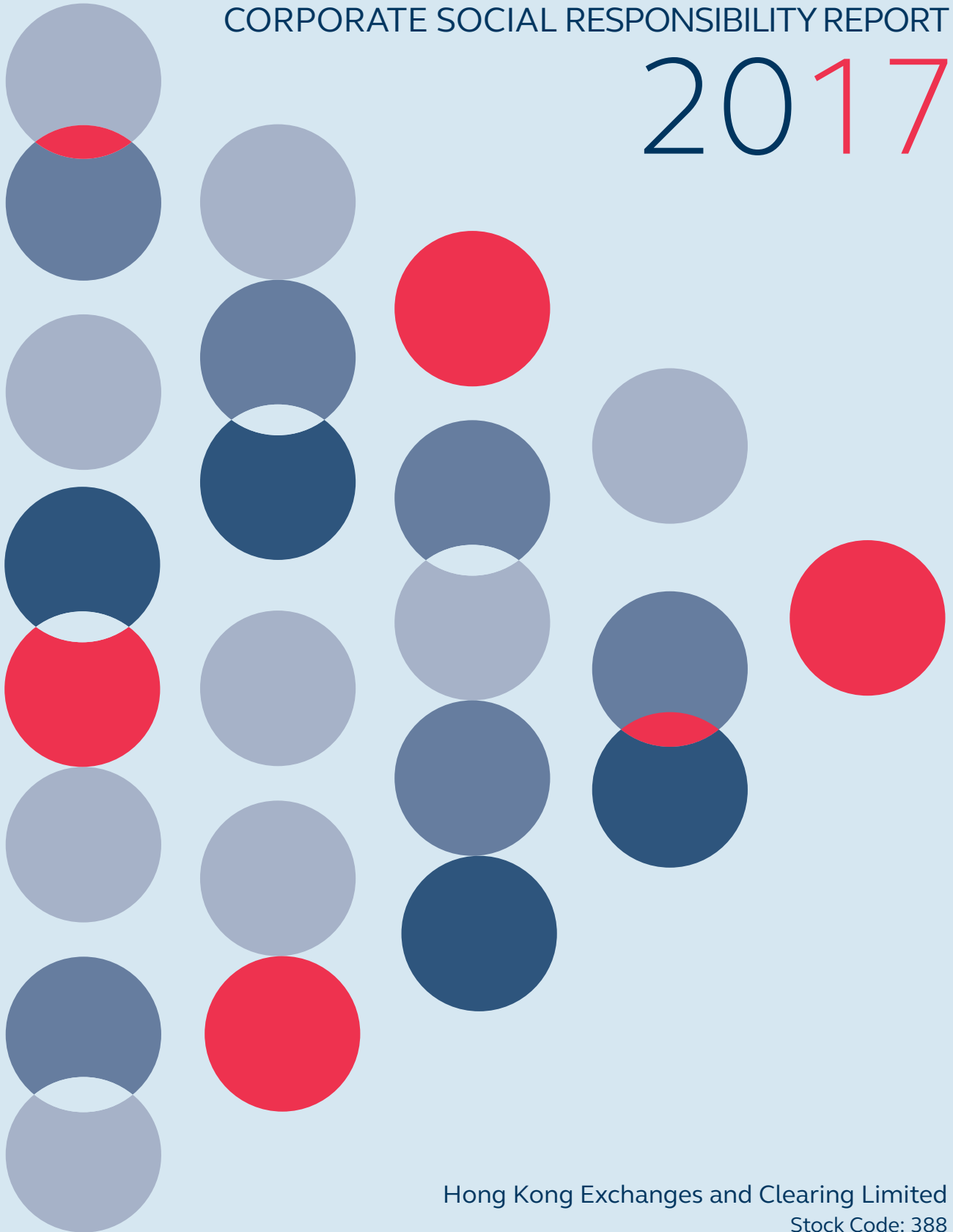


CORPORATE SOCIAL RESPONSIBILITY REPORT

2017






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


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## ABOUT THIS REPORT


### Overview

This Report gives an annual update of the Group's CSR performance for the 2017 calendar year under the Four Cornerstones – **Marketplace**, **Workplace**, **Community** and **Environment**. It is to be read in conjunction with HKEX's 2017 Annual Report , in particular the Corporate Governance Report contained therein, as well as the Corporate Governance  and the CSR  sections of the HKEX Group website.

### Scope of this Report

This Report covers the Group's operations and aims to provide a balanced representation of its CSR performance under the Four Cornerstones. There is no significant change in the scope of this Report from that of the 2016 CSR Report  published on 20 March 2017.

### Content of this Report

The content of this Report is defined through a systematic process , including identifying CSR topics, assessing materiality and relevance of the identified CSR topics and the topic boundaries, preparing and validating the information reported, and reviewing and addressing stakeholders' feedback on the Group's CSR reporting. This Report covers key issues relevant to different stakeholder groups based on the Group's continual engagement with stakeholders in its daily operations.

### Reporting Reference

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


### Assurance

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

### Endorsement and Approval

This Report was endorsed by the ESG Committee and approved by the Board in February 2018.

### Feedback on this Report

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

More information can be found via hyperlinked icons throughout this Report



Go to specified website



Go to specified document

# ABOUT HKEX

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

In Hong Kong, HKEX is a recognised exchange controller under the SFO. Through its subsidiaries, HKEX operates the securities and derivatives markets and is the frontline regulator of listed issuers in Hong Kong. It also provides clearing and settlement services, depository and nominee services, and information services across multiple products and asset classes. In collaboration with the Shanghai and Shenzhen stock exchanges, HKEX operates Stock Connect, a unique programme which gives investors in the Hong Kong and Mainland securities markets access to the other market. In London, HKEX indirectly owns the LME, an exchange for the trading of futures and options contracts on base and other metals, and LME Clear which provides clearing and settlement services for all exchange contracts traded on the LME.

HKEX has formed an equal joint-venture partnership with the Shanghai and Shenzhen stock exchanges, namely China Exchanges Services Company Limited, which develops cross-border indices based on products traded on the three markets. HKEX also owns 40 per cent of Bond Connect Company Limited, a joint venture formed in partnership with CFETS in 2017 to support Bond Connect that currently gives international investors access to the Mainland bond market via Hong Kong, by providing trading services, investor education and other services. More corporate information about the Group is available on the HKEX Group website [🌐](#).

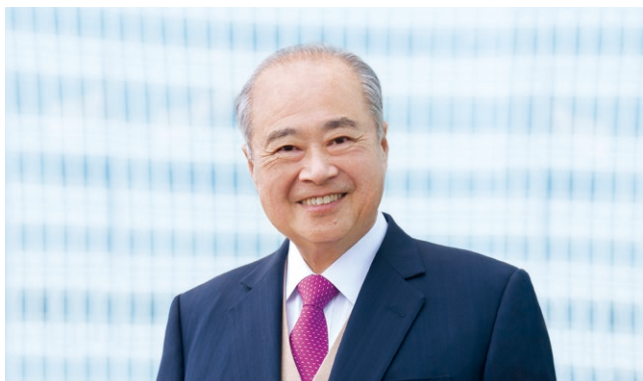


HKEX is listed on the Main Board of SEHK. Other than the establishment of Bond Connect Company Limited, there were no significant changes in terms of the Group's size, structure, ownership and supply chain in 2017 as compared to 2016. A list of HKEX's subsidiaries as at 31 December 2017 is available on the HKEX Group website [🌐](#).

HKEX has been rated highly and has received awards by local and overseas rating agencies and professional institutions in recognition of its corporate governance and CSR performance. In 2017, HKEX continued to remain a constituent company in various sustainability indices, including the Dow Jones Sustainability Asia Pacific Index, the FTSE4Good Index Series and the Hang Seng Corporate Sustainability Index Series. HKEX also received the Caring Company Award for the 12th consecutive year in recognition of its good corporate citizenship. More information is available on the HKEX Group website [🌐](#).

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

# MESSAGE FROM THE CHAIRMAN



In 2017, HKEX made important progress in enhancing sustainability of our marketplace that connects investors with enterprises seeking capital and different market players in the financial industry. We launched Bond Connect in July and continued to enhance our product capabilities to drive forward our strategic plan to become a true multi-asset class platform connecting China with the world. We also announced our plans to broaden Hong Kong's capital markets access for a more diverse range of issuers and to enhance the competitiveness of our LME business in London. Details of our strategic initiatives undertaken during the year are set out in the Chief Executive's Review and the Business Review sections of HKEX's 2017 Annual Report [📖](#).

At HKEX, we believe that our success as an exchange operator and the frontline regulator of listed companies is defined not only by our ability to provide a quality and efficient marketplace, but also by our commitment to high standards of corporate governance and social and environmental stewardship. Connectivity is not only core to our business strategy; it also lies at the heart of our approach to sustainable workplace, environment and communities that enables us to fulfil our corporate responsibility.

With a view to continuously reviewing and enhancing the corporate governance of the Group, an independent external consultant was engaged in 2017 to evaluate the performance of the boards of HKEX and its two subsidiaries in the UK. The evaluation concluded that the HKEX Board operates effectively and performs well in its governance of HKEX, while the performance of the LME Board and the LME Clear Board was in compliance with the applicable laws and governance codes and is largely well aligned with international best practices.

To reinforce high standards of integrity and risk management practices across the Group, we organised the annual Risk and Compliance Awareness Month in October and a comprehensive online training for all employees to enhance their understanding of their compliance responsibilities.

Our work to drive sustainability within and outside the organisation continued in 2017. To promote ongoing and open dialogue with our employees, we conducted our latest biennial employee engagement survey, which received a high response rate of 89 per cent. To continue with our commitment to the well-being of the community, we, through the Stock Code Balloting for Charity Scheme, raised \$73 million to The Community Chest of Hong Kong. Our employees and their guests also contributed over 4,300 hours for volunteering. To further deepen our connection with communities, the Board has approved the plan to establish a charitable foundation to implement a more structured approach to the determination and oversight of our corporate giving in the future.

In support of environmental sustainability, we have continued to promote carbon audit and environmental performance reporting among listed issuers in Hong Kong. Under the ESG Reporting Guide, listed issuers with a financial year commencing on or after 1 January 2017 are required to disclose the key performance indicators in respect of the environmental aspects on a "comply or explain" basis. We have also incorporated various green features in the design of the new HKEX Connect Hall which opened on 20 February 2018.

Achieving sustainability requires long term combined effort and commitment from inside and outside HKEX. Leveraging on our unique position as an exchange controller, we will continue to work closely together with our stakeholders and move forward on our sustainability journey. Last but not least, I take this opportunity to thank all our stakeholders for their continued support and contribution, which help us overcome challenges and achieve for a better future in our marketplace and community.

**CHOW Chung Kong**  
Chairman

Hong Kong, 28 February 2018

# 2017 AT A GLANCE

## Marketplace



**債券通**  
BOND CONNECT

launched on 3 July to provide international investors with access to the Mainland bond market

### First physically settled USD/CNH Gold Futures

launched in Hong Kong, alongside LME gold futures in London, on 10 July

### LME Strategic Pathway

and delivery programme published in September and October respectively

## Workplace



**43%**  
of the Group's employees are female



**>550**  
training classes and workshops conducted, covering 87% of the Group's employees



**>29,000**  
hours of training for the Group's employees

## Community

**\$73 million**

raised via the Stock Code Balloting for Charity Scheme for The Community Chest of Hong Kong



**>4,300**  
hours of volunteer services to the community

### First HKEX Volunteer Month

launched with volunteer activities arranged for employees and their guests

## Environment



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



**-42%**  
in paper consumption for printing publications

### "Excellence" Level Wastewi\$e Certificate


awarded for HKEX's waste recycling achievements

# APPROACH TO CSR



## CSR Vision

At HKEX, CSR is a business philosophy that creates shared sustainable value with our stakeholders in the economic, social and environmental dimensions. The Group's CSR Vision is to be a responsible corporate citizen committed to the sustainable development of the Marketplace, Workplace, Community and Environment, and to promote the development of socially responsible practices in the marketplace and community.



## CSR Core Values


HKEX has defined a set of CSR Core Values , reflecting its unique position as the exchange controller and a listed commercial entity. These CSR Core Values underpin the Group's corporate culture, guide its behaviour in daily operations and stakeholder engagement, and lead the Group's pursuit of its CSR Vision.

## CSR Policy and Strategy

HKEX's CSR Policy  is in place to guide the Group's business and operational decisions and takes into account its responsibility to the Four Cornerstones that reflect HKEX's unique business nature. HKEX's CSR Strategy  is built on core principles set across the Four Cornerstones with pragmatic objectives providing guidance on the application of these principles in its daily operations. HKEX's CSR Policy and Strategy are reviewed periodically to ensure their relevance and appropriateness to the business.

