

Creating Sustainable Value

Board Statement

The Board is committed towards building a sustainable business at SGX. To us, sustainability is about ensuring long-term value for our stakeholders and creating a positive, lasting impact on society. This is our eleventh sustainability report, which aims to help stakeholders better understand our approach to creating long-term value.

SGX continues to be Asia's leading and trusted market infrastructure. We remain committed to operating at the highest international regulatory standards, adopting sustainable business practices, and advocating sustainable reporting by SGX-listed companies. We believe this will build trust and contribute to long-term value for our stakeholders.

The SGX Board, supported by the Risk Management Committee and the Executive Management Committee (EMCO), looks at sustainability issues as part of its strategic formulation, determines the Environmental, Social and Governance (ESG) material factors, and oversees the management and monitoring of these factors.

We continue our journey of developing and promoting sustainability practices in our markets as a Partner Exchange of the United Nations Sustainable Stock Exchange (UN SSE) Initiative, and a member of the World Federation of Exchanges (WFE) sustainability working group.

Acknowledging that the success of our business hinges on the development and effective deployment of our key forms of capital, we focused on the following areas during the year:

- Continued to develop a holistic talent strategy with an emphasis on career growth and development planning, to build our human capital;
- Enhanced our operational resilience of our technology infrastructure and processes to ensure sustained market continuity;

- Built our product and platform capabilities to maintain our position as a premier access and risk management venue;
- Engaged regularly with stakeholders to foster collaborative social relationships that are integral in identifying, prioritising and addressing material issues;
- Promoted financial literacy, sustainable development and responsible investment amongst others through ongoing investor and stakeholder educational programmes; and
- Implemented initiatives to minimise our environmental footprint.

SGX will continue to drive our sustainability agenda by advocating transparency and accountability. These continue to be the fundamental aspects required to build trust with our stakeholders.

Report at a Glance

This report summarises our approach towards sustainability and our progress to date, with a focus on addressing SGX's material ESG issues.

Our Scope

The report covers the performance of our consolidated entities from 1 July 2018 to 30 June 2019 (FY2019). We have included the historical data for the previous two years of FY2017 and FY2018 for comparison, where available. There has not been any restatement of figures for data disclosed in previous years.

Our Approach to Sustainability

Similar to the last two financial years, we have elected to produce our FY2019 report in accordance with Global Reporting Initiative (GRI) Standards (2016) – "Core". We have chosen the GRI Standards due to its longstanding universal application and robust guidance, which allows for comparability of our performance against peers. The report is also prepared in accordance with SGX-ST Listing Rules (711A and 711B) – Sustainability Reporting.

We welcome feedback on this report and any aspect of our sustainability performance. Comments or feedback can be sent to sustainability@sgx.com.

Sustainability Pillars

Sustainability remains core to the long-term viability of our organisation. We have identified four material factors that are important to the sustainability of our organisation. They are Economic Performance, Socioeconomic Impacts, Governance, and People. Our business practices, developed with these material factors as a foundation, will enable us to deliver long-term value to our stakeholders. At the same time, we remain vigilant in mitigating the risks that may come with changes in our external environment.

At SGX, we integrate sustainability within our business strategy through efficient allocation and deployment of our four forms of capital, namely Financial Capital, Human Capital, Intellectual Capital, and Social Capital. Our holistic talent management strategy seeks to develop our human capital. By recognising and addressing the risks and opportunities that arise from changes in global economic, regulatory, competitive, and technological trends, we are able to continually generate business value for SGX and our stakeholders. These risks and opportunities have been elaborated in pages 36 to 37 and pages 40 to 45.

SGX is a component of the following ESG indices:

Bloomberg ESG Data Index

FTSE4Good Index

iSTOXX Global ESG Select 100 Index

iEdge SG ESG Leaders Index

In line with our approach of integrating sustainability in our operations, we leverage on our stakeholder engagements and materiality assessment processes to identify sustainability risks and opportunities. We also take reference from our robust enterprise risk management system to identify and assess ESG risks. This approach ensures that material ESG risks are considered in the context of SGX's overall risk environment, and undergo a structured process of management and monitoring by our EMCO. More information on our risk management framework can be found under our Risk Management Report (pages 40 to 43).

