



Hong Kong Exchanges and Clearing Limited
香港交易及結算所有限公司

2014 Corporate Social Responsibility Report



Marketplace



Workplace



Community



Environment



Contents

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

1	About this Report
3	About HKEx
4	Chairman's Statement
6	Stakeholder Engagement
10	 Marketplace
13	 Workplace
16	 Community
19	 Environment
21	Performance Statistics
26	Content Indices
37	Glossary
38	Verification Statement

About this Report

As part of the Company's annual reporting exercise, this Report provides a review of HKEx and its subsidiaries' CSR performance during the calendar year of 2014 along with a balanced representation of the sustainability issues relevant to the Group. The Report should be read in conjunction with the HKEx's 2014 Annual Report [▶](#), in particular the Corporate Governance Report [▶](#) and the ESG Committee Report [▶](#), as well as the Corporate Governance [▶](#) and Corporate Social Responsibility [▶](#) sections of the HKEx Group website, information available therein is not repeated in this Report.

This Report is prepared with reference to the Comprehensive option of the GRI G4 Guidelines as well as the Stock Exchange's ESG Reporting Guide. The content was determined through a process which involved identification of sustainability issues and stakeholders, prioritisation of the reporting issues, preparation and validation of the information provided, and consideration of stakeholders' expectations. The process is summarised in the About HKEx (Corporate Social Responsibility – CSR Reporting) [▶](#) section of the HKEx website. [G4-18](#)

After taking into account our stakeholders' feedback and adopting a refined measurement methodology, the material aspects covered in this Report, as set out in the following table, are slightly different from those disclosed in the 2013 CSR Report [▶](#) (which was published on 26 February 2014). [G4-23](#)

Categories G4-19	Aspects which are material to both HKEx as well as the stakeholder groups outside HKEx¹ (except those under the Labour Practices and Decent Work Category which are material to the Group's employees) G4-20 G4-21
Economic	Economic performance
Labour Practices and Decent Work	Employment Workforce-management relationship Diversity and equal opportunities Equal remuneration for women and men
Society	Anti-corruption Public policy Anti-competitive behaviour Compliance with laws and regulations
Product Responsibility	Product and service labelling Marketing communication Customer privacy Compliance with laws and regulations concerning the provision and use of products and services

1 The relevant entities are the stakeholder groups as set out under the About HKEx (Corporate Social Responsibility – Stakeholder Engagement) [▶](#) section of the HKEx website. [G4-24](#)

About this Report

There were no significant changes during the reporting period regarding the Group's size, structure, ownership and supply chain compared to the previous reporting period, except the addition of a new subsidiary established in the PRC. Certain past data and information for certain indicators have been restated, with the effects and reasons reflected and explained where appropriate. [G4-22](#) The data measurement techniques and calculation methods used for this Report are also stated as appropriate.

A feedback form [▶](#) is published online to enable readers of our CSR reports to provide their comments on our CSR reporting or recommend ESG improvements. Although there were no specific programmes to engage stakeholders outside of the Group when this Report was being prepared, [G4-26](#) we have included the key issues which are of concern to different stakeholder groups based on our continual engagement with them. Comments and suggestions regarding our ESG performance are always welcome and can be sent to HKEx's Company Secretary at ssd@hkex.com.hk [▶](#) .

To ensure integrity and credibility and improve further reporting, this Report has been independently verified by the Hong Kong Quality Assurance Agency, with the scope and basis of the verification set out in the Verification Statement in this Report. The Report has also completed the GRI's "Materiality Disclosures Service".

On 5 March 2015, following endorsement from the ESG Committee, this Report was approved by the Board.

About HKEx

HKEx is a leading operator of exchanges and clearing houses. It operates the securities and derivatives markets in Hong Kong, where it is based, and is the frontline regulator of companies listed on its securities market. HKEx indirectly owns the LME in the UK, the world's premier base metals market. More corporate information about the Group is set out under the About HKEx Group [▶](#) section of the HKEx Group website.

The Group operates 3 exchanges (SEHK and HKFE in Hong Kong and the LME in London) and 5 clearing houses (HKSCC, HKCC, SEOCH and OTC Clear in Hong Kong and LME Clear in London). With its headquarters in Hong Kong, the Group also has a representative office in Beijing, special representatives in Guangzhou and Shanghai, and an office in Singapore. The Group operates 5 business segments, cash, equity and financial derivatives, commodities, clearing, and platform and infrastructure, mainly in Hong Kong and London. Information about the products and services offered by HKEx and the LME is set out under the Products & Services [▶](#) section of the HKEx website and the Trading [▶](#) section of the LME website.

HKEx shares are listed on the Main Board of SEHK. Persons dealing in the shares are subject to certain restrictions under the SFO, details of which are set out in Corporate Governance Report [▶](#) and Shareholding Analysis [▶](#) sections of the 2014 Annual Report. HKEx has 20 subsidiary companies, which are incorporated in Hong Kong, the UK or the PRC. Particulars of the Group are set out in Note 38 to the Consolidated Financial Statements [▶](#) for the year ended 31 December 2014. [G4-17](#)

HKEx subscribes or endorses a number of externally developed economic, environmental and social charters, principles, or other initiatives to promote sustainable development in the Marketplace, Workplace, Community and Environment. As part of its business strategy, HKEx also participates in various national or international advocacy organisations in which HKEx holds a position on governance bodies, participates in projects or committees, or provides funding, details of which are set out under the Corporate Social Responsibility (Stakeholder Engagement – Charters and Memberships) [▶](#) section of the HKEx Group website.

HKEx has been included in various sustainability indices, details of which are set out under the Corporate Social Responsibility (Recognition and Ratings on Corporate Governance and CSR) [▶](#) section of the HKEx Group website.

Board of Directors

At the date of this Report, the Board comprises 12 Independent Non-executive Directors, namely Mr CHOW Chung Kong (Chairman), Mr CHAN Tze Ching, Ignatius, Mr Timothy George FRESHWATER, Mr John Barrie HARRISON, Dr HU Zuli, Fred, Mr HUI Chiu Chung, Stephen, Dr KWOK Chi Piu, Bill, Mr LEE Kwan Ho, Vincent Marshall, Mr LEE Tze Hau, Michael, Mrs LEUNG KO May Yee, Margaret, Mr John Mackay McCulloch WILLIAMSON and Mr WONG Sai Hung, Oscar, and one Executive Director, Mr LI Xiaojia, Charles, who is also the Chief Executive of HKEx.

Chairman's Statement



As an exchange controller with public-interest responsibilities, one of HKEx's primary goals is to help build sustainable financial markets in Hong Kong so as to reinforce Hong Kong as an international financial centre, and to contribute to the further development of the country's capital markets. The mutual market access between the Shanghai and Hong Kong stock markets under the Shanghai-Hong Kong Stock Connect scheme launched in November 2014 was a major achievement in this regard. The Stock Connect scheme, for the first time, enables investors in Hong Kong and the Mainland to trade shares listed and traded on the other's market through an orderly, controllable and scalable channel. With its pivotal role in the Stock Connect scheme, HKEx has reinforced its position as the global exchange of choice for Chinese investors and the Chinese exchange of choice for international investors. The establishment of a clearing house and commercialisation of the exchange business in the UK, and the introduction of London metal mini futures in Hong Kong, first of its type in Asia, not only provide the LME with immediate incremental revenues, but also support the Group in pursuing new markets, new products and new capabilities. Details of these initiatives are set out in the Business Review ► section of the 2014 Annual Report.

Despite a busy year in our business development, we have not slowed down the promotion of market integrity, transparency and CSR in the marketplace, which includes our supply chain. During the year, we implemented amendments to improve the clarity of the Connected Transaction Rules and announced the amendments to enhance the risk management and internal controls aspects of the Corporate Governance Code in the Listing Rules. Regarding the future approach of the Environmental, Social and Governance Reporting Guide on a proposal to raise the obligation level of ESG reporting to "comply or explain", SEHK conducted a series of seminars, produced training webcasts, and sent a questionnaire regarding ESG reporting before its further consultation later this year. In 2014, HKEx continued to support the work of the FRC and contributed \$4.9 million to facilitate its development and future work plan. To support the promotion of auditing and disclosure of carbon footprints in Hong Kong, HKEx is one of the participants of the Carbon Footprint Repository for Listed Companies in Hong Kong

launched by the Government in December 2014. HKEx also arranged anti-corruption, anti-discrimination and waste management seminars for its key suppliers and business partners to help promote socially responsible practices.

We believe that business sustainability can only be achieved by operating profitably without compromising the well-being of our society and the environment. We are pleased that our Stock Code Balloting for Charity Scheme raised a total of \$83 million for The Community Chest of Hong Kong in 2014. Our employees continued to show their care for the communities we serve through their volunteer work supported by the Group. HKEx signed the Food Wise Charter in support of the Food Wise Hong Kong Campaign, an effort to reduce food waste. We also achieved "Class of Excellence" in the Wastewi\$e Label scheme of the Hong Kong Awards for Environmental Excellence in recognition of our various waste reduction initiatives completed during the year.

The dedication of our staff is a major factor in the Group's achievements in CSR and contributions to society. Based on the feedback collected from the 2013 employees' survey, we undertook various measures to strengthen employees' engagement. The Group also restructured employees' job titles with a view to enabling better benchmarking of compensation and benefits and providing more flexibility for employees to consider lateral moves and explore internal opportunities for further career development. We also implemented an occupational health and safety management system which is certified to the internationally recognised OHSAS18001 standard to ensure a healthy and safe workplace for employees working at the Data Centre. Moreover, different types of training were organised for employees throughout the year to help them and us remain competitive in an increasingly complex and sophisticated marketplace. Our employees are always our most valuable asset.

We are pleased that the Group's effort in achieving sustainability is widely recognised. HKEx remains a constituent company in the Dow Jones Sustainability Asia Pacific Index, the FTSE4Good Index Series, the Hang Seng Corporate Sustainability Index Series and the STOXX® Global ESG Leaders Indices. We will continue encouraging good corporate governance practices in our markets and improving employees' engagement in the Company. We also plan to maintain our effort to increase the impact of our community investment approach and develop environmental protection targets as and when appropriate.


I would like to take this opportunity to thank all our stakeholders, especially our employees, for their support and contribution to what we have achieved and to reaffirm our commitment to the sustainable development of the Marketplace, Workplace, Community and Environment of which we are a part.