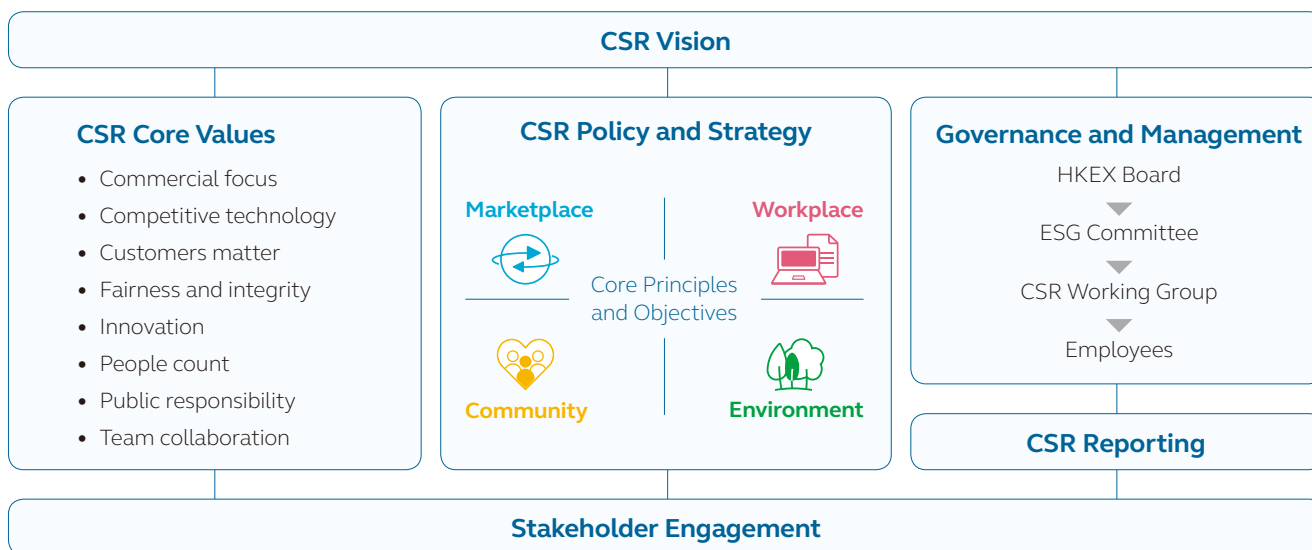
## Governance and Management

The Board has delegated the day-to-day responsibility for all corporate governance and CSR-related matters to the ESG Committee which comprises HKEX's Chairman and four other Directors, including HKEX's Chief Executive. Major roles and functions, membership and terms of reference of the ESG Committee are available on the HKEX Group website . Work done by the ESG Committee during 2017 is summarised in the ESG Committee Report contained in HKEX's 2017 Annual Report .

Building on the CSR governance structure , a CSR management system has been established with reference to the ISO 26000 Guidance on Social Responsibility and the ISO 14001 Environmental Management Systems standard. The CSR Working Group which comprises CSR coordinators from divisions and departments within the Group is responsible for operating and maintaining the CSR management system and promoting CSR awareness among employees.

## CSR Reporting

CSR reporting is an integral part of the Group's CSR development as it demonstrates accountability and transparency, promotes effective stakeholder engagement and facilitates continual improvement of the Group's CSR performance. CSR initiatives undertaken by the Group are reported in the quarterly updates submitted by HKEX's Chief Executive to the Board and in HKEX's annual CSR reports.



CSR framework at HKEX

To determine the content of this Report, HKEX refined the process of identifying and assessing materiality and relevance of the Group’s CSR topics in 2017 for aligning with the ESG Reporting Guide and the new GRI Standards. The material and relevant CSR topics under the Four Cornerstones are set out below. Material CSR topics are those closely linked to issues that pose a high risk

to the Group’s operation, or substantially influence the assessments and decisions of the Group’s stakeholders. Relevant CSR topics are those potentially necessary for inclusion in CSR reports to communicate the extent to which the Group contributes to and is affected by the topics, and to promote greater transparency and accountability.

### Material CSR Topics



- **Anti-bribery and anti-corruption**
- **Economic performance**
- **Fair, transparent and orderly markets**
- **Product and service responsibility**
- **System stability and reliability**



- **Employment and labour practices**
- **Ethical and responsible conduct**
- **Human rights, diversity and equal opportunities**
- **Training and development**

### Relevant CSR Topics



- Anti-competitive behaviour
- ESG reporting
- Market education and financial literacy
- Public policy
- Responsible investment
- Supply chain management and procurement practices



- Employee engagement
- Occupational health and safety
- Work-life balance



- Community investment and development
- Employee volunteering
- Fundraising for community causes



- Climate change mitigation and adaptation
- Energy management
- Environmental education and advocacy
- Paper reduction
- Waste management
- Water conservation

There are no significant changes in the list of the Group’s material and relevant CSR topics and topic boundaries from 2016 with the exceptions stated below.

The classification of the topic “Anti-competitive behaviour” (previously named “Anti-competition”) under Marketplace has changed from being a material CSR topic to being a relevant CSR topic as a result of the refinement of the materiality assessment process.

To align with the ESG Reporting Guide and the new GRI Standards and better communicate the Group’s CSR topics:

- “Commitment to product and service responsibility”, “Customer privacy” and “Marketing communication” have been combined into “Product and service responsibility” under Marketplace.
- “ESG reporting” and “Responsible investment”, which were previously reported together as “Promoting ESG reporting and responsible investment”, are now reported separately under Marketplace.
- “Green procurement” which was previously reported under Environment has now been merged into “Supply chain management and procurement practices” under Marketplace.
- “Community investment” and “Community partnerships” have been combined into “Community investment and development” under Community.



## Stakeholder Engagement

The Group engages its stakeholders on major initiatives and other issues in many ways, both formal and informal. These ongoing dialogues enhance the Group's understanding of its stakeholders' views and expectations, enabling it to make better-informed decisions and improve assessment and management of the resulting impacts. More information about the basis for the Group to identify its major stakeholder groups and the corresponding engagement channels is available on the HKEX Group website [HKEX Group website](#).

To promote sustainable development under the Four Cornerstones, the Group subscribes to or endorses a number of externally developed economic, environmental and social charters, principles, or other initiatives. It also participates in various national and international advocacy organisations by holding positions on their governance bodies, participating in projects or committees or providing funding [HKEX Group website](#).

### 債券通 BOND CONNECT

was launched on 3 July 2017 after months of close collaboration with Mainland and Hong Kong regulators and financial infrastructure institutions, and extensive engagement with different stakeholders.



#### Media and Public

- Bond Connect Launch Ceremony on 3 July
- Dedicated Bond Connect website [HKEX Group website](#) to provide updates, including rules and regulations, application procedures, reference materials for trading and settlement arrangements, and the list of participating entities
- Publication of research reports on Bond Connect

#### Regulators

- Discussion of key features, policy support and operational model
- Approval of rules and regulations and operational procedures
- Briefing to regulators in Europe regarding the legal, regulatory and operational structure of Bond Connect
- Liaison with Mainland authorities on the post-launch feedback from the market

#### Mainland and Hong Kong Counterparts

- Establishment of a joint venture, Bond Connect Company Limited, with CFETS
- Discussion with Mainland and Hong Kong financial infrastructure institutions to roll out operational details of the trading and settlement link and introduce further enhancements

#### Investors and Market Participants

- Bond Connect investor forum on 3 July with about 500 participants
- Non-deal roadshows in 10 cities in Asia, Europe and North America with a reach of more than 1,000 participants
- Briefings to local and overseas fund industry associations
- Local and overseas public seminars and conferences





## Highlights of the Group's Other Key Engagement Activities in 2017

### Attracting New Economy Companies to List in Hong Kong



HKEX's Chief Executive Charles Li sharing his view on the future of Hong Kong's IPO market on his blog [🌐](#)

As part of a holistic review of the listing framework to enhance Hong Kong's market quality and competitiveness, the Exchange issued the New Board Concept Paper [📖](#) in June to seek market feedback on proposals to enhance Hong Kong's ability to attract companies from emerging and innovative sectors to list in Hong Kong. The Exchange received 360 responses to the Concept Paper from a broad range of respondents representing all relevant stakeholders with a clear consensus that the Exchange must take measures to broaden capital market access in Hong Kong and enhance its competitiveness as a global financial centre.

Drawing on the feedback received in response to the New Board Concept Paper and subsequent regulatory discussions with the SFC, the Exchange issued the conclusions to the New Board Concept Paper [📖](#) in December setting out the proposed way forward to expand the existing listing regime to facilitate the listing of companies from emerging and innovative sectors, subject to appropriate safeguards. Following the discussions with the SFC and other stakeholders, the Exchange published a Consultation Paper on a Listing Regime for Companies from Emerging and Innovative Sectors [📖](#) in February 2018 to seek public feedback on the detailed proposals and proposed amendments to the Listing Rules to give effect to the way forward set out in the conclusions.

### Enhancing Decision-making and Governance Structure for Listing Regulation and Quality of Listed Issuers in Hong Kong

The conclusions to the joint consultation paper on "Proposed Enhancements to the Exchange's Decision-making and Governance Structure for Listing Regulation" [📖](#) were published in September. The SFC and the Exchange have decided to adopt the way forward as set out in the conclusions including establishing a new Listing Policy Panel and enhancing governance within the Exchange's structure for reviewing the Listing Committee's decisions.

Following the publication of a joint statement with the SFC in January on the price volatility of GEM stocks post-listing, the Exchange issued a consultation paper on the review of GEM [📖](#) in June to address market and regulatory concerns regarding the quality and performance of applicants to, and listed issuers on, GEM. The Exchange also launched various market consultations [🌐](#) in September and November on proposed Listing Rule amendments to:

- address potential abuses and specific issues concerning capital raising activities and share issuance transactions;
- improve the effectiveness of the delisting framework and address the issue of prolonged suspension of trading in issuers' listed securities; and
- enhance the corporate governance requirements to address a number of corporate governance concerns.

In December, the Exchange published the conclusions to the consultation paper on the review of GEM [📖](#). The Exchange is currently reviewing and analysing the responses received to the other consultation papers and will publish their respective conclusions in due course.

### Making LME Trading more Accessible and Efficient

In April, the LME and LME Clear published a discussion paper [🌐](#) outlining various topics of key interest for ongoing market development. A comprehensive market engagement process was then undertaken to elicit feedback from a broad range of market participants. A series of phased briefings was also published on each topic discussed in the paper to provide summaries and an easy-to-use guide to the key issues and the LME's position.

In September, the LME published an analysis of the feedback received, including 162 written responses, and announced the LME Strategic Pathway [📖](#). In October, the LME and LME Clear further announced the delivery programme [🌐](#) for their strategic pathway, including product launches, membership enhancements and new trading efficiencies.

## HKEX and Sustainable Development Goals

Since 2015, the UN’s 17 Sustainable Development Goals (SDGs) of the 2030 Agenda for Sustainable Development have been gaining traction, calling for action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity. In its earlier evaluation of the SDGs, the Sustainable Stock Exchanges<sup>1</sup> found four relevant SDGs that stock exchanges are best positioned to support. The following diagram illustrates how HKEX has adopted various CSR initiatives in support of those four relevant SDGs.





SDG	Specific Target 	HKEX’s CSR Initiatives 	Relevant Sections in this Report
<b>Goal 5 – Gender Equality</b> 	Target 5.5 – Ensure women’s full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic, and public life	Promote gender diversity in boardrooms, marketplace, workplace and the communities	<b>Marketplace – Gender Equality</b>  <b>Workplace – Ethical and Responsible Conduct</b>  <b>Community – Community Investment and Development</b>
<b>Goal 12 – Sustainability Information</b> 	Target 12.6 – Encourage companies, especially large and trans-national companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle	Promote ESG reporting among listed issuers in Hong Kong	<b>Marketplace – ESG Reporting</b>
<b>Goal 13 – Climate Change</b> 	Target 13.3 – Improve education, awareness raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction, and early warning	Engage in green finance development in Hong Kong  Promote carbon-related disclosure initiatives such as the Carbon Footprint Repository for Listed Companies in Hong Kong and the CDP’s climate programme  Undertake energy reduction initiatives in daily operations	<b>Marketplace – Green Finance</b>  <b>Environment – Carbon Disclosure, Energy Management</b>
<b>Goal 17 – Global Partnerships</b> 	Target 17.16 – Enhance the global partnership for sustainable development complemented by multi-stakeholder partnerships that mobilise and share knowledge, expertise, technologies and financial resources to support the achievement of sustainable development goals in all countries, particularly developing countries	Participate in the World Federation of Exchanges’ annual sustainability survey  Support the UN’s initiatives against gender inequality	<b>Marketplace – ESG Reporting, Gender Equality</b>

<sup>1</sup> A UN initiative aiming to explore how stock exchanges can enhance corporate transparency and ultimately performance on ESG issues and encourage sustainable investment

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


## Regulatory Regime


Throughout 2017, the Exchange undertook various activities to fulfil its regulatory duty to ensure an orderly, informed and fair securities market in Hong Kong. To enhance transparency of its enforcement practices, the Exchange published an announcement  in February covering its revised themes for enforcement of the Listing Rules and a revised Enforcement Policy Statement  on its approach to enforcement. The Exchange also published its first and biannual Enforcement Newsletter  in July to provide news and updates of its enforcement work and highlight specific areas or conduct that may have an impact on compliance with the Listing Rules.

To continue fostering a culture of self-compliance by its listed issuers, the Exchange published a report  in January on its review of issuers' annual reports to monitor their compliance with the Listing Rules, as well as corporate conduct and disclosure of material events and developments. Another report  was published in July, summarising key findings from its review of 100 periodic financial reports released by listed issuers under its ongoing Financial Statements Review Programme. More information about the regulatory activities performed by the Exchange and policy issues dealt with by the Listing Committee during 2017 are set out in the Business Review section of HKEX's 2017 Annual Report , the 2017 Listing Committee Report  and the Approach to CSR section of this Report.

