

HKEX 2011 Corporate Social Responsibility Report

GRI Content Index

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

The HKEX 2011 CSR Report fulfils the requirement of GRI Application Level A+. All of the GRI G3.1 Guidelines' standard disclosures and the Financial Services Sector Supplement's specific disclosures have been fully reported unless otherwise stated.

GRI Disclosure	Description	HKEX's Response
Strategy and Analysis		
1.1	Message from the Chairman	Message from the Chairman
1.2	Key impacts, risks and opportunities	Message from the Chairman, Progress Highlights and Future Commitments
Organisational Profile		
2.1	Name of the organisation	Hong Kong Exchanges and Clearing Limited
2.2	Primary brands, products and services	Products & Services
2.3	Operational structure	Organisation
2.4	Location of head office	Hong Kong
2.5	Countries of operation	Our main business operations are located in Hong Kong.
2.6	Nature of ownership	Note 34 Investments in and Amounts Due from/(to) Subsidiaries and Controlled Special Purpose Entity of the Notes to the Consolidated Financial Statements of the HKEX 2011 Annual Report
2.7	Markets served	Corporate Information
2.8	Scale of the organisation	Performance Statistics
2.9	Significant changes during the reporting period regarding size, structure and ownership	Corporate Governance Report (p.92-93)

2.10	Awards received	Recognition and Ratings on Corporate Governance and CSR
Report Parameters		
3.1	Reporting period	Calendar year 2011
3.2	Date of the most recent previous report	2010
3.3	Reporting cycle	Annual
3.4	Contact point	Contents
3.5	Process for defining report content	About this Report
3.6	Boundary of the report	About this Report
3.7	Specific limitations on report scope or boundary	About this Report
3.8	Basis for reporting on entities that can affect comparability	About this Report
3.9	Data measurement techniques and bases of calculations	About this Report
3.10	Restatements of information and reasons for such restatements	About this Report
3.11	Significant changes in the reporting scope, boundary or measurement methods applied	About this Report
3.12	GRI content index	GRI Content Index
3.13	Assurance	About this Report, Assurance Statement
Governance, Commitments and Engagement		
4.1	Governance structure	Corporate Governance Structure, Corporate Governance Report (p.87-88), Environmental, Social and Governance Committee Report
4.2	Chair of the highest governance body	Board Composition
4.3	Independence of the highest governance body	Board Composition, Corporate Governance Report (p.89)
4.4	Mechanisms to provide recommendations or direction to the highest governance body	Relations with Shareholders and Other Stakeholders, Corporate Governance Report (p.99-101), Major Engagement Practices and Objectives

4.5	Linkage between compensation for members of the highest governance body, senior managers and executives, and the organisation's performance	Remuneration Committee Report
4.6	Management of conflicts of interest	Public and Corporate Responsibilities
4.7	Process for determining the qualifications and expertise of the highest governance body	Board Composition, Corporate Governance Report (p.88-89)
4.8	Statements of mission or values, code of conduct, and principles relevant to sustainability performance	Mission and Strategic Plan, CSR Policy, Human Resources Manual (to be updated soon), Core Principles and Objectives for the Marketplace, Workplace, Community and Environment
4.9	Procedures of the highest governance body for overseeing the identification and management of sustainability performance	Governance and Management, Environmental, Social and Governance Committee Report
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to sustainability performance	Board Evaluation, Corporate Governance Report (p.91)
4.11	Implementation of the precautionary approach or principle	Marketplace – Management Practices and Performance, Corporate Governance Report (p.97-99)
4.12	Participation in/support for external initiatives	Membership and Participation in External Initiatives
4.13	Memberships	Membership and Participation in External Initiatives
4.14	List of stakeholder groups	Major Stakeholders of HKEX
4.15	Identification and selection of stakeholders	Stakeholder Engagement
4.16	Approaches to stakeholder engagement	Major Engagement Practices and Objectives
4.17	Key topics and concerns raised through stakeholder engagement	Stakeholder Engagement
Economic Performance		
DMA	Economic performance	Marketplace, Environment, Remuneration Committee Report

