening Supplier Management
GRI 415: Public Policy 2016		
415-1	Political contributions	5.3 Building a Culture of Philanthropy to Contribute to the Society
GRI 416: Customer Health and Safety 2016		
416-1	Assessment of health and safety impacts of product and service categories	/
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	/
GRI 417: Marketing and Labeling 2016		
417-1	Requirements for product and service information and Labeling	2.1.4 Sending Product Risk Reminders to Mitigate Financial Risks
417-2	Incidents of non-compliance concerning product and service information and labeling	2.1.4 Sending Product Risk Reminders to Mitigate Financial Risks
417-3	Incidents of non-compliance concerning marketing communications	/

GRI Standard	Disclosure	Location
GRI 418: Customer Privacy 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	2.1.1 Protecting Customer Privacy and Information Security

Appendix 5 Feedback Form

Thank you for reading the 2023 Environmental, Social and Governance Report of Everbright Securities Limited. To improve the company's ESG management, we expect you to put forward valuable comments and suggestions by filling out the feedback form. Please choose any of the following methods to give us feedback

Email: ebs@ebsecn.com

Address: No.1508, Xinzha Road, Jingan District, Shanghai

Tel: (8621) 2216-99144

1. Which of the following types of stakeholders do you belong to?
<input type="checkbox"/> Government <input type="checkbox"/> Regulator <input type="checkbox"/> Shareholder <input type="checkbox"/> Customer <input type="checkbox"/> Employee <input type="checkbox"/> Partner <input type="checkbox"/> Other
2. What do you think of the quality of this report?
<input type="checkbox"/> Poor <input type="checkbox"/> Mediocre <input type="checkbox"/> Good <input type="checkbox"/> Excellent
3. What do you think of Everbright Securities' fulfillment of its social responsibilities in terms of economy?
<input type="checkbox"/> Poor <input type="checkbox"/> Mediocre <input type="checkbox"/> Good <input type="checkbox"/> Excellent
4. What do you think of Everbright Securities' fulfillment of its social responsibilities in terms of environment?
<input type="checkbox"/> Poor <input type="checkbox"/> Mediocre <input type="checkbox"/> Good <input type="checkbox"/> Excellent
5. What do you think of Everbright Securities' fulfillment of its social responsibilities in terms of society?
<input type="checkbox"/> Poor <input type="checkbox"/> Mediocre <input type="checkbox"/> Good <input type="checkbox"/> Excellent
6. Do you think the report provides complete information?
<input type="checkbox"/> No <input type="checkbox"/> Mediocre <input type="checkbox"/> Yes
7. Do you think the content and layout of this report is clearly understandable?
<input type="checkbox"/> No <input type="checkbox"/> Mediocre <input type="checkbox"/> Yes
8. Please write down your additional comments and suggestions on improving Everbright Securities' fulfillment of its social responsibilities and this report:



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