

CORPORATE SOCIAL RESPONSIBILITY REPORT



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(Financial figures in this Report are expressed in HKD unless otherwise stated)

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About this Report

Overview

This Report gives an annual update of the Group's CSR performance for the 2018 calendar year and aims to provide a balanced representation of its CSR performance under the Four Cornerstones – **Marketplace**, **Workplace**, **Community** and **Environment**. It should be read in conjunction with HKEX's 2018 Annual Report [↗](#), in particular, the Corporate Governance Report and the CSR Committee Report contained therein, as well as the Corporate Governance [↗](#) and the CSR [↗](#) sections of the HKEX Group website.

Scope and Content

This Report covers the operations of HKEX and its subsidiaries. There is no significant change in the scope of this Report from that of the 2017 CSR Report [↗](#) published on 19 March 2018.

The content of this Report is determined through a systematic process [↗](#), which includes identifying CSR topics, assessing their materiality and relevance as well as topic boundaries, preparing and validating the information reported, and reviewing and addressing stakeholder feedback on the Group's CSR reporting. This Report covers key issues relevant to different stakeholders based on the Group's continual engagement with stakeholders in its daily operations, as well as any CSR challenges faced by the Group.

Methodologies adopted for preparing this Report are consistent with last year, unless otherwise stated. A summary of the Group's 2018 CSR performance relative to various KPIs, with comparison to 2016 and 2017, is set out in the Performance Summary section of this Report. The identified KPIs aim to

reflect the Group's CSR performance under the Four Cornerstones, in particular, showing the impacts of the identified material and relevant CSR topics on the Group as well as the Group's involvement with these impacts.

Reporting Reference

This Report has complied with all "comply or explain" provisions and reported on all recommended disclosures outlined in the ESG Guide. This Report has been prepared in accordance with the GRI Standards: Comprehensive option. An ESG Guide Content Index and a GRI Content Index are set out in Appendices I and II of this Report respectively.

Assurance

This Report has been independently verified by the Hong Kong Quality Assurance Agency. The scope and basis of the verification are set out in the Verification Statement contained in this Report.

Endorsement and Approval

This Report was endorsed by the CSR Committee and approved by the Board in February 2019.

Feedback

We welcome any comments and suggestions you may have on this Report, or our CSR reporting in general. You may submit your feedback via the online feedback form [↗](#). Comments and suggestions regarding the Group's CSR performance are also welcome and can be sent to csr@hkex.com.hk.

More information can be found via hyperlinked icons [↗](#) throughout this Report

Message from the Chairman



With the sustainability agenda continuing to gain momentum in global financial markets, the opportunity for stock exchanges to be champions for change and leadership in this arena has never been stronger. HKEX is a leading global exchange operator and our ambition is to lead by example in adopting CSR best practices. Building on our CSR track record and achievements over the last decade, we are now looking to further consolidate and enhance our CSR and sustainability programmes, scaling up our impact in our markets and the wider community.

2018 was an important year at HKEX for strengthening our CSR governance and commitment in preparation for the next stage of our sustainability journey. We took a number of positive steps forward, including becoming a Partner Exchange of the United Nations Sustainable Stock Exchanges initiative and a Strategic Partner Associate of the World Economic Forum. Both of these underscore our commitment to building a sustainable marketplace and creating value for our stakeholders.

In order to further the Board's oversight of CSR-related matters, we revised the role and responsibilities of our CSR Committee to focus on overseeing the development and implementation of the Group's CSR initiatives. A new CSR Working Group comprising our senior management was also formed to provide guidance and support for the implementation of our CSR initiatives. Recently the Board approved HKEX's three-year CSR Plan for 2019-2021 [🔗](#) which sets out our CSR strategy and focus areas across three pillars, namely Markets, People and Operations. We will continue to review our CSR strategy to ensure its effectiveness and relevance in light of the evolving sustainability landscape.

As the exchange controller and frontline regulator of listed companies, we view it as both our responsibility and privilege to promote sustainability and transparency in our marketplace. During 2018, we undertook our most notable listing reforms in 25 years, facilitating the listing of new economy and biotech companies on the Exchange, aiming to make Hong Kong markets more relevant and competitive. Leveraging on our unique position and the establishment of the HKEX Innovation Lab, we also continued taking a leading role in driving innovation in our markets and facilitating the growth of Hong Kong's Fintech ecosystem. In support of the development of Hong Kong as a global green finance hub, we continue to work closely with the SFC and other stakeholders to promote environmental reporting among listed companies and the listing and trading of green financial products on the Exchange. In January 2019, HKEX published a joint consultation with the SFC and the Federation of Share Registrars Limited proposing a revised operational model for implementing an uncertificated securities market in Hong Kong to enhance market efficiency and our global competitiveness, while promoting

greener markets and practices. In February 2019, we announced our new Strategic Plan for 2019-2021 [🔗](#) which lays out a roadmap for further growth of our marketplace.

Internally, we are committed to continuously investing in our people and integrating CSR into our corporate culture to support the Group's sustainable growth objectives. During 2018, we expanded our leadership development programmes, enhanced our staff welfare policies and undertook various initiatives to promote diversity, engagement and wellness in our workplace. We also continued to pursue our environmental stewardship by undertaking initiatives to reduce energy consumption and waste generation in our daily operations.

At HKEX, our commitment to sustainability goes beyond our business operations. In 2018, we stepped up our community engagement efforts through participation in, and partnership with, a number of global and local community and charities. We continued to promote gender equality by supporting the initiatives "HeforShe – the UN Women Solidarity Movement for Gender Equality" and "Celebrating Women in the Workplace". As an SSE Partner Exchange, HKEX plans to make pledges in gender equality and support the Women's Empowerment Principles in March 2019. In 2018, through our Stock Code Balloting for Charity Scheme, we are pleased to have raised \$93.4 million to The Community Chest of Hong Kong, which supports a large number of worthwhile projects, organisations and initiatives throughout Hong Kong. Our staff, and their families and friends, also contributed over 4,300 hours of volunteer services in the community during 2018.

In my first year as the Chairman of HKEX, I am pleased to see strong commitment and collaboration from the Board, from our staff at all levels, as well as from our wider stakeholder community in promoting sustainability within and outside our organisation. I look forward to their continuing support as we move forward along our sustainability journey; our aim is to help deliver a better future for our markets, our communities and for our people.

Laura M CHA
Chairman

Hong Kong, 27 February 2019

About HKEX

HKEX is one of the largest financial market operators in the world, providing world-class facilities for trading and clearing securities and derivatives in equities, commodities, fixed income and currency. Headquartered in Hong Kong, the Group has offices in London, Beijing, Shanghai, Shenzhen and Singapore.

In Hong Kong, HKEX is a recognised exchange controller under the SFO. Through its subsidiaries, HKEX operates the securities and derivatives markets and is the frontline regulator of listed issuers in Hong Kong. It also provides clearing and settlement services, depository and nominee services, and information services across multiple products and asset classes. In collaboration with the Shanghai and Shenzhen stock exchanges, HKEX operates Stock Connect, giving investors in the Hong Kong and Mainland securities markets access to each other's markets.

In London, HKEX owns the LME, a global leader in the trading of futures and options contracts on base and other metals, and LME Clear which provides clearing and settlement services for all exchange contracts traded on the LME. In Qianhai, HKEX continues its development of QME, the onshore commodities platform, where its first product launch took place in October 2018.

HKEX owns 40 per cent of Bond Connect Company Limited, a joint venture formed in partnership with CFETS. The joint venture provides trading services, investor education and other services to support Bond Connect that currently gives international investors access to the Mainland bond market via Hong Kong. HKEX has also formed an equal

joint-venture partnership with the Shanghai and Shenzhen stock exchanges, namely China Exchanges Services Company Limited, which develops cross-border indices based on products traded on the three markets.

HKEX is listed on the Main Board in Hong Kong. Other than establishing two subsidiaries in Hong Kong, there were no significant changes in terms of the Group's size, structure, ownership and supply chain in 2018 as compared to 2017. A list of HKEX's subsidiaries as of 31 December 2018 is available on the HKEX Group website [🔗](#). Additional corporate information about the Group is available on the HKEX Group website [🔗](#) and the HKEX Market website [🔗](#).

HKEX has received high ratings from local and overseas rating agencies and professional institutions for its CSR performance. In 2018, HKEX remained a constituent company in various sustainability indices, including the Dow Jones Sustainability Asia Pacific Index, the FTSE4Good Index Series and the Hang Seng Corporate Sustainability Index Series. HKEX also received the Caring Company Award for the 13th consecutive year in recognition of its strong corporate citizenship. Additional information is available on the HKEX Group website [🔗](#).

At the date of this Report, the Board comprises 12 Independent Non-executive Directors, namely Mrs Laura May-Lung CHA (Chairman), Mr Apurv BAGRI, Mr CHAN Tze Ching, Ignatius, Mr CHEAH Cheng Hye, Ms FUNG Yuen Mei, Anita, Mr Rafael GIL-TIENDA, Dr HU Zuli, Fred, Mr HUNG Pi Cheng, Benjamin, Mrs LEUNG KO May Yee, Margaret, Mr LEUNG Pak Hon, Hugo, Mr John Mackay McCulloch WILLIAMSON and Mr YIU Kin Wah, Stephen, and one Executive Director, Mr LI Xiaojia, Charles, who is also HKEX's Chief Executive.

Highlights in 2018

Marketplace

No. 1

among world stock exchanges in IPO funds raised

Listing Regime Reform

to facilitate listing of companies from emerging and innovative sectors

Joined UN Sustainable Stock Exchanges

as a Partner Exchange

HKEX Biotech Summit

hosted over 600 guests and delegates

8,000+ Visitors

received by HKEX Connect Hall and Museum of Finance

Workplace

+12%

in total number of the Group's employees

43%

of the Group's employees are female

>29,000

training hours for the Group employees



Community

\$93.4 million

raised for The Community Chest of Hong Kong

>4,300

volunteering service hours

2018 Volunteer Month

participated by over 300 employees and their guests

Environment

Platinum Rating in BEAM Plus

achieved by HKEX Data Centre

-12%

in total GHG emissions (Scope 1 and 2) per employee

Approach to CSR

HKEX's CSR Vision: "To be a responsible corporate citizen committed to the sustainable development of the Marketplace, Workplace, Community and Environment, and to promote the development of socially responsible practices in the marketplace and community."

Policies and Strategy

HKEX's CSR Policy [↗](#) guides its business and operational decisions taking into account its responsibility to the Four Cornerstones that reflect HKEX's unique identity as an exchange controller and as a listed company. The Group has also formulated its CSR strategy to provide guidance on integrating the sustainability principles in its daily operations. HKEX's CSR policies and strategy are reviewed periodically to ensure their relevance and appropriateness to its business and stakeholder expectations.

Governance and Management

The Board has delegated the day-to-day responsibility for all CSR-related matters to the CSR Committee (formerly known as the ESG Committee) which comprises HKEX Chairman, HKEX Chief Executive and three other Board members. Following the revisions of its Terms of Reference in August 2018, the CSR Committee's role and responsibilities now focus on providing direction on and overseeing the development and implementation of the

Group's CSR initiatives in relation to corporate sustainability, environmental protection and philanthropic and community investment. Information about the composition, the major roles and functions and the revised Terms of Reference of the CSR Committee is available on the HKEX Group website [↗](#). Work done by the CSR Committee during 2018 is summarised in the CSR Committee Report contained in HKEX's 2018 Annual Report [↗](#).

To further enhance HKEX's CSR governance structure, a new CSR Working Group comprising senior management of different divisions and departments was formed in 2018, with an objective to provide guidance, advice and support to the implementation and communication of HKEX's CSR initiatives at the executive level. Additional information about HKEX's CSR governance and management is available on the HKEX Group website [↗](#).

The Group's CSR-related risks are managed under HKEX's Group risk governance

CSR Strategy and Plan for 2019–2021

HKEX recently reviewed its CSR strategy and developed its CSR strategy and plan for 2019 to 2021 to reinforce its sustainability commitment to the market, people, community and environment, whilst aligning with its brand, ambitions and business strengths. The review also aims to support HKEX's desire to bring its CSR strategy further in line with the global initiatives, including the UN SDGs¹ and the WFE Sustainability Principles². The three-year plan sets out HKEX's CSR strategy and focus areas to guide the Group's decision-making process in respect of three pillars, namely Markets, People and Operations. Details of HKEX's CSR Plan are available on the HKEX Group Website [↗](#).