HKEX continues to work closely with the Financial Reporting Council (FRC) and the Hong Kong Institute of Certified Public Accountants (HKICPA) to promote high-quality financial reporting and better investor protection. In November, HKEX, the HKICPA and the FRC hosted the Joint Financial Reporting Forum to discuss common and significant issues identified from their regular review of listed issuers' financial statements. During the year, the Exchange referred nine cases to the FRC or the HKICPA for further enquiry and/or investigation of possible audit irregularities and accounting non-compliance. HKEX also provided financial support of \$7.7 million to the FRC, and nominated one of its Directors, T C Chan, as an FRC member.

## Corporate Governance

As part of its ongoing effort to promote good corporate governance among its listed issuers, the Exchange launched three series of director training webcasts  in 2017 to provide practical advice and tips to enable directors of listed issuers to understand their responsibilities and improve the effectiveness of their boards. These training webcasts cover various governance topics, including directors' duties, functions of board committees, risk management and internal controls, ESG reporting as well as director and company secretary's roles in corporate governance. The webcasts have received over 1,600 views in total since their launch up to 31 December 2017.

The Exchange co-organised, with the ICAC and other organisations, the Conference on Business Ethics for Listed Companies 2017 in September to address recent corporate governance developments and how to strengthen Hong Kong's corporate governance culture. In October, the Exchange published the findings of its latest review of listed issuers' corporate governance practices. In November, it issued a consultation paper  to seek market views on enhancing its corporate governance requirements to address a number of concerns and raise the overall standards among listed issuers and directors.




HKEX's Chairman C K Chow speaking at the Conference on Business Ethics for Listed Companies 2017

## Green Finance

The Government has begun to place increased emphasis on green finance, as demonstrated by the mention in the 2017-2018 Budget Speech and in the Financial Services Development Council’s report titled “Hong Kong as a Regional Green Finance Hub” in May 2016.

Chapter 37 of the Listing Rules regulates the listing of bonds, including green bonds, on the Exchange. HKEX is actively monitoring the market and studying green bond listing initiatives implemented by other exchanges to determine the most suitable next step and potential new initiatives to support green finance development in Hong Kong. HKEX also attends a monthly task force formed with external stakeholders to better understand green finance developments in Hong Kong and potential investor appetite for listed green bonds.

## ESG Reporting

During 2017, the Exchange continued to promote ESG reporting through training and presentations. ESG reporting is one of the topics covered by the Exchange’s director training webcasts  launched in 2017. HKEX representatives also gave presentations at the events organised by various NGOs and professional organisations such as the WWF and the Hong Kong Venture Capital and Private Equity Association, to identify the latest trends and share practical advice in relation to ESG reporting. As a member of the World Federation of Exchanges (WFE), HKEX continued to participate in the WFE annual sustainability survey in 2017 to promote ESG reporting and other sustainability agenda in capital markets.

## Gender Equality

During the year HKEX and the WE continued to partner with various organisations and business leaders to promote gender equality and champion women’s advancement in the marketplace.


To celebrate International Women’s Day, the WE and the French Chamber of Commerce and Industry in Hong Kong, with the support of the TWF and The University of Hong Kong, hosted an event in March bringing about 180 guests from the public and private sectors to support HeForShe, a global UN initiative to engage men and boys to take action against inequalities faced by women and girls. At the event, HKEX’s Chairman C K Chow delivered a keynote speech addressing the trend of gender diversity and its benefits to the communities. Following the event,

the WE co-sponsored the third annual Ring the Bell for Gender Equality with Women in ETFs Asia Pacific, joining 43 stock exchanges around the world to highlight the role of women at work and encourage stakeholders to remove barriers that restrict women’s economic empowerment. In April, the WE co-hosted a panel discussion with the Hong Kong Investor Relations Association to promote the professional development of female investor relations practitioners. HKEX’s Chief Regulatory Officer and Head of Listing also spoke at the Pathways to Success for Aspiring Female Directors panel, organised by the TWF in August.



HKEX, Women in ETFs Asia Pacific and other industry representatives at the Ring the Bell for Gender Equality

## Market Education and Financial Literacy

HKEX launched the revamped Market website  in November which serves as the new home for all of the information pertaining to HKEX's Hong Kong market. With the new design and enhanced functionalities, investors, brokers, vendors and others will find information easier to access in the website with fewer clicks.

HKEX works closely with government departments and other associations to enhance financial literacy in the finance sector, the investing public and the wider community. During 2017, HKEX supported the International Financial Week and the Asian Financial Forum, which were hosted by the Government and the Hong Kong Trade Development Council to facilitate discussion of topical issues faced by the global financial and business communities, as well as opportunities and challenges in Asia. HKEX also sponsored the Financial Literacy Forum 2017 organised by the Investor Education Centre to discuss key issues and potential strategies to raise the financial literacy of people in Hong Kong. The WE partnered with an NGO to co-organise a financial literacy workshop in January to provide financial planning advice to migrant women. HKEX also conducted a series of financial training workshops in the Mainland and Hong Kong for more than 1,000 university students.





During the year, HKEX strengthened its effort to enhance Stock Connect education for Mainland industry professionals and investors. In addition to hosting the 2017 Stock Connect Investment Forum, HKEX partnered with Mainland securities firms and industry associations to launch regular Stock Connect training sessions in various Mainland cities. HKEX also teamed up with Shenzhen Stock Exchange to enhance investor education co-operation between the two exchanges.

## Technology Investment

In 2017, HKEX kicked off a series of marketing initiatives to promote Hong Kong as a global technology investment hub. To attract listing of "new economy" companies on the Exchange, HKEX co-hosted with Invest Hong Kong and other organisations/hi-tech parks, including Hong Kong Cyberport, Hong Kong Science and Technology Parks Corporation and Zhongguancun, a number of conferences and roadshows in Hong Kong and Mainland China, with participation from "new economy" industry leaders, technology entrepreneurs and intermediaries.

To share knowledge and explore collaboration with some of the leading creative minds in financial technology, HKEX continued to support the SuperCharger FinTech Accelerator, a programme in Hong Kong dedicated to helping both start-ups and more established companies.

## CSR Plans and Progress Update

Plans for 2017	Progress Update	Plans for 2018
To roll out a new training programme for company directors that will cover a broad range of topics aimed at improving the quality of directors and effectiveness of the board	 A new director training programme was launched in March, with three series of director training webcasts  released in 2017 that have received over 1,600 views. See "Corporate Governance" and "ESG Reporting" above for more information.	<ul style="list-style-type: none"> <li>• To expand the existing listing regime to facilitate the listing of issuers from emerging and innovative sectors on the Main Board</li> <li>• To enhance the HKEXnews website to make it more user friendly and allow easier navigation</li> <li>• To work closely with the battery metals industry for delivery of new LME contracts of electric vehicles battery materials</li> </ul>
To consider and formulate proposals to promote green financing	 Discussions were held with various stakeholder groups, including green bond issuers and market practitioners, to understand the latest development and gauge potential market appetite for green bond listings in Hong Kong. See "Green Finance" above for more information.	
To further promote "Women on Boards" to encourage tapping of talent pools for listed companies and in the financial industry	 Various activities were undertaken by HKEX and the WE to promote gender diversity. See "Gender Equality" above for more information.	

 Completed     Ongoing





# WORKPLACE

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

## Ethical and Responsible Conduct

The Group builds confidence in the markets by maintaining high standards of integrity and professionalism among its employees. In 2017, the Group updated its Whistleblowing Policy and a set of guidelines on its employees' compliance with laws, rules and regulations when conducting marketing and business development activities in six selected jurisdictions. All the Group's employees were required to complete an online training course in September to ensure their understanding of their obligations set out in the Group's Code of Conduct and compliance policies in the following areas:

- employees' dealing in securities
- anti-bribery and anti-corruption
- conflicts of interest
- confidentiality of information
- whistleblowing
- continuous disclosure and communication of inside information
- record retention

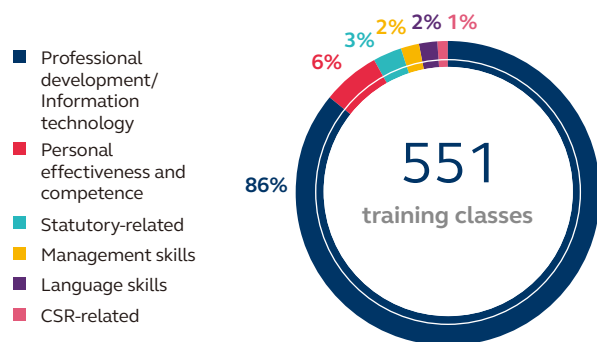
To further enhance the risk management culture across the Group, the Group designated October 2017 as the Risk and Compliance Awareness Month that covered risk management practices, compliance obligations, project risk and cyber risk. This Group-wide campaign included weekly key messages from the Group Risk Officer and Chief Regulatory Officer, supporting learning materials on employees' risk and compliance duties, and related quiz to promote employees' knowledge of the topics. Three town hall sessions were held and attended by 400 employees, and a mandatory risk management e-learning course was launched at the end of the campaign.

During the year, HKEX arranged a seminar on the Hong Kong anti-discrimination ordinances attended by 66 employees, a seminar on the Prevention of Bribery Ordinance attended by 36 employees, and training sessions on the Group's Personal Account Dealing Policy and Hong Kong Competition Ordinance attended by more than 500 and 100 employees respectively.

## Training and Development

To encourage and support employees to reach their full potential, the Group invested \$12 million in employee training in 2017, and organised 551 training classes with an average of 16 hours per employee.

### Training conducted in 2017



In 2017, HKEX launched a new nine-month leadership skills development programme to enhance team leadership, communication and presentation skills of selected mid-level grade employees to prepare them for higher-level positions. A total of 20 employees from various divisions were selected for the programme based on their roles, performance, organisational commitment and motivation to succeed in HKEX. HKEX also continued to promote leadership development through its Executive Education Programme, with two senior employees being selected to join the programme to acquire new skills and professional knowledge for their career development. Seven graduates were recruited this year under HKEX's 2017 Management Trainee Programme , which is designed to nurture young talent for the future development of HKEX.



## Employee Wellness

Over the years, HKEX's Employee Wellness Programme promotes healthy lifestyles, prevents illness and enhances quality of life among employees through organising workshops and talks and providing health care support such as a free flu vaccination programme. In June, HKEX launched its first Wellness Week in Hong Kong to host various activities to instil positive energy and motivation among employees. The event received overwhelming support from employees. Set out below are some highlights of the activities:

- Four wellness seminars, with more than 500 attendees, covered various topics, including healthy diets to alleviate stress, healthy workplace practices, elderly health protection and enhancement, and effective communication with children.
- The first Fitness Awareness Day provided employees with fitness assessments and health tips.
- Free head and shoulder massages were provided for more than 200 employees.
- An on-site Health Market enabled employees to select nutritious and beneficial products such as organic vegetables, dried fruit and herbal tea.



Head and shoulder massages for employees

## Workplace Environment

During 2017, some HKEX offices were consolidated and relocated as part of a strategy to create a better workplace environment, improve communication and promote efficiency. Staff suggestions were implemented to provide a modern, comfortably lighted environment. The new offices have also been designed with larger and better-equipped pantries and a multi-purpose room for staff social events outside office hours.

To safeguard employees' health and contribute to their comfort and well-being, all HKEX offices in Hong Kong undertook indoor air quality (IAQ) inspection and re-certification procedures in 2017, and achieved either Excellent Class or Good Class under the IAQ Certification Scheme launched by the Government.

## Employee Engagement

The Group launched its latest employee engagement survey in May for the Board and senior management to take the pulse of employee sentiment. The survey attracted a high response rate of 89 per cent and its results were communicated to employees in November. Based on the results and findings of the survey, follow-up actions, focusing on career opportunities, talent development and staffing, and employees support and communication, will be carried out.

Throughout the year, HKEX's Chief Executive continued to share his vision and provide business and strategic updates to senior colleagues at the Monthly Executive Forums, and to a wider group of staff at the Quarterly Chief Executive's Presentation. Departmental town halls were also organised for management to hear employees' comments and suggestions, in addition to departmental off-site meetings for team building. More information about the Group's approach to employee engagement is available on the HKEX Group website [www.hkex.com.hk](http://www.hkex.com.hk).

## Work-life balance

To promote a better work-life balance and create a community spirit among employees, HKEX's Staff Social Club and the LME's Sports and Social Committee continued to organise a variety of staff activities in 2017. Some highlights include:

- annual dinner
- bring kids to work day
- gin-tasting master class
- running event
- squid-fishing boat trip



## CSR Plans and Progress Update

### Plans for 2017

To implement a Group Prevention of Financial Crime Policy and a Group Compliance Policy and to review the Conflicts of Interest Policy to ensure all Group employees are performing duties with a high degree of integrity and honesty



### Progress Update

The relevant policies were drafted and are currently under review by various internal stakeholders. They are scheduled to be launched in 2018 after approval by the governance bodies within the Group.

To help further enhance risk and compliance culture within the Group through the performance objective setting process



A pre-determined risk and compliance objective was incorporated in all employees' annual performance appraisal for 2017 onwards.

