

5. Enhancing Corporate Governance & ESG Implementation

The HKTB implements a series of environmental, social and governance (ESG) principles to promote the sustainable development of Hong Kong’s tourism. In 2023/24, the HKTB continues to strengthen the series of initiatives in ESG in its operations and promotional strategies.

The HKTB’s ESG initiatives covers the following areas:

- 1. Connecting tourism and the community: the HKTB deepens the participation connection of the whole community in the tourism industry, and focuses on raising the interest of young people in the industry, with a view to encouraging them to join the industry in the long run;
- 2. Environmental protection: the HKTB is committed to implementing green initiatives in all aspects of our operation and organisation of events to create a sustainable environment together with the community;
- 3. Strengthening corporate governance: the HKTB constantly enhances its transparency by strengthening the framework, vision and philosophy of corporate governance in this year’s annual report.

The following section details our key ESG achievements and initiatives over the past year, demonstrating our commitment to creating a sustainable tourism industry in Hong Kong.



A. Connecting Tourism and the Global Youth Community

As Hong Kong tourism resumed, HKTB also dedicated its efforts in the sustainable development of the industry, in addition to enhancing Hong Kong’s tourism competitiveness. It is hoped that by enhancing the community’s understanding of and concern for the tourism industry, the link between the community and the tourism industry will be deepened, and the contribution of the tourism industry to the community will be expanded.

HKTB promotes the sustainable development of the tourism industry by nurturing local young talents and raising awareness of Hong Kong’s tourism among young people from around the world, with a view to telling the story of Hong Kong to travellers through the fresh perspectives of young people. In recent years, HKTB has organised a series of education and learning programmes in collaboration with various sectors to encourage young people to take an interest in the tourism industry and establish a link between them and the industry, thereby laying a long-term foundation for nurturing the younger generation to value tourism in Hong Kong and join the industry.

Strengthening local education to spark interests among the youth

In terms of nurturing local young talents, HKTB’s “HKTB Youth Academy” continued to support the Hong Kong Young Ambassador Programme organised by the Tourism Commission and the Hong Kong Federation of Youth Groups by injecting new elements to the programme through public activities. In addition, the HKTB Youth Academy cooperated with the Education Bureau again to organise the second “Hong Kong Tourism Industry Student Summit”. Most of the activities of HKTB Youth Academy were designed to be led and planned by students, including itinerary design, giving docent tours, planning new tourism products, with a view to nurturing a new generation of Hong Kong community that is proactive in tourism and sense of ownership to the local tourism industry.



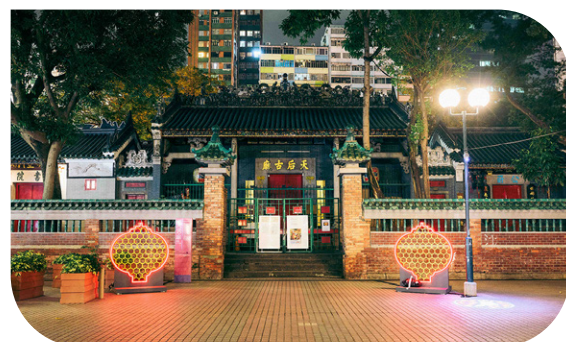
Hong Kong Tourism Industry Student Summit

HKTB Youth Academy collaborated with the Education Bureau last year and launched the Hong Kong Tourism Industry Student Summit, the first large-scale event tailor-made for teachers and students of the Tourism and Hospitality Studies in Hong Kong. Returning for the second year, this year’s Student Summit attracted more than 1,000 tourism and hospitality students from 60 secondary schools. The two-day event included keynote speeches, inter-school project competitions, and sharing of the latest tourism trends by industry representatives from tour operator, airline and hotel sectors, and participants of the Student Summit could learn more about sustainability in tourism.

The Student Summit was not only a platform for students to exchange ideas and gain a deeper understanding of the sustainable development of Hong Kong’s tourism industry. The case competition also provided students with an opportunity to demonstrate what they have learned and express themselves through creative thinking and imagination; together with the attractive prizes offered by different sectors in the tourism industry, the Summit successfully enhanced the sense of commitment to Hong Kong tourism among the students and offered them the exposure to the industry with a realistic perspective.







