

# Corporate Social Responsibility

A key part of SGX's corporate social responsibility efforts involves corporate philanthropy. It is our way of contributing to the community, whether it is about strengthening financial literacy or empowering investors, or working alongside corporate sponsors to raise funds for those in need.

While the outbreak of COVID-19 caught the world by surprise early in 2020, we rolled out a \$5 million SGX Care Package in March to provide support and relief measures, bolstering efforts to reinforce Singapore's resilience as a global marketplace. Part of the funds are being used to support Singapore-listed companies, including a grant for qualifying issuers to help them facilitate virtual AGMs by harnessing technology and defraying their costs.

A total of \$1.5 million was also donated to support national healthcare and community programmes – providing frontline healthcare workers with hot meals, assisting seniors affected by COVID-19 and covering SGX Bull Charge beneficiaries for expenses such as the purchase of thermal scanners and disinfectants. Facilitated by the Community Chest, the funds support the following:



**Rolled out a \$5m**

SGX Care package in March to provide support and relief measures



**Donated \$1.5m**

to support national healthcare and community programmes

The  
Courage  
Fund



## Caring For Our Employees

Our employees are our most valuable asset and their health and well-being are our priority. Over the last few months, two personal care packages, each comprising a bottle of hand sanitiser and two boxes of surgical masks, were delivered to every SGX employee across the different cities that we operate in, as part of our continual efforts to keep all our staff safe during the pandemic.

## Supporting Our Overseas Partners

In addition, the well-being of our overseas partners and stakeholders are of utmost importance to us. While supplies of personal items were scarce, SGX made a determined effort to donate hand sanitisers to the Shanghai Financial Regulatory Bureau and Lujiazui Financial City Authority for distribution to the offices they manage in the Lujiazui financial district. We are privileged to have the opportunity to show our commitment and care for the communities we operate in.



SGX Shanghai Team delivered hand sanitisers that were sent from Singapore to the Shanghai Financial Regulatory Bureau and Lujiazui Financial City Authority.



Minister of Education Mr Ong Ye Kung was Guest-of-Honour at the SGX Charity Run on 8 November 2019 at The Float @ Marina Bay. More than \$3.4 million was raised through the generous donations from our corporate sponsors. All proceeds were channelled to our adopted beneficiaries.



Charity Golf 2019 event tee off to a resounding start on 17 May, bringing together some 140 golfers, raising a total of \$770,000 for our beneficiaries.



Charity Run participants being cheered on as they ran past some of Singapore's most iconic sights at Marina Bay.



Our Charity Futsal tournament was held on 14 September 2019 at the Kovan Sports Centre. For the first time, a kids match was organised between our beneficiaries and the children of SGX staff to instil the spirit of giving from a young age.

Over the years, SGX Bull Charge has worked with many corporate sponsors to raise over \$39 million for more than 50 charities. For 2020, the 17<sup>th</sup> edition of our Charity Run will transform into a two-week virtual event to prioritise

the well-being of local and international participants as they go the extra mile for a good cause. SGX will match contributions dollar for dollar up to \$1 million and donate a further \$5 for every kilometre completed, up to 100,000 km.

## Fundraising

Launched in 2004, SGX Bull Charge is the only corporate charity initiative that rallies Singapore's financial community and listed companies to support the needs of underprivileged children and families, persons with disabilities, as well as the elderly.

SGX Bull Charge enjoyed a bumper year in 2019, successfully raising more than \$3.4 million through our annual fundraising events – Charity Golf, Charity Futsal and Charity Run. SGX's business, data and technology partners also pledged their financial support at a Market Access Night in August as well as a Technology Symposium in September. Partnering Community Chest, all proceeds were channelled to our adopted beneficiaries for the year: AWWA Ltd, Autism Association (Singapore), Fei Yue Community Services, HCSA Community Services and Shared Services for Charities.



Raised more than

**\$3.4m**

through our annual fundraising events in 2019



Raised more than

**\$39m**

for over 50 charities through SGX Bull Charge over the years



# Corporate Social Responsibility



Our staff volunteers participating in SGX Cares annual Season of Giving activity, where they helped pack and distribute goodie bags to our beneficiaries.



Kids from our beneficiaries visiting the Singapore Youth Flying Club.

