




HKEX

香港交易所

Corporate Social Responsibility
Report 2021

Supporting
the Prosperity
of All.

Stock Code: 388



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At HKEX, we understand that our responsibilities go beyond our duties as a market operator and regulator. Our role in the community, and our commitment to being a responsible leader, are critical to our business strategy and our future.

Message from Our Chairman and CEO

As the global sustainability agenda continues to gain momentum, the role that capital markets play in building a more equitable and sustainable economic system, taking the lead in fuelling the low-carbon transition, and driving sustainability, has never been more critical.



For HKEX, 2021 was another pivotal year in our own sustainability journey. Sitting at the heart of the Asia's global financial markets, we remain acutely aware that our roles and obligations go beyond our status as an exchange group. Our influence in global financial markets and within our communities comes with great responsibility and this is reflected in all our strategic planning, operations and decision-making.

Our position as one of the world's premier capital raising hubs gives us the authority as a respected change agent, to provide the connections, framework, guidance, resources, and support for the region's ongoing sustainability journey.

Over the past three years, our refreshed CSR strategy has delivered significant progress across the pillars of Markets, People and Operations, enabling us to fulfil our Purpose: **to promote and progress our financial markets and the communities they support for the prosperity of all.**

Accelerating the low-carbon transition

The pursuit of a low-carbon future has been top of the global corporate and political agenda since the Paris Agreement took effect in 2016. And following COP26 in 2021, work to address climate impacts has scaled up again, in areas such as halting deforestation, phasing out fossil fuel usage and reducing methane production; and more importantly, the associated financing of these transitions has also taken centre stage, with enhanced vigour and in a globally collaborative manner.

We are determined to play a part in this important process and became a signatory to the Glasgow Financial Alliance for Net Zero (GFANZ) last November, joining leading financial institutions around the world to accelerate the transition to a net-zero global economy, supporting global efforts to meet the goals of the Paris Agreement on climate change.

This corporate commitment sits alongside our ongoing efforts in promoting ESG transparency and advocacy among Hong Kong listed companies, facilitating the growth of a sustainable and green finance ecosystem, and upholding environmental stewardship in our own operations. Significant progress was seen across all fronts.

During the year, we continued to work with the Hong Kong Green and Sustainable Finance Cross-Agency Steering Group, of which we are a founding member, to raise market standards and align reporting taxonomy in Hong Kong. To facilitate the low-carbon transition, we launched two new guides – one on climate disclosures and one on net-zero practices for businesses – to help listed companies and the wider business sector to prepare for the increasingly climate-focused business environment.

We also launched the HKEX ESG Academy, which offers a centralised digital resources platform for listed companies and market practitioners to keep up to date on the latest ESG requirements, training and guidance materials.

Our sustainable finance ecosystem has been growing, as evidenced by the substantial increase in Green, Social and Sustainable (GSS) bonds and ESG-themed exchange-traded products on our market. In 2021, there were 95 new GSS bonds listings which had raised over \$280 billion on our markets, compared with 18 GSS listings which had raised \$67 billion in 2020. Meanwhile at the LME, a growing number of metal producers have been using its newly-launched digital credentials register, LMEpassport, which provides greater transparency on the sustainability credentials of base metals.

We also hosted the inaugural HKEX Green Asia Summit, which brought together business leaders, policy makers, and sustainability experts from around the world to share their insights on the role of capital markets in supporting the low-carbon economic transition.

Within our organisation, we seek to lead by example in support of carbon neutrality goals in China and Hong Kong, and we have begun a detailed study targeting the full decarbonisation of our operations ahead of what we have already committed to – of becoming net-zero by 2050.



Taking Diversity to the Next Level

At HKEX, diversity is at the core of everything we do. We believe a diverse and inclusive world is key to our collective success. As well as being one of our core corporate Values, diversity is a focus for us in our marketplace, our workplace and our communities.

As a regulator of over 2,500 listed companies, we are responsible for setting the standards which will strengthen the liquidity and vibrancy of our markets. We have required listed issuers to have a disclosed diversity policy since 2019. Since then, we have seen an increase in the percentage of new IPO applications with at least one female director on their boards grow from 69% in 2019, to 80% in 2020, and up further to 82% in 2021. Following the positive feedback from the market, we have upgraded the Corporate Governance Code which now mandates that IPO applicants must not have single gender boards from 1 July 2022, and that no single gender boards should exist in any listed issuer by the end of 2024. We remain fully committed to driving and shaping the diversity agenda in Asia and beyond.

Nurturing a healthy, diverse and inclusive working culture, one where everyone can fulfil their potential, is another key focus of our organisation. Last year we launched HKEX Diversity Networks, the employee network groups that focus on women, families, different abilities, and the LGBT+ community. Sponsored by senior management members and run by passionate colleagues, these groups create a framework for celebrating and living our diversity, fostering connectivity, collaboration, and shaping fresh thinking.

Through the HKEX Foundation, we continued to support diversity in the community. In 2021, we supported a wide range of projects, with several focused on ethnic minorities and youths with special education needs, with other projects helping victims of sexual violence and persons with disabilities.

Investing for the Future

People are at the heart of business success, long-term sustainability, and prosperity. At HKEX, we are committed to promoting a people centric, open, and supportive culture for everyone to fulfil their own potential. In our workplace, we have been continuously investing in talent development and wellness through leadership programmes, welfare policies, and initiatives to promote engagement.

Last year, we launched iLearn, a brand new AI-powered learning platform. This innovative platform provides employees with tailored, on-demand learning and development content, allowing them to upskill and reskill themselves at their own pace. We also launched HKEX HIVE, a community designed to connect our younger staff with management to ensure their voices are heard.

To provide university graduates with the opportunity to learn and access the knowledge and experience in the financial industry during these challenging times, last year we introduced the innovative and award-winning *Go Beyond Internship Programme* which recruited a total of 45 young graduates to work across our different business units for a six-month period. We were delighted to welcome 18 of them as employees upon the completion of the programme, supporting them as they pursue their careers at HKEX.

We have also remained fully committed to strengthening our engagement and connectivity in the communities in which we operate. In 2021, the HKEX Foundation raised a total of \$138 million from our Stock Code for Charity Scheme. This significant support for our charitable strategy enabled us to launch the new *HKEX Impact Funding Scheme* last year, which aims to support short-to-medium term community projects run by local NGOs. Together with our flagship HKEX Charity Partnership Programme, last year these two channels committed to fund a total of 19 projects, which are expected to benefit more than 30,000 individuals in need in Hong Kong.



Meanwhile in London, the LME announced new partnerships with two responsible sourcing charities, Pact and The Impact Facility, addressing child labour and children’s rights issues in African mining communities.

Looking ahead

As we look back on our sustainability journey over the past three years, there have been many achievements to be proud of: work on ESG and climate-related efforts; scaling-up of work at the HKEX Foundation; and opening of new channels to advocate diversity in the workplace and the community. We are committed to continuing our work across these three CSR pillars – Markets, People and Operations – for a sustainable and prosperous future for all.

The core of our CSR strategy has always stemmed from the belief that our responsibilities go beyond our status as just an exchange group. Our issuers, business partners, and the wider community look to us to lead the way and set an example as a global financial market leader. It is both a responsibility and a privilege to promote sustainability and transparency in our markets and communities.

The sustainability work we do is not just about us: in the year ahead, our work will continue to underscore our commitment to building a sustainable future and creating value for all our stakeholders. We believe that our success is firmly rooted in the success of our communities, and we are proud to commit to playing a significant role in our collective future.

We would like to thank the entire HKEX board, our employees, our partners, and our friends, who continue to be on this sustainability journey with us. The dedication shown by the entire community is really an inspiration. Thank you.

Laura M CHA

Chairman

Hong Kong

24 February 2022

Nicolas AGUZIN

Chief Executive Officer

2021 at a Glance

Feb

Launched HKEX HIVE

Mar

Hosted Strike the Gong for Gender Equality

Commenced the Go Beyond Internship Programme

Apr

Organised Go Green with HKEX

May

Launched the inaugural HKEX ESG Academy webinar

Jun

Launched the HKEX Charity Partnership Programme 2021

Launched iLearn, an AI-empowered learning resources platform

Announced new partnerships with Pact and The Impact Facility

Jul

Launched the HKEX Impact Funding Scheme 2021





Aug

Launched LMEpassport

Sep

Launched HKEX Diversity Networks

Hosted Strike the Gong for Community Sports

Oct

Hosted Celebration with Hong Kong Olympians

Hosted Strike the Gong for Financial Literacy

Nov

Joined the Glasgow Financial Alliance for Net Zero

Published Guidance on Climate Disclosures

Launched HKEX ESG Academy

Dec

Hosted HKEX Green Asia Summit

Published Practical Net-Zero Guide for Business

HKEX in the Community

Our Roles

As one of the world's largest listed exchange operators and a market regulator, we regard ourselves as an important catalyst, facilitator, and enabler for the sustainable development of financial markets and society as a whole. We are unique in our multiple roles and responsibilities with networks touching on economics, business, and the wider community.



Market Regulator

HKEX regulates listed issuers; administers listing, trading and clearing rules in the stock market in Hong Kong and via the LME, regulates the operation of the metal and metal derivatives market.

Exchange Operator

As one of the world's major exchange groups, we provide world-class facilities for trading and clearing of securities and derivatives in equities, commodities, fixed income and currency.

Listed Company

As a publicly listed company, we are fully committed to operational excellence and creating long-term value for our shareholders and other stakeholders.

Employer

With our corporate Values front and centre, we are a responsible and caring employer of more than 2,300 employees across Hong Kong, Mainland China, London and Singapore.

Corporate Citizen

Deeply connected to the communities where we operate, we are an active and engaging corporate citizen and committed to giving back to society.

Our Purpose, Vision and Values

A strong corporate governance structure and culture enable businesses to focus on long-term success that balances profits with the interests of all stakeholders. At HKEX, we understand that our responsibilities go beyond our status as an exchange group. Our issuers, business partners and the wider community look to us to lead the way and set an example. Our Purpose, Vision and Values represent the essence of our business and drive us to excel in everything we do.

Our Purpose

To promote and progress our financial markets and the communities they support for the prosperity of all.

Our Vision

To be the Marketplace of the Future.

Our Values

Integrity

We always do the right thing.

Diversity

We recognise that great ideas come from anywhere.

Excellence

We promote best-in-class in all that we do.

Collaboration

We're always better together.

Engagement

We are engaged in the markets and communities in which we operate.

Our Market Presence

We are one of the world's major exchange groups, and operate a range of equity, commodity, fixed income and currency markets. We have a presence in Hong Kong, London, Beijing, Shanghai, Shenzhen, and Singapore, and we have evolved into a truly international business with global ambitions. We are publicly listed on the Main Board of The Stock Exchange of Hong Kong Limited. A list of our principal subsidiaries,

as of 31 December 2021, can be found on p.161 of the [HKEX 2021 Annual Report](#). Additional information about the Group is available on both the [HKEX Group website](#) and the [HKEX Market website](#). Investors can find our latest financial information, business analysis, regulatory disclosure, and shareholder information in the Annual Report and the Investor Relations section of the [HKEX Group website](#).

Our Approach to CSR

As an active and responsible global financial markets leader, HKEX is committed to adopting CSR best practices and promoting the global sustainability agenda.

We hold a unique place in society with our networks touching on economics, business, and the wider community. We are at the centre of Hong Kong's financial markets and as an active driver of corporate best practices, our approach to CSR aligns with our overall business strategy and helps us fulfil our Purpose. We are committed to maintaining high standards of corporate governance, acting strategically, and managing risks effectively while proactively engaging with our stakeholders and communicating our progress and plans to address these important goals.