1 UN SDGs are available at www.un.org/sustainabledevelopment.

2 WFE Sustainability Principles are available at www.world-exchanges.org/our-work/articles/wfe-sustainability-principles.

structure based on a Three Lines of Defence model. The Board, its Risk Committee and the Executive Risk Committee are responsible for overseeing and providing direction on risk management across multiple domains within the Group. Details of the Group’s risk management approach, its principal risks, including CSR-related risks, and the relevant mitigation measures are available in the Risk Committee Report contained in HKEX’s 2018 Annual Report [🔗](#).

Reporting

CSR reporting is an integral part of the Group’s CSR framework, demonstrating accountability and transparency and facilitating effective stakeholder engagement and continual improvement of the Group’s CSR performance. CSR initiatives undertaken by the Group are reported in the quarterly updates submitted by HKEX Chief Executive to the Board and disclosed in HKEX’s annual CSR reports.

To define the content of its annual CSR reports, HKEX undertakes an ongoing materiality assessment process to identify and incorporate CSR topics that are material or relevant to the Group and its stakeholders. In this Report, material CSR topics are those closely linked to issues that pose a high risk to the Group’s operation, or substantially influence the assessments and decisions of the Group’s stakeholders. Relevant CSR topics are those potentially necessary for inclusion in this Report to communicate the extent to which the Group contributes to and is affected by the topics, and to promote greater transparency and accountability.

Our CSR topics are evolving along with the changing business environment and stakeholder expectations. Hence we continue to review the materiality and relevance of our CSR topics under the Four Cornerstones for better communication of their impacts on the Group and our involvement with these impacts. HKEX’s material and relevant CSR topics under the Four Cornerstones are set out below.



Based on our latest materiality assessment of the CSR topics, there are no significant changes to the list of the Group’s material and relevant CSR topics and topic boundaries from 2017 with the following exceptions:

- The classification of the topics “ESG reporting” and “Market education and financial literacy” under Marketplace and “Employee engagement” under Workplace have changed from being relevant CSR topics to being material CSR topics; and
- “Green Finance” is added as a new material CSR topic under Marketplace to reflect the latest green finance development in Hong Kong. See “Green Finance” under the Marketplace section of this Report for more information.

Stakeholder Engagement

Stakeholder feedback is essential for the Group to make better-informed decisions and to strengthen business development and its commitment to CSR. The Group engages with its stakeholders via numerous channels to better understand their views and expectations, and to achieve long-term sustainability in the financial market and the community.

As part of our stakeholder engagement, the Group subscribes to or endorses a number of external economic, environmental and social charters, principles or other initiatives [↗](#). The Group also collaborates with various national and international advocacy organisations by holding positions on their governance bodies or committees, participating in projects or providing funding. More information about the Group's approach to stakeholder engagement, including the basis for the Group to identify its major stakeholder groups, and the corresponding engagement channels, is available on the HKEX Group website [↗](#).



HKEX Chief Executive Charles Li speaking on Listing Regime Reform

Key Stakeholder Engagement Activities in 2018

Listing Regime Reform



Following the publication of the Conclusions to the New Board Concept Paper in December 2017 and subsequent discussions with

the SFC and other stakeholders, the Exchange issued the Consultation Paper on a Listing Regime for Companies from Emerging and Innovative Sectors [↗](#) in February. Market views were sought on the proposed expansion of the Hong Kong listing regime to facilitate listing of companies from emerging and innovative sectors with a view to enhancing Hong Kong's competitiveness as a listing platform while ensuring appropriate safeguards for investor protection. With overwhelming stakeholder support for the new listing regime proposal, the Exchange published the conclusions to the consultation paper [↗](#) in April and added three new chapters in the Main Board Listing Rules which took effect on 30 April.

Up to 31 December 2018, the Exchange received 16 listing applications from new economy and biotech companies, and a total of seven companies were listed under the new listing regime. In light of the market interest and increased number of enquiries received, the Exchange further published guidance materials [↗](#) in August to assist potential listing applicants and their professional advisers when considering listing under the new regime. HKEX's other initiatives to promote the new listing regime are available in the Marketplace section of this Report.

Enhanced Global Partnerships



To uphold our steadfast commitment in further promoting sustainable and transparent capital markets, HKEX joined as

a Partner Exchange of the UN SSE initiative in June. The SSE is a UN initiative exploring how stock exchanges can enhance corporate transparency and ultimately performance on ESG issues and encourage sustainable investment. It works with its partners on five key areas: ESG transparency, green finance, gender equality, sustainable small and medium-sized enterprise development and partnering for sustainable development. During the year, HKEX's representatives joined the SSE's consultative group discussing how stock exchanges can facilitate the training of issuers on ESG reporting and better support the SDGs. As an SSE Partner Exchange, HKEX plans to make pledges in gender equality and support to the Women's Empowerment Principles, a joint initiative of UN Women and UN Global Compact that provides a holistic framework to empower women and girls in the workplace, marketplace and community.

In September, HKEX became a Strategic Partner Associate of the WEF, which is the biggest platform in the world for the private sector, governments, NGOs and prominent thought leaders from a wide range of sectors to join forces and try to tackle some of the world's most pressing challenges. HKEX will work with other members and partners of the WEF on the challenges of today and the issues that are likely to arise in the future and will share on experience and learn from others in areas including CSR practices and ESG reporting.

Responsible Metal Sourcing



The global topic of responsible metals sourcing has gained increasing momentum over recent years. As the world centre

for the trading of industrial metals, the LME works with a variety of industry bodies to better understand the issues and contribute to the debate as appropriate. Following a comprehensive responsible sourcing survey with all producers of its listed brands in 2017, the LME circulated a draft responsible sourcing position paper in August to various industry bodies for initial responses. After collecting industry feedback, the LME published a position paper [in](#) October outlining new proposals for responsible sourcing of metals by listed brands and seeking market views on its proposed pathway for ensuring its listed brands appropriately embody the standards expected by the global industry and its downstream fabricators and consumers. The LME is analysing market feedback received on the position paper.

Marketplace

As an exchange controller, our primary goal is to develop sustainable financial markets in Hong Kong. We aim to achieve and maintain the highest standards of openness, probity and accountability, and to promote responsible practices in the marketplace. We are also committed to engaging business partners that reflect the Group's CSR values and sustainability commitment.



Listing Regulation

Throughout 2018, the Exchange undertook various activities to fulfil its regulatory duty to ensure an orderly, informed and fair securities market in Hong Kong and to uphold market quality. To fulfil its public responsibilities to protect the public interest, the Exchange issued a number of consultation papers to seek market views on proposed changes to Listing Rules and published the respective consultation conclusions after considering market feedback. The Exchange also issued listing decisions, guidance letters, letters to issuers and frequently asked questions on the HKEX Market website [to enhance transparency and market understanding of the Listing Rules](#). During the year, the Exchange referred 15 cases to the Financial Report Council (FRC) or the Hong Kong Institute of Certified Public Accountants for further enquiry and/or investigation of possible audit irregularities and accounting non-compliance.

HKEX also provided financial support of \$8.1 million to the FRC, and nominated one of its Directors, T C Chan, as an FRC member.

To continue fostering a culture of self-compliance by its listed issuers, the Exchange published a report [in January](#) on its review of issuers' annual reports to monitor their compliance with the Listing Rules, as well as corporate conduct and disclosure of material events and developments. Another report [was published in June](#), which summarised the Exchange's key findings from its review of 100 periodic financial reports of listed issuers under its ongoing Financial Statements Review Programme. Details of the regulatory activities performed by the Exchange and policy issues dealt with by the Listing Committee during 2018 are set out in the Business Review section of HKEX's 2018 Annual Report [and the 2018 Listing Committee Report](#).



Corporate Governance

As part of its ongoing effort to promote good corporate governance among its listed issuers, the Exchange continued to provide training on directors' duties via its online Director Training Programme. A training webcast entitled Directors' Responsibilities at IPOs [was](#) published in February, offering directors at companies considering an IPO with guidance on their responsibilities, as well as practical advice on tackling issues that may arise during and after the listing process. The Exchange also published the findings of its latest review of listed issuers' corporate governance practices [in](#) November which provided guidance on improving corporate governance reporting.

With overwhelming support from a broad range of respondents to the 2017 November consultation paper on the Review of Corporate Governance Code and related Listing Rules [the](#), the Exchange published the conclusions in July to implement the Listing Rules amendments to promote a higher level of corporate governance and transparency. The Exchange also published the Guidance for Boards and Directors [covering](#) various topics to help directors carry out their role more effectively. An e-training entitled INEDs' Role in Corporate Governance [was](#) released in December to prepare directors for the new corporate governance requirements effective 1 January 2019.

ESG Disclosure

As an exchange controller, the Exchange plays a key role in promoting ESG disclosures by listed issuers, which are crucial in ensuring that investors are given sufficient information to make informed investment decisions. Having completed its first review of the ESG reports of 400 randomly selected issuers, the Exchange published the review findings [in May](#). In addition to providing key findings on issuers' ESG reporting, the review report also provides guidance to issuers on possible areas for improvement when preparing ESG reports so as to meet stakeholder expectations. Updated guidance materials, including the Frequently Asked Questions on its ESG-related Listing Rules, were also published in November, taking into account recent international climate-related disclosure recommendations and with an emphasis on the issuers' governance structure for ESG reporting.

As a WFE member, HKEX continued to participate in the WFE annual sustainability survey in 2018 to promote ESG reporting and other sustainability agenda in capital markets. HKEX also co-organised the Carbon

Audit Seminar for Listed Companies with the Environmental Protection Department in October to promote listed issuers' awareness about ESG reporting. In light of the increased market demand for an effective ESG reporting framework, the Exchange plans to review the regulatory framework and have started informal discussions with stakeholders with a view towards consulting the market in mid-2019 on proposed changes to its ESG-related Listing Rules.

Green Finance

The green finance development in Hong Kong continued to gain momentum in 2018. In September, the SFC announced its Strategic Framework for Green Finance, outlining the direction and key initiatives for Hong Kong to develop into an international green finance hub. One of the Framework's aims is to enhance listed issuers' consistent and comparable disclosure of environmental information, with an emphasis on climate-related risks and opportunities, taking into account the Mainland's policy direction and aiming to align with the recommendations of the Task Force on Climate-related Financial



HKEX Chairman Laura M Cha speaking at the Hong Kong Green Finance Forum 2018



HKEX Chief Executive Charles Li delivering his speech at HKEX Biotech Summit 2018

Disclosures. HKEX will work closely with the SFC and other stakeholders to enhance listed issuers' environmental reporting including reviewing its regulatory framework as described above and to develop and promote the listing and trading of green financial products.

In support of the promotion of green finance in Hong Kong, HKEX joined the Government as well as over 90 market practitioners and business front-runners for the Hong Kong Green Finance Forum 2018 and the launch of the Hong Kong Green Finance Association (HKGFA) on 21 September and became a member of the HKGFA. At the event, HKEX Chairman spoke about Hong Kong's role in contributing to the green finance development in China and HKEX's ongoing effort in promoting ESG disclosure and green finance in Hong Kong. In 2018, there were 15 new green bonds listed on the Exchange with a total issue amount of approximately \$45 billion, up 200 per cent and about 150 per cent respectively from 2017.

Innovation and Entrepreneurship

To promote the development of Hong Kong as a major financial hub for biotech sector, HKEX hosted the inaugural HKEX Biotech Summit in March to connect key industry leaders with the investment community for them to share views on the latest biotech innovations and ways to finance this fast-growing sector. Over 600 guests and delegates attended the event, including senior executives from biotech firms and industry groups, institutional investors and analysts. HKEX also signed memoranda of understanding with four leading biotech industry associations to strengthen mutual communication and cooperation and support listings of biotech firms in Hong Kong.

As a leading global operator of exchanges and clearing houses, HKEX is keen to take a leading role in supporting the development of the Hong Kong Fintech ecosystem by encouraging more Fintech firms and start-ups to incubate, launch and grow in Hong Kong. In 2018, HKEX set up an Innovation Lab to explore and accelerate creative new technologies and applications for its business and to stay abreast of emerging new technologies for further enhancement of its technological capabilities.



HKEX Museum of Finance

Throughout the year, HKEX co-hosted a number of Fintech-related events with various organisations, including InvestHK, SuperCharger FinTech Accelerator and WHub. In July, HKEX co-organised a Venture conference with industry association and professional tech conference organisers, gathering together more than 350 venture capitalists and entrepreneurs to discuss the latest developments and investment opportunities in technology. At the 2018 Hong Kong FinTech Week in November, HKEX hosted the opening ceremony and participated as a panellist sharing views on how blockchain technology will impact the financial markets. HKEX also sponsored four editions of the HK Tech Meetup held at the HKEX Connect Hall, which brought together Hong Kong's tech community, including local start-ups, entrepreneurs and technology companies to share their business ideas.