CHOW Chung Kong

Chairman

Hong Kong, 5 March 2015

Stakeholder Engagement

HKEx seeks to involve its stakeholders in its decision-making processes so it can align its business practices with public needs and expectations and promote sustainability in the Marketplace, Workplace, Community and Environment. Details of HKEx's major stakeholder groups and the engagement process are under the About HKEx (Corporate Social Responsibility – Stakeholder Engagement)  section on the HKEx website. [G4-24](#) [G4-25](#) [G4-26](#)

In 2014, the Group engaged its stakeholders through different channels with respect to various topics, including regulatory compliance, rule changes and new initiatives. For example, HKEx had an extensive stakeholder engagement process which included more than a year of discussions and months of intensive market preparations with different stakeholder groups in order to put the Stock Connect scheme on the tracks and have it departed from the station safely on 17 November 2014.

Stakeholder engagement process for the Stock Connect Scheme

Stakeholder	Key Engagement Work	Major Achievements
SFC	<ul style="list-style-type: none"> Meetings on proposed amendments to rules and operational procedures (OPs) 	<ul style="list-style-type: none"> Approval of the amendments to the rules and OPs
SSE, ChinaClear	<ul style="list-style-type: none"> Meetings on the terms and conditions of the Four-party Agreement and other agreements Meetings on the operational details 	<ul style="list-style-type: none"> Execution of the Four-party Agreement and other agreements Operational details agreed and laid down in various agreements
Market Participants	<ul style="list-style-type: none"> Circulars and seminars Connectivity tests, market rehearsals in August and September Practice sessions in September and October Promotion programme for IVs 	<ul style="list-style-type: none"> Registration of Participants Participants and system readiness
Investors	<ul style="list-style-type: none"> Joint international roadshows with SSE that reached 1,500 institutional investors About 100 conferences / workshops in the Mainland with SSE and the Securities Association of China that reached 12,500 investors About 140 seminars in Hong Kong with local brokers, Hong Kong Investor Education Centre and industry associations that reached 14,000 investors 	
Media & Public	<ul style="list-style-type: none"> Stock Connect section of the China Stock Markets Web on the HKEx website China Connect CCASS Hotline Updates from time to time via Charles Li Direct, information book, FAQs, news releases, online videos, flyers and newsletters 	

Stock Connect is a long-term scheme and the stakeholder engagement process continues...

A summary of the key concerns/topics other than the Stock Connect scheme identified from the various engagement activities during 2014 is set out in the following table. [G4-26](#) [G4-27](#)

Engagement Activities	Responses/Follow-up Actions
The HKMA and the SFC jointly published a consultation paper on the Securities and Futures (OTC Derivative Transactions – Reporting and Record Keeping) Rules.	HKEx provided its views on the proposed Securities and Futures (Amendment) Ordinance 2014 and the mandatory reporting and record keeping requirements.
The FSTB issued a Consultation Paper on Proposals to Improve the Regulatory Regime for Listed Entity Auditors.	The Stock Exchange made a submission to the FSTB and will continue to work closely with the FSTB, FRC and HKICPA so that the final details of the Reform Proposals are properly considered to facilitate an effective and efficient IPO process.
The International Monetary Fund published the Financial Sector Assessment Program's Technical Note on Oversight and Supervision of Financial Market Infrastructures.	HKSCC, HKCC and SEOCH issued circulars to their CPs and discontinued accepting bank guarantees as an approved type of collateral for any purpose with effect from 1 September 2014.
The Stock Exchange posted a series of 8 ESG training webcasts on the HKEx website to provide more in-depth and practical insights on how to do ESG reporting and sent a questionnaire to all issuers to ascertain the extent to which they have adopted ESG reporting.	The Stock Exchange plans to issue a consultation paper later in 2015 to seek views on raising the obligation level of some recommended disclosures in the Environmental, Social and Governance Reporting Guide to “comply or explain”.
The Stock Exchange published a consultation paper to seek market comments on its proposed amendments to the CG Code and Corporate Governance Report (the Code) relating to risk management and internal controls.	The Stock Exchange published the consultation conclusions in December. The amendments to the Code will apply to accounting periods beginning on or after 1 January 2016.
The Stock Exchange published a consultation paper on review of Listing Rules on disclosure of financial information with reference to the new Companies Ordinance and Hong Kong Financial Reporting Standards and proposed minor/housekeeping Rule amendments.	The Stock Exchange published the consultation conclusions in February 2015. The amendments relating to disclosure of financial information would apply to accounting periods ending on or after 31 December 2015. The amendments unrelated to disclosure of financial information would come into effect on 1 April 2015.
The Stock Exchange published the Consultation Conclusions on Review of Connected Transaction Rules.	The Stock Exchange organised a series of seminars in Hong Kong, Beijing and Shanghai to explain the Rule amendments relating to connected transactions and published guidance materials including answers to FAQs.

Engagement Activities	Responses/Follow-up Actions
<p>The Stock Exchange published a concept paper on weighted voting rights to seek views on whether governance structures that give certain persons voting power or other related rights disproportionate to their shareholding (weighted voting right structures) should be permissible for companies listed or seeking to list on the HKEx's markets.</p>	<p>The Stock Exchange considered it important that there be a comprehensive public debate in Hong Kong on this topic and looked forward to receiving comments and views from a broad cross-section of the market community. The deadline for responses was 30 November 2014, and the Stock Exchange is reviewing and analysing the responses received.</p>
<p>The FSDC issued a paper on positioning Hong Kong as an international IPO centre of choice.</p>	<p>The Stock Exchange tabled a Policy Paper to the Listing Committee setting out short-term and long-term action plans to address the recommendations in the FSDC Paper.</p>
<p>The Stock Exchange considered the comments from Collective Investment Schemes (CIS) operators whether the listing of CIS under Chapter 20 of the Main Board Listing Rules can be streamlined to facilitate the listing of CIS.</p>	<p>The Stock Exchange amended Chapter 20 of the Main Board Listing Rules and streamlined the listing process, including clarification to the qualification requirements of the listing agent under the Listing Rules.</p>
<p>HKEx reached out to more than 1,000 participants in the Hong Kong broker community and over 2,000 attendees at various conferences and broker seminars from July to December and held a media workshop in November to introduce the launch of the 3 new mini metal futures (London Metal Mini Futures) for trading on the Futures Exchange.</p>	<p>HKEx launched the London Metal Mini Futures on 1 December.</p>
<p>The LME undertook a market wide exercise to solicit views as to the future of the Ring. Engagement with the LME Members and end users was undertaken which collated a broad representation of views regarding the future of the Ring.</p>	<p>The LME decided to maintain the Ring as a result of the market input and other analysis.</p>
<p>The LME continued its reform of the warehousing network.</p>	<p>The LME conducted consultations after external reviews of the warehousing logistical network and the warehousing agreement. It also conducted consultations in respect of the premium contracts.</p>
<p>The LME and LME Clear embedded its users and other stakeholders in its governance structure.</p>	<p>In addition to the establishment of the User and Physical Market Committees, the LME enhanced its Operational Committee structure with participants drawn from the LME's stakeholders. The LME and LME Clear established working groups to obtain in depth user knowledge of specific issues such as LME systems and risk methodologies. The LME Clear established the Board Risk Committee comprising Clearing Members and their clients to advise the Board on risk matters impacting the CCP.</p>

Engagement Activities	Responses/Follow-up Actions
The LME consulted with market participants regarding its contract rules changes and the LMEselect policies.	The LME took into account market views on its revised contract rules and the LMEselect policies.
The LME participated in the tender process for the administrator of the Gold, Silver, Platinum and Palladium price establishment process.	The LME through active engagement was appointed as the administrator for the Platinum and Palladium price process. The process for defining the Platinum and Palladium Price Discovery Regulations involved extensive stakeholder engagement.
The LME actively engaged with its Members and held discussions regarding plans for the launch of LMEwire, the trade repository reporting service introduced by LME Clear.	LMEwire was launched on 12 February.
The LME consulted on the new CCP Rule Book, and actively engaged and held extensive discussions with its Clearing Members regarding plans for the launch of LME Clear.	LME Clear was launched on 22 September.
The LME proposed a new fee schedule and discussed it with market participants.	The LME implemented the new fee schedule from 1 January 2015 after making some minor adjustments, following engagement with market participants.
Circulars were issued and information package was distributed to CPs regarding the DCASS/CCMS Site Failover Rehearsal.	A total of 47 CPs participated in the rehearsal held in August with positive results.
EPs were invited to participate in the rollout tests for the new securities market access facilities – the OCG and NSTD. Web corners were set up with key documents such as information paper, FAQs, application forms, technical documents, rollout test arrangement, Participant circulars and other reference materials. There were also briefings, seminars and meetings with EPs and industry/broker associations.	The OCG and NSTD were introduced in June and November 2014 respectively.
The FSTB, HKMA and SFC were invited to give their views in the process of the Board evaluation conducted by an independent consultant.	Their comments were taken into account in the evaluation of the effectiveness of the Board and included in the evaluation report for the Board's attention and consideration for improvements.
HKEx's shareholders requested the right to appoint multiple representatives at companies' annual general meetings and asked for prompt dividend payments at HKEx's Annual General Meeting.	HKSCC was asked to consider the issue of the appointment of multiple representatives and there was a discussion with HKEx's registrar to ensure prompt payment of dividends to HKEx's shareholders.



Marketplace

The core principles and objectives [▶](#) as well as the management approach [▶](#) concerning Marketplace [▶](#) are set out under the About HKEx (Corporate Social Responsibility) [▶](#) section of the HKEx website.

As Regulated Entities


HKEx, as the exchange controller in Hong Kong, has the primary duty of ensuring orderly, informed and fair securities and futures markets and of ensuring risks are managed prudently. It also has a duty to ensure, so far as is reasonably practicable, that the exchange company or clearing house, as the case may be, complies with any lawful requirement placed on it under any enactment or rule of law and with any other legal requirement placed on it. Similarly, other entities of the Group have to comply with extensive regulatory requirements applicable to their jurisdictions. In this connection, we maintained a regular and extensive dialogue with the relevant market regulators such as the SFC, the FCA, the Bank of England and the ESMA.

In 2014, OTC Clear, HKSCC, HKCC and SEOCH have published on the HKEx website their Principles for Financial Market Infrastructures (PFMI) disclosure document to comply with the PFMI published by the Committee on Payment and Settlement Systems (which changed its name to the Committee on Payments and Market Infrastructures on 1 September 2014) and the International Organization of Securities Commissions. LME Clear has completed its PFMI self-assessment and will publish its PFMI disclosure document in due course. The LME and LME Clear also responded to a number of regulatory consultations in 2014.

The Group provides information about its products and services on the respective websites of HKEx and the LME. In 2014, there were no instances of non-compliance with laws and regulations which had resulted in fines/warnings concerning the Group's products and services, including the relevant marketing communications. Information about the litigation related to the metals warehousing industry is set out in the Note 46 to the Consolidated Financial Statements [▶](#) for the year ended 31 December 2014.