Governance

Our Board and senior management are accountable for ensuring the relevance and effectiveness of the CSR strategy and CSR-related activities, including climate-related issues. The Board has delegated the day-to-day responsibility for all CSR-related matters to the CSR Committee which comprises the HKEX Chairman, the HKEX Chief Executive Officer and three other Board members. Reporting to the Board, the CSR Committee is responsible for providing direction on and overseeing the development and implementation of HKEX's CSR strategy, policies and initiatives. Details of the CSR Committee's Terms of Reference are available on the [HKEX Group website](#).

Our CSR-related policies, including the CSR Policy, guide our business and operational decision-making, taking into account our responsibilities to our markets, people, communities, and the environment. They provide guidance on integrating sustainability principles into everything that we do and are available on the [HKEX Group website](#).

On the management front, a CSR Working Group comprising senior management of relevant business functions has been established and is responsible for providing guidance, advice, and support for the implementation of CSR initiatives concerning employee well-being, as well as philanthropic and community engagement. Regular updates on CSR initiatives are submitted to the CSR Committee.

A CSR team is set up to act as a coordinator and central hub for execution, communications and reporting of Group-wide CSR initiatives. CSR coordinators across divisions and departments add another layer of support and are responsible for day-to-day operations, as well as promoting CSR awareness among employees.

The Group offers incentive schemes for its employees which are determined based on overall achievements with respect to criteria on the corporate scorecard. These cover performance in various CSR-related aspects under our organisation development measures. Further information is available in the Remuneration Committee Report contained in the [HKEX 2021 Annual Report](#).

Strategy

Fulfilling Our Purpose

Our Purpose to "promote and progress our financial markets and the communities they support for the prosperity of all" drives everything that we do. To ensure that our Purpose continues to be at our core, our CSR Strategy steers our ambitions and focus across three pillars, namely: Our Markets, Our People, and Our Operations.

Aligning with the Global Sustainability Agenda

The global sustainability agenda motivates us to maintain an ongoing conversation with different stakeholders and report our progress and plans to address these important goals. As part of our global and long-term outlook, we aim to address global sustainability issues and hence our CSR Strategy includes goals and targets that are aligned with international frameworks such as the UN Sustainable Development Goals (SDGs) and the World Federation of Exchanges (WFE) [Sustainability Principles](#). The UN SDGs stated within the 2030 Agenda for Sustainable Development call for action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity. When we formulate our approach to addressing different CSR focus areas, we seek to embed relevant SDG-oriented targets into the process. A linkage document

that explains how we progress our contribution to different SDGs is available on the [HKEX Group website](#).

In recognition of stock exchanges' unique role in leading the sustainable development of the financial system, the WFE published a set of core principles for stock exchanges as they take on a leadership role in promoting sustainable finance agenda. As a member of the WFE, we adopt the WFE Sustainability Principles as the underlying foundation of our CSR Strategy and activities. These include our ongoing efforts to promote and advocate enhanced ESG management and disclosure among our listed issuers, to facilitate the ecosystem development for sustainable finance, as well as to review and enhance our governance structures and policies that enable the achievement of our sustainability goals.



Navigating the Low-Carbon Transition

HKEX embraces its key role as a change agent in Asia's sustainable finance transition as society moves towards the establishment of a low-carbon, climate-resilient economy. As a regulator, a market operator, and a corporate, HKEX has a critical role to play in this sustainability journey. We seek to provide a framework, guidance, transparency and access to resources for the long-term development of a robust sustainable finance ecosystem that facilitates the region's low-carbon, climate-resilient transition. Therefore, we have developed a holistic strategy and approach to address climate change through:

1. Leading by Example

We are committed to leading by example as a corporate climate champion as we move towards decarbonisation in our operations. As part of our commitment towards the GFANZ, we have committed to achieving net-zero GHG emissions by 2050, joining the global financial community in support of the goals of the Paris Agreement. Seeking to lead by example and in support of carbon neutrality goals in China and Hong Kong, we have begun a detailed study targeting the full decarbonisation of our operations ahead of what we have already committed to – of becoming net-zero by 2050.

2. Standards Setting

As a regulator, we are committed to providing our listed issuers with a clear framework for ESG disclosure, application and implementation, through listing rules and regulations. We introduced our first ESG Guide in 2013 which covered carbon-related disclosure, and have since upgraded those requirements on disclosure of significant climate-related issues. As one of the founding members of Hong Kong Green and Sustainable Finance Cross-Agency Steering

Group, we are also working towards driving TCFD-aligned disclosure requirements among relevant sectors of our listed issuers by 2025. We will continue our efforts in engaging closely with local policy makers and global standard setters in driving more aligned climate-related policies and standards; and in monitoring and reviewing the climate disclosure performance of our listed issuers to provide further transparency of climate-related information of our capital markets.

3. Stakeholder Engagement

Addressing climate change is a collective responsibility. We are committed to driving market dialogue and proactively engaging stakeholders to play their roles in facilitating the low-carbon transition by promoting insight sharing and market education. We have been providing ongoing education to support listed companies and the business community to take into account the consideration of climate change in their business strategy as well as disclosures. This was achieved by establishing strategic partnerships, the launch of HKEX ESG Academy, and publications of guidance materials on climate disclosures and achieving net-zero.



4. Market Development

Recognising our key role as an exchange operator to influence the capital flow, we seek to accelerate the building of a deep, vibrant and liquid capital market for sustainable and green finance products. We continue to enable businesses to accelerate their sustainability journey, and investors to diversify their portfolios by providing transparency, access to resources, and growth opportunities for issuers and investors, and support a range of sustainable finance products. Through the HKEX Sustainable and Green Exchange (STAGE), we have been

promoting the availability of green and sustainable finance products traded on our platform and enhancing the transparency of the sustainability information of these products.

In addition, we will continue to work closely with the SFC in leading the Carbon Market Work Stream under the Cross-Agency Steering Group on the feasibility study of developing Hong Kong into a regional carbon trading centre and exploring opportunities presented by carbon emission markets in Mainland China and overseas.

Managing Our Risks

Strong risk management capabilities have been central to building our operational excellence, resilience and therefore our reputation. As part of the Group's Risk Management Framework, ESG-related risks are identified, assessed, treated, and monitored under a robust governance structure and process.

The Board has overall responsibility for evaluating and determining the nature and extent of the risks (including ESG-related risks) it is willing to take in achieving the Group's strategic objectives; maintaining sound and effective risk management, and internal control systems, and reviewing their effectiveness to safeguard shareholders'

investment and the Group's assets. Under our Risk Management Framework, the HKEX Board Risk Committee is responsible for overseeing the Enterprise Risk Management (ERM) framework to identify and deal with physical (acute and chronic), financial, operational, legal, regulatory (current and emerging), technology, business, and strategic risks faced by the Group. Under our ERM framework, a structured, consistent, and continuous process is adopted to identify, assess, respond to and report on opportunities and threats that affect the achievement of the Group's objectives. Details of these processes are set out in the Risk Committee Report contained in the [HKEX 2021 Annual Report](#).

Climate-related Risks and Opportunities

At HKEX, we believe that climate change has been materially affecting societies and economies around the world and therefore it also impacts upon our business. Well-defined risks and opportunities in relation to climate change can already be seen today, and will increase over mid and long term. Climate-related risks and opportunities that the Group has identified as having the potential to have a substantive financial or strategic impact on our business are set out in the following table.

Risks	Description
Transition Risks	
Policy and Legal Risk ● ●	From the perspective of a market regulator and exchange operator, we are actively involved in and affected by the latest developments in climate-related policies and regulations, such as the potential introduction of policy measures by governments and regulators, given their increasing focus on climate change in recent years. The potential legal and regulatory changes that these policy measures will present will offer up both risks and opportunities to HKEX and its listed issuers, the LME and its members, and their underlying clients. From a listed company's perspective, we acknowledge the increasing demands and requirements of climate-related information disclosures. As a provider of financial and information products and services, we are not aware of any current specific regulatory requirements related to carbon emissions that present immediate or significant risk to the Group's operations.

Time Horizon ● Short term ● Medium term ● Long term

Risks	Description
Market Risk	Investor and client appetite for sustainable finance products has increased significantly and continues to grow. This demand will lead to an increase in the range of ESG goods and services available. As an exchange operator, failure to provide an effective, orderly and informed market for sustainable finance products may hinder our own overall market effectiveness, relevance and competitiveness.
Reputational Risk	At the heart of a leading international financial centre, HKEX considers it critical to our, and Hong Kong's, reputation to champion sustainable and green finance, establishing our markets as a regional hub facilitating the low-carbon transition of our society. Failure by HKEX to engage listed issuers to make good ESG or climate-related disclosure could have a long lasting adverse reputational impact on our business. Similarly, if the LME and the wider metal markets do not take proactive steps to address climate change, there is a risk that the industry will lose its social license to operate.

Physical Risks

Acute Risk	Most of the acute risks which the Group is exposed to are tied to the potential impact that climate change may have on the risks of extreme events (e.g. floods, storms, pandemics) and the availability of climate sensitive energy and water inputs. If these physical risks materialise, some may pose risks to the Group's assets and affect the operational ability of the organisation resulting in both reputational damage and direct loss of revenue. For the LME, these risks equally apply to its physical warehouse network. While the LME does not own or operate these warehouses, it does approve them for use in the storage of LME-listed metals, and as such they play a vital role in the operation of the LME.
Chronic Risk	Gradual changes in climate (e.g. changes in mean temperatures, water availability, and rising sea-levels) have the potential to impact HKEX's and the LME's real estate and infrastructure, business continuity, people, and food systems. For example, rising mean temperatures would lead to a higher demand for cooling in our data centres. Failure to meet such operating requirements would adversely impact the Group's services provision.

While climate change imposes different risks, physical and transitional, towards our operations and presences, there are also opportunities for our operations and our markets if we can take the right approach in addressing the issue.

Opportunities Description

Access to New Markets	<p>Against the backdrop of increasing investor demand for sustainable finance products, HKEX considers the potential market appetite for green bond listings and other sustainable finance products in Hong Kong and Mainland China as a significant business opportunity. This potentially can have both direct revenue implications and broader reputation ecosystem-enhancing benefits.</p> <p>The LME also sees commercial opportunities in providing the metal industry with the option of gaining greater transparency and access to sustainably produced metals. We are committed to encouraging the acceleration of research and development of sustainable finance products, and introducing them to our markets to enhance our overall market attractiveness, relevance and competitiveness.</p>
Climate Leadership	Committed to net-zero and leading by example in facilitating the low-carbon transition via our climate strategy and actions would enhance HKEX's reputation as a sustainability and climate champion.



Engaging Our Stakeholders

Our multi-dimensional role shapes our approach to our various groups of stakeholders, ensuring that we promote and progress our markets and the communities they support. We have an ongoing dialogue with our stakeholders to ensure that we continue to meet their expectations and that our approach to sustainability remains relevant and consistent across our operations. This two-way and transparent engagement with stakeholders aims to enhance their trust in HKEX and helps us gauge their expectations on the direction of our business. Therefore, we continue to proactively reach out to our stakeholders to further understand their interests and to build a culture that takes their needs into account. Based on our engagement objectives and stakeholders' level of interest and influence, we engage with our stakeholders in a number of formal and informal ways as listed in the table on the following page.

In 2021, the Group completed a wide-ranging independent brand audit, soliciting views from more than 500 local, regional and international stakeholders on the Group's business offering, communications and sustainability credentials. This valuable insight will feed into the Group's ongoing strategic planning, ensuring that our commitment to CSR and good corporate citizenship remains at the centre of our strategic and organisational planning.

As part of our stakeholder engagement, we subscribe to and endorse a number of external economic, environmental and social charters, principles, and other initiatives. We also collaborate with 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 are available on the [HKEX Group website](#).