Market Education and Financial Literacy

To promote sustainability of the markets, the Group continues its efforts to enhance financial literacy in the finance sector and among its stakeholders, the investing public and the wider community. HKEX supported the International Financial Week and the Asian Financial Forum hosted by the Government and the Hong Kong Trade Development Council in January to facilitate discussion of topical issues faced by the global financial and business communities, as well as opportunities and challenges in Asia. Reflecting on HKEX's mission in connecting global market and forging lasting relationships, HKEX Connect Hall was launched in February to help promote the role of Hong Kong's professional and excellent financial services industry and better serve the local community through investor education initiatives, exhibits and public seminars. HKEX Museum of Finance was also opened in March to take visitors on a journey through Hong Kong's financial coming of age. In 2018, these two venues received over 8,000 visitors from finance and other sectors, including academia and the general public.

During the year, HKEX continued to conduct seminars in Hong Kong for market participants on equity, fixed income and currency and commodity products, as well as listing in Hong Kong. In July, HKEX jointly hosted a Compliance Roundtable with the Hong Kong Securities Association (HKSA) at HKEX Connect Hall for over 200 HKSA members to cultivate and foster compliance awareness. To provide a comprehensive introduction to HKEX's market data services, HKEX hosted its first Hong Kong Information Day at HKEX Connect Hall in October with approximately 200 participants from information vendors, application software providers, end-users and independent software vendors. In the UK, the

LME continued to interact with the global metals community by hosting LME Week in London and LME Asia Week in Hong Kong, as well as attending and speaking at other global industry events to discuss current trends and issues in the metals market. To enhance the wider metals and financial communities' understanding of the LME and metals markets, the LME continues to publish LME Insight editorials to provide timely updates and comment on specific issues and trends for the metals market. The LME also offers resourceful education videos on the LME website [🔗](#) and provides training to the metals community with courses in London, Singapore, Dubai, New York and Greater China.

Progress Update on 2018 CSR Plans

Plans for 2018

To expand the existing listing regime to facilitate the listing of issuers from emerging and innovative sectors on the Main Board

To enhance the HKEXnews website making it more user friendly and allow easier navigation

To work closely with the battery metals industry for delivery of new LME contracts of electric vehicles (EV) battery materials

Progress Update

✓ Following the market consultation in the first quarter of 2018, HKEX published the consultation conclusions and added three new chapters in the Main Board Listing Rules which took effect on 30 April 2018. See "Listing Regime Reform" in the Approach to CSR section for more information.

✓ The enhanced HKEXnews website [🔗](#) with new webpages and responsive design was launched on 29 October 2018 to provide a better user experience.

✳️ The LME has established an EV Advisory Group with more than 60 key industry participants to explore new risk management tools for EV battery materials. In collaboration with the industry users, the LME is reviewing the proposal to launch a lithium futures contract in the second half of 2019. The LME is also exploring establishment of a nickel sulphate premium contract to complement its existing nickel contract as the key reference for pricing and risk management.

✓ Completed ✳️ Ongoing

Workplace

Our continued success lies in attracting and retaining the best people for the sustainable growth of the Group. We care for our employees' career development and well-being. We are committed to maintaining a quality workplace that values integrity, diversity and inclusiveness, collaboration and communication.



Ethical Conduct and Risk Awareness

The Group builds confidence in the markets by maintaining high standards of integrity and professionalism among its employees. To ensure best practices across the Group, a number of governance policies and measures are put in place to build a strong compliance culture at every level of the organisation. In 2018, the Group introduced a new Group Prevention of Financial Crime Policy setting out standards and guidance for its employees to fulfil the Group's obligations in relation to anti-money laundering and counter-terrorist financing and to deter and detect those who would seek to use the Group companies to facilitate the movement of criminal funds and funds designed to finance terrorism. To help its employees understand their obligations under the new policy, HKEX arranged a seminar in October which was attended by 160 employees.



During the year, all employees were required to complete the annual training on the Group's Code of Conduct and other compliance policies covering the following areas:

- Anti-bribery and anti-corruption
- Employees' dealing with securities
- Conflicts of interest
- Inside information
- Prevention of financial crime
- Record retention
- Whistleblowing

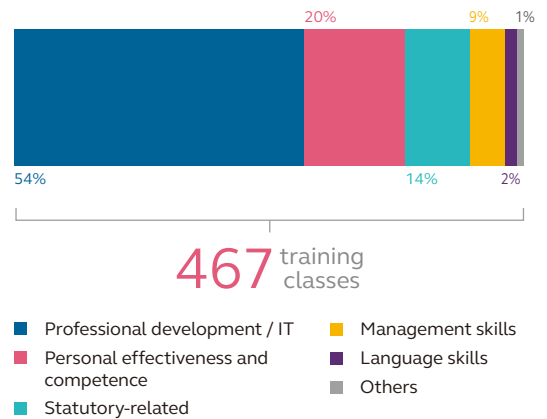
To continue promoting the risk management culture across the Group, HKEX launched its annual Group-wide campaign 2018 Risk Awareness Month in October. This year's campaign focused on employees' risk management responsibilities and included weekly key messages from the Group Risk Officer, supporting learning materials on employees' risk management duties, a town

hall session attended by over 300 employees, and quizzes to promote employees' knowledge of a number of topics, including managing external risks and cyber security. A mandatory e-learning course was also launched at the end of the campaign to improve employees' awareness of cyber risks and related information security issues.

Learning and Development

The Group encourages employees to reach their full potential by providing a variety of learning and development opportunities. In 2018, the Group invested \$11.4 million in employee training and organised 467 training classes covering a wide range of topics to help enhance employees' performance and foster their career development to support the business development of the Group. In recognition of its achievements in this area, HKEX was awarded the status of Manpower Developer under the Employees Retraining Board Manpower Developer Award Scheme for 2018–2020.

Training conducted in 2018



Developing Our Talents

To support its sustainable growth, HKEX expanded its leadership training this year by launching the 2018 High Potential Programmes to develop its talent pool at different levels of the Group. A total of 55 employees were selected to take part in three separate programmes, with each lasting for nine months and focusing on enhancing the participants' skills in leadership, stakeholder management and other related skills.

To nurture young talents of HKEX, 12 graduates were recruited under the 2018 Management Trainee Programme. Under this 28-month programme, management trainees underwent intensive training on a variety of leadership and soft skills and professional knowledge and attached to different HKEX departments to gain hands-on experience to better understand different aspects of HKEX's business and operations.

I am deeply impressed by the amount of resources dedicated to all management trainees during the first month's orientation and familiarisation. It combined departmental overviews, technical and communication skills workshops as well as interactive team building activities that allowed us to develop camaraderie within our group...

Kelvin Lau, Management Trainee (2016 Intake)



HKEX supporting Celebrating Women in the Workplace

Diversity and Inclusiveness

During the year, HKEX and its Women's Exchange (WE) continued to promote diversity and inclusiveness through various activities engaging with both internal and external stakeholders. WE co-hosted an event in March celebrating International Women's Day 2018 in support of "HeforShe – UN Women Solidarity Movement for Gender Equality" with the Hong Kong General Chamber of Commerce and the French Chamber of Commerce and Industry in Hong Kong. WE also co-sponsored the fourth Annual Ring the Bell for International Women's Day alongside Women in ETFs on 8 March. In November, WE co-hosted an event Celebrating Women in the Workplace at HKEX Connect Hall. Around 300 participants attended the event to discuss topics including diversity, gender parity and the changing workplace landscape.

To encourage gender diversity and promote the leadership of women within the Group, WE organised a sharing session in March inviting a panel of female leaders from different HKEX divisions to share with around 60 staff their career journeys, observations on women's empowerment in the financial market and tips for career success. The LME also held a lunch and learn session in June inviting the first as well as the most recent female Ring traders to share their experience and career journeys with over 60 LME employees.

To promote gender equality, the LME and LME Clear voluntarily published their Gender Pay Gap Report [in March](#). As part of their commitment to the career development of female employees, they nominated a managing director as a Diversity Champion to enhance their procedures in attracting, retaining and promoting women.

Employee Engagement

In June, the Group launched an interim Employee Engagement Pulse Survey since the last survey in 2017 to gather employees' feedback on their views of the company, their working environment and their levels of engagement. The interim survey attracted a high response rate of 87 per cent.

HKEX Chief Executive continued to share his vision and provide regular business and strategic updates to senior colleagues at the Monthly Executive Forums, and to a wider group of staff at the quarterly Chief Executive Presentations. In addition to departmental team building events or off-site meetings, town halls were organised for management to hear employees' comments and suggestions. To further enhance internal communications, the first company-wide monthly internal newsletter providing news and views from across the Group was launched in October. More information about the Group's approach to employee engagement is available on the HKEX Group website [↗](#).

Wellness and Work-Life Balance

During the year, HKEX enhanced staff welfare by increasing employees' maternity leave from 12 weeks to 14 weeks, introducing birthday leave, and increasing paternity and adoption leaves from 5 days to 10 days. HKEX also undertook further office consolidation and relocation in 2018 to provide a better workplace environment and promote communication and efficiency. A new Connect Floor was opened in HKEX's new office at Exchange Square in Central in August to serve as a fresh and dynamic community area for HKEX staff, offering a relaxation lounge, a staff-only gym and multi-functional meeting rooms.

As part of our commitment to engaging and investing in employees and enhancing the workplace culture, HKEX and the LME held their Wellness Week in June in Hong Kong and London respectively. The dedicated healthy week involved a range of activities and initiatives, including wellness workshops, an on-site health market, head to shoulder



The Connect Floor at Exchange Square in Central



HKEX Fun Day 2018

massage sessions, skin and body analysis, laughing yoga, Tai-ji and healthy energy bar making classes. To promote a better work-life balance and create a community spirit among employees, HKEX Staff Social Club and the LME Sports and Social Committee continued to organise various staff activities during the year, including:

- HKEX Fun Day
- HKEX Annual Dinner
- Bring Family to Work Day
- LME Corporate Golf Day
- FIFA World Cup Fun Day
- Karaoke Fun Day
- Art Jamming Workshop

Progress Update on 2018 CSR Plans

Plans for 2018

To undertake further risk culture enhancement activities across the Group

To organise a new manager effectiveness training on people management skills

To organise high potential programmes for mid-level grade employees to encourage them to excel in current roles or get ready for their next level position

Progress Update

✓ Various training and other initiatives were undertaken during 2018 to promote the risk awareness and compliance culture among its employees. See “Ethical Conduct and Risk Awareness” above for more information.

✓ The 2018 High Potential Programmes were launched in October to develop talent pool at different levels of the Group. See “Learning and Development – Developing Our Talents” above for more information.

✓ Completed

Community

As a socially responsible corporate citizen, we are committed to giving back to and creating shared benefits with the communities in which we serve. Going beyond corporate philanthropy, we support long-term community investment through community partnerships, and encourage our employees to participate in volunteer work.

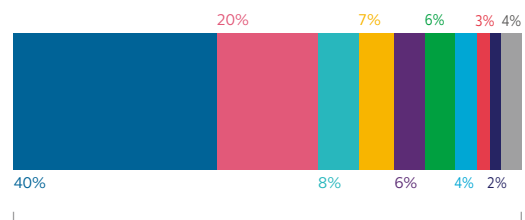


Fundraising and Donations

During the year, the Group and its employees actively participated in various fundraising initiatives and contributed to different charitable organisations. In-kind donations were also made to people in need, including clothing and food for the underprivileged.

In 2018, the Group contributed a total of \$3.3 million to various community causes. Through its Stock Code Balloting for Charity Scheme [SCBS](#), HKEX raised a record-breaking \$93.4 million, up 28 per cent from 2017, for The Community Chest of Hong Kong, one of the dominant charitable organisations in Hong Kong supporting a large number of worthwhile projects, organisations and initiatives. The LME continued to support its charity partner, Little Havens Hospice, with a total contribution of approximately £11,000 through annual donation, charitable events and matching its employees' fundraising activities.