### "Hello Hong Kong · My Best Picks" Tours

To enhance the understanding of Hong Kong tourism among the youth, HKTb continued to support the Hong Kong Young Ambassadors Programme. This year, HKTb leveraged on the results of its public selection campaign "Hello Hong Kong · My Best Picks" most-liked Hong Kong experiences to encourage about 300 Young Ambassadors to design and plan in-depth local tour itineraries in a competition. The 40 winners then become tour guides and conducted docent tours for non-local university students, experiencing the local culture and great outdoors with their guests.

Apart from providing professional training for the Young Ambassadors to hone their itinerary design and tour guide skills and become a host as a spokesperson of Hong Kong's tourism while showcasing the city's vibrancy and charm as Asia's events capital, the programme also provided them with the opportunity to interact with global travellers and to further develop their soft skills, such as communication, organisation of activities, interpersonal skills and co-ordination skills.



### Telling the Hong Kong story through non-local students



Apart from encouraging local young people to explore Hong Kong in the community and reinterpret the dynamic appeal of Hong Kong from their innovative perspectives, in 2023, HKTb Youth Academy also recruited Mainland and overseas university exchange students studying in Hong Kong to participate in the programme. We hope to deepen their understanding of Hong Kong through different creative activities, so that they can promote the beautiful Hong Kong in their minds when they return to their home countries, telling the story of Hong Kong in the wider global community.







*Diverse activities to  
"live like a Hongkonger"*

HKTBA Youth Academy has recruited over 200 students from the Mainland, Taiwan and 38 countries. This year's exclusive programmes were highly original, with the Tai Hang Fire Dragon Dance Workshop fully presenting the traditional culture to an audience beyond Hong Kong; The "Hello Hong Kong - My Best Picks" tour guided by Hong Kong Youth Ambassadors, strengthened the ties and cultural exchanges between Hong Kong and non-local students. Other exciting activities such as the Hong Kong Wine & Dine Festival and the Temple Street Night Markets were also some of the most exciting events in town, allowing the students to recall some of their fondest memories of Hong Kong when they return home as the non-local students enjoyed a great time with the warmth and humanity in the Hong Kong community.



The programme was well received by the participating students, many of whom praised the originality, novelty and local characteristics of the programme. Some of them actively shared their experiences on social media. They also hoped to share their experiences with their friends and relatives back in their home and visit Hong Kong again in the future. This shows that the programme has successfully achieved the objective of "telling Hong Kong's tourism story" and bringing more in-depth visitors to Hong Kong in the future.

HKTBA will continue to roll out more exciting activities and unique programmes, so that the Young Ambassadors, Mainland and overseas students, as well as travellers from all over the world, can experience a more hospitable, eye-catching and heart-warming journey to Hong Kong.



**B. Efforts in Environmental Protection and Social Responsibilities**

**Environmental Protection**

Climate change is affecting various aspects of life and requires collective efforts to mitigate its impact. As a responsible organisation, HKTBA actively integrates sustainable elements into its procurement and office operations.

**Procurement**

HKTBA incorporates environmentally friendly standards into its Supplier Code of Conduct, requiring all suppliers to adopt practices that safeguard the environment. Suppliers shall comply with all applicable environmental laws, regulations and standards, such as requirements regarding chemical and waste management and disposal, recycling, industrial wastewater treatment and discharge, air emissions controls, environmental permits and environmental reporting.

**Green Workplace**

HKTBA strives to minimise our carbon footprint and adopt various eco-friendly measures in our offices. HKTBA encourages staff to proactively care for the environment. HKTBA has introduced the following green measures to address the key environmental impact of our business activities.

**Going Paperless**

- Convening all Board and Committee meetings in a paperless environment
- Using electronic platforms to enable digital transmission and preservation of documents
- Adopting electronic registration for HKTBA campaigns and events

**Recycling**

- Sorting plastic and metal for recycling
- Installing food waste recycling system

**Conservation of Resources**

- Installing automated lighting control system
- Providing air condition in each of the partitioned spaces at any desired set temperature
- Adopting open office design to reduce the use of materials, maximise the use of natural light
- Providing designated bins for separation of recyclable waste at source to facilitate collection on each office floor

