

# Environmental, Social and Governance

As a statutory regulator, we strive to maintain high standards in our operations and fulfil our public mission. Our core values of integrity, transparency and public accountability guide all our actions. Maintaining sound corporate governance is crucial for effective delivery of our regulatory policies. We are dedicated to social responsibility and sustainability by leading both local and global initiatives.



# Corporate Governance

## Adopting effective governance framework

We are firmly committed to upholding a robust corporate governance framework that comprises a well-defined governance structure, high standards of conduct, efficient operational and financial control procedures, and effective checks and balances. This is essential to ensuring that we carry out our work as a statutory regulator efficiently and effectively, fairly and with integrity, and is in line with best governance practices for public bodies, including those set out in *Corporate Governance for Public Bodies – A Basic Framework*<sup>1</sup>.

## Our Board

The SFC Board plays a pivotal role in setting the overall strategies of the organisation and ensuring that management effectively carry out our duties to the fullest extent.

## Constitution

The Securities and Futures Ordinance (SFO) stipulates the constitution and proceedings of our Board. Board members are appointed for a fixed term by the Chief Executive of the Hong Kong Special Administrative Region (HKSAR) or the Financial Secretary under delegated authority. Their appointment terms and conditions are determined by the HKSAR Government. Board members' emoluments for the year are detailed on page 148.

As of 31 March 2025, the Board comprised a majority of Non-Executive Directors (NEDs), accounting for 56% of the Board, ie, nine NEDs, including the Chairman; and seven Executive Directors (EDs), including the Chief Executive Officer (CEO).

With diverse backgrounds, our NEDs bring a wealth of experience, expertise and independent perspectives to the Board. Together, the Board contributes to the development of the SFC's policies by providing strategic insights.

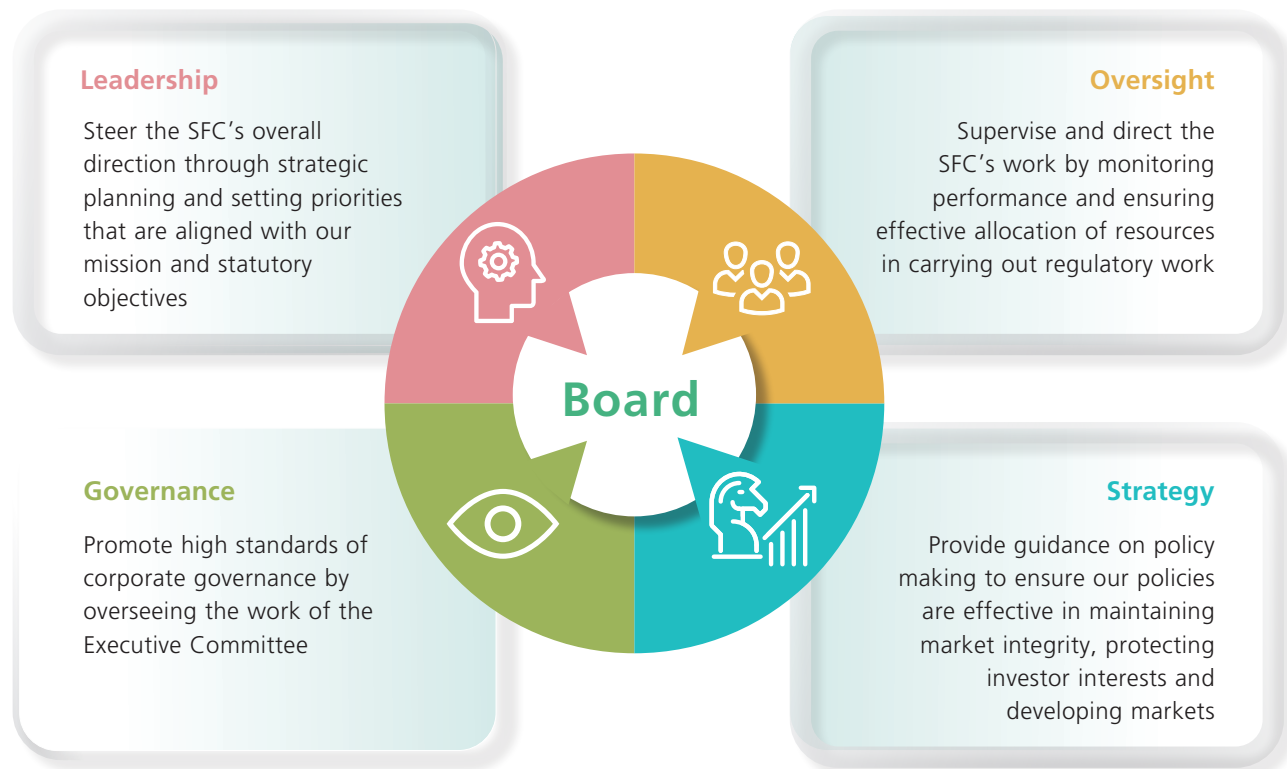
See pages 22-29 for the full list of Board members and their biographies.

## Key components of our governance framework



<sup>1</sup> Published by the Hong Kong Institute of Certified Public Accountants.

### Key responsibilities of the Board



### Chairman and CEO

The non-executive Chairman and the CEO each has distinct roles and responsibilities. The clear division of duties entails a more effective corporate governance structure.

#### Chairman

- Develop an effective Board in pursuit of the SFC's objectives and functions:
  - strengthening the integrity and resilience of the securities and futures markets;
  - enhancing the global competitiveness of Hong Kong's capital markets through timely reform and visionary strategies;
  - leading financial market transformation; and
  - enhancing the SFC's institutional resilience and operational efficiency
- Lead the Board as a team

- Lead the Board in its setting of the overall directions, policies, strategies, agendas and priorities of the SFC
- Provide a source of counsel and challenge to the CEO on how the SFC is run, including giving feedback to the CEO on senior management performance, development and succession, and organisational structure
- Evaluate the effective functioning of the Board, SFC's committees and individual directors

#### CEO

- Assume executive responsibility for the SFC's day-to-day operations
- Develop strategic objectives, including setting the SFC's agendas and priorities, and implement them as agreed with the Board
- Assign responsibilities to senior management and supervise their work
- Report regularly to the Board



## Corporate Governance

### Executive Directors and Non-Executive Directors

Our EDs and NEDs play different but complementary roles. The EDs are entrusted with managing the SFC's daily operations and each has executive duties in key functions – listings, takeovers and corporate conduct, licensing and supervision of intermediaries, market infrastructure, investment products, enforcement and legal services. The NEDs provide guidance on and monitor the performance of the SFC's various functions.

### Governance practices

Upholding top-notch corporate governance standards is our priority. The Board establishes governance culture, as well as clear and proper policies and processes, to work in an efficient and accountable manner. Monthly meetings, quarterly policy meetings and special meetings are held as needed for the Board, as well as an annual retreat. Furthermore, we hold induction briefings for new NEDs to enable them to better understand the organisation, its functions and powers, and their responsibilities.

The Board is tasked with ensuring effective corporate governance while the Secretariat is charged to provide secretarial support to the Board regarding governance issues. The Secretariat is part of the Secretariat and External department within CEO's Office. It oversees organisation-wide initiatives, assisting the Board and the CEO in directing work processes to enable good governance, enhance efficiency and manage changes. It is responsible for the SFC's overall external development and stakeholder management, acting as the central relationship point with the HKSAR Government, the Legislative Council (LegCo) and its members, fellow regulators, other public bodies and industry associations. It also handles complaints received from the public, and oversees the SFC's publications and social media. The Commission Secretary and Chief Governance Officer is the head of Secretariat and External department. He serves as the secretary to the Board, and is a member of the Executive Committee (ExCo). He is also the Data Privacy Officer of the SFC responsible for ensuring the SFC's compliance with the data privacy rules and standards.

### Board evaluation

The Board continues to improve its effectiveness in different ways. As part of a self-assessment it conducts every other year, each board member is invited to complete an anonymous questionnaire on how well the Board is performing its key responsibilities. An analysis of the findings is presented to the Board at its retreat meeting to consider areas for improvement.

### Board appointments

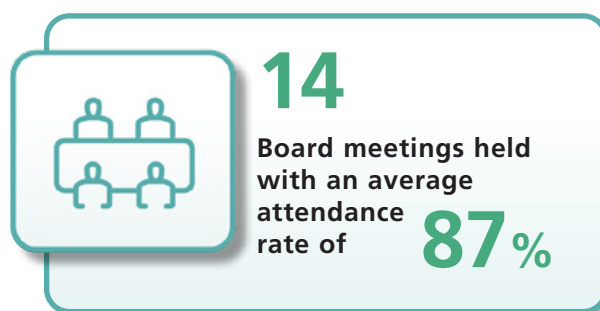
Dr Kelvin Wong Tin-yau, SBS, JP, was appointed the Chairman of the SFC for a term of three years, effective 20 October 2024. He succeeded Mr Tim Lui, GBS, JP, who stepped down on 19 October after chairing the SFC for six years.

Mr Vincent Chan Chun-hung and Mr Keith Pogson were appointed NEDs for a term of two years from 1 August 2024 and 20 October 2024, respectively. Mr Victor Dawes, SC, BBS, and Mr Chew Fook-aun were re-appointed NEDs for a term of two years, effective 1 August 2024 and 1 January 2025, respectively.

Dr James Lin and Ms Agnes Chan, BBS, stepped down as NEDs in July and October 2024, respectively.

Dr Eric Yip Chee-hang was appointed ED for three years, effective 2 May 2024.

Mr Tony Tang Xiaodong and Mr Michael Wong Yick-kam, SBS, MH, JP, were appointed and re-appointed NEDs for a term of two years from 24 April 2025 and 1 April 2025, respectively.