### Plans for 2018

- To undertake further risk culture enhancement activities across the Group
- To organise a new manager effectiveness training on people management skills
- To organise high potential programmes for mid-level grade employees to encourage them to excel in current roles or get ready for their next level position



Completed



Ongoing

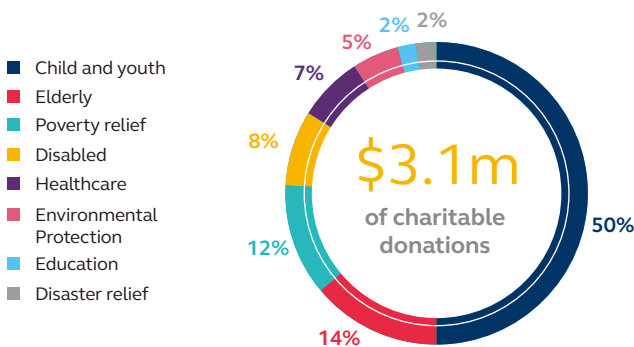


# COMMUNITY

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

## Fundraising and Donations

### Charitable Donations in 2017



In 2017, the Group donated a total of \$3.1 million to several community causes. In addition, HKEX raised \$73 million for The Community Chest of Hong Kong via its Stock Code Balloting for Charity Scheme, resulting in total funds of \$843 million raised under the Scheme since its launch in 1999. The LME continued to support its charity partner, Little Havens Hospice, with a total contribution of about £47,000 in 2017 through annual donation, other charitable events and matching its employees' fundraising activities.

During the year, employees of HKEX and the LME actively participated in various fundraising initiatives and contributed to different charitable organisations. HKEX and its employees made in-kind donations to people in need, including clothing for the underprivileged, schoolbags for Mainland primary students, eyeglasses for those in need, toiletries for refugees, and more.



HKEX employees raising funds at UNICEF Run

## Community Investment and Development

In 2017, HKEX reformed the Charity Advisory Committee, comprising senior executives, to facilitate the implementation of its Community Investment Policy. The Committee formulated HKEX's 2017 charity investment strategy with a focus on elderly, underprivileged groups, and youth and education. Throughout the year, the Group engaged and partnered with various organisations to fulfil the charity investment strategy and address communities' needs. Highlights of these activities are set out below.

### Caring for the Elderly

In 2017, HKEX continued its support for the Senior Citizen Home Safety Association (SCHSA) by making a donation to support 200 eligible elderly people to use the Mobile Link communications service for one year. In addition, 30 HKEX volunteers and their guests participated in making caring calls to SCHSA service users in July.

### Children and Youth Development

In April, the Listing Committee held Pedal Power 2017 for the seventh consecutive year. This initiative has raised more than \$1.3 million for specially selected local secondary school students to participate in leadership courses with Outward Bound Hong Kong.

Under its 2017 Summer Internship Programme, HKEX recruited a total of 78 interns and assistants from different universities, offering them an opportunity to learn about HKEX's business and the financial markets and to gain practical work experience.



### Supporting the Underprivileged

In June, the LME took part in the inaugural David Setters Trophy, a cricket tournament between four teams from the futures industry, which contributed £30,000 to the Motor Neurone Disease Association in the UK and raised awareness for motor neurone disease.



The LME team participating in the David Setters Trophy

In October, the Listing Committee organised the Hike for Hong Kong and raised over \$480,000 for HandsOn Hong Kong to run a workshop programme to improve the employable skills of students with intellectual disabilities.

In December, HKEX collaborated with the Kwun Tong Methodist Social Service in respect of their programme “Connecting the Disconnected”, where HKEX volunteers joined three vocational training events organised for youth with special education needs.

### Girls Empowerment

In March, the WE and the TWF jointly hosted for about 170 secondary school students a screening and discussion forum of the documentary film “She Objects”, a pilot programme aiming to raise teenagers’ awareness on gender stereotyping, media portrayal of body image and women’s career development.

In May, four members of the WE participated in a charity walk organised by the Hong Kong Computer Society FACE Club to support the Girls Go Tech Programme of the TWF by raising funds to help girls from underprivileged backgrounds pursue studies and careers in STEM (Science, Technology, Engineering and Mathematics) subjects.

### Employee Volunteering

Throughout 2017, a total of 395 participants, comprising the Group’s employees and their guests, delivered over 4,300 hours of various volunteer services in the community.

In September, HKEX held the ninth Annual Volunteer Recognition Ceremony cum Dinner to recognise its employees who participated in volunteer services in 2016. During the event, HKEX received the Social Welfare Department’s Gold Award in appreciation of its contribution of more than 3,500 hours of volunteer services in Hong Kong in 2016.



HKEX’s ninth Annual Volunteer Recognition Ceremony cum Dinner

### Volunteer Month

In July, HKEX launched its first “Volunteer Month” to further encourage volunteerism and giving back to the community. A total of 15 volunteer activities were organised, in partnership with various organisations, to improve the local environment and serve different segments of the community in Hong Kong, including children, the elderly and the disabled. During the month, HKEX employees and their guests delivered nearly 1,000 hours of volunteer services to the community and HKEX donated more than \$200,000 to the partnering organisations.

## Highlights of HKEX's Volunteer Activities in 2017



### Elderly

- Home visits to the elderly
- Caring call services
- Organic gifts making with Silver Age



### Children

- Sham Shui Po Orienteering Day 2017
- Step out for Children 2017
- Welcoming the New School Year



### Disabled

- Stargaze Camp for All and the Blind 2017
- Orbis Moonwalker 2017
- Art workshop



### Environment

- Water Race 2017
- Beach cleaning activity
- Soap recycling



### Deprived families

- Household maintenance services
- Mother's Choice 30th Anniversary Walkathon
- Outing with deprived families



## CSR Plans and Progress Update

Plans for 2017	Progress Update
To review HKEX's charity investment strategy	The new Charity Advisory Committee formulated HKEX's charity investment strategy for 2017. See "Community Investment and Development" above for more information.
To support the Government in enhancing the financial literacy of women of low socio-economic status in Hong Kong	In January, the WE partnered with an NGO to co-organise a financial literacy workshop to provide financial planning advice to migrant women.
To help advocate a culture of celebrating diversity and positive portrayal of women among secondary school students in Hong Kong	HKEX and the WE undertook activities to promote gender diversity among students. See "Girls Empowerment" above for more information.

Completed

### Plans for 2018

- To prepare for the establishment of HKEX's charitable foundation
- To organise programmes providing vocational skills training and emotional assistance to youth with special education needs
- To support personal caring and emergency assistance to the elderly in need



# ENVIRONMENT

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

## Carbon Disclosure

In 2017, the Group continued to disclose its carbon emissions data under the CDP's climate change programme. In support of the Government's effort to promote carbon audits and carbon reduction, HKEX also continued to disclose its carbon footprint information and its carbon management practices through the Carbon Footprint Repository for Listed Companies in Hong Kong. To further promote carbon reduction and ESG reporting by Hong Kong listed companies, HKEX and the Environmental Protection Department co-organised the Carbon Audit Seminar for Listed Companies in October.



HKEX's Head of Corporate Services David Chan sharing energy monitoring practices at the Carbon Audit Seminar for Listed Companies

## Energy Management

Energy consumption accounts for a major part of the Group's carbon footprint. In 2017, HKEX implemented a new system to monitor the real-time energy consumption in its premises to help identify opportunities for energy saving. HKEX also replaced the T8 fluorescent tubes with LED lamps in its Exhibition Hall and offices in Exchange Square in April and September respectively, which saved about 30,000 kWh of electricity consumption or 23 tonnes CO<sub>2</sub>e of GHG emissions by end of 2017. To further reduce energy consumption in its operations, HKEX upgraded 64 printers and copiers with energy-saving models in its new offices at Exchange Square during the year.

## Paper Reduction

The Exchange continues to encourage use of electronic IPO (eIPO) services by investors to apply for shares relating to new listings in the primary market. In 2017, 82 per cent of issuers arranged eIPO services during their new listing. The Exchange launched a new Disclosure of Interests Online (DION) System in July for mandatory electronic filing and publication of disclosure of interests notices on the HKEXnews website.

To encourage its shareholders to receive corporate communications electronically, the Group donated \$100,000 in 2017 to the Friends of the Earth (HK) based on the number of shareholders choosing the paperless option for receiving corporate communication.

## Waste Management

In 2017, HKEX was awarded the "Excellence" Level Wastewi\$e Certificate under the Hong Kong Green Organisation Certification scheme for its waste recycling achievements. In June, HKEX installed a new food composter with an increased handling capacity at the Data Centre to convert food waste collected from its canteen into compost. In December, HKEX joined the Food Rescue and Assistance Programme organised by the Food Angel to rescue edible surplus food arising from the HKEX 2017 annual dinner for redistribution to underprivileged communities in Hong Kong.

During the year, HKEX continued to support the Wood Recycling and Tree Conservation Scheme organised by the Hong Kong Environmental Protection Association by recycling three peach blossom trees used for Chinese New Year decorations.



## Green Design at the HKEX Connect Hall

Following the closing of the Trading Floor of HKEX in October, the Trading Hall and Exchange Exhibition Hall have been redeveloped into the HKEX Connect Hall, which opened on 20 February 2018. As an iconic showcase and museum for Hong Kong's financial markets, the HKEX Connect Hall will hold listing and other ceremonies, conferences and exhibitions. To promote environmental protection and energy conservation, HKEX has incorporated green features in the design of the new hall. Highlights include:



HKEX Connect Hall

- energy-saving LED lighting and motion sensors
- vinyl flooring materials with low emissions of volatile organic compounds (VOCs)
- low VOCs-emitting and heavy-metal-free materials for wall coverings
- carpet finishing that contains up to 70 per cent recycled content
- acoustic panel finishes with green certificate

## Advocacy and Education

During 2017, HKEX conducted environmental inspections at its Hong Kong offices according to its CSR Management System guidelines. Findings and recommendations on energy and resources saving, office waste reduction and water conservation were provided to HKEX employees to raise their environmental awareness and further improve the overall office environmental performance.

Throughout the year, HKEX and its employees participated in various activities to advocate environmental protection and raise environmental awareness in the workplace and community. Highlights of these activities include:

- In March, HKEX participated in the WWF's Earth Hour 2017 by turning off non-essential lights in its Hong Kong offices for an hour to help promote energy saving.
- In July, 22 HKEX volunteers joined the Food Angel's programme to rescue surplus food and prepare meals for the underprivileged. In addition, 22 HKEX employees and their guests joined a Stanley Beach clean-up organised by the Green Council.
- In November, HKEX acted as one of the sponsors of the WWF's "Walk for Nature @ Mai Po 2017" to promote conservation of Hong Kong's natural environment. 60 HKEX volunteers and their guests participated in the event to explore the natural beauty of the Mai Po Nature Reserve.







HKEX volunteers joining the Food Rescue and Assistance Programme organised by Food Angel



HKEX volunteers participating in the WWF's Walk for Nature

## CSR Plans and Progress Update

Plans for 2017	Progress Update
To develop a new electronic filing and publication system for all disclosure of interests notices by all filers	 A new electronic filing and publication system for disclosure of interests notices was launched in July.
To replace the T8 fluorescent tubes with LED lamps in the HKEX Exhibition Hall and offices at Exchange Square, which will reduce about 23,000 kWh of electricity consumption or 18 tonnes CO <sub>2</sub> e of GHG emissions	 About 30,000 kWh of electricity, equivalent to 23 tonnes CO <sub>2</sub> e of GHG emissions, were saved.
To expand the kitchen waste recycling capacity by introducing a larger food waste composter at the Data Centre	 A larger food waste composter was installed at the Data Centre in June.
To collect at least 20 obsolete facsimile machines for reuse or recycling	 A total of 22 obsolete facsimile machines were collected for reuse or recycling.

 Completed

### Plans for 2018

- To require structured product issuers to submit their financial reports and listing documents to the Exchange in electronic form only
- To increase the number of collected compact discs for recycling by 5 per cent
- To carry out a feasibility study on installing a charging station for electric vehicles at the Data Centre

# PERFORMANCE SUMMARY

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

## Marketplace



### Economic Performance

In 2017, the Group did not receive any financial assistance from any government (except the UK Corporation Tax rate reduction which was applicable to the Group's subsidiaries in the UK <sup>1</sup>). Due to typhoons in Hong Kong, the trading in the After-Hours Futures Trading session on 12 June 2017 was terminated and the trading in the securities and derivatives markets, including the After-Hours Futures Trading, on 23 August 2017 was cancelled, resulting in a total of estimated loss in revenue equivalent to less than one per cent of the Group's total revenue for 2017.

Indicators	2017	2016	2015
Direct economic value (\$m)			
Generated <sup>2</sup>	13,180	11,116	13,375
Distributed <sup>3</sup>	11,616	9,819	11,986
Retained <sup>4</sup>	1,564	1,297	1,389
Current tax (\$m)			
Hong Kong	1,043	876	1,157
Mainland China	1	-	-
UK	224	231	283
Stamp duty generated for the Government <sup>5</sup> (\$m)	28,792	19,792	31,562

1 More information is set out in note 16(a) to the Consolidated Financial Statements contained in HKEX's 2016 Annual Report and note 15(a) to the Consolidated Financial Statements contained in HKEX's 2017 Annual Report.

2 Direct economic value generated means the Group's revenue and other income as disclosed in the Consolidated Financial Statements of HKEX's Annual Report.

3 Direct economic value distributed covers the Group's operating expenses, interest expenses, dividends and total current tax as disclosed in the Consolidated Financial Statements of HKEX's Annual Report, and the corporate charitable donations as set out in the Community section below.

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

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



### Supply Chain Management

In 2017, 93 per cent of HKEX's key suppliers and 88 per cent of the LME's and LME Clear's key suppliers were local suppliers. During the year, 44 key suppliers providing information technology or property management services to HKEX have completed a questionnaire regarding their CSR performance. Under HKEX's stakeholder engagement programme, 10 representatives of HKEX's suppliers attended the seminars on anti-corruption and anti-discrimination organised by HKEX.