Charitable Donations in 2018



\$3.3m of charitable donations

- Child and youth
- Healthcare
- Disable
- Elderly
- Education
- Environmental protection
- Poverty relief
- Entrepreneurship
- Disaster relief
- Others



Employee Volunteering

To encourage volunteerism and to give back to the community, HKEX held its second Volunteer Month from April to May. HKEX partnered with various organisations in a total of 26 volunteer activities to improve the local environment and support various segments of the local community, including children, the elderly and the disabled. A total of 310 HKEX employees and their guests delivered about 1,700 hours of volunteer services to the community, up 75 per cent and 55 per cent in volunteer hours and staff involved respectively compared to the same initiative in 2017. HKEX donated around \$340,000 to partner organisations, among which more than \$90,000 was raised by matching staff donations dollar-for-dollar. At the Volunteer Month Closing Ceremony, HKEX volunteers collaborated with the Kwun Tong Methodist Social Service (KTMS) to pack 300 gift bags for the Gleaners Community Foodbank, which offers emergency food assistance to people in crisis. Throughout 2018, more than

500 participants, comprising the Group's employees and their guests, delivered over 4,300 hours of volunteer services to the community.

HKEX held its tenth Annual Volunteer Recognition Ceremony and Dinner at the HKEX Connect Hall in July, recognising employees' outreach efforts in 2017. During the event, HKEX received the Social Welfare Department's Gold Award in appreciation of its contribution of more than 4,000 hours of volunteer services in Hong Kong in 2017.



Community Partnership and Outreach

Throughout the year, the Group engaged and partnered with various organisations to address communities' needs and contribute to building a more inclusive society.

Children and Youth Development

For the eighth consecutive year, the Listing Committee held Pedal Power in April to support selected students from local secondary schools to participate in leadership courses with Outward Bound Hong Kong. The event gathered a total of 84 participants, including representatives from the Listing Committee, the SFC and the Listing Department, alongside their family members, and raised more than \$1.3 million.

HKEX continued its Summer Internship Programme in 2018, offering 70 university students the chance to gain practical work experience and learn about HKEX's operations and the financial markets.

Women Empowerment

HKEX co-hosted the Celebrating Women in the Workplace event at the HKEX Connect Hall in November, which raised a total of \$86,000 from event ticket sales in support of the financial literacy programmes of the Women's Foundation. We also supported ENRICH, a Hong Kong based charity providing financial and empowerment education to migrant domestic workers, in organising the investment lecture graduation ceremony for the participants in October.

Caring for the Elderly

HKEX continued to support its charity partner, Senior Citizen Home Safety Association (SCHSA), and 17 HKEX volunteers participated in a home visit to elderly in January. HKEX also made a donation to SCHSA to support My Stress Button programme, which provides 24/7 emergency support and care services to households with seniors.

Connecting the Community

From October 2017 to December 2018, HKEX partnered with KTMSS in its two projects, Connecting the Disconnected and Connection Makes a Difference, focusing on two vulnerable groups in the community – youth with special education needs (SEN) and elderly in poverty. These projects supported SEN youth to develop interpersonal skills and positive self-image and organised programmes for the elderly to promote positive ageing, community care and physical health care. Throughout the period, HKEX volunteers and their guests joined 24 activities and contributed a total of 1,239 volunteer hours.

I used to be very shy and didn't like to talk much. I am happy to have joined these activities with the volunteers and the elderly. I felt comfortable talking to them and now feel more confident when talking to others...

Simon, 18-year-old beneficiary of the Connecting the Disconnected programme

Supporting the Underprivileged

25 LME employees joined the annual Great City Race in London in July, raising funds for Seeing is Believing, a charitable initiative tackling avoidable blindness around the world. 42 HKEX volunteers and their guests participated in the educational charity fundraising event, Step Out for Children, organised by the Society for Relief of Disabled Children in September to establish data registry for patients with rare diseases. The Listing Committee led a Hike for Hong Kong event for the fifth year in October, raising about \$380,000 for HandsOn Hong Kong to fund a full year of outings and extracurricular activities for students with intellectual and physical disabilities.



HKEX volunteers supporting Hike for Hong Kong

Progress Update on 2018 CSR Plans

Plans for 2018

To prepare for the establishment of HKEX's charitable foundation

To support personal caring and emergency assistance to the elderly in need

To organise programmes providing vocational skills training and emotional assistance to youth with special education needs

Progress Update

✓ HKEX Foundation Limited was incorporated in 2018. The work plan of the foundation is under preparation.

✓ See "Community Partnership and Outreach – Caring for the Elderly" above for more information.

✓ See "Community Partnership and Outreach – Supporting the Underprivileged" above for more information.

✓ Completed

Environment

We recognise environmental protection as the starting point for sustainability. We continue to work to reduce the environmental impact of our operations and to promote environmental protection within the Group, the marketplace and the community.



Carbon Disclosure

The Group continued to participate in the CDP's climate change programme in 2018 by providing its carbon emissions data. In support of the Government's efforts to promote carbon audits and carbon reduction, HKEX continued to disclose its carbon footprint and carbon management practices at the Carbon Footprint Repository for Listed Companies in Hong Kong.

Energy Management

Energy consumption accounts for a major part of the Group's carbon footprint. In HKEX's new offices at Exchange Square in Central, all T8 fluorescent tubes were replaced with LED lamps in 2018, which will lead to an estimated annual saving of about 220,000 kWh of electricity or about 175 tonnes CO₂e of GHG emissions. A zone lighting control system was installed in open offices, while motion detectors were installed in some enclosed offices to control the use of lighting and the corresponding energy consumption.



Paper Reduction

To promote environmentally-friendly practices in the marketplace, the Exchange continues to encourage investors to use electronic IPO (eIPO) services when applying for shares relating to new listings in the primary market. In 2018, 94 per cent of issuers arranged eIPO services during their new listing. HKEX donated \$100,000 to the Friends of the Earth (HK) in 2018 to encourage its shareholders to receive corporate communications digitally.

Waste Management

In 2018, HKEX was awarded the Excellence Level Wastewise Certificate under the Hong Kong Green Organisation Certification Scheme for its waste recycling achievements. To reduce plastic wastes, paper straws instead of plastic ones are used in the Data Centre's canteen starting from September. HKEX continued to support the Wood Recycling and Tree Conservation Scheme organised by the Hong Kong Environmental Protection Association in 2018 by recycling three peach blossom trees used for Chinese New Year decorations.

Green Building

In 2018, HKEX Data Centre was awarded the Platinum rating under the Building Environmental Assessment Method (BEAM Plus) for Existing Buildings V2.0 Comprehensive Scheme by the Hong Kong Green Building Council in recognition of its efforts and achievements in improving energy efficiency and environmental performance and enhancing facility management practices.



Advocacy and Education

To raise awareness among its employees about the challenges shaping our community and our environment, HKEX launched a new Better World Speaker Series in 2018. David Yeung, Founder and Chief Executive Officer of Green Monday and the Awardee of the 2018 Social Entrepreneur of the Year at the WEF, was invited to speak on climate change, healthy living and eating in the first seminar in November. Over 150 HKEX employees joined the event while enjoying innovative plant-based burgers and hotdogs.

During 2018, HKEX conducted environmental inspections at its Hong Kong offices in line with its CSR management system guidelines. Recommendations on energy and resource saving, office waste reduction and water conservation were provided to employees to raise their environmental awareness and further improve the office's overall environmental performance.

Throughout the year, HKEX and its employees participated in the following activities to advocate environmental protection and raise environmental awareness in the workplace and community:

- HKEX participated in the WWF's Earth Hour 2018 by turning off non-essential lights in its Hong Kong offices for an hour to support energy conservation.
- 34 HKEX volunteers joined the Food Angel programme in April to rescue surplus food and prepare meals for the underprivileged.
- HKEX was one of the sponsors of the WWF's Walk for Nature at Mai Po in November to promote the conservation of Hong Kong's natural environment. 63 HKEX volunteers and their guests participated in the event to enjoy nature up-close, raising their awareness of conservation issues and sustainable living.

Progress Update on 2018 CSR Plans

Plans for 2018	Progress Update
To require structured product issuers to submit their financial reports and listing documents to the Exchange in electronic form only	<p>✔ The relevant Listing Rules amendments were announced in February 2019 and took effect on 1 March 2019.</p>
To increase the number of collected compact discs for recycling by 5 per cent	<p>✔ HKEX achieved the Wastewi\$e goal by collecting about 2,250 pieces of used compact discs for recycling in 2018, exceeding the target by 11 per cent.</p>
To carry out a feasibility study on installing a charging station for electric vehicles at the Data Centre	<p>✔ The feasibility study was completed in 2018. Based on its results, HKEX plans to install two charging stations for electric vehicles at the Data Centre in 2019.</p>

✔ Completed

Performance Summary

The data measurement techniques and calculation methods used for this Report are stated where appropriate. Past data and information for certain indicators have been restated with effects and reasons reflected and explained where appropriate. Unless otherwise stated, the figures provided in this section are reported for the corresponding year(s) specified below or as at 31 December of the corresponding year(s).

Marketplace



Economic Performance

In 2018, the Group did not receive any financial assistance from any government. During the year, there were no closures of the Hong Kong securities and futures markets during the day session due to adverse weather conditions such as typhoon or rainstorm.

Indicators	2018	2017	2016
Direct economic value (\$m)			
Generated ¹	15,867	13,180	11,116
Distributed ²	14,118	11,616	9,819
Retained ³	1,749	1,564	1,297
Current tax (\$m)			
Hong Kong	1,421	1,043	876
Mainland China	1	1	–
UK	129	224	231
Stamp duty generated for the Government ⁴ (\$m)	33,845	28,792	19,792

- 1 Direct economic value generated means the Group's revenue and other income as disclosed in the Consolidated Financial Statements of HKEX's Annual Report.
- 2 Direct economic value distributed covers the Group's operating expenses, interest expenses, dividends and total current tax as disclosed in the Consolidated Financial Statements of HKEX's Annual Report, and the corporate charitable donations as set out in the Community section below.
- 3 Direct economic value retained means the direct economic value generated less the direct economic value distributed.
- 4 Stamp duty is generated for the Government in respect of all securities transactions which are subject to stamp duty and recognised by SEHK.



Product and Service Responsibility

HKEX continues to strengthen its information security controls to protect its stakeholders' data privacy in accordance with the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong). HKEX continues to promote and improve information security in line with industry standards and best practices. In 2018, HKEX maintained its ISO 27001 certification for the information security management system of its enterprise data centre. The Group employees were required to attend training on information security under a mandatory risk management e-learning course. There were no incidents and substantiated complaints concerning breaches of customer privacy or losses of customer data for the Group in 2018.

In 2018, the Group was not aware of any incidents of non-compliance with regulations and voluntary codes concerning the provision and use of the Group's products and services, which cover product and service information and labelling, marketing communications including advertising, promotion and sponsorship, and property rights including intellectual property rights that would have a significant impact on the Group.

Indicator	2018	2017	2016
Number of enquiries and complaints handled	11,471	9,579	7,801



Supply Chain Management

In 2018, 91 per cent of HKEX’s key suppliers and 92 per cent of the LME’s and LME Clear’s key suppliers were local suppliers. 36 key suppliers providing information technology or property management services to HKEX completed questionnaires regarding their CSR performance. There was no significant change in the Group’s supply chain in 2018.

During the year, the Group was not aware that any key suppliers had any significant actual or potential negative impact on business ethics, environmental protection, human rights and labour practices, nor any of them had any non-compliance incident in respect of these areas.

Indicators	2018	2017	2016
Number of key suppliers ¹	107	91	93
By region			
Asia excluding Hong Kong and Mainland China	1	2	1
Europe other than the UK	8	4	3
Hong Kong	52	41	47
Mainland China	–	1	1
UK	46	42	40
US	–	1	1
Total payments to key suppliers (\$bn)	1.5	1.2	1.3

¹ The definition of “key suppliers” refers to suppliers of products and/or services to the Group whose contract sum exceeded \$3 million (or £240,000).



Anti-bribery and Anti-corruption

In 2018, there were no confirmed incidents in relation to corruption or public legal cases brought against the Group or its employees concerning corruption. There were also no confirmed incidents where contracts with business partners were terminated or not renewed due to violations relating to corruption during the year. In 2018, three Directors, which account for 23 per cent of the Board members, received training on anti-corruption.



Public Policy

The Group keeps track of key changes in public policy which may have significant impact on the Group’s sustainability development and strategies and the financial industry, and takes a neutral stance in political matters. It did not make donations to any political parties in 2018.



Anti-competitive Behaviour

In 2018, the Group was not aware of any legal actions against it for anti-competitive behaviour, anti-trust or monopoly practices.



System Stability and Reliability

In 2018, all the Group’s market systems maintained 100 per cent system reliability in serving their users.

Workplace



Employment

As at 31 December 2018, the Group had a total of 1,990 employees, 12 per cent increase from 2017 mainly due to organic growth and increased headcounts for strategic initiatives. Apart from this, there was no significant variation in employment numbers.