Major stakeholder groups	Key engagement channels and frequencies
Shareholders/institutional and individual investors	<ul style="list-style-type: none"> • Annual general meeting, notices, circulars, and announcements • Regular corporate publications including financial reports • Enquiries or feedback to the Board via the Group Company Secretary • Analyst workshops, non-deal roadshows, investor meetings and conferences • Analyst briefings on HKEX's quarterly financial results
Market regulators	<ul style="list-style-type: none"> • Regular liaison meetings and ad hoc work meetings • Daily, monthly, and annual reporting • Attending to requests for documents or witness statements on an ad hoc basis
Government bodies	<ul style="list-style-type: none"> • Regular communications regarding the Group's key initiatives and new developments • Responding to enquiries for various government meetings, including the HKSAR Legislative Council meetings • Other work meetings on a regular and ad hoc basis
Listed/potential issuers and market intermediaries	<ul style="list-style-type: none"> • Market consultations on proposed changes to the Listing Rules • Publication of guidance materials including guidance letters, listing decisions and frequently asked questions whenever necessary • Regular publications including reports on the review of listed issuers' annual report disclosures, corporate governance disclosures and ESG disclosures, Listing Newsletter, Listed Issuer Regulation Newsletter and Enforcement Bulletin • Investigation into listing compliance via written enquiries
Market participants, members and information vendors	<ul style="list-style-type: none"> • Regular consultative panel meetings, briefings, seminars, and discussions • Market consultations on new proposals • Market rehearsals, connectivity, and user acceptance tests before and upon launch of new/enhancement services
Mainland and overseas exchanges	<ul style="list-style-type: none"> • Regular meetings to discuss market developments and areas of collaboration • Delegations for courtesy and training purposes • Annual board meeting of the World Federation of Exchanges • Participation in annual market surveys and trading information updates • Regular dialogue with other exchanges • Participation in industry associations and initiatives, including the UN Sustainable Stock Exchanges Initiative and the World Federation of Exchanges
Public and media	<ul style="list-style-type: none"> • Regular media interviews, events and briefings on HKEX's financial results • News releases on major business updates • HKEX websites and social media channels
NGOs, industry associations, professional bodies, and market users	<ul style="list-style-type: none"> • Market consultations on new proposals • Regular meetings and correspondences with market practitioners and related associations regarding listing/trading matters • Response to periodic assessments on HKEX's sustainability performance
Employees	<ul style="list-style-type: none"> • Regular all-staff communications • Chief Executive Officer presentations • Learning and development seminars and workshops • Biennial employee engagement survey • Townhall and focus group meetings whenever needed • Wellness sessions and social activities
Suppliers/business partners	<ul style="list-style-type: none"> • Tender notices for procurement of products/services • Work inspection and supervision as scheduled • Supplier CSR Code of Conduct and CSR questionnaire

Focusing on What Matters

Understanding how various CSR topics may affect our business and stakeholders is a critical part of our approach to sustainability. Through a systematic process illustrated below, we identify and evaluate CSR topics that are material or relevant to our business, as well as our stakeholders, and then develop our CSR objectives and programmes to address these concerns strategically.

1. Identifying CSR topics

CSR topics are identified based on (i) the global sustainability agenda and international best practices; (ii) assessment of risk level faced by HKEX; (iii) HKEX's purpose, values, strategy and internal policies; and (iv) feedback from continuous stakeholder engagement.

2. Evaluating materiality of identified CSR topics

These topics are evaluated and assessed based on their areas of impact, i.e. within or outside the organisation, and their impact on our business and the decision making of our stakeholders. The result of the materiality assessment is illustrated below.

Table of HKEX's material and relevant CSR topics

CSR Topics		Areas of Impact			
		Within HKEX	Markets	Supply Chain	Outside HKEX Community Environment
Most Material	Anti-corruption	●	●	●	
	Climate Change	●	●	●	●
	Corporate Governance	●	●	●	
Material	Community Investment	●			●
	Diversity and Equal Opportunities	●	●	●	
	Energy Consumption	●			●
	Entrepreneurship/Innovation	●	●	●	
	Information Security	●	●	●	
	Paper Consumption	●	●		●
	People Development and Well-being	●			●
	Product Responsibility	●	●	●	
	Talent Attraction and Retention	●			
	Relevant	Anti-competitive Behaviour	●	●	●
Occupational Health and Safety		●		●	
Labour Standard		●		●	●
Waste Management		●			●

3. Formulating the CSR Strategy

Taking the result of the materiality assessment into account, we have set CSR focus areas categorised under three pillars – Our Markets, Our People and Our Operations.

Our Markets

To promote a high standard of corporate governance among our listed issuers to improve the overall quality of our market

To enhance the availability and transparency of ESG information of our listed issuers for investors to make informed decisions

To advance low-carbon and responsible investment by promoting the sustainable and green finance products in our markets

To position Hong Kong as a market that supports business, in particular the fintech and biotech sectors, throughout the full life-cycle of growth

Our People

To invest in personal development and create an engaging workplace to ensure the physical, mental and financial wellness of our employees and their families

To embrace diversity and equality and foster an inclusive culture in our workplace and the wider community

To utilise our own expertise and resources to champion financial literacy in the community in which we operate

To give back to the community and help address its social and environmental challenges

Our Operations

To uphold the highest standard of ethics and integrity when doing our business and to reinforce our Values in all that we do

To responsibly manage the environmental impact of our operations and decouple our carbon footprint from our business growth

To maintain a responsible and ethical supply chain and to promote strong ethical supply chain management with the wider business community

To maintain proactive and two-way communications through effective engagement and transparent disclosure





Our Markets

Our Markets

As an international exchange operator and a market regulator, we play a critical role in building an orderly, transparent and fair financial market while shaping effective regulation and bringing together many pieces and players to create a sustainable financial ecosystem.

Objectives

To promote a high standard of corporate governance among our listed issuers to improve the overall quality of our market

To enhance the availability and transparency of ESG information of our listed issuers for investors to make informed decisions

To advance low-carbon and responsible investment by promoting sustainable and green finance products in our markets

To position Hong Kong as a market that supports business, in particular the fintech and biotech sectors, throughout the full life-cycle of growth

Our Approach

Sitting at the heart of financial markets, our multi-dimensional role shapes our approach to markets, ensuring an effective capital market and promoting sustainability in the region.

As a frontline regulator of more than 2,500 companies listed on our markets, we are committed to promoting corporate governance and ESG management by enhancing disclosure standards, rules and regulations in our markets. Alongside regular reviews of issuers' corporate governance and ESG performance, we provide ongoing training and guidance to support

them and the wider business community in adopting best practices in accordance with international standards and meeting stakeholders' expectations.

As an exchange operator, we facilitate an ecosystem for sustainable investment among companies, investors and stakeholders and promote the enhancement of transparency, accessibility and awareness of our collective low-carbon transition. We establish partnerships and collaboration to promote knowledge sharing and talent development for the sustainable development of financial markets.

Progress Update

In 2021, we have made the following CSR-related progress:

Hosted the
HKEX Green Asia Summit

Launched the
HKEX ESG Academy

Enhanced the
Corporate Governance Code

95 new Green, Social and Sustainable bonds
listed on our market

Introduced the
LMEpassport

Hosted the
HKEX Biotech Summit

Advancing corporate governance standards

We introduced corporate governance standards 20 years ago, and they have been evolving ever since. Over the years, we have remained committed to promoting corporate governance among listed issuers, and to the wider business sector through rules and regulations, education and advocacy.

To maintain high corporate governance standards among issuers, in January we published a [report](#) on the findings and recommendations from our annual review of issuers' annual reports for the financial year ended between 1 January and 31 December 2019. Recommendations were made to issuers on the impact of the Covid-19 pandemic and continuing connected transactions.

To provide training and resources on good corporate governance standards and practices, we launched three modules of the [Directors' e-training programme](#) as part of the Listing Rules e-learning series to provide guidance on the rules on equity fundraisings by listed issuers, continuing obligations of listed issuers, and continuing disclosure obligations and trading halt.

Throughout 2021, we continued our active communications with stakeholders in our markets regarding listing developments. This included issuing the Listing Newsletter highlighting the latest listing developments and new technologies used to enhance listing regulation, and the Listed Issuer Regulation Newsletter reinforcing the importance of financial reporting obligations amid the Covid-19 pandemic.

Through knowledge sharing and engagement, we are advocating for the business community to adopt the best practices of corporate governance. Having a diverse board is critical to good corporate governance and sound business decisions, hence we are actively demonstrating our support for female leadership and pipeline development. In June, we sponsored a 30% Club virtual event that brought accomplished and highly qualified women directors together with board chairs and board members of Hong Kong's leading companies.



Enhancing the Corporate Governance Code

As a frontline regulator, we seek to promote corporate governance best practices and standards, through listing rule upgrades, reviews and education. To encourage and support listed companies on our markets, we regularly review and update our Listing Rules to enhance corporate governance performance. In 2021, we launched and concluded a consultation on enhancing corporate governance standards in Hong Kong, with a specific focus on corporate culture, director independence, diversity, and ESG disclosures and standards.

With positive market feedback on the proposal, the revised CG Code took effect on 1 January 2022. We also published the Corporate Governance Guide for Boards and Directors to assist listed companies' compliance with the new requirements and stimulate the board's thinking on how they can carry out their role most effectively. Key changes to the CG Code included:

Culture	<ul style="list-style-type: none">• A company's culture should align with its purpose, values and strategy, and have anti-corruption and whistleblowing policies
Board independence and refreshment	<ul style="list-style-type: none">• A mechanism(s) to ensure independent views are available to the board should exist, and an annual review of this as to its effectiveness• For INEDs serving more than nine years (Long Serving INEDs):<ul style="list-style-type: none">– A new INED should be appointed if all INEDs on board are Long Serving INEDs;– Additional disclosures should be made on factors considered, process and the board's discussion on why the Long Serving INED is still independent and should be re-elected; and– Disclosure on the length of tenure of the Long Serving INEDs on a named basis in the papers to shareholders for the AGM• Mandatory nomination committee, chaired by either the board chairman or an INED and comprising a majority of INEDs
Diversity	<ul style="list-style-type: none">• A single gender board is not considered to be a diverse board:<ul style="list-style-type: none">– Existing listed issuers will have a three-year transition period to comply (i.e. appoint a director of a different gender no later than 31 December 2024);– Issuers with commitment in listing document should appoint a director of a different gender in accordance with such commitment; and– For IPO Applicants, identify at least a director of a different gender for A1 submission filed on or after 1 July 2022• Numerical targets and timelines must be set for achieving gender diversity at board level, and include annual review of the board diversity policy• Disclosure must be made on gender ratios in the workforce (including senior management), as well as plans or measurable objectives the issuer has set for achieving gender diversity
Communication with shareholders	<ul style="list-style-type: none">• Mandatory disclosure on shareholders communication policy, and annual review of its effectiveness
ESG	<ul style="list-style-type: none">• ESG reports must be published at the same time as annual reports

Enhancing ESG transparency

HKEX is committed to progressing ESG stewardship and transparency in our financial markets. Through listing regulations, rules and education, we seek to provide our markets with a framework and clear guidance for ESG disclosure, application, and implementation.

We first introduced ESG disclosure requirements in 2013, and have since continued to upgrade the disclosure obligations for listed companies as the international ESG reporting ecosystem continues to evolve. We do this by raising awareness and helping equip listed companies with the tools needed for ESG reporting while also enhancing the governance and transparency of ESG metrics through a multitude of stakeholder engagements.

In November, we published the [Analysis of IPO applicants' Corporate Governance and ESG Practices](#) by evaluating the prospectuses of new applicants seeking a primary listing on the Exchange between July 2020 and June 2021, and tracking the diversity progress of newly-listed issuers by reviewing their corporate governance reports. Key findings and recommendations of the analysis included a stronger emphasis on corporate governance, board diversity and ESG management.