## Outreach

In FY2020, close to 200 SGX staff volunteers were out in force to bring cheer and joy to our beneficiaries. Through the year, our staff volunteers organised various activities and reached out to over 1,000 beneficiaries, spending some 1,000 hours engaging them.

For the seniors, apart from cooking meals for our beneficiaries, SGX staff volunteers also painted and cleaned two AWWA transitional home shelters, packed and distributed 1,000 goodie bags for Fei Yue's Senior Activity Centres, and organised excursions to Bollywood Veggies for them to learn more about farming and conservation.

For the children, SGX Cares partnered with the Singapore Youth Flying Club and Temasek Polytechnic aviation students to bring the thrills of aviation to kids from Fei Yue Community Services and HCSA Community Services. Our staff volunteers also brought families and 30 children and teenagers from AWWA and HCSA Community Services out for a day of sunshine, fun and laughter at East Coast Park.

However, the ongoing COVID-19 pandemic also saw a number of activities cancelled during the second half of the financial year due to the various safety measures.

Nevertheless, we are grateful for the opportunity to make a difference to our beneficiaries in 2019 and look forward to doing more!



**Packed and distributed**  
**1,000**

goodie bags for Fei Yue's Senior Activity Centres

# 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 sustainability report aims to help stakeholders better understand our approach to building a sustainable business.

SGX is Asia's leading and trusted market infrastructure. We operate at the highest international regulatory standards, adopt sustainable business practices and advocate sustainability reporting by SGX-listed companies. We believe this will further earn trust and confidence from our stakeholders.

The SGX Board, supported by the Executive Management Committee (EMCO), considers sustainability issues in its strategy, determines the Environmental, Social and Governance (ESG) material factors and oversees the management of these factors.

We actively participate in developing and promoting sustainability practices in our markets as a partner exchange of the United Nations Sustainable Stock Exchange (UN SSE) initiative, a member of the World Federation of Exchanges (WFE) sustainability working group and as a signatory to the UN Global Compact.

The success of our business hinges on the development and effective deployment of our Financial, Human, Intellectual and Social Capital. Our focus and achievements during the year include:

- Safeguarding our financial ecosystem with the introduction of initiatives to reduce the impact of the COVID-19 pandemic on our stakeholders, including staff, issuers, investors and market participants;
- Enhancing the operational resiliency of our technology infrastructure and processes to ensure sustained market continuity;
- Engaging regularly with stakeholders to prioritise and address material commercial and regulatory issues;

- Winning our first Asia's Best Sustainability Report award at the 5<sup>th</sup> Asia Sustainability Reporting Awards 2020; and
- Achieving our objective of using 100% renewable electricity in our offices. This was done through the purchase of Renewable Energy Certificates (RECs) to offset our electricity consumption for the year, which lent support to Singapore's efforts in advancing the growth and adoption of solar energy.

SGX will continue to advocate transparency and accountability in delivering our identified targets. 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 ESG Risks and Opportunities

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

### Risks



#### Human Resource Risks

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

Amid the COVID-19 pandemic, we ensured that the workplace continues to be a safe environment for staff. We implemented numerous measures to prevent the potential spread of the virus, and enabled staff to work from home.



#### 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. Although SGX's environmental footprint is small, we manage it prudently, guided by our Environmental Policy.

In the short term, we will monitor, manage and offset our electricity usage, and keep abreast of developments in climate change and environmental issues. We will also assist listed companies by guiding them on their ESG reporting efforts.

In the longer term, our product development strategy will consider the establishment of climate-related products and services.

## Scope

- The report covers the performance of our consolidated entities from 1 July 2019 to 30 June 2020 (FY2020). We have included the historical data for FY2018 and FY2019 for comparison, where available. There has not been any restatement of figures for data disclosed in previous years.

## Approach to Sustainability

- Similar to the last three financial years, we have elected to produce our FY2020 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. This 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](mailto:sustainability@sgx.com).

## Sustainable 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, sustainability is integrated into our business strategy through the efficient allocation and deployment of our Financial, Human, Intellectual and Social 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. An elaboration of these risks and opportunities can be found on pages 32 to 33 and pages 36 to 41.