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

Indicators	2017	2016	2015
Number of key suppliers <sup>1</sup>	91	93	226
By region			
Asia other than the Mainland and Hong Kong	2	1	3
Australia	0	0	1
Europe other than the UK	4	3	4
Hong Kong	41	47	108
Mainland China	1	1	1
UK	42	40	101
US	1	1	8
Total payments to key suppliers (\$bn)	1.2	1.3	1.6

1 Since 2016, the definition of "key suppliers" has been revised to refer to suppliers of products and/or services to the Group whose contract sum exceeded \$3 million (or £240,000), while the definition of "key suppliers" in 2015 refers to suppliers whose contract sum amounted to \$1 million (or £83,000) or above. Hence, the figures in 2016 and 2017 are not directly comparable to those in 2015.



### Product and Service Responsibility

HKEX continues to strengthen its information security controls to protect its stakeholders' data privacy in accordance with the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong). HKEX continues to promote and improve information security in line with industry standards and best practices. In 2017, HKEX maintained its ISO 27001 certification for the information security management system of its enterprise data centre. HKEX employees were required to attend training on information security under a mandatory risk management e-learning course. There were no incidents and substantiated complaints concerning breaches of customer privacy or losses of customer data for the Group in 2017.

In 2017, 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.

Indicators	2017	2016	2015
Number of enquiries and complaints handled by HKEX	9,579	7,801	13,265



### Anti-bribery and Anti-corruption

In 2017, there were no confirmed incidents or public legal cases regarding corruption in relation to the Group or its employees except a former LME accountant was found guilty by a court in the UK in April after admitting two counts of fraud by abuse of position. There were also no confirmed incidents where contracts with business partners were terminated or not renewed due to violations relating to corruption during the year. In 2017, five Directors, which accounts for 38 per cent of the Board members, received training on anti-corruption.



### Public Policy

The Group keeps track of key changes in public policy which may have significant impact on the Group's sustainability development and strategies and the financial industry, and takes a neutral stance in political matters. It did not make donations to any political parties in 2017.



### Anti-competitive Behaviour

In 2017, the Group was not aware of any legal actions against it for anti-competitive behaviour, anti-trust or monopoly practices.



### System Stability and Reliability

In 2017, all HKEX market systems maintained 100 per cent system reliability in serving their users. In the UK, other than a delay at the opening of the LME's electronic trading platform on 12 January 2017 due to network failure at a telecom network provider and a temporary delay in the clearing processes on 18 April 2017 due to software problem, the LME market systems operated reliably during the year.

## Workplace



### Employment

As at 31 December 2017, the Group had a total of 1,777 employees, a seven per cent increase from 2016 mainly due to organic growth and increased headcounts for strategic initiatives. Apart from this, there was no significant variation in employment numbers.

Indicators	2017	2016	2015
Number of employees <sup>1</sup>	1,777	1,663	1,568
By gender			
Female	768	711	676
Male	1,009	952	892
By age group			
Below 30	292	264	262
30 to 50	1,242	1,179	1,071
Over 50	243	220	235
By region			
Hong Kong	1,350	1,306	1,267
UK	285	270	283
Others <sup>2</sup>	142	87	18
By employment contract and gender			
Permanent (female)	736	690	651
Permanent (male)	962	913	851
Temporary/fixed term (female)	32	21	25
Temporary/fixed term (male)	47	39	41
By employment contract and region			
Permanent (Hong Kong)	1,278	1,250	1,209
Permanent (UK)	278	266	275
Permanent (others <sup>2</sup> )	142	87	18
Temporary/fixed term (Hong Kong)	72	56	58
Temporary/fixed term (UK)	7	4	8
Temporary/fixed term (others)	0	0	0
By employment type and gender			
Full-time (female)	756	703	671
Full-time (male)	1,009	950	890
Part-time (female)	12	8	5
Part-time (male)	0	2	2

1 Number of employees is expressed in headcount. In each of 2015, 2016, 2017, 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 the Mainland and Singapore.



### New Hires and Employee Turnover

Indicators	2017	2016	2015
Number and rate (%) of new hires	331 (19)	275 (17)	265 (17)
By gender			
Female	144 (19)	107 (15)	122 (18)
Male	187 (19)	168 (18)	143 (16)
By age group			
Below 30	131 (45)	86 (33)	94 (36)
30 to 50	193 (16)	184 (16)	158 (15)
Over 50	7 (3)	5 (2)	13 (6)
By region			
Hong Kong	171 (13)	168 (13)	186 (15)
UK	50 (18)	32 (12)	77 (27)
Others	110 (77)	75 (86)	2 (11)



### New Hires and Employee Turnover (continued)

Indicators	2017	2016	2015
Number and rate (%) of employee turnover	252 (14)	181 (11)	148 (9)
By gender			
Female	104 (14)	74 (10)	72 (11)
Male	148 (15)	107 (11)	76 (9)
By age group			
Below 30	64 (22)	36 (14)	33 (13)
30 to 50	167 (13)	115 (10)	87 (8)
Over 50	21 (9)	30 (14)	28 (12)
By region			
Hong Kong	155 (11)	131 (10)	107 (8)
UK	39 (14)	44 (16)	40 (14)
Others	58 (41)	6 (7)	1 (6)
Average year of services	8	8	7
Number of employees eligible to retire within the next five years	72	56	47



### Diversity

Indicators	2017		2016		2015				
	Female	Male	Female	Male	Female	Male			
Percentage of employees by gender per employee category									
Senior	34	66	34	66	34	66			
Middle-level	41	59	41	59	43	57			
Supervisory-level	41	59	41	59	40	60			
General	55	45	53	47	48	52			
Percentage of employees by age group per employee category	Below 30	30 to 50	Over 50	Below 30	30 to 50	Over 50	Below 30	30 to 50	Over 50
Senior	0	69	31	0	71	29	2	65	33
Middle-level	5	82	13	4	83	13	4	80	16
Supervisory-level	25	66	9	27	63	10	24	66	10
General	34	53	13	31	58	11	33	55	12



### Return to Work and Retention after Parental Leave

Indicators	2017	2016	2015
Number of employees who took parental leave <sup>1</sup>			
Female	36	29	33
Male	44	27	35
Number and rate (%) of employees who returned to work after parental leave ended			
Female <sup>2</sup>	31 (100)	29 (100)	32 (97)
Male	44 (100)	27 (100)	35 (100)
Number and rate (%) of employees who remained employed 12 months after the end of parental leave			
Female	26 (90)	31 (97)	18 (82)
Male	25 (93)	34 (97)	14 (88)

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

<sup>2</sup> Five employees who were still on maternity leave as at the end of 2017 were excluded from the calculation.





## Remuneration

Indicators	2017		2016		2015	
	Basic salary	Remuneration	Basic salary	Remuneration	Basic salary	Remuneration
Ratio of basic salary <sup>1</sup> and remuneration <sup>2</sup> of female employees to male employees						
Hong Kong						
Senior	0.9	0.9	0.9	0.9	0.9	0.9
Middle-level	1.0	1.0	1.0	1.0	1.0	0.9
Supervisory-level	1.0	1.0	1.0	1.0	0.9	0.9
General	1.1	1.1	1.1	1.1	1.1	1.1
UK						
Senior	0.8	1.0	0.8	0.8	0.7	0.6
Middle-level	0.9	0.8	0.9	0.9	0.9	1.0
Supervisory-level	0.8	0.8	0.8	0.8	0.8	0.9
General	1.0	1.0	0.9	0.9	0.9	0.9

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

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

Indicators	2017	2016	2015
Ratio of the annual total compensation <sup>1</sup> for the highest-paid individual to the median annual total compensation for all employees (excluding the highest-paid individual)			
Hong Kong	53	46	61
UK	15	12	17
Ratio of the percentage increase in annual total compensation for the highest-paid individual to the percentage increase in median annual total compensation for all employees (excluding the highest-paid individual)			
Hong Kong <sup>2</sup>	12	N/A	1
UK <sup>3</sup>	N/A	N/A	6

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

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

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



## Occupational Health and Safety

In 2017, the Group did not receive any prosecutions in relation to occupational health and safety. No work-related fatalities occurred between 2015 and 2017.

Indicators	2017	2016	2015
Number of reportable injuries <sup>1</sup>	1	0	3
Injury rate <sup>2</sup>	0.1	0	0.2
Number of reportable occupational diseases	0	0	0
Occupational disease rate <sup>3</sup>	0	0	0
Number of lost days	20	0	17
Lost day rate <sup>4</sup>	1.1	0	1.1
Number of absentee days	5,095	4,362	3,914
Absentee rate <sup>5</sup>	1.1	1.1	1.0

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

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

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

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

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



## Training and Development

Indicators	2017	2016	2015
Total cost of training (\$m)	12.3	8.6	8.7
Total number of hours of training received by employees	29,527	29,171	23,356
Average hours of training per employee and percentage (%) of employees who received training	17 (87)	18 (89)	15 (89)
By gender			
Female	16 (88)	19 (90)	16 (89)
Male	17 (87)	16 (88)	14 (89)
By employee category			
Senior	13 (78)	13 (82)	15 (86)
Middle-level	20 (87)	19 (89)	17 (89)
Supervisory-level	17 (89)	18 (90)	14 (88)
General	12 (90)	16 (92)	13 (89)
Number of employees who received training by training type			
External training	368	426	282
Internal training	1,210	1,231	1,116
E-learning	1,685	1,603	1,450
Academic sponsorship	3	17	15
Number and percentage (%) of employees who received anti-corruption training			
Hong Kong			
Senior	109 (96)	70 (59)	72 (69)
Middle-level	524 (98)	287 (53)	437 (96)
Supervisory-level	415 (96)	291 (67)	386 (93)
General	281 (97)	184 (63)	273 (90)
UK			
Senior	28 (78)	25 (69)	33 (100)
Middle-level	106 (81)	75 (66)	108 (100)
Supervisory-level	70 (81)	78 (94)	94 (100)
General	36 (90)	21 (47)	52 (100)
Number of employees who received training on the following topics			
Anti-financial crime <sup>1</sup>	294	N/A	N/A
Anti-competitive behaviour	101	65	4
Human rights	105	637	21
Occupational health and safety	625	1,395	663
Percentage of permanent employees who received formal performance appraisals <sup>2</sup>	100	100	100
Percentage of permanent employees who received multi-rater performance evaluation <sup>2</sup>	20	20	16

<sup>1</sup> The relevant records have been kept since 2017.

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



## Compliance and Grievance

In 2017, there were no confirmed non-compliance incidents or grievances in relation to human rights and labour practices standards and regulations that would have a significant impact on the Group.

## Community



### Community Investment and Employee Volunteering

Indicators	2017	2016	2015
Corporate charitable donations (\$m)	3.1	2.1	2.4
Employee charitable donations (\$m)	0.1	0.2	0.4
Corporate sponsorships (\$m)	0.8	0.8	1.2
Number of community initiatives undertaken by HKEX			
Children and youth	8	6	9
Disabled	3	5	10
Elderly	3	5	4
Environmental protection	4	3	3
Healthcare	3	4	3
Poverty relief	6	3	7
Number of employee volunteering hours <sup>1</sup>	4,342	3,782	3,620
Number of employee volunteering leave days taken <sup>2</sup>	100	92	64

1 Includes volunteering hours from guests of HKEX's employees

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

## Environment

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



### Energy Consumption <sup>1</sup>

Indicators	2017	2016	2015
Total energy consumption (MWh)	30,778	28,618	29,495
Total energy consumption per floor area (MWh/m <sup>2</sup> )	0.60	0.54	0.57
Total energy consumption per employee (MWh/employee)	17.32	17.21	18.81
Direct energy consumption (MWh)	221	135	191
Unleaded petrol	69	60	58
Diesel	152	75	133
Indirect energy consumption (MWh)	30,557	28,483	29,304
Purchased electricity	30,557	28,483	29,067
Gas <sup>2</sup>	N/A	N/A	237
Expense on energy consumption <sup>3</sup> (\$m)	34	37	38

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

2 Gas was consumed for heating in 2015 but was no longer used after the LME moved to the new offices in 2016.

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



## Emissions <sup>1</sup>

Indicators	2017	2016	2015
Total GHG emissions <sup>2</sup> (Scope 1 and 2) (tonnes)	18,522	17,499	19,818
Total GHG emissions (Scope 1 and 2) per floor area (tonnes/m <sup>2</sup> )	0.36	0.33	0.38
Total GHG emissions (Scope 1 and 2) per employee (tonnes/employee)	10.42	10.52	12.64
Total GHG emissions (Scope 1, 2 and 3) (tonnes)	20,419	19,357	21,358
Total GHG emissions (Scope 1, 2 and 3) per floor area (tonnes/m <sup>2</sup> )	0.40	0.37	0.41
Total GHG emissions (Scope 1, 2 and 3) per employee (tonnes/employee)	11.49	11.64	13.62
Direct emissions <sup>3</sup> (Scope 1) (tonnes)	85	38	52
Corporate fleet	26	23	22
Backup generators	34	15	30
Refrigerants	25	0	0
Indirect emissions <sup>4</sup> (Scope 2) (tonnes)	18,437	17,461	19,766
Purchased electricity	18,437	17,461	19,722
Gas <sup>5</sup>	N/A	N/A	44
Indirect emissions (Scope 3) (tonnes)	1,897	1,858	1,540
Business travel <sup>6</sup>	918	873	652
Paper consumption	84	93	92
Staff commuting	887	876	796
Waste to landfill <sup>7</sup>	8	16	N/A
GHG emissions avoided by recycling of paper (tonnes)	487	494	627

