

# Corporate Social Responsibility

Our corporate social responsibility initiatives focus on supporting sustainability, caring for the community, protecting the environment and promoting staff wellness.

## Governance

We are a socially responsible organisation striving to incorporate corporate social responsibility (CSR) principles into our daily operational decisions and practices.

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

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.

The CSR Committee has three working groups. Each is charged with planning and implementing initiatives under a specific theme.



Blood donation day



Cooking class and English practice with underprivileged children

We explain our CSR goals, principles and activities on our corporate website and intranet, and circulate a quarterly e-newsletter to update staff about our CSR initiatives. The newsletter is also a platform for participants to share first-hand accounts of our CSR activities and for staff to provide feedback.

Our CSR efforts were recognised by the Hong Kong Council of Social Service which named us a “Caring Organisation” for the thirteenth consecutive year.

### Marketplace support

As a regulator, we consider the impact of our work on Hong Kong’s financial markets. We adopt measures to enhance industry-wide operational efficiency, minimise resource consumption and reduce paperwork for both the SFC and industry participants. We also encourage the industry to adopt environmentally responsible behaviour.

### Supporting green finance

In September 2018, we announced our strategic framework to help develop Hong Kong as a leading centre for green finance and connect green finance flows between the Mainland and the rest of the world<sup>1</sup>. Our strategy is in line with global market and regulatory developments in sustainable finance. We collaborate with stakeholders as well as local and international regulators to promote green finance initiatives and investor awareness of them.

### Enhancing industry-wide operational efficiency

In January 2019, we launched a new online portal, WINGS<sup>2</sup>, as a common one-stop platform for making electronic submissions to the SFC. All functions and submission services available on the existing SFC Online Portal and other SFC systems will be migrated to WINGS in phases.

### CSR working groups and themes

|   | Focus       | 2018/19                            | 2019/20                    |
|---|-------------|------------------------------------|----------------------------|
| <b>Commission Volunteers Group</b><br> | Community   | Extend, expand                     | Sharing and caring         |
| <b>Green Working Group</b><br>         | Environment | Green in SFC, counts on you and me | Live green, save green     |
| <b>Wellness Group</b><br>              | People      | Being healthy, being well          | Fitter, healthier, happier |

<sup>1</sup> See Green finance on pages 60-61.

<sup>2</sup> Web-based INteGrated Service.

## Corporate Social Responsibility

The mandatory online submission of annual returns and notifications via the SFC Online Portal was extended to cover licensed corporations and registered institutions in April 2019.

Starting from November 2018, we no longer deliver printed letters of approval to individual licence applicants. These letters are only sent to applicants by email, with a copy to the office email address of the principal licensed corporations with which they are affiliated. This improves efficiency and is also environmentally friendly, saving an average of 50,000 pieces of paper each year.

To reduce the industry's compliance burden and paper consumption, we ceased to issue printed licences<sup>3</sup> to licensed individuals in 2015. Details of licensed individuals are now only available on our online Public Register of Licensed Persons and Registered Institutions. In addition, an online system is available to streamline the submission and posting of Rule 22<sup>4</sup> dealing disclosures under the Code on Takeovers and Mergers.

We will use email as the main channel for written communications with market practitioners on takeovers issues to increase efficiency and promote environmentally friendly practices.

### Promoting professional competence and financial literacy

Our continuous professional training (CPT) requirements<sup>5</sup> help to enhance the competence of licensees. This year, our executives delivered 29 hours of CPT-eligible training.

We provide funding to the Financial Reporting Council which aims to uphold the quality of listed companies' financial reporting and to the International Financial Reporting Standards (IFRS) Foundation<sup>6</sup> to support their work. We also fund the Investor and Financial Education Council<sup>7</sup> which is dedicated to improving financial literacy in Hong Kong.

<sup>3</sup> We continue to issue printed licences for licensed corporations and certificates of registration for registered institutions, and these must be exhibited prominently at their places of business.

<sup>4</sup> Rule 22 of the Code on Takeovers and Mergers requires parties to an offer and their respective associates to disclose dealings in relevant securities of the offeree company and the offeror (in the case of a securities exchange offer) conducted for themselves or on behalf of discretionary clients during an offer period.

<sup>5</sup> Under the SFC's Guidelines on Continuous Professional Training, licensees are required to complete a minimum of five CPT hours per calendar year for each type of regulated activity.

<sup>6</sup> The IFRS Foundation is a not-for-profit organisation established to develop, promote and facilitate the adoption of the IFRS.

<sup>7</sup> Formerly known as the Investor Education Centre.



Chairman Mr Tim Lui takes part in the Child Development Matching Fund's Carol Singing Festival

## Community

We provide our staff with volunteering and engagement opportunities to make a positive impact on the community. Volunteering leave is offered to encourage staff participation in community service.

This year, 120 staff spent a total of 465 hours volunteering. The communities they engaged with included minorities, the single elderly and the underprivileged.