According to a Retail Investor Survey [▶](#), stock investors were most positive about trading information available in the Hong Kong stock market, and derivatives investors were most positive about effective regulation of derivatives brokers. Retail investors were, as a whole, generally positive about HKEx's efforts in giving priority to the public interest. In addition to the Retail Investor Survey, HKEx also conducted surveys to understand the contributions to trading value in its market by investor type. In February and December 2014 respectively, HKEx released the findings from its most recent Cash Market Transaction Survey [▶](#) and Derivatives Market Transaction Survey [▶](#). Individual reports on each survey are available on the HKEx website.

HKEx and all entities of the Group have increased their focus on information security and handling stakeholders' data, with great caution at all times pursuant to the Privacy Policy [▶](#). To promote information security within the organisation and continuous security improvements in an independent manner, the Group continues to invest in information security in line with industry best practice. In May 2014, the information security management system of HKEx's enterprise data centre was certified with internationally recognised standard ISO27001. During 2014, there were no complaints concerning breaches of customer privacy or losses of customer data.

Investor education and financial literacy are key components of sustainable financial markets. In 2014, HKEx continued to support educational and promotional programmes organised by different financial institutions and professional organisations. For example, HKEx was a silver sponsor for the Corporate Governance Conference 2014 organised by The Hong Kong Institute of Chartered Secretaries to offer best corporate governance practice guidance, and a co-host of a major ETF event in Hong Kong to provide retail investors with more knowledge of ETFs and options. Both the LME and LME Clear continued to engage with relevant industry bodies on matters relating to the metals industry, regulation and other issues, and continued with dialogue with end users at industry events and conferences. The LME also offered training courses about its market to stakeholders; details are set out under the Education  section of the LME website.

We also worked closely with government officials and different exchanges to share information. During 2014, HKEx participated in the 46th Memorandum of Regulatory Cooperation meeting to discuss certain technical issues with the China Securities Regulatory Commission, the SSE, the Shenzhen Stock Exchange and the SFC, and joined a round table discussion with the representatives from the Australian Securities Exchange and the Singapore Exchange to discuss various topics including the regulatory framework for exchanges and clearing houses in their respective jurisdictions and the roles of audit and compliance in their respective organisations.

As a Regulator of Listed Companies

SEHK continues with its efforts to assist issuers in complying with the Listing Rules. Throughout 2014, SEHK published various guidance materials, including letters to issuers and FAQs on Rule compliance and major areas affecting issuers. As part of its regulatory activities, SEHK has a programme which reviews on a sample basis the periodic financial reports published by issuers. Key findings and observations from reviews are released on a regular basis to enhance transparency and improve the quality of financial disclosure in periodic financial reports. SEHK issued letters to issuers last year providing guidance to Rule compliance based on findings from its review of disclosure in issuers' annual reports. There was also a report on the findings and recommendations to promote transparency and high quality disclosure by issuers.

In connection with its regulatory function, SEHK strives to ensure that its Listing Rules remain up-to-date and reflect international best practices. It also strives to ensure issuers and other stakeholders are fully engaged when it formulates proposals. Last year, SEHK took into account comments from issuers and others in the market when reaching its conclusions on possible Rule amendments in relation to connected transactions and CG Code amendments relating to internal controls. Information on public consultations on proposed Rule changes are set out in the Stakeholder Engagement section of this Report.

SEHK continues to maintain regular dialogue with the issuers through its issuer education and market outreach efforts. In 2014, HKEx continued to jointly organise training workshops with The Hong Kong Polytechnic University and the Research Institute of Hong Kong and Macao Affairs Office of the State Council to enhance corporate governance standards of listed issuers from the Mainland. In March, SEHK arranged Listing Rule seminars in Hong Kong, Beijing and Shanghai and extended invitations to all issuers. To provide issuers with more in-depth and practical insights on how to do their ESG reporting, SEHK posted a series of 8 ESG training webcasts

on the HKEx website in April. In June, SEHK sent a questionnaire to all issuers to ascertain the extent to which they have adopted ESG reporting. The results of the survey will form the basis of the consultation paper on the Environmental, Social and Governance Reporting Guide to be published later in 2015. In September, the SFC published a report on its annual review of SEHK's performance in the regulation of listing matters during 2013. The SFC was of the view that the operational procedures and decision-making processes reviewed were appropriate to enable SEHK to discharge its statutory obligations to ensure, so far as reasonably practicable, an orderly, informed and fair market during the review period.

It is SEHK's objective to continue improving the transparency, quality, efficiency and predictability of its service. SEHK has set service standards for its monitoring and guidance actions. In 2014, nearly 100 per cent of the cases met the service standards for initial responses on pre-vetting activities, issuer enquiries, waiver applications and post-vetting activities. Details are set out in the Business Review [▶](#) section of the 2014 Annual Report.

As a Listed Company

HKEx has its own corporate governance structure to enable it to discharge its statutory duty while pursuing its business objectives; details, including internal control and risk management measures, are set out in the Corporate Governance Report [▶](#) of the 2014 Annual Report.

Moreover, HKEx is committed to maintaining the highest levels of business integrity and regard for shareholders' long-term interests. The Group takes a neutral stance in political matters. It does not make donations to any political parties or receive financial assistance from any government. Twenty-two people from HKEx's suppliers and other business partners attended the anti-corruption seminar HKEx organised in September as part of its stakeholders engagement programme.

The Internal Audit Department monitors and reviews the execution of and compliance with HKEx's established policies, procedures, rules and manuals by the employees. It also assesses the risks inherent in particular business or functional areas, including fraud or corruption risk, and conducts reviews or audits to provide reasonable assurance that adequate governance and controls are in place to address such risks. In 2014, no significant risk related to corruption was identified and there were no confirmed incidents of corruption concerning the Group.

In 2014, the Group's profit attributable to shareholders was \$5,165 million and a final dividend of \$2.15 per share was recommended for shareholders' approval. A summary of the economic performance of the Group is set out in the Financial Highlights [▶](#) section of the 2014 Annual Report.



Workplace

The core principles and objectives [▶](#) as well as the management approach [▶](#) concerning Workplace [▶](#) are set out under the About HKEx (Corporate Social Responsibility) [▶](#) section of the HKEx website.

In 2014, the Group's total workforce increased 11 per cent mainly due to the LME's insourcing of IT and for the delivery of various new initiatives. As of the year end, the Group had a total of 1,420 employees. In addition, about 59 individuals, who worked as contractors and were not recognised as the Group's employees, were engaged to perform regular work in the IT teams in our London office. Save for this, there is no significant variation in employment numbers from 2013.

Fair Workplace

To reduce hierarchy, help improve the effectiveness and agility of the organisation, enable better benchmarking of compensation and benefits, and provide more flexibility for employees to consider lateral moves and explore career opportunities internally, the previous 11-grade structure was broad-banded to 6 grades across the Group effective 1 January 2014.

Based on the results of the Employee Engagement Survey conducted in 2013, the Group reviewed a number of employee benefits and revised the sick leave policy and the annual performance assessment form. In 2014, all permanent employees received a performance appraisal.

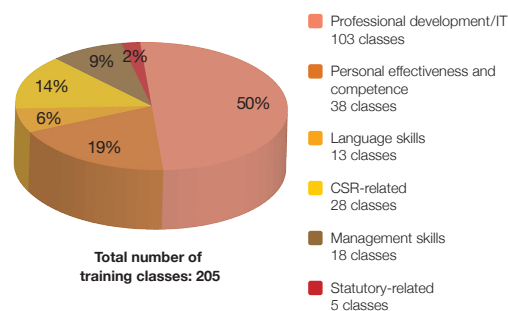
The Group is committed to protecting human rights in the workplace and complying with the laws relating to anti-discrimination and equal opportunities. In addition to the anti-discrimination and equal opportunities seminars in the orientation programme for new joiners, a seminar titled "Anti-Discrimination Ordinances in Hong Kong" was organised in November 2014 for employees and other stakeholders. In 2014, there were no confirmed incidents of discrimination or breaches of human rights or the principle of equal opportunities.

Supportive Workplace

During 2014, the Group invested \$5.7 million in employee training and organised 205 training classes with an average of 16 hours of training per employee.

HKEx continued to offer its Management Trainee Programme to nurture bright young talent and to groom individuals to be future leaders. The 28-month programme includes an orientation programme, professional/technical skills development and on-the-job training with rotational attachments to business units.

Number of training classes conducted in 2014 by topic



Workplace

Line managers provide guidance and coaching. There are also on-going assessments and performance appraisals to provide open and effective feedback. Upon successful completion of the programme, the trainees will be offered a career posting based on their interests, the organisation's needs and individual assessments. There have been 19 management trainees so far. By the end of 2014, 7 had completed the programme.

Since its launch in 2013, WEx has organised a luncheon talk series "Breaking Through the Glass Ceiling" to promote gender diversity and provide a networking opportunity for our employees to meet with outstanding female business leaders from different fields. Since its inception, WEx has hosted 8 luncheon talks with over 600 attendees. In 2014, WEx continued its "Back to Work Programme" that assists high calibre professionals who are interested in returning to the workforce.

WEx is also a regular member of The Women's Foundation to support various initiatives to promote the full participation of women and girls in all aspects of Hong Kong society. In addition, WEx provided sponsorship to show HKEx's support of the 30% Club's efforts to build the pipeline of women in executive and non-executive directorship roles.



Debra Walton, the Chief Content Officer at Thomson Reuters and an executive sponsor of the Thomson Reuters Women's Network, on the "Breaking Through the Glass Ceiling" luncheon talk series to share her valuable insight with HKEx's employees.

Safe Workplace

In the first quarter of 2014, HKEx engaged the Occupational Safety and Health Council to provide a report on workplace safety at the Data Centre. The report was reviewed carefully and safety recommendations from the Council were implemented. For example, back-loops were installed on step-ladders which are over 3 metres in height to help prevent falls. In addition, safety guidelines and posters were put up to raise the safety awareness of employees.

HKEx has incorporated OHSAS18001 Safety Management System into the Integrated Management System (IMS) Manual and IMS Procedure Manual for the Data Centre. The Data Centre passed certification audit in September 2014.

HKEx carried out improvement works on display screen equipment across Hong Kong offices in January 2014 to ensure compliance with the Occupational Safety and Health (Display Screen Equipment) Regulation. In June, more than 120 employees attended "Prevention of Musculoskeletal Disorder for Office Workers" talks. A spine check booth and exercise demonstrations were arranged in connection with the talks. From August to October, a Standard First Aid Certificate Course was organised for 18 employees.