- Given that the Group operates essentially as an information technology-based enterprise, its air emissions are primarily GHG emissions arising mainly from the use of purchased electricity and fuels derived from fossil fuels.
- The Group's GHG inventory includes carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride. Its GHG emissions data is presented in carbon dioxide equivalent and was based on the reporting requirements of the "GHG Protocol Corporate Accounting and Reporting Standard" (GHG Protocol) issued by the World Resources Institute and the World Business Council for Sustainable Development, the "Practical Guide on Carbon Audit and Management – Guide to Low Carbon Offices" issued by the Environmental Protection Department in Hong Kong, and the "Environmental Reporting Guidelines: Including mandatory greenhouse gas emissions reporting guidance" issued by the Department for Environment, Food & Rural Affairs in the UK. The Group has adopted the "operational control" approach for defining its organisational boundary for the purpose of GHG accounting and reporting.
- The breakdown of the Group's 2017 scope 1 GHG emissions is as follows: carbon dioxide (57 tonnes CO<sub>2</sub>e), methane (0.05 tonnes CO<sub>2</sub>e), nitrous oxide (3 tonnes CO<sub>2</sub>e) and hydrofluorocarbons (25 tonnes CO<sub>2</sub>e). There was no emission of perfluorocarbons and sulphur hexafluoride in 2017.
- Scope 2 GHG emissions data was calculated according to the location-based method set out in the GHG Protocol.
- Gas was consumed for heating in the UK in 2015 but was no longer used after the LME moved to the new offices in 2016. Emissions data in 2015 was based on the amount of gas consumed and the relevant emission factor.
- Emissions data relating to air travel by HKEX's directors and employees was based on the International Civil Aviation Organization Carbon Emissions Calculator. Emissions data relating to land and sea travel was based on the estimated distance travelled and the relevant emission factors.
- The relevant data has been reported since 2016.



## Paper Consumption

Indicators	2017	2016	2015
Total paper consumption (tonnes)	90	99	98
Office paper	76	75	74
Paper for printing publications <sup>1</sup>	14	24	24
Forest Stewardship Council (FSC) certified or recycled paper used <sup>2</sup> (%)	98	85	81

- Includes paper used for printing corporate financial statements and brochures and the Listing Rules
- All office paper used and almost all paper used for printing the Group's publications are FSC certified or recycled paper, except the paper used for printing the Listing Rules.



## Water Consumption <sup>1</sup>

Indicators	2017	2016	2015
Total water consumption (m <sup>3</sup> )	35,636	35,859	37,819
Total water consumption per floor area (m <sup>3</sup> /m <sup>2</sup> )	1.30	1.30	1.16

<sup>1</sup> In 2015, except the Data Centre which is owned by the Group, HKEX operated in leased office premises in Hong Kong of which both the water supply and discharge were solely controlled by the respective building management which considered the provision of water withdrawal and discharge data or sub-meter for individual occupant not feasible. Hence, the data for 2015 was collected from the Data Centre and the LME offices only. In 2016, the LME moved to a new leased office premise of which the water supply and discharge were also solely controlled by the building management which considered the provision of water withdrawal and discharge data or sub-meter for individual occupant not feasible. Hence, from 2016 onwards, water consumption figures were collected from the Data Centre only and are not directly comparable to data for 2015.



## Effluent and Waste Management

Indicators	2017	2016	2015
Total water discharged <sup>1</sup> (m <sup>3</sup> )	35,636	35,859	37,819
Total waste disposed to landfill (tonnes)	71	64	99
Total waste disposed to landfill per floor area (tonnes/m <sup>2</sup> )	0.001	0.001	0.002
Total waste disposed to landfill per employee (tonnes/employee)	0.04	0.04	0.06
Waste disposed to landfill (tonnes)			
General office waste	70	58	92
Food waste	1	6	7
Waste collected for recycling			
Food waste (tonnes)	0.4	2	2
Mixed recycling (tonnes)	30	32	17
Paper <sup>2</sup> (tonnes)	102	103	130
Used lead-acid batteries <sup>3</sup> (tonnes)	1	7	7
Metals (kg)	1,213	677	555
Plastics (kg)	576	366	214
Polyfoam (kg)	670	215	132
Wooden board (kg)	4,605	521	292
Glass <sup>4</sup> (kg)	33	146	N/A
Electronic equipment (pieces)	96	1,015	762

<sup>1</sup> The amount of water discharged represents the amount of water consumed according to the water bills received.  
<sup>2</sup> Includes confidential waste paper generated within the Group and paper documents submitted by external parties  
<sup>3</sup> Used lead-acid batteries are classified as hazardous waste.  
<sup>4</sup> The relevant data has been reported since 2016.



## Compliance and Grievance

In 2017, there were no confirmed non-compliance incidents or grievances in relation to environmental protection that would have a significant impact on the Group.

# GLOSSARY

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



# VERIFICATION STATEMENT



## Scope and Objective

Hong Kong Quality Assurance Agency (HKQAA) has been engaged by Hong Kong Exchanges and Clearing Limited (HKEX) to undertake an independent verification for its 2017 Corporate Social Responsibility Report (the Report).

The scope of HKQAA's verification covers the data and information associating to HKEX's sustainability performance, including quantitative data of direct (scope 1), indirect (scope 2), and other indirect (scope 3) greenhouse gas emissions for the period from 1st January 2017 to 31st December 2017, 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 was provided for the comprehensive option of the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards).

In order to understand the process that HKEX adopted to ascertain the key sustainability issues and impacts, the Report compilation process was discussed including stakeholder engagement and materiality assessment processes. Also, system and process for collecting, collating and reporting sustainability performance data were verified. Our verification procedure performed covered reviewing relevant documentation, interviewing responsible personnel with accountability for preparing the Report and verifying the selected representative sample of data and information used for preparing the Report. Raw data and supporting evidence of the selected samples were also thoroughly examined during the verification process.

## Independence

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

## Conclusion

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

- The Report has been prepared in accordance with the Environmental, Social and Governance Reporting Guide of The Stock Exchange of Hong Kong Limited and the comprehensive option of the GRI Standards;
- The Report illustrates HKEX's sustainability performance, covering all material and relevant aspects and/or topics, in a balanced, comparable, clear and timely manner; and
- The data and information disclosed in the Report are reliable and complete.











HKEX has been engaging with its stakeholders continuously and being very responsive to the feedbacks gathered from the stakeholder engagement process through its disclosure regarding the material issues that are important to HKEX and with high level of interest by stakeholders. The Report reflects appropriately HKEX's sustainability context and materiality.

## Signed on behalf of Hong Kong Quality Assurance Agency

**Connie Sham**  
Head of Audit  
February 2018










# APPENDIX I – ESG REPORTING GUIDE

## CONTENT INDEX
















Subject Areas, Aspects, General Disclosures and KPIs		Locations of Disclosure or Remarks (AR: 2017 Annual Report  ; Website: HKEX Group website  )
<b>A. Environmental</b>		
<b>Aspect A1: Emissions</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste	<ul style="list-style-type: none"> <li>This Report – Environment (pages 19 to 21)</li> <li>This Report – Performance Summary (page 30)</li> <li>Website – CSR (Environment) section </li> </ul>
KPI A1.1	Types of emissions and respective emissions data	<ul style="list-style-type: none"> <li>This Report – Performance Summary (page 29)</li> </ul>
KPI A1.2	Greenhouse gas emissions in total and, where appropriate, intensity	<ul style="list-style-type: none"> <li>This Report – Performance Summary (page 29)</li> </ul>
KPI A1.3	Total hazardous waste produced and, where appropriate, intensity	<ul style="list-style-type: none"> <li>This Report – Performance Summary (page 30)</li> </ul>
KPI A1.4	Total non-hazardous waste produced and, where appropriate, intensity	<ul style="list-style-type: none"> <li>This Report – Performance Summary (page 30)</li> </ul>
KPI A1.5	Description of measures to mitigate emissions and results achieved	<ul style="list-style-type: none"> <li>This Report – Environment (pages 19 to 21)</li> <li>This Report – Performance Summary (pages 29 and 30)</li> <li>Website – CSR (Environment) section </li> </ul>
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved	<ul style="list-style-type: none"> <li>This Report – Environment (pages 19 to 21)</li> <li>This Report – Performance Summary (page 30)</li> <li>Website – CSR (Environment) section </li> </ul>
<b>Aspect A2: Use of Resources</b>		
General Disclosure	Policies on efficient use of resources including energy, water and other raw materials	<ul style="list-style-type: none"> <li>This Report – Environment (pages 19 to 21)</li> <li>Website – CSR (Environment) section </li> </ul>
KPI A2.1	Direct and/or indirect energy consumption by type in total and intensity	<ul style="list-style-type: none"> <li>This Report – Performance Summary (page 28)</li> </ul>
KPI A2.2	Water consumption in total and intensity	<ul style="list-style-type: none"> <li>This Report – Performance Summary (page 30)</li> </ul>
KPI A2.3	Description of energy use efficiency initiatives and results achieved	<ul style="list-style-type: none"> <li>This Report – Environment (pages 19 to 21)</li> <li>Website – CSR (Environment) section </li> </ul>
KPI A2.4	Description of whether there is any issue in sourcing water, water efficiency initiatives and results achieved	<ul style="list-style-type: none"> <li>This Report – Performance Summary (page 30)</li> <li>Website – CSR (Environment) section </li> </ul>
KPI A2.5	Total packaging material used for finished products, and if applicable, with reference to per unit produced	Not applicable to the Group's business
<b>Aspect A3: The Environment and Natural Resources</b>		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources	<ul style="list-style-type: none"> <li>This Report – Environment (pages 19 to 21)</li> <li>Website – CSR (Environment) section </li> </ul>
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and actions taken to manage them	<ul style="list-style-type: none"> <li>This Report – Environment (pages 19 to 21)</li> <li>Website – CSR (Environment) section </li> </ul>

Subject Areas, Aspects, General Disclosures and KPIs

Locations of Disclosure or Remarks  
(AR: 2017 Annual Report  ; Website: HKEX Group website )

B. Social		
Employment and Labour Practices		
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare	<ul style="list-style-type: none"> <li>• This Report – Workplace (pages 13 to 15)</li> <li>• This Report – Performance Summary (page 27)</li> <li>• AR – Remuneration Committee Report (pages 83 to 89)</li> <li>• Website – CSR (Workplace) section </li> <li>• Website – Key Policies and Guidelines for HKEX Employees </li> </ul>
KPI B1.1	Total workforce by gender, employment type, age group and geographical region	<ul style="list-style-type: none"> <li>• This Report – Performance Summary (page 24)</li> </ul>
KPI B1.2	Employee turnover rate by gender, age group and geographical region	<ul style="list-style-type: none"> <li>• This Report – Performance Summary (page 25)</li> </ul>
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards	<ul style="list-style-type: none"> <li>• This Report – Workplace (page 14)</li> <li>• This Report – Performance Summary (pages 26 and 27)</li> <li>• Website – CSR (Workplace) section </li> <li>• Website – Key Policies and Guidelines for HKEX Employees </li> </ul>
KPI B2.1	Number and rate of work-related fatalities	<ul style="list-style-type: none"> <li>• This Report – Performance Summary (page 26)</li> </ul>
KPI B2.2	Lost days due to work injury	<ul style="list-style-type: none"> <li>• This Report – Performance Summary (page 26)</li> </ul>
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	<ul style="list-style-type: none"> <li>• This Report – Workplace (page 14)</li> <li>• Website – CSR (Workplace) section </li> </ul>
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	<ul style="list-style-type: none"> <li>• This Report – Workplace (pages 13 to 15)</li> <li>• This Report – Performance Summary (page 27)</li> <li>• Website – CSR (Workplace) section </li> <li>• Website – Key Policies and Guidelines for HKEX Employees </li> </ul>
KPI B3.1	The percentage of employees trained by gender and employee category	<ul style="list-style-type: none"> <li>• This Report – Performance Summary (page 27)</li> </ul>
KPI B3.2	The average training hours completed per employee by gender and employee category	<ul style="list-style-type: none"> <li>• This Report – Performance Summary (page 27)</li> </ul>
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour	<ul style="list-style-type: none"> <li>• This Report – Performance Summary (page 27)</li> <li>• Website – CSR (Workplace) section </li> </ul>
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour	<ul style="list-style-type: none"> <li>• Website – CSR (Workplace) section </li> </ul>
KPI B4.2	Description of steps taken to eliminate child and forced labour practices when discovered	<ul style="list-style-type: none"> <li>• Website – CSR (Workplace) section </li> </ul>

