

# Corporate Sustainability

## Our People

### People Strategies

Building a retirement savings system valued by Hong Kong people requires a workforce capable of meeting current and future challenges. To this end, we regularly review our people strategies in order to develop our organizational capability to support evolving business needs. In 2022–23, MPFA continued to strengthen efforts to attract and retain talent, in tandem with its transformation to respond more readily to the changing needs of society.

### Communication with Our People

MPFA values communication and has been stepping up its efforts to engage employees through various communication channels, encouraging them to offer their opinions and express concerns. In addition to regular town halls where the top management team shares the latest corporate developments, Managing Director has conducted close to 50 communication sessions to reach out to colleagues individually or in groups. Through these sessions, Managing Director has engaged in direct dialogues with our people, listened to their voices, and responded to their suggestions and concerns. These communication sessions have been welcomed by our people.

### Compensation and Benefits

MPFA regularly reviews its remuneration packages for employees and conducts market benchmarking studies to ensure the competitiveness of its compensation and benefits.

In order to drive a high performing culture and maintain the competitiveness of our remuneration package in attracting and retaining talents, we engaged a human resources consultant to review our pay structure and pay-related measures in 2022. Additionally, our medical and dental insurance coverage has also been reviewed and enhanced, having regard to the findings of a market benchmarking exercise in 2022.

## Performance Management

MPFA places great emphasis on performance management to motivate and enable employees to contribute to the organization's success. In 2022, we introduced a revamped competency model which identifies competencies suitable for current and future needs of MPFA. With this model in place, we initiated a review of our performance management mechanism to emphasize the importance of the new competencies and deepen the intensity of performance management as a tool to drive a high-performance culture. In addition, we revised our reward strategy to enhance efforts to recognize high performers.

## Learning and Development

### Learning and Development Framework

We rolled out an enhanced learning and development framework to align our learning and development activities with business needs and facilitate competency development. Under the framework, learning opportunities were arranged on a variety of topics, such as strategic management, change management, stakeholder management and business presentation. On top of workshop offerings, we acquired a number of executive education places for our senior leaders to build professional network and strengthen their understanding of the financial industry and societal climate. A transformation series, covering the latest development of the eMPF Platform and different transformation initiatives in our business units, was also arranged to keep our people informed of the progress of MPFA's transformation.

### National Studies Programme

A good understanding of the affairs and developments in Mainland China is essential to enabling MPFA, as a public body, to have a better vision of its contributions at local and national levels in the realm of retirement protection. In 2022–23, we launched a National Studies Programme, covering topics such as The Constitution, The Basic Law and The National Security Law, benefiting over 470 colleagues within the first quarter of its launch.

Topical sharing sessions, conducted by renowned public figures and academia, were also arranged to enable our people to have a better grasp of how Hong Kong could leverage the “One Country, Two Systems” principle and contribute to our nation’s development.



During the year, MPFA invested 13 700 hours (equivalent to around 3.5 man-days per employee on average) in learning and development. Our consistent efforts in promoting learning and development among our people have gained us an accreditation as a Manpower Developer by the Employees Retraining Board since 2013.

## Staff Recognition and Engagement

### Culture and Core Values

Aligning every MPFA talent with the corporate culture and core values of the organization is an integral part of our successful transformation journey. In 2022–23, we drew up culture statements and re-articulated existing MPFA core values with clear explanations to reinforce the desired culture and values that are relevant to MPFA in the current times as well as the foreseeable future.

#### MPFA Culture Statements



Engagement workshops have been extended to every employee to strengthen their understanding of MPFA’s culture and how to live it. To reinforce our culture and core values, we have arranged a set of MPFA Culture momentos and awards for desired behaviours.

### Recognition Programme

To foster a strong recognition culture and encourage our people to live the core values of MPFA, we have put in place a structured framework to recognize employees’ contribution and exceptional performance on an annual basis.

During the year,

- Three cross-department work teams were awarded Exemplary Team Award for their exemplary contributions and demonstration of MPFA’s core values;
- 38 colleagues received “Bravo!” Award for having performed beyond expectations or outside their normal job scopes; and
- 69 colleagues attained Long Service Award for having served at MPFA for 10, 15 or 20 years.



Some of the awardees at the award presentation ceremony

## Our People — Statistics

### Key Figures

	2022-23	2021-22	2020-21
Size of workforce	<b>567</b>	571	578
MPFA	<b>515</b>	526	559
eMPF Platform Company Limited	<b>52</b>	45	19 <sup>#</sup>
Average age	<b>42.56</b>	41.98	41.4
Average years of service	<b>9.12</b>	9.62	9.8
Turnover rate	<b>18.4%</b>	15.9%	7.8%
Staff cost over total expenditure	<b>73.3%</b>	73.0%	71.5%

<sup>#</sup> under eMPF Provisional Office

### Diversity (31.3.2023)

	Male	Female	Total
Managerial / professional	84 (15%)	113 (20%)	197 (35%)
Supervisory / supporting	103 (18%)	267 (47%)	370 (65%)
Total	187 (33%)	380 (67%)	567 (100%)

	Below 30	30-50	Above 50	Total
Managerial / professional	0 (0%)	120 (21%)	77 (14%)	197 (35%)
Supervisory / supporting	62 (11%)	259 (46%)	49 (9%)	370 (65%)
Total	62 (11%)	379 (67%)	126 (22%)	567 (100%)

