



**AMTD Group
UN Global Compact
Communication on Progress**

Reporting period : 2 Jun 2017- 1 Jun 2018

Chairman's statement

2 June 2018

Dear stakeholders:

As a Hong Kong based comprehensive financial institution, AMTD Group has always been committed to the value of “giving back to the community and upholding its social responsibility” in every aspect by supporting charity events, public services, talent development. As a Young Global Leader of the World Economic Forum and a “global citizen”, I am pleased to confirm that AMTD Group reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

A year has passed, and I am delighted to share with you that we have made several initiatives in making us a more responsible corporate citizen. For instance, we established the Anti-Corruption Discipline Committee, aiming to improve AMTD's internal anti-corruption work and discipline management system; while we are rising in the Asia Bond issuance market league table, we assisted the successful completion of green bond offering of Envision Energy. As such, we facilitate the development of the green bond market in Hong Kong and hence promoting the concept of green investment within our community. All in all, we are devoted to contributing to the sustainable economic growth of the world.

In this annual Communication on Progress, we describe our actions in detail to illustrate how we continually improve the integration of the Global Compact and its principles into our business strategies, culture and daily operations. We are also committed to sharing this information with our stakeholders using our primary channels of communication.

Sincerely yours,

Calvin Choi

Chairman & President

Human Rights

AMTD Group has always been committed to upholding to the internationally proclaimed human rights. Under this context, AMTD Foundation is established to promote education, to relieve poverty as well as to support people in need in Hong Kong and across the world.

AMTD Foundation is a grant-making foundation which aims to drive positive and sustainable social change in youth innovation education and social welfare services. It continuously supports and monitors programs that enrich youth's health, education and protection as the Foundation believes that it has the potential to be transformative, scalable and sustainable. Throughout the year, AMTD Group and AMTD Foundation have fully supported various corporate social responsibility events ranging from AIDS research programs, children protection, the relief of poverty and talent cultivation.

To name a few, AMTD Group has collaborated with the renowned non-profit organization, The Foundation for AIDS Research (amfAR), one of the world's leading non-profit organizations on AIDS research, to jointly host annual amfAR Gala events in Hong Kong and Los Angeles over the past 2 years. These events have raised more than ten million US dollars for amfAR's life-saving research programs on AIDS prevention and control.

Also, AMTD Foundation has supported and sponsored Caritas, Hong Kong's largest public charity organization, for its Charity TV Show for more than 10 years. Together with Caritas, we aim to offer relief and rehabilitation services to the poor and the distressed. A total of over ten million HK dollars was raised through this event each year.

AMTD Foundation has backed OneChild in improving children and youth welfare globally. OneChild is a Canada based non-profit organization founded by renowned children's rights activist Cheryl Perera, a Young Global Leader of the World Economic Forum who is dedicated to free children from sexual exploitation. In addition, Calvin Choi, Chairman & President of AMTD Group has been appointed as the Director of the Board of OneChild.

Principle 1

Business should support and respect the protection of internationally proclaimed human right

As stated in our employees' Code of Conduct, AMTD Group respects and supports fundamental human rights. The Code of conduct captures the essence of company's approach to human rights, which has clearly stated the ways and benefits that the Group expects our employees to be and to have. To make sure all employees are working in a safe, fair and healthy environment.

Principle 2

Business should make sure that they are not complicit in human right abuses

AMTD Group and AMTD Foundation support and promote the employment of disabilities to reflect the core values and spirit of "The Convention on the Rights of Persons with Disabilities" announced by United Nations. In respect of the Convention, we also promote disability awareness and friendliness in the work environment as much as we can.

AMTD Group also believes in the power of education. The Group engages in discussion with universities in a bid to support talent incubation and actively promote equality of opportunity in higher education. The Hong Kong Polytechnic University, AMTD Group Company, and AMTD Foundation jointly launched Hong Kong's first university-industry collaborated FinTech center. The "AMTD FinTech Center" provides support to student start-ups, facilitate exchanges among Hong Kong local, Chinese mainland, and overseas experts, and offer FinTech education for students, financial personnel, and the public.

Our measurement of outcomes

1

Backed OneChild in improving children and youth welfare globally, Calvin Choi has joined the first Board meeting of OneChild as the Director of the Board. OneChild has so far completed **5 global projects**

2

Signed strategic collaboration agreement with **2 universities**, The University of Waterloo and The Hong Kong Polytechnic University respectively, to establish the “University of Waterloo-AMTD Innovation Hub” and “AMTD FinTech Center of PolyU Faculty of Business”

3

Jointly hosted annual amfAR Gala Hong Kong and amfAR Gala Los Angeles in 2018 and 2017 respectively. These events have raised more than **10 million US dollars** for amfAR's life-saving research programs on AIDS prevention and control

Company news

AMTD Foundation:

<http://www.amtdgroup.com/en/csr-all>

University of Waterloo:

http://www.amtdgroup.com/en/pr_2018_05_12

Hong Kong Polytechnic University:

http://www.amtdgroup.com/en/pr_2018_01_30

http://www.amtdgroup.com/en/pr_2018_04_19

amfAR Gala Hong Kong:

http://www.amtdgroup.com/en/pr_2018_04_16

http://www.amtdgroup.com/en/pr_2018_03_25

http://www.amtdgroup.com/en/pr_2017_04_01

Labour

AMTD strives to ensure that the freedom of association and the right to collective bargaining are upheld, that the Group does not engage in forced and compulsory labour or child labour, and that the Group works to ensure diversity and non-discrimination in respecting of employment and occupation. We are an equal opportunity employer and welcome applicants from all qualified candidates. We are committed to creating and providing an inclusive, open and equitable environment for individuals with different backgrounds, lifestyles, needs and expectations.

We actively support paid maternity and paternity leaves. Respecting the importance of working moms, we have also added a nursing room in our newly renovated office. AMTD thinks that it is important for our employees and their families to have the tools, resources, time and opportunity to focus on the things that are important in their lives. AMTD's employee welfare program strives to help each employee strikes the right work-life balance for his or her individual situation. Our range of benefits focuses on our employees holistically, addressing their physical, financial and emotional health, as well as that of their families.

We also encourage our staff to enrich their professional skills through continuous learning. We invite renowned CEOs or veteran speakers from different industries to provide internal sharing, so that they can learn about the latest market trends. Furthermore, we provide various support to staff who wants to pursue a higher education qualification, ranging from financial sponsorship, flexible working hours and examination leaves.

AMTD Group pays close attention to discrimination. We believe no employees shall be subject to any discrimination in hiring, compensation or advancement, in terms of gender, age, disability or nationality etc.

Our HR policies and procedures underscore our commitment to a diverse and inclusive workplace, with equal opportunities for all employees. We are committed to hiring, retaining and promoting more women across the firm. We refine HR processes and technology solutions to help us better retain women at all career stages. We sincerely respect working women with equal job opportunities that we celebrated with and appreciated their

Principle 3, 4, 5

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining

Business should support the elimination of all forms of forced and compulsory labour

Business should support the effective abolition of child labour

Principle 6

Businesses should support the elimination of discrimination in respect of employment and occupation

contribution on the International Women's Day. We believe workforce diversity is a business imperative. In our experience, teams with diversity in gender, age, ethnicity, education, background will better understand and relate to our equally diverse clients' needs.

Our measurement of outcomes

1

Added a **nursing room** in our newly renovated office

2

Invited external speakers to host **4 internal sharing sessions** for staff enrichment

3

Financial sponsorship, flexible working hours and examination leaves to support staff's continuous education goal. Overtime-work compensation can be claimed once approved

4

Support and encourage female employees, evaluate their work equally and fairly

Environment

As a comprehensive financial institution, undoubtedly the direct environmental impact from us is relatively small. However, AMTD Group is willing to undertake the initiatives and responsibility to promote the environmental and social well-being.

Before engaging with our clients and suppliers, our team will conduct a thorough due diligence process and one of the important procedures is to better understand our counterparties' processes and policies and the potential social and environmental risks that may arise. We avoid doing business with counterparties that in our judgement do not deal with environmental or social issues in an appropriate and responsible manner.

AMTD Group also contributes to environmental protection indirectly. Active in Asia's debt capital markets, AMTD Group has assisted its clients to complete over 65 bond offerings over the past two years. Among which, AMTD Group is a keen supporter to the development of the green bond market. In May 2018, AMTD assisted its client, Envision Energy to complete its debut issuance of green bond in Hong Kong. AMTD also acted as the Joint Global Coordinator and Joint Bookrunner of the IPO of China Boqi Environmental, a market leader among independent flue gas treatment services providers in China. The successful IPO provides funding to assist the expansion of China Boqi Environmental in the environmental protection market.