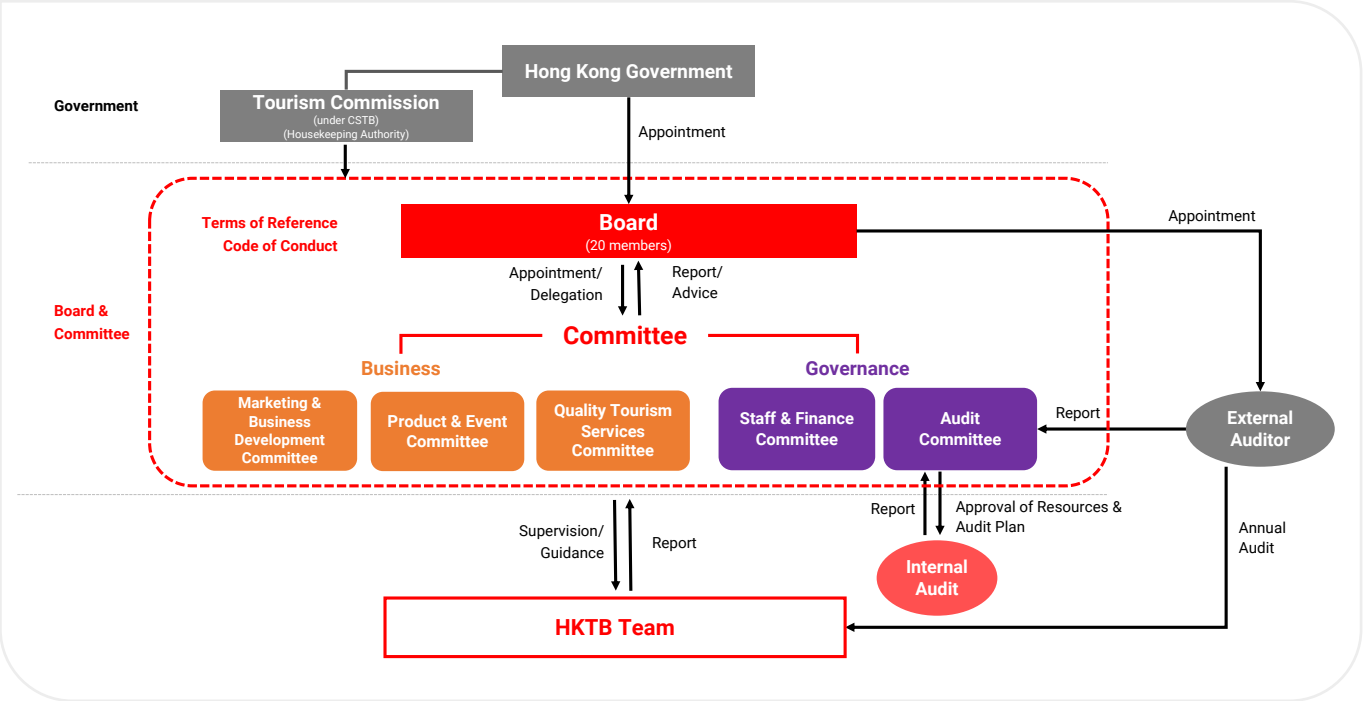
C. Strengthening Corporate Governance

Introduction

Hong Kong Tourism Board (“HKTB”) is committed to upholding high standard of corporate governance to ensure accountability, integrity, openness, and transparency in discharging its statutory duties under the Hong Kong Tourism Board Ordinance (Cap. 302 Laws of Hong Kong) (“Ordinance”).

In pursuing its missions and visions, HKTB adopts appropriate corporate governance principles and best practices, including the implementation of a robust governance structure, effective control mechanisms, codes of conduct, and corporate governance arrangements that are applicable to public bodies.

(1) Governance Structure



HKTB Relationship with the Government

As a government-subsentved organisation, HKTB operates independently in carrying out its tasks and duties. HKTB has autonomy and flexibility over the management and control of its activities and budget. At the same time, HKTB has the responsibility to ensure that its operational, administrative, and management systems and practices reflect the most effective and prudent use of Government subventions.

HKTB holds regular review meetings with the Tourism Commission under the Culture, Sports and Tourism Bureau (“TC”), the focal point of contact between the Government and HKTB. HKTB also provides quarterly progress review reports on its financial position and operational performances as well as annual audited financial statements to TC for review.

The Board

The Board is the highest governing and decision-making body of HKTB.

The Board exercises the powers and performs the statutory functions set out in the Ordinance. The Board plays a key role in setting the overall directions and strategic guidance to ensure that HKTB’s administration and works are carried out effectively.

The Board meets every two months.

Board Constitution

The Board is appointed by the Chief Executive under section 9 of the Ordinance.