	Market presence	Marketplace, Workplace
	Indirect economic impacts	Marketplace, Community
EC1 ♦	Direct economic value	Performance Statistics
EC2 ♦	Financial implications due to climate change	Environment – Management Practices and Performance
EC3 ♦	Defined benefit plan obligations	Remuneration Committee Report
EC4 ♦	Significant financial assistance received from government	None in 2011.
EC5 ◇	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	Performance Statistics
EC6 ♦	Policy, practices and proportion of spending on locally-based suppliers	Performance Statistics, Marketplace – Management Practices and Performance
EC7 ♦	Procedures for local hiring and proportion of senior management hired from the local community	Performance Statistics, Workplace – Management Practices and Performance
EC8 ♦	Development and impact of infrastructure investments and services provided primarily for public benefit	Marketplace, Community
EC9 ◇	Significant indirect economic impacts	Marketplace, Community
Environmental Performance		
DMA	Materials	Environment
	Energy	Environment
	Water	NA – As HKEX operates in leased office premises, both the water supply and discharge are 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. We will be able to gather the relevant data in the long-term when we operate in our own property, such as the new Data Centre which is scheduled for completion in 2013.
	Biodiversity	NR – As an exchange

		controller, our operations are located in developed commercial areas with no significant impact on biodiversity and species with extinction risk.
	Emissions, effluents and waste	Environment
	Products and services	Environment
	Compliance	Environment
	Transport	NR – As an exchange controller, we mainly provide financial and data products which require no physical transportation.
	Overall	Environment
EN1 ♦	Materials used	Performance Statistics
EN2 ♦	Recycled input materials	Performance Statistics
EN3 ♦	Direct energy consumption	Performance Statistics
EN4 ♦	Indirect energy consumption	Performance Statistics
EN5 ◇	Energy saved due to conservation and efficiency improvements	Performance Statistics
EN6 ◇	Initiatives to provide energy efficient or renewable energy based products	NR – As an exchange controller, we provide products and services in relation to the securities and futures markets in Hong Kong only.
EN7 ◇	Initiatives to reduce indirect energy consumption	Performance Statistics , Environment , Environment – Management Practices and Performance
EN8 ♦ EN9 ◇ EN10 ◇ EN21 ♦	Water withdrawal, recycled, reused and discharge	NA – As HKEX operates in leased office premises, both the water supply and discharge are 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. We will be able to gather the relevant data in the long-term when we operate in our own property, such as the new Data Centre which is

		scheduled for completion in 2013.
EN11 ♦	Location and size of land in adjacent to protected areas	None in 2011.
EN12 ♦ EN13 ◇ EN14 ◇ EN15 ◇	Significant impacts on biodiversity in protected areas, habitats protected or restored, managing impacts on biodiversity, and species with extinction risk affected	NR – As an exchange controller, our operations are located in developed commercial areas with no significant impact on biodiversity and species with extinction risk.
EN16 ♦	Direct and indirect GHG emissions	Performance Statistics
EN17 ♦	Other relevant indirect GHG emissions	Performance Statistics
EN18 ◇	Initiatives to reduce GHG emissions	Performance Statistics , Environment , Environment – Management Practices and Performance
EN19 ♦	Emissions of ozone-depleting substances	Performance Statistics
EN20 ♦	NOx, SOx, and other significant air emissions	NR – As an exchange controller, our operations generate no significant emissions of NOx, SOx and other air pollutants.
EN22 ♦	Waste by type and disposal method	Performance Statistics
EN23 ♦	Significant spills of hazardous substances	NR – As an exchange controller, our operations are office-based and do not constitute any risks of significant spills of hazardous substances.
EN24 ◇	Hazardous waste	NR – As an exchange controller, our operations are office-based and do not generate any significant amounts of hazardous waste.
EN25 ◇	Water discharges and runoff	NR – As an exchange controller, our operations are office-based and the impact of our water discharges and runoff is not significant.
EN26 ♦	Initiatives to mitigate environmental impacts of products	Environment , Environment – Management Practices and