Our staff also support community services through donations and participating in fundraising events. This year, we raised a total of \$150,787 through Pedal Power 8 (see sidebar on page 87), the Standard Chartered Hong Kong Marathon, our Christmas charity sale and four Community Chest events: Love Teeth Day, Dress Casual Day, Skip Lunch Day and Green Day.

For our in-house Christmas charity sale, we engaged two social enterprises, the Fu Hong Society and the Hong Kong Society for Rehabilitation, to sell groceries and items made by their members. Our staff members

also donated home-made cookies for sale at the event, which raised a total of \$7,254 to support the operations of the two social enterprises.

Also during Christmas, our Chairman Mr Tim Lui joined a children’s choir and other guests to “sing for our next generation” at the Child Development Matching Fund’s ninth annual Carol Singing Festival. Since 2010, the event has raised over \$30 million to support more than 5,000 underprivileged youths.

Donating used items to charities enables us to help people in need and reduce wastage. This year, we donated used computers, monitors, servers and printers to Caritas Hong Kong’s computer refurbishment project which recycles them and reduces landfill.

### Contributions

|  | 2018/19   | 2017/18   | 2016/17  |
|--|-----------|-----------|----------|
| Number of staff participating in volunteering activities | 120       | 134       | 110      |
| Total volunteering hours                                 | 465       | 458       | 471      |
| Funds raised for community causes                        | \$150,787 | \$104,509 | \$70,648 |
| Corporate sponsorships for community causes <sup>^</sup> | \$17,000  | \$13,000  | \$9,000  |

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

### Cycling for a cause

In April 2018, SFC staff and family members took part in Pedal Power 8, a charity cycling event, to raise money for local secondary school students to participate in Outward Bound leadership courses.

Paul Yeung, the SFC’s Senior Director and Commission Secretary, came first on the 30-km elite route from Tai Mei Tuk to the Science Park. This was a surprise to Paul, as though a dedicated trail runner, he did not even own a bike, and Pedal Power was his maiden cycling event. Paul’s wife and seven-year-old daughter also participated, completing the 18-km route.



In the race



With Ms Teresa Ko, Pedal Power Chairlady

This charitable event was especially meaningful for Paul because he did an Outward Bound course as a teenager. “Outward Bound promotes teamwork and leadership qualities and provides valuable training on mental and physical resilience,” Paul explained. “What I learnt from it in that week has transformed me and remains useful to me till today.”

Since 2011, Pedal Power has raised over \$8.6 million and benefited more than 2,600 students.

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### Volunteering events

| Month    | Activity   | Purpose  | Outcome   |
|----------|--|--|---|
| May 2018 | Cooking class and English practice with underprivileged children on Mother's Day | To interact and practise English with underprivileged children                               | Communicating in English, seven volunteers helped children bake cupcakes on Mother's Day                                |
| May 2018 | Beach clean-up at Starfish Bay   | To raise awareness about environmental protection  | 29 volunteers helped to clean Starfish Bay and collected more than 10 kg of refuse                                      |
| Sep 2018 | Talk on swimming and resilience by Splash Foundation <sup>^</sup>                | To understand the foundation's volunteer work  | 32 staff members learnt about building resilience in their lives and work   |
| Dec 2018 | Elderly home visit   | To connect with the elderly community  | 26 volunteers visited and delivered rice bags and noodles to the elderly  |
| Dec 2018 | Christmas charity sale   | To raise funds for charity   | A total of \$7,254 was raised for the Fu Hong Society and the Hong Kong Society for Rehabilitation                      |
| Mar 2019 | Decorating cookies with kindergarteners at iBakery                               | To raise awareness that less privileged children have limited extracurricular activities     | 23 volunteers made cookies with kindergarteners   |
| Mar 2019 | The Hong Kong Council of the Church of Christ in China Flag Day                  | To raise funds for support services and other social assistance for underprivileged families | 23 colleagues and their family members joined the event   |
| Mar 2019 | Kindness walk with ImpactHK  | To understand the plight of the homeless   | 15 colleagues and their family members took part in the walk and distributed food and daily necessities to the homeless |

<sup>^</sup> Splash Foundation is the only non-profit swim school in Hong Kong.

## Environment

We strive to manage and reduce our impact on the environment and raise green awareness amongst staff and stakeholders. Staff are encouraged to reduce, reuse, repair and recycle through our internal protocol, *A guide to working "Green" at the SFC*.

To reduce paper consumption, we use electronic processes for internal matters including training course enrollments, conference room bookings, expense claims, overseas travel records, pay slips, leave applications and appraisals. Meeting materials are shared on tablet computers and paperless diaries are available.

We also adopt a number of other green practices in our workplace to use resources more efficiently:

- adjusting indoor lighting after office hours using auto timers;
- reducing electricity usage at our data centres;
- providing recycling bins for newspapers;
- sorting cans and bottles for recycling;
- replacing paper holiday greeting cards with e-cards; and
- recycling used red packets in support of Greener Action's campaign.