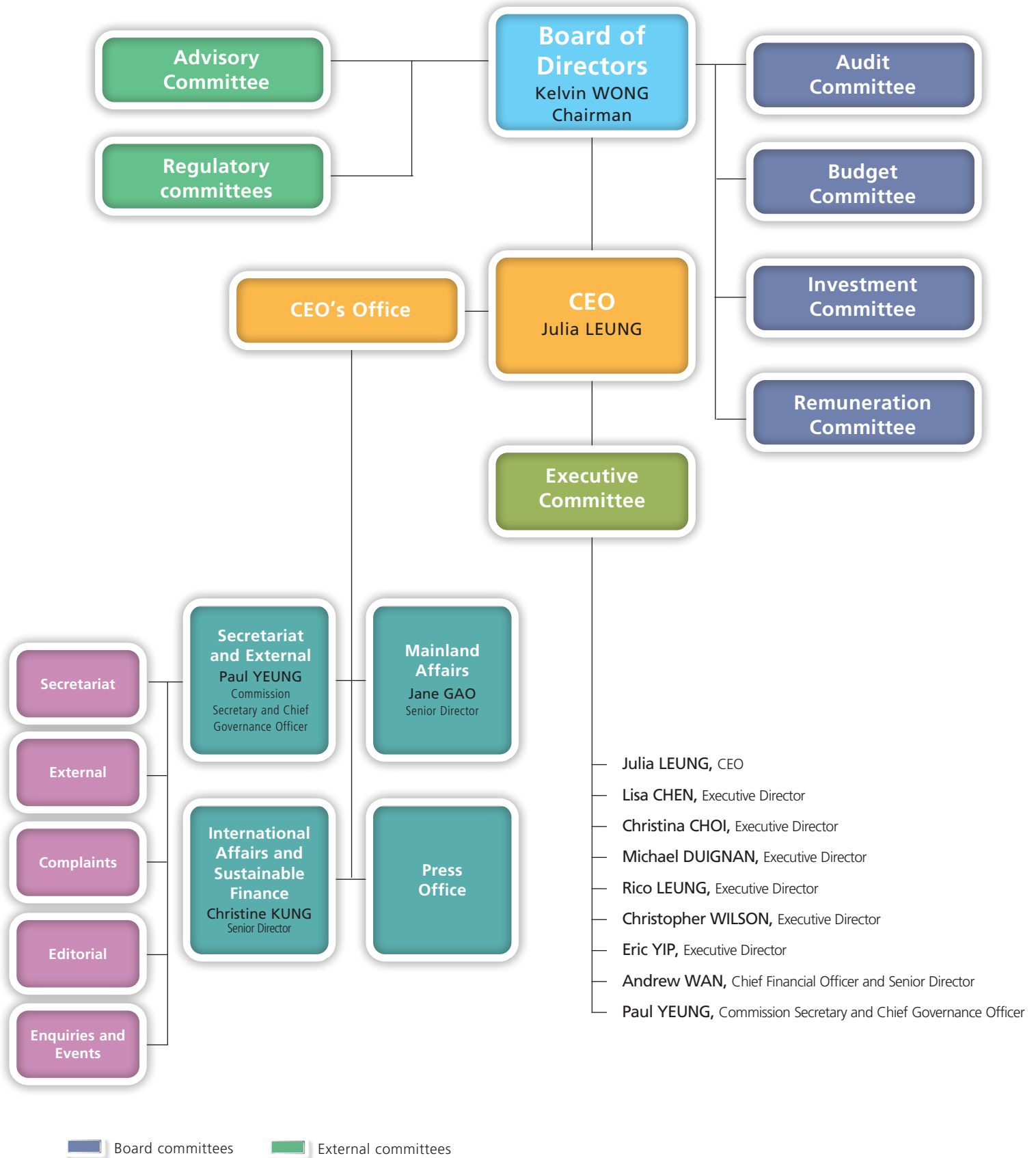


### Board meetings

In addition to monthly meetings, the Board meets from time to time to discuss policy issues in depth and convenes special meetings as needed to address key matters. It also holds an annual retreat meeting to set out strategic objectives and management priorities to effectively steer the SFC towards the desired goals.

Last year, 14 Board meetings were held with an average attendance rate of 87%.

Organisational structure



## Meeting attendance record

Meetings attended/held	Board	Audit Committee	Budget Committee	Investment Committee	Remuneration Committee	Executive Committee
<b>Chairman</b>						
Tim Lui Tim-leung <sup>1</sup>	7/7	2/2	–	–	–	–
Kelvin Wong Tin-yau <sup>2</sup>	7/7	1/1	–	1/1	1/1	–
<b>Executive Directors</b>						
Julia Leung Fung-yee	14/14	–	1/1	1/1	–	15/16
Lisa Chen Ping	14/14	–	–	–	–	15/16
Christina Choi Fung-yee	11/14	–	–	–	–	13/16
Michael Duignan	12/14	–	–	–	–	14/16
Rico Leung Chung-yin	12/14	–	–	–	–	16/16
Christopher Wilson	12/14	–	–	–	–	13/16
Eric Yip Chee-hang <sup>3</sup>	13/13	–	–	–	–	10/14
<b>Non-Executive Directors</b>						
Agnes Chan Sui-kuen <sup>4</sup>	6/7	2/2	–	–	–	–
Chew Fook-aun <sup>5</sup>	13/14	–	1/1	1/1	1/1	–
Victor Dawes	10/14	1/3	–	–	1/1	–
Johnson Kong	13/14	3/3	1/1	–	1/1	–
James C Lin <sup>6</sup>	5/5	1/1	–	–	–	–
Nicky Lo Kar-chun	13/14	–	1/1	0/1	1/1	–
Michael Wong Yick-kam	13/14	–	–	1/1	0/1	–
Dieter Yih <sup>7</sup>	13/14	2/3	1/1	–	1/1	–
Vincent Chan Chun-hung <sup>8</sup>	9/9	–	–	–	1/1	–
Keith Pogson <sup>9</sup>	7/7	1/1	–	–	1/1	–
<b>Commission Secretary and Chief Governance Officer</b>						
Paul Yeung Kwok-leung	–	–	–	–	–	16/16
<b>Chief Financial Officer</b>						
Andrew Wan Chi-yiu	–	–	–	1/1	–	12/16
<b>Interim Head, Intermediaries</b>						
Keith Choy Chung-fai	–	–	–	–	–	1/2

<sup>1</sup> Appointment expired on 19 October 2024.

<sup>2</sup> Appointed as Chairman of the Board and Investment Committee and a member of Audit Committee and Remuneration Committee effective on 20 October 2024.

<sup>3</sup> Appointed as ED, Intermediaries, and a member of ExCo effective on 2 May 2024.

<sup>4</sup> Appointment expired on 19 October 2024.

<sup>5</sup> Appointed as a member of the Investment Committee effective on 20 October 2024.

<sup>6</sup> Appointment expired on 31 July 2024.

<sup>7</sup> Appointed as a member of the Budget Committee effective on 20 October 2024.

<sup>8</sup> Appointed as a member of the Board and Remuneration Committee effective on 1 August 2024.

<sup>9</sup> Appointed as a member of the Board, Audit Committee and Remuneration Committee effective on 20 October 2024.

## Corporate Governance

### SFC committees

#### Board committees

Each of our four Board committees has a distinct focus on well-defined areas of the SFC's operations and is chaired by an NED. The involvement and active participation of the NEDs provide effective checks and balances to scrutinise our management decisions to ensure their soundness and efficacy.

##### Audit Committee

3 Meetings

###### Responsibilities

- Reviews annual financial statements
- Recommends the appointment of external auditors
- Coordinates the scope of the external audit and reviews audit findings
- Examines management procedures to ensure effective financial and internal controls

5  
NEDs

##### Budget Committee

1 Meeting

###### Responsibilities

- Examines and approves the parameters and bases used in the annual budget
- Conducts the mid-year budget review
- Reviews the annual budget and makes recommendations to the Board

4  
NEDs

1  
ED<sup>^</sup>

##### Investment Committee

1 Meeting

###### Responsibilities

- Advises on the SFC's fund management policies, strategies and investment guidelines
- Recommends the appointment of investment managers and advisers and monitors their performance including compliance with the investment guidelines
- Advises on investment risk management and asset allocation and monitors the performance of investments

4  
NEDs

1  
ED

1  
Senior Director<sup>^</sup>

##### Remuneration Committee

1 Meeting

###### Responsibilities

- Reviews the structure and level of staff remuneration
- Reviews trends in remuneration packages and recommends adjustments
- Considers other matters as required, including recommendations to the Government on EDs' remuneration and re-appointments

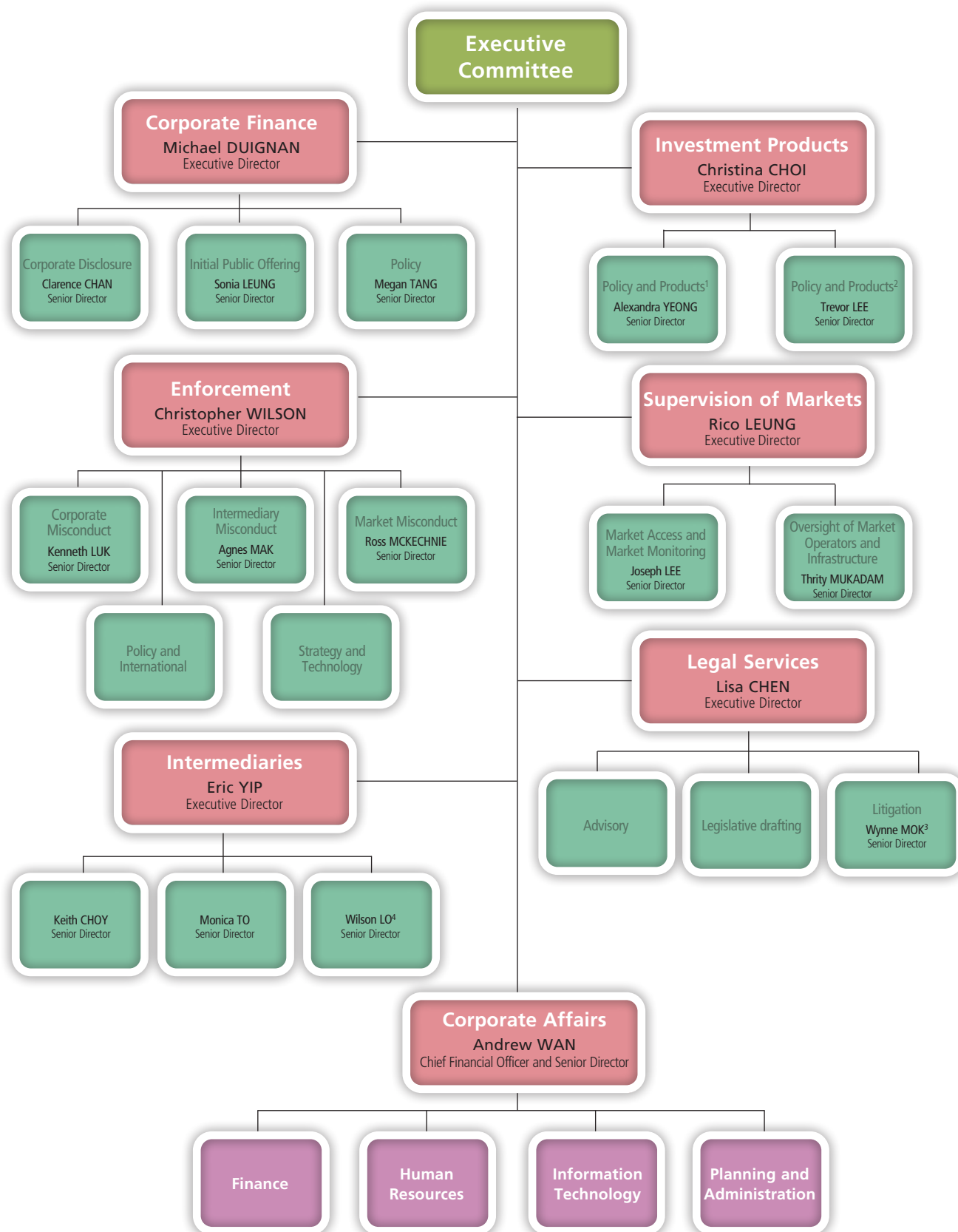
9  
NEDs

<sup>^</sup> In a non-voting capacity.