In 2020, we updated the ESG Guide to require issuers to disclose significant climate-related issues which have impacted and may impact the issuer. In November 2021, we published further guidance on how listed companies can incorporate TCFD recommendations in their climate disclosures via our [Guidance on Climate Disclosures](#). This guide provides practical tips and step-by-step guidance on how best to prepare TCFD-aligned disclosures.



As one of the founding members of the Green and Sustainable Finance Cross-Agency Steering Group, we continued to work towards mandating climate-related disclosures aligned with the TCFD framework by 2025 across relevant sectors. We also supported the International Sustainability Standards Board under the International Financial Reporting Standards Foundation to develop a new standard built on the TCFD framework.

We have also been actively championing global and local dialogue on ESG management by working closely with a number of international organisations. In 2021, we collaborated with the UN Sustainable Stock Exchanges Initiative which gathered feedback from stock exchanges and other stakeholders to create practical guides on different topics such as gender equality and climate change.

Introducing the HKEX ESG Academy

We are committed to helping companies take the next step towards embedding ESG into their business practices. For years, we have sought to make ESG knowledge and best practices more accessible, to help companies graduate from measuring to managing their ESG risks. The HKEX ESG Academy was launched to guide and educate listed companies and the broader business community in their sustainability journeys, helping them to deliver meaningful and impactful change. The platform includes the latest reporting requirements, guidance materials, webinars, and other resources to help companies build their own long-term sustainability strategies.

Alongside a dedicated website, a new webinar series was introduced to provide topical training and resources on ESG practices, reinforcing our effort to support issuers and the business community in their ESG journeys. The inaugural webinar in May elaborated on how important board diversity is for value creation and leading practitioners shared their insights and experience on how they improved board diversity in their organisations. Later in the year, another webinar on climate change was hosted where industry experts shared insights on leveraging enhanced disclosures and business strategies to achieve a company's low-carbon goals. Recording over 700 live views, the webinars provided participants with an opportunity to explore practical ways to achieve and manage their ESG goals.



Facilitating the low-carbon economic transition

As an international financial centre, Hong Kong is in a unique position to play a strategic role in mobilising capital to facilitate the transition to a low-carbon economy. HKEX is committed to creating a sustainable finance ecosystem by providing access to and transparency on related products and educational resources. Our multi-asset sustainable investment product platform, STAGE, has been gaining momentum since its launch in 2020. In 2021, there were 95 new green, social and sustainable bonds listed on our markets and STAGE also serves as the 'go-to' online source for educational resources, while promoting knowledge sharing and stakeholder engagement. A new feature added in late 2021 was the introduction of a new equities section that displays ESG ratings of selected Hong Kong listed companies.

Beyond STAGE, in December, we published the [Practical Net-Zero Guide for Business](#) to provide guidance and insight to companies keen on charting their net-zero carbon journey. The Guide aims to provide support to companies undergoing their net-zero transition, encourage more net-zero commitments, and introduce the necessary processes for the development of appropriate net-zero pathways.

To nurture the next generation of sustainable finance talent and to support Hong Kong as Asia's green finance hub, we partnered with the Hong Kong University of Science and Technology to launch an MBA elective course on Sustainable Finance with Business Practices which aims to introduce the sustainable finance framework and examine different approaches to sustainable investing.

During the year, the Green and Sustainable Finance Cross-Agency Steering Group, with HKEX as one of the founding members, set up a Carbon Market Work Stream to capitalise on and promote the growth of carbon market opportunities. In August, HKEX signed a Memorandum of Understanding (MOU) with the Guangzhou Futures Exchange to promote sustainability and facilitate the development of the Guangdong-Hong Kong-Macao Greater Bay Area.

In London, the LME launched its own sustainability strategy in 2020, aiming to drive sustainability in the metal industry by focusing on electric vehicles, responsible sourcing, circular economy, and sustainable production. A key element of the LME's strategy is to bring greater transparency to metals' provenance data. In August 2021, the LME launched a centralised digital register, LMEpassport, which stores electronic Certificates of Analysis and sustainability credentials for LME-listed metals. Following the first sustainability disclosures since October, a growing number of registered metal producers has been enhancing the visibility of their sustainability credentials. Throughout 2021, ongoing market education and engagement to bring the LME sustainability strategy to the market included a new Sustainability Spotlight newsletter, which provides a succinct and informative read on sustainability topics within base metals, as well as regular updates on the LME's sustainability strategy.

Leading the low-carbon dialogue



As Asia's global marketplace, we understand that we have a role to play in helping finance the transition to a low-carbon and sustainable economy, and to support the net-zero commitments of Hong Kong and China.

We know that collaboration and partnerships are key in delivering our collective climate ambitions. To help build the path ahead and examine Asia's net-zero journey, we were delighted to host our inaugural HKEX Green Asia Summit in December. The inaugural Summit attracted more than

40 leading speakers and nearly 900 participants from across the globe, to share their insight on the role of capital markets in supporting the transition to a low-carbon and sustainable economy. Lively discussions focused on how we can collectively leverage opportunities presented by the fast-changing technology and regulatory landscape that is driving the climate agenda forward. During the Summit, industry practitioners explored practical ways of turning climate goals into actions, and shaping Asia's green finance ecosystem.

Driving new economy development and innovation

HKEX is committed to supporting Hong Kong's growing biotech and life sciences businesses. Since the introduction of HKEX's listing reforms in 2018, Hong Kong has become Asia's largest, and the world's second largest, biotech fundraising hub. As of 31 December 2021, 48 healthcare and biotech companies are listed under Chapter 18A of the Main Board Listing Rules on our market. HKEX is now home to an increasingly diversified suite of biotech companies seeking international exposure, proximity to China, and deep liquid markets. We have achieved this by helping build an innovation ecosystem that focuses on research and development aiming to benefit people around the world.

To facilitate engagement among the dynamic biotech community in the region, the Exchange circulated the HKEX in Biotech newsletter as well as its IPO Express newsletter throughout the year. The Exchange also updated the Guidance Letter for Biotech Companies on presenting fair, balanced and accurate disclosure and additional expectations on disclosing certain key business and product areas of biotech companies listed under Chapter 18A of the Exchange's Listing Rules.

Throughout 2021, we took part in events showcasing creative new technologies and applications for business, such as participating as one of the judging panels at Jumpstarter 2021. We supported Hong Kong FinTech Week 2021 where we were prominently featured in various keynote speeches, fireside chats and panel discussions. During the event, we discussed how technology can enable and facilitate trade and how capital markets can fund fintech companies, and shared views and insights on the latest developments in the fintech ecosystem with leading finance and technology experts from around the world.



Building partnerships for biotech



To further facilitate the development of the biotech community in Hong Kong and the region, we hosted our annual Biotech Summit in September, bringing together industry leaders to share their insights on the latest biotech developments, and the role of capital markets in fuelling the global growth of biotech. Featuring a series of in-depth dialogues on opportunities and challenges in the healthcare sector, the Summit attracted more than 1,500 biotech entrepreneurs, investors and online guests to discuss the future of biotech and healthcare in the region.

We also signed an MOU with Hong Kong Science and Technology Parks Corporation (HKSTP), to explore new biotech and fintech initiatives. HKSTP is home to the city's largest research and development campus and boasts a world-class innovation network, which underpins the long-term growth of Hong Kong and the region as a global centre of excellence for biotech and new economy enterprises. In addition to the sharing of biotech expertise, the MOU includes exploring other opportunities for cooperation and studying the feasibility of a financial data research platform for advanced data analysis.

Our People





Our People

As a caring employer and a responsible corporate citizen, we are fully aware of our responsibilities to both our employees and our communities. With our Values front and centre, we are focused on building a culture that is healthy, diverse and inclusive. We seek to create a place where everyone can be their true self and fulfil their own potential.

Objectives

To invest in people development and create an engaging workplace to ensure the physical, mental and financial wellness of our employees and their families

To embrace diversity and equality and foster an inclusive culture in our workplace and the wider community

To utilise our own expertise and resources to champion financial literacy in the community in which we operate

To give back to the community and help address its social and environmental challenges

Our Approach

At HKEX, people in our workplace and communities are critical to the long-term success of our business and society as a whole. We are committed to developing our employees and supporting local communities by creating stronger connections, building trust, and appreciating the impact we make as an organisation and as individuals.

Recognising the uniqueness of every individual, we seek to create an inclusive culture and celebrate diversity, engagement and collaboration. We also actively invest in people development and wellness to enable everyone in the workplace and the community to thrive personally and professionally.

To ensure that our programmes and initiatives are addressing their needs, we actively engage and communicate with our employees and the community as every voice matters to us.

Utilising our own expertise and resources, we seek to empower our stakeholders, including investors, employees and community groups, to make informed financial decisions for their personal goals by enhancing their financial literacy. Through our charitable foundation and corporate volunteering, we have established strategic partnerships with community partners to create real impact and drive long-term change for the better.

Progress Update

In 2021, we have made the following CSR-related progress:

\$138 million

raised under the
Stock Code for
Charity Scheme

Launched the

**Charity Partnership
Programme and Impact
Funding Scheme**

530,000+

HKEXVoice

podcast views

Introduced an
AI-empowered
learning platform,

iLearn

Promoted
workplace diversity
through the

**HKEX
Diversity
Networks**

Organised the

**Go Beyond Internship
Programme**

Investing in talent development, wellness and engagement

As workplaces and the global business environment continue to evolve, so do the personal well-being and professional development needs of our employees. Seeking to be an employer of choice, HKEX is dedicated to developing skills and ensuring the long-term wellness of our employees.

We promote a growth culture and take our talents across all levels, equipping them with essential skills that are applicable beyond their current roles to ensure they are prepared for the future. Our ongoing training programmes, including our Leadership Forum and Leadership Programme, all help us in this endeavour. Across 2021, we organised 40 training sessions for our employees from the Orientation Programme for new joiners and the Leadership Programme for high potential employees.

Alongside our Summer Internship Programme, we commenced a new talent-nurturing programme in 2021 called the Go Beyond Internship Programme. Designed to groom young talent in the financial markets, the programme offered opportunity to gain practical on-the-job experience and insight about the capital markets with learning sessions on policy research, data analysis and sustainability. The programme recruited 45 Go Beyond interns, 18 of which joined the company upon the completion of the programme.

As the pandemic has created new challenges for us all, vaccination leave and quarantine reimbursement were both introduced for eligible employees. Our employee assistance programme remained available 24/7/365; helping our employees and their families with tools to cope with stress and life's many challenges via a confidential counselling service hotline.

Throughout 2021, we continued our wellness programmes, which included health seminars, fitness classes and social events to safeguard the physical and mental wellness of our employees. In Hong Kong, we delivered Wellness Wednesday webinars, engaging over 800 employees on topics including a myth-busting session about health and fitness, the benefits of quality sleep and acupuncture. In London, the LME completed a two-week Wellness Week to highlight the importance of physical, mental and financial wellness among employees through nutrition talks, a pension workshop, a lunch and learn session on mental health first-aid and "time to talk day" – an awareness campaign that seeks to change the way people think and act about mental health problems in the UK.

We also encourage our staff to plan for their retirement as it is one of the most important elements of good financial management. To aid in this endeavour and help enable employees to make informed decisions, we organised webinars on financial management including retirement planning, and wills and estate management.

Recognising that our continued success is dependent on the engagement and feedback of our employees, in 2021, employees across the Group were invited to take part in a biennial People Survey and share their views on the company, the working environment and their levels of engagement. The Survey attracted a high response rate of 95%. In addition to the CEO presentations and departmental townhalls throughout the year, we introduced a new employee forum called HIVE that supports our management teams with new ideas and new ways of working and provides valuable insight from across our business. Working with our charity partners, we also organised the HKEX Big Day Out, a new team building arrangement that included community services such as bento distribution to the underprivileged elderly, beach clean-up, and visits to the homeless, with aims to foster a more inclusive culture, deeper social understanding and stronger people bonding.