### Training

	2022-23	2021-22	2020-21
Hours of training	<b>13 700</b>	9 100	10 000
Organizational knowledge	<b>49.20%</b>	18.00%	18.90%
Technical knowledge	<b>40.32%</b>	48.74%	60.10%
Soft skills	<b>10.48%</b>	33.26%	21.00%



Staff sharing session



Team-building workshop

## Our Organization

### Equal Opportunities

At MPFA, we are committed to providing equal opportunities in the workplace. We strive to create an inclusive work environment that fosters fairness, equity, and respect for diversity. To ensure our people are fully aware of the importance of preventing any acts of discrimination, bullying or harassment in the workplace, we share established guidelines and information on various occasions, such as new hire orientation and interviewer's toolkits.

### Leverage on Technology

To help MPFA streamline workflow and enhance operational efficiency, we have put in resources to develop new systems or enhance applications. Some examples are given below:

- A new MPF Products Monitoring eWorkflow system is available to handle investment non-compliance cases and enquiries from the public about MPF products;
- The eService System has been enhanced to allow MPFA to issue circulars and notices to non-compliant MPF intermediaries;
- The e-room booking system is being upgraded to enable real-time booking;
- An electronic platform is being developed for recruitment and related activities; and
- Full wifi coverage with strong security control is provided across the whole new office premises to increase mobility.

### Financial Resources

We operate on a self-financing basis with operations funded by statutory fees and investment income generated from a one-off Capital Grant provided by the Government in 1998.

Since 1 October 2020, MPFA has started charging MPF trustees an annual registration fee (ARF), which has become the major source of its recurrent income. For the first six years since its implementation, ARF rate is set at 0.03% per annum on the respective MPF schemes' net asset value. The rate will be subject to review in the seventh year with a view to recovering fully MPFA's related expenses on regulating MPF schemes.

To enable MPFA to pursue the eMPF Platform project, the Government has set aside a total grant of about \$4.9 billion. During the year ended 31 March 2023, a total of \$625.5 million<sup>1</sup> (2022: \$615.1 million) of the grant was received in accordance with the Grant Agreement with the Government for governing the project. The grant is segregated from the funding of MPFA and is provided to the eMPF Platform Company Limited (eMPF Company) to undertake the project. MPFA also monitored the usage of the grant.

In 2022–23, we posted a total income of \$463.8 million.

For the year ended 31 March 2023, ARF (included in "Fees and charges") of \$338.5 million was recorded and the related expenses incurred for the year was \$461.6 million. Fees on ORSO schemes and application and annual fees on MPF intermediaries of \$17.7 million were also recorded. These fees accounted for the bulk of total fees and charges in 2022–23.

In 2022–23, "Other income" included Government Grant recognized for the eMPF Platform project of \$94.1 million and the Anti-epidemic Fund<sup>2</sup> recognized of \$5.0 million.

In 2022–23, we posted an investment loss of \$36.7 million, amid a highly volatile investment environment.

In 2022–23, total expenditure of \$586.7 million included operating expenditure incurred for the eMPF Company of \$96.7 million.

Notwithstanding the many demands on our resources, we will continue to exercise stringent fiscal discipline and make conscious efforts in controlling our expenditure.

<sup>1</sup> The grant received in 2022–23 included a one-off cash advance of \$195.50 million which should be repaid to the Government in subsequent financial years with forecast surplus.

<sup>2</sup> The Anti-epidemic Fund was introduced by the HKSAR Government to assist industries and the public which were affected by the COVID-19 pandemic. Funding was provided to participating organizations to offer temporary job positions to keep workers in employment.

## Financial Position

As at 31 March 2023, the capital and reserve of MPFA was \$2.25 billion. Details are set out in the audited consolidated financial statements of MPFA on pages 113 to 154.

### Income

	2022–23		2021–22	2020–21
	%	\$ million	\$ million	\$ million
Net investment (loss)/income	(7.9)	(36.7)	(20.8)	329.0
Fees and charges	81.4	377.7	349.6	52.7
Interest income	4.8	22.4	3.4	2.6
Recoveries from MPF Schemes				
Compensation Fund <sup>3</sup>	0.3	1.2	1.1	1.2
Other income	21.4	99.2	73.3	43.3
<b>Total:</b>	<b>100.0</b>	<b>463.8</b>	406.6	428.8

### Expenditure

	2022–23		2021–22	2020–21
	%	\$ million	\$ million	\$ million
Staff cost	73.3	430.0	399.5	390.4
Depreciation and amortization	11.6	68.1	59.6	56.9
Premises expenses	2.3	13.4	12.4	11.7
Other expenses	12.8	75.2	75.6	87.0
<b>Total:</b>	<b>100.0</b>	<b>586.7</b>	547.1	546.0

3 The MPF Schemes Compensation Fund is set up under the MPF legislation to compensate MPF scheme members or other persons who have beneficial interests in MPF schemes for any loss in MPF benefits attributable to misfeasance or illegal conduct committed by MPF trustees or any other persons concerned with the administration of those MPF schemes. Currently MPFA administers the MPF Schemes Compensation Fund and recoups the expenses incurred on a cost recovery basis.