#### Executive Committee

ExCo, being the highest executive body, carries out a wide range of administrative, financial and management functions as delegated by the Board and ensures the SFC functions effectively. Chaired by the CEO, ExCo comprises all other EDs, the Chief Financial Officer and Senior Director of Corporate Affairs, and the Commission Secretary and Chief Governance Officer.

ExCo convenes regular meetings to deliberate on policy and operational proposals and expense requests from different divisions. Throughout the year, 16 ExCo meetings were held with an average attendance rate of 91%.



<sup>1</sup> Relating to the International Organization of Securities Commissions, environmental, social and governance, mandatory provident funds, pooled retirement funds, structured products, unit trusts and mutual funds.

<sup>2</sup> Relating to the Mainland, exchange-traded funds, investment-linked assurance schemes, real estate investment trusts, unit trusts and mutual funds.

<sup>3</sup> Appointment took effect on 1 April 2025.

<sup>4</sup> Appointment expired on 9 May 2025.



## Corporate Governance

### Executive Committee



- |                       |                         |                         |                            |                       |
|-----------------------|-------------------------|-------------------------|----------------------------|-----------------------|
| 1. Christopher WILSON | 2. Michael DUIGNAN      | 3. Lisa CHEN Ping       | 4. Paul YEUNG Kwok-leung   | 5. Andrew WAN Chi-yiu |
| 6. Eric YIP Chee-hang | 7. Rico LEUNG Chung-yin | 8. Julia LEUNG Fung-yee | 9. Christina CHOI Fung-yee |                       |

### New Non-Executive Directors on Board

During the year, Mr Vincent Chan and Mr Keith Pogson joined the SFC Board as NEDs.

Mr Chan brings a wealth of industry expertise to the SFC Board, as an experienced private equity investor focusing on technology and early-stage ventures. He was also Chairman of Hong Kong Venture Capital and Private Equity Association as well as a long-serving member of the Listing Committee and Listing Review Committee of the Hong Kong Exchanges and Clearing Limited (HKEX). He is an Investment Committee Member of the University of Hong Kong Investments Sub-Committee managing the endowment fund.

As an SFC NED, Mr Chan aims to align institutional investors' expectations with our regulatory framework, ensuring that both listed issuers and listing applicants provide more precise and accurate disclosures. He also expects the SFC to always uphold the highest standards of governance and transparency to ensure Hong Kong's status as a world-class international financial centre.



*"Public shareholders should have full confidence in and thorough understanding of the SFC's mission to maintain a market-driven and vibrant financial ecosystem in Hong Kong. This will facilitate innovative market ideas and creative policies to help Hong Kong stay competitive in the current divided landscape."*

Vincent Chan



*"Hong Kong's history of pragmatic regulation has cemented its reputation as a leading financial centre. As an SFC NED, I look to leverage my professional experience, regulatory understanding and financial services knowledge to advise the SFC on how to maintain a good balance between regulation and development, keeping the market safe yet efficient."*

Keith Pogson

Mr Pogson has recently been the Chair of the Listing Committee of the Stock Exchange of Hong Kong and former President of the Hong Kong Institute of Certified Public Accountants. These roles have equipped him with profound knowledge of corporate governance processes and a solid understanding of divergent interests and views in society, helping him to contribute to the SFC's governance.

Mr Pogson advocates a governance-centric mindset, emphasising the importance of "walking the talk" to bring governance concepts alive. He believes this approach should be reflected in the Board's operations and its oversight of the market, including HKEX and listed issuers.

Meanwhile, he sees challenges in finding the "sweet spot" among different priorities — maintaining an orderly market without stifling market development. This balancing act would require diverse perspectives, and NEDs play a crucial role in bringing an outside-in view to the dialogue.

### New Executive Director, fresh perspectives

Dr Eric Yip joined the SFC as ED of Intermediaries in May 2024, bringing with him in-depth market knowledge and extensive industry experience across Hong Kong and Mainland China. To him, joining the SFC feels like “homecoming” as he is reunited with many familiar colleagues he crossed paths with during his days as a market practitioner.

Now heading the SFC’s Intermediaries Division, he believes true leaders nowadays need to embrace changes. He describes his leadership style as “curiosity-driven”, thriving on humility and urgency to better anticipate emerging risks and opportunities.

As a champion of teamwork, Dr Yip considers his team’s collective goal is to align seamlessly with the SFC’s strategic priorities, with a focus on enhancing intermediaries’ operation and market conduct. As the securities market is always evolving, his team is exploring innovative supervisory technology tools for better assessment, as well as prioritising resources towards offsite monitoring and thematic inspections.



*“I always ask my team to challenge my thinking – after all, I am still a rookie regulator learning the trade. In the end, progress is a team sport, and I feel truly honoured to be teammate with the very best.”*

*Dr Eric Yip*

He stresses that market development is never a solo sport and requires the regulators’ unwavering dedication to collaboration. Through initiatives including the SFC’s **ASPIRe** roadmap<sup>a</sup> for virtual assets and proactive industry engagement, he believes constructive dialogues and interactions with market practitioners are key to strengthening the competitiveness of Hong Kong’s capital market.

<sup>a</sup> See “Leading financial market transformation through technology and ESG” on pages 72-79.

### External committees

Established under the SFO, external committees are made up of a large number of members outside the SFC. They represent diverse perspectives of market participants and play a crucial role in the SFC’s governance.

The Advisory Committee provides insights and advice on policy matters concerning the SFC’s functions. The majority of members are external representatives appointed by the Financial Secretary under authority delegated by the Chief Executive of the HKSAR. The Committee is headed by the Chairman and its members include the CEO and not more than two other EDs.

In addition, each regulatory committee specialises in certain areas such as investment products, shareholders’ rights and interests, takeovers and mergers, continuous professional training for licensees and investor compensation. Members are appointed by the Board and consist of NEDs, EDs, industry representatives and other stakeholders. There were 14 regulatory committees as at the end of March 2025.

See pages 201-211 for the responsibilities and membership lists of the external committees.

### Formulating strategic plans

As the financial regulator of a leading international financial centre (IFC), we formulate our strategic plans to guide our regulatory work through changing market developments and regulatory landscape. In particular, we see the importance to set strategic priorities to steer market developments and maintain Hong Kong's status as a leading IFC. At its annual retreat during the year, the Board discussed market outlook and forward-looking initiatives of the SFC, which facilitates our formulation of priorities for the upcoming years. Details are set out in "Strategic Priorities" on pages 12-19.

### Upholding standards of conduct

As an effective regulator, we uphold a high standard of integrity and conduct to instil and preserve public trust. Besides their legal obligations, staff are obligated to adhere to our code of conduct which covers confidentiality, conflicts of interest, personal investments and acceptance of gifts and hospitality. Failure to comply with the code may result in disciplinary action. During the year, we revised and updated both the code of conduct for our staff, and our financial control policies and procedures to ensure they are effective and robust.

### Maintaining accountability and transparency

We have established rigorous policies and procedures to ensure that we act with credibility, fairness and transparency.

### Delegation of authority

A comprehensive system of delegation of authority is in place, under which the authority of the Board and different levels of the executive management are clearly delineated. As permitted under the SFO, the Board delegates regulatory powers and functions to the CEO and other EDs, who have the power to sub-delegate to staff in their respective divisions to facilitate the discharge of their duties.

### Budgeting

Each year, our annual budget is prepared following a disciplined and prudent approach in order to maintain rigorous financial control and plan for the financial year. This involves detailed management of expenditure by adhering to our sound internal financial controls, making practical assumptions and determining ways to deploy resources to fulfil our strategic priorities and operational needs.

We promote the efficient use of our resources and request divisions to prioritise essential activities, adopt cost-saving initiatives, enhance the use of available resources, and reduce or eliminate non-essential activities. After the Budget Committee's consideration and the Board's approval, the annual budget is submitted to the Financial Secretary for approval and then tabled before LegCo. We also present our budget each year to LegCo's Panel on Financial Affairs.

### Investment

The SFC's reserves are conservatively invested to achieve our objective of long-term financial sustainability and meet our operational needs. Management of our reserves adheres to the investment guidelines approved by the Financial Secretary to ensure appropriate and prudent risk management so that our reserves remain secure and can support our future needs.

The Investment Committee, one of our Board committees, advises the SFC on investment management policies and guidelines, risk management, investment performance, strategies and asset allocation.

We have delegated the selection and management responsibilities for our investments to reputable external investment managers, which are mandated to comply with the investment guidelines and regularly review their compliance in this regard. The external investment managers have confirmed that they adopt the Principles of Responsible Ownership<sup>2</sup> in their undertakings to manage these investments.

<sup>2</sup> Issued by the SFC in March 2016, these voluntary principles aim to provide guidance on how investors should fulfil their ownership responsibilities in relation to investments in Hong Kong listed companies.



