

## Corporate Social Responsibility

### Performance pledges

In discharging our regulatory duties, we pledge to be responsive to the general public, market participants, and intermediaries

under our supervision. The following table shows how we met our pledges last year.

Performance pledges			% of cases meeting the pledge in 2006-07
Investor enquiries			
■ Preliminary response to telephone enquiries	4 business days		100%
■ Preliminary response to written enquiries	2 weeks		100%
General enquiries			
■ Preliminary response to enquiries via enquiry@sfc.hk	4 business days		99.7% <sup>1</sup>
Public complaints			
■ Preliminary response to verbal & written complaints	2 weeks		99.8% <sup>2</sup>
Processing of licensing applications <sup>3</sup>			
■ Representatives (provisional licence)	7 business days		90%
■ Representatives (normal licence)	8 weeks		65% <sup>4</sup>
■ Representatives (responsible officers)	10 weeks		90%
■ Corporations	15 weeks		97%
■ Transfer of accreditation	7 business days		87%
Modification/waiver and subordinated loan applications			
■ Acknowledgement of receipt upon receiving any application	2 business days		100%
Investment products authorisation			
■ Take-up of applications upon receipt	2 business days		100%
■ Preliminary response to applicants after take-up for unit trusts, mutual funds, investment-linked assurance schemes and Mandatory Provident Fund pooled investment funds	7 business days		100%
■ Preliminary response to applications after take-up for other schemes	14 business days		100%

<sup>1</sup> Some cases failed to meet the pledge due to the exceptionally heavy workload when the enquiries were received.

<sup>2</sup> Two cases failed to meet the pledge due to its complexity. More time was needed to collect information to facilitate assessment.

<sup>3</sup> Performance pledges only applied to cases where the applicants had supplied all the required documentation in their applications and satisfied all regulatory requirements.

<sup>4</sup> The percentage has fallen (87% in 2005-06) due to the high staff turnover, additional work load (13% increase in the number of licensees compared to the year before) and having had to divert resources to process corporate applications. Nevertheless, the majority of the applications were approved within one to two weeks after the pledge.

### Care for Employees

The SFC considers its staff its greatest asset and treating them well is fundamental to the development of our organisation. We aim to be an employer of choice by providing appropriate and comprehensive remuneration and benefits, personal development opportunities, a healthy and safe environment and a family-friendly workplace. We are pleased to have been able to adopt a five-day week this year which has considerably improved the overall working circumstances of our staff.

As at 31 March 2007, there were 443 staff (2005-06: 441), comprising 402 permanent and 41 temporary staff. At the end of March 2007, 197 (44%) of our staff held professional qualifications. We also employed 69 undergraduates from local and overseas universities as part time interns for periods of several weeks each.

## Corporate Social Responsibility

During the year, our overall staff turnover remained lower than comparable indicators in the financial sector and decreased slightly from last year, from 12.5% to 11.8%. However, the turnover at some middle management grades was relatively higher and is an issue which has been receiving attention in order that this does not impact our overall performance.

We are heavily dependent on recruiting and retaining skilled and dedicated people in fulfilling our role as a regulator and we ensure that our remuneration packages are competitive by benchmarking against market data and other relevant organisations. The structure of our remuneration packages is designed to provide clear incentives for good performance. Accordingly, with increasing seniority increasing amounts of an individual's pay are based on performance. We have also increased the transparency of our remuneration structure this year by explaining clearly to staff how pay rises and bonus payments are determined.

We offer our staff and their families comprehensive insurance on medical, dental, group life, disability and travel. We take precautions for outbreaks of societal communicable diseases and offer vaccination programmes at special rates to staff. We also provide retirement benefit schemes for all of our staff.



Colleagues from the Information Technology Department experienced the importance of team work in a team building workshop.

To ensure that our staff are informed of the SFC's latest developments, goals and priorities, a number of our senior executives have held briefing sessions with staff at various levels. We also conduct staff opinion surveys to understand staff needs and concerns and also to encourage suggestions for improvement. We have established a Staff Social Committee to strengthen communication and working relationships among staff and to provide another channel for communication with senior management.

To facilitate personal development of staff, we sponsor training and study programmes, both locally and overseas, and also professional examinations. We are accredited as an Approved Employer of the Association of Chartered Certified Accountants in recognition of our training and development opportunities. We are also an Authorised Employer of the HKICPA meaning that HKICPA's registered students can acquire qualifying experience from us for their membership admission.

We organised 435 training programmes for our staff during 2006-07 covering industry topics, management skills, language training and information technology. The average training time per employee was 6.21 man-days. We utilise both our own senior staff and outside experts and practitioners to provide industry-related training to staff. During the year, we engaged professional training consultants to organise workshops on a variety of topics including: fixed income, structured products, IT security and control, advocacy skills and testifying in court.

Last year, we introduced a three-tier Structured Management Programme to cater for the development needs of our staff. This programme covers management skills catering for staff at different levels of seniority on topics such as: people management, negotiating and influencing, presentation and public speaking. The programme will run annually and allow all relevant staff to participate.

## Corporate Social Responsibility

We try to contribute to the well-being of our staff through different social and sports activities for staff and their families. These activities include staff lunches and dinners, barbeques, and sports activities like Baduanjin classes, table tennis, badminton and bowling. Last year, our basketball team was runner-up in the Supervisory Cup Basketball Competition 2006 played against other regulatory bodies. We also had a friendly football match with the Monetary Authority of Singapore in the city state. Staff also receive a subsidy to organise recreational activities within their work groups to foster team spirit. Where, on occasion, a member of staff suffers from serious stress, emotional difficulties, interpersonal relationship, marriage, parenting, or mental health issues, a confidential external counselling service is available to the member of staff and their family.

### Care for Society

#### For the environment

We aim to adopt environment-friendly practices in our offices and operations and encourage our staff to contribute to a greener and cleaner environment.

Energy saving light bulbs and low-voltage tubes are used to reduce consumption and offices are visited after office hours to switch off unnecessary lighting and equipment. Our policy of allowing staff to dress smart-casual enables us to avoid unnecessary air conditioning while keeping the room

temperature at a comfortable level. To improve the working environment, we regularly inspect and clean the air-conditioning system, while ceiling-mounted air cleaners are installed in the office to improve air quality. Flow-restricting faucets are used in pantries and washrooms to avoid water wastage. We are also very conscious of our paper usage and regularly remind staff to use fewer paper cups and towels and to recycle paper where practical. We recycle waste paper, envelopes, carton boxes and newspapers. Confidential documents are also collected in sealed boxes for recycling. Wherever possible we use emails and intranet for communication and adopt e-filing and e-faxing to use less paper. With effect from 1 April 2007, we buy our writing paper manufactured from well-managed forests run by the Forest Stewardship Council. By improving the presentation of information in this year's annual report, the number of pages has been reduced by more than 20%. The report is also printed on recycled paper.

As part of our commitment to improvement we have recently reviewed our environmental policies and are developing high level statements on our environmental commitments. During 2007-08, a task force will formulate policies and programmes to improve our environment-friendly practices and to benchmark our practices against applicable standards.

#### For the people around us

We aim to contribute to the well-being of the community in which we operate and encourage staff to actively support voluntary activities.