

HKEX 2012 Corporate Social Responsibility Report

GRI Content Index

The GRI G3.1 Guidelines' standard disclosures include strategy and profile (1.1 to 1.2, 2.1 to 2.10, 3.1 to 3.13, 4.1 to 4.17), management approach and performance indicators under the categories of Economic (EC), Environment (EN), Labour (LA), Human Rights (HR), Society (SO), and Product Responsibility (PR). The Financial Services Sector Supplement provides financial services sector (FS) specific disclosures on management approach and performance indicators.

HKEX's 2012 CSR Report fulfils the requirement of GRI Application Level A+. All of the GRI G3.1 Guidelines' standard disclosures and the Financial Services Sector Supplement's specific disclosures have been fully made unless otherwise stated.

HKEX's CSR reporting is also in compliance with the [Environmental, Social and Governance Reporting Guide](#) (ESG Guide) introduced by The Stock Exchange of Hong Kong Limited as a recommended practice under Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The ESG Guide applies to issuers with financial years ended after 31 December 2012. The information reported against the recommended disclosures (including General Disclosures and Key Performance Indicators (KPIs)) of the ESG Guide is as referenced below.

GRI Disclosure	ESG Guide Reference	Description	HKEX's Response
Strategy and Analysis			
1.1		Message from the Chairman	Message from the Chairman
1.2		Key impacts, risks and opportunities	Message from the Chairman, Progress Highlights and Future Commitments, Policy and Strategy
Organisational Profile			
2.1		Name of the organisation	Cover page
2.2		Primary brands, products and services	About HKEX Group, Products & Services
2.3		Operational structure	About HKEX Group, Organisation
2.4		Location of head office	About this Report
2.5		Countries of operation	
2.6		Nature of ownership	Shareholding Analysis
2.7		Markets served	About HKEX Group, Corporate Information
2.8		Scale of the organisation	About HKEX Group, Performance Statistics
2.9		Significant changes during the reporting period	Corporate Governance Report (p.100-102), Shareholding

		regarding size, structure and ownership	Analysis
2.10		Awards received	Recognition and Ratings on Corporate Governance and CSR
Report Parameters			
3.1		Reporting period	Calendar year 2012
3.2		Date of the most recent previous report	2011
3.3		Reporting cycle	Annual
3.4		Contact point	Contents
3.5		Process for defining report content	About this Report
3.6		Boundary of the report	
3.7		Specific limitations on report scope or boundary	
3.8		Basis for reporting on entities that can affect comparability	
3.9		Data measurement techniques and bases of calculations	
3.10		Restatements of information and reasons for such restatements	
3.11		Significant changes in the reporting scope, boundary or measurement methods applied	
3.12		GRI content index	GRI Content Index
3.13		Assurance	About this Report, Assurance Statement
Governance, Commitments and Engagement			
4.1		Governance structure	Corporate Governance Structure
4.2		Chair of the highest governance body	Board Composition
4.3		Independence of the highest governance body	Corporate Governance Report (p.96)
4.4		Mechanisms to provide recommendations or direction to the highest governance body	Relations with Shareholders and Other Stakeholders, Stakeholder Engagement, Corporate Governance Report (p.109-110)
4.5		Linkage between compensation for members of the highest governance body, senior	Remuneration

		managers and executives, and the organisation's performance	
4.6		Management of conflicts of interest	Public and Corporate Responsibilities
4.7		Process for determining the qualifications and expertise of the highest governance body	Board Composition, Nomination Committee
4.8		Statements of mission or values, code of conduct, and principles relevant to sustainability performance	Mission and Strategic Plan, Policy and Strategy, Human Resources Manual (to be updated soon)
4.9		Procedures of the highest governance body for overseeing the identification and management of sustainability performance	Governance and Management, Environmental, Social and Governance Committee Report
4.10		Processes for evaluating the highest governance body's own performance, particularly with respect to sustainability performance	Board Evaluation, Corporate Governance Report (p.99)
4.11		Implementation of the precautionary approach or principle	Accountability and Audit, Corporate Governance Report (p.106-108)
4.12		Participation in/support for external initiatives	Membership and Participation in External Initiatives
4.13		Memberships	
4.14		List of stakeholder groups	Major Stakeholders of HKEX
4.15		Identification and selection of stakeholders	Stakeholder Engagement
4.16		Approaches to stakeholder engagement	
4.17		Key topics and concerns raised through stakeholder engagement	Stakeholder Engagement
Economic Performance			
DMA		Economic performance	Marketplace, Environment, Remuneration
		Market presence	Marketplace, Workplace
		Indirect economic impacts	Marketplace, Community
EC1 ♦		Direct economic value	Performance Statistics
EC2 ♦		Financial implications due to climate change	Environment – Management Practices and Performance
EC3 ♦		Defined benefit plan obligations	Remuneration