Cultivating a learning culture



At HKEX, we know that our industry and the nature of our work is ever-evolving. Our ability to learn, to adapt, and to acquire new knowledge and skills, empowers us to grow and succeed in a fast-changing world. Continuous learning is the key to broadening our minds and to equipping us for the future.

We were pleased to launch a new AI-powered learning platform, iLearn, offering high quality, bite-sized learning resources tailored to the interests and needs of our employees. This new, self-service platform helps our employees take ownership of their professional learning journey anytime and anywhere.

As part of the launch, a four-week awareness-raising campaign was hosted to showcase new content. Each week, the campaign focused on why learning is the key to success, how to build good learning habits, how to manage stress better, and how to be better prepared for the future of work.

In 2021, iLearn offered over 11,000 training hours for over 1,400 employees in Hong Kong and Mainland China. Employee feedback showed that the platform is user friendly and intuitive and the AI features easily facilitate searches for new knowledge and skills.

Building a diverse and inclusive community

At HKEX we believe that embracing diversity helps to foster an inclusive culture, not only in our workplace but also across the wider community. As such, we are committed to nurturing an increasingly inclusive work environment and culture, one that enables us to support each other. From our efforts over the years, we have seen how people across our community have been seizing the moment, creatively solving problems, and exhibiting inclusion and respect in all that they do.

As an inclusive employer, we offered two internships to young people with different abilities in 2021 in collaboration with our long-term charity partner, CareER. We also extended our support to CareER by hosting a skills matching workshop to enhance students' interview skills and their employability. Through the HKEX Foundation, we were proud to be a strategic partner in the development of the CareER Disability Inclusion Index, a comprehensive assessment tool that helps organisations develop measurable and tangible roadmaps for workplace inclusion.

We are active in global diversity initiatives to further promote gender equality and inclusion across our workplace, and in the markets and communities in which we operate. In March, we once again celebrated International Women's Day through a robust multi-channel and multi-stakeholder advocacy campaign that highlighted the positive impact of female leadership. We joined over 100 exchanges across the world to Strike the Gong for Gender Equality and recognise the inspiring achievements of our female colleagues and women around the world. To mark the event, we created a video celebrating female resilience and leadership during the pandemic. To reinforce this commitment, we also endorsed increased diversity amongst the wider female workforce by supporting the Women's Foundation's Male Allies Initiative and sponsoring its Girl Go Tech Programme.

In London, through the LMETogether Resources Hub and LMEstories sessions, the LME continued to promote diversity and respectful working partnerships. Specific to gender equality, the LME announced a target to increase senior female leadership roles to 40% by September 2025.



Celebrating with HKEX Diversity Networks

As part of our ongoing effort to develop our people and our working environment, we launched four new HKEX Diversity Networks in 2021, sponsored by senior management and run by passionate volunteer colleagues. These Networks help us to celebrate our values of diversity, encouraging collaboration and promoting fresh thinking at HKEX and within our communities.



HKEX Women

supports women at HKEX, helping the business to attract, retain, develop and advance the best talent and promoting HKEX as an employer of choice for talented women.



HKEX Family

comprised of three pillars: elderly care, child care and self-care, provides a friendly and supportive forum for working parents, expectants and returning mothers/fathers, as well as people caring for elderly family members.



HKEX Mosaic

promotes the value of each person in society, advocating for understanding and acceptance. It focuses on the unique contributions we all make to our community and our workplace, celebrating individuals' unique abilities.



HKEX Pride

creates and fosters an environment of inclusiveness and respect for LGBTQ+ colleagues, their families and their allies, empowering our employees and our community to bring their full selves to work.

To celebrate the launch of the new HKEX Diversity Networks, Network sponsors hosted diversity fairs to encourage employees to share thoughts and ideas on what we can all do to promote our values across our business, markets, operations and the wider community. Following the launch, engaging activities were hosted including a health webinar, guided meditation sessions, movie night, fireside chats with advocates on diversity and inclusion topics.

Championing financial literacy for all

We believe that financial literacy is one of the most important skills we should have in our modern, connected world. It touches upon every aspect of our lives and helps to contribute to the overall stability and long-term health of our society. Through our tailored financial education and literacy initiatives, we support a variety of stakeholders, including market participants, investors, employees and the community, helping them to make informed and financially wise decisions.

From seminars and events to educational videos and research reports, we utilise our expertise and resources to champion financial literacy in our markets – empowering market participants to make more informed financial decisions. During the year, our educational initiatives included the Stock Connect educational campaign to raise market participants' knowledge of new product initiatives as well as further enhancements to existing equity derivatives and fixed income and currency products.

In the commodity markets, in addition to the LME Education series and webinars in partnership with Euromoney Learning, the LME launched an online education platform called HedgeTutor which offers the LME community an interactive experience for metals trading and price risk management. Designed for both new and experienced market participants, a library of tutorial materials on the theoretical concepts behind commodity trading and risk management is available in videos, slides and written guides. In addition, we also launched the LME AtoZ social campaign to help enhance the public's understanding of the metal industry.

HKEX champions financial literacy in the community by building partnerships with NGOs and raising awareness of the importance of financial education. In 2021, we hosted the annual Strike the Gong for Financial Literacy to celebrate World Investor Week – a global campaign to raise awareness of the importance of financial education. During the Week, we invited leading NGO practitioners to share their experiences in bringing financial literacy to different community groups such as youth, ethnic minorities and women.

Across the broader Hong Kong community, we continued to engage with our charity partners to deliver financial education projects that create real impact through the HKEX Foundation. A highlight was the JA Finance for Future programme, in partnership with Junior Achievement Hong Kong, which aims to equip Hong Kong's secondary students with essential life skills and financial knowledge necessary to make wise decisions and responsible choices. The programme also invited HKEX volunteers to engage with students through a series of activities, such as interactive games, discussions, and role-playing exercises, about ways to maintain healthy personal finances, reduce risk through insurance, and develop proper understanding for investment strategies with the understanding of ESG-related issues. During 2021, 44 sessions were organised to support over 1,100 students.

Delivering market education



HKEX is in a unique position in enhancing financial literacy of investors and the public and supporting them to realise benefits, risks and opportunities of investment decisions and financial management.

To provide investors and the general public with the knowledge of new product offerings, the evolving business landscape and sustainable development of financial markets, we published educational materials under *HKEX Insight* in the form of newsletters, research reports and thought leadership articles. Our target is to help audiences understand a wide range of financial topics at different levels, from the derivatives markets and new product offerings to sustainable finance and updates on listing regimes.

In 2021, a new series of podcasts *HKEXVoice* was introduced to offer bite-sized, interactive discussions with financial experts on new products and emerging trends of financial markets. HKEX executives and industry leaders shared their views on financial topics from the perspectives of exchange operators, investors and researchers, aiming to empower investors to make more informed investment decisions.

Leveraging multi-media platforms, *HKEX Insight* engages audiences, both online and offline, through local media and social media to match the evolving learning habits of the audience. Nearly 30 educational pieces under *HKEX Insight* were delivered through the HKEX Group website and social media channels.

Bringing positive changes to our community

Deeply rooted in the communities in which we operate, we are committed to giving back and helping address the social and environmental challenges that our communities face. Aiming to inspire lasting change through programmes that build better lives and a better community, we focus our philanthropic efforts on four key areas, namely: Financial Literacy, Diversity and Inclusion, Poverty Relief, and Environmental Sustainability.

Throughout 2021, we continued to support local communities through our volunteering activities and employee matching programme. During the year, more than 100 HKEX employees and their family members took part in volunteer activities and we are proud of the level of passion and involvement demonstrated by our dedicated employees during these challenging times.

Through the HKEX Foundation, we support philanthropic and charitable initiatives designed to strengthen engagement and connectivity with the communities in which we operate. In 2021, the

HKEX Foundation donated over \$100 million to support community projects and charities in Hong Kong. The Foundation has established long-term, strategic partnerships with NGOs and charities to directly support a wide range of local projects and charities that help people in need.

The [HKEX Charity Partnership Programme 2020](#) saw great success, reaching a diverse range of beneficiaries, including children, youth, elderly and marginalised groups, through 10 funded projects. In 2021, we continued to extend our reach and allocated another \$20 million to the Programme to support long-term local community projects that bring meaningful and positive change to our society. Meanwhile, we supported home-grown talent through our University Scholarships Programme, empowering local students in the fields of business, finance, biotech, and innovation.

In London, the LME announced a new funding partnership with two charities, Pact and The Impact Facility, aiming to address child labour and children's rights issues in African mining communities. By end of 2021, a total of US\$700k was donated to the two charities.



Strengthening community partnerships



Building on the success of the HKEX Charity Partnership Programme, we have scaled up our philanthropic efforts by setting up the new HKEX Impact Funding Scheme to support local charities that do not receive regular government funding. By working in partnership with The Hong Kong Council of Social Service, the new Scheme aims to enhance our outreach by channelling \$10 million to support short-to-medium term community projects in alignment with four focus areas.

These projects proactively respond to emerging needs of the society, serving as pilots to pave way for service innovation in a long run. In December, 11 funding projects under the Scheme were announced, benefiting a diverse range of people in need through capacity building and strengthening community resilience by way of public education.





Our Operations

Our Operations

Responsible corporate practices are the key to business resilience. At HKEX, we are committed to pursuing operational excellence in our business and setting an example to the wider business community – so that our business, our partners and our communities can prosper.

Objectives

To uphold the highest standard of ethics and integrity when doing our business and to reinforce our Values in all that we do

To responsibly manage the environmental impact of our operations and to decouple our carbon footprint from our business growth

To maintain a responsible and ethical supply chain and to promote strong ethical supply chain management with the wider business community

To maintain proactive, two-way communications through effective engagement and transparent disclosure

Our Approach

We operate our business by consistently pursuing operational excellence within the Group and beyond. We are committed to upholding the highest standard of integrity and accountability in everything we do, ensuring that we are fulfilling our responsibilities in an evolving business and regulatory landscape. This is achieved through a robust governance structure, ongoing policy enhancements and a company-wide focus on doing right via capacity building and employee training programmes.

We aim to lead by example among our business partners and the wider business community by driving environmental stewardship, investing in infrastructure and innovating for the future. To solicit the wide-ranging views from our stakeholders, we promote an environment of open communication and a culture that encourages transparency, open dialogue and proactive engagement.

Progress Update

In 2021, we have made the following CSR-related progress:

Reduced paper consumption by 60%
compared with 2019

Joined the **Glasgow Financial Alliance for Net Zero**

Recognised with the **Most Sustainable Company Awards**

Enhanced **procurement governance and supply chain sustainability**

Launched a **Group Anti-Fraud Policy**

Upholding the highest standard of ethics and integrity

As one of the world's leading stock exchange groups, we foster confidence in our markets and the services we provide by taking governance and risk management very seriously. Therefore, we regularly review our processes and policies to ensure that we have effective anti-fraud control and response procedures in place. In 2021 we launched a Group Anti-Fraud Policy, outlining arrangements to ensure that we can minimise the risks of fraud. Given the unique nature of fraud and the extensive impacts that a fraudulent event can have, comprehensive procedures were developed to enable us all to respond rapidly, should any fraud be identified.

To promote honesty and fairness across our organisation, we regularly review our group-wide policies to ensure they reflect best practices. In 2021, enhancements were made to the following policies:

- Group Whistleblowing Policy – streamlining the reporting process and strengthening how we avoid potential conflicts of interest.
- Group Personal Account Dealing Policy – ensuring compliance with regulatory practices on insider dealing.
- Group Anti-Bribery and Anti-Corruption Policy – further addressing regulatory considerations, including conflicts of interest and misconduct in public offices.



We continually reinforce a culture of integrity, compliance, and risk awareness among HKEX employees via regular training and communication. We offer employee training to refresh our team's understanding of risk management and compliance obligations. Throughout 2021, our employees were required to undertake mandatory training on a wide range of compliance and risk management topics, including anti-bribery and anti-corruption, whistleblowing, cybersecurity, and prevention of financial crimes.