Our ESG Risks and Opportunities

Where we have assessed the impact of our ESG risks and opportunities to be material, we have addressed them below:



Human Resource Risks

People are our key asset. Talent attraction and retention are crucial in Singapore's highly competitive financial market. Our talent strategy ensures SGX remains an attractive place to work.



Technology Risks

Ensuring that we provide reliable technological platforms is critical to business continuity. Any technology-related disruption will not only cripple our operations, but may also sustain a wider negative social impact, particularly to the investment community. To address this, we continuously review and enhance our recovery capabilities, processes and procedures to manage any crisis. In today's digital society, the risk of disruptions due to cyber-attacks is a reality. SGX is committed to putting in place safeguards to predict and prevent cyber-attacks on our platforms.



Climate Change Risks

As a small island state, Singapore is vulnerable to rising sea levels and other features of climate change. The Singapore government's Public Sector Sustainability Plan and Climate Action Plan have laid out the nation's strategy to reduce emission levels, increase energy efficiency, and address climate change. Although SGX's environmental footprint is small, we manage it prudently in the light of national policy actions, guided by our Environmental Policy.

Risks



Opportunities



Sustainability-related Products & Services

Non-financial risks and governance are becoming increasingly important among investors. This represents an opportunity for us. Our SGX Sustainability Indices, which comprise liquid SGX-listed stocks screened in accordance with ESG criteria, provide a transparent way for investors to assess the sustainability practices of our listed companies. SGX also provides a platform for the listing of green, social and sustainability bonds.



Diversity of Our Workforce

The gender, age, ethnicity and national diversity of our workforce are part and parcel of our corporate culture, which embraces varied and unique perspectives. In this way, our workforce diversity represents an opportunity for us to lead by example.



Sustainability Culture

Compliance with sustainability practices creates opportunities for us to build a corporate culture of transparency, and develop a sustainability mindset in executing our strategic priorities. If effectively applied, this will build trust with our stakeholders. Sustainable thinking also creates opportunities for the digitalisation of traditional practices to increase productivity and foster the development of new customer services.

Creating Sustainable Value

Stakeholder Engagement

At SGX, we recognise that stakeholder engagement is important in helping us make informed commercial and policy decisions. Our role as a front-line regulator further reinforces this importance as the implementation of our policy decisions may have significant influence on shaping the Singapore capital markets. We engage our key stakeholders through various platforms and channels, and their feedback is carefully considered to ensure decisions contribute to the overall good of our stakeholders.

The table below summarises our approach to stakeholder engagement:

Key Stakeholders	Engagement Methods	Interests and Concerns
Employees	Town-halls, focus group discussions, employee surveys, workshops, trainings and seminars, corporate events and the Connects intranet platform.	<ul style="list-style-type: none"> ▪ Opportunities for career growth and development
Regulators and Government	Dialogue, feedback sessions and jointly organised events.	<ul style="list-style-type: none"> ▪ Employee engagement, wellness and work environment ▪ Operational efficiency
Issuers	Dialogue, workshops, promotional roadshows and seminars.	<ul style="list-style-type: none"> ▪ Market structure and policies
Intermediaries	Dialogue, feedback sessions, training, and jointly organised exercises and events.	<ul style="list-style-type: none"> ▪ Corporate governance
Investors	Investor Perception Study, education and advocacy programmes via the SGX Academy, and various roadshows.	<ul style="list-style-type: none"> ▪ Infrastructure updates and business continuity planning ▪ Regulatory policies and practices
Public and Communities	Public consultations, educational workshops, seminars and programmes, scholarship and internship programmes, fundraising and corporate activities.	<ul style="list-style-type: none"> ▪ Financial literacy and investment education

Some engagements with stakeholders:

Annual Institutional Investor Perception Study

Since FY2015, SGX has engaged an independent third-party service provider to conduct a perception study to understand the investment community's sentiment on our strategy, management team, investment case, capital allocation, investor communications and corporate governance. In-depth interviews were conducted with past, current and potential shareholders, followed by a comprehensive analysis of the results.