Transparent Workplace

After releasing the result of the Employee Engagement Survey in January 2014, top engagement drivers were identified and 3 taskforces, led by the Chief Executive and Senior Management, were established to formulate action plans.

iExchange, the revamped Group intranet that links all of the Group's entities across different locations around the world, was launched in August. iExNews, a newsletter about iExchange, was introduced in July to give employees a better understanding of the Group's new communication platform.

The Group has continued to communicate with its employees via a number of channels, including the Chief Executive's Presentation, the Management Executive Forum, the management offsite meeting, the leadership offsite meeting, meet the LME CEO breakfast and the LME strategy day.

Happy Workplace

In 2014, the Friday Casual Wear Policy was introduced, Wi-Fi service was provided to HKEx's employees and visitors at different office locations, and a new nursing room was added in one of the Hong Kong offices. At HKEx, a music club was newly established and it performed at the 2014 HKEx Staff Annual Dinner.

At the LME, subsidies were provided to the employees for massages by a qualified massage therapist. A Sports and Social Committee was established to facilitate opinions from employees on how to enhance a happy workplace. In addition to this, workplace solutions such as fruit for employees are provided.



Members of music club performed on stage at the 2014 HKEx Staff Annual Dinner.



HKEx's Chief Executive and management trainees shared a joyful moment at the 2014 HKEx Staff Annual Dinner.



Community

The core principles and objectives [▶](#) as well as the management approach [▶](#) concerning Community [▶](#) are set out under the About HKEx (Corporate Social Responsibility) [▶](#) section of the HKEx website.

HKEx pursues the sustainable development of the community by assessing and managing the social impact of its operations on the marketplace and by supporting initiatives that create effective and lasting benefits to the local communities. Going beyond corporate philanthropy, we support long-term community investment by establishing community partnerships and encouraging our employees to participate in volunteer work. In recognition of HKEx's contribution towards building a cohesive society by promoting strategic partnerships among businesses and social service partners and inspiring corporate social responsibility through caring for the community, employees and the environment, HKEx has been named as a 10 Years Plus Caring Company by The Hong Kong Council of Social Service.

Volunteer Work

In May 2014, HKEx received the Social Welfare Department's Gold Award in appreciation of its contribution of more than 2,400 employee hours of volunteer service to the community in 2013. HKEx organised its 6th Annual Volunteer Recognition Ceremony cum Dinner on 27 June 2014. HKEx's Chairman and its Chief Executive presented Volunteer Awards to 4 divisions/ departments, namely IT, Corporate Services, Listing and Regulatory Affairs and Internal Audit, and 26 employees in recognition of their joint efforts and individual contributions in serving the community. Moreover, 7 employees also received Certificates for Volunteer Service (1 Gold, 1 Silver and 5 Bronze) issued by the Social Welfare Department. Throughout 2014, about 260 participants, comprised of employees and guests, supported 24 charitable events and recorded a total of over 2,800 hours of volunteer service (including about 600 hours from our guests).



HKEx's Chairman and Chief Executive presented Volunteer Awards to department/division representatives and individual employees.



Dance performance by Joyful Jam from Wai Ji Christian Service, one of the HKEx's NGO partners, was one of the highlights of the HKEx 6th Annual Volunteer Recognition Ceremony cum Dinner.

Community Partnership

HKEx has been partnering with the Senior Citizen Home Safety Association, St. James' Settlement, and the Tung Wah Group of Hospitals in caring for the elderly and supporting underprivileged families. In October 2014, the Stock Exchange's Listing Committee organised "Hike for Hong Kong" to raise funds for HandsOn Hong Kong. More than 100 participants joined the hike and the event raised more than \$300,000 to fund a new HandsOn programme, Tech for the Elderly, to bring technology to the elderly. HKEx also helped the elderly in the second half of the year through a partnership with the Pok Oi Hospital Memorial Neighbourhood Elderly Centre. To provide care and support during the Mid-Autumn Festival, HKEx volunteers visited and delivered gift packs to single elderly people in Tin Shui Wai.



HKEx volunteers visited and delivered gift packs to single elderly people in Tin Shui Wai during the Mid-Autumn Festival.

The Group also focuses on youth education and development. The Stock Exchange's Listing Committee and Outward Bound Hong Kong held their "Pedal Power" fundraising event for the fourth consecutive year in 2014. The event raised about \$109,000 to allow specially-selected students from local secondary schools to participate in the Outward Bound leadership courses designed to help them develop confidence and reach their full potential. In addition, HKEx has been joining hands with

the Urban Peacemaker Evangelistic Fellowship in Hong Kong to help primary school students prepare for their examinations. In 2014, our volunteers conducted a total of 12 revision classes on 3 consecutive Saturdays. In the UK, the LME has been working with the Tower Hamlets Education Business Partnership. Through that relationship, a number of the LME employees voluntarily gave Year 13 students an overview of interview preparation and technique, practical help and guidance on how to succeed in an interview at the Partnership's Interview Master Class and Career Options events.

To reach out to another part of the community, HKEx partnered with the Spastics Association of Hong Kong to organise a trip to Macau in November 2014 to broaden the horizons of the physically-impaired members of the group through an out-town experience. Moreover, HKEx has started a new project with The Hong Kong Council of Social Service to develop linkages with local universities and NGOs for the employment of young graduates and others with disabilities who are



LME volunteers together with the students who received certificates after completing a programme organised by the Tower Hamlets Education Business Partnership.

qualified for some of the jobs at HKEx. The project will help raise public awareness of the skills and potential of people with disabilities.

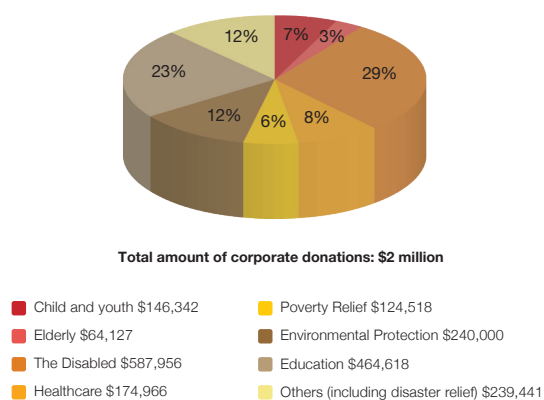
Contributions to Community

On 2 December 2014, a Charity Advisory Group Meeting chaired by HKEx’s Chief Executive was held to review the effectiveness of the donations during the year and to approve the donation plan for 2015. In 2014, the Group donated \$2 million to different community causes including education and care for the elderly and disabled.

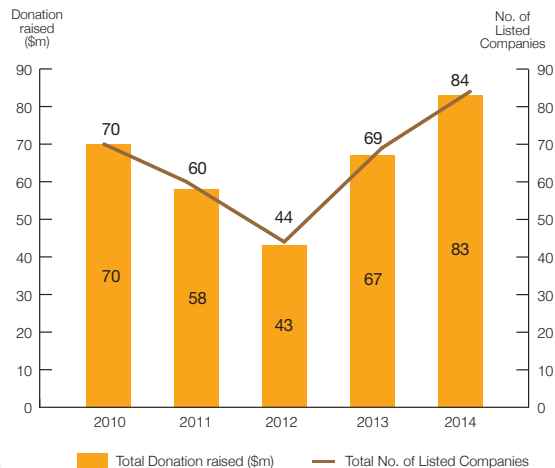
HKEx generated total stamp duty of about \$23 billion for the Government in respect of all securities transactions subject to stamp duty and recognised by SEHK in 2014.

HKEx contributed \$83 million to The Community Chest of Hong Kong in 2014 through its Stock Code Balloting for Charity Scheme. Details of the Scheme [▶](#) are available on the HKEx website.

Analysis of HKEx’s 2014 corporate donations by community causes



No. of Listed Companies participated in the Stock Code Balloting for Charity Scheme and the donation raised from 2010 to 2014





Environment

The core principles and objectives as well as the management approach concerning Environment are set out under the About HKEx (Corporate Social Responsibility) section of the HKEx website.

In 2014, the Hong Kong securities and futures markets closed for a half day due to typhoon, representing a loss in revenue equivalent to less than 1 per cent of the Group's total revenue. Although climate change is not considered a key risk in view of the Group's business nature, HKEx has implemented various measures to reduce the environmental impact arising from its operations.

Conserve Energy

HKEx took several steps to improve energy conservation, as electricity consumption is the biggest contributor to the Group's carbon footprint. From 2014 onwards, the fitting-out and major retrofitting work of the office premises in Hong Kong will be carried out in compliance with the requirements set out in the Buildings Energy Efficiency Ordinance and the relevant Code of Practice and Technical Guidelines. Last year, we kicked off the replacement project of the major mechanical and electrical plants at Exchange Square, which upon the project completion by June 2015, may contribute to an annual reduction of approximately 748 gigajoules, or GJ, of electricity consumption, or 162 tonnes of GHG emissions. To support the promotion of energy saving, we participated in the Earth Hour 2014 organised by the World Wide Fund for Nature (WWF) by switching off non-essential lights at all offices in Hong Kong for an hour on 29 March 2014.

Manage Waste Wisely

In 2014, HKEx signed the Government's Food Wise Charter to show its commitment to promote and adopt best practices and behavioural changes to reduce food waste. At the Data Centre, we continued to convert kitchen waste into compost for planting use by the Gardening Interest Group. In addition, we collected and recycled festive plants in support of the Government's Peach Blossom Tree Recycling Campaign. The Group achieved the following waste reduction targets in 2014 and was recognised with the "Class of Excellence" Wastewi\$e Label of the Hong Kong Awards for Environmental Excellence. A new target for 2015 was also set as part of our continuous effort in waste management.

Wastewi\$e Goals for 2013/14	Results Achieved
To collect the following items for waste recycling:	
• 100 unwanted transformers	✓ Exceeded target by approximately 2 per cent
• 1,459 unusable compact discs	✓ Exceeded target by approximately 3 per cent
Wastewi\$e Goal for 2015	
• To achieve a 5 per cent increase in the number of unwanted transformers for recycling	

Support Carbon Footprint Disclosure

To promote the disclosure of information about the environmental impact of businesses, HKEx is one of the participants in the Government's online carbon footprint repository for companies listed in Hong Kong and continued to participate in the Carbon Disclosure Project.

Care for the Environment

To help conserve the environment, HKEx encourages its shareholders to receive corporate communications electronically via the HKEx website by making an annual donation (capping at \$100,000) to a charity with a focus on environment based on the number of shareholders choosing the online option. In 2014, we donated \$100,000 to the Friends of the Earth (HK). To promote environmental awareness among its employees, guest speakers were invited to HKEx from time to time last year to give talks on environmental protection. We also sponsored activities organised by local organisations in support of their initiatives to improve environmental awareness in the community.