## Corporate Governance

### Financial control and reporting

In order to ensure the appropriate management and use of public funds, we adhere to strict financial controls and reporting procedures that are deeply embedded in our processes. Each year, we engage an external and independent professional services firm to review our compliance with those controls and procedures, and reassess their continued appropriateness, effectiveness and robustness.

We voluntarily observe applicable requirements stipulated in the Hong Kong Companies Ordinance when preparing our financial reports, and adopt the Hong Kong Financial Reporting Standards for preparing financial statements and disclosing financial information.

In addition, we keep in view the best market practices to ensure that our financial reports are transparent and informative for our stakeholders. Our practices include:

- Selecting relevant accounting policies and applying them consistently
- Appointing an external firm to conduct an interim review and annual audit
- Presenting our interim and annual financial statements to the Audit Committee for consideration
- Seeking the Board's approval of quarterly and annual financial statements and publishing them in our quarterly and annual reports
- Reporting key financial data to the Board and ExCo every month
- Providing regular reports to the HKSAR Government

### Handling complaints and grievances

We firmly believe in upholding our principles of accountability and transparency, which extend to every aspect of our operations, including our complaints handling procedures. Reports of improper practices of the SFC or our staff can be filed under our procedures for handling complaints against the SFC or its employees. These encompass dissatisfaction with the SFC or our staff in carrying out our duties. Detailed procedures for members of the public to lodge a complaint with us are available on our website.

### Efficient use of resources

Our regular reviews of corporate resources ensure that we operate efficiently by identifying our needs and strategic priorities, and allocating resources accordingly.

We endeavour to identify opportunities to enhance efficiency and reduce recurrent costs. Our largest cost-saving measure of late was the acquisition of office floors in the One Island East building, Quarry Bay, which has improved our cashflow by saving rental payments and also avoids future potential rental increases.

As the co-owner of the One Island East office premises, we are able to allocate resources more effectively, and ensure that we can maintain the office environment to the highest standards. We have established closer cooperation with Swire Properties' building management through regular owner's committee meetings to discuss future developments of the office area. We have enhanced our office maintenance to more frequent schedules, and allocated appropriate resources to improve our office facilities with more flexibility, creating a higher-quality workplace for our employees.

We strategically configure resource allocation across the organisation to align with our priorities to deliver robust supervision and enforcement action. In response to the rapidly evolving and increasingly complex markets, we set up cross-divisional project teams to work on initiatives related to the functions of multiple divisions in order to formulate timely and effective regulatory responses. We have also enhanced a number of operational processes with digitisation and automation. The use of traditional and generative artificial intelligence further improves our operational efficiency. See "Enhancing SFC's institutional resilience and efficiency" on pages 80-95 for more details.



### Supporting sustainability

As a socially responsible organisation, we are dedicated to addressing the full range of risks arising from climate change and sustainability issues. We implement a sound framework for corporate governance around related risks and opportunities in this area. We commit ourselves to becoming a carbon-neutral organisation before 2050, in line with the HKSAR Government's climate action plan. Additionally, we set an interim target to reduce 50% of our total carbon emissions by 2030. See "Sustainability" on pages 112-118 for more details of our work.

### Fostering external communications

To help our stakeholders better understand our work and policies, we engage with a broad range of stakeholders including the HKSAR Government, LegCo members, the financial services industry, regulatory counterparts and the general investing public in a timely and effective manner. We have adopted a more proactive approach in our external communications particularly in light of changing market developments and public expectations. A wide range of publicity activities, advertising campaigns and education initiatives are conducted through both offline and online channels including social media. See "Maintaining market resilience and mitigating serious harm to our markets" on pages 36-52 for more details.

We also reach out to the industry and the public to explain our policies and listen to their views through workshops, seminars and other activities. We attend meetings at LegCo to present our budget, explain policy initiatives and other issues of public interest. See "Enhancing SFC's institutional resilience and efficiency" on our outreach initiatives on pages 80-95 for more details.

In addition to responding to public enquiries, we handle complaints from the public with integrity. During the year, three staff members (from Secretariat and External department, and Enforcement Division) received the Ombudsman's Awards for Officers of Public Organisations 2024 in recognition of their exemplary performance in complaint handling. The awards help foster a positive culture of service in the public sector.

### Managing risks proactively

To perform our regulatory functions effectively in a dynamic market environment, it is important for us to identify, assess and manage both external and internal risks in a timely and systematic manner. We adopt a wide range of tools to monitor risks to the market and our organisation, and implement effective control measures or regulatory response to mitigate the potential risks that may affect the market or our operations.

### Mitigating market risks amid uncertainty

Hong Kong's financial market sentiment has improved with increased turnover given policy support introduced by the Mainland authorities. Whilst the market may experience volatility at times following sharp rallies, trading has remained orderly with smooth settlements. We have not observed any irregularities which may pose systemic risk or seriously affect financial stability.

We have put in place a comprehensive framework to monitor a broad array of asset classes to detect possible vulnerabilities and gauge investor sentiment. Proprietary indicators have been developed to monitor market trends, trading patterns and changes in positions across various market segments. We analyse factors affecting the latest market developments, including performance, volatility, as well as trading activities in both stock and derivatives markets (including exchange-traded and over-the-counter derivatives). Hong Kong markets are benchmarked against major overseas markets based on these indicators and developments. To detect irregularities, we conduct holistic assessment of potential systemic risks arising from positions across the markets. We aim at detecting irregularities such as concentration and building up of positions, and identify the latest trends and sharp changes, which may have a systemic impact on the stock and derivatives markets. In times of high market volatility, we make ad-hoc requests for additional reporting of information from major market participants to better assess risks in the stock and derivatives markets.

## Corporate Governance

We closely monitor trading activities of different investor types based on data collected under the Hong Kong investor identification regime (launched in March 2023). In addition, our cross-divisional Risk Review Group identifies and assesses potential and emerging risks facing the SFC and the Hong Kong market at large.

Furthermore, we keep in close contact with the HKSAR Government and other financial regulators to share intelligence about market conditions and assess possible developments with systemic implications. Our market contingency plan sets out measures for dealing with emergency scenarios which may affect Hong Kong's securities and futures markets.

### Safeguarding against risks internally

Our function and operation as a financial regulator are subject to risks in an ever-changing financial landscape, including financial risks and threats to our information and office security. Our financial control policies and procedures ensure that we uphold a high standard of integrity and exercise rigorous controls on the use of public funds.

To provide for safe and smooth operations, we regularly update our business resumption plan to address readily identifiable risks and emergencies covering office premises, communications and computer services. Apart from appointing an external auditor, we engage an independent firm to conduct internal audits to assess the effectiveness of our controls and identify the major risks of our key operational processes. After approval by the Audit Committee, the scope of each annual review may cover a number of areas, including banking and investment, finance, procurement, human resources and information technology. The findings, together with recommendations, are reported back to the Audit Committee and enhancements to related policies and procedures are then made where necessary.

To facilitate compliance with the Personal Data (Privacy) Ordinance, we have designated the Commission Secretary and Chief Governance Officer as the Data Privacy Officer. We also have a data privacy manual and provide staff with a quick guide comprising frequently asked questions and illustrative examples.

Our information security policy provides guidance on safeguarding the confidentiality and integrity of information and is frequently updated to keep up with technological and operational changes. For effective communication and risk management, we refine our information security practice to address the key cybersecurity risks to which the SFC is exposed. To empower our staff to defend against cyber-attacks, we have revamped our information security training platform to deliver the most current training on cybersecurity threats. We also deploy timely updates to the access controls of our information and systems to protect them from unauthorised access, use or modification. Additionally, we consult external experts, partners and law enforcement agencies to gather the latest intelligence; we also conduct cybersecurity assessments and drills to strengthen our security posture against evolving threats.

### Ensuring independent checks and balances

Independent bodies play an important role in maintaining a fair and balanced approach to our operational work. They are responsible for conducting external checks and balances to ensure fairness in our

decision making, observance of due process and proper use of our regulatory powers. The Process Review Panel and the Securities and Futures Appeals Tribunal scrutinise our actions and procedures. In addition, we are subject to judicial review by the courts and indirect oversight by the Ombudsman.

Independent body	Relevant functions	SFC-related tasks handled
 <b>Process Review Panel</b> <ul style="list-style-type: none"><li>• An independent panel established by the Chief Executive of the HKSAR in 2000</li><li>• Comprises representatives from various sectors and two ex-officio members, namely the SFC Chairman and a representative from the Department of Justice</li></ul>	<ul style="list-style-type: none"><li>• Reviews and advises on the adequacy of our internal procedures and operational guidelines, including those for the handling of complaints and licensing applications, inspection of intermediaries, product authorisation, corporate finance transactions and the exercise of investigation and disciplinary powers</li></ul>	<ul style="list-style-type: none"><li>• Reviewed 60 cases and published its annual report in October 2024</li></ul>
 <b>Securities and Futures Appeals Tribunal</b> <ul style="list-style-type: none"><li>• Chaired by current or former judges appointed by the Chief Executive of the HKSAR and comprising two other members drawn from a panel appointed by the Financial Secretary under delegated authority</li></ul>	<ul style="list-style-type: none"><li>• Reviews specified decisions made by the SFC or the Investor Compensation Company Limited</li><li>• Has power to confirm, vary or set aside decisions made by the SFC (and where a decision is set aside, substitute any other decision it considers appropriate) or refer the matter back to the SFC with directions</li></ul>	<ul style="list-style-type: none"><li>• Received a request to review one new case, which was subsequently withdrawn</li><li>• Held substantive hearing for one case brought forward from 2023-24</li><li>• Dismissed application for review of one case brought forward from 2023-24</li><li>• Refused two applications for extension of time to file an application for review</li></ul>
 <b>The Ombudsman</b>	<ul style="list-style-type: none"><li>• Handles public complaints against the SFC and its staff for alleged maladministration</li></ul>	<ul style="list-style-type: none"><li>• Conducted no preliminary inquiries</li></ul>
 <b>Courts</b>	<ul style="list-style-type: none"><li>• Handle judicial reviews of SFC decisions</li></ul>	<ul style="list-style-type: none"><li>• Handling one judicial review case brought forward from 2023-24</li></ul>

Environmental,  
Social and  
Governance

# Sustainability

As a sustainable organisation, the SFC integrates sustainability considerations into its corporate and regulatory strategy. We continue to make sustainability disclosures with reference to the Recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD)<sup>1</sup>, which outline our key initiatives to build resilient and transparent securities markets and decarbonising our operations.