Key findings from the Investor Perception Study are as follow:

- SGX's Corporate governance practices
 - SGX's corporate governance practices as a company continue to be viewed positively when compared to global peers.
 - Investors highlight that SGX has a solid governance structure, appropriate management compensation and incentives, strong capital management, a consistent dividend policy, and transparent disclosure practices.
- SGX's role as a Self-Regulatory Organisation
 - SGX remains highly regarded as a Self-Regulatory Organisation (SRO) that upholds market fairness, order, and transparency.
 - The investment community states that SGX has a solid reputation for regulating its market fairly, promoting trading efficiency and liquidity, and conforming to global best practices. SGX is praised for maintaining robust listing requirements and seeking partnerships and new initiatives to enhance market quality.
 - Some investors also believe that SGX's strong regulation allows investors, traders, and issuers to confidently and reliably participate in the marketplace, leading to greater liquidity and economic value of the business.
 - Ensuring the market is transparent and fair is a key priority for investors, for SGX to remain competitive.
 - A few investors cited concerns about some SGX-listed companies that exhibit corporate governance issues.

Public Consultations

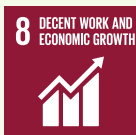
In FY2019, SGX held five public consultations to obtain feedback on possible amendments to our rules. Recognising the value of public input, SGX consulted the public on enhancements to the default management capabilities of our clearing houses, amendments to the voluntary delisting regime, regulation of issue managers, and changes to the listing review process.

Materiality Assessment

Our materiality definition is guided by the GRI Standards (2016). Material sustainability factors are defined as those that:

- 01 Reflect the reporting organisation's significant economic, environmental, and social impacts; or
- 02 Substantively influence the assessments and decisions of stakeholders; and
- 03 Align to specific UN Sustainable Development Goals (SDGs).

For FY2019, our material factors remain the same as the previous reporting period:

Material Factors	GRI Disclosures	Read more in our:	Relevant UN Sustainable Development Goals Targets
Economic Performance Our financial performance, economic value creation, distribution, and retention for shareholders.	Economic performance	<ul style="list-style-type: none"> ▪ Financial Statements, pages 98 to 182. 	<ul style="list-style-type: none"> ▪ 8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors 
Socioeconomic Impacts Our external impacts through our role as a market operator and regulator.	Indirect economic performance	<ul style="list-style-type: none"> ▪ Socioeconomic Impacts, Sustainability Report, pages 49 to 50. 	<ul style="list-style-type: none"> ▪ 8.10 Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all 

Creating Sustainable Value

Material Factors (continued)	GRI Disclosures	Read more in our:	Relevant UN Sustainable Development Goals Targets
Governance Our governance structure, ethics and integrity, anti-corruption and compliance policies.	Anti-corruption Socioeconomic Compliance	<ul style="list-style-type: none"> Governance, Sustainability Report, page 51; Corporate Governance Report, pages 58 to 83; Self-Regulatory Organisation Governance Report, pages 84 to 90; and Sustainability Website – Anti-corruption, Gifts and Entertainment Policy Statement. 	<ul style="list-style-type: none"> 10.3 Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard 16.6 Develop effective, accountable and transparent institutions at all levels  
People Our talent management and responsible employment practices.	Employment Labour Relations Training and Education Diversity and equal opportunity Non-discrimination	<ul style="list-style-type: none"> People, Sustainability Report, pages 52 to 53; and Sustainability Website – Employee Recruitment Statement. 	<ul style="list-style-type: none"> 5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life 8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors 10.4 Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality   
Non-Material Factor	GRI Disclosures	Read more in our:	Relevant UN Sustainable Development Goals Targets
Environment Our role in mitigating climate change.	Energy	<ul style="list-style-type: none"> Environment, Sustainability Report, pages 54 to 55; and Sustainability Website – Environmental Policy. 	<ul style="list-style-type: none"> 7.2 By 2030, increase substantially the share of renewable energy in the global energy mix 9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource use efficiency and greater adoption of clean and environmentally-sound technologies and industrial processes, all countries taking action in accordance with their respective capabilities 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse   

Socioeconomic Impacts

SGX contributes to the development of Singapore's financial market by providing a platform for issuers to raise capital whilst enabling investors to participate in Asia's economic growth and manage their Asian portfolio risks. As a front-line regulator, we ensure that issuers meet their ongoing obligations to investors, and participation in our markets is carried out in a fair, orderly and transparent manner. SGX is also a provider of connectivity solutions and is a trusted and secure counterparty for trade settlement.

SGX has identified two other areas that impact the broad socioeconomic environment. They are:

- Stakeholders' Education: Initiatives within the realms of investor education; and
- Operational Resilience: Resiliency of our trading & clearing infrastructure, and our recovery processes.