	and services	Performance
EN27 ♦	Percentage of products sold and their packaging materials that are reclaimed	NR – As an exchange controller, we mainly provide financial and data products without packaging materials.
EN28 ♦	Significant fines and sanctions for non-compliance with environmental laws and legislation	None in 2011.
EN29 ◇	Significant environmental impact of transporting products	NR – As an exchange controller, we mainly provide financial and data products which require no physical transportation.
EN30 ◇	Environmental protection expenditures and investments	Performance Statistics
Labour Practices and Decent Work Conditions		
DMA	Employment	Workplace
	Labour/Management relations	Workplace
	Occupational health and safety	Workplace
	Training and education	Workplace
	Diversity and equal opportunity	Workplace
LA1 ♦	Analysis of workforce	Performance Statistics
LA2 ♦	New employee hires and employee turnover	Performance Statistics
LA3 ◇	Benefits provided to full-time employee	Remuneration Committee Report, Workplace – Management Practices and Performance
LA4 ♦	Employees covered by collective bargaining agreements	None in 2011.
LA5 ♦	Minimum notice period(s) regarding significant operational changes	Workplace – Management Practices and Performance
LA6 ◇	Formal joint management-worker health and safety committees	Governance and Management
LA7 ♦	Rates of injury, occupational diseases, lost days and absenteeism, and number of work-related fatalities	Performance Statistics
LA8 ♦	Education, training and prevention of serious diseases	Workplace, Workplace – Management Practices and Performance
LA9 ◇	Health and safety topics covered in formal agreements with trade unions	NR – HKEX does not have any formal agreements with trade unions.

LA10 ♦	Average hours of training	Performance Statistics
LA11 ◇	Skills management and lifelong learning programmes	Workplace, Workplace – Management Practices and Performance
LA12 ◇	Performance and career development reviews	Workplace
LA13 ♦	Composition of the Board and breakdown of employees per category according to indicators of diversity	Performance Statistics, Corporate Governance Report (p.87)
LA14 ♦	Ratio of basic salary and remuneration of men to women	Performance Statistics
LA15 ♦	Return to work and retention rates after parental leave	Workplace
Human Rights		
DMA	Investment and procurement practices	Marketplace
	Non-discrimination	Workplace
	Freedom of association and collective bargaining	Workplace
	Child labour, forced and compulsory labour	Workplace
	Security practices	Workplace
	Indigenous rights	Workplace
	Assessment and remediation	Marketplace, Workplace
HR1 ♦	Significant investment agreements and contracts that include human rights clauses or have undergone human rights screening	None in 2011.
HR2 ♦	Suppliers that have undergone human rights screening	None in 2011.
HR3 ◇	Employee training on policies and procedures concerning human rights	Performance Statistics
HR4 ♦	Incidents of discrimination and corrective actions taken	None in 2011.
HR5 ♦	Freedom of association and collective bargaining	We do not consider our operations or significant suppliers to have high exposure to risk concerning human rights and we have not identified any operations that constitute risk to the right to exercise freedom of

		association or collective bargaining.
HR6 ♦	Elimination of child labour	We do not consider our operations or significant suppliers to have high exposure to risk concerning the use of child labour.
HR7 ♦	Elimination of forced or compulsory labour	We do not consider our operations or significant suppliers to have high exposure to risk concerning the use of forced or compulsory labour.
HR8 ◇	Training for security personnel on aspects of human rights	Performance Statistics
HR9 ◇	Incidents of violations involving rights of indigenous people	NR – As an exchange controller, our operations are located in developed commercial areas with no significant impact on indigenous people.
HR10 ♦	Operations that have been subject to human rights reviews and/or impact assessments	Our main business operations are located in Hong Kong and we do not consider our operations to have high exposure to risk concerning human rights.
HR11 ♦	Grievances related to human rights	None in 2011.
Society		
DMA	Community	Stakeholder Engagement, Marketplace
	Corruption	Marketplace
	Public policy	Marketplace
	Anti-competitive behaviour	Marketplace
	Compliance	Marketplace
SO1 ♦	Programmes and practices that assess and manage the impacts of operations on the community	Stakeholder Engagement, Community
SO2 ♦	Risks related to corruption	Marketplace – Management Practices and Performance
SO3 ♦	Anti-corruption training	Workplace
SO4 ♦	Incidents of corruption and actions taken in response	None in 2011.
SO5 ♦	Public policy positions and	Stakeholder Engagement