EC4 ♦		Significant financial assistance received from government	None in 2012.
EC5 ◇		Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	Performance Statistics
EC6 ♦	General Disclosure C1 KPI C1.1 KPI C1.2	Policy, practices and proportion of spending on locally-based suppliers	Marketplace – Management Practices and Performance, Marketplace
EC7 ♦		Procedures for local hiring and proportion of senior management hired from the local community	Workplace – Management Practices and Performance, Performance Statistics
EC8 ♦		Development and impact of infrastructure investments and services provided primarily for public benefit	Performance Statistics, Stakeholder Engagement, Marketplace
EC9 ◇		Significant indirect economic impacts	HKEX Research Papers, Marketplace
Environmental Performance			
DMA	General Disclosure B2	Materials	Environment
		Energy	
		Water	
		Biodiversity	NR – As an exchange controller, our operations are located in developed commercial areas with no significant impact on biodiversity and species with extinction risk.
	General Disclosure B1 KPI B1.5 KPI B1.6	Emissions, effluents and waste	Environment
		Products and services	
		Compliance	
	Transport	NR – As an exchange controller, we mainly provide financial and data products which require no physical transportation.	
General Disclosure	Overall	Environment	

	B3 KPI B3.1		
EN1 ♦		Materials used	Performance Statistics
EN2 ♦		Recycled input materials	
EN3 ♦	KPI B2.1	Direct energy consumption	
EN4 ♦	KPI B2.1	Indirect energy consumption	
EN5 ◇	KPI B2.3	Energy saved due to conservation and efficiency improvements	
EN6 ◇		Initiatives to provide energy efficient or renewable energy based products	NR – As an exchange controller, we mainly provide products and services in relation to the securities and futures markets in Hong Kong.
EN7 ◇	KPI B2.3	Initiatives to reduce indirect energy consumption	Environment – Management Practices and Performance, Performance Statistics, Environment
EN8 ♦ EN21 ♦	KPI B2.2	Water withdrawal and discharge	Performance Statistics
EN9 ◇ EN25 ◇	KPI B1.1 KPI B2.4	Water sources significantly affected by the withdrawal of water, and water bodies and related habitats significantly affected by the discharges of water and runoff	NR – As an exchange controller, our operations are office-based and our water supply is provided by the Hong Kong Government's Water Supplies Department and water discharge is handled by the Hong Kong Government's Drainage Services Department.
EN10 ◇		Water recycled and reused	NA – As HKEX's new Data Centre only came into operation in the fourth quarter of 2012, the relevant data will be available in 2013.
EN11 ♦		Location and size of land in adjacent to protected areas	None in 2012.
EN12 ♦ EN13 ◇ EN14 ◇ EN15 ◇		Significant impacts on biodiversity in protected areas, habitats protected or restored, managing impacts on biodiversity, and species with extinction risk affected	NR – As an exchange controller, our operations are located in developed commercial areas with no significant impact on biodiversity and species with extinction risk.
EN16 ♦	KPI B1.1 KPI B1.2	Direct and indirect GHG emissions	Performance Statistics
EN17 ♦	KPI B1.1 KPI B1.2	Other relevant indirect GHG emissions	

EN18 ◇	KPI B1.5	Initiatives to reduce GHG emissions	Environment – Management Practices and Performance, Performance Statistics, Environment
EN19 ◆	KPI B1.1	Emissions of ozone-depleting substances	Performance Statistics
EN20 ◆	KPI B1.1	NOx, SOx, and other significant air emissions	NR – As an exchange controller, our operations generate no significant emissions of NOx, SOx and other air pollutants.
EN22 ◆	KPI B1.1 KPI B1.4	Waste by type and disposal method	Performance Statistics
EN23 ◆	KPI B1.1 KPI B1.3	Significant spills of hazardous substances	NR – As an exchange controller, our operations are office-based and do not constitute any risks of significant spills of hazardous substances.
EN24 ◇	KPI B1.1 KPI B1.3 KPI B1.6	Hazardous waste	NR – As an exchange controller, our operations are office-based and do not generate any significant amounts of hazardous waste.
EN26 ◆		Initiatives to mitigate environmental impacts of products and services	Environment – Management Practices and Performance, Environment
EN27 ◆	KPI B2.5	Percentage of products sold and their packaging materials that are reclaimed	NR – As an exchange controller, we mainly provide financial and data products without packaging materials.
EN28 ◆		Significant fines and sanctions for non-compliance with environmental laws and legislation	None in 2012.
EN29 ◇		Significant environmental impact of transporting products	NR – As an exchange controller, we mainly provide financial and data products which require no physical transportation.
EN30 ◇		Environmental protection expenditures and investments	Performance Statistics
Labour Practices and Decent Work Conditions			
DMA	General Disclosure A1, A2, A3 KPI A2.3	Employment	Workplace
		Labour/Management relations	
		Occupational health and safety	