Stakeholders' Education

The SGX Academy oversees education and training efforts for investors and traders on investment knowledge. Our programmes have been specially designed to educate, engage and enable our stakeholders to make informed and responsible investment decisions.

In this financial year, more than 300 face-to-face education events were conducted and over 297,000 investors of different age groups and investment aptitude have accessed our education assets and content through the face-to-face seminars, training courses, e-tutorials and digital platforms to aid them in their investment decisions. Through our interaction with our stakeholders, the SGX Academy is able to contribute to SGX's overall responsiveness to market needs.

Furthering our agenda to promote responsible investing, SGX and DBS launched a 3-year Financial Literacy for You (FLY) initiative in July 2018 to help the 'savers' base understand more about the importance of investing and to take on a more active approach towards

securing their financial future. This partnership has enabled a large outreach where FLY seminars, webinars and on-line education content have benefited an estimated 200,000 members of the public in this financial year.

Notable education campaigns conducted also include the Supplemental Retirement Scheme (SRS) education campaign launched in December 2018 and the Regular Shares Savings Plan (RSSP) campaign launched in January 2019. The former aims to help Singaporeans step up in their retirement planning efforts through SRS and is themed "Plan and invest your SRS funds to secure your dream retirement" where SGX curated easy-to-understand SRS information and illustrations on sgxacademy.com/srs. The RSSP campaign on the other hand targeted the younger investor base to encourage them to make small but regular investments via a disciplined and diversified approach through exchange-traded funds. Regular RSSP events are being conducted and on-line content can be found at sgxacademy.com/rssp. For both of these education campaigns, prominent social media influencers have been helping to propagate the content to benefit a larger base of investors.

SGX is now a regular contributor to the World Investors Week Singapore (WIW), an initiative led by International Organization of Securities Commissions (IOSCO) as a coordinated campaign by securities regulators to raise public awareness about the importance of investor education. SGX Academy provides the education hosting platform for all members of the public to take part in WIW forums. WIW 2019 was successfully held from 4-12 October 2018 with the attendance of over 1,000 investors. WIW was featured on Channel News Asia to share the investor education content to a larger audience.

Aligning our education thrust with the issuance of Temasek Bonds, SGX Academy worked closely with Temasek to help Singaporeans to learn about the bonds. SGX took the

opportunity to ramp up bond education with our own "Fundamentals to Bond Investing" seminars which benefited many Singaporeans.

Operational Resilience

As a market operator, operational resilience of our infrastructure is critical in ensuring business continuity. In FY2019, SGX conducted Business Continuity and IT Disaster Recovery tests with participants to test industry-wide preparedness in the event of a crisis. We have also added data recovery exercises as part of conformance testing.

Demonstrating the resolve to minimise adverse impact from a market disruption, SGX has to-date implemented all six recommendations proposed by the Securities Industry Working Group (IWG):

- 01 Data Corruption and Restoration – A Master Record as the authoritative source of data in the event of a complex malfunction.
- 02 Market Closure and Resumption – The timing and principles for market closure and resumption during a market-wide incident.
- 03 Trade Assumption – A clear protocol for trade assumption.
- 04 Market Recovery Procedures – Attestation from members that they have appropriate recovery plans in place, is in progress.
- 05 Incident Communication – A centralised communication portal for coordinated distribution of information during an incident has been implemented and used during our Business Continuity and Disaster Recovery tests.
- 06 Business Continuity testing and support – Going forward SGX will also conduct industry-wide data recovery exercises to test data loss and reconciliation capabilities along with the market participants.

We will continue to leverage the Enterprise Command Centre to improve monitoring and provide a better line of sight into the health, status and availability of our infrastructure.

Creating Sustainable Value

Research Leaders' Insights Series

In FY2019, we looked towards deeper collaboration with partners to drive knowledge-based investor education. A key highlight is the ST-SGX Research Leaders' Insights Series (RLS) where SGX and SPH embarked on a year-long initiative to empower Singaporeans with the knowledge to understand and use research reports to make effective investing decisions. Featuring 10 Singapore-based Research Leaders, the public now has easy access to information on how to use research reports on The Sunday Times. In addition, four RLS forums have been scheduled to create opportunity for the investing public to engage the leaders for closer interaction and all RLS-related education content is hosted on sgxacademy.com/rls for investors to access.