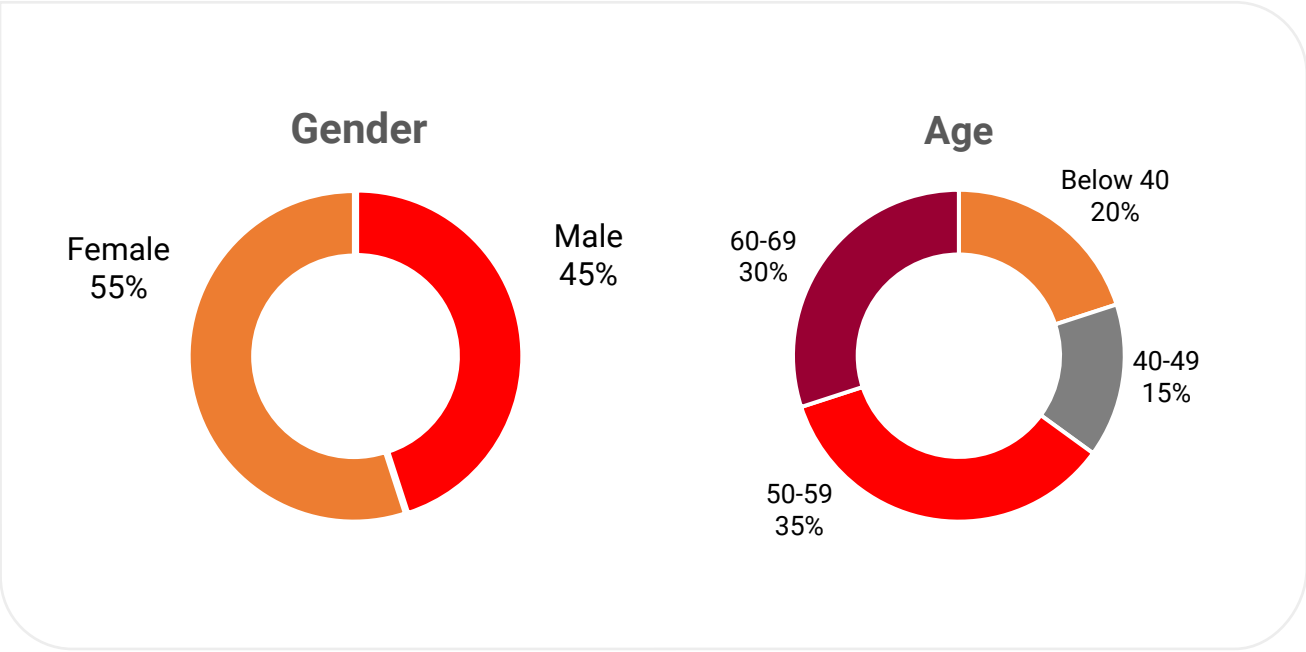
The constitution of the Board is governed by the Ordinance and consists of twenty (20) members (including the Chairman) appointed by the Chief Executive (“Board Member”). The Commissioner for Tourism is the Deputy Chairman of the Board and is also a member of each of the five committees of HKTB.

All Board Members are independent, non-executive and non-remunerated.

As at 31<sup>st</sup> March 2024, the Board comprised twenty (20) members, including the Chairman. The General Manager, Corporate Services acts as the Board Secretary.

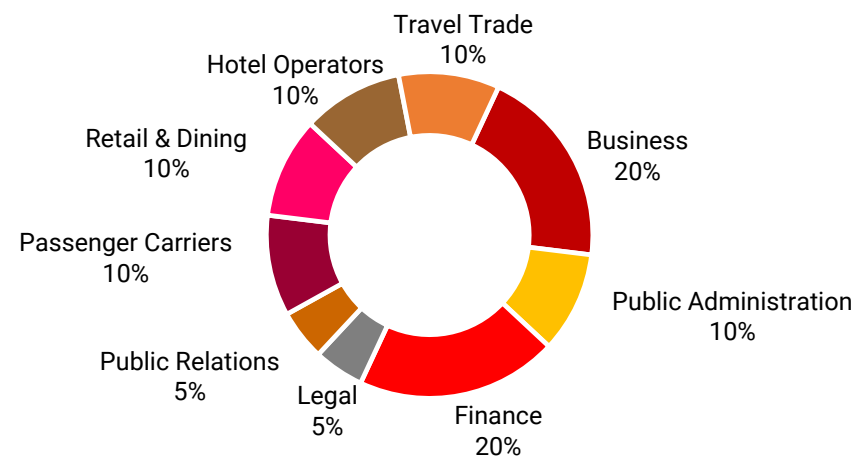
Diversity of Membership

Board Members come from diverse backgrounds with a wealth of knowledