

Sustainability

This is a summary of SGX's FY2015 Sustainability Report. This year's report explores the themes of resilience and leadership, and how they relate to our sustainability efforts. The full GRI G4 Report can be found online on www.sgx.com.



Statement from the Chair of the SGX Sustainability Committee

Welcome to the summary of the FY2015 SGX Sustainability Report. Our report this year explores the themes of resilience and leadership, and how they relate to SGX's sustainability efforts. By effectively managing relevant non-financial risks, we make our business more resilient and sustainable. As a frontline regulator of the Singapore capital market, we do our part in promoting sustainability in Singapore.

Business Resilience

Managing our non-financial risks is a continuous process of monitoring and reviewing our Environmental, Social and Governance (ESG) performance. When we track our ESG data we have a much better understanding of how our operations affect the world and the various stakeholders around us. By setting goals for improvement, we aim to ensure that we manage our non-financial risks responsibly. We have reporting structures in place to address significant and material ESG risks as they arise.

- Our environmental performance this year has been good. Our aim of decoupling electricity consumption from business growth is achieved and we have set targets for FY2016 to improve upon our success.
- Our workforce performance indicators have also been good. Our aim for next year is to synthesize our employment practices and policies into one cohesive talent strategy, which we will then make public.
- We continue to uphold high standards of corporate governance, both within our organisation and

as a frontline regulator of listed companies.

Sustainability Leadership

SGX adopts a leadership position on sustainability reporting and we recognise our unique ability to influence the sustainability practices of the companies listed on our exchange. We are in the process of developing new listing rules on sustainability disclosure, which will enhance the sustainability efforts of our listed companies.

One of our over-arching aims this year is to make more of our ESG policies publicly available, so as to demonstrate our commitment to sustainable, resilient business practices.

In summary, we remain committed to our focus on sustainability, in order to make our business more resilient and responsible.

By effectively managing relevant non-financial risks, we make our business more resilient and sustainable. As a frontline regulator of the Singapore capital market, we do our part in promoting sustainability in Singapore.

We intend to lead and influence our listed companies in sustainability reporting. And with the publication of this annual report, we are now one of the first listed companies in Singapore to publish an integrated report.

Our sustainability journey continues.

Sustainability

Environment



SGX's environmental performance encompasses consumption of electricity, water and paper, and the recycling of paper.

We measure and review our environmental performance on a per employee basis to track whether our consumption and recycling are proportional to the size of the workforce.

Our environmental performance this year has been good. Despite increasing our IT infrastructure in order to improve our business resilience, our electricity consumption has only increased by 11%. We have set ourselves the target of reducing total consumption in by 5% next year.

Our water consumption is negligible relative to the size of our business. The volume of paper we have used this year has decreased.

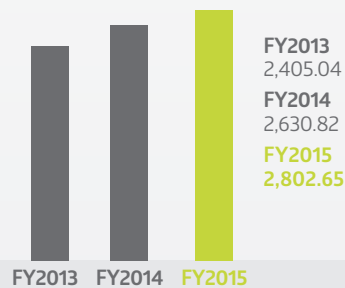
Environmental Targets for FY2016

- Review options for an energy audit of SGX offices
- Reduce consumption of:
 - Electricity by 5%
 - Paper by 5%
- Develop and publish an environmental policy

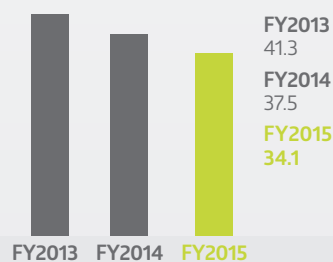
One of our biggest environmental challenges is balancing the commercial need to invest in and improve our IT infrastructure for business resilience versus our aim to minimise our energy footprint.



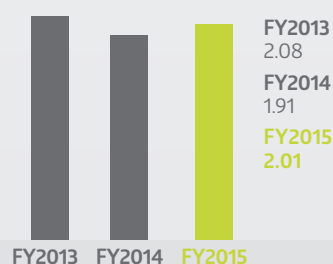
Energy Intensity (kWh/employee)



Office Paper Intensity (kg per employee)



Water Intensity (m³ per employee)



Social



SGX's social performance falls under two main areas: our workforce (labour) practices and our community activities.

Labour Practices

We have a very diverse employee base with a marginal gender pay gap across employee levels. Our attrition rate is steady and below the Singapore average. Our employees benefit from an on-going appraisal process and training and development. We engage our employees through an annual survey.

SGX's talent strategy aims to ensure that we have a diverse and skilled workforce, who enjoy and contribute to the SGX culture of trust, respect and transparency. We operate in one of the most competitive sectors for talent, where many of our employees have highly sought-after expertise. We therefore recognise that we must be at the forefront of responsible employment practices to retain our employees.

SGX Talent Strategy



We have many policies and practices in place that make SGX an attractive place for our employees to contribute and thrive.

- Appraisals and performance reviews
- Training and development
- Competitive compensation and benefits
- A diverse workplace
- Regular employee communications
- Extra-curricular activities

Social Targets for FY2016

- Formalise SGX's talent strategy
- Publish HR policies online
- Increase the average hours of training per employee to 35
- Conduct an employee satisfaction survey

Community Activities

In 2015, SGX continued to roll out more retail investor education initiatives through SGX Academy and its partners. Overall education outreach grew to 140,000, which was a 56% increase on the previous year. This was achieved through new education channels with partners and new education platforms such as e-tutorials and education carnivals.

The 2014 Bull Charge, a fun run organised by SGX to engage the financial community in fundraising, raised S\$2,683,482 for Asian Women's Welfare Association (AWWA), the Autism Association, Fei Yue Community Services and Shared Services for Charities.

Governance



SGX is a leader in corporate governance. We adhere to high standards of corporate governance and we advocate for best practice from listed companies.

The Board of SGX is responsible for our corporate governance, whilst the Regulatory team led by our Chief Regulatory Officer oversees the corporate governance practices of our listed issuers.



Please refer to Corporate Governance Report on page 34

Regulating for Good Governance

SGX's services support a resilient and thriving economy. It is our responsibility to regulate the marketplace to avoid conflicts of interest and to ensure a fair, orderly and transparent market for all participants. In so doing, we promote high standards of corporate governance and ethics in Singapore. The result is a reduced level of bribery and corruption, as well as higher levels of compliance with good governance practices.

SGX is an active participant of BoardAgender and the Diversity Action Committee, both of which aim to improve gender diversity in companies in Singapore.

Governance Targets for FY2016

- Continue efforts to implement "Comply or Explain" on Sustainability Reporting for SGX-listed companies
- Publish anti-bribery and anti-corruption policy online

New Listing Rule for Improved Sustainability Disclosure

SGX has been tracking global developments in responsible and ESG investment practices. We believe that transparent companies attract better investors and for this reason we are taking measures to encourage listed issuers to disclose more non-financial data. In 2015, we undertook a wide-reaching public consultation to establish stakeholders' needs, interests and concerns regarding sustainability reporting. The findings from the consultation process will inform our development of a new listing rule asking companies to comply by producing a report on non-financial (ESG) performance, or explain what they do instead. This regulatory step will place SGX alongside other leading exchanges which are part of the UN's Sustainable Stock Exchange initiative.