About 100 employees attended the talk on "Understanding and Application of Natural Herbs (Summer Version) plus DIY Organic Insect Repellent" in April.



About 70 employees attended the talk on "Surrounded by WASTE, what can we do?" in November.



HKEx sponsored the "Tree Planting Challenge" organised by the Friends of the Earth (HK) in April. HKEx's team planted a total of 98 trees in Ma On Shan Country Park and was named the "Smartest Tree Planting Team".



HKEx sponsored "Walk for Nature 2014" organised by the WWF in November. A total of 50 employees from HKEx and their family members joined the walk at Mai Po.

Performance Statistics

Marketplace Indicators	Year ended / As at 31 December	
	2014	2013
Supplier Management		
Total Number of Key Suppliers ^{1,2}	223	144
By region		
Hong Kong	96	89
UK	114	44
European countries (other than UK)	3	3
US	5	3
Australia	1	1
Asia (other than PRC and Hong Kong)	1	2
PRC	3	2
Total Payment made to Key Suppliers (\$ billion)	1.9	1.8

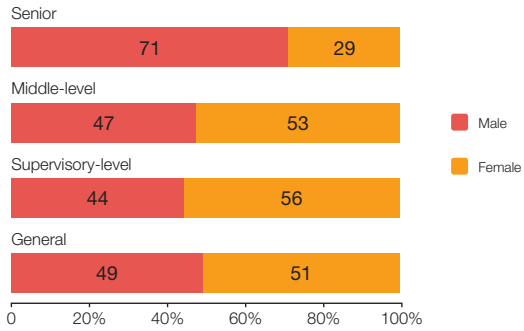
Workplace Indicators	Year ended / As at 31 December		
	2014	2013	2012 ³
Employment			
Total Number of Employees	1,420	1,278	1,105
By gender			
Male	808	711	623
Female	612	567	482
By age group			
Below 30	208	170	160
30 to 50	1,025	950	813
Over 50	187	158	132
By region			
Hong Kong	1,158	1,121	1,093
UK	244	141	N/A
Outside Hong Kong and UK ⁴	18	16	12
By employment contract and gender			
Permanent (Male)	767	648	560
Permanent (Female)	594	554	470
Temporary/Fixed Term (Male)	41	63	63
Temporary/Fixed Term (Female)	18	13	12
Permanent employees by employment type and gender			
Full-time (Male)	764	646	560
Full-time (Female)	590	548	470
Part-time (Male)	3	2	0
Part-time (Female)	4	6	0
Average years of service of employees	8	9	9
Number of employees eligible to retire within the next 5 years⁵	62	46	37
Total Number and Rate (%) of New Employee Hires⁶	325(23)	214(17)	228(21)
By gender			
Male	208(26)	118(17)	151(24)
Female	117(19)	96(17)	77(16)
By age group			
Below 30	131(63)	61(36)	80(50)
30 to 50	178(17)	142(15)	141(17)
Over 50	16(9)	11(7)	7(5)
By region			
Hong Kong	193(17)	168(15)	225(21)
UK	125(51)	44(31)	N/A
Outside Hong Kong and UK	7(39)	2(13)	3(25)

Performance Statistics

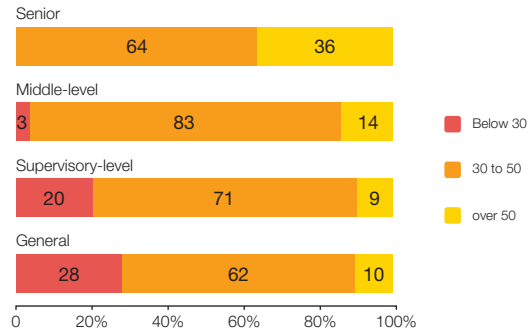
Workplace Indicators	Year ended / As at 31 December		
	2014	2013	2012 ³
Employment			
Total Number and Rate (%) of Employee Turnover⁷	195(14)	153(12)	120(11)
By gender			
Male	118(15)	86(12)	67(11)
Female	77(13)	67(12)	53(11)
By age group			
Below 30	36(17)	40(24)	35(22)
30 to 50	132(13)	87(9)	70(9)
Over 50	27(14)	26(16)	15(11)
By region			
Hong Kong	156(13)	140(12)	117(11)
UK	34(14)	10(7)	N/A
Outside Hong Kong and UK	5(28)	3(19)	3(25)
Number of employees who were entitled to and took parental leave by gender			
Male	16	26	14
Female	22	18	18
Number and Rate (%) of employees who returned to work after parental leave ended by gender			
Male	16(100)	26(100)	14(100)
Female	22(100)	18(100)	18(100)
Number and Rate (%) of employees who returned to work after parental leave ended who were still employed 12 months after their return to work by gender			
Male	16(100)	25(96)	14(100)
Female	22(100)	18(100)	18(100)
Training and Development			
Total costs of training (\$ million)	5.7	4.2	5.1
Total number of hours of training received by employees	22,598	16,256	24,861
Average hours of training per employee	16	15	25
Average hours of training per employee by gender			
Male	15	13	23
Female	17	16	26
Average hours of training per employee by employment category			
Senior	17	14	31
Middle-level	18	16	29
Supervisory-level	16	16	27
General	13	11	16
Percentage of employees trained by employment category			
Senior	88	83	93
Middle-level	88	92	96
Supervisory-level	88	91	84
General	87	86	96
Type of trainings			
No. of employees who attended external training	245	234	291
No. of employees who attended internal training	1,080	887	947
No. of employees who undertook e-learning ⁸	1,168	29	115
No. of employees who received academic sponsorship	18	16	10
Anti-Corruption Training			
Number and Percentage of employees trained by employee category			
Senior	11(9)	2(3)	5(7)
Middle-level	39(8)	10(5)	17(9)
Supervisory-level	34(8)	38(7)	52(10)
General	21(6)	16(6)	34(11)
Occupational Health and Safety			
Number of reportable injuries	2	7	3
Injury rate ⁹	0.1	0.6	0.3
Number of reportable occupational diseases	0	2	0
Occupational disease rate ¹⁰	0	0.2	0
Number of lost days	106	156	7
Lost day rate ¹¹	7.6	12.4	0.6
Absentee rate ¹²	1.0	0.9	0.9

Workplace Indicators

Percentage of employees by employment category and gender as at 31 December 2014



Percentage of employees by employment category and age group as at 31 December 2014

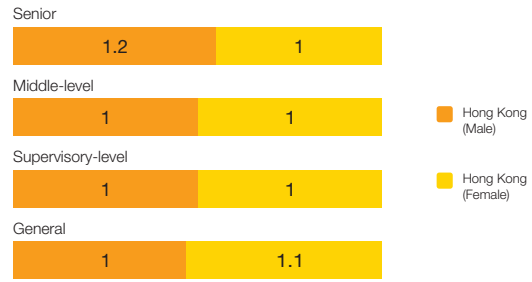


Ratio of basic salary* of women and men by employee category in Hong Kong in 2014



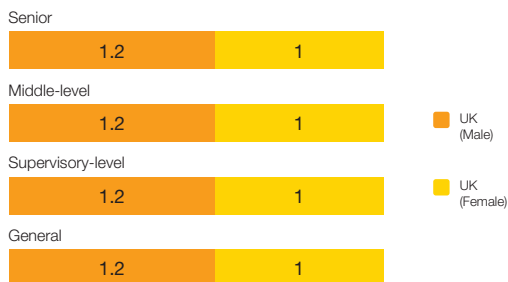
* Basic salary is a fixed, minimum amount paid to an employee for performing his/her duties.

Ratio of remuneration* of women and men by employee category in Hong Kong in 2014



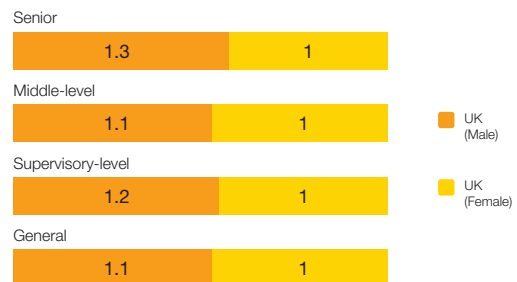
* Remuneration includes basic salary, performance bonus and share award.

Ratio of basic salary* of women and men by employee category in the UK in 2014



* Basic salary is a fixed, minimum amount paid to an employee for performing his/her duties.

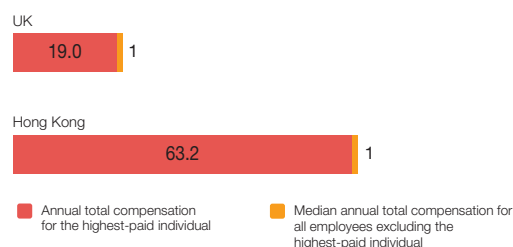
Ratio of remuneration* of women and men by employee category in the UK in 2014



* Remuneration includes basic salary, performance bonus and share award.

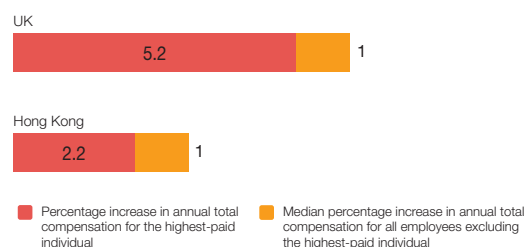
Workplace Indicators

Ratio of annual total compensation* for the highest-paid individual to the median annual total compensation for all employees (excluding the highest-paid individual) in 2014



* Annual total compensation includes basic salary, performance bonus and share award.

Ratio of percentage increase in annual total compensation* for the highest-paid individual to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in 2014



* Annual total compensation includes basic salary, performance bonus and share award.