## APPENDIX I – ESG REPORTING GUIDE CONTENT INDEX


Subject Areas, Aspects, General Disclosures and KPIs		Locations of Disclosure or Remarks (AR: 2017 Annual Report  ; Website: HKEX Group website  )
<b>Operating Practices</b>		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain	<ul style="list-style-type: none"> <li>This Report – Performance Summary (page 22)</li> <li>Website – CSR (Marketplace) section </li> </ul>
KPI B5.1	Number of suppliers by geographical region	<ul style="list-style-type: none"> <li>This Report – Performance Summary (page 22)</li> </ul>
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	<ul style="list-style-type: none"> <li>This Report – Performance Summary (page 22)</li> <li>Website – CSR (Marketplace) section </li> </ul>
Aspect B6: Product Responsibility		
General Disclosure	Information on: <ul style="list-style-type: none"> <li>(a) the policies; and</li> <li>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress</li> </ul>	<ul style="list-style-type: none"> <li>This Report – Workplace (page 13)</li> <li>This Report – Performance Summary (page 23)</li> <li>AR – Directors' Report (pages 92 to 97)</li> <li>Website – CSR (Marketplace) section </li> </ul>
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	Not applicable to the Group's business
KPI B6.2	Number of products and service related complaints received and how they are dealt with	<ul style="list-style-type: none"> <li>This Report – Performance Summary (page 23)</li> <li>Website – CSR (Marketplace) section </li> </ul>
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights	<ul style="list-style-type: none"> <li>Website – CSR (Marketplace) section </li> </ul>
KPI B6.4	Description of quality assurance process and recall procedures	<ul style="list-style-type: none"> <li>Website – CSR (Marketplace) section </li> </ul>
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	<ul style="list-style-type: none"> <li>This Report – Workplace (page 13)</li> <li>This Report – Performance Summary (page 23)</li> <li>AR – Risk Committee Report (pages 80 to 82)</li> <li>Website – CSR (Marketplace) section </li> </ul>
Aspect B7: Anti-corruption		
General Disclosure	Information on: <ul style="list-style-type: none"> <li>(a) the policies; and</li> <li>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering</li> </ul>	<ul style="list-style-type: none"> <li>This Report – Workplace (page 13)</li> <li>This Report – Performance Summary (page 23)</li> <li>AR – Risk Committee Report (pages 80 to 82)</li> <li>AR – Directors' Report (pages 92 to 97)</li> <li>Website – CSR (Marketplace) section </li> </ul>
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	<ul style="list-style-type: none"> <li>This Report – Performance Summary (page 23)</li> </ul>
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	<ul style="list-style-type: none"> <li>This Report – Workplace (page 13)</li> <li>This Report – Performance Summary (pages 22, 23 and 27)</li> <li>AR – Audit Committee Report (pages 77 to 79)</li> <li>Website – CSR (Marketplace) section </li> <li>Website – CSR (Workplace) section </li> <li>Website – Key Policies and Guidelines for HKEX Employees </li> </ul>
<b>Community</b>		
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities takes into consideration communities' interests	<ul style="list-style-type: none"> <li>This Report – Community (pages 16 to 18)</li> <li>Website – CSR (Community) section </li> </ul>
KPI B8.1	Focus areas of contribution	<ul style="list-style-type: none"> <li>This Report – Community (pages 16 to 18)</li> <li>This Report – Performance Summary (page 28)</li> <li>Website – CSR (Community) section </li> </ul>
KPI B8.2	Resources contributed to the focus areas	<ul style="list-style-type: none"> <li>This Report – Community (pages 16 to 18)</li> <li>This Report – Performance Summary (page 28)</li> </ul>


# APPENDIX II – GRI CONTENT INDEX
















Locations of Disclosure  
(AR: 2017 Annual Report ; Website: HKEX Group website

GRI Standards		Locations of Disclosure (AR: 2017 Annual Report  ; Website: HKEX Group website
<b>General Disclosures</b>		
GRI 102: General Disclosures 2016		
<b>Organisational Profile</b>		
102-1	Name of the organisation	<ul style="list-style-type: none"> <li>This Report – About HKEX (page 2)</li> </ul>
102-2	Activities, brands, products, and services	<ul style="list-style-type: none"> <li>This Report – About HKEX (page 2)</li> <li>AR – Directors' Report (pages 92 to 97)</li> <li>AR – Notes 4 and 24 to the Consolidated Financial Statements (pages 113 to 116 and 134 to 136)</li> <li>Website – About HKEX section </li> </ul>
102-3	Location of headquarters	<ul style="list-style-type: none"> <li>This Report – About HKEX (page 2)</li> <li>Website – About HKEX section </li> </ul>
102-4	Location of operations	<ul style="list-style-type: none"> <li>This Report – About HKEX (page 2)</li> <li>AR – Note 24 to the Consolidated Financial Statements (pages 134 to 136)</li> <li>Website – About HKEX section </li> </ul>
102-5	Ownership and legal form	<ul style="list-style-type: none"> <li>This Report – About HKEX (page 2)</li> <li>AR – Corporate Governance Report (pages 60 to 73)</li> <li>Website – About HKEX section </li> </ul>
102-6	Markets served	<ul style="list-style-type: none"> <li>This Report – About HKEX (page 2)</li> <li>AR – Note 4 to the Consolidated Financial Statements (pages 113 to 116)</li> <li>Website – About HKEX section </li> </ul>
102-7	Scale of the organisation	<ul style="list-style-type: none"> <li>This Report – About HKEX (page 2)</li> <li>This Report – Performance Summary (pages 22 and 24)</li> <li>AR – Financial Highlights (page 4)</li> <li>AR – Consolidated Statement of Financial Position (page 106)</li> <li>AR – Shareholder Information (pages 189 and 190)</li> </ul>
102-8	Information on employees and other workers	<ul style="list-style-type: none"> <li>This Report – Performance Summary (page 24)</li> </ul>
102-9	Supply chain	<ul style="list-style-type: none"> <li>This Report – Performance Summary (page 22)</li> <li>Website – CSR (Marketplace) section </li> </ul>
102-10	Significant changes to the organisation and its supply chain	<ul style="list-style-type: none"> <li>This Report – About HKEX (page 2)</li> <li>AR – Corporate Governance Report (pages 60 to 73)</li> <li>AR – Shareholder Information (pages 189 and 190)</li> </ul>
102-11	Precautionary Principle or approach	<ul style="list-style-type: none"> <li>AR – Corporate Governance Report (pages 60 to 73)</li> <li>AR – Audit Committee Report (pages 77 to 79)</li> <li>AR – Risk Committee Report (pages 80 to 82)</li> <li>Website – Corporate Governance (Accountability and Audit) section </li> </ul>
102-12	External initiatives	<ul style="list-style-type: none"> <li>This Report – Approach to CSR (pages 7 and 9)</li> <li>Website – CSR (Charters and Memberships) section </li> </ul>
102-13	Membership of associations	<ul style="list-style-type: none"> <li>This Report – Approach to CSR (page 7)</li> <li>Website – CSR (Charters and Memberships) section </li> </ul>
<b>Strategy</b>		
102-14	Statement from senior decision-maker	<ul style="list-style-type: none"> <li>This Report – Message from the Chairman (page 3)</li> <li>AR – Chairman's Statement (pages 5 to 8)</li> <li>AR – Chief Executive's Review (pages 9 to 13)</li> </ul>
102-15	Key impacts, risks, and opportunities	<ul style="list-style-type: none"> <li>This Report – Message from the Chairman (page 3)</li> <li>This Report – Marketplace (pages 10 to 12)</li> <li>This Report – Workplace (pages 13 to 15)</li> <li>This Report – Community (pages 16 to 18)</li> <li>This Report – Environment (pages 19 to 21)</li> <li>AR – Risk Committee Report (pages 80 to 82)</li> <li>AR – Note 48 to the Consolidated Financial Statements (pages 166 to 185)</li> </ul>

GRI Standards		Locations of Disclosure (AR: 2017 Annual Report  ; Website: HKEX Group website 
<b>Ethics and Integrity</b>		
102-16	Values, principles, standards and norms of behaviour	<ul style="list-style-type: none"> <li>• This Report – Message from the Chairman (page 3)</li> <li>• This Report – Workplace (page 13)</li> <li>• AR – Chairman’s Statement (pages 5 to 8)</li> <li>• AR – Corporate Governance Report (pages 60 to 73)</li> <li>• Website – Corporate Governance (Board Process) section </li> <li>• Website – CSR (Marketplace) section </li> <li>• Website – CSR (Workplace) section </li> <li>• Website – Director’s Handbook </li> <li>• Website – Key Policies and Guidelines for HKEX Employees </li> </ul>
102-17	Mechanisms for advice and concerns about ethics	<ul style="list-style-type: none"> <li>• This Report – Workplace (page 13)</li> <li>• AR – Corporate Governance Report (pages 60 to 73)</li> <li>• Website – CSR (Marketplace) section </li> <li>• Website – CSR (Workplace) section </li> <li>• Website – Key Policies and Guidelines for HKEX Employees </li> </ul>
<b>Governance</b>		
102-18	Governance structure	<ul style="list-style-type: none"> <li>• This Report – Approach to CSR (page 5)</li> <li>• AR – Board and Committees (pages 14 and 15)</li> <li>• AR – Corporate Governance Report (pages 60 to 73)</li> <li>• AR – ESG Committee Report (pages 90 and 91)</li> <li>• Website – Corporate Governance (Corporate Governance Structure) section </li> <li>• Website – CSR (Governance and Management) section </li> </ul>
102-19	Delegating authority	<ul style="list-style-type: none"> <li>• This Report – Approach to CSR (page 5)</li> <li>• AR – Corporate Governance Report (pages 60 to 73)</li> <li>• AR – ESG Committee Report (pages 90 and 91)</li> <li>• Website – CSR (Governance and Management) section </li> </ul>
102-20	Executive-level responsibility for economic, environmental and social topics	<ul style="list-style-type: none"> <li>• This Report – Approach to CSR (page 5)</li> <li>• AR – ESG Committee Report (pages 90 and 91)</li> <li>• Website – CSR (Governance and Management) section </li> </ul>
102-21	Consulting stakeholders on economic, environmental, and social topics	<ul style="list-style-type: none"> <li>• This Report – Approach to CSR (pages 5, 7 and 8)</li> <li>• AR – Corporate Governance Report (pages 60 to 73)</li> <li>• AR – ESG Committee Report (pages 90 and 91)</li> <li>• Website – CSR (Governance and Management) section </li> <li>• Website – CSR (Stakeholder Engagement) section </li> </ul>
102-22	Composition of the highest governance body and its committees	<ul style="list-style-type: none"> <li>• AR – Board and Committees (pages 14 and 15)</li> <li>• AR – Corporate Governance Report (pages 60 to 73)</li> <li>• Website – About HKEX (Board and Committees) section </li> </ul>
102-23	Chair of the highest governance body	<ul style="list-style-type: none"> <li>• AR – Board and Committees (pages 14 and 15)</li> <li>• AR – Corporate Governance Report (pages 60 to 73)</li> </ul>
102-24	Nominating and selecting the highest governance body	<ul style="list-style-type: none"> <li>• AR – Corporate Governance Report (pages 60 to 73)</li> <li>• AR – Nomination Committee Report (pages 74 to 76)</li> </ul>
102-25	Conflicts of interest	<ul style="list-style-type: none"> <li>• AR – Corporate Governance Report (pages 60 to 73)</li> <li>• AR – Nomination Committee Report (pages 74 to 76)</li> <li>• AR – Directors’ Report (pages 92 to 97)</li> <li>• Website – Corporate Governance (Corporate Governance Statement) section </li> </ul>
102-26	Role of highest governance body in setting purpose, values, and strategy	<ul style="list-style-type: none"> <li>• AR – Corporate Governance Report (pages 60 to 73)</li> <li>• Website – Terms of Reference of HKEX’s Board </li> </ul>
102-27	Collective knowledge of highest governance body	<ul style="list-style-type: none"> <li>• AR – Corporate Governance Report (pages 60 to 73)</li> <li>• AR – ESG Committee Report (pages 90 and 91)</li> <li>• Website – Terms of Reference of the ESG Committee </li> </ul>
102-28	Evaluating the highest governance body’s performance	<ul style="list-style-type: none"> <li>• This Report – Message from the Chairman (page 3)</li> <li>• AR – Corporate Governance Report (pages 60 to 73)</li> <li>• Website – Corporate Governance (Board Evaluation) section </li> </ul>
102-29	Identifying and managing economic environmental and social impacts	<ul style="list-style-type: none"> <li>• This Report – Approach to CSR (page 6)</li> <li>• AR – Corporate Governance Report (pages 60 to 73)</li> <li>• AR – Risk Committee Report (pages 80 to 82)</li> </ul>