	participation in public policy development	
SO6 ◇	Contributions to political parties	None in 2011.
SO7 ◇	Legal actions for anti-competitive behaviour	None in 2011.
SO8 ◆	Significant fines and sanctions for non-compliance with laws and regulations	None in 2011.
SO9 ◆ SO10 ◆	Operations with significant potential or actual negative impacts on local community and the corresponding prevention and mitigation measures implemented	Public consultation is sought on HKEX's major initiatives to collect interested parties' views and comments which are then thoroughly analysed and considered to avoid unexpected consequences or adverse market impact. The responses to consultations and the consultation conclusions are posted on the HKEX website for the public's information.
Product and Service Responsibility		
DMA	Customer health and safety	NR – As an exchange controller, we mainly provide financial and data products and services which do not present any significant health and safety impacts.
	Product and service labelling	Marketplace
	Marketing communications	Marketplace
	Customer privacy	Marketplace
	Compliance	Marketplace
PR1 ◆ PR2 ◇	Health and safety impacts of products and services and incidents of non-compliance	NR – As an exchange controller, we mainly provide financial and data products and services which do not present any significant health and safety impacts.
PR3 ◆	Product and service information	Marketplace – Management Practices and Performance
PR4 ◇	Non-compliance with regulations concerning product and service information and labelling	None in 2011.
PR5 ◇	Customer satisfaction	Marketplace – Management Practices and Performance
PR6 ◆	Marketing communications	Marketplace – Management

	standards	Practices and Performance
PR7 ◇	Non-compliance concerning marketing communications standards	None in 2011.
PR8 ◇	Complaints regarding breaches of customer privacy and losses of customer data	None in 2011.
PR9 ◆	Significant fines for non-compliance with laws and regulations concerning the provision and use of products/services	None in 2011.
Financial Services Sector Disclosures		
DMA	Product portfolio	Policy and Strategy, Governance and Management, Stakeholder Engagement, Marketplace
	Audit	Marketplace – Management Practices and Performance, Corporate Governance Report (p.98-99)
	Active ownership	NR – HKEX did not have any shareholding in companies other than its subsidiaries as at 31 December 2011. However, HKEX has engaged with listed issuers on ESG issues, details of which are set out in Stakeholder Engagement .
FS1 ◆	Environmental and social policies applied	Policy and Strategy
FS2 ◆	Assessment of environmental and social risks	Governance and Management
FS3 ◆	Monitoring clients' implementation of and compliance with environmental and social requirements	NR – As an exchange controller, we do not provide any commercial/corporate banking or insurance services.
FS4 ◆	Improving staff competency to implement environmental and social policies and procedures	Governance and Management
FS5 ◆	Interactions with clients/business partners regarding environmental and social risks and opportunities	Stakeholder Engagement, Marketplace
FS6 ◆	Percentage of the portfolio for	NR – The evaluation and

	business lines by specific region, size and sector	ranking of environmental or social impact of our customer base is not relevant to our business as an exchange controller.
FS7 ♦	Products and services designed to deliver a specific social benefit	NR – The provision of products or services with preferential terms/discounted rates or that target an underserved or disadvantaged population is not relevant to our business as an exchange controller. However, it is our CSR Policy to support local initiatives that create effective and lasting benefits to the community. The Stock Code Balloting for Charity Scheme established by HKEX in 1999 provides a platform for listed companies to support social welfare services in the community. A total of \$58 million was raised in 2011 and over \$430 million has been raised through the Scheme since its inception for The Community Chest of Hong Kong.
FS8 ♦	Products and services designed to deliver a specific environmental benefit	NR – The provision of products or services designed with an explicit aim of addressing environmental issues is not relevant to our business as an exchange controller. However, it is our CSR Policy to promote environmental protection in the marketplace. Therefore, we have introduced various initiatives to help mitigate the environmental impacts of our products and services, details of which are set out in Environment .
FS9 ♦	Audits to assess the implementation of environmental and social policies and risk	Governance and Management, Corporate Governance Report (p.98-99)

	assessment procedures	
FS10 ♦ FS12 ♦	Percentage and number of companies held in HKEX's portfolio with which HKEX has interacted on environmental or social issues and voting policies applied to these issues for shares held	NR – HKEX did not have any shareholding in companies other than its subsidiaries as at 31 December 2011. However, HKEX has engaged with listed issuers on ESG issues, details of which are set out in Stakeholder Engagement .
FS11 ♦	Percentage of assets subject to environmental or social screening	NR – HKEX does not have any asset management operations and therefore environmental and social screening practices are not applicable in this respect.
FS13 ♦	Access points in low-populated or economically disadvantaged areas	NR – HKEX does not operate in low-populated or economically disadvantaged areas.
FS14 ♦	Initiatives to improve access to financial services for disadvantaged people	Marketplace – Management Practices and Performance
FS15 ♦	Policies for fair design and sale of financial products and services	Marketplace – Management Practices and Performance
FS16 ♦	Initiatives to enhance financial literacy	Marketplace – Management Practices and Performance , Marketplace

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