Community Indicators

	Year ended / As at 31 December		
	2014	2013	2012
Community Investments	\$'000	\$'000	\$'000
Corporate Charitable Donations	2,042	1,500	811
Employee Charitable Donations	307	248	215
Corporate Sponsorships	803	798	4,615
Employee Volunteering			
No. of employee volunteer hours	2,842	2,421	2,468
No. of employee volunteering leave days taken ¹³	72	58	36

Environmental Indicators

	unit	Year ended / As at 31 December		
		2014	2013	2012 ¹⁴
GHG Emissions¹⁵ (CO₂ equivalent)				
Total GHG Emissions (Scope 1 and 2)	tonnes	19,635	18,930	12,175
Total GHG Emissions (Scope 1 and 2) per floor area	tonnes/m ²	0.36	0.34	N/A
Total GHG Emissions (Scope 1 and 2) per employee	tonnes/employee	13.83	14.81	N/A
Total GHG Emissions (Scope 1, 2 and 3)	tonnes	20,286	19,622	12,711
Total GHG Emissions (Scope 1, 2 and 3) per floor area	tonnes/m ²	0.37	0.36	N/A
Total GHG Emissions (Scope 1, 2 and 3) per employee	tonnes/employee	14.29	15.35	N/A
Direct Emission (Scope 1)	tonnes	36	116	1,016
Corporate fleet	tonnes	23	23	23
Diesel ¹⁶	tonnes	12	2	N/A
Refrigerants	tonnes	1	91	993
Indirect Emission (Scope 2)	tonnes	19,599	18,814	11,159
Electricity	tonnes	19,533	18,769	11,159
Gas ¹⁷	tonnes	66	45	N/A
Indirect Emission (Scope 3)	tonnes	651	692	536
Business travel ¹⁸	tonnes	526	616	471
Paper consumption ¹⁹	tonnes	125	76	65
GHG Emissions Avoided (CO₂ equivalent)				
Total GHG Emissions Avoided by recycling of paper	tonnes	(824)	(720)	(690)
Energy Consumption²⁰				
Total Energy Consumption	GJ	106,632	109,113	55,242
Total Energy Consumption per floor area	GJ/m ²	1.95	1.98	1.06
Total Energy Consumption per employee	GJ/employee	75.09	85.38	49.99
Direct Energy Consumption	GJ	468	331	303
Unleaded petrol	litres	6,714	6,369	6,102
Diesel	litres	6,396	2,982	2,446
Indirect Energy Consumption	GJ	106,164	108,782	54,939
Electricity	MWh	29,133	29,971	15,261
Gas ¹⁷	MWh	357	246	N/A
Paper Consumption				
Total Paper Consumption	tonnes	104	84	84
FSC certified/recycled paper used ²¹	%	87	84	85
Office paper	tonnes	77	60	54
Paper for printing HKEx's publications ²²	tonnes	27	24	30

Performance Statistics

Environmental Indicators	unit	Year ended / As at 31 December		
		2014	2013	2012 ¹⁴
Water Consumption²³				
Total water consumption	m ³	37,321	51,210	6,828
Total water consumption per floor area	m ³ /m ²	1.13	1.86	N/A
Effluent and Waste Management				
Total Water Discharged ^{23, 24}	m ³	37,321	51,210	6,828
Total Waste Disposed to Landfill ²⁵	tonnes	102	69	63
Total Waste Disposed to Landfill per floor area	tonnes/m ²	0.002	0.001	0.003
Total Waste Disposed to Landfill per employee	tonnes/employee	0.07	0.05	0.06
Waste Disposed to Landfill				
General office waste	tonnes	97	62	63
Food waste disposed to Landfill ²⁶	tonnes	5	7	N/A
Waste Collected for Recycling				
Food waste ²⁶	tonnes	3	7	N/A
Paper ²⁷	tonnes	172	150	144
Plastics	kg	244	205	129
Metals	kg	465	519	319
Wooden board ²⁶	kg	73	417	N/A
Polyfoam ²⁸	kg	230	99	145
IT equipment	pieces	86	802	841
Electronic equipment	pieces	439	172	21

Notes:

- Suppliers of products and/or services whose total contract sum amounted to \$1 million (or £83,000) and above in 2014.
- HKEx has reported the number of key suppliers since 2013.
- Excluding the LME
- The 2014 figure refers to 15 employees stationed in the Mainland and 3 employees stationed in Singapore.
- To support HKEx's succession planning process, the Nomination Committee is responsible for making recommendations to the Board on matters relating to the succession planning for HKEx's Chief Executive and Senior Management. Information about the Nomination Committee [▶](#) is available on the HKEx website and the 2014 Corporate Governance Report [▶](#).
- The rates of new employee hires are restated to meet the GRI requirements.
- The rates of employee turnover are restated to meet the GRI requirements.
- An information security awareness training was conducted for HKEx's employees in 2014.
- The injury rate indicates the number of injuries relative to the total time worked by 100 employees.
- The occupational disease rate indicates the number of occupational diseases relative to the total time worked by 100 employees.
- The lost day rate indicates the number of lost days to the total time worked by 100 employees.
- 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.
- Employees were granted additional 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 in recognition of their efforts in serving the community.
- The 2012 figures exclude data of the LME offices and the Data Centre which came into operation in the fourth quarter of 2012.
- GHG emission data is based on the reporting requirements of the "GHG Protocol Corporate Account and Reporting Standard" (GHG Protocol) issued by the World Resources Institute and the World Business Council for Sustainable Development, the "Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes in Hong Kong)" (Hong Kong GHG Guidelines) issued by the EMSD and the EPD and the "Environmental Reporting Guidelines: Including mandatory greenhouse gas emissions reporting guidance" issued by the Department for Environment Food & Rural Affairs in the UK.
- Diesel consumption for backup generator in the Data Centre has been recorded since 2013.
- Gas was consumed for heating in the UK. Emission data was based on the amount of gas consumed and the latest emission factor provided by the gas supplier.
- Emission data relating to air travel was largely based on the International Civil Aviation Organization Carbon Emissions Calculator. Emission data relating to land and sea travel was based on the estimated distance travelled and the relevant emission factors provided by the GHG Protocol.
- Emissions reflect the downstream emissions related to the production of paper and the relevant data was based on the amount of office paper consumed and the relevant emission factors sourced from the vFu Indicators: Internal Environmental Performance Indicators for the Financial Industry.
- Energy consumption data was based on the amount of electricity and fuels consumed and the relevant conversion factors provided by their supplier and in the Bioenergy Feedstock Development Program at Oak Ridge National Laboratory.
- All office paper and almost all paper for printing HKEx's publication are FSC certified/recycled paper, except the paper used for printing the Listing Rules. HKEx will continue to explore opportunities to develop its green purchasing practices in this area.
- Including paper used for printing corporate financial statements and brochures, and the Listing Rules
- In Hong Kong, except the Data Centre which is owned by the Group and came into operation in the fourth quarter of 2012, the Group operates in leased office premises of which 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. Hence, the data was collected from the Data Centre and the LME offices only.
- The amount of water discharged is the same as the amount of water consumed according to the water bills received.
- In view of its business nature, HKEx does not generate any hazardous waste.
- Data of wooden board and food waste collection at the Data Centre has been available since 2013.
- Including confidential waste paper generated within the Group and paper documents submitted by external parties
- HKEx has collected waste polyfoam for recycling at the Data Centre since the fourth quarter of 2012.

Content Indices

GRI Content Index





**MATERIALITY
DISCLOSURES** MAR 2015
SERVICE

HONG KONG EXCHANGES AND CLEARING LIMITED

GRI Indicators	ESG Reporting Guide General Disclosures and KPIs	GRI General Standard Disclosures	2014 CSR Report	Page No.	HKEx website and other references	External Assurance (Verification Statement on p. 38)
Strategy and Analysis						
G4-1		Statement from the most senior decision-maker of the organisation	Chairman's Statement	4-5		✓
G4-2		Description of key impacts, risks, and opportunities	Chairman's Statement Marketplace Environment	4-5 10-12 19-20	Corporate Governance (Accountability and Audit) and CSR (Marketplace) sections of the HKEx website; and Financial Review and Note 51 to the Consolidated Financial Statements for the year ended 31 December 2014	✓
Organisational Profile						
G4-3		Name of the organisation	About HKEx	3		✓
G4-4		Primary brands, products, and services	About HKEx	3		✓
G4-5		Location of the organisation's headquarters	About HKEx	3		✓
G4-6		Number of countries where the organisation operates, and names of countries where either the organisation has significant operations or that are specifically relevant to the sustainability topics covered in the report	About HKEx	3		✓
G4-7		Nature of ownership and legal form	About HKEx	3		✓
G4-8		Markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries)	About HKEx	3		✓
G4-9		Scale of the organisation	About HKEx Performance Statistics – Workplace Indicators	3 21-24	Financial Highlights of the 2014 Annual Report	✓
G4-10	A1.1	Employee statistics	Performance Statistics – Workplace Indicators	21-24		✓
G4-11		Percentage of total employees covered by collective bargaining agreements			CSR (Workplace) section of the HKEx website	✓
G4-12	C1, C1.1, C1.2	Organisation's supply chain	Performance Statistics – Marketplace Indicators	21-24	CSR (Marketplace) section of the HKEx website	✓
G4-13		Significant changes during the reporting period regarding the organisation's size, structure, ownership, or its supply chain	About this Report About HKEx	2 3	Corporate Governance Report and Shareholding Analysis of the 2014 Annual Report	✓
G4-14		Explanation of whether and how the precautionary approach or principle is addressed by the organisation			CSR (Marketplace) section of the HKEx website	✓

Content Indices

GRI Indicators	ESG Reporting Guide General Disclosures and KPIs	GRI General Standard Disclosures	2014 CSR Report	Page No.	HKEx website and other references	External Assurance (Verification Statement on p. 38)
G4-15		Externally developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes or which it endorses	About HKEx	3	CSR (Stakeholder Engagement)  section of the HKEx website	✓
G4-16		Memberships of associations	About HKEx	3	CSR (Stakeholder Engagement)  section of the HKEx website	✓
Identified Material Aspects and Boundaries						
G4-17		Entities included in the organisation's consolidated financial statements	About HKEx	3		✓
G4-18		Process for defining the report content and the aspect boundaries. Explain how the organisation has implemented the reporting principles for defining report content	About this Report	1		✓
G4-19		Material Aspects identified in the process for defining report content	About this Report	1		✓
G4-20		Aspect Boundary within the organisation for each material aspect	About this Report	1		✓
G4-21		Material Aspect outside the organisation for each material aspect	About this Report	1		✓
G4-22		Effect of any restatements of information provided in previous reports, and the reasons for such restatements	About this Report	2		✓
G4-23		Significant changes from previous reporting periods in the scope and aspect boundaries	About this Report	1		✓
Stakeholder Engagement						
G4-24		List of stakeholder groups engaged by the organisation	About this Report Stakeholder Engagement	1 6		✓
G4-25		Basis for identification and selection of stakeholders with whom to engage	Stakeholder Engagement	6		✓
G4-26		Approach to stakeholder engagement	About this Report Stakeholder Engagement	2 6-9		✓
G4-27		Key topics and concerns that have been raised by stakeholder groups through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting	Stakeholder Engagement	7-9		✓