		Training and education	
		Diversity and equal opportunity	
		Equal remuneration for women and men	
LA1 ♦	KPI A1.1	Analysis of workforce	Performance Statistics
LA2 ♦	KPI A1.2	New employee hires and employee turnover	
LA3 ◇		Benefits provided to full-time employee	Remuneration, Workplace
LA4 ♦		Employees covered by collective bargaining agreements	None in 2012.
LA5 ♦		Minimum notice period(s) regarding significant operational changes	Workplace – Management Practices and Performance
LA6 ◇		Formal joint management-worker health and safety committees	Governance and Management
LA7 ♦	KPI A2.1 KPI A2.2	Rates of injury, occupational diseases, lost days and absenteeism, and number of work-related fatalities	Performance Statistics
LA8 ♦		Education, training and prevention of serious diseases	Workplace – Management Practices and Performance, Workplace
LA9 ◇		Health and safety topics covered in formal agreements with trade unions	NR – HKEX does not have any formal agreements with trade unions.
LA10 ♦	KPI A3.1 KPI A3.2	Average hours of training	Performance Statistics
LA11 ◇		Skills management and lifelong learning programmes	Workplace – Management Practices and Performance, Performance Statistics, Workplace
LA12 ◇		Performance and career development reviews	Workplace
LA13 ♦		Composition of the Board and breakdown of employees per category according to indicators of diversity	Performance Statistics, Corporate Governance Report (p.94)
LA14 ♦		Ratio of basic salary and remuneration of men to women	Performance Statistics
LA15 ♦		Return to work and retention rates after	

		parental leave	
Human Rights			
DMA		Investment and procurement practices	Marketplace
	General Disclosure A4	Non-discrimination	Workplace
		Freedom of association and collective bargaining	
		Child labour, forced and compulsory labour	
		Security practices	
		Indigenous rights	
	Assessment and remediation	Marketplace, Workplace	
HR1 ♦		Significant investment agreements and contracts that include human rights clauses or have undergone human rights screening	None in 2012.
HR2 ♦		Suppliers that have undergone human rights screening	None in 2012.
HR3 ♦		Employee training on policies and procedures concerning human rights	Performance Statistics
HR4 ♦		Incidents of discrimination and corrective actions taken	Workplace
HR5 ♦		Rights to exercise freedom of association and collective bargaining	Workplace – Management Practices and Performance, Human Resources Manual (to be updated soon) We are of the view that our significant suppliers do not have high exposure to risk concerning right to exercise freedom of association or collective bargaining.
HR6 ♦	KPI A4.1 KPI A4.2	Elimination of child labour	Workplace – Management Practices and Performance, Human Resources Manual (to be updated soon)
HR7 ♦	KPI A4.1 KPI A4.2	Elimination of forced or compulsory labour	Workplace – Management Practices and Performance, Human Resources Manual (to be updated soon)
HR8 ♦		Training for security personnel on aspects of human rights	Performance Statistics
HR9 ♦		Incidents of violations involving rights of indigenous people	None in 2012.

