

Management Approach to Our People

Employment and Labour Practices

It is the policy of HKEX to recruit the best qualified people and to maintain a pool of human resources according to the manpower requirement and planning of HKEX. It is also the policy of HKEX to transfer or promote well performing and capable employees to fill vacancies so that employees are provided with opportunities to widen their exposure and further their career development within HKEX. Job applicants are treated fairly and equally. Employment is offered only to the best qualified applicants with reference to their merits and abilities to meet the requirements of the jobs irrespective of whether they are referrals or direct applicants. All employment with HKEX is voluntary and HKEX strictly complies with the applicable employment laws and does not employ any child labour. The Human Resources Department provides recruitment advice and services to all Divisions/Departments and is responsible for the entire process leading to employment. The Group has not identified any operations that constitute risk to the right to exercise freedom of association or collective bargaining.

HKEX is committed to providing a fair and competitive compensation package in the form of basic salary, incentive pay (discretionary performance bonus and share award), provident fund, and other fringe benefits, such as healthcare benefits (eg, medical and dental insurance and personal accident and life insurance), paid leave for various purposes (eg, annual leave, maternity/paternity leave, marriage leave, employee volunteering leave, sick leave, examination leave, compassionate leave and birthday leave), and education and training sponsorship. HKEX's minimum salary, converted into an hourly estimate, is higher than the statutory minimum wage rate in Hong Kong. Details of HKEX's remuneration policy, pay review exercise and remuneration packages for Board members and employees are available on the HKEX Group website and in the annual Remuneration Committee Report.

Training and Development

The Group encourages and supports all employees to reach their full potential through continuous training and development. The training covers a range of topics including the Group's products and services, the latest development of markets, relevant rules, regulations and best practice standards, managerial, language and technical skills, and personal effectiveness and career development. Employees can attend in-house training courses, participate in e-learning programmes and enrol in external academic programmes (eg, tertiary degrees earned from recognised education institutes or certifications by relevant professional associations) and training seminars for which sponsorship is available. To improve the quality of training and effectiveness of instructors, participants' feedback and recommendations on training programs are solicited by means of assessment forms.

HKEX runs a Management Trainee Programme with the goal of nurturing bright and young talent and grooming them into future leaders. The Programme is an intensive development programme combining interactive learning, personal and group coaching and senior management exposure with on-the-job training. As a result, management trainees will develop a spectrum of experience, an open mind and a broad understanding of different aspects of HKEX's business and management.

The annual performance appraisal is an interactive exercise conducted for all permanent employees. The exercise involves appraising past performance, reviewing the employee's personal and career development status and training progress, and setting work objectives and

improvement goals. Workshops are organised in preparation for the performance appraisal exercise with the aim of facilitating open and effective communication between supervisors and subordinates when discussing work objectives and performance.

There is no specific arrangement for those employees who are due to retire or whose employment is subject to termination. Nonetheless, the Group's employees can contact the Human Resources Department at any time for matters in relation to their retirement and post-retirement employment.

Human Rights, Diversity and Equal Opportunities

The Group is committed to protecting human rights in the workplace, as guided by internationally accepted principles such as those in the Universal Declaration of Human Rights, and the Codes of Practice on Employment as promulgated by the Equal Opportunities Commission in Hong Kong. The Group considers that it does not operate in circumstances and environments with high exposure to risk concerning human rights. Nonetheless, as stated in the HKEX's CSR Manual, guidelines on human rights are developed with reference to the "Human Rights Issues" under ISO 26000 and the UN Global Compact with focus on the areas including risk identification and due diligence, resolving grievances, and discrimination and rights at work.

Employees' freedom of speech and association are respected as long as they are within legal boundaries. The Group strongly opposes any discrimination on the grounds of age, gender, marital status, pregnancy, family status, disability, race, nationality or religion. The Group believes that workplace diversity, including diversity in leadership, helps increase employee morale and effectiveness and enhances creativity and unity within the organisation. HKEX advocates diversity at the Board level and the workplace for the purposes of attaining sustainable and balanced development. A Board Diversity Policy, with the aim of enhancing the quality of the Board's performance by diversity, was adopted in February 2013. Details of the composition of the Board are set out in the Corporate Governance Report.

Both legal and socio-economic environments in Hong Kong and the United Kingdom (UK) provide opportunities for gender equity in the workforce. In Hong Kong, the Equal Opportunities Commission administers the laws protecting gender equality. In the UK, the Women's Business Council advises the government on ways of maximizing women's contribution to economic growth and assesses priorities in removing the barriers that women face in playing a full part in the workplace. It is also the Group's policy to compensate employees equitably, including providing equal remuneration for women and men.