Indicators	2018	2017	2016
Number of employees ¹	1,990	1,777	1,663
By gender			
Female	851	768	711
Male	1,139	1,009	952
By age group			
Below 30	330	292	264
30 to 50	1,393	1,242	1,179
Over 50	267	243	220
By region			
Hong Kong	1,535	1,350	1,306
UK	310	285	270
Others ²	145	142	87
By employment contract and gender			
Permanent (female)	807	736	690
Permanent (male)	1,047	962	913
Temporary/fixed term (female)	44	32	21
Temporary/fixed term (male)	92	47	39
By employment contract and region			
Permanent (Hong Kong)	1,411	1,278	1,250
Permanent (UK)	298	278	266
Permanent (others ²)	145	142	87
Temporary/fixed term (Hong Kong)	124	72	56
Temporary/fixed term (UK)	12	7	4
Temporary/fixed term (others ²)	-	-	-
By employment type and gender			
Full-time (female)	839	756	703
Full-time (male)	1,136	1,009	950
Part-time (female)	12	12	8
Part-time (male)	3	-	2

1 Number of employees is expressed in headcount. In each of 2016, 2017, 2018, no significant portion of the Group's activity was performed by workers who were not employees of the Group.

2 The figures refer to the employees stationed in Mainland and Singapore.



New Hires and Employee Turnover

Indicators	2018	2017	2016
Number and rate (%) of new hires	400 (20)	331 (19)	275 (17)
By gender			
Female	168 (20)	144 (19)	107 (15)
Male	232 (20)	187 (19)	168 (18)
By age group			
Below 30	127 (38)	131 (45)	86 (33)
30 to 50	261 (19)	193 (16)	184 (16)
Over 50	12 (4)	7 (3)	5 (2)
By region			
Hong Kong	275 (18)	171 (13)	168 (13)
UK	89 (29)	50 (18)	32 (12)
Others ¹	36 (25)	110 (77)	75 (86)



New Hires and Employee Turnover (continued)

Indicators	2018	2017	2016
Number and rate (%) of employee turnover	268 (13)	252 (14)	181 (11)
By gender			
Female	112 (13)	104 (14)	74 (10)
Male	156 (14)	148 (15)	107 (11)
By age group			
Below 30	68 (21)	64 (22)	36 (14)
30 to 50	159 (11)	167 (13)	115 (10)
Over 50	41 (15)	21 (9)	30 (14)
By region			
Hong Kong	176 (11)	155 (11)	131 (10)
UK	59 (19)	39 (14)	44 (16)
Others ¹	33 (23)	58 (41)	6 (7)
Average year of services	7	8	8
Number of employees eligible to retire within the next five years	91	72	56

¹ The figures refer to the employees stationed in Mainland and Singapore.



Diversity

Indicators	2018		2017		2016				
	Female	Male	Female	Male	Female	Male			
Percentage of employees by gender per employee category									
Senior	31	69	34	66	34	66			
Middle-level	41	59	41	59	41	59			
Supervisory-level	40	60	41	59	41	59			
General	55	45	55	45	53	47			
Percentage of employees by age group per employee category	<30	30-50	>50	<30	30-50	>50	<30	30-50	>50
Senior	-	70	30	-	69	31	-	71	29
Middle-level	4	83	13	5	82	13	4	83	13
Supervisory-level	26	66	8	25	66	9	27	63	10
General	38	48	14	34	53	13	31	58	11



Return to Work and Retention after Parental Leave

Indicators	2018	2017	2016
Number of employees who took parental leave ¹			
Female	26	36	29
Male	44	44	27
Number and rate (%) of employees who returned to work after parental leave ended ²			
Female	24 (92)	31 (100)	29 (100)
Male	44 (100)	44 (100)	27 (100)
Number and rate (%) of employees who remained employed 12 months after the end of parental leave			
Female	25 (81)	26 (90)	31 (97)
Male	34 (77)	25 (93)	34 (97)

¹ All employees are entitled to parental leave upon fulfilling certain criteria set out in the relevant policies.

² Employees who were still on parental leave at the end of corresponding year were excluded from the calculation.



Remuneration

Indicators	2018		2017		2016	
	Basic salary	Remuneration	Basic salary	Remuneration	Basic salary	Remuneration
Ratio of basic salary ¹ and remuneration ² of female employees to male employees						
Hong Kong						
Senior	0.9	0.9	0.9	0.9	0.9	0.9
Middle-level	1.0	1.0	1.0	1.0	1.0	1.0
Supervisory-level	1.0	1.0	1.0	1.0	1.0	1.0
General	1.1	1.1	1.1	1.1	1.1	1.1
UK						
Senior	0.8	1.0	0.8	1.0	0.8	0.8
Middle-level	0.9	1.0	0.9	0.8	0.9	0.9
Supervisory-level	0.8	0.9	0.8	0.8	0.8	0.8
General	1.0	1.0	1.0	1.0	0.9	0.9

1 Basic salary is a fixed, minimum amount paid to an employee for his/her performance of duties.

2 Remuneration includes basic salary, performance bonus and share award if any.

Indicators	2018	2017	2016
Ratio of the annual total compensation ¹ for the highest-paid individual to the median annual total compensation for all employees (excluding the highest-paid individual)			
Hong Kong	54	53	46
UK	14	15	12
Ratio of the percentage increase in annual total compensation for the highest-paid individual to the percentage increase in median annual total compensation for all employees (excluding the highest-paid individual)			
Hong Kong ²	1	12	N/A
UK ³	1	N/A	N/A

1 Annual total compensation includes basic salary, performance bonus and share award if any.

2 There was a decrease in the annual total compensation for the highest-paid individual and the median annual total compensation for all employees (excluding the highest paid individual) in Hong Kong in 2016.

3 There was a decrease in the median annual total compensation for all employees (excluding the highest-paid individual) in the UK in 2017 and a decrease in the annual total compensation for the highest-paid individual in the UK in 2016.



Occupational Health and Safety

In 2018, the Group did not receive any prosecutions in relation to occupational health and safety. No work-related fatalities occurred between 2016 and 2018.

Indicators	2018	2017	2016
Number of reportable injuries ¹	2	1	-
Injury rate ²	0.1	0.1	-
Number of reportable occupational diseases	-	-	-
Occupational disease rate ³	-	-	-
Number of lost days	47	20	-
Lost day rate ⁴	2.4	1.1	-
Number of absentee days	5,183	5,095	4,362
Absentee rate ⁵	1.0	1.1	1.1

1 Reportable injuries refer to work-related accidents to employees that resulted in incapacity for a period exceeding three days in Hong Kong and the Mainland, or as defined under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 in the UK where appropriate.

2 The injury rate is calculated based on the number of injuries per 200,000 hours worked (100 employees working 40 hours per week for 50 weeks).

3 The occupational disease rate is calculated based on the number of occupational diseases per 200,000 hours worked.

4 The lost day rate is calculated based on the number of lost days per 200,000 hours worked.

5 The absentee rate indicates the number of absentee days (as a result of occupational injuries and other illnesses) as a percentage of the total number of work days scheduled for the workforce.



Training and Development

Indicators	2018	2017	2016
Total cost of training (\$m)	11.4	12.3	8.6
Total number of hours of training received by employees	29,327	29,527	29,171
Average hours of training per employee and percentage (%) of employees who received training	15 (98)	17 (87)	18 (89)
By gender			
Female	14 (98)	16 (88)	19 (90)
Male	16 (98)	17 (87)	16 (88)
By employee category			
Senior	13 (96)	13 (78)	13 (82)
Middle-level	18 (97)	20 (87)	19 (89)
Supervisory-level	15 (99)	17 (89)	18 (90)
General	8 (99)	12 (90)	16 (92)
Number of employees who received training by training type			
External training	298	368	426
Internal training	1,285	1,210	1,231
E-learning	1,802	1,685	1,603
Academic sponsorship	4	3	17
Number and percentage (%) of employees who received anti-corruption training			
Hong Kong			
Senior	124 (94)	109 (96)	70 (59)
Middle-level	629 (98)	524 (98)	287 (53)
Supervisory-level	466 (99)	415 (96)	291 (67)
General	307 (99)	281 (97)	184 (63)
UK			
Senior	38 (100)	28 (78)	25 (69)
Middle-level	140 (100)	106 (81)	75 (66)
Supervisory-level	101 (100)	70 (81)	78 (94)
General	42 (100)	36 (90)	21 (47)
Number of employees who received training on the following topics			
Anti-financial crime ¹	1,887	294	N/A
Anti-competitive behaviour	325	101	65
Human rights	321	105	637
Occupational health and safety	483	625	1,395
Percentage of permanent employees who received formal performance appraisals ²	100	100	100
Percentage of permanent employees who received multi-rater performance evaluation ²	22	20	20

¹ The relevant records have been kept since 2017.

² Excludes employees who were not subject to the performance appraisal process as they joined the Group on or after 1 September of the reporting year



Compliance and Grievance

In 2018, there were no confirmed non-compliance incidents or grievances in relation to human rights and labour practices standards and regulations that would have a significant impact on the Group.

Community



Community Investment and Employee Volunteering

Indicators	2018	2017	2016
Corporate charitable donations (\$m)	3.3	3.1	2.1
Employee charitable donations (\$m)	0.1	0.1	0.2
Corporate sponsorships (\$m)	0.7	0.8	0.8
Number of community initiatives undertaken by HKEX			
Children and youth	24	8	6
Disabled	3	3	5
Elderly	9	3	5
Environmental protection	5	4	3
Healthcare	3	3	4
Poverty relief	9	6	3
Number of employee volunteering hours ¹	4,354	4,342	3,782
Number of employee volunteering leave days taken ²	105	100	92

¹ Includes volunteering hours from guests of HKEX's employees

² Employees are given additional paid day leave (a maximum of one day for HKEX employees and a maximum of one and a half day for the LME and LME Clear employees) in recognition of their efforts in serving the community.

Environment

Unless otherwise specified, the environmental data covers the Group's operations in Hong Kong and London only. The Group's operations in relation to its offices in the Mainland and Singapore are excluded from this Report due to either relatively small environmental footprint or preliminary stage of operation. The Group will continue to monitor the environmental impact of the relevant operations and will include the relevant environmental data in future reports when appropriate.



Energy Consumption ¹

Indicators	2018	2017	2016
Total energy consumption (MWh)	32,132	30,778	28,618
Total energy consumption per floor area (MWh/m ²)	0.58	0.60	0.54
Total energy consumption per employee (MWh/employee)	16.15	17.32	17.21
Direct energy consumption (MWh)	139	221	135
Unleaded petrol	53	69	60
Diesel	86	152	75
Indirect energy consumption (MWh)	31,993	30,557	28,483
Purchased electricity	31,993	30,557	28,483
Expense on energy consumption ² (\$m)	39	34	37

¹ Energy consumption data was based on the amount of purchased electricity and fuels consumed and the relevant conversion factors provided by the International Energy Agency.

² Includes air-conditioning cost, electricity tariffs and fuel costs (for vehicles and backup generators). Air-conditioning cost incurred did not reflect the actual amount of electricity consumption for air-conditioning since it was charged at a rate proportional to the floor area of leased offices.



Emissions ¹

Indicators	2018	2017	2016
Total GHG emissions ² (Scope 1 and 2) (tonnes)	18,327	18,522	17,499
Total GHG emissions (Scope 1 and 2) per floor area (tonnes/m ²)	0.33	0.36	0.33
Total GHG emissions (Scope 1 and 2) per employee (tonnes/employee)	9.21	10.42	10.52
Total GHG emissions (Scope 1, 2 and 3) (tonnes)	20,189	20,419	19,357
Total GHG emissions (Scope 1, 2 and 3) per floor area (tonnes/m ²)	0.36	0.40	0.37
Total GHG emissions (Scope 1, 2 and 3) per employee (tonnes/employee)	10.15	11.49	11.64
Direct emissions ³ (Scope 1) (tonnes)	38	85	38
Corporate fleet	20	26	23
Backup generators	18	34	15
Refrigerants	–	25	–
Indirect emissions ⁴ (Scope 2) (tonnes)	18,289	18,437	17,461
Purchased electricity	18,289	18,437	17,461
Indirect emissions (Scope 3) (tonnes)	1,862	1,897	1,858
Business travel ⁵	870	918	873
Paper consumption	98	84	93
Staff commuting	886	887	876
Waste to landfill	8	8	16
GHG emissions avoided by recycling of paper (tonnes)	863	487	494

1 Given that the Group operates essentially as an information technology-based enterprise, its air emissions are primarily GHG emissions arising mainly from the use of purchased electricity and fuels derived from fossil fuels.