Content Indices

GRI Indicators	ESG Reporting Guide General Disclosures and KPIs	GRI General Standard Disclosures	2014 CSR Report	Page No.	HKEx website and other references	External Assurance (Verification Statement on p. 38)
Report Profile						
G4-28		Reporting period	About this Report	1		✓
G4-29		Date of most recent previous report	About this Report	1		✓
G4-30		Reporting cycle	About this Report	1		✓
G4-31		Contact point for questions regarding the report or its contents	About this Report	2		✓
G4-32		'In accordance' option the organisation has chosen, GRI Content Index, reference to the External Assurance Report	About this Report Content Indices	1 26-36		✓
G4-33		Policy and current practice with regard to seeking external assurance for the report	About this Report Verification Statement	2 38		✓
Governance						
Governance Structure and Composition						
G4-34		Governance structure of the organisation, including committees of the highest governance body. Committees responsible for decision-making on economic, environmental and social impacts			Corporate Governance (Corporate Governance Structure) ▶ section of the HKEx website; and 2014 Corporate Governance Report ▶ and ESG Committee Report ▶ of the 2014 Annual Report	✓
G4-35		Process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees			ESG Committee Report ▶ of the 2014 Annual Report	✓
G4-36		Executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body			ESG Committee Report ▶ of the 2014 Annual Report	✓
G4-37		Processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics. If consultation is delegated, describe to whom and any feedback processes to the highest governance body			CSR (Stakeholder Engagement) ▶ section of the HKEx website; and ESG Committee Report ▶ of the 2014 Annual Report	✓

Content Indices

GRI Indicators	ESG Reporting Guide General Disclosures and KPIs	GRI General Standard Disclosures	2014 CSR Report	Page No.	HKEx website and other references	External Assurance (Verification Statement on p. 38)
G4-38		Composition of the highest governance body and its committees			About HKEx (Organisation) ▶ section of the HKEx website; and Corporate Governance Report ▶ of the 2014 Annual Report	✓
G4-39		Indicate whether the Chair of the highest governance body is also an executive officer			Corporate Governance Report ▶ of the 2014 Annual Report	✓
G4-40		Nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members			Corporate Governance Report ▶ of the 2014 Annual Report	✓
G4-41		Processes for the highest governance body to ensure conflicts of interest are avoided and managed. Indicate whether conflicts of interests are disclosed to stakeholders			Corporate Governance (Corporate Governance Statement) ▶ section of the HKEx website; and Corporate Governance Report ▶ of the 2014 Annual Report	✓
Highest Governance Body's Role in Setting Purpose, Values, and Strategy						
G4-42		Highest governance body's and senior executives' roles in the development, approval, and updating of the organisation's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts			Strategic Planning of the Corporate Governance Report ▶ of the 2014 Annual Report; and Terms of Reference of the Board ▶ of the HKEx website	✓
Highest Governance Body's Competencies and Performance Evaluation						
G4-43		Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics			ESG Committee Report ▶ of the 2014 Annual Report; and the Terms of Reference of the ESG Committee ▶ of the HKEx website	✓
G4-44		Processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics. Actions taken in response to evaluation of the highest governance body's performance with respect to governance of economic, environment and social topics, including, as a minimum, changes in membership and organisational practice			Board Effectiveness of the Corporate Governance Report ▶ of the 2014 Annual Report	✓

GRI Indicators	ESG Reporting Guide General Disclosures and KPIs	GRI General Standard Disclosures	2014 CSR Report	Page No.	HKEx website and other references	External Assurance (Verification Statement on p. 38)
Highest Governance Body's Role in Risk Management						
G4-45		Highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities, and the implementation of due diligence processes			Corporate Governance Report ▶ and ESG Committee Report ▶ of the 2014 Annual Report	✓
G4-46		Highest governance body's role in reviewing the effectiveness of the organisation's risk management processes for economic, environmental and social topics			Risk Management and Internal Control in the Corporate Governance Report ▶ and ESG Committee Report ▶ of the 2014 Annual Report	✓
G4-47		Frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities			Corporate Governance Report ▶ and ESG Committee Report ▶ of the 2014 Annual Report	✓
Highest Governance Body's Role in Sustainability Reporting						
G4-48		Highest committee or position that formally reviews and approves the organisation's sustainability report and ensures that all material aspects are covered	About this Report	2	ESG Committee Report ▶ of the 2014 Annual Report	✓
Highest Governance Body's Role in Evaluating Economic, Environmental and Social Performance						
G4-49		Process for communicating critical concerns to the highest governance body			ESG Committee Report ▶ of the 2014 Annual Report; and Terms of Reference of the ESG Committee ▶ of the HKEx	✓
G4-50		Nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them			Roles and Responsibilities of the Corporate Governance Report ▶ of the 2014 Annual Report	✓
Remuneration and Incentives						
G4-51		Remuneration policies for the highest governance body and senior executives. How performance criteria in the remuneration policy relate to the highest governance body's and senior executives' economic, environmental and social objectives			Remuneration Committee Report ▶ of the 2014 Annual Report	✓

Content Indices

GRI Indicators	ESG Reporting Guide General Disclosures and KPIs	GRI General Standard Disclosures	2014 CSR Report	Page No.	HKEx website and other references	External Assurance (Verification Statement on p. 38)
G4-52		Process for determining remuneration. Indicate whether remuneration consultants are involved in determining remuneration and whether they are independent of management. Indicate any other relationships which the remuneration consultants have with the organisation			Remuneration Committee Report ▶ of the 2014 Annual Report	✓
G4-53		How stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals			Remuneration Committee Report ▶ and Corporate Governance Report ▶ of the 2014 Annual Report	✓
G4-54		Ratio of the annual total compensation for the organisation's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country	Performance Statistics – Workplace Indicators	24		✓
G4-55		Ratio of percentage increase in annual total compensation for the organisation's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country	Performance Statistics – Workplace Indicators	24		✓
Ethics and Integrity						
G4-56		Organisation's values, principles, standards and norms of behaviour such as codes of conduct and codes of ethics	Chairman's Statement Marketplace	4-5 10-12	CSR (Core Values) ▶ section and Human Resources Manual ▶ of the HKEx website	✓
G4-57		Internal and external mechanisms for seeking advice on ethical and lawful behaviour, and matters related to organisational integrity, such as helplines or advice lines			CSR (Marketplace) ▶ and (Workplace) ▶ section of the HKEx website	✓
G4-58		Internal and external mechanisms for reporting concerns about unethical or unlawful behaviour, and matters related to organisational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines			CSR (Marketplace) ▶ and (Workplace) ▶ section and Human Resources Manual ▶ of the HKEx website	✓


Content Indices

GRI Indicators	ESG Reporting Guide General Disclosures and KPIs	GRI Specific Standard Disclosures – Material Aspects	2014 CSR Report	Page No.	HKEx website and other references	External Assurance (Verification Statement on p. 38)
G4-DMA		Economic Performance	Marketplace	12	Financial Highlights ▶ , Financial Review ▶ and Consolidated Financial Statements ▶ for the year ended 31 December 2014; and CSR (Marketplace) ▶ section of the HKEx website	✓
G4-EC1	D1.2	Direct economic value generated and distributed	Performance Statistics – Community Indicators	24	Financial Highlights ▶ , Financial Review ▶ , Directors' Report ▶ and Consolidated Financial Statements ▶ for the year ended 31 December 2014; and CSR (Marketplace) ▶ section of the HKEx website	✓
G4-EC2		Financial implications and other risks and opportunities for the organisation's activities due to climate change	Environment	19	CSR (Environment) ▶ section of the HKEx website	✓
G4-EC3		Coverage of the organisation's defined benefit plan obligations			Note 10 to the Consolidated Financial Statements ▶ for the year ended 31 December 2014	✓
G4-EC4		Financial assistance received from government	Marketplace	12		✓
G4-DMA	A1, A4	Employment	Workplace	13-15	CSR (Workplace) ▶ section and Human Resources Manual ▶ of the HKEx website	✓
G4-LA1	A1.2	Total number and rate of new employee hires and employee turnover by age group, gender and region	Performance Statistics – Workplace Indicators	21-22		✓
G4-LA2		Benefits provided to full-time employees that are not provided to temporary or part time employees, by significant locations of operation			Remuneration Committee Report ▶ of the 2014 Annual Report, and CSR (Workplace) ▶ section and Human Resources Manual ▶ of the HKEx website	✓
G4-LA3		Return to work and retention rates after parental leave, by gender	Performance Statistics – Workplace Indicators	22		✓
G4-DMA		Workforce-Management Relations	Workplace	13-15	CSR (Workplace) ▶ section of the HKEx website	✓
G4-LA4		Minimum notice periods regarding operational changes, including whether it is specified in collective agreements			CSR (Workplace) ▶ section of the HKEx website	✓








GRI Indicators	ESG Reporting Guide General Disclosures and KPIs	GRI Specific Standard Disclosures – Material Aspects	2014 CSR Report	Page No.	HKEx website and other references	External Assurance (Verification Statement on p. 38)
G4-DMA		Diversity and Equal Opportunity	Workplace	13	CSR (Workplace) ▶ section and Human Resources Manual ▶ of the HKEx website	✓
G4-LA12	A1.1	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	Performance Statistics – Workplace Indicators	23	Board Composition of the Corporate Governance Report ▶ of the 2014 Annual Report	✓
G4-DMA		Equal Remuneration for Women and Men	Workplace	13	CSR (Workplace) ▶ section and Human Resources Manual ▶ of the HKEx website	✓
G4-LA13		Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	Performance Statistics – Workplace Indicators	23		✓
G4-DMA	C3, C3.2	Anti-corruption	Marketplace	12	CSR (Marketplace) ▶ section and Human Resources Manual ▶ of the HKEx website	✓
G4-SO3		Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	Marketplace	12		✓
G4-SO4	C3.2	Communication and training on anti-corruption policies and procedures	Marketplace Performance Statistics – Workplace Indicators	12 22	CSR (Marketplace) ▶ section and Human Resources Manual ▶ of the HKEx website	✓
G4-SO5	C3.1	Confirmed incidents of corruption and actions taken	Marketplace	12		✓
G4-DMA		Public Policy			CSR (Marketplace) ▶ section of the HKEx website	✓
G4-SO6		Total value of political contributions by country and recipient/beneficiary	Marketplace	12	CSR (Marketplace) ▶ section of the HKEx website	✓
G4-DMA		Anti-competitive Behaviour			CSR (Marketplace) ▶ section of the HKEx website	✓
G4-SO7		Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes	Marketplace	10	Note 46 to the Consolidated Financial Statements ▶ for the year ended 31 December 2014	✓

