

# Corporate Social Responsibility Committee Report

## The CSR Committee

The Corporate Social Responsibility (CSR) Committee is delegated with the authority by the Board to provide direction and oversee the development and implementation of the CSR initiatives of the Group in relation to corporate sustainability, environmental protection, philanthropy and community engagement. Its terms of reference are available on the HKEX Group website [OS](#).

The CSR Committee comprises four INEDs and the HKEX Interim Chief Executive, whose names and biographies are set out in the Board and Committees section of this Annual Report. The CSR Committee held four meetings in 2020. Members' attendance records are in the Corporate Governance Report contained in this Annual Report.

## Summary of Work in 2020/2021

- Reviewed and endorsed the following items:
  - the work plan and budget for philanthropic and volunteering initiatives for 2021; and
  - the annual CSR Report
- Received and reviewed the quarterly reports on the Group's CSR activities and charitable donations, covering:
  - the Covid-19 emergency relief measures for communities in Hong Kong, Mainland China, and the UK;
  - the donations in relation to the new HKEX Charity Partnership Programme;
  - the donations to The Community Chest of Hong Kong in relation to the Stock Code for Charity Scheme; and
  - other donations to the Group's charity partners
- Reviewed and discussed HKEX's CSR initiatives and global trends in CSR development
- Reviewed the content of Board knowledge session covering topics on ESG insight and sustainable finance
- Reviewed the progress of HKEX's paper reduction initiatives against the reduction target
- Reviewed the CSR Committee's terms of reference

## CSR Policies and Performance

HKEX is committed to promoting and progressing the financial markets and the communities they support and continually seeks to reinforce its position as an active and responsible leader. Details of HKEX's key CSR practices and activities during 2020 are disclosed and explored in HKEX's 2020 CSR Report. HKEX's CSR policies and management approaches are available on the HKEX Group website [CSR](#).

The Group is not aware of any existing environmental laws or regulations that would have a material impact on the Group, reflecting the nature of its business. The Group, however, continues to adopt enhanced measures to reduce energy and other resource utilisation, minimise waste and increase recycling, encourage its employees to adopt environmentally responsible behaviours and promote environmental protection in its supply chain and marketplace.

During 2020, HKEX launched the "Go Green with HKEX" campaign to raise environmental awareness across its workplace and the broader community. A company-wide drive to reduce paper consumption saw a 44 percent decrease in the quantum of paper use in 2020 compared with the paper consumption in 2019.

As a responsible corporate citizen, the Group actively contributes to the community by making charitable donations to, and collaborating with, a wide range of charity partners. In 2020, the Group launched the HKEX Foundation and its University Scholarship Programme in Hong Kong. During 2020 the Group donated \$112.9 million in total to various causes in communities where it operates; in particular, HKEX donated \$78.8 million to The Community Chest of Hong Kong and the LME donated £42,500 to its charity partner, The Connection at St. Martin-in-the-Fields.

## Relationships with Major Stakeholders

HKEX actively engages with its employees, market participants, investors, suppliers and other stakeholders through different channels to develop mutually beneficial relationships and promote sustainability.

Employees are remunerated equitably and competitively. Training and development opportunities are provided to equip staff members so that they deliver their best performance and achieve corporate goals. During the year, the Group delivered over 20,000 hours of training to its employees across different divisions and departments. HKEX continued to develop its future leaders through its Leadership Development Programmes and launched the “HKEX Living Values” training series to deepen employees’ understanding of HKEX’s values and culture. In addition to ongoing training programmes and workshops for employees at all levels, we introduced targeted orientation programmes for newly promoted colleagues to acquire essential skills that will help them excel in their new roles. With the pandemic situation evolving across the world, the Group launched a number of online wellness programmes in Hong Kong and in London, supporting employee safety, health and mental well-being.

In its capacity as an exchange operator and a regulator, the Group consults the market on major initiatives, and the views of respondents are carefully and thoroughly considered to ensure that decisions are made in an informed and balanced manner. In 2020, the Exchange launched consultation papers to seek public feedback on (i) corporate WVR beneficiaries and (ii) proposals to introduce a paperless listing and subscription regime, online display of documents and reduction of the types of documents on display; the corresponding consultation conclusions were issued in October and December 2020 respectively. In addition, two other market consultations were conducted by the Exchange to seek market views on (i) a review of Listing Rules relating to disciplinary powers and sanctions; and (ii) the Main Board profit requirement. In the UK, the LME issued a discussion paper on sustainability in August 2020, which sets out its vision, approach and specific plans to drive forward its sustainability agenda for the global metals market; and confirmed in December 2020 its plan to move forward with its sustainability strategy following supportive feedback.

HKEX is committed to ensuring strong ethical supply chain management and seeks to use suppliers that reflect its values and commitment to being a good corporate citizen. During 2020, eight key suppliers providing professional consultancy, employee benefits, information technology and property management services to the Group have completed a questionnaire regarding their own CSR performance. The Group was not aware that any of its key suppliers had reported any significant actual or potential negative impact on their business ethics, environmental protection, human rights or labour practices, nor any of them had any non-compliance incident in respect of these areas.

## CSR Reporting

During 2020, the CSR Committee received and reviewed the quarterly CSR progress and impact reports which summarised the CSR initiatives undertaken by the Group. Details of the Group’s CSR performance in 2020 are disclosed in the 2020 CSR Report.

### Laura M CHA

Chairman of the CSR Committee

Hong Kong, 22 February 2021