To help ensure that everyone on our team is well versed in the roles and duties of regulators, and to help them understand more about the compliance themes and trends which are shaping our business and markets, a series of Know Your Regulator webinars were hosted with professional speakers sharing insights on topics such as combating money laundering, terrorist financing and financial services regulatory compliance.

Strengthening information security awareness

Adopting best practices in cyber security protects our business, our customers, our operations, and us as individuals. Concerning risks to our systems and procedures, all employees should be aware of the importance of cyber security, especially as cyber threats become ever more sophisticated.

In 2021, we launched an enhanced cyber security eLearning programme for all employees, designed to raise awareness in line with industry best practices. Containing a series of short modules, the first one was launched in October and focused on critical processes to mitigate the risk of a cyber-attacker compromising HKEX systems and data.

A phishing email can lead to a cyber-attacker gaining access to our computers and confidential files, which may impact HKEX's critical data and services. To strengthen our cyber awareness, in addition to guidelines on best practices, we also conducted a risk management and cyber security exercise by adopting a new email warning display system and by performing phishing simulation exercises to assess employee awareness in identifying phishing emails.

In London, the LME launched an annual refresher training on General Data Protection Regulation and the importance of handling personal data appropriately. The mandatory training was rolled out to all LME employees to reinforce the importance of handling personal data ethically and professionally.



Managing our environmental impact

As a global financial markets leader, we aspire to be a sustainability advocate by leading the business sector by example and setting ESG standards in our markets.

While the global community is working towards the goals set out in the Paris Agreement, we joined the global Glasgow Financial Alliance for Net Zero and made a net-zero pledge, reinforcing our commitment to a low-carbon, climate-resilient economy. We have begun a detailed study targeting the full decarbonisation of our operations ahead of what we have already committed to – of becoming net zero by 2050.

We have also been conducting regular reviews and audits of our office energy consumption as well as of our LEED Gold certified data centre, the major sources of our operational carbon footprint, to identify ways to improve our overall energy efficiency.

In 2019, we set ourselves a target to save at least 20 per cent of paper consumption in two-year times. We were glad to see a satisfactory result of 60 per cent paper reduction by end of 2021. The encouraging result was contributed by a number of company-wide initiatives, including:

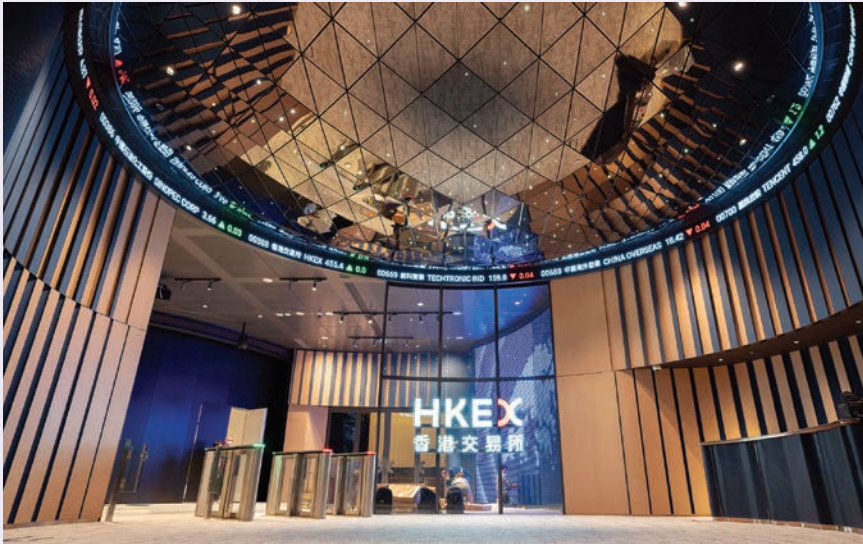
- Deploying an electronic signature platform for our employees and third parties to electronically sign documents and agreements.
- Discontinuing the printing and distribution of hardcopy rules (including any updates to the rules) of HKEX's exchanges and clearing houses.
- Suspending the printing of Listing Rules, in line with the Exchange's paperless listing and subscription regime where all new listing documents and IPO subscriptions must be published or made electronically.

Internally, we raised awareness of environmental topics through employee campaigns and initiatives. A hallmark campaign held throughout April was our annual Go Green with HKEX where we shined a light on how we can together 'Restore our Earth', by focusing on plastic pollution, energy-saving, and waste reduction efforts. Designed to promote environmental stewardship in the workplace and responsibly manage operational waste, the month-long campaign featured webinars, lunch and learn sessions, a visit to a recycling plant, a photo competition, and more. After receiving employee feedback, single-use consumables, such as paper cups and wooden stirrers, have been removed and new recycling boxes for beverage cartons have been added throughout the Hong Kong offices.

We know that the small changes we make daily can add up towards making a big difference to our business and communities. Following an IT upgrade and relocation of the secondary data centre project, we donated a range of computer equipment to the Association of IT Leaders in Education and Caritas which were distributed to community groups in need, such as students and the underprivileged.

Through the HKEX Foundation, we support community projects that promote environmental protection and aim to enhance the climate resilience of society. The Foundation is a proud Platinum sponsor of Friends of the Earth (HK)'s Tree Planting Challenge which encourages local businesses to help plant native trees within Hong Kong country parks. Near 40 HKEX volunteers took part in the Challenge and planted over 500 native tree saplings in Tai Lam Country Park.

Unveiling our new HKEX Connect Hall



The refurbishment work at HKEX Connect Hall – our iconic venue at the heart of Hong Kong’s financial community – was carried out with sustainability in focus. Throughout the renovation process, we sought to incorporate locally-sourced materials and recycled products, protecting our environment and supporting our community.

For the internal design, we sourced materials from environmentally responsible manufacturers, including carpets made with regenerated nylon and upholstery fabric made

with 100% post-consumer recycled polyester. The auditorium seats are made with certified low volatile organic compound materials to ensure healthy indoor air quality. For the electrical and mechanical aspects, we installed an energy-efficient, programmable lighting and air exhaust system, and enhanced heating systems to better achieve energy saving as far as practicable.

The transformation not only created a multi-functional venue in the heart of Hong Kong, but also a community-minded space that respects the natural environment we all share.

Promoting a responsible and ethical supply chain

We are committed to responsibly managing the impact of our operations by purchasing socially and environmentally-considerate goods and services, and collaborating with suppliers who share the same sustainability philosophy. We achieve this by continuously reviewing relevant operational procedures as well as adhering to our [Supplier CSR Code of Conduct](#) and our Guidelines on Supply Chain Sustainability. In addition to providing guidance on integrating sustainability principles into our procurement process and supply chain management, the Guidelines also include environmental specifications for products and ask for suppliers' approach to business ethics, human rights, labour practices, and community involvement. Together with the Group Procurement Policy as well as our Supplier CSR Code of Conduct and CSR questionnaire, these Guidelines have helped us establish a robust approach to supply chain sustainability.

We aim to maintain a responsible, ethical supply chain and promote responsible practices along our supply chain. In May, we revamped the Group Procurement Policy to further strengthen corporate governance and maintain best practices of procurement and supply chain management. As part of the Policy's launch, we introduced a procurement portal and hosted briefing sessions to enhance employees' understanding of the new Policy.

Acting locally to show tangible support for under-represented groups and people with different abilities, we engaged with social enterprises throughout 2021 to include them on our go-to list of local vendors. For example, we partnered with Dignity Kitchen and iBakery, aiming to support people with different abilities through skills training, employment and integration, to prepare gift packs to employees during our anniversary campaign and festive celebrations. We also purchased products from the Hong Kong Federation of Women's Centres, an organisation dedicated to gender equality and female entrepreneurship.



Maintaining transparent, timely and open communications

We recognise the importance of timely and effective communications with our broad range of stakeholders and so we seek to always proactively and openly communicate with them. With our central role and multiple touchpoints in the financial markets, in 2021, we engaged an external consultant to conduct a brand audit, helping us to find out how our customers, partners, investors and the broader financial market view our company and our business. These valuable insights will help us better meet the needs of our stakeholders and our community, driving our brand and our organisation forward.

In 2021, we were delighted to receive awards and accolades in recognition of our communication efforts. These included:

- Most Sustainable Companies/Organisations – Gold Award in the Hong Kong Institute of Certified Public Accountants’ Best Corporate Governance and ESG Awards
- Best Report Award and Best ESG Reporting Award from The Hong Kong Management Association
- Best Investor Meeting Award from the Hong Kong Investor Relations Association
- In-house Communications Team of the Year from the Asia-Pacific Association of Communications Directors Awards

We are delighted to have attained high ratings from local and overseas rating agencies and professional institutions for our ESG performance. In 2021, we 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. We were recognised as the Benefactor of the Year and Partner of Charity Giving Award by The Community Chest of Hong Kong for our continuous contribution. We also received awards in recognition of our strong corporate citizenship. Additional information is available on the [HKEX Group website](#).

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, figures provided in this section are reported for the corresponding year(s) specified below or as at 31 December of the corresponding year(s).

Economic Performance

Indicators	Unit	2021	2020	2019
Direct economic value				
Generated ^{1,2,3}	\$m	20,950	19,190	16,311
Distributed ⁴	\$m	18,186	16,747	14,142
Retained ⁵	\$m	2,764	2,443	2,169
Current tax				
Hong Kong	\$m	1,969	1,535	1,314
Mainland China	\$m	2	2	2
UK	\$m	174	176	197
Stamp duty generated for the Government ⁶	\$m	66,169	45,547	27,510

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 In 2021, the Group did not receive any financial assistance from any government.

3 Due to typhoons and rainstorms in Hong Kong, trading in the securities and derivatives markets, including Stock Connect trading, was delayed on 28 June 2021; trading in the After-Hours Trading session was suspended on 12 October 2021; and trading in the securities and derivatives markets, including After-Hours Trading, was cancelled on 13 October 2021. The estimated loss in revenue due to typhoons and rainstorms was insignificant to the Group's revenue in 2021.

4 Direct economic value distributed covers the Group's operating expenses, interest expenses, dividends, total current tax, transaction-related expenses and corporate charitable donations as disclosed in the Consolidated Financial Statements of HKEX's Annual Report.

5 Direct economic value retained means the direct economic value generated less the direct economic value distributed.

6 Stamp duty is generated for the Government in respect of all securities transactions which are subject to stamp duty and recognised by SEHK.

Business Integrity and Ethics

Anti-corruption

In 2021, there were no concluded legal cases regarding corruption brought against the Group or its employees. One former employee of HKEX was charged by the Independent Commission Against Corruption for alleged bribery and misconduct in public office and was found not guilty in December 2021. There were no confirmed incidents where contracts with business partners were terminated or not renewed due to violations relating to corruption during the year. In 2021, 13 Directors, which account for 100 per cent of the Board members, received training on anti-corruption.

System Stability and Reliability

In 2021, despite market volatility and challenges posed by Covid-19 on work arrangements, all of HKEX's major trading, clearing, settlement and market data dissemination systems for the Cash, Derivatives and Commodities Markets continued to perform robustly.

Product Responsibility

HKEX continues to strengthen its information security controls to meet its privacy and data protection obligations under applicable laws and regulations, including but not limited to 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 2021, HKEX maintained its ISO 27001 certification for the information security management system of its enterprise data centre. There were no incidents and substantiated complaints concerning breaches of customer privacy or losses of customer data for the Group in 2021.

In 2021, 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	Unit	2021	2020	2019
Enquiries and complaints handled	no.	9,784	11,119	14,754

Anti-competitive Behaviour

In 2021, the Group was not aware of any legal actions against it for anti-competitive behaviour, anti-trust or monopoly practices.

Public Policy

The Group keeps track of key changes in public policy which may have a significant impact on the Group's sustainable 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 2021.