Procedures are in place to handle employees' grievances and complaints to ensure fair treatment of all employees when their concerns are being addressed. HKEX's Equal Opportunities Policy and grievance policy and procedures are stipulated in the Human Resources Manual (see [HKEX Governing Principles in the Workplace](#)).

Relevant training, such as anti-discrimination talks conducted by the Equal Opportunities Commission, is organised from time to time to equip employees with practical knowledge of upholding human rights and equal opportunities at the workplace so as to minimise the risk of violating the various discrimination ordinances and ensure the application of transparency and fairness throughout the workplace, including the recruitment process.

Employee Engagement

Employee engagement is a critical factor for achieving the Group's principles of caring about employees' welfare and satisfaction and strengthening team collaboration. Hence, the Group aims to promote team solidarity and ensure open and transparent communication.

The Group will inform its employees of any operational changes or development of the Group as soon as it considers appropriate in terms of the nature and importance of the information and does not set any minimum period of notice for different kinds of notifications. Staff announcements are posted on the intranet for employees' information. Important information about the Group, such as the latest strategic directions, business and operational developments, and financial performance, are communicated via a number of efficient and effective channels within the Group (eg, management offsite meetings, weekly senior management meetings, monthly executive forums, and quarterly employee briefings by HKEX's Chief Executive). Employee engagement surveys are conducted biennially to solicit feedback and to gauge the level of satisfaction and motivation of employees. Workshops and training courses are organised regularly to equip employees with good communication and interpersonal skills to build teamwork and cooperation, and to provide useful tips on cooperating with supervisors to achieve common goals.

Occupational Health and Safety

HKEX is committed to achieving a high standard of occupational safety and health as set out in its Occupational Safety and Health Policy and Smoke-Free Workplace Policy which are included in the HKEX Human Resources Manual (see [HKEX Governing Principles in the Workplace](#)). In view of the Group's business nature, it does not consider any employees who are involved in occupational activities that have a high incidence or high risk of specific diseases.

Any issues in relation to the occupational health and safety of the Group will be brought to the CSR Committee by the Chief Executive as and when necessary. At the LME, a health and safety report is reviewed by its Executive Committee which comprises a number of senior executives, including the LME's chief executive. At HKEX, the Human Resources Department and the Corporate Services Department oversee the occupational safety and health matters of the Group. Occupational health and safety-related accidents in the workplace have to be reported to the Human Resources Department. While a formal joint management-worker committee specific to occupational health and safety was not set up within the Group, the above mentioned structures ensure that the employees within the Group can raise any occupational health and safety-related issues, including training programmes, through different channels from time to time. There are no formal agreements with any trade unions covering occupational health and safety.

HKEX has engaged external professional service providers to support employees at work and outside work through the Employee Assistance Programme. The programme includes a 24-hour hotline, face-to-face counselling, clinical psychology service and critical incident management service which aims to help employees resolve personal issues that may adversely impact their work performance, attendance, and/or conduct, and to provide a mechanism for handling employee grievances.

To promote healthy lifestyles, prevent illness and enhance quality of life among employees, HKEX from time to time organises workshops and talks on health and wellness topics under its Employee Wellness Programme. The Human Resources Department also issues notices/guidelines to staff to draw their attention to public health issues such as seasonal influenza for maintenance of a healthy working environment.

Good indoor air quality (IAQ) in offices safeguards the health of our employees and contributes to their comfort and well-being. In this respect, HKEX has undertaken annual IAQ inspection and certification for all offices in Hong Kong since 2009 under the IAQ Certification Scheme launched by the Hong Kong Government. All offices in Hong Kong have achieved either Excellent Class or Good Class certification.

HKEX has incorporated OHSAS 18001 Safety Management System into the Integrated Management System (IMS) Manual and IMS Procedure Manual for its Data Centre at Tseung Kwan O, Hong Kong. The Data Centre passed the certification audit in September 2014.

Work-life Balance

Flexibility in the hours of work applies to all HKEX employees. Employees may adopt flexible office hours depending on the job requirements and subject to Head of Division/Department's approval.

HKEX has run the Back to Work Programme since 2013 to help high-calibre candidates to return to their careers after taking time off to raise their families. The programme aims to prepare participants for returning to full time employment and includes a company orientation and on-the-job placement to one of the company's functional areas. To further secure the right of HKEX's female employees who are working-mothers, HKEX has established nursing rooms at various new offices in Hong Kong, providing space and ensuring their privacy.