Targets and Performance Scoreboard:

Socioeconomic Targets for FY2019

Target	Our Performance / Initiatives
Stakeholder Education Number of retail investor participation at educational or developmental programmes	<ul style="list-style-type: none"> We reached out to over 297,000 retail investors through our various education and developmental programmes (see page 49 for details).
Operational Resilience Number of Business Continuity and IT Disaster Recovery exercises conducted	<ul style="list-style-type: none"> We conducted 13 Business Continuity and IT Disaster Recovery exercises in FY2019 of which four exercises involved industry participants.
Effective Regulation To help listed companies improve their Singapore Governance and Transparency Index (SGTI) scores by: <ul style="list-style-type: none"> Developing regulatory initiatives and processes that support good governance practices; and Continuing our ongoing stakeholders' engagement efforts 	<ul style="list-style-type: none"> In January 2019, we entered into an MOU with Institute of Valuers and Appraisers of Singapore (IVAS) for us to make referrals to and collaborate on business valuation issues with the IVAS technical committee. The collaboration is intended to raise the standards of governance in valuation reporting by professionals and disclosures by listed companies. In May 2019, we conducted our annual Catalyst Sponsor's Dialogue session and communicated our expectations and stance on capital fund raising activities of some of the sponsored-issuers and updated the Catalyst Sponsors on upcoming collaborations with other professional bodies as part of our ongoing collaboration with industry professionals to improve existing standards. SGX introduced amendments to the Listing Rules following revisions to the Code of Corporate Governance (CG Code). We subsequently provided funding and support for the training sessions conducted by the Singapore Institute of Directors (SID) for senior management and board of directors of our issuers as well as guides launched by SID on the revised CG Code. This included a jointly organised "Listed Entity Director Programme (Mandarin)", an interactive Mandarin-based Programme held in May in Beijing, China for China-based senior management and board of directors of our issuers. We collaborated with Securities Investors Association (Singapore) and the SID in developing the Guide on Best Practices for Shareholder Meetings of Listed Companies. The guide was launched on 26 March 2019 with a key objective of fostering a conducive environment for robust and open discussions between the board and shareholders during shareholder meetings of listed companies.
Effective Risk Management Observance of all relevant Principles for Financial Market Infrastructures (PFMI)	<ul style="list-style-type: none"> Our two clearing houses The Central Depository (CDP) and SGX Derivatives Clearing (SGX-DC) observed all the relevant Principles for Financial Market Infrastructures (PFMI). We are in the process of enhancing the clearing houses' credit stress testing and liquidity stress testing framework, to be in compliance with the further guidance on the PFMI.

Socioeconomic Targets for FY2020

Target	
Stakeholder Education	<ul style="list-style-type: none"> Conduct three large scale (more than 500 participants) public investor education events Conduct more than 250 face-to-face investor education seminars and courses
Operational Resilience	Number of Business Continuity and IT Disaster Recovery exercises conducted
Effective Regulation	To help listed companies improve their Singapore Governance and Transparency Index (SGTI) scores by: <ul style="list-style-type: none"> Developing regulatory initiatives and processes that support good governance practices; and Continuing our ongoing stakeholders' engagement efforts.
Robust Risk Management	Observance of all relevant Principles for Financial Market Infrastructures (PFMI)

Governance

SGX prides itself as being a leader in corporate governance so as to cultivate trust and confidence in our markets and in the services we provide. We therefore set high standards of corporate governance and business ethics for companies listed on our exchange to support the building of an enduring and sustainable marketplace.

At SGX, we lead by example and adhere to the highest standards of corporate governance practices as guided by the Code of Corporate Governance. Further information can be found in our Corporate Governance Report and our SRO Governance Report.

Sustainability Governance

The Executive Management Committee (EMCO) oversees sustainability at SGX. The EMCO is chaired by the Chief Executive Officer and comprises senior leadership across the organisation. It is therefore well placed to set the tone-at-the-top and allows for an integrated business and sustainability strategy. The EMCO approves sustainability strategies

and reviews sustainability performance. It also reviews and evaluates SGX's sustainability approach, management policies and practices, sets targets, and measures performance against the targets.

Our Code of Conduct and Ethics Policy

At SGX, we advocate the highest level of conduct and ethical standards to maintain high standards of governance. The SGX Conduct and Ethics Policy, the Staff Dealing Policy, the Regulatory Conflicts Handbook and the Regulatory Conflicts Code and Information Barrier Policy are essential in guiding the behaviour of our employees. All employees are required to undergo rigorous training to familiarise themselves with these policies which provide guidance on appropriate conduct for common ethical issues, such as conflicts of interest, bribery and corruption, confidential information, and compliance among others. We also educate all our employees on our whistleblowing policy, which is publicly posted on our website, to facilitate the reporting of suspected and actual cases of improper,



unethical or fraudulent conduct. SGX also publicly discloses the purpose, scope, reporting and communication channels of our whistleblowing policy on our website. The Board and EMCO take a firm stance on the ethics and integrity of employees at SGX and a serious view towards non-compliance. In line with internal policies, all employees have to undergo annual compliance and independence training.

In FY2019, we received one whistleblowing report concerning SGX, which has since been reviewed and resolved. Another 23 whistleblowing cases were filed through our whistleblowing channel, of which 21 cases were related to companies listed on SGX, and two were related to SGX trading members. These cases were referred to SGX RegCo for review.

There were no cases of bribery or corruption, anti-competitive behavior and no fines for non-compliance with the law during the year. We continue to strive to uphold the highest standards of corporate governance with respect to our stringent governance framework.

Targets and Performance Scoreboard:

Governance Targets for FY2019

Target	Our Performance / Initiatives
Disclosure on the number of incidents of corruption and actions taken	 <ul style="list-style-type: none"> There were no incidents of corruption and actions taken in FY2019.
Disclosure on the number of material non-compliance with laws and regulations in the social and economic area	 <ul style="list-style-type: none"> There were no material non-compliance with laws and regulation in the social and economic areas in FY2019.

Governance Targets for FY2020

Target
Disclosure on the number of incidents of corruption and actions taken
Disclosure on the number of material non-compliance with laws and regulations in the social and economic area

Creating Sustainable Value

People

SGX recognises that our ability to remain commercially viable and competitive hinges on our continued success in attracting and retaining talent. At SGX, we care for our employees' growth and career development. We are committed to maintaining a positive workplace that values integrity, diversity, collaboration and communication whilst taking care of the well-being of our employees.

Talent Management and Retention

Our Head of Human Resources oversees our labour practices, talent strategy, human resource policies and processes, as well as cares for the 834 employed in SGX during the year. In FY2019, there were 129 new hires and 98 resignations. As a specialised industry, we are keenly aware that the talent and expertise we need are not readily transferrable from the wider financial services industry. We have thus taken steps to actively manage this.

At SGX, we continually invest in a holistic talent strategy to build our internal capabilities and talent pool. Through regular employee engagement activities, SGX strives to foster employee commitment by improving employee benefits and overall welfare in the organisation. We support our employees in balancing their professional life with domestic responsibilities by introducing initiatives such as flexible working schemes for female employees after childbirth.

In FY2019, SGX was one of seven participating financial institutions partnering the Institute of Banking & Finance (IBF) in launching the Technology in Finance Immersion Programme (TFIP) on 23 April 2019. TFIP aims to help individuals gain experience in new technology areas, such as Cloud Computing,

Cybersecurity, Data Analytics and Full Stack Development, within the financial services sector.

Nurturing Our Staff

A highly-skilled talent pool is essential to maintaining SGX's position as a leading securities and derivatives exchange. We rely heavily on the skills and capabilities of our employees to ensure the quality of our product and service offerings. At SGX, we subscribe to the policy of lifelong learning, to encourage our employees to further their potential, while equipping them with skills and knowledge that go beyond the required expertise of their current roles.

We strive to cultivate a learning culture by providing structured programmes to support learning and development. To achieve this, we provide employees with a variety of training, professional memberships, continuing education scheme, study leave, and internal job rotation opportunities. Our employees' professional learning and development is also supplemented by programmes that seek to nurture soft skills and other transferrable expertise. These holistic initiatives serve to develop highly-skilled and well-rounded employees who would be an asset to any organisation.

Given that SGX operates in a highly specialised industry, we maintain a line of sight for high potential internal candidates, proactively providing them with development opportunities to raise their level of readiness.

Leadership development is an area of focus where we continue to develop and enhance our line managers' leadership capabilities from first-level line managers up to our senior leaders, in partnerships with reputable and

established best-in-class training programme providers.

We have enabled our employees to take greater ownership of their own learning agenda through the provision of Digital Learning platforms, aimed at providing easier accessibility to learning opportunities at their convenience via notable market-leading digital platforms.

In addition, we have continued to offer our SGX Growth Xcelerator series of brownbag learning sessions, aimed at inculcating a stronger learning culture within SGX and providing the platform for greater social learning and building communities of practice. The range of topics covered during these lunchtime talks include leadership, professional development, digital competencies and employee well-being.

Diversity and Equal Opportunity

SGX embraces diversity within our workforce. We recognise that diversity in the workplace broadens the depth and breadth of our collective skills and perspectives. Cultivating a diverse and collaborative environment that drives innovation is thus a priority at SGX. We hire based on merit, and provide a competitive and fair compensation and benefits package with "equal pay for equal work", engendered by our Non-discrimination Policy. This allows us to leverage on our gender, age, and cultural diversity to drive growth and maximise SGX's full potential. The talent strategy also emphasises equal opportunity in a non-discriminatory work environment.

27% of our Board is represented by female directors, which contributes to the diversity of views and perspectives at senior levels. We have had zero reported incidents of discrimination at SGX.

Targets and Performance Scoreboard: People Targets for FY2019

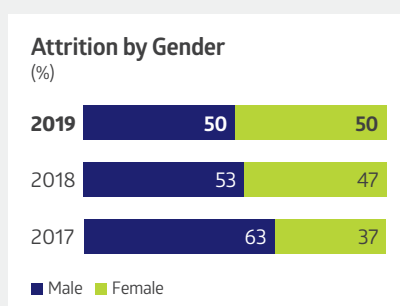
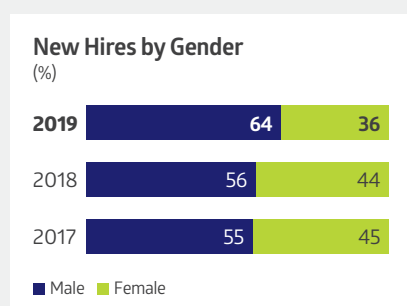
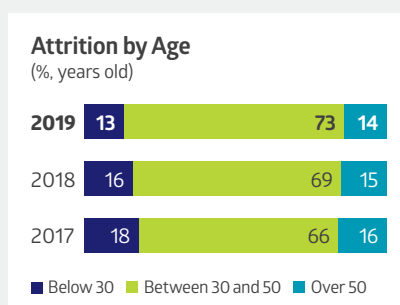
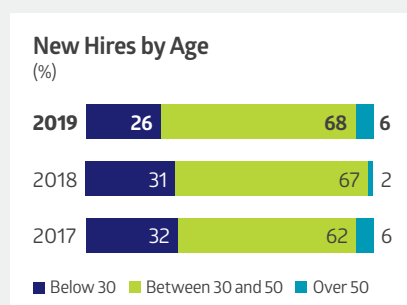
Target	Our Performance / Initiatives
Implement programmes for upgrading employee skills & transition assistance programmes	<ul style="list-style-type: none"> We ran programmes on growth mindsets, as well as introduced a digital learning and development platform to encourage employees to adopt continuous learning practices. We worked on building in-house technical capabilities through design and development of digital learning courses. We implemented innovation-benchmarking workshops for employees to create awareness of disruptive socioeconomic trends. We ran leadership development programmes for senior managers to build on our leadership capabilities. We implemented our enhanced Management Associate programme to build on our junior talent pipeline.
Achieve 35 training hours per employee per year	<ul style="list-style-type: none"> Employees engaged in an average of 45 hours of training during the year.

People Targets for FY2020

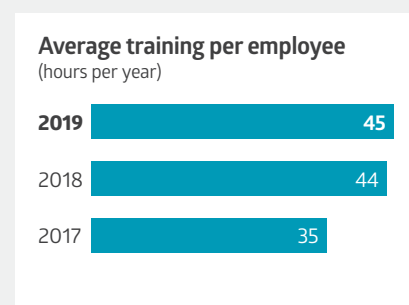
Target
Implement programmes for upgrading employee skills & transition assistance programmes
Achieve 35 training hours per employee per year