Low-carbon diet workshop

As part of our efforts to reduce waste, we no longer provide plastic stirrers and paper cups in our pantries starting from February 2019. Since early 2019, most desktop computers in our offices are automatically turned off every weekend to reduce our carbon footprint.

Since 2015, about 400 staff and their family members have participated in activities we organised to raise environmental awareness. In the past year, we arranged a beach clean-up at Starfish Bay to deepen colleagues' understanding of the impact of plastic pollution in oceans. A dolphin research tour allowed colleagues to learn about threats to Hong Kong's endangered pink dolphins and ways to preserve marine life. We also organised workshops on natural tie-dyeing and low-carbon diets to promote an eco-friendly lifestyle.

We support the World Wide Fund for Nature's global warming prevention and environmental conservation causes.

- No Shark Fins Policy: We have in place an organisation-wide policy pledging not to serve sharks' fins at any SFC event.
- Earth Hour 2019: We took part in this annual energy conservation event for the ninth year. We encouraged staff to switch off lights for one hour and made a pledge as a corporate supporter.



Natural tie-dyeing workshop

## Corporate Social Responsibility

### Consumption and recycling

|                                  | 2018/19   | 2017/18   | 2016/17   |
|----------------------------------|-----------|-----------|-----------|
| <b>Consumption</b>               |           |           |           |
| Paper (pieces/head)              | 9,977     | 9,563     | 10,857    |
| Electricity (kWh)                | 4,095,518 | 4,018,442 | 4,770,712 |
| <b>Recycling</b>                 |           |           |           |
| Paper (kg)                       | 31,251    | 37,815    | 30,852    |
| Toner and printer ink cartridges | 1,151     | 1,106     | 1,130     |

### Workplace

The wellbeing of our staff is important. During the year, we organised activities to promote health awareness and encourage healthier lifestyles:

- A health talk to introduce self-administrated acupuncture and how Chinese medicine can help relieve stress;
- Free on-site influenza vaccinations and health screenings with individual consultations;
- Juice day, providing cold-pressed juice to staff to encourage a healthier diet;
- An exercise class to demonstrate techniques for body stretches while seated in the office; and
- A low-carbon diet workshop for colleagues to learn to make healthy food with local ingredients and how this benefits our environment.



Beach clean-up



Decorating cookies with kindergarteners at iBakery

We organised activities to boost staff's mental wellness. They included art therapy workshops to develop self-awareness and explore emotions through creative processes, and yoga workshops to relieve stress.

As a founding member of the City Mental Health Alliance Hong Kong (CMHA HK), we are dedicated to promoting and raising awareness of mental health both in the workplace and the wider community. Our Deputy Chief Executive Officer and Executive Director of Intermediaries, Ms Julia Leung, is a member of CMHA HK's Advisory Committee.

In the past year, we hosted a CMHA HK strategy meeting and attended others. We also hosted a roundtable discussion with CMHA HK and Mind Hong Kong<sup>8</sup> where guests included government officials and university academics.

We also organised Mental Health Month for our staff to raise awareness and promote open discussions about mental health. Together with CMHA HK, we hosted talks by qualified psychologists on common mental health issues in the workplace, including stress, depression and anxiety. We also conducted a workplace survey as part of a research project organised by CMHA HK and the University of Hong Kong. To support World Mental Health Day in October 2018, we encouraged staff to take part in activities held by Mind Hong Kong.

<sup>8</sup> Mind Hong Kong is a charitable initiative which is committed to improving the awareness and understanding of mental health in Hong Kong.

## CSR activity calendar

### April – June 2018

- Community Chest Green Day
- Beach clean-up**
- Pedal Power 8
- Cooking class and English practice with underprivileged children on Mother's Day
- Mental health talk 1: Coping with changes – positive thinking
- Mental health talk 2: Common mental health issues in the workplace
- Yoga workshops



### July – September 2018

- Community Chest Green Day
- Natural tie-dyeing workshop
- Low-carbon diet workshop**
- Workplace mental health survey
- World Mental Health Day
- Talk on swimming and resilience by Splash Foundation
- Health screening
- Health talk: Acupuncture
- Healthy juice day
- Art therapy workshops



### October – December 2018

- Community Chest Dress Casual Day
- Community Chest Love Teeth Day
- Christmas charity sale**
- Elderly home visit
- Dolphin research tour



### January – March 2019

- Red packet recycling
- Standard Chartered Hong Kong Marathon**
- Blood donation day
- Decorating cookies with kindergarteners at iBakery
- Hong Kong Council of the Church of Christ in China Flag Day
- Kindness Walk with ImpactHK
- Community Chest Skip Lunch Day
- Earth Hour 2019
- Massage day
- Stretching exercise class