Protecting the environment is a day-to-day business and the responsibility of every world citizen. On the back of this, we established the "AMTD Portal", an internal portal for our staff, which allows us to digitalize our workflow and facilitates our aim to establish a paperless work space. It is an environment friendly initiative by digitalizing the paper information and reducing the need of backup copies or unnecessary printing. The Portal allows us to have information sharing, client engagement, management reporting, compliance fulfilment and workflow automation in a green way, and it helps to add eco-friendly quotient of us as the information and paper working is digitalized and computerized.

Avoid any unnecessary printing, recycle unused papers and manage waste effectively are the common eco-friendly ways to accomplish the goal. Our employees are recommended to use

Principle 7

Businesses should support a precautionary approach to environmental challenges

Principle 8,9

Undertake initiatives to promote greater environmental responsibility





Encourage the development and diffusion of environmentally friendly technologies

emails or digital presentation materials instead of printing paper in the workplace. Also, office printer has been set as default to print on double-sided and an access card is required for printing to reduce wasteful print output. Undoubtedly, we fully support recycling. We provide boxes and bins that are located next to the printers for recyclable paper. Employees are encouraged to use recycled paper for non-official documents printing.

Apart from working area, we also promote green pantry and washroom at our headquarters. Instead of using disposable utensils such as paper cups and plates, we use reusable ones such as ceramic or glass cups and plates to greet our guests and for our employees to use. Signs and memo are posted in washroom to remind employees to save water and use fewer paper towels.

No matter from a business side or internally, AMTD will continue to create an impact to the protection of our environment directly and indirectly.

Our measurement of outcomes

-  Assisted the completion of a **debut US\$300mm 3-year green bond offering for Envision Energy** and assisted **China Boqi Environmental** in its initial public listing
-  Introduced **the AMTD Portal** to digitalize our work flow. **Over 130 employees** of our company use it on daily basis
-  Employees are encouraged to use **double-sided printing** as default and use digital communication when possible
-  **No disposable utensils** such as paper cups and plates in office pantry

Company news

Envision Energy:

http://www.amtdgroup.com/en/pr_2018_05_09

China Boqi Environmental:

http://www.amtdgroup.com/en/pr_2018_03_18

Anti-Corruption

AMTD Group has been committed to working against corruption in all forms. Integrity of the corporate and its staff is a virtue we treasure and emphasize on.

AMTD has established Anti-Corruption Discipline Committee. The Committee is chaired by Mr. Sin Yat Kin, who is the Chief of Staff of the Group and a former Commissioner of Correctional Services of the Hong Kong Special Administrative Region Government. The Anti-Corruption Discipline Committee is responsible for AMTD's internal anti-corruption work and discipline management system, reports to the board of directors, and aims in the continuous improvement of corporate governance structure, to establish the corporate culture connotation of justice, honesty and virtue.

The compliance team of AMTD Group has updated the Anti Money Laundering (AML) and Counter-Terrorist Financing (CTF) Policy to fulfil the latest regulatory requirement. The team has been closely monitoring the upcoming trends of the industry to ensure the Group's anti-corruption measurements comply with the international standard.

At the end of 2017, the compliance team conducted two sessions of internal training on AML and CTF to ensure our staff's awareness of the latest information and requirement in these areas. In addition, we have invited representatives from the ICAC in Hong Kong (Hong Kong Independent Commission Against Corruption) to host the first training session for all AMTD employees.

In the future, AMTD is committed to the concept of "Compliance, Professionalism, Integrity, and Justice" and continues to strengthen the anti-corruption and compliance education for internal employees and requires all employees to strictly abide with the discipline of financial professionals, hold reverence toward discipline and strictly obey the red line of supervision.

Principle 10

Businesses should work against corruption in all its forms, including extortion and bribery.

Our measurement of outcomes

1

Established **Anti-Corruption Discipline Committee**. Appointed former Commissioner of Correctional Services of the HKSAR as the Committee Chair

2

Updated the Anti Money Laundering and Counter - Terrorist Financing Policies to fulfil the latest regulatory requirement

3

Conducted **2 sessions of internal training of over 5 hours** on AML and CTF

Company news

Anti-Corruption Discipline Committee:

http://www.amtdgroup.com/en/pr_2018_04_09



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