With the Company's financial support, HKEX's Staff Social Club and the LME's Sports and Social Committee organise a host of sports, recreational and social activities, with the aim of enhancing work-life balance, personal development and sense of belonging among employees. Other than interest groups, such as the parental club and dance club, various sports teams such as the soccer, basketball, running, table tennis and badminton teams have been formed.

Community Investment and Development

To reinforce HKEX's commitment to the community, a Community Investment Policy has been approved by the Board. The policy, which is available on the intranet, sets out particular donation and sponsorship focuses to align HKEX's community investment towards development goals or particular causes for the improvement of the marketplace, community and environment which HKEX values in the long-term. Geographical concern, key stakeholders' concern, and synergy with HKEX's corporate values and products and services are taken into account. The policy also sets out the approval procedures, the reporting requirement and the monitoring mechanism to further enhance accountability and transparency, and ensure effectiveness. To support community investment, a Charity Advisory Group in HKEX and a Charity Committee in the LME have been formed to discuss the budget allocation for charitable donations, and consider and monitor the progress of long term charitable programmes.

As a corporate citizen, the Group interacts and shares common interests with others in the community. In addition to assessing and managing the social impact of its operations, the Group is committed to developing partnerships with community organisations to address various community causes and create shared benefits.

Financial Literacy

Financial literacy is a key component of sustainable financial markets. Understanding the potential risks associated with different financial products, such as price and liquidity risks, and having access to up-to-date and comprehensive market information are essential for making investment decisions. Information such as trading statistics, rules and regulations in respect of listing, trading and clearing, market research and survey results, help investors to understand market operations and trends. In this respect, the HKEX Market website serves as an effective platform to convey educational and regulatory information to the public, and the HKEXnews website is a dedicated issuer website which provides the investing public with convenient online access to issuers' latest published information. Publications such as HKEX surveys and research papers are also useful materials for understanding the prevailing securities and derivatives market conditions. HKEX's

Stock Market Information Donation Programme enables the public to view market information at a number of public libraries in Hong Kong.

HKEX regularly provides educational programmes on its securities and derivatives products to EPs, conducts seminars and workshops for industry associations and retail investors, as well as provides speakers for Hong Kong Securities and Investment Institute's educational courses. HKEX also works closely with government departments to enhance financial literacy and support educational and promotional programmes organised by professional organisations and universities.

Both the LME and LME Clear continue to engage with relevant industry bodies on matters relating to the metal industry, regulation and other issues, and continue with dialogue with end users at industry events and conferences. The LME also offers training courses about its market to stakeholders from time to time, details of which are set out under the Education & Events section of the LME website.

Employee Volunteering

HKEX Volunteer Team was established in 2006 as a valuable means for HKEX to serve the community, foster its connection with the community, and engage its employees. The HKEX Volunteer Team Committee comprises representatives from different Divisions/Departments and is responsible for the planning, execution and coordination of volunteer activities for employees, as well as developing partnerships with community organisations and monitoring the outcome of the volunteer services for continual improvement.

HKEX is a registered volunteer organisation of the Volunteer Movement organised by the Social Welfare Department. The Company provides financial support to the Volunteer Team and organises relevant training to strengthen the skills and techniques of the volunteers in delivering volunteer services. An annual Volunteer Recognition Ceremony, hosted by the Chief Executive/Chairman, is held to recognise and encourage employees who serve the community. In addition to the Awards for Volunteer Services granted by the Social Welfare Department to individual employees, HKEX also grants its own awards to individuals and Divisions/Departments for their individual contributions and joint efforts in volunteering. Employee volunteering leave has been introduced since 1 September 2010 to grant an additional day of paid leave (a one-day or half-day paid leave for performing at least 8 hours or 4 hours of volunteer service respectively) per year to employees who have participated in community service.

Fundraising for Community Causes

HKEX makes monetary and in-kind donations to different community causes including disaster relief, poverty relief, care for the disadvantaged and elderly, children and youth development, education, healthcare, and environmental protection. HKEX encourages a spirit of giving among employees by communicating up-to-date information on community needs and matching employees' donation on a dollar-to-dollar basis on a number of occasions.

The Stock Code Balloting for Charity Scheme established by HKEX in 1999 provides a platform for the corporate sector to support social welfare services in the community. Under the scheme, listing companies are able to choose their own stock codes by making a donation to The Community Chest of Hong Kong, which acts as trustee of the funds raised and prudently allocates such funds to social welfare agencies in Hong Kong to strengthen and maximise their services to those in need.