Supply Chain Sustainability

In 2021, the percentage of local key suppliers of the Group's operations in Hong Kong, Mainland China and the UK are 86 per cent, 100 per cent and 91 per cent respectively. 26 key suppliers providing professional consultancy, employee benefits, information technology and property management services to HKEX completed questionnaires regarding their CSR performance. There was no significant change in the Group's supply chain in 2021.

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 or labour practices, no instances of non-compliance occurred in respect of these areas.

Indicators	Unit	2021	2020	2019
Number of key suppliers ¹	no.	96	122	115
By region				
Asia excluding Hong Kong and Mainland China	no.	2	1	2
Australia	no.	1	1	1
Europe	no.	5	7	5
Hong Kong	no.	50	53	63
Mainland China	no.	3	9	-
UK	no.	33	45	44
US	no.	2	6	-
Total payments to key suppliers	\$bn	1.9	2.0	1.7

¹ The definition of "key suppliers" refers to suppliers of products and/or services to the Group whose contract sum exceeded \$3 million or £270,000 or RMB 2.6 million or equivalent.

Employment

As of 31 December 2021, the Group had a total of 2,307 employees, a four per cent decrease from 2020. In 2021, there were no confirmed incidents of non-compliance or grievances in relation to human rights and labour practices standards and regulations that would have a significant impact on the Group.

Indicators	Unit	2021	2020	2019
Number of employees ¹	no.	2,307	2,392	2,117
By gender				
Female	no.	939	970	914
Male	no.	1,368	1,422	1,203
By age group				
Below 30	no.	400	440	375
30 to 50	no.	1,595	1,624	1,457
Over 50	no.	312	328	285
By region				
Hong Kong	no.	1,555	1,624	1,624
Mainland China	no.	366	388	157
UK	no.	378	370	326
Others ²	no.	8	10	10
By employment contract and gender				
Permanent (female)	no.	940	903	847
Permanent (male)	no.	1,206	1,301	1,080
Temporary/fixed term (female)	no.	66	67	67
Temporary/fixed term (male)	no.	95	121	123
By employment contract and region				
Permanent (Hong Kong)	no.	1,408	1,439	1,440
Permanent (Mainland China)	no.	366	388	156
Permanent (UK)	no.	364	367	321
Permanent (others ²)	no.	8	10	10
Temporary/fixed term (Hong Kong)	no.	147	185	186
Temporary/fixed term (Mainland China)	no.	-	-	-
Temporary/fixed term (UK)	no.	14	3	4
Temporary/fixed term (others ²)	no.	-	-	-
By employment type and gender				
Full-time (female)	no.	926	954	896
Full-time (male)	no.	1,366	1,417	1,197
Part-time (female)	no.	13	16	18
Part-time (male)	no.	2	5	6

1 The number of employees is expressed as headcount. In 2019, 2020 and 2021, 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 Singapore.

New Hires and Turnover

Indicators	Unit	2021	2020	2019
Total new hires	no. (%)	378 (16)	293 (12)	268 (13)
By gender				
Female	no. (%)	141 (15)	115 (12)	128 (14)
Male	no. (%)	237 (17)	178 (13)	140 (12)
By age group				
Below 30	no. (%)	162 (41)	93 (21)	90 (24)
30 to 50	no. (%)	201 (13)	178 (11)	166 (11)
Over 50	no. (%)	15 (5)	22 (7)	12 (4)
By region				
Hong Kong	no. (%)	237 (15)	136 (8)	166 (10)
Mainland China	no. (%)	93 (25)	69 (18)	38 (24)
UK	no. (%)	48 (13)	88 (24)	63 (19)
Others ¹	no. (%)	-	-	1 (10)
Total employee turnover ²	no. (%)	346 (15)	289 (12)	232 (11)
By gender				
Female	no. (%)	141 (15)	95 (10)	108 (12)
Male	no. (%)	205 (15)	194 (14)	124 (10)
By age group				
Below 30	no. (%)	84 (21)	94 (21)	51 (14)
30 to 50	no. (%)	236 (15)	156 (10)	147 (10)
Over 50	no. (%)	26 (8)	39 (12)	34 (12)
By region				
Hong Kong	no. (%)	210 (14)	148 (9)	173 (11)
Mainland China	no. (%)	103 (28)	94 (24)	18 (11)
UK	no. (%)	33 (9)	47 (13)	40 (12)
Others ¹	no. (%)	-	-	1 (10)
Average years of service	no.	7	7	7
Employees eligible to retire within the next five years	no.	205	112	158

¹ The figures refer to the employees stationed in Singapore.

² The figures refer to voluntary turnover of employees.

Return to Work and Retention after Parental Leave

Indicators	Unit	2021	2020	2019
Employees who took parental leave ¹				
Female	no.	51	48	31
Male	no.	26	53	45
Employees who returned to work after parental leave ended ²				
Female	no. (%)	34 (100)	30 (94)	24 (100)
Male	no. (%)	26 (100)	52 (98)	44 (100)
Employees who remained employed 12 months after the end of parental leave ³				
Female	no. (%)	25 (83)	20 (83)	23 (96)
Male	no. (%)	46 (88)	36 (82)	41 (93)

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 the corresponding year were excluded from the calculation.

3 Relevant data of BayConnect Technology Company Limited was not included in the calculation for 2019 and 2020.

Learning and Development

Indicators	Unit	2021	2020	2019
Total cost of training	\$m	7.9	10.0	11.4
Total hours of training received by employees	no.	26,957	20,896	33,950
Mandatory training ¹	no.	7,331	8,193	N/A
Non-mandatory training ¹	no.	19,626	12,703	N/A
Average hours of training per employee and percentage of employees who received training	no. (%)	12 (96)	9 (97)	16 (97)
By gender				
Female	no. (%)	11 (97)	8 (97)	15 (96)
Male	no. (%)	12 (96)	9 (98)	17 (97)
By employee category				
Senior	no. (%)	13 (97)	9 (96)	12 (99)
Middle-level	no. (%)	12 (99)	8 (96)	22 (99)
Supervisory-level	no. (%)	11 (98)	6 (98)	14 (97)
General	no. (%)	11 (88)	12 (98)	9 (91)
Employees who received training on the following topics				
Anti-corruption	no.	1,809	1,726	2,050
Anti-financial crime	no.	1,780	1,799	2,050
Cyber security and data privacy ²	no.	1,674	N/A	N/A
Human rights	no.	11	-	1,046
Occupational health and safety	no.	299	1,286	239
Permanent employees who received formal performance appraisals ³	%	100	91	100
Permanent employees who received multi-rater performance evaluation ³	%	23	22	23

1 Relevant figures have been disclosed from 2020 onwards.

2 Relevant figures have been disclosed from 2021 onwards.

3 Excludes employees who were not subject to a performance appraisal process.

Diversity

Indicators	Unit	2021			2020			2019		
		Female	Male		Female	Male		Female	Male	
By gender per employee category										
Senior	%	36	64		35	65		33	67	
Middle-level	%	40	60		40	60		41	59	
Supervisory-level	%	42	58		41	59		41	59	
General	%	43	57		44	56		57	43	
By age group per employee category										
		< 30	30-50	> 50	< 30	30-50	> 50	< 30	30-50	> 50
Senior	%	-	66	34	-	65	35	-	69	31
Middle-level	%	3	85	12	3	84	13	3	85	12
Supervisory-level	%	24	64	12	27	63	10	28	63	9
General	%	45	46	9	44	45	11	43	42	15

Gender Pay Gap

Indicators	Unit	2021	
		Female	Male
By pay quarter and region ^{1,2}			
Hong Kong			
Top quarter	%	40	60
Upper middle quarter	%	42	58
Lower middle quarter	%	48	52
Lower quarter	%	55	45
Mainland China ³			
Top quarter	%	36	64
Upper middle quarter	%	38	62
Lower middle quarter	%	38	62
Lower quarter	%	59	41
UK			
Top quarter	%	27	73
Upper middle quarter	%	23	77
Lower middle quarter	%	32	68
Lower quarter	%	55	45

1 Relevant figures have been disclosed from 2021 onwards.

2 Employees were ranked based on their annual salary.

3 Excludes data of BayConnect Technology Company Limited.

Remuneration

Indicators	Unit	2021		2020		2019	
		Basic salary	Remuneration	Basic salary	Remuneration	Basic salary	Remuneration
Basic salary ¹ and remuneration ² of female employees to male employees							
Hong Kong							
Senior	ratio	0.9	0.9	0.9	0.9	0.9	0.9
Middle-level	ratio	1.0	1.0	1.0	1.0	1.0	1.0
Supervisory-level	ratio	1.0	1.0	1.0	1.0	1.0	1.0
General	ratio	1.0	1.0	1.1	1.1	1.1	1.1
Mainland China							
Senior	ratio	1.2	2.0	0.9	1.4	1.3	2.1
Middle-level	ratio	1.0	1.1	1.0	1.1	0.9	1.0
Supervisory-level	ratio	0.8	0.9	0.8	0.8	0.8	0.8
General	ratio	0.9	1.0	0.9	0.9	0.8	0.8
UK							
Senior	ratio	0.9	0.8	1.0	0.8	0.8	1.0
Middle-level	ratio	0.9	0.9	0.9	0.9	0.9	1.0
Supervisory-level	ratio	0.8	0.9	0.8	0.9	0.9	0.9
General	ratio	1.0	1.0	1.3	1.0	1.0	1.0

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	Unit	2021	2020	2019
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	ratio	72	67	45
Mainland China	ratio	27	23	14
UK	ratio	17	15	17
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	ratio	N/A	11	N/A
Mainland China ³	ratio	N/A	N/A	1
UK ⁴	ratio	9	N/A	N/A

1 Annual total compensation includes the total sum of 12 months of basic salary as at year end, performance bonus and share award, if any.

2 There was a decrease in the median annual total compensation for all employees (excluding the highest-paid individual) in Hong Kong in 2021. There was a decrease in the annual total compensation for the highest-paid individual in Hong Kong in 2019.

3 There was a decrease in the median annual total compensation for all employees (excluding the highest-paid individual) in Mainland China in 2021 and 2020.

4 There was a decrease in the annual total compensation for the highest-paid individual in the UK in 2020. There was a decrease in the median annual total compensation for all employees (excluding the highest-paid individual) in the UK in 2019.

Occupational Health and Safety

In 2021, the Group did not receive any prosecutions in relation to occupational health and safety. No work-related fatalities occurred between 2019 and 2021.

Indicators	Unit	2021	2020	2019
Reportable injuries ^{1,2}	no.	-	1	2
Injury rate ³	rate	-	0.04	0.10
Reportable occupational diseases	no.	-	-	-
Occupational disease rate ⁴	rate	-	-	-
Lost days ⁵	no.	-	12	2.5
Lost day rate ⁶	rate	-	0.50	0.12
Absentee days	no.	4,856	4,849	7,912
Absentee rate ⁷	rate	0.84	0.81	1.51

- Reportable injuries refer to work-related accidents to employees that resulted in incapacity for a period exceeding three days in Hong Kong and Mainland China, or as defined under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 in the UK where appropriate.
- Three workers of HKEX's contractors suffered physical injury while performing duties at HKEX premise, resulting in 189 lost days. Accident investigations were completed and corrective and preventive measures have been put in place.
- 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).
- The occupational disease rate is calculated based on the number of occupational diseases per 200,000 hours worked.
- In 2021, there were additional 5.5 lost days incurred by an injury case occurred in 2020.
- The lost day rate is calculated based on the number of lost days per 200,000 hours worked.
- 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.