2 The Group's GHG inventory includes carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride. Its GHG emissions data is presented in carbon dioxide equivalent and was based on the reporting requirements of the "GHG Protocol Corporate Accounting and Reporting Standard" (GHG Protocol) issued by the World Resources Institute and the World Business Council for Sustainable Development, the "Practical Guide on Carbon Audit and Management – Guide to Low Carbon Offices" issued by the Environmental Protection Department in Hong Kong, and the "Environmental Reporting Guidelines: Including mandatory greenhouse gas emissions reporting guidance" issued by the Department for Environment, Food & Rural Affairs in the UK. The Group has adopted the "operational control" approach for defining its organisational boundary for the purpose of GHG accounting and reporting.

3 The breakdown of the Group's 2018 Scope 1 GHG emissions is as follows: carbon dioxide (36 tonnes CO₂e), methane (0.04 tonnes CO₂e) and nitrous oxide (2 tonnes CO₂e). There was no emission of hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride in 2018.

4 Scope 2 GHG emissions data was calculated according to the location-based method set out in the GHG Protocol.

5 Emissions data relating to air travel by HKEX's directors and employees was based on the International Civil Aviation Organization Carbon Emissions Calculator. Emissions data relating to land and sea travel was based on the estimated distance travelled and the relevant emission factors.



Paper Consumption

Indicators	2018	2017	2016
Total paper consumption (tonnes)	102	90	99
Office paper	77	76	75
Paper for printing publications ¹	25	14	24
Forest Stewardship Council (FSC) certified or recycled paper used ² (%)	83	98	85

1 Includes paper used for printing corporate financial statements and brochures and the Listing Rules

2 All office paper used and almost all paper used for printing the Group's publications are FSC certified or recycled paper, except the paper used for printing the Listing Rules.



Water Consumption

Indicators	2018	2017	2016
Total water consumption ¹ (m ³)	38,688	35,636	35,859
Total water consumption per floor area (m ³ /m ²)	1.41	1.30	1.30
Total water discharged ² (m ³)	38,688	35,636	35,859

- 1 Except the Data Centre which is owned by the Group, HKEX operated in leased office premises in Hong Kong and London of which both the water supply and discharge were solely controlled by the respective building management which considered the provision of water withdrawal and discharge data or sub-meter for individual occupant not feasible. Hence, data was collected from the Data Centre only.
- 2 The amount of water discharged represents the amount of water consumed according to the water bills received.



Waste Management

Indicators	2018	2017	2016
Total waste disposed to landfill (tonnes)	79	71	64
Total waste disposed to landfill per floor area (tonnes/m ²)	0.001	0.001	0.001
Total waste disposed to landfill per employee (tonnes/employee)	0.04	0.04	0.04
Waste disposed to landfill (tonnes)			
General office waste	79	70	58
Food waste	0.3	1	6
Waste collected for recycling			
Food waste (tonnes)	1	0.4	2
Mixed recycling (tonnes)	27	30	32
Paper ¹ (tonnes)	180	102	103
Used lead-acid batteries ² (tonnes)	2	1	7
Metals (kg)	960	1,213	677
Plastics (kg)	303	576	366
Polyfoam (kg)	1,775	670	215
Wooden board (kg)	3,800	4,605	521
Glass (kg)	–	33	146
Electronic equipment (pieces)	1,338	96	1,015
Spent lubricating oil ² (litres)	400	–	–

- 1 Includes confidential waste paper generated within the Group and paper documents submitted by external parties
- 2 Used lead-acid batteries and spent lubricating oil are classified as hazardous waste.



Compliance and Grievance

In 2018, there were no confirmed non-compliance incidents or grievances in relation to environmental protection that would have a significant impact on the Group.

Glossary

Board	HKEX's board of directors
Bond Connect	A mutual bond market access programme between Hong Kong and Mainland China, under which Northbound trading enables overseas investors to invest in the China Interbank Bond Market, and Southbound trading will be explored at a later stage
CDP	An NGO formerly known as the Carbon Disclosure Project
CFETS	China Foreign Exchange Trade System (National Interbank Funding Center)
CO ₂ e	Carbon dioxide equivalent
CSR	Corporate Social Responsibility
Data Centre	HKEX's data centre at Tseung Kwan O, Hong Kong
Director(s)	HKEX's director(s)
ESG	Environmental, Social and Governance
ESG Guide	Appendix 27 to the Main Board Listing Rules
ETFs	Exchange Traded Funds
Exchange or SEHK	The Stock Exchange of Hong Kong Limited
Fintech	Financial technology
Four Cornerstones	Marketplace, Workplace, Community and Environment
GHG	Greenhouse gas
Government	The Government of Hong Kong Special Administrative Region of the People's Republic of China
GRI	Global Reporting Initiative
GRI Standards	GRI Sustainability Reporting Standards
Group	HKEX and its subsidiaries
HKEX	Hong Kong Exchanges and Clearing Limited
INEDs	Independent Non-executive Directors
IPO(s)	Initial Public Offering(s)
ISO	International Organization for Standardization
KPI(s)	Key performance indicator(s)
LED	Light-emitting diode
Listing Rules	Main Board Listing Rules and Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited
LME	The London Metal Exchange
LME Clear	LME Clear Limited
Main Board Listing Rules	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
MWh	Megawatt hour
NGO(s)	Non-governmental organisation(s)
QME	Qianhai Mercantile Exchange Co., Ltd.
SDGs	Sustainable Development Goals
SFC	Securities and Futures Commission
SFO	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
SSE	Sustainable Stock Exchanges
Stock Connect	A mutual market access programme that links the stock market in Hong Kong to those in Shanghai and Shenzhen, enabling investors in Hong Kong and Mainland China to trade and settle shares listed on the other market via the exchange and clearing house in their home market
UK	United Kingdom
UN	United Nations
US	United States of America
WE	Women's Exchange
WEF	World Economic Forum
WFE	World Federation of Exchanges
WWF	World Wide Fund for Nature Hong Kong
\$/HKD	Hong Kong dollar
\$bn	Hong Kong dollar in billion
\$m/m	Hong Kong dollar in million/million
£	Pound sterling

Verification Statement



Scope and Objective

Hong Kong Quality Assurance Agency (“HKQAA”) has been engaged by Hong Kong Exchanges and Clearing Limited (“HKEX”) to undertake an independent verification for its 2018 Corporate Social Responsibility Report (the “Report”).

The scope of HKQAA’s verification covers the data and information associating to HKEX’s sustainability performance, including quantitative data of direct (scope 1), indirect (scope 2), and other indirect (scope 3) greenhouse gas emissions, for the period from 1st January 2018 to 31st December 2018, as disclosed in the Report.

The objective of this verification is to provide reasonable assurance of the data and information disclosed in the Report to confirm their accuracy, reliability and objectivity.

Level of Assurance and Methodology

The process applied in this verification was based on the International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board. Our evidence gathering process was designed to obtain a reasonable level of assurance in accordance with the standard for the purpose of devising the verification conclusion. The extent of this verification process undertaken was provided for the comprehensive option of the Global Reporting Initiative Sustainability Reporting Standards (“GRI Standards”) and the Environmental, Social and Governance Reporting Guide (“ESG Guide”) of The Stock Exchange of Hong Kong Limited.

Our verification procedure performed covered discussion of the materiality analysis process, reviewing systems and processes for collecting, collating and reporting of the performance data, verifying relevant documentation, interviewing responsible personnel with accountability for preparing the Report. Raw data and supporting evidence of the selected samples were thoroughly examined during the verification process.

Independence

HKEX is responsible for the collection and presentation of the information in the Report. HKQAA is not involved in the collection and calculation of data in the Report or the compilation of the Report. HKQAA’s verification activities are independent from HKEX. There is no relationship between HKQAA and HKEX that will affect the independence of HKQAA for providing this verification service.

Conclusion

Based on the verification results and in accordance with the verification procedures undertaken, HKQAA has obtained reasonable assurance and is in the opinion that:

- The Report has been prepared in accordance with the ESG Guide and the comprehensive option of the GRI Standards;
- The Report illustrates HKEX’s sustainability performance, covering all material and relevant aspects and/or topics, in a balanced, comparable, clear and timely manner; and
- The data and information disclosed in the Report are reliable and complete.

HKEX has been engaging with its stakeholders continuously with even wider perspective in 2018 and being very responsive to the feedbacks collected from the engagement processes. The Report provides good level of transparency regarding HKEX’s commitments and actions towards sustainability. In conclusion, the Report reflects appropriately HKEX’s sustainability context and materiality.

Signed on behalf of Hong Kong Quality Assurance Agency

Connie Sham
Head of Audit
February 2019

Appendix I – ESG Guide Content Index

Subject Areas, Aspects, General Disclosures and KPIs		Locations of Disclosure or Remarks (AR: 2018 Annual Report ↗ ; Website: HKEX Group website ↗)
A. ENVIRONMENTAL		
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste	<ul style="list-style-type: none"> This Report – Environment (pages 27 to 29) This Report – Performance Summary (page 37) Website – CSR (Environment) section ↗
KPI A1.1	Types of emissions and respective emissions data	<ul style="list-style-type: none"> This Report – Performance Summary (page 37)
KPI A1.2	Greenhouse gas emissions in total and, where appropriate, intensity	<ul style="list-style-type: none"> This Report – Performance Summary (page 37)
KPI A1.3	Total hazardous waste produced and, where appropriate, intensity	<ul style="list-style-type: none"> This Report – Performance Summary (page 38)
KPI A1.4	Total non-hazardous waste produced and, where appropriate, intensity	<ul style="list-style-type: none"> This Report – Performance Summary (page 38)
KPI A1.5	Description of measures to mitigate emissions and results achieved	<ul style="list-style-type: none"> This Report – Environment (pages 27 to 29) This Report – Performance Summary (pages 37 and 38) Website – CSR (Environment) section ↗
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved	<ul style="list-style-type: none"> This Report – Environment (pages 27 to 29) This Report – Performance Summary (page 38) Website – CSR (Environment) section ↗
Aspect A2: Use of Resources		
General Disclosure	Policies on efficient use of resources including energy, water and other raw materials	<ul style="list-style-type: none"> This Report – Environment (pages 27 to 29) Website – CSR (Environment) section ↗
KPI A2.1	Direct and/or indirect energy consumption by type in total and intensity	<ul style="list-style-type: none"> This Report – Performance Summary (page 36)
KPI A2.2	Water consumption in total and intensity	<ul style="list-style-type: none"> This Report – Performance Summary (page 38)
KPI A2.3	Description of energy use efficiency initiatives and results achieved	<ul style="list-style-type: none"> This Report – Environment (pages 27 to 29) Website – CSR (Environment) section ↗
KPI A2.4	Description of whether there is any issue in sourcing water, water efficiency initiatives and results achieved	<ul style="list-style-type: none"> This Report – Performance Summary (page 38) Website – CSR (Environment) section ↗
KPI A2.5	Total packaging material used for finished products, and if applicable, with reference to per unit produced	Not applicable to the Group's business
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources	<ul style="list-style-type: none"> This Report – Environment (pages 27 to 29) Website – CSR (Environment) section ↗
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and actions taken to manage them	<ul style="list-style-type: none"> This Report – Environment (pages 27 to 29) Website – CSR (Environment) section ↗

Subject Areas, Aspects, General Disclosures and KPIs		Locations of Disclosure or Remarks (AR: 2018 Annual Report ↗ ; Website: HKEX Group website ↗)
B. SOCIAL		
Employment and Labour Practices		
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare	<ul style="list-style-type: none"> • This Report – Workplace (pages 17 to 22) • This Report – Performance Summary (pages 32 to 35) • AR – Remuneration Committee Report (pages 102 to 108) • Website – CSR (Workplace) section ↗ • Website – Key Policies and Guidelines for HKEX Employees ↗
KPI B1.1	Total workforce by gender, employment type, age group and geographical region	<ul style="list-style-type: none"> • This Report – Performance Summary (page 32)
KPI B1.2	Employee turnover rate by gender, age group and geographical region	<ul style="list-style-type: none"> • This Report – Performance Summary (page 33)
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards	<ul style="list-style-type: none"> • This Report – Workplace (pages 21 and 22) • This Report – Performance Summary (pages 34 and 35) • Website – CSR (Workplace) section ↗ • Website – Key Policies and Guidelines for HKEX Employees ↗
KPI B2.1	Number and rate of work-related fatalities	<ul style="list-style-type: none"> • This Report – Performance Summary (page 34)
KPI B2.2	Lost days due to work injury	<ul style="list-style-type: none"> • This Report – Performance Summary (page 34)
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	<ul style="list-style-type: none"> • This Report – Workplace (pages 21 and 22) • Website – CSR (Workplace) section ↗
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	<ul style="list-style-type: none"> • This Report – Workplace (pages 17 to 19) • This Report – Performance Summary (page 35) • Website – CSR (Workplace) section ↗ • Website – Key Policies and Guidelines for HKEX Employees ↗
KPI B3.1	The percentage of employees trained by gender and employee category	<ul style="list-style-type: none"> • This Report – Performance Summary (page 35)
KPI B3.2	The average training hours completed per employee by gender and employee category	<ul style="list-style-type: none"> • This Report – Performance Summary (page 35)
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour	<ul style="list-style-type: none"> • This Report – Performance Summary (page 35) • Website – CSR (Workplace) section ↗
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour	<ul style="list-style-type: none"> • Website – CSR (Workplace) section ↗
KPI B4.2	Description of steps taken to eliminate child and forced labour practices when discovered	<ul style="list-style-type: none"> • Website – CSR (Workplace) section ↗