## SGX is a component of the following ESG indices:

- ⇒ Bloomberg ESG Data Index
- ⇒ Bloomberg Gender-Diversity Index
- ⇒ MSCI World ESG Leaders Index
- ⇒ FTSE4Good Index
- ⇒ iSTOXX Global ESG Select 100 Index
- ⇒ iEdge SG ESG Leaders Index

Additionally, we leverage our stakeholder engagements and materiality assessment processes to identify sustainability risks and opportunities. We also ensure that material ESG risks are considered in the context of SGX’s overall risk environment, and undergo a structured process of management and monitoring them. More information on our risk management framework can be found in our Risk Management Report on pages 36 to 39.

# Opportunities



## Sustainability-related Products & Services

Non-financial risks and governance are becoming increasingly important among investors. This represents an opportunity for us. Our iEdge 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 and business, which embraces varied and unique perspectives. In this way, our workforce diversity represents an opportunity for us to lead by example. SGX is one of five Singapore companies in the Bloomberg Gender Equality Index, recognising the diversity of our workforce.



## 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 processes to increase productivity, foster the development of new customer services and minimise traditional paper-intensive practices.

# 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
<b>Employees</b>	Town halls, focus group discussions, employee surveys, workshops, trainings and seminars, corporate events and the Connects intranet platform.	<ul style="list-style-type: none"> <li>▪ Opportunities for career growth and development</li> <li>▪ Employee engagement, wellness, safety and work environment</li> <li>▪ Updates on organisational strategy, plans and performance</li> </ul>
<b>Regulators and Government</b>	Dialogue, feedback sessions and jointly organised events.	<ul style="list-style-type: none"> <li>▪ Market structure developments</li> <li>▪ Corporate governance</li> <li>▪ Regulatory policies and practices</li> </ul>
<b>Issuers</b>	Dialogue, workshops, promotional roadshows and seminars.	<ul style="list-style-type: none"> <li>▪ Listing policies and practices</li> <li>▪ Growing liquidity and market capitalisation</li> <li>▪ Access to investors</li> </ul>
<b>Intermediaries</b>	Dialogue, feedback sessions, training and jointly organised exercises and events.	<ul style="list-style-type: none"> <li>▪ Infrastructure developments and business continuity planning</li> <li>▪ Regulatory policies and practices</li> <li>▪ Distribution of products and services</li> </ul>
<b>Investment community</b>	Investor perception study, retail investor education and advocacy programmes via the SGX Academy and non-deal investor roadshows.	<ul style="list-style-type: none"> <li>▪ Retail investor financial literacy and investment education</li> <li>▪ Organisational financial performance and execution of strategy</li> <li>▪ Increasing investment returns</li> </ul>
<b>Public and Communities</b>	Public consultations, seminars and programmes, scholarship and internship programmes, fundraising and corporate activities.	<ul style="list-style-type: none"> <li>▪ Market structure developments and corporate governance policies</li> <li>▪ Academic learning opportunities</li> <li>▪ Corporate social responsibility activities</li> </ul>

### 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 sentiments 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 survey were as follows:

Sentiments remain consistent in many areas for SGX as the company continues to be viewed as a trusted exchange focused on fostering a high-quality marketplace with strong governance. SGX's strategic focus on building a multi-asset exchange is well-supported, but opinion is split between those satisfied with the level of progress delivered and those eager to see more results. Regardless, SGX's drive for innovation and product development is regularly cited as a core strength, and many believe our product suite is a clear differentiator. Trust in SGX is further bolstered by transparent disclosures and proactive investor relations.

Respondents recognise that SGX is in a unique position to benefit from the recent volatility, and while the potential for continued market turbulence may help in the short term, there is an acceptance that such effects may be temporary and SGX's business will likely normalise over the longer term. Echoing previous years' findings, structural headwinds facing the Singapore market continue to weigh on sentiments, with respondents citing unfavorable dynamics in the Singaporean equity base with limited new listings, increased de-listings, and competitive threats in the Asia Pacific region.



## Public Consultations

In FY2020, SGX held three public consultations to obtain feedback on possible amendments to our rules. Consultations ranged from enhancements to auction routines for the SGX-ST market, review of tools used to deal with market manipulation risk and enhancements to the regulatory regime for property valuation and auditors.

## Regulatory Response to COVID-19

COVID-19 has caused disruption to many businesses, including SGX and our stakeholders. We proactively engaged our stakeholders, responded to their needs to maintain market confidence and helped the market deal with safe distancing and sudden and unexpected financial constraints.

SGX RegCo supported our listed issuers and members through the following regulatory initiatives to enable them to focus on dealing with the challenges posed by COVID-19:

- As safe distancing measures were implemented making commuting difficult, SGX RegCo announced time extensions for companies to announce their annual financial

results and to hold their annual general meetings. This recognised the difficulties that market professionals faced in carrying out their year-end audits, and in holding meetings for large groups of people.

- As the measures were elevated, we sought to balance the rights of shareholders with the need for companies to continue with their business. We also worked with statutory authorities to issue guidance to the market on the conduct of virtual meetings. We released a Regulator's Column to provide listed companies with detailed guidance on how to ensure that timely and specific disclosures on the impact of COVID-19 were communicated to shareholders.
- SGX RegCo stepped up our outreach to brokers and members, to ensure market orderliness and operational resilience. We increased our monitoring of member firms to ensure that they were financially sound, and stress-tested their financial positions. We also alerted members to potential operational risks and sent out communications to remind them to monitor certain risk areas. In addition, SGX RegCo

assessed retail members' business continuity planning (BCP) arrangements in a benchmarking exercise and communicated our expectations of members' BCP arrangements through training.

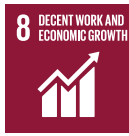

- To facilitate fundraising by listed issuers during this period, we raised the share issue mandate thresholds for Mainboard companies from 50% to 100%. This supported companies that needed to recapitalise urgently.
- SGX RegCo also responded to tightened social distancing measures by allowing electronic submissions of listing applications in lieu of hard copy documents. For existing listed issuers, we introduced virtual lodgment and registration of Catalist offer documents in lieu of physical lodgment on Catalodge.
- Looking ahead, SGX RegCo has commenced a review of the Listing Rules to ensure they can facilitate restructuring and potential bond defaults. We are also considering changes to the listing admission requirements under our Listing Rules to factor in the impact of COVID-19 on applicants' recent financial performance.

## Materiality Assessment

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

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

For FY2020, our material factors remain the same as the previous reporting period:

Material Factors	GRI Disclosures	Reference	Relevant UN SDG Targets
<b>Economic Performance</b> Our financial performance, economic value creation, distribution and retention for shareholders	<ul style="list-style-type: none"> <li>▪ Economic performance</li> </ul>	<ul style="list-style-type: none"> <li>▪ Financial Statements, pages 94 to 217</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>8.2</b> Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors</li> </ul> 
<b>Socioeconomic Impacts</b> Our external impacts through our role as a market operator and regulator	<ul style="list-style-type: none"> <li>▪ Indirect economic performance</li> </ul>	<ul style="list-style-type: none"> <li>▪ Socioeconomic Impacts, Sustainability Report, pages 45 to 46</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>8.10</b> Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all</li> </ul> 

# Creating Sustainable Value

Material Factors	GRI Disclosures	Reference	Relevant UN SDG Targets
<b>Governance</b> Our governance structure, ethics and integrity, anti-corruption and compliance policies	<ul style="list-style-type: none"> <li>Anti-corruption</li> <li>Socioeconomic compliance</li> </ul>	<ul style="list-style-type: none"> <li>Governance, Sustainability Report, page 47;</li> <li>Corporate Governance Report, pages 52 to 81;</li> <li>Self-Regulatory Organisation Governance Report, pages 82 to 86; and</li> <li>Sustainability Website – Anti-corruption, Gifts and Entertainment Policy Statement</li> </ul>	<ul style="list-style-type: none"> <li><b>10.3</b> 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</li> <li><b>16.6</b> Develop effective, accountable and transparent institutions at all levels</li> </ul>
<b>People</b> Our talent management and responsible employment practices	<ul style="list-style-type: none"> <li>Employment</li> <li>Labour relations</li> <li>Training and education</li> <li>Diversity and equal opportunity</li> <li>Non-discrimination</li> </ul>	<ul style="list-style-type: none"> <li>People, Sustainability Report, pages 48 to 49; and</li> <li>Sustainability Website – Employee Recruitment Statement</li> </ul>	<ul style="list-style-type: none"> <li><b>5.5</b> Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life</li> <li><b>8.2</b> Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors</li> <li><b>10.4</b> Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality</li> </ul>
Non-Material Factors	GRI Disclosures	Reference	Relevant UN SDG Targets
<b>Environment</b> Our role in mitigating climate change	<ul style="list-style-type: none"> <li>Energy</li> </ul>	<ul style="list-style-type: none"> <li>Environment, Sustainability Report, page 50; and</li> <li>Sustainability Website – Environmental Policy</li> </ul>	<ul style="list-style-type: none"> <li><b>7.2</b> By 2030, increase substantially the share of renewable energy in the global energy mix</li> <li><b>9.4</b> 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</li> <li><b>12.5</b> By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse</li> </ul>





## 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 and clearing infrastructure, and our recovery processes.

### Stakeholders' Education

The SGX Academy oversees education and training efforts for investors and traders. Programmes have been specially designed to educate, engage and enable our stakeholders to make informed and responsible investment decisions. In FY2020, around 300 educational events were conducted and attended by over 55,000 investors of different age groups and investment aptitudes through face-to-face seminars, training courses and online programmes to aid them in their investment decisions. Through our interaction with stakeholders, the SGX Academy is able to contribute to SGX's overall responsiveness to market needs.

SGX Academy set up an Invest Pavilion with the overarching theme "Broaden Your Investment Horizon with SGX" at INVEST Fair 2019. Held at Suntec Convention Centre on 17 August 2019 and attended by more than 5,000 visitors, SGX delivered educational talks and panel discussions at the Pavilion. Others included the Supplemental Retirement Scheme (SRS) education campaign conducted in December

2019 and the Regular Shares Savings Plan (RSSP) campaign launched in January 2020. 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". Easy-to-understand information and illustrations about the SRS were curated by SGX at [sgxacademy.com/SRS](http://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 the contents can be found at [sgxacademy.com/RSSP](http://sgxacademy.com/RSSP). For both of these education campaigns, prominent social media influencers were used to propagate investment content to benefit a larger base of investors.

SGX has been a regular contributor to the World Investors Week Singapore (WIW), an initiative led by International Organisation 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 members of the public to take part in WIW forums. WIW 2019 was successfully held in October 2019 with an attendance of around 2,000 investors. SGX Academy also worked closely with Temasek Holdings to hold the inaugural Fixed Income Conference (FIC) at Suntec Convention Centre on 24 August 2019 for 1,300 participants.

Adapting to the COVID-19 situation, SGX Academy brought all investor education activities online and has conducted over 30 webinars a month since February 2020 with an average of 200 participants per session. Twice-monthly educational webcasts were also launched on Facebook Live in March 2020, with around 5,000 viewers per session. Our education contents were also adjusted to include topics that were more relevant to the uncertain and volatile market conditions. To further support the

investing public with timely market and research content on a daily basis, we launched SGXInvest – our Telegram channel in April 2020 which now has 11,000 subscribers.

### Operational Resilience

As a market operator, operational resilience of our infrastructure is critical in ensuring business continuity. In FY2020, despite the uncertainties and disruptions brought about by the COVID-19 pandemic, SGX has demonstrated resolve to minimise any impact to market operations as well as taken steps to safeguard the safety and health of our staff and the protection of the work environment. These included initiatives such as:





- 1 Activating our business continuity plans for split operations and staff rotation, maintaining a high level of work-from-home presence, and implementing staggered working hours for staff required to work from office. All these were achieved with a variety of IT tools and infrastructure that enabled staff to work remotely without impact to operations.
- 2 Implementing health and safety measures to protect the work environment, such as social distancing, regular deep cleaning and sanitising of the office, application of anti-microbial coating, deployment of thermal scanners and the issuance of personal protective equipment such as masks, hand sanitisers and disinfectant wipes.

In FY2020, SGX conducted simulation exercises covering technology resilience, physical security, cyber readiness and member default. Specific to the pandemic, SGX has tested different scenarios such as the ability to run with limited availability of on-site operations, and the ability for some critical units to work 100% from home. SGX will continue to monitor ongoing developments and adapt accordingly, including planning ahead as part of the new normal.

# Creating Sustainable Value

## Targets and Performance Scoreboard

### Socioeconomic Targets for FY2020

Target	Our Performance / Initiatives
<b>Stakeholder Education</b> Number of retail investor participation at educational or developmental programmes	 <ul style="list-style-type: none"> <li>▪ We reached out to over 55,000 retail investors through face-to-face seminars and workshops, webinars and webcasts.</li> </ul>
<b>Operational Resilience</b> Number of business continuity and IT disaster recovery exercises conducted	 <ul style="list-style-type: none"> <li>▪ We conducted 23 business continuity and IT disaster recovery exercises in FY2020 of which three exercises involved industry participants.</li> </ul>
<b>Effective Regulation</b> Engaging in activities and new initiatives with our market community to: <ul style="list-style-type: none"> <li>▪ Increase stakeholder trust and confidence in our markets; and</li> <li>▪ Improve regulatory communications and stakeholder engagement.</li> </ul>	 <ul style="list-style-type: none"> <li>▪ In October 2019, we entered into a memorandum of understanding (MOU) with the Singapore Institute of Surveyors and Valuers (SISV), for us to make referrals to, receive expert advice and collaborate on real estate and land valuation issues with SISV. The collaboration is intended to raise the standards of the valuation profession, as well as the quality of valuations of real estate and land.</li> <li>▪ In November 2019, we launched our 2019 list of SGX Fast Track companies, with 95 companies qualifying for prioritised response on selected corporate action submissions to SGX RegCo. The SGX Fast Track programme aims to recognise and encourage companies to have high corporate governance standards and maintain a good compliance track record. Selection is based on internal and external criteria focused on corporate governance standards, compliance track record and the quality of the company's submissions.</li> <li>▪ In November 2019, we conducted our annual Catalyst Sponsor's Dialogue session and communicated our expectations and stance on timeliness and contents of disclosures by some of the sponsored-issuers; the level of due diligence and enquiries to be performed by Catalyst sponsors when reviewing announcements and corporate actions of their sponsored issuers; and Mainboard companies seeking to transfer to Catalyst.</li> <li>▪ We collaborated with the Centre for Governance, Institutions and Organisations (CGIO) at the National University of Singapore Business School to conduct a joint review on the sustainability reports of SGX-listed companies. The results of the review were released in December 2019, and included recommendations for listed companies to achieve higher reporting quality and improve their ESG disclosures.</li> </ul>
<b>Effective Risk Management</b> Observance of all relevant Principles for Financial Market Infrastructures (PFMI)	 <ul style="list-style-type: none"> <li>▪ Our two clearing houses, the Central Depository (CDP) and SGX Derivatives Clearing (SGX-DC), observed all the relevant Principles for Financial Market Infrastructures (PFMI). To comply with further guidance on the PFMI, we have completed enhancing our credit stress testing framework for both clearing houses, and are in the process of enhancing our liquidity stress testing framework.</li> </ul>

### Socioeconomic Targets for FY2021

Target	Our Performance / Initiatives
<b>Stakeholder Education</b>	<ul style="list-style-type: none"> <li>▪ Conduct three large scale public investor education events either virtually or in physical locations</li> <li>▪ Conduct at least 250 investor education seminars and courses either virtually or in physical locations</li> </ul>
<b>Operational Resilience</b>	<ul style="list-style-type: none"> <li>▪ Number of business continuity and IT disaster recovery exercises conducted</li> </ul>
<b>Effective Regulation</b>	Engaging in activities and new initiatives with our market community to: <ul style="list-style-type: none"> <li>▪ Increase stakeholder trust and confidence in our markets; and</li> <li>▪ Improve regulatory communications and stakeholder engagement.</li> </ul>
<b>Effective Risk Management and Transparency of Risk Policies</b>	<ul style="list-style-type: none"> <li>▪ Observance of all relevant PFMI and providing quarterly Public Quantitative Disclosures (PQDs)</li> </ul>

## 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 Self-Regulatory Organisation (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 guide the development and execution of 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.

### 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 insider trading, among others. We also educate all our employees on our Whistle-blowing Policy, to facilitate the reporting of suspected


and actual cases of improper, unethical or fraudulent conduct. The Whistle-blowing Policy, including the related reporting and communication channels, is publicly available on our website. The Board and EMCO take a firm stance on the ethics and integrity of SGX employees and a serious view on non-compliance. In line with internal policies, all employees have to undergo regular compliance training, including mandatory annual e-learning.

In FY2020, 44 whistle-blowing cases were filed through our whistle-blowing channel. There were 37 cases concerning companies listed on SGX and broker firms. These cases were referred to SGX RegCo for review. A further 7 cases relating to CDP accounts were referred to Customer Service for review. There were no whistle-blowing reports concerning SGX's own controls.

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

## Targets and Performance Scoreboard

### Governance Targets for FY2020

Target	Our Performance / Initiatives
Disclosure on the number of incidents of corruption and actions taken	 <ul style="list-style-type: none"> <li>There were no incidents of corruption and actions taken in FY2020.</li> </ul>
Disclosure on the number of material non-compliance with laws and regulations in the social and economic area	 <ul style="list-style-type: none"> <li>There was no material non-compliance with laws and regulation in the social and economic areas in FY2020.</li> </ul>

### Governance Targets for FY2021

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

The Head of Human Resources oversees SGX's labour practices, talent strategy, human resource policies and processes, and takes care of the welfare and well-being of our 846 employees. In FY2020, there were 107 new hires and 90 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 implemented measures to actively retain talent.

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 and personal responsibilities by introducing initiatives such as flexible working schemes for female employees after childbirth.

## 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 schemes, as well as 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 the capabilities of those in supervisory and management roles from first-level line managers to 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 market-leading digital learning platforms. This is aimed at providing easier accessibility to learning opportunities at employees' convenience.

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. In FY2020, we launched the Winning the Inner Game series, with the objective of helping our employees cope with COVID-19 by enhancing their mental and emotional resilience.

## 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", in accordance with our Non-discrimination Policy. This allows us to leverage our gender, age, and cultural diversity to drive growth and maximise SGX's potential. The talent strategy also emphasises equal opportunity in a non-discriminatory work environment. In terms of compensation, we have met our target of ensuring that the gender pay ratio is within a 10% range across all ranks in the organisation.

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.

## Employee Well-being

In safeguarding our people amid COVID-19, we put in place measures for temperature monitoring and social distancing, while distributing masks and sanitisers to staff to help them adjust to the work arrangement. We also equipped our staff with work-from-home capabilities, and stepped-up our engagements with staff through regular virtual town halls. The town halls kept employees updated about corporate developments, and enabled us to obtain feedback on how to improve their work-from-home experience.

## Targets and Performance Scoreboard:

### People Targets for FY2020

Target	Our Performance / Initiatives
Implement programmes for upgrading employee skills and transition assistance programmes	<ul style="list-style-type: none"> <li>✓ We ran programmes that build up mental and emotional resilience in view of the COVID-19 situation, focusing on soft skills and mindset shifts that enable our employees to focus on positive areas of influence.</li> <li>▪ We migrated many of our traditional classroom instructor-led programmes to virtual format in a bid to support our employees' continuous learning efforts.</li> <li>▪ We curated a series of learning offerings through our digital learning platforms to provide more opportunities for our employees to continue learning while working from home.</li> <li>▪ We worked on building in-house technical capabilities through the design and development of digital learning courses.</li> <li>▪ We implemented innovation-benchmarking workshops for employees to create awareness of disruptive socioeconomic trends.</li> <li>▪ We ran leadership development programmes for senior managers to build on our leadership capabilities.</li> <li>▪ We implemented our enhanced Management Associate programme to build on our junior talent pipeline.</li> </ul>
Achieve 35 training hours per employee per year	<ul style="list-style-type: none"> <li>✓ Employees engaged in an average of 47 hours of training during the year.</li> </ul>

### People Targets for FY2021

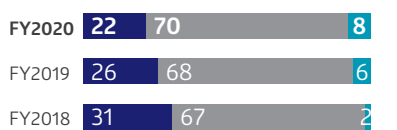
Target
Implement programmes for upgrading employee skills and transition assistance programmes
Achieve 35 training hours per employee per year

## Inclusive Workforce

### Employment

#### New Hires by Age

(%)



■ Below 30 ■ Between 30 and 50 ■ Over 50

#### New Hires by Gender

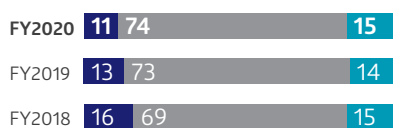
(%)



■ Male ■ Female

#### Attrition by Age

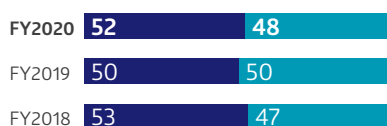
(%, years old)



■ Below 30 ■ Between 30 and 50 ■ Over 50

#### Attrition by Gender

(%)

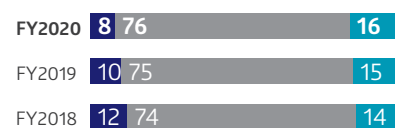


■ Male ■ Female

### Diversity and Equal Opportunity

#### Age Diversity

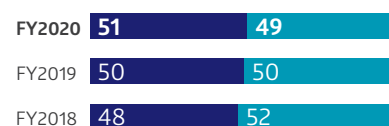
(%, years old)



■ Below 30 ■ Between 30 and 50 ■ Over 50

#### Gender Diversity

(%)



■ Male ■ Female

### Training and Education

#### Average training per employee

(hours per year)



# Creating Sustainable Value

## Environment (non-material factor)

SGX is doing its part to minimise our environmental footprint. Since the formalisation of our Environmental Policy in FY2016, which encompasses the management of 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.

## Operations

One initiative in FY2020 was the purchase of Renewable Energy Certificates (RECs) to offset our electricity consumption for the year in SGX offices. This lent support to Singapore's efforts in advancing the growth and adoption of solar energy. SGX also hosted the World Federation of Exchanges (WFE) 59<sup>th</sup> General Assembly in October 2019, attended by WFE members and stakeholders from all over the world. The event was carbon-neutral as emissions were offset with the procurement of carbon credits.

During the year, we remained committed to driving environmental

awareness among staff. For example, the Earth Hour movement was observed as part of our commitment to lower energy consumption. Employees were encouraged to adopt digital practices to conserve paper usage. Only 100% recyclable paper products are used at SGX. These products are sourced from certified suppliers who are committed to zero deforestation. To save the trees, digital copies of our annual reports are available on our website. For the first time in FY2020, since our listing in 2000, we have ceased providing the option for shareholders to request for physical copies of our annual and sustainability reports.

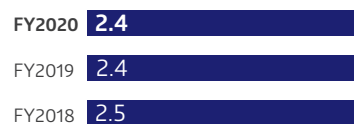
## Infrastructure

As a market operator, our impact to the environment is an important consideration in the housing of technology systems. The SGX primary data centre was awarded the Standard 564 (SS564) certification for Green Data Centre – Energy & Environmental Management Systems. SS564 was developed to set a Singapore Standard for Green Data Centres. Our secondary data centre was awarded the Building and Construction Authority's Green Mark Platinum certification for excellence in

energy efficiency and environmentally sustainable building design.

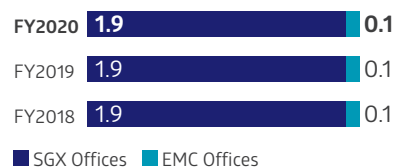
SGX will continue to measure our progress against targets, and drive improvements for environmentally friendly resource usage. In supporting the development of sustainable financing, SGX is an active participant of the Financial Centre Advisory Panel on Green Financing established by the Monetary Authority of Singapore.

## Energy Intensity in Offices (MWh/employee)



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

## Energy Consumption in Offices (GWh)



## Targets and Performance Scoreboard

### Environment Targets for FY2020

Target	Our Performance / Initiatives
Undertake further initiatives to promote environmental responsibility	<ul style="list-style-type: none"> <li>Continue to encourage shareholders to opt for the use of electronic transmission of shareholder documents.</li> <li>Encourage employees to care for the environment through various initiatives.</li> <li>Use only 100% recyclable paper.</li> <li>Staff are discouraged from printing unless absolutely necessary.</li> <li>Implemented motion-activated light sensors to reduce electricity consumption in all meeting rooms. Lights will be turned off after two hours of inactivity.</li> </ul>
Analyse and monitor energy usage	<ul style="list-style-type: none"> <li>The electricity consumption at SGX offices remained unchanged from a year ago.</li> </ul>

### Environmental Targets for FY2021

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

## Sustainability Development

SGX leverages on our strengths as a marketplace, bringing together investors, issuers and intermediaries to advance the sustainability of our financial system. In so doing, we promote the elements encapsulated by the WFE Sustainability Principles. We are pleased to be part of a founding consortium that has contributed towards the setting up of a new GRI Regional Hub in Singapore, which will generate valuable expertise for sustainability reporting and sustainable finance for the ASEAN region. In the coming year, we will be consulting the public on providing further guidance to climate-related disclosures, in line with the recommendations by the Task Force on Climate-Related Disclosures (TCFD).

**Global Reporting Initiative (GRI) Standards (2016) – “Core” content index can be found at:**  
[investorrelations.sgx.com/sustainability](http://investorrelations.sgx.com/sustainability)