Content Indices







GRI Indicators	ESG Reporting Guide General Disclosures and KPIs	GRI Specific Standard Disclosures – Material Aspects	2014 CSR Report	Page No.	HKEx website and other references	External Assurance (Verification Statement on p. 38)
G4-DMA		Compliance with Laws, Rules and Regulations	Marketplace	10	Compliance with Corporate Governance Code of the Corporate Governance Report ▶ of the 2014 Annual Report, Note 50 to the Consolidated Financial Statements ▶ for the year ended 31 December 2014 and CSR (Marketplace) ▶ section of the HKEx website	✓
G4-SO8		Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	Marketplace	10		✓
G4-DMA	C2, C2.4	Product and Service Labelling	Marketplace	10	CSR (Marketplace) ▶ section of the HKEx website	✓
G4-PR3	C2.1	Type of product and service information required by the organisation's procedures for product and service information and labelling, and percentage of significant product and service categories subject to such information requirements	Marketplace	10	CSR (Marketplace) ▶ section of the HKEx website	✓
G4-PR4	C2.2	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes	Marketplace	10		✓
G4-PR5		Results of surveys measuring customer satisfaction	Marketplace	10	CSR (Marketplace) ▶ section of the HKEx website	✓
G4-DMA		Marketing Communication			CSR (Stakeholder Engagement) ▶ and (Marketplace) ▶ sections of the HKEx website	✓
G4-PR6		Sale of banned or disrupted products	Marketplace	10		✓
G4-PR7		Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	Marketplace	10		✓
G4-DMA	C2.3, C2.5	Customer Privacy			CSR (Marketplace) ▶ section of the HKEx website	✓

GRI Indicators	ESG Reporting Guide General Disclosures and KPIs	GRI Specific Standard Disclosures – Material Aspects	2014 CSR Report	Page No.	HKEx website and other references	External Assurance (Verification Statement on p. 38)
G4-PR8	C2.2	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	Marketplace	10		✓
G4-DMA	C2	Compliance with Laws and Regulations concerning the Provision and Use of Products and Services			CSR (Marketplace)  section of the HKEx website	✓
G4-PR9	C2.2	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	Marketplace	10		✓

SEHK ESG Reporting Guide Content Index

ESG Reporting Guide General Disclosures and KPIs	ESG Reporting Guide Disclosures (which are not covered above)	2014 CSR Report	Page No.	HKEx website or remarks
A2	Health and safety	Workplace	14	CSR (Workplace)  section of the HKEx website
A2.1	Number and rate of work-related fatalities	Performance Statistics – Workplace Indicators	22	
A2.2	Lost days due to work injury	Performance Statistics – Workplace Indicators	22	
A2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	Workplace	14	CSR (Workplace)  section of the HKEx website
A3	Development and training	Workplace	13-14	CSR (Workplace)  section of the HKEx website
A3.1	Percentage of employees trained by employee category	Performance Statistics – Workplace Indicators	22	
A3.2	Average training hours completed per employee by employee category	Performance Statistics – Workplace Indicators	22	
A4	Labour standards			CSR (Workplace)  section of the HKEx website
A4.1	Measures to review employment practices to avoid child and forced labour			CSR (Workplace)  section of the HKEx website
A4.2	Steps taken to eliminate child and forced labour practices when discovered			CSR (Workplace)  section of the HKEx website
B1	Emissions	Environment	19	CSR (Environment)  section of the HKEx website
B1.1	Types of emissions and respective emissions data	Performance Statistics – Environmental Indicators	24-25	

Content Indices

ESG Reporting Guide General Disclosures and KPIs	ESG Reporting Guide Disclosures (which are not covered above)	2014 CSR Report	Page No.	HKEx website or remarks
B1.2	Total GHG emissions and intensity	Performance Statistics – Environmental Indicators	24	
B1.3	Total hazardous waste produced and intensity	Performance Statistics – Environmental Indicators	25	
B1.4	Total non-hazardous waste produced and intensity	Performance Statistics – Environmental Indicators	25	
B1.5	Measures to mitigate emissions and results achieved	Environment	19	
B1.6	How hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved	Environment	19	
B2	Use of resources	Environment	19-20	CSR (Environment)  section of the HKEx website
B2.1	Direct and/or indirect energy consumption by type in total and intensity	Performance Statistics – Environmental Indicators	24	
B2.2	Total water consumption and intensity	Performance Statistics – Environmental Indicators	25	
B2.3	Energy use efficiency initiatives and results achieved	Environment	19	
		Performance Statistics – Environmental Indicators	24	
B2.4	Any issue in sourcing water, water efficiency initiatives and results achieved			CSR (Environment)  section of the HKEx website
B2.5	Total packaging material used for finished products			Not applicable to the Group's business
B3	The environment and natural resources	Environment	19-20	CSR (Environment)  section of the HKEx website
B3.1	Significant impacts of activities on the environment and natural resources and actions taken to manage them	Environment	19-20	CSR (Environment)  section of the HKEx website
C2	Product responsibility			CSR (Marketplace)  section of the HKEx website
C2.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons			Not applicable to the Group's business
C2.4	Quality assurance process and recall procedures			Not applicable to the Group's business
D1	Community investment	Community	16-18	CSR (Community)  section of the HKEx website
D1.1	Focus areas of contribution	Community	16-18	
D1.2	Resources contributed to the focus areas	Community	16-18	

Glossary

Board	HKEx's board of directors
CCASS	Central Clearing and Settlement System
CCMS	Common Collateral Management System
CCP	Central counterparty
CG Code	Corporate Governance Code, Appendix 14 to the Main Board Listing Rules
ChinaClear	China Securities Depository and Clearing Corporation Limited
CPs	Clearing Participants
CSR	Corporate Social Responsibility
Data Centre	HKEx's data centre at Tseung Kwan O, Hong Kong
DCASS	Derivatives Clearing and Settlement System
EMSD	Electrical and Mechanical Services Department, Government
EPs	Exchange Participants
EPD	Environmental Protection Department, Government
ESG	Environmental, Social and Governance
ESG Reporting Guide	ESG Reporting Guide, Appendix 27 to the Main Board Listing Rules
ESMA	European Securities and Markets Authority
ETF(s)	Exchange Traded Fund(s)
FAQs	Frequently Asked Questions
FCA	Financial Conduct Authority
FRC	Financial Reporting Council
FSC	Forest Stewardship Council
FSDC	Financial Services Development Council
FSTB	Financial Services and the Treasury Bureau
Futures Exchange or HKFE	Hong Kong Futures Exchanges Limited
GHG	Greenhouse gas
Government	The Government of the Hong Kong Special Administrative Region of the PRC
GRI	Global Reporting Initiative
GRI G4 Guidelines	GRI G4 Sustainability Reporting Guidelines
Group	HKEx and its subsidiaries
HKCC	HKFE Clearing Corporation Limited
HKEx or the Company	Hong Kong Exchanges and Clearing Limited
HKICPA	Hong Kong Institute of Certified Public Accountants
HKMA	Hong Kong Monetary Authority
HKSCC	Hong Kong Securities Clearing Company Limited
iExchange	The Group's new internal intranet platform
IPO(s)	Initial Public Offering(s)
ISO	International Organization for Standardization
IT	Information Technology
IVs	Information Vendors
KPIs	Key Performance Indicators
Listing Rule(s) or Rule(s)	Main Board Listing Rules and the Rules Governing the Listing of Securities on the Growth Enterprise Market 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
NGO(s)	Non-governmental Organisation(s)
NSTD	New Securities Trading Device
OCG	HKEx Orion Central Gateway
OHSAS	Occupational Health and Safety Assessment Series
OTC Clear	OTC Clearing Hong Kong Limited
PRC	People's Republic of China
SEOCH	The SEHK Options Clearing House Limited
SFC	Securities and Futures Commission
SFO	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
Shanghai-Hong Kong Stock Connect or Stock Connect	A pilot programme that links the stock markets in Shanghai and Hong Kong. Under the programme, investors in Hong Kong and the mainland of China can trade and settle shares listed on the other market via the exchange and clearing house in their home market
SSE	Shanghai Stock Exchange
Stock Exchange or SEHK	The Stock Exchange of Hong Kong Limited
UK	United Kingdom
US	United States of America
WEx	The Women's Exchange, a staff club of HKEx
\$/HKD	Hong Kong dollar
£	Pound sterling

Verification Statement



VERIFICATION STATEMENT

Scope and Objective

Hong Kong Quality Assurance Agency (HKQAA) has been commissioned by Hong Kong Exchanges and Clearing Limited (HKEx) to conduct an independent verification of its 2014 Corporate Social Responsibility (CSR) Report (the Report). The Report stated HKEx's performance and efforts towards sustainable development for the period from 1st January 2014 to 31st December 2014.

The aim of this verification was to provide reasonable assurance of the information, including HKEx's Greenhouse Gas emissions, stated in the Report is accurate, reliable, material and objective and the Report is prepared in accordance with the Comprehensive Option of the Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines.

Methodology

The process used in this verification was based on current best practices. The Report was reviewed against the following criteria:

- International Standard on Assurance Engagement 3000 (ISAE 3000) – *"Assurance Engagement Other Than Audits or Reviews of Historical Financial Information"* issued by the International Auditing and Assurance Standards Board; and
- The Global Reporting Initiative G4 Sustainability Reporting Guidelines

The verification procedure included reviewing relevant documentation, interviewing responsible personnel with accountability for preparing the Report and verifying the selected representative sample of data and information consolidated in the Report. Raw data and supporting evidence of the selected samples were thoroughly examined.

Conclusion

Based on the outcome of the verification process, it is confirmed that the Report has been prepared in accordance with the Comprehensive Option of the GRI G4 Sustainability Reporting Guidelines.

The information presented in the Report provided a structured, balanced and consistent representation of HKEx's CSR performance in the context of sustainable development. The materiality assessment process is systematic and comprehensive and forms the basis for the selection of topics and information presented in the Report that addresses HKEx's significant economic, environmental and social impacts and issues which have substantive influence on stakeholders. We are satisfied that the Report includes factual statements and the data contained within the Report is accurate and reliable. It is a fair and honest representation of HKEx's initiatives, targets, progress and performance on its sustainable development achievements.

Signed on behalf of Hong Kong Quality Assurance Agency

A handwritten signature in black ink, appearing to read 'Connie', is written over a horizontal line.

Connie Sham
Head of Audit
February 2015

Hong Kong Exchanges and Clearing Limited

12/F, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong

Tel: +852 2522 1122

Fax: +852 2295 3106

HKEx website: www.hkex.com.hk

Email: info@hkex.com.hk

HKEx Group website: www.hkexgroup.com