Inclusive Workforce

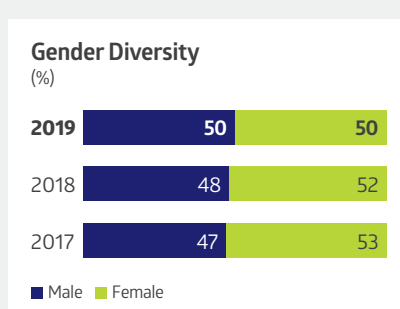
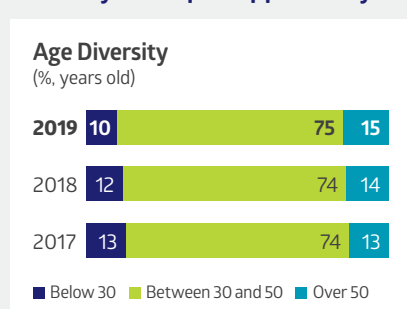
Employment



Training and Education



Diversity and Equal Opportunity



Creating Sustainable Value

Environment (non-material factor)

SGX is doing its part to minimise our environmental footprint whilst managing our commercial needs.

Since the formalisation of the Environmental Policy in FY2016, which encompasses both our direct and indirect impacts on energy consumption and other natural resources, SGX has continually undertaken initiatives to promote environmental responsibility and reduce our environmental footprint.

Since FY2017, SGX has ceased mailing out CDs for our annual report and will write to shareholders to explain that the same information is available on our website. Physical copies of our

annual report will be made available only upon request.

In FY2019, SGX continues its mission on environmental awareness campaign to encourage staff to care for the environment. The Earth Hour movement was once again observed as a symbol of commitment to lower energy consumption. In addition, all printed papers used in SGX are 100% recycled paper from sources who embrace and are committed to zero deforestation. Furthermore, employees are discouraged from printing unless it is absolutely necessary.

To reduce the use of plastics, SGX will replace serving plastic bottled water to visitors with glassware from FY2020.

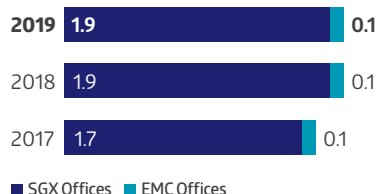
Our primary data centre was awarded the Standard 564 (SS564) certification for Green Data Centre – Energy & Environmental Management Systems. SS564 was developed by the IDA in partnership with various government agencies to set a Singapore Standard for Green Data Centres. Our secondary data centre was awarded the BCA Green Mark Platinum certification for excellence in Energy and Environmental Design of the Building.

We continue to measure our progress against targets, and drive improvements for environmentally-friendly resource usage.

SGX also encourages and supports the development of sustainable financing.

Energy Consumption

Energy Consumption in Offices (GWh)



Energy Intensity in Offices (MWh/employee)



Note: Energy consumption and intensity only reflect operations in Singapore (SGX and EMC).

Targets and Performance Scoreboard:

Environment Targets for FY2019

Material Factors	Our Performance / Initiatives
Undertake further initiatives to promote environmental responsibility	<ul style="list-style-type: none"> Continue to encourage shareholders to opt for the use of electronic transmission of shareholder documents. Encourage employees to care for the environment through various initiatives All print papers are 100% recycled paper Staff are discouraged from printing unless absolutely necessary Implemented motion-activated light sensors to reduce electricity consumption in all meeting rooms.
Analyse and monitor energy usage	<ul style="list-style-type: none"> The electricity consumption at SGX offices decreased by 1%.

Environment Targets for FY2020

Target
Undertake further initiatives to promote environmental responsibility
Analyse and monitor energy usage

Sustainability Development

SGX remains committed to playing our part in the sustainability agenda, recognising our role as a marketplace to bring together investors, issuers and intermediaries. We seek to promote the sustainability of the financial system, as encapsulated by the WFE Sustainability Principles. SGX RegCo is a founding member of the Advisory Group for the Asia Sustainable Finance Initiative (ASFI), a multi-stakeholder forum based in Singapore that aims to create resilient economies. We have hosted seminars and conferences to develop the landscape in collaboration with partners such as the Securities Association of Singapore (SAS), the National University of Singapore's Centre for Governance, Institutions and Organisations (CGIO), the Principles for Responsible Investment (PRI), the CFA Institute, the World Business Council for Sustainable Development (WBCSD) and the Official Monetary and Financial Institutions Forum (OMFIF). Besides facilitating capability building of our listed companies in sustainability reporting, we will continue to engage and support them and other stakeholders in deriving value from the sustainability reporting process.

Global Reporting Initiative (GRI) Standards (2016) – “Core” Content Index can be found at:
investorrelations.sgx.com/sustainability