Philanthropy and Volunteering

Indicators	Unit	2021	2020	2019
Corporate charitable donations	\$m	105.5	112.9	4.2
Donation to The Community Chest of Hong Kong	\$m	69.0	78.8	N/A
Donations to other charity partners	\$m	36.5	34.1	N/A
Funds raised from the Stock Code Balloting for Charity Scheme for The Community Chest of Hong Kong ¹	\$m	N/A	50.0	100.4
Funds raised from the Stock Code for Charity Scheme for HKEX Foundation ²	\$m	138.0	105.0	N/A
Employee charitable donations	\$m	0.1	0.1	0.1
Corporate sponsorships	\$m	0.5	0.2	0.9
Employee volunteering hours ³	no.	850	973	3,161
Employee volunteering leave days taken ⁴	no.	37	32	103

- Donations were made directly by listed issuers to The Community Chest of Hong Kong through the Stock Code Balloting for Charity Scheme which was ceased on 30 June 2021.
- The [Stock Code for Charity Scheme](#) took effect on 1 July 2020.
- Includes volunteering hours from guests of HKEX employees.
- Employees are given additional paid day leave (a maximum of one day for HKEX employees and a maximum of two days for the LME and LME Clear employees) in recognition of their efforts in serving the community.

Environmental Stewardship

Unless otherwise specified, data disclosed for 2021 cover the Group's operations in Hong Kong, Mainland China and London; and those for 2020 and 2019 cover the Group's operations in Hong Kong and London only. The Group's operations in relation to its certain offices in Mainland China and Singapore are excluded from this Report due to their relatively small environmental footprint.

In 2021, there were no confirmed non-compliance incidents or grievances in relation to environmental protection that would have a significant impact on the Group.

Emissions ¹

Indicators	Unit	2021	2020	2019
Total GHG emissions ² (Scope 1 and 2)	tonnes	15,041	19,118	19,667
Total GHG emissions (Scope 1 and 2) per floor area	tonnes/m ²	0.24	0.34	0.35
Total GHG emissions (Scope 1 and 2) per employee	tonnes/employee	6.52	7.99	9.29
Total GHG emissions (Scope 1, 2 and 3)	tonnes	15,990	20,096	22,190
Total GHG emissions (Scope 1, 2 and 3) per floor area	tonnes/m ²	0.25	0.36	0.39
Total GHG emissions (Scope 1, 2 and 3) per employee	tonnes/employee	6.93	8.40	10.48
Direct GHG emissions ³ (Scope 1)	tonnes	102	166	33
Corporate fleet	tonnes	15	14	15
Backup generators	tonnes	16	16	18
Refrigerants	tonnes	71	136	–
Indirect GHG emissions (Scope 2 – market-based)	tonnes	14,939	18,952	19,634
Purchased electricity	tonnes	14,939	18,952	19,634
Indirect GHG emissions (Scope 2 – location-based)	tonnes	15,973	19,122	19,634
Purchased electricity	tonnes	15,973	19,122	19,634
Indirect GHG emissions (Scope 3)	tonnes	949	978	2,523
Business air travel ^{4,5}	tonnes	N/A	N/A	1,487
Paper consumption	tonnes	35	56	103
Staff commuting	tonnes	884	880	888
Waste to landfill	tonnes	30	42	45

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

2 The Group's GHG inventory includes carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride. GHG emissions data is presented in carbon dioxide equivalent and was calculated 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 (DEFRA) 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 2021 Scope 1 GHG emissions is as follows: carbon dioxide (29.6 tonnes CO₂e), methane (0.03 tonnes CO₂e), nitrous oxide (1.7 tonnes CO₂e) and hydrofluorocarbons (71 tonnes CO₂e). There was no emission of perfluorocarbons and sulphur hexafluoride in 2021.

4 From 2020 onwards, the Group offset all GHG emissions due to business air travel in accordance with the Group's Carbon Offset Policy for Business Air Travel and in 2021, 144 tonnes CO₂e of GHG was offset.

5 Emissions data relating to air travel by HKEX's directors and employees was based on the International Civil Aviation Organization Carbon Emissions Calculator and the "Environmental Reporting Guidelines: Including mandatory greenhouse gas emissions reporting guidance" issued by DEFRA in the UK.

Energy Consumption ¹

Indicators	Unit	2021	2020	2019
Total energy consumption	MWh	37,446	33,808	34,212
Energy consumption per floor area	MWh/m ²	0.59	0.60	0.61
Energy consumption per employee	MWh/employee	16.23	14.13	16.16
Direct energy consumption	MWh	115	110	120
Unleaded petrol	MWh	38	33	36
Diesel	MWh	77	77	84
Indirect energy consumption	MWh	37,331	33,698	34,092
Purchased electricity	MWh	33,559	33,698	34,092
Purchased renewable electricity ²	MWh	3,772	N/A	N/A
Expense on energy consumption ³	\$m	41	40	40

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

2 Relevant figure was disclosed from 2021 onwards.

3 Includes air-conditioning cost, electricity tariffs and fuel costs (for vehicles and backup generators). Air-conditioning costs 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.

Paper Consumption

Indicators	Unit	2021	2020	2019
Total paper consumption	tonnes	43	59	108
Office paper	tonnes	38	34	65
Paper for printing publications ¹	tonnes	5	25	43
FSC or PEFC certified or recycled paper used ²	%	100	70	69

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

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

Waste Management ¹

Indicators	Unit	2021	2020	2019
Total waste produced and disposed to landfill	tonnes	64	91	99
Waste produced and disposed to landfill per floor area	tonnes/m ²	0.001	0.002	0.002
Waste produced and disposed to landfill per employee	tonnes/employee	0.03	0.04	0.05
Waste produced and disposed to landfill				
General office waste	tonnes	63	91	99
Food waste	tonnes	1.1	0.1	0.1
Waste produced and collected for recycling				
Food waste	tonnes	2	1	1
Mixed recycling	tonnes	25	27	25
Paper ²	tonnes	122	84	177
Waste lead-acid batteries ³	tonnes	13	10	2
Metals	kg	1,954	1,346	674
Plastics	kg	660	456	344
Polyfoam	kg	222	515	-
Wooden board	kg	1,990	622	-
Glass	kg	189	110	-
Electronic equipment	pieces	705	387	731

1 Figures disclosed represent data of the Group's operations in Hong Kong and London only.

2 Includes confidential waste paper generated within the Group and paper documents submitted by external parties.

3 Waste lead-acid batteries are classified as hazardous waste.

About this Report

Overview

This Report gives an annual update of the Group's CSR performance for the 2021 calendar year. It is available on the HKEX Group website and should be read in conjunction with the HKEX 2021 Annual Report, 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.

Boundary and Scope

This Report covers the operations of HKEX and its subsidiaries. There is no significant change in the boundary and scope of this Report from that of the HKEX 2020 CSR Report, published on 15 March 2021.

Reporting Principles

This Report aims to provide a balanced representation of the Group's CSR performance under the three pillars of our CSR Strategy – Our Markets, Our People, and Our Operations. In particular, the selected content aims to reflect the impacts of the identified material and relevant CSR topics on the Group as well as the Group's involvement in addressing these impacts.

The content of this Report is determined through a systematic materiality assessment process, which includes identifying CSR-related 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 that are related to different stakeholders. Details of the materiality assessment and major stakeholder engagement channels are disclosed in the Our Approach to CSR section.

To ensure a comprehensive understanding of the Group's CSR performance over time, a summary of the Group's 2021 CSR performance relative to various quantitative KPIs, with comparison to 2019 and 2020, is disclosed in the Performance Summary section. Information about the standards, methodologies, assumptions and/or calculation references, and source of key conversion factors used for these KPIs are stated wherever appropriate. As far as reasonably practicable, consistent methodologies are adopted when calculating these KPIs or any changes that affect a meaningful comparison would be stated.

Reporting Framework

This Report has complied with all mandatory disclosure requirements and “comply or explain” provisions outlined in the ESG Guide. This Report also references selected disclosures, or parts of their content, from the GRI Sustainability Reporting Standards. Content indexes are available on the [HKEX Group website](#) as a tool to help readers easily locate relevant information within the Report, HKEX's Annual Report and across HKEX's web-based resources. For climate-related disclosure, we are in the process of applying the disclosure recommendations developed by the TCFD that provide guidance on how to disclose and address climate-related risks and opportunities. We will continue to enhance our disclosures to provide more details about our management approach on climate-related issues.

Forward-looking Statements

This Report contains forward-looking statements which are based on the current expectations, estimates, projections, beliefs and assumptions of HKEX about the businesses and the markets in which it and its subsidiaries operate. These forward-looking statements are not guarantees of future performance and are subject to market risk, uncertainties and factors beyond the control of HKEX. Therefore, actual outcomes and returns may differ materially from the assumptions made and the statements contained in this Report.

Assurance

To ensure the quality of the information reported, the reporting process is standardised and the data reporting structure is checked, 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 2022.

Contact and Feedback

Your feedback is valuable to our continuous improvement and we welcome any comments and suggestions you may have on this Report or our CSR reporting in general. Please share any comments or suggestions regarding the Group's CSR performance to csr@hkex.com.hk.

Glossary

AGM	Annual general meeting
AI	Artificial intelligence
Board	HKEX's board of directors
CG Code	Appendix 14 to the Main Board Listing Rules
Chief Executive Officer or CEO	HKEX's Chief Executive Officer
CO₂e	Carbon dioxide equivalent
COP26	2021 United Nations Climate Change Conference
CSR	Corporate Social Responsibility
Director(s)	HKEX's director(s)
ESG	Environmental, Social and Governance
ESG Guide	Appendix 27 to the Main Board Listing Rules
Exchange or SEHK	The Stock Exchange of Hong Kong Limited
FSC	Forest Stewardship Council
GFANZ	Glasgow Financial Alliance for Net Zero
GHG	Greenhouse gas
Government	The Government of Hong Kong Special Administrative Region of the People's Republic of China
GRI	Global Reporting Initiative
Group	HKEX and its subsidiaries
HKEX	Hong Kong Exchanges and Clearing Limited
HKEX Foundation or Foundation	HKEX Foundation Limited
HKSAR	Hong Kong Special Administrative Region
INED(s)	Independent Non-executive Director(s)
IPO(s)	Initial Public Offering(s)
ISO	International Organization for Standardization
IT	Information Technology
KPI(s)	Key performance indicator(s)
LEED	Leadership in Energy and Environmental Design
LGBT+	Lesbian, Gay, Bisexual and Transgender plus
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
MBA	Master of Business Administration
MWh	Megawatt hour
NGO(s)	Non-governmental organisation(s)
PEFC	Programme for the Endorsement of Forest Certification
RMB	Renminbi
SFC	Securities and Futures Commission
TCFD	Task Force on Climate-related Financial Disclosures
UK	United Kingdom
UN	United Nations
US	United States of America
\$	Hong Kong dollar
\$bn	Hong Kong dollar in billion
\$m	Hong Kong dollar in 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 2021 Corporate Social Responsibility Report (the Report).

The scope of HKQAA’s verification covers the data and information associated to HKEX’s sustainability performance, including the quantitative data of direct (scope 1), indirect (scope 2), and other indirect (scope 3) greenhouse gas emissions for the period from 1st January 2021 to 31st December 2021, 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 Environmental, Social and Governance Reporting Guide (“ESG Reporting Guide”) of The Stock Exchange of Hong Kong Limited and the Global Reporting Initiative Sustainability Reporting Standards (“GRI Standards”).

Our verification procedure performed including discussion on 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 has not been 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 a reasonable assurance and is of the opinion that:

- The Report has complied with all mandatory disclosure requirements and “comply or explain” provisions outlined in the ESG Reporting Guide;
- The Report is prepared with reference to selected disclosure requirements, or parts of their content, from 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.

In conclusion, the Report provides transparent disclosure of HKEX commitments, performance and progress towards sustainability and is in line with international frameworks. The Report also illustrates HKEX’s responsiveness to address the needs and expectations of its stakeholders.

Signed on behalf of Hong Kong Quality Assurance Agency



Connie Sham
Head of Audit
February 2022