HR10 ♦		Operations that have been subject to human rights reviews and/or impact assessments	None in 2012. We will carry out reviews or assessments if considered necessary or as required by laws.
HR11 ♦		Grievances related to human rights	None in 2012.
Society			
DMA	General Disclosure D1 KPI D1.1 KPI D1.2	Community	Community, Marketplace, Performance Statistics, Stakeholder Engagement
	General Disclosure C3 KPI C3.2	Corruption	Marketplace
		Public policy	
		Anti-competitive behaviour	
		Compliance	
SO1 ♦		Programmes and practices that assess and manage the impacts of operations on the community	Community, Stakeholder Engagement
SO2 ♦		Risks related to corruption	Marketplace – Management Practices and Performance
SO3 ♦	KPI C3.2	Anti-corruption training	Performance Statistics
SO4 ♦	KPI C3.1	Incidents of corruption and actions taken in response	None in 2012.
SO5 ♦		Public policy positions and participation in public policy development	Stakeholder Engagement, Marketplace
SO6 ◊		Contributions to political parties	None in 2012.
SO7 ◊		Legal actions for anti-competitive behaviour	None in 2012.
SO8 ♦		Significant fines and sanctions for non-compliance with laws and regulations	None in 2012.
SO9 ♦ SO10 ♦		Operations with significant potential or actual negative impacts on local community and the corresponding prevention and mitigation measures implemented	Marketplace – Management Practices and Performance, Stakeholder Engagement
Product and Service Responsibility			
DMA	General	Customer health and	NR – As an exchange

	Disclosure C2 KPI C2.3 KPI C2.4 KPI C2.5	safety	controller, we mainly provide financial and data products and services which do not present any significant health and safety impacts.
		Product and service labelling	Marketplace
		Marketing communications	
		Customer privacy	
		Compliance	
PR1 ♦ PR2 ♦	KPI C2.1	Health and safety impacts of products and services and incidents of non-compliance	NR – As an exchange controller, we mainly provide financial and data products and services which do not present any significant health and safety impacts.
PR3 ♦		Product and service information	Marketplace – Management Practices and Performance
PR4 ♦	KPI C2.2	Non-compliance with regulations concerning product and service information and labelling	None in 2012.
PR5 ♦ PR6 ♦	KPI C2.2	Customer satisfaction Marketing communications standards	Marketplace – Management Practices and Performance, Stakeholder Engagement
PR7 ♦	KPI C2.2	Non-compliance concerning marketing communications standards	None in 2012.
PR8 ♦	KPI C2.5	Complaints regarding breaches of customer privacy and losses of customer data	None in 2012.
PR9 ♦	KPI C2.2	Significant fines for non-compliance with laws and regulations concerning the provision and use of products/services	None in 2012.
Financial Services Sector Disclosures			
DMA		Product portfolio	Marketplace, Community, Environment
		Audit	Corporate Governance Report (p.106-108)
		Active ownership	Note 38 of the Consolidated Financial Statements of 2012 Annual Report, Policy and Strategy

FS1 ♦		Environmental and social policies applied	Policy and Strategy
FS2 ♦		Assessment of environmental and social risks	Governance and Management, Stakeholder Engagement
FS3 ♦		Monitoring clients' implementation of and compliance with environmental and social requirements	NR – As an exchange controller, we do not provide any commercial/corporate banking or insurance services.
FS4 ♦		Improving staff competency to implement environmental and social policies and procedures	Governance and Management, Marketplace – Management Practices and Performance
FS5 ♦		Interactions with clients/business partners regarding environmental and social risks and opportunities	Stakeholder Engagement, Marketplace
FS6 ♦		Percentage of the portfolio for business lines by specific region, size and sector	NR – As an exchange controller, we are of the view that the evaluation and ranking of environmental or social impact of our customer base is not relevant to our business.
FS7 ♦		Products and services designed to deliver a specific social benefit	Marketplace, Community, Performance Statistics
FS8 ♦		Products and services designed to deliver a specific environmental benefit	Marketplace, Environment
FS9 ♦		Audits to assess the implementation of environmental and social policies and risk assessment procedures	Governance and Management, Corporate Governance Report (p.106-108)
FS10 ♦ FS12 ♦		Percentage and number of companies held in HKEX's portfolio with which HKEX has interacted on environmental or social issues and voting policies applied to these issues for shares held	Note 38 of the Consolidated Financial Statements of 2012 Annual Report, Policy and Strategy
FS11 ♦		Percentage of assets subject to environmental or social screening	NR – HKEX does not have any asset management operations and therefore environmental and social screening practices are not applicable.

FS13 ♦		Access points in low-populated or economically disadvantaged areas	NR – HKEX does not operate in low-populated or economically disadvantaged areas.
FS14 ♦		Initiatives to improve access to financial services for disadvantaged people	Marketplace – Management Practices and Performance, Stakeholder Engagement, Marketplace
FS15 ♦		Policies for fair design and sale of financial products and services	
FS16 ♦		Initiatives to enhance financial literacy	

- DMA Disclosure on management approach
- ♦ Core indicator
- ◇ Additional indicator
- NA Not available - data for the disclosure is not available
- NR Not reported - the disclosure is not material or not applicable