## Governance

### Board and management's role

We have a well-defined corporate governance structure to consider climate and sustainability-related matters. Chaired by Chief Executive Officer (CEO) Ms Julia Leung, the SFC's cross-divisional Sustainable Finance Working Group reports regularly to senior management and the Board on the development of regulatory policies, local and international engagement, and the progress of the SFC's decarbonisation efforts.

## Strategy

### Risks and opportunities on our regulatory initiatives and operational activities

Climate change poses physical and transition risks to the economy and financial ecosystem. Regulators can support financial sectors in managing these risks, help mitigate greenwashing risks and facilitate effective capital allocation for low-carbon transition.

We strive to lead financial market transformation through a sustainable finance policy framework. Guided by our *Agenda for Green and Sustainable Finance*<sup>2</sup>, we take a climate-first approach and promote market transparency and investor protection. We decarbonise our operations and conduct scenario analysis to evaluate climate resilience of our operations.

Climate and sustainability issues are cross-border and cross-sectoral. The SFC leads international regulatory discussions to develop best practices and recommendations on sustainable finance, which help inform domestic policy. We also spearhead local initiatives to bolster Hong Kong's position as a leading sustainable and transition finance hub. Key foci include alignment with international standards, promotion of data and technological solutions and building industry capacity and talent pool to scale sustainable finance.

## Risk management

### Our processes for identifying, assessing and managing risks

Our cross-divisional Risk Review Group identifies and monitors potential and emerging risks faced by the SFC, including those relating to climate and sustainability, and reports to senior management and the Board regularly.

To ensure that we effectively identify, assess and manage climate and sustainability-related risks, we monitor and adopt measures to reduce our greenhouse gas emissions, address greenwashing risks, build our internal as well as industry capacity, enhance investor protection, and participate in local and international stakeholder engagement activities.

## Metrics and targets

### Our emissions and decarbonisation efforts, metrics for risk assessment, and targets

In line with the HKSAR Government's climate goals, we aim to achieve carbon neutrality before 2050. In 2024-25, we undertook various decarbonisation initiatives, resulting in 50.8% reduction of our total carbon emissions against the baseline. Our Scope 1, 2, and 3 emissions are disclosed on page 118 in this report.

<sup>1</sup> The TCFD was established in 2015 to help identify the information needed by investors, lenders, and insurance underwriters to appropriately assess and price climate-related risks and opportunities. The final TCFD Recommendations, issued in 2017, cover four core areas: governance, strategy, risk management, and metrics and targets.

<sup>2</sup> We published the agenda in August 2022 to set out further steps to support Hong Kong as a regional green and sustainable finance centre.

**This section outlines how we incorporate climate and sustainability considerations into our regulatory initiatives and our organisation's activities. It is structured with reference to the TCFD Recommendations.**

We take the lead in advancing Hong Kong as an international sustainable finance hub. With a view to maintaining the transparency and integrity of our capital markets and enhancing investor protection, we develop an effective regulatory framework for supporting low-carbon transition, combatting greenwashing, and building industry capacity and awareness.

Within the SFC, we integrate climate and sustainability into our internal policies and manage related risks in our operations. We support the HKSAR Government's climate strategies and have committed to reducing 50% of our total carbon emissions by 2030 and achieving carbon neutrality before 2050.

### Governance: Comprehensive framework for sustainability

We practise robust corporate governance through the Board and senior management oversight in relation to climate and sustainability-related risks and opportunities<sup>3</sup>. Our cross-divisional Sustainable Finance Working Group, led by our CEO Ms Leung, coordinates policy initiatives and corporate activities in line with our sustainable finance strategy. Members of this group report to the Executive Committee (ExCo) and the Board periodically.

Our International Affairs and Sustainable Finance team<sup>4</sup> is responsible for coordinating our sustainable finance efforts at the local, regional and global levels. The team advises the Board, ExCo and senior management on our sustainability strategies and coordinates with the HKSAR Government, local and international regulatory agencies and stakeholders to formulate and implement related initiatives.

The SFC's Investment Committee enquires into how and to what extent our external fund managers incorporate environmental principles into their investment and risk analysis processes. To ensure their compliance with the SFC's Principles of Responsible Ownership, we regularly communicate with our external fund managers and have engaged an independent consultant to oversee and assess their commitment and practices.

### Strategy: Maintain transparent markets and protect investors

Leading financial market transformation through technology and environmental, social and governance (ESG) is one of our strategic priorities for 2024-26. We strive to advance Hong Kong's position as a sustainable and transition finance hub both internationally and in the Asia-Pacific (APAC) region, including in the Guangdong-Hong Kong-Macao Greater Bay Area.

<sup>3</sup> The Board is responsible for setting the overall direction and providing strategic guidance on policymaking, whilst the ExCo is responsible for considering policy and operational proposals.

<sup>4</sup> This team within the CEO's Office reports directly to our CEO.



### Adopting a climate-first approach

The real economy and financial system face risks associated with the physical impact from climate change and the low-carbon transition. As an international financial centre, Hong Kong can bridge and guide cross-border capital flows towards sustainable development, particularly because the APAC region needs significant financial resources to address these risks. Local regulators, including the SFC, help develop Hong Kong's sustainable finance ecosystem to support allocation of sustainable capital across the Mainland, APAC and the world.

To identify and assess our climate-related physical and transition risks and operational resilience, we conducted a climate scenario analysis with reference to the scenarios from the Intergovernmental Panel on Climate Change and the Network for Greening the Financial System.

Greenwashing poses risks to the green finance market, potentially detracting from sustainability efforts and

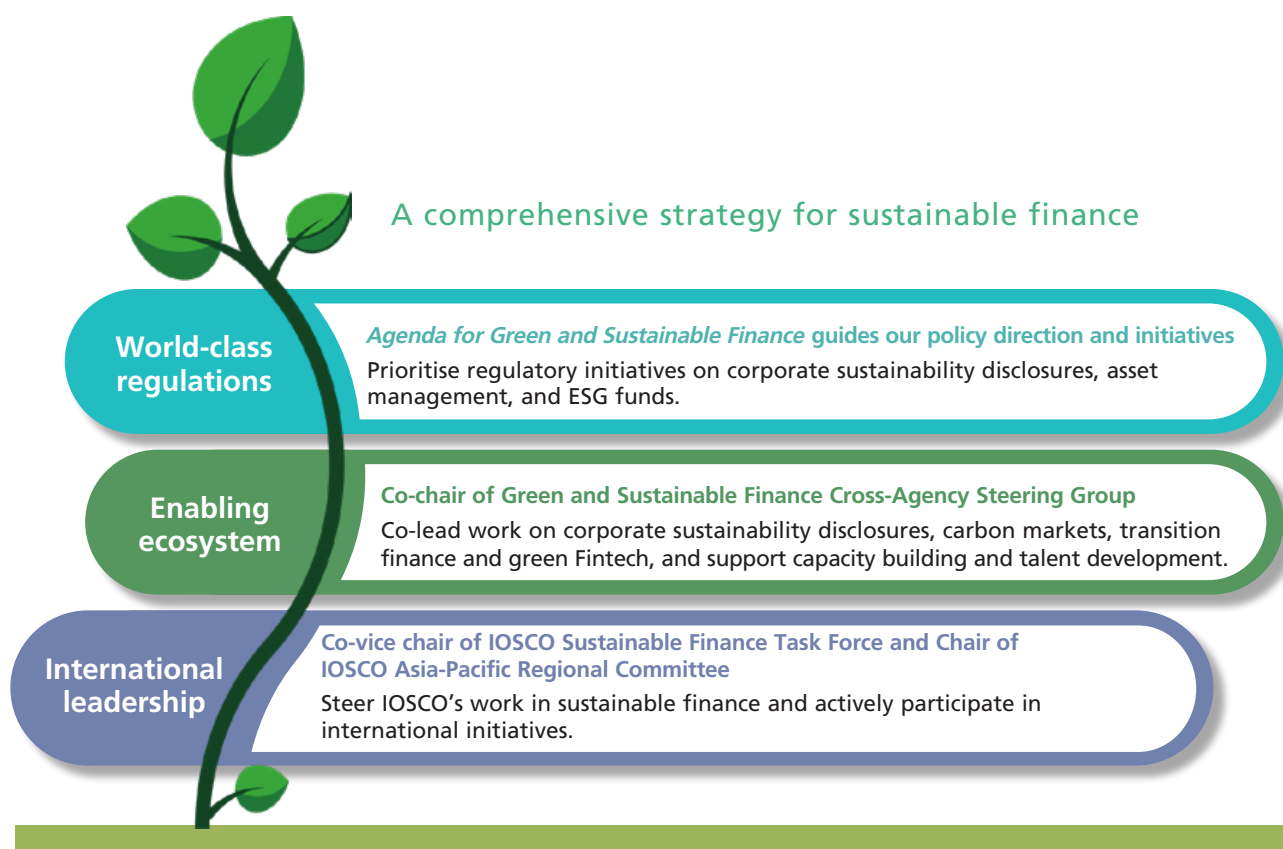
raising investor protection concerns. Gatekeeping against greenwashing remains an important priority as we monitor market and regulatory developments and implement relevant measures.

### Implementing comprehensive strategies for sustainable finance

The *Agenda for Green and Sustainable Finance* sets out our strategy to develop a comprehensive regulatory framework. Under this framework, we work collaboratively to build the local sustainable finance ecosystem through the Green and Sustainable Finance Cross-Agency Steering Group (Steering Group)<sup>5</sup> and actively contribute to international standard setting by our leadership at the International Organization of Securities Commissions (IOSCO).

### Building an enabling local ecosystem

Sustainability considerations are multi-faceted, cross-border and cross-sectoral. To strengthen local coordination and collaboration, we initiated and co-



<sup>5</sup> Established in May 2020, the Steering Group is co-chaired by the SFC and the Hong Kong Monetary Authority. Members also include the Financial Services and the Treasury Bureau, the Environment and Ecology Bureau, the Insurance Authority, the Mandatory Provident Fund Schemes Authority, the Accounting and Financial Reporting Council, and Hong Kong Exchanges and Clearing Limited.

## Sustainability

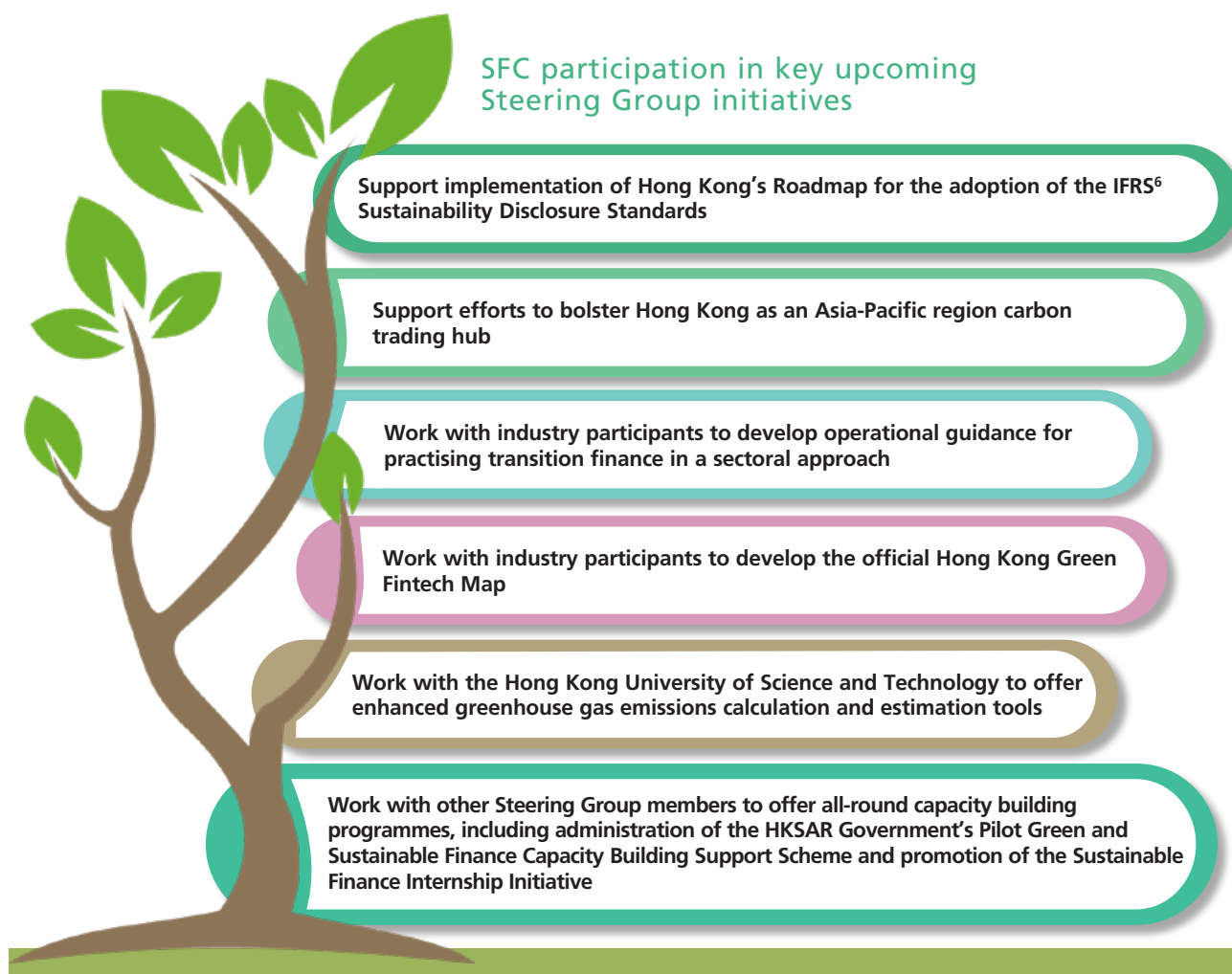
lead the Steering Group, which aims to coordinate the management of climate and environmental risks, accelerate the growth of sustainable finance and support the HKSAR Government's climate strategies.

During the year, the Steering Group made progress in implementing its 2023-25 priorities: world-class regulation, data and technology for transition, market opportunities and product innovation, as well as communication, capacity building and collaboration with the Mainland, regional and global markets. For

details of the initiatives, see "Leading financial market transformation through technology and ESG" on pages 72-79.

### Developing a comprehensive regulatory framework

We introduce various initiatives to improve the quality of disclosures, increase market transparency and build trust among investors and capital market participants. For our key initiatives launched during the year, see "Leading financial market transformation through technology and ESG" on pages 72-79.



<sup>6</sup> International Financial Reporting Standards.

### Leading discussions in international regulatory community

Climate change and other sustainability concerns are global in nature. A coordinated approach is essential to effectively understand and address related risks and opportunities, and mitigate risks of regulatory fragmentation and arbitrage. As international standards and policy recommendations have significant implications on our domestic policy agenda, we seek to align with international best practices and lead by example in developing sustainable finance regulations in the region.

Globally, we advocate the alignment with international standards. As Vice Chair of the IOSCO Sustainable Finance Task Force and an active participant in all its workstreams, we promote regulatory alignment,

knowledge sharing and capacity building through the international community of securities regulators.

At the regional level, we lead IOSCO's Asia-Pacific Regional Committee and its Sustainable Finance Working Group (SFWG). The SFWG aims to strengthen collaboration among members in capacity building and information sharing, with a focus on corporate sustainability disclosures and carbon markets.

Additionally, we are a member of the International Platform on Sustainable Finance, a member of the Consultative Group of the United Nations Sustainable Stock Exchanges Initiative and its Advisory Groups on Carbon Markets, Transition Plans, and Small and Medium Enterprises and Sustainability. We are also an official sector member of the International Transition Plan Network.

### SFC's key ongoing regulatory initiatives on sustainable finance



#### Corporate sustainability disclosures

We work with the Stock Exchange of Hong Kong Limited to enhance and monitor the climate- and sustainability-related disclosures of listed companies.



#### Fund managers

We closely monitor the implementation of our climate-related requirements in Fund Manager Code of Conduct.



#### ESG funds

We closely monitor ESG funds' compliance with our enhanced requirements for disclosures and annual assessments.



#### ESG ratings and data products providers

We continue to support the uptake of Hong Kong's voluntary code of conduct for ESG ratings and data products providers.



#### Carbon markets

We actively participate in local and international discussions on regulatory and market development of carbon markets.



#### Public outreach

We work with the Investor and Financial Education Council to raise public awareness and understanding of sustainable finance and transition finance.



#### Talent development

We offer the Sustainable Finance Internship Programme to provide university students with exposure to developing and implementing sustainable finance policies.



#### Technology and innovation

We work with relevant local stakeholders to enhance free-for-all public utility data tools and promote green Fintech.

### Risk management: Monitoring and addressing sustainability challenges

We regularly identify, assess and manage climate and sustainability-related risks to the SFC and the firms that we regulate. Our cross-divisional Risk Review Group takes proactive steps to comprehensively identify and monitor potential and emerging risks faced by the SFC, including any macro financial risks and operational risks relating to climate and sustainability. The group reports to the ExCo and the Board periodically.

### Risks to regulatory initiatives

Our local and international engagements help us identify and assess climate and sustainability-related risks. We are a member of the IOSCO Committee on Emerging Risks, which focuses on the identification and assessment of regulatory issues across securities markets and informs the IOSCO Board in determining key priorities. We also actively engage with regulatory bodies and the industry on the latest developments and risks associated with climate and sustainable finance.

We facilitate the financial sector's consideration and management of climate and sustainability risks by introducing regulatory requirements and guidance. We also worked with local and international regulators and stakeholders to promote the adoption of global standards.

### Risks to operational activities

With a commitment to addressing climate-related risks while ensuring business continuity, we have incorporated comprehensive measures into our business resumption plan. This plan not only covers our office premises, but also encompasses our communications and computer services. We actively mitigate various risks associated with climate-related physical hazards, technical issues, fires, and other emergencies. Furthermore, we conduct routine simulation exercises and have established emergency response teams to effectively manage critical crises and maintain operational capabilities during major incidents. To promote energy efficiency and minimise environmental impact, we prioritise regular maintenance of our electrical and audio-visual equipment, as well as our air conditioning systems.

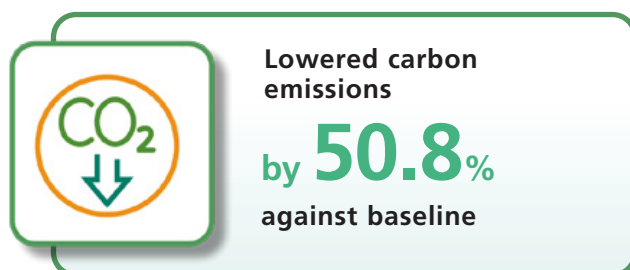
We maintain regular communications with Swire Properties, the co-owner and property manager of our office premises at One Island East. Swire Properties has taken steps to address climate change and has established 1.5°C-aligned science-based targets, which aim for net-zero emissions by 2050. To further strengthen resilience, short and medium-term measures have been identified, such as enhancing flood protection measures and alert systems, improving chiller efficiency, conducting regular inspections of the glass facade, and implementing smart monitoring systems.

We also take active steps to save energy and reduce our carbon footprint. We have also engaged an external consultant to assess our corporate emissions footprint and been regularly monitoring our emissions.

### Metrics and targets: Taking stock of our climate impact

As a responsible organisation, our commitment extends to addressing the full range of risks arising from climate change and sustainability.

An external consultant assesses our organisation's emissions footprint covering Scope 1 (direct emissions), 2 (indirect emissions), and 3 (value chain and investments) emissions under the Greenhouse Gas Protocol. We reduced 50.8% of our total carbon emissions against our baseline. The chart on page 118 shows the Scope 1, 2 and 3 emissions for our baseline and the 2024-25 financial year.



Our office building One Island East has received a Building Environment Assessment Method rating of Platinum, the highest rating available. During the year, we achieved improvements in energy savings, water efficiency, and waste diversion rates. Our corporate green initiatives focused on waste reduction and recycling.

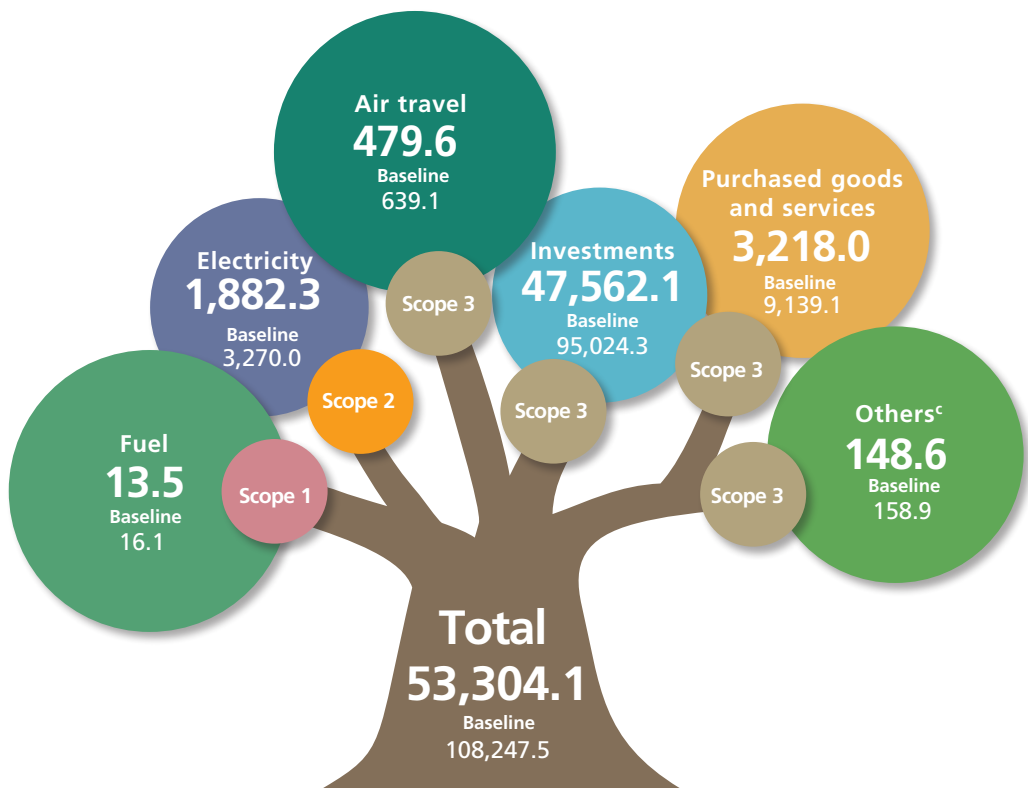
We also introduced initiatives to raise staff awareness to reduce our carbon footprint and enhanced our staff training on sustainable finance.

For the second year running, we received the highest platinum rating of Swire Properties' Green Performance Pledge, an action-oriented programme supporting tenants' energy, water and waste reduction. We are one of the six tenants to achieve this rating out of more than 100 participants. We continue to collaborate with Swire Properties under the programme to drive further reduction in our resources consumption and environmental impact.



To meet our carbon neutrality goals, we work towards reducing our investment portfolio's financed emissions. We closely monitor and review the allocation of assets in our portfolio and engage with our fund managers to communicate our targets, understand our financed emissions, request disclosures of emissions metrics, and consider green investment options.

The SFC's Scope 1, 2, and 3 emissions<sup>a</sup> in 2024/25 (tCO<sub>2</sub>e<sup>b</sup>)



<sup>a</sup> The emission figures were computed by the SFC's consultant based on available data, and in some cases are subject to estimation.

<sup>b</sup> Tonnes of carbon dioxide equivalent.

<sup>c</sup> Including electricity transmission and distribution, hotel accommodations, car rentals and waste.



# Corporate Social Responsibility

We aspire to positively influence society by actively contributing to the community and advocating sustainable practices. Our commitment to community care, sustainability support, environmental protection, and employee wellness underpin our corporate social responsibility (CSR) initiatives.

## Driving positive changes

As a socially-responsible organisation, we incorporate CSR principles into our operational decisions and practices.

The CSR Committee plans and coordinates our CSR efforts. It is chaired by the Chief Financial Officer and Senior Director of Corporate Affairs, and consists of representatives from units across the organisation. It reports directly to the SFC's Executive Committee.

The committee is responsible for:

- formulating and developing our CSR vision, principles, framework and policies;
- organising and promoting CSR activities; and
- setting objectives, targets, and key performance indicators to measure the effectiveness of our CSR efforts.

Three working groups are established under the committee: the Commission Volunteers Group, Green Working Group and Wellness Group. Each group is charged with planning and implementing initiatives under specific themes.

We set out our CSR principles and activities on our website and intranet. We also share event previews and highlights, and publish quarterly e-newsletters. Our CSR intranet serves as a one-stop platform allowing participants to share first-hand accounts of our activities and feedback. Our CSR efforts have been recognised by the Hong Kong Council of Social Service, which has named us a "Caring Organisation" since 2006.

## Fostering a greener marketplace

As the regulator of Hong Kong's financial markets, we adopt measures to enhance industry-wide operational efficiency while fostering sustainable practices. Our initiatives not only conserve energy effectively but also enhance the industry's overall sustainability.

## CSR working groups and themes



## Corporate Social Responsibility

Through our fully digitalised licensing platform WINGS<sup>1</sup> 2.0 and its companion mobile application WINGS Mobile, industry participants can electronically sign and submit licensing applications and other documents, and communicate more efficiently with us. It is estimated that over 1,790,000 sheets of paper, equivalent to about 179 trees, have been saved since the launch of WINGS 2.0.

During the year, about 161,000 applications and regulatory filings were signed and submitted via WINGS. About \$77 million were paid to the SFC electronically. Over 20,600 users have downloaded the

WINGS Mobile application to read WINGS Mail, settle payments, e-sign applications, submit regulatory filings and use other digitised functions.



### Sharing the joy of 35<sup>th</sup> anniversary with staff, families and community

To promote staff wellbeing and celebrate the SFC's 35<sup>th</sup> anniversary, we hosted in May 2024 a Family Fun Day jointly with Kai Tak Sports Park for over 300 staff members and their families to explore the heritage of the Quarry Bay neighbourhood, where the SFC's office is located. We also invited senior citizens from two elderly service centres in the Eastern District to join the heritage walk and take a trip down the memory lane with us.



Visit to the Woodside Biodiversity Education Centre

In addition, we co-organised with InspiringHK Sports Foundation a Family Sports Day successfully in January 2025, thanks to the excellent venue provided by Taikoo Primary School. Over 380 participants, including a group of underprivileged students, spent a fun-filled and action-packed day trying out a diverse range of sports and game booths through taster sessions and activities for all ages and interests.



Learning about Quarry Bay's transformation from a dockyard and sugar refinery to a residential and business district



Mr Angus Ng (right), a celebrated Hong Kong Team badminton player, shared valuable insights on sportsmanship during a chit-chat session with our Commission Secretary and Chief Governance Officer Mr Paul Yeung (left)



Sports taster sessions for all ages

<sup>1</sup> Web-based INteGrated Service.

## Corporate Social Responsibility

### Empowering community through volunteering

Through volunteering and providing social services, our staff take part in driving a positive change in the community. We offer volunteering leave to encourage staff participation in community service. Last year, 244 SFC staff together with their friends and family members spent a total of 923 hours volunteering to promote social inclusion, elderly caring, animal protection and environmental conservation.

Our staff also support community services through donations and participation in fundraising events. Last year, we raised a total of \$110,117 through various large-scale community events, including Pedal Power 11 and four Community Chest events.

Donating used items to charities not only assists those in need but also reduces waste. Last year, we donated 126 computers and 39 computer servers to Caritas Computer Workshop. Additionally, we collected 11 cartons of toys, clothing, and books for the Salvation Army Recycling Programme.

To raise awareness about food waste and its connection to hunger, we partnered with Feeding Hong Kong for a food sorting activity, where staff volunteers and their families sorted and repacked food at a Yau Tong warehouse. In addition, we joined hands with Time Auction and Youth With A Mission (YWAM) to hold a "Care, Share, Serve" programme to bring attention to poverty issues in Hong Kong. Participants packed food and necessities for street sleepers and cardboard collectors in Tuen Mun.



Baking with the elderly

To drive positive change in society by assisting a diverse group of underprivileged individuals, we joined hand with Caritas Hong Kong in a series of Chinese class aimed at supporting kindergarten and primary school children from ethnic minorities. This initiative helps them integrate into society and promotes racial equality. Volunteers engaged with the children through games and enhanced their Chinese skills in a fun and supportive environment.

To promote harmony between people and animals, we collaborated with the HK Saving Cat And Dog Association (HKSCDA) to organise two caring sessions for cats and dogs, which raised awareness about stray animals. A total of 34 colleagues participated. Additionally, we held a charity walk with children with special educational needs (SEN), accompanied by therapy dogs from Rise Wise. A total of 25 colleagues leveraged these therapy dogs in supporting the community.

In December 2024, we partnered with the New Life Psychiatric Rehabilitation Association, which provided items in a nostalgic local "red-white-blue" style for charity sale at our in-house Christmas Giving Fair. The Hong Kong Society of Rehabilitation and Fu Hong Society also joined this fair to offer a wide selection of snacks and seasonal necessities for sale to raise funds for their development.