Subject Areas, Aspects, General Disclosures and KPIs		Locations of Disclosure or Remarks (AR: 2018 Annual Report ↗ ; Website: HKEX Group website ↗)
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain	<ul style="list-style-type: none"> This Report – Performance Summary (page 31) Website – CSR (Marketplace) section ↗
KPI B5.1	Number of suppliers by geographical region	<ul style="list-style-type: none"> This Report – Performance Summary (page 31)
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	<ul style="list-style-type: none"> This Report – Performance Summary (page 31) Website – CSR (Marketplace) section ↗
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress	<ul style="list-style-type: none"> This Report – Workplace (pages 17 and 18) This Report – Performance Summary (page 30) AR – Directors' Report (pages 111 to 116) Website – CSR (Marketplace) section ↗
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	Not applicable to the Group's business
KPI B6.2	Number of products and service related complaints received and how they are dealt with	<ul style="list-style-type: none"> This Report – Performance Summary (page 30) Website – CSR (Marketplace) section ↗
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights	<ul style="list-style-type: none"> Website – CSR (Marketplace) section ↗
KPI B6.4	Description of quality assurance process and recall procedures	<ul style="list-style-type: none"> Website – CSR (Marketplace) section ↗
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	<ul style="list-style-type: none"> This Report – Workplace (pages 17 and 18) This Report – Performance Summary (page 30) AR – Risk Committee Report (pages 99 to 101) Website – CSR (Marketplace) section ↗
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering	<ul style="list-style-type: none"> This Report – Workplace (pages 17 and 18) This Report – Performance Summary (page 31) AR – Risk Committee Report (pages 99 to 101) AR – Directors' Report (pages 111 to 116) Website – CSR (Marketplace) section ↗
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	<ul style="list-style-type: none"> This Report – Performance Summary (page 31)
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	<ul style="list-style-type: none"> This Report – Workplace (pages 17 and 18) This Report – Performance Summary (pages 31 and 35) AR – Audit Committee Report (pages 96 to 98) Website – CSR (Marketplace) section ↗ Website – CSR (Workplace) section ↗ Website – Key Policies and Guidelines for HKEX Employees ↗
Community		
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities takes into consideration communities' interests	<ul style="list-style-type: none"> This Report – Community (pages 23 to 26) Website – CSR (Community) section ↗
KPI B8.1	Focus areas of contribution	<ul style="list-style-type: none"> This Report – Community (pages 23 to 26) This Report – Performance Summary (page 36) Website – CSR (Community) section ↗
KPI B8.2	Resources contributed to the focus areas	<ul style="list-style-type: none"> This Report – Community (pages 23 to 26) This Report – Performance Summary (page 36)

Appendix II – GRI Content Index



GRI Standards		Locations of Disclosure (AR: 2018 Annual Report ↗ ; Website: HKEX Group website ↗)
GRI 101: FOUNDATION 2016		
GENERAL DISCLOSURES		
GRI 102: General Disclosures 2016		
Organisational Profile		
102-1	Name of the organisation	<ul style="list-style-type: none"> This Report – About HKEX (page 5)
102-2	Activities, brands, products, and services	<ul style="list-style-type: none"> This Report – About HKEX (page 5) AR – Directors' Report (pages 111 to 116) AR – Notes 4 and 25 to the Consolidated Financial Statements (pages 138 to 140 and 164 to 167) Website – About HKEX section ↗
102-3	Location of headquarters	<ul style="list-style-type: none"> This Report – About HKEX (page 5) Website – About HKEX section ↗
102-4	Location of operations	<ul style="list-style-type: none"> This Report – About HKEX (page 5) AR – Note 25 to the Consolidated Financial Statements (pages 164 to 167) Website – About HKEX section ↗
102-5	Ownership and legal form	<ul style="list-style-type: none"> This Report – About HKEX (page 5) AR – Corporate Governance Report (pages 77 to 92) Website – About HKEX section ↗
102-6	Markets served	<ul style="list-style-type: none"> This Report – About HKEX (page 5) AR – Note 4 to the Consolidated Financial Statements (pages 138 to 140) Website – About HKEX section ↗
102-7	Scale of the organisation	<ul style="list-style-type: none"> This Report – About HKEX (page 5) This Report – Performance Summary (pages 30 and 32) AR – Financial Highlights (pages 4 and 5) AR – Consolidated Statement of Financial Position (page 125) AR – Shareholder Information (pages 223 to 225)
102-8	Information on employees and other workers	<ul style="list-style-type: none"> This Report – Performance Summary (page 32)
102-9	Supply chain	<ul style="list-style-type: none"> This Report – Performance Summary (page 31) Website – CSR (Marketplace) section ↗
102-10	Significant changes to the organisation and its supply chain	<ul style="list-style-type: none"> This Report – About HKEX (page 5) This Report – Performance Summary (page 31) AR – Corporate Governance Report (pages 77 to 92) AR – Shareholder Information (pages 223 to 225)
102-11	Precautionary Principle or approach	<ul style="list-style-type: none"> AR – Corporate Governance Report (pages 77 to 92) AR – Audit Committee Report (pages 96 to 98) AR – Risk Committee Report (pages 99 to 101) Website – Corporate Governance (Accountability and Audit) section ↗
102-12	External initiatives	<ul style="list-style-type: none"> This Report – Approach to CSR (pages 9 and 10) Website – CSR (Charters and Memberships) section ↗
102-13	Membership of associations	<ul style="list-style-type: none"> This Report – Approach to CSR (page 9) Website – CSR (Charters and Memberships) section ↗
Strategy		
102-14	Statement from senior decision-maker	<ul style="list-style-type: none"> This Report – Message from the Chairman (pages 3 and 4) AR – Chairman's Statement (pages 6 to 11) AR – Chief Executive's Review (pages 12 to 17)
102-15	Key impacts, risks, and opportunities	<ul style="list-style-type: none"> This Report – Message from the Chairman (pages 3 and 4) This Report – Marketplace (pages 11 to 16) This Report – Workplace (pages 17 to 22) This Report – Community (pages 23 to 26) This Report – Environment (pages 27 to 29) AR – Risk Committee Report (pages 99 to 101) AR – Note 50 to the Consolidated Financial Statements (pages 202 to 219)

1 For the Materiality Disclosures Service, GRI Services reviewed that the GRI content index is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report.

GRI Standards		Locations of Disclosure (AR: 2018 Annual Report ↗ ; Website: HKEX Group website ↗)
Ethics and Integrity		
102-16	Values, principles, standards and norms of behaviour	<ul style="list-style-type: none"> This Report – Message from the Chairman (pages 3 and 4) This Report – Workplace (pages 17 and 18) AR – Chairman’s Statement (pages 6 to 11) AR – Corporate Governance Report (pages 77 to 92) Website – Corporate Governance (Board Process) section ↗ Website – CSR (Marketplace) section ↗ Website – CSR (Workplace) section ↗ Website – Director’s Handbook ↗ Website – Key Policies and Guidelines for HKEX Employees ↗
102-17	Mechanisms for advice and concerns about ethics	<ul style="list-style-type: none"> This Report – Workplace (pages 17 and 18) AR – Corporate Governance Report (pages 77 to 92) Website – CSR (Marketplace) section ↗ Website – CSR (Workplace) section ↗ Website – Key Policies and Guidelines for HKEX Employees ↗
Governance		
102-18	Governance structure	<ul style="list-style-type: none"> This Report – Approach to CSR (pages 7 and 8) AR – Board and Committees (pages 30 and 31) AR – Corporate Governance Report (pages 77 to 92) AR – CSR Committee Report (pages 109 and 110) Website – Corporate Governance (Corporate Governance Structure) section ↗ Website – CSR (Governance and Management) section ↗
102-19	Delegating authority	<ul style="list-style-type: none"> This Report – Approach to CSR (pages 7 and 8) AR – Corporate Governance Report (pages 77 to 92) AR – CSR Committee Report (pages 109 and 110) Website – CSR (Governance and Management) section ↗
102-20	Executive-level responsibility for economic, environmental and social topics	<ul style="list-style-type: none"> This Report – Approach to CSR (pages 7 and 8) AR – CSR Committee Report (pages 109 and 110) Website – CSR (Governance and Management) section ↗
102-21	Consulting stakeholders on economic, environmental and social topics	<ul style="list-style-type: none"> This Report – Approach to CSR (pages 9 and 10) AR – Corporate Governance Report (pages 77 to 92) AR – CSR Committee Report (pages 109 and 110) Website – CSR (Governance and Management) section ↗ Website – CSR (Stakeholder Engagement) section ↗
102-22	Composition of the highest governance body and its committees	<ul style="list-style-type: none"> This Report – Approach to CSR (pages 7 and 8) AR – Board and Committees (pages 30 and 31) AR – Corporate Governance Report (pages 77 to 92) Website – About HKEX (Board and Committees) section ↗
102-23	Chair of the highest governance body	<ul style="list-style-type: none"> AR – Board and Committees (pages 30 and 31) AR – Corporate Governance Report (pages 77 to 92)
102-24	Nominating and selecting the highest governance body	<ul style="list-style-type: none"> AR – Corporate Governance Report (pages 77 to 92) AR – Nomination and Governance Committee Report (pages 93 to 95) Website – Nomination Policy ↗
102-25	Conflicts of interest	<ul style="list-style-type: none"> AR – Corporate Governance Report (pages 77 to 92) AR – Nomination and Governance Committee Report (pages 93 to 95) AR – Directors’ Report (pages 111 to 116) Website – Corporate Governance (Corporate Governance Statement) section ↗
102-26	Role of highest governance body in setting purpose, values, and strategy	<ul style="list-style-type: none"> AR – Corporate Governance Report (pages 77 to 92) Website – Terms of Reference of HKEX’s Board ↗
102-27	Collective knowledge of highest governance body	<ul style="list-style-type: none"> AR – Corporate Governance Report (pages 77 to 92) AR – CSR Committee Report (pages 109 and 110) Website – Terms of Reference of the CSR Committee ↗
102-28	Evaluating the highest governance body’s performance	<ul style="list-style-type: none"> This Report – Message from the Chairman (pages 3 and 4) AR – Corporate Governance Report (pages 77 to 92) AR – CSR Committee Report (pages 109 and 110) Website – Corporate Governance (Board Evaluation) section ↗
102-29	Identifying and managing economic, environmental and social impacts	<ul style="list-style-type: none"> This Report – Approach to CSR (page 8) AR – Corporate Governance Report (pages 77 to 92) AR – Risk Committee Report (pages 99 to 101)