GRI Standards		Locations of Disclosure (AR: 2017 Annual Report  ; Website: HKEX Group website 
102-30	Effectiveness of risk management processes	<ul style="list-style-type: none"> <li>AR – Corporate Governance Report (pages 60 to 73)</li> <li>AR – Audit Committee Report (pages 77 to 79)</li> <li>AR – Risk Committee Report (pages 80 to 82)</li> </ul>
102-31	Review of economic, environmental, and social topics	<ul style="list-style-type: none"> <li>This Report – Approach to CSR (page 6)</li> <li>AR – Corporate Governance Report (pages 60 to 73)</li> <li>AR – Risk Committee Report (pages 80 to 82)</li> </ul>
102-32	Highest governance body’s role in sustainability reporting	<ul style="list-style-type: none"> <li>This Report – About this Report (page 1)</li> <li>This Report – Approach to CSR (page 5)</li> <li>AR – ESG Committee Report (pages 90 and 91)</li> </ul>
102-33	Communicating critical concerns	<ul style="list-style-type: none"> <li>This Report – Approach to CSR (page 5)</li> <li>AR – Audit Committee Report (pages 77 to 79)</li> <li>AR – Risk Committee Report (pages 80 to 82)</li> <li>AR – ESG Committee Report (pages 90 and 91)</li> </ul>
102-34	Nature and total number of critical concerns	<ul style="list-style-type: none"> <li>AR – Audit Committee Report (pages 77 to 79)</li> <li>AR – Risk Committee Report (pages 80 to 82)</li> </ul>
102-35	Remuneration policies	<ul style="list-style-type: none"> <li>AR – Remuneration Committee Report (pages 83 to 89)</li> <li>Website – Corporate Governance (Remuneration Policy) section </li> </ul>
102-36	Process for determining remuneration	<ul style="list-style-type: none"> <li>AR – Remuneration Committee Report (pages 83 to 89)</li> <li>Website – Corporate Governance (Remuneration Policy) section </li> </ul>
102-37	Stakeholders’ involvement in remuneration	<ul style="list-style-type: none"> <li>AR – Corporate Governance Report (pages 60 to 73)</li> <li>AR – Remuneration Committee Report (pages 83 to 89)</li> <li>Website – Corporate Governance (Remuneration Policy) section </li> </ul>
102-38	Annual total compensation ratio	<ul style="list-style-type: none"> <li>This Report – Performance Summary (page 26)</li> </ul>
102-39	Percentage increase in annual total compensation ratio	<ul style="list-style-type: none"> <li>This Report – Performance Summary (page 26)</li> </ul>
<b>Stakeholder Engagement</b>		
102-40	List of stakeholder groups	<ul style="list-style-type: none"> <li>This Report – Approach to CSR (pages 7 and 8)</li> </ul>
102-41	Collective bargaining agreements	<ul style="list-style-type: none"> <li>This Report – Workplace (page 14)</li> </ul>
102-42	Identifying and selecting stakeholders	<ul style="list-style-type: none"> <li>This Report – Approach to CSR (pages 7 and 8)</li> </ul>
102-43	Approach to stakeholder engagement	<ul style="list-style-type: none"> <li>This Report – About this Report (page 1)</li> <li>This Report – Approach to CSR (pages 7 and 8)</li> </ul>
102-44	Key topics and concerns raised	<ul style="list-style-type: none"> <li>This Report – Approach to CSR (pages 7 and 8)</li> </ul>
<b>Reporting Practice</b>		
102-45	Entities included in the consolidated financial statements	<ul style="list-style-type: none"> <li>This Report – About HKEX (page 2)</li> </ul>
102-46	Defining report content and topic Boundaries	<ul style="list-style-type: none"> <li>This Report – About this Report (page 1)</li> </ul>
102-47	List of material topics	<ul style="list-style-type: none"> <li>This Report – Approach to CSR (page 6)</li> </ul>
102-48	Restatements of information	<ul style="list-style-type: none"> <li>This Report – Performance Summary (page 22)</li> </ul>
102-49	Changes in reporting	<ul style="list-style-type: none"> <li>This Report – Approach to CSR (page 6)</li> </ul>
102-50	Reporting period	<ul style="list-style-type: none"> <li>This Report – About this Report (page 1)</li> </ul>
102-51	Date of most recent report	<ul style="list-style-type: none"> <li>This Report – About this Report (page 1)</li> </ul>
102-52	Reporting cycle	<ul style="list-style-type: none"> <li>This Report – About this Report (page 1)</li> </ul>
102-53	Contact point for questions regarding the report	<ul style="list-style-type: none"> <li>This Report – About this Report (page 1)</li> </ul>
102-54	Claims of reporting in accordance with the GRI Standards	<ul style="list-style-type: none"> <li>This Report – About this Report (page 1)</li> </ul>
102-55	GRI content index	<ul style="list-style-type: none"> <li>This Report – GRI Content Index (pages 36 to 41)</li> </ul>
102-56	External assurance	<ul style="list-style-type: none"> <li>This Report – About this Report (page 1)</li> <li>This Report – Verification Statement (page 32)</li> </ul>












GRI Standards		Locations of Disclosure (AR: 2017 Annual Report  ; Website: HKEX Group website 
<b>Material Topics</b>		
<b>Anti-bribery and Anti-corruption</b>		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	<ul style="list-style-type: none"> <li>• This Report – Message from the Chairman (page 3)</li> <li>• This Report – Approach to CSR (page 6)</li> <li>• This Report – Workplace (page 13)</li> <li>• AR – Corporate Governance Report (pages 60 to 73)</li> <li>• AR – Audit Committee Report (pages 77 to 79)</li> <li>• AR – Directors’ Report (pages 92 to 97)</li> <li>• Website – CSR (Marketplace) section </li> <li>• Website – CSR (Workplace) section </li> <li>• Website – Director’s Handbook </li> <li>• Website – Key Policies and Guidelines for HKEX Employees </li> </ul>
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
GRI 205: Anti-corruption 2016		
205-1	Operations assessed for risks related to corruption	<ul style="list-style-type: none"> <li>• AR – Audit Committee Report (pages 77 to 79)</li> <li>• AR – Risk Committee Report (pages 80 to 82)</li> </ul>
205-2	Communication and training about anti-corruption policies and procedures	<ul style="list-style-type: none"> <li>• This Report – Workplace (page 13)</li> <li>• This Report – Performance Summary (pages 22, 23 and 27)</li> <li>• Website – CSR (Marketplace) section </li> <li>• Website – CSR (Workplace) section </li> <li>• Website – Director’s Handbook </li> <li>• Website – Key Policies and Guidelines for HKEX Employees </li> </ul>
205-3	Confirmed incidents of corruption and actions taken	<ul style="list-style-type: none"> <li>• This Report – Performance Summary (page 23)</li> </ul>
<b>Economic Performance</b>		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	<ul style="list-style-type: none"> <li>• This Report – Approach to CSR (page 6)</li> <li>• AR – Financial Review (pages 54 to 58)</li> <li>• AR – Risk Committee Report (pages 80 to 82)</li> <li>• AR – Consolidated Financial Statements (pages 104 to 108)</li> <li>• Website – CSR (Marketplace) section </li> </ul>
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
GRI 201: Economic Performance 2016		
201-1	Direct economic value generated and distributed	<ul style="list-style-type: none"> <li>• This Report – Performance Summary (page 22)</li> <li>• AR – Financial Highlights (page 4)</li> <li>• AR – Financial Review (pages 54 to 58)</li> <li>• AR – Directors’ Report (pages 92 to 97)</li> <li>• AR – Consolidated Income Statement (page 104)</li> </ul>
201-2	Financial implications and other risks and opportunities due to climate change	<ul style="list-style-type: none"> <li>• This Report – Performance Summary (page 22)</li> <li>• Website – CSR (Environment) section </li> </ul>
201-3	Defined benefits plan obligations and other retirement plans	<ul style="list-style-type: none"> <li>• AR – Remuneration Committee Report (pages 83 to 89)</li> <li>• AR – Note 8 to the Consolidated Financial Statements (pages 119 and 120)</li> <li>• Website – Corporate Governance (Employees’ Remuneration Structure) section </li> </ul>
201-4	Financial assistance received from government	<ul style="list-style-type: none"> <li>• This Report – Performance Summary (page 22)</li> </ul>
<b>Fair, Transparent and Orderly Markets</b>		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	<ul style="list-style-type: none"> <li>• This Report – Approach to CSR (page 6)</li> <li>• This Report – Marketplace (pages 10 to 12)</li> <li>• AR – Directors’ Report (pages 92 to 97)</li> <li>• Website – CSR (Marketplace) section </li> </ul>
103-2	The management approach and its components	
103-3	Evaluation of the management approach	

## GRI Standards

Locations of Disclosure  
(AR: 2017 Annual Report  ; Website: HKEX Group website )

Product and Service Responsibility		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	<ul style="list-style-type: none"> <li>This Report – Approach to CSR (page 6)</li> <li>This Report – Marketplace (pages 10 to 12)</li> <li>This Report – Performance Summary (page 23)</li> <li>AR – Directors' Report (pages 92 to 97)</li> <li>Website – CSR (Marketplace) section </li> </ul>
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
GRI 417: Marketing and Labelling 2016		
417-1	Requirements for product and service information and labelling	<ul style="list-style-type: none"> <li>AR – Directors' Report (pages 92 to 97)</li> <li>Website – CSR (Marketplace) section </li> </ul>
417-2	Incidents of non-compliance concerning product and service information and labelling	<ul style="list-style-type: none"> <li>This Report – Performance Summary (page 23)</li> <li>AR – Directors' Report (pages 92 to 97)</li> </ul>
417-3	Incidents of non-compliance concerning marketing communications	<ul style="list-style-type: none"> <li>This Report – Performance Summary (page 23)</li> <li>AR – Directors' Report (pages 92 to 97)</li> </ul>
GRI 418: Customer Privacy 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	<ul style="list-style-type: none"> <li>This Report – Performance Summary (page 23)</li> </ul>
System Stability and Reliability		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	<ul style="list-style-type: none"> <li>This Report – Approach to CSR (page 6)</li> <li>This Report – Performance Summary (page 23)</li> <li>AR – Directors' Report (pages 92 to 97)</li> <li>Website – CSR (Marketplace) section </li> </ul>
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
Employment and Labour Practices		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	<ul style="list-style-type: none"> <li>This Report – Approach to CSR (page 6)</li> <li>This Report – Workplace (pages 13 to 15)</li> <li>This Report – Performance Summary (page 27)</li> <li>AR – Remuneration Committee Report (pages 83 to 89)</li> <li>Website - Corporate Governance (Remuneration Policy) </li> <li>Website – CSR (Workplace) section </li> <li>Website – Key Policies and Guidelines for HKEX Employees </li> </ul>
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
GRI 401: Employment 2016		
401-1	New employee hires and employee turnover	<ul style="list-style-type: none"> <li>This Report – Performance Summary (pages 24 and 25)</li> </ul>
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	<ul style="list-style-type: none"> <li>AR – Remuneration Committee Report (pages 83 to 89)</li> <li>Website – Corporate Governance (Employees' Remuneration Structure) section </li> <li>Website – CSR (Workplace) section </li> </ul>
401-3	Parental leave	<ul style="list-style-type: none"> <li>This Report – Performance Summary (page 25)</li> </ul>
Ethical and Responsible Conduct		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	<ul style="list-style-type: none"> <li>This Report – Approach to CSR (page 6)</li> <li>This Report – Workplace (page 13)</li> <li>AR – Audit Committee Report (pages 77 to 79)</li> <li>AR – Directors' Report (pages 92 to 97)</li> <li>Website – CSR (Workplace) section </li> </ul>
103-2	The management approach and its components	
103-3	Evaluation of the management approach	

GRI Standards		Locations of Disclosure (AR: 2017 Annual Report  ; Website: HKEX Group website 
<b>Human Rights, Diversity and Equal Opportunities</b>		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	<ul style="list-style-type: none"> <li>• This Report – Approach to CSR (page 6)</li> <li>• This Report – Marketplace (pages 11 and 12)</li> <li>• This Report – Workplace (page 13)</li> <li>• This Report – Community (pages 17 and 18)</li> <li>• This Report – Performance Summary (pages 22 and 27)</li> <li>• AR – Corporate Governance Report (pages 60 to 73)</li> <li>• AR – Nomination Committee Report (pages 74 to 76)</li> <li>• Website – Board Diversity Policy </li> <li>• Website – CSR (Workplace) section </li> <li>• Website – Key Policies and Guidelines for HKEX Employees </li> </ul>
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
GRI 405: Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	<ul style="list-style-type: none"> <li>• This Report – Performance Summary (pages 24 and 25)</li> <li>• AR – Board and Committees (pages 14 and 15)</li> <li>• AR - Board of Directors and Senior Management (pages 16 to 28)</li> <li>• AR - Management Committee (page 29)</li> <li>• AR – Corporate Governance Report (pages 60 to 73)</li> <li>• AR – Nomination Committee Report (pages 74 to 76)</li> </ul>
405-2	Ratio of basic salary and remuneration of women to men	<ul style="list-style-type: none"> <li>• This Report – Performance Summary (page 26)</li> </ul>
GRI 406: Non-discrimination 2016		
406-1	Incidents of discrimination and corrective actions taken	<ul style="list-style-type: none"> <li>• This Report – Performance Summary (page 27)</li> </ul>
<b>Training and Development</b>		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	<ul style="list-style-type: none"> <li>• This Report – Approach to CSR (page 6)</li> <li>• This Report – Workplace (pages 13 to 15)</li> <li>• AR – Corporate Governance Report (pages 60 to 73)</li> <li>• AR – Remuneration Committee Report (pages 83 to 89)</li> <li>• AR - ESG Committee Report (pages 90 and 91)</li> <li>• Website – CSR (Workplace) section </li> <li>• Website – Key Policies and Guidelines for HKEX Employees </li> </ul>
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
GRI 404: Training and Education 2016		
404-1	Average hours of training per year per employee	<ul style="list-style-type: none"> <li>• This Report – Performance Summary (page 27)</li> </ul>
404-2	Programmes for upgrading employee skills and transition assistance programmes	<ul style="list-style-type: none"> <li>• This Report – Workplace (pages 13 to 15)</li> <li>• This Report – Performance Summary (page 27)</li> <li>• AR – Corporate Governance Report (pages 60 to 73)</li> <li>• Website – CSR (Workplace) section </li> <li>• Website – Key Policies and Guidelines for HKEX Employees </li> </ul>
404-3	Percentage of employees receiving regular performance and career development reviews	<ul style="list-style-type: none"> <li>• This Report – Performance Summary (page 27)</li> <li>• AR – Remuneration Committee Report (pages 83 to 89)</li> </ul>

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