Laughter yoga session with Po Leung Kuk

### Our volunteering events

Month	Activity	Purpose	Outcome
May 2024	African drum session with Love 21	To understand the challenges faced by the neurodiverse community and engage with them through the experience of playing African drums	17 staff volunteers participated in the activity to support and interact with Love 21 members and grasped the drum-playing techniques
May 2024	Tung Wah Group of Hospitals (TWGH) baking with the elderly	To understand the physical and emotional needs of the aged generation and promote elderly wellbeing	21 staff volunteers and their family members paired up with the elderly to make strawberry cheesecakes
June 2024	Food sorting with Feeding Hong Kong	To raise awareness towards food waste and its connection to hunger	20 staff volunteers and their family members sorted food in the warehouse of Feeding Hong Kong for charity deliveries
July 2024	Caring cats and dogs with HKSCDA	To better understand the issue of abandoned animals	34 staff volunteers visited animal shelters in Tsuen Wan and Yuen Long, where they cleaned the living areas for the abandoned animals and fed them
July 2024 and March 2025	Computer donation	To give away items to those in need and reduce electronic waste in landfills	Donated 80 desktop computers, 46 notebooks and 39 servers to Caritas Computer Workshop
August 2024	"Care, Share, Serve" programme with Time Auction and YWAM	To contribute to the welfare of street sleepers and cardboard collectors	16 volunteers including staff and their family members participated
September 2024	Plastic sorting with V Cycle	To have a deeper understanding of recycling and contribute to the recycling work	18 volunteers including staff and their family members participated and contributed to plastic recycling and environmental protection
September 2024	Mid-autumn caring – lantern making with elderly	To share the joy of Mid-autumn Festival with the elderly	21 staff volunteers and their family members paired up with the elderly to make lanterns with recycled materials



## Corporate Social Responsibility

Month	Activity	Purpose	Outcome
November 2024	Outdoor activities with children from Evangel Children's Home	To support SEN children	20 staff volunteers enjoyed hiking and kite flying at Clear Water Bay Country Park with the children from Evangel Children's Home
December 2024	Christmas Giving Fair	To raise funds for and spread Christmas joy to the underprivileged	Collaborated with four non-profit organisations and staff volunteers for charity sale
January 2025	Laughter yoga and fragrance stone session with Po Leung Kuk	To share the happiness and bring care to the elderly	18 volunteers spent a Saturday morning with the elderly practising laughter yoga and making fragrance stones
February 2025	Charity walk with Rise Wise	To enhance mental wellness and promote understanding of therapy dogs	26 staff volunteers participated in the Charity Walk
February 2025	Trail clean-up	To help rid trails of waste and promote the practice of leaving no trace	12 staff volunteers participated in the trail clean-up
March 2025	Chinese learning sessions for ethnic minority children	To help children from ethnic minority enhance their Chinese skills in a fun and supportive environment	20 staff volunteers participated in the learning sessions



Making lanterns with the elderly



Giving away necessities to those in need



## Corporate Social Responsibility

### Protecting our environment

#### Going green in workplace

We are dedicated to minimising our impact on the environment and promoting sustainability. An internal protocol, *A Guide to Working "Green" at the SFC*, sets out guidance for staff to protect the environment at the workplace.

The SFC has once again achieved the highest Platinum rating in the Green Performance Pledge conducted by Swire Properties, demonstrating our success in waste diversion, energy savings, and water efficiency.

Energy-conserving features in our office include motion and daylight sensor lighting, and LED light fittings. The office layout was designed to allow more natural light. Recycling bins collecting a range of materials are conveniently located across the office and the number of individual waste bins in office has been reduced to encourage less waste. We also support the Government's rechargeable battery recycling programme, providing collection boxes on every floor.

To reduce paper consumption, we digitalise our internal procedures and share meeting materials on electronic devices. We explain to staff the environmental impact of colour printing and set printers by default to print in greyscale and double-sided to encourage eco-friendly practices. Our annual reports are published only digitally.

Other green practices adopted in our workplace include:

- switching to LED light stripes;
- installing water flow restrictor;
- using bamboo paper towels;
- sharing sustainable habits;
- sharing recycling tips with staff;
- reusing stationery; and
- automatically turning off desktop computers every weekend.

Throughout the year, we launched an initiative titled "Bring Your Own SFC's Limited Edition Utensils" to encourage a plastic-free lifestyle and reduce waste. Staff actively participated in a quiz related to SFC's sustainability practices, with a total of 448 responses received.

#### Eco-friendly activities

In collaboration with V Cycle, 18 staff volunteers, along with their friends and families, participated in a plastic sorting activity with elderly cardboard collectors and visited plastic sorting facilities to learn about products made from recycled plastic. Additionally, we partnered with Trailsweeper for a cleanup event at Dragon's Back, where participants contributed to environmental sustainability and gained insights into nature preservation.

To promote marine life protection, we organised a dolphin watching trip for 47 participants, including staff and their families, who learned about the conservation of Chinese White Dolphins and observed pink dolphins up close.

We hosted a variety of green workshops, such as Pafcal (for soilless plants) and urban planting workshops, where staff learned about sustainable planting materials and techniques for cultivating greenery. We also offered upcycling workshops on coffee ground mosquito coil making and reclaimed wood. Besides, we hosted a "Lunch and Learn" seminar series themed on the Earth Day and marine pollution.

In addition, we support the global warming prevention and environmental conservation causes of the World Wide Fund for Nature, including our No Shark Fins Policy and participation in Earth Hour 2025 to extend our support of more than two decades.



Recycling and plastic sorting workshop

### Fostering the spirit of Team SFC

At the SFC, staff activities contribute to a holistic approach to CSR, enhancing employee wellbeing and community engagement while fostering a positive workplace culture.

During the year, we organised over 30 meaningful events for staff, including three major events to celebrate the SFC's 35th anniversary as well as other sports and interest classes to promote a healthy work-life balance. The highly anticipated Christmas Dinner saw an impressive turnout of over 800 colleagues or 84% of all staff, featuring

a captivating skipping performance by children and a musical showcase by our executives.

Our staff teams participated in a variety of sports events and competitions. Last year, we formed a women petite dragon boat team for the first time to compete in the Stanley International Dragon Boat Championship, adding a new dimension to our staff engagement activities. This initiative promotes teamwork and physical fitness and also empowers women in our workplace to connect, compete and celebrate their strengths together.



### Consumption and recycling

	2024/25	2023/24	2022/23
Consumption			
Paper (pieces/head)	4,670	4,419	5,429
Electricity (kWh)	3,145,411	3,231,983	2,924,902
Recycling			
Paper (kg)	19,151	20,679	25,095
Toner and printer ink cartridges	587	563	637

## Corporate Social Responsibility

### Enhancing wellness

We strive to provide a healthy and safe working environment which emphasises employee wellbeing. Our holistic wellbeing framework covering physical, mental, social and family wellbeing sets the foundation for the activities we provided to staff throughout the year:

- Workshops on recognising and maintaining mental wellbeing for individuals and managers to support mental health at work
- Workshops on managing emotions in the workplace and facilitating collaboration
- Talks on stress management, social media addiction, and sleep quality

- Articles related to personality and self-care
- Various fitness classes that enhanced staff strength, physical flexibility, and coordination

As a founding member of the City Mental Health Alliance Hong Kong (CMHA HK), we actively participate in its initiatives. We promoted free webinars offered by CMHA HK to provide staff with additional resources prioritising mental health in the workplace. In October 2024, we hosted the annual World Mental Health Day event, featuring insightful sharing from industry leaders and a networking session (see sidebar). In the same month, we also organised weekly article sharing to promote self-care, a talk with the Mental Health Association Hong Kong on stress management and social media addiction, and a singing bowl meditation workshop.

### Nurturing a healthy mind in the workplace

To commemorate the World Mental Health Day, we co-hosted a seminar at our office with CMHA in October 2024. Our CSR Committee Chairman, Mr Andrew Wan, kicked off the event themed



"It's Time to Prioritise Mental Health in the Workplace", by highlighting the SFC's initiatives to support employees' mental health.

CMHA members and community partners gathered to hear guest speakers discuss the importance of building trust in leadership and how a balance of kindness and assertiveness can be effective.

Research insights were also shared, focusing on the mental health challenges graduates face as they enter the workforce, what companies can do to provide better support, and the significance of fostering communication skills for young professionals.

## Corporate Social Responsibility

### Contributions

	2024/25	2023/24	2022/23
Number of staff participating in volunteering activities	244	212	99
Total volunteering hours	923	863	409
Funds raised for community causes	\$110,117	\$90,209	\$80,156
Corporate sponsorships for community causes <sup>^</sup>	\$4,000	\$5,000	\$24,185

<sup>^</sup> Including donations in lieu of corporate gifts made in the names of guest speakers invited to our in-house training seminars.

In April 2024, 34 participants including staff and their families participated in Pedal Power 2024, a charity cycling event to raise money for less advantaged youth, schools, and communities to join Outward Bound training courses. These courses help teenagers gain confidence, build resilience and acquire leadership skills. Three colleagues took home prizes.

Various sports events enhanced staff strength, physical flexibility and coordination, while allowing colleagues to refresh their minds during the busy working day. These included yoga Nidra and Zumba dance, as well as sports taster sessions in collaboration with Inspiring HK.

Furthermore, the workshop on personal colour analysis has been popular among staff. It helped participants identify suitable colours to enhance their appearance and confidence. Additionally, workshops such as the



Stretch and yoga Nidra class

Korean and Chinese Matcha experience, base food day and whole food challenge and a massage week contributed to staff wellbeing, improving health and productivity in the workplace.



Nunchaku and boxing taster sessions



Zumba dance workout



## CSR Activity Calendar

### April – June 2024



- Blood donation
- **Pedal Power**
- Coffee ground mosquito coil making workshop
- African drum session with the Neurodiverse Community with Love 21
- Lunch and learn – Earth Day
- Mental health talk for quality sleep
- Massage ball workshop
- Baking with the elderly with TWGH
- Food sorting with Feeding HK
- Pafcal planting workshop
- Community Chest Green Low Carbon Day

### July – September 2024

- Gentle stretch and yoga Nidra
- Reclaimed wood upcycling workshop
- Colour analysis
- **Caring abandoned cats and dogs activity**
- “Care, Share, Serve” food distribution programme
- Zumba dancing
- Urban farming workshop
- Plastic sorting volunteering activity
- Lantern making with the elderly
- Chocolate tasting
- Computer donation
- “Bring Your Own SFC’s Limited Edition Utensils” initiative
- Mooncake donation and mooncake boxes collection by Swire Properties



### October – December 2024

- Lunch and learn – Marine pollution
- CMHA – World Mental Health Day event
- Weekly article sharing to promote mental wellbeing
- Social media addiction and stress management talk
- Singing bowls and aroma relaxation workshop
- Boxing taster session
- **Dolphin watching trip**
- Hiking and kite-flying with Evangel Children’s Home
- Nunchaku taster session
- Christmas Giving Fair
- “Little Fashion for Love” children’s clothing collection by Swire Properties
- Community Chest Dress Casual Day
- Community Chest Love Teeth Day

### January – March 2025

- Breathwork workshop
- Korean and Chinese matcha workshop
- Charity walk with SEN children and therapy dogs
- **Trail clean-up**
- Natural honey lip balm workshop
- Chinese classes with children from ethnic minorities
- Massage week
- Hair and scalp test session
- Hair and scalp treatment talk
- Community Chest Skip Lunch Day
- Earth Hour 2025
- “Books for Love @ \$10” by Swire Properties
- Lai See Packets Reuse and Recycling Programme by Swire Properties
- Server donation to Caritas Computer Workshop
- Base food day and whole food diet challenge