GRI Standards		Locations of Disclosure (AR: 2018 Annual Report ↗ ; Website: HKEX Group website ↗)
102-30	Effectiveness of risk management processes	<ul style="list-style-type: none"> AR – Corporate Governance Report (pages 77 to 92) AR – Audit Committee Report (pages 96 to 98) AR – Risk Committee Report (pages 99 to 101)
102-31	Review of economic, environmental, and social topics	<ul style="list-style-type: none"> This Report – Approach to CSR (page 8) AR – Corporate Governance Report (pages 77 to 92) AR – Risk Committee Report (pages 99 to 101)
102-32	Highest governance body's role in sustainability reporting	<ul style="list-style-type: none"> This Report – About this Report (page 2) This Report – Approach to CSR (pages 7 and 8) AR – CSR Committee Report (pages 109 and 110)
102-33	Communicating critical concerns	<ul style="list-style-type: none"> This Report – Approach to CSR (pages 7 and 8) AR – Audit Committee Report (pages 96 to 98) AR – Risk Committee Report (pages 99 to 101) AR – CSR Committee Report (pages 109 and 110)
102-34	Nature and total number of critical concerns	<ul style="list-style-type: none"> AR – Audit Committee Report (pages 96 to 98) AR – Risk Committee Report (pages 99 to 101)
102-35	Remuneration policies	<ul style="list-style-type: none"> AR – Remuneration Committee Report (pages 102 to 108) Website – Corporate Governance (Remuneration Policy) section ↗
102-36	Process for determining remuneration	<ul style="list-style-type: none"> AR – Remuneration Committee Report (pages 102 to 108) Website – Corporate Governance (Remuneration Policy) section ↗
102-37	Stakeholders' involvement in remuneration	<ul style="list-style-type: none"> AR – Corporate Governance Report (pages 77 to 92) AR – Remuneration Committee Report (pages 102 to 108) Website – Corporate Governance (Remuneration Policy) section ↗
102-38	Annual total compensation ratio	<ul style="list-style-type: none"> This Report – Performance Summary (page 34)
102-39	Percentage increase in annual total compensation ratio	<ul style="list-style-type: none"> This Report – Performance Summary (page 34)
Stakeholder Engagement		
102-40	List of stakeholder groups	<ul style="list-style-type: none"> This Report – Approach to CSR (pages 9 and 10)
102-41	Collective bargaining agreements	<ul style="list-style-type: none"> This Report – Workplace (page 21)
102-42	Identifying and selecting stakeholders	<ul style="list-style-type: none"> This Report – Approach to CSR (pages 9 and 10)
102-43	Approach to stakeholder engagement	<ul style="list-style-type: none"> This Report – About this Report (page 2) This Report – Approach to CSR (pages 9 and 10)
102-44	Key topics and concerns raised	<ul style="list-style-type: none"> This Report – Approach to CSR (pages 9 and 10)
Reporting Practice		
102-45	Entities included in the consolidated financial statements	<ul style="list-style-type: none"> This Report – About HKEX (page 5)
102-46	Defining report content and topic Boundaries	<ul style="list-style-type: none"> This Report – About this Report (page 2)
102-47	List of material topics	<ul style="list-style-type: none"> This Report – Approach to CSR (page 8)
102-48	Restatements of information	<ul style="list-style-type: none"> This Report – Performance Summary (page 30)
102-49	Changes in reporting	<ul style="list-style-type: none"> This Report – Approach to CSR (page 8)
102-50	Reporting period	<ul style="list-style-type: none"> This Report – About this Report (page 2)
102-51	Date of most recent report	<ul style="list-style-type: none"> This Report – About this Report (page 2)
102-52	Reporting cycle	<ul style="list-style-type: none"> This Report – About this Report (page 2)
102-53	Contact point for questions regarding the report	<ul style="list-style-type: none"> This Report – About this Report (page 2)
102-54	Claims of reporting in accordance with the GRI Standards	<ul style="list-style-type: none"> This Report – About this Report (page 2)
102-55	GRI content index	<ul style="list-style-type: none"> This Report – GRI Content Index (pages 44 to 49)
102-56	External assurance	<ul style="list-style-type: none"> This Report – About this Report (page 2) This Report – Verification Statement (page 40)

GRI Standards		Locations of Disclosure (AR: 2018 Annual Report ↗ ; Website: HKEX Group website ↗)
MATERIAL TOPICS		
Anti-bribery and Anti-corruption		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	<ul style="list-style-type: none"> • This Report – Approach to CSR (page 8) • This Report – Workplace (pages 17 and 18)
103-2	The management approach and its components	<ul style="list-style-type: none"> • AR – Corporate Governance Report (pages 77 to 92) • AR – Audit Committee Report (pages 96 to 98) • AR – Directors’ Report (pages 111 to 116) • Website – CSR (Marketplace) section ↗ • Website – CSR (Workplace) section ↗ • Website – Director’s Handbook ↗ • Website – Key Policies and Guidelines for HKEX Employees ↗
103-3	Evaluation of the management approach	
GRI 205: Anti-corruption 2016		
205-1	Operations assessed for risks related to corruption	<ul style="list-style-type: none"> • AR – Audit Committee Report (pages 96 to 98) • AR – Risk Committee Report (pages 99 to 101)
205-2	Communication and training about anti-corruption policies and procedures	<ul style="list-style-type: none"> • This Report – Workplace (pages 17 and 18) • This Report – Performance Summary (pages 31 and 35) • Website – CSR (Marketplace) section ↗ • Website – CSR (Workplace) section ↗ • Website – Director’s Handbook ↗ • Website – Key Policies and Guidelines for HKEX Employees ↗
205-3	Confirmed incidents of corruption and actions taken	<ul style="list-style-type: none"> • This Report – Performance Summary (page 31)
Economic Performance		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	<ul style="list-style-type: none"> • This Report – Approach to CSR (page 8) • AR – Financial Review (pages 71 to 75) • AR – Risk Committee Report (pages 99 to 101) • AR – Consolidated Financial Statements (page 123 to 127) • Website – CSR (Marketplace) section ↗
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
GRI 201: Economic Performance 2016		
201-1	Direct economic value generated and distributed	<ul style="list-style-type: none"> • This Report – Performance Summary (page 30) • AR – Financial Highlights (pages 4 and 5) • AR – Financial Review (pages 71 to 75) • AR – Directors’ Report (pages 111 to 116) • AR – Consolidated Income Statement (page 123)
201-2	Financial implications and other risks and opportunities due to climate change	<ul style="list-style-type: none"> • This Report – Performance Summary (page 30) • Website – CSR (Environment) section ↗
201-3	Defined benefits plan obligations and other retirement plans	<ul style="list-style-type: none"> • AR – Remuneration Committee Report (pages 102 to 108) • AR – Note 8 to the Consolidated Financial Statements (pages 144 and 145) • Website – Corporate Governance (Employees’ Remuneration Structure) section ↗
201-4	Financial assistance received from government	<ul style="list-style-type: none"> • This Report – Performance Summary (page 30)
ESG Reporting		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	<ul style="list-style-type: none"> • This Report - Approach to CSR (page 8) • This Report - Marketplace (page 13) • Website - CSR (Marketplace) section ↗
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
Fair, Transparent and Orderly Markets		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	<ul style="list-style-type: none"> • This Report – Approach to CSR (page 8) • This Report – Marketplace (pages 11 to 16) • AR – Directors’ Report (pages 111 to 116) • Website – CSR (Marketplace) section ↗
103-2	The management approach and its components	
103-3	Evaluation of the management approach	

GRI Standards		Locations of Disclosure (AR: 2018 Annual Report ↗ ; Website: HKEX Group website ↗)
Green Finance		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	<ul style="list-style-type: none"> This Report - Approach to CSR (page 8) This Report – Marketplace (pages 13 and 14)
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
Market Education and Financial Literacy		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	<ul style="list-style-type: none"> This Report - Approach to CSR (page 8) This Report – Marketplace (pages 15 and 16) Website - CSR (Marketplace) section ↗
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
Product and Service Responsibility		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	<ul style="list-style-type: none"> This Report – Approach to CSR (page 8) This Report – Marketplace (pages 11 to 16) This Report – Performance Summary (page 30) AR – Directors’ Report (pages 111 to 116) Website – CSR (Marketplace) section ↗
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
GRI 417: Marketing and Labelling 2016		
417-1	Requirements for product and service information and labelling	<ul style="list-style-type: none"> AR – Directors’ Report (pages 111 to 116) Website – CSR (Marketplace) section ↗
417-2	Incidents of non-compliance concerning product and service information and labelling	<ul style="list-style-type: none"> This Report – Performance Summary (page 30) AR – Directors’ Report (pages 111 to 116)
417-3	Incidents of non-compliance concerning marketing communications	<ul style="list-style-type: none"> This Report – Performance Summary (page 30) AR – Directors’ Report (pages 111 to 116)
GRI 418: Customer Privacy 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	<ul style="list-style-type: none"> This Report – Performance Summary (page 30)
System Stability and Reliability		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	<ul style="list-style-type: none"> This Report – Approach to CSR (page 8) This Report – Performance Summary (page 31) AR – Directors’ Report (pages 111 to 116) Website – CSR (Marketplace) section ↗
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
Employee Engagement		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	<ul style="list-style-type: none"> This Report - Approach to CSR (page 8) This Report - Workplace (page 21) Website - CSR (Workplace) section ↗
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
Employment and Labour Practices		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	<ul style="list-style-type: none"> This Report – Approach to CSR (page 8) This Report – Workplace (pages 17 to 22) This Report – Performance Summary (page 35) AR – Remuneration Committee Report (pages 102 to 108) Website – Corporate Governance (Remuneration Policy) ↗ Website – CSR (Workplace) section ↗ Website – Key Policies and Guidelines for HKEX Employees ↗
103-2	The management approach and its components	
103-3	Evaluation of the management approach	

GRI Standards		Locations of Disclosure (AR: 2018 Annual Report ↗ ; Website: HKEX Group website ↗)
Employment and Labour Practices (continued)		
GRI 401: Employment 2016		
401-1	New employee hires and employee turnover	<ul style="list-style-type: none"> This Report – Performance Summary (pages 32 and 33)
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	<ul style="list-style-type: none"> AR – Remuneration Committee Report (pages 102 to 108) Website – Corporate Governance (Employees’ Remuneration Structure) section ↗ Website – CSR (Workplace) section ↗
401-3	Parental leave	<ul style="list-style-type: none"> This Report – Performance Summary (page 33)
Ethical and Responsible Conduct		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	<ul style="list-style-type: none"> This Report – Approach to CSR (page 8) This Report – Workplace (pages 17 and 18)
103-2	The management approach and its components	<ul style="list-style-type: none"> AR – Audit Committee Report (pages 96 to 98) AR – Directors’ Report (pages 111 to 116)
103-3	Evaluation of the management approach	<ul style="list-style-type: none"> Website – CSR (Workplace) section ↗
Human Rights, Diversity and Equal Opportunities		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	<ul style="list-style-type: none"> This Report – Approach to CSR (page 8) This Report – Workplace (page 20)
103-2	The management approach and its components	<ul style="list-style-type: none"> This Report – Community (pages 25 and 26) This Report – Performance Summary (pages 31 and 35) AR – Corporate Governance Report (pages 77 to 92) AR – Nomination and Governance Committee Report (pages 93 to 95)
103-3	Evaluation of the management approach	<ul style="list-style-type: none"> Website – Board Diversity Policy ↗ Website – CSR (Workplace) section ↗ Website – Key Policies and Guidelines for HKEX Employees ↗
GRI 405: Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	<ul style="list-style-type: none"> This Report – Performance Summary (pages 32 and 33) AR – Board and Committees (pages 30 and 31) AR – Board of Directors and Senior Management (pages 32 to 44) AR – Management Committee (page 45) AR – Corporate Governance Report (pages 77 to 92) AR – Nomination and Governance Committee Report (pages 93 to 95)
405-2	Ratio of basic salary and remuneration of women to men	<ul style="list-style-type: none"> This Report – Performance Summary (page 34)
GRI 406: Non-discrimination 2016		
406-1	Incidents of discrimination and corrective actions taken	<ul style="list-style-type: none"> This Report – Performance Summary (page 35)
Training and Development		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	<ul style="list-style-type: none"> This Report – Approach to CSR (page 8) This Report – Workplace (pages 17 to 19)
103-2	The management approach and its components	<ul style="list-style-type: none"> AR – Corporate Governance Report (pages 77 to 92) AR – Remuneration Committee Report (pages 102 to 108)
103-3	Evaluation of the management approach	<ul style="list-style-type: none"> Website – CSR (Workplace) section ↗ Website – Key Policies and Guidelines for HKEX Employees ↗
GRI 404: Training and Education 2016		
404-1	Average hours of training per year per employee	<ul style="list-style-type: none"> This Report – Performance Summary (page 35)
404-2	Programmes for upgrading employee skills and transition assistance programmes	<ul style="list-style-type: none"> This Report – Workplace (pages 17 to 19) This Report – Performance Summary (page 35) AR – Corporate Governance Report (pages 77 to 92) Website – CSR (Workplace) section ↗ Website – Key Policies and Guidelines for HKEX Employees ↗
404-3	Percentage of employees receiving regular performance and career development reviews	<ul style="list-style-type: none"> This Report – Performance Summary (page 35) AR – Remuneration Committee Report (pages 102 to 108)

Hong Kong Exchanges and Clearing Limited
8/F, Two Exchange Square,
8 Connaught Place, Central, Hong Kong

info@hkex.com.hk
t: +852 2522 1122 f: +852 2295 3106
hkexgroup.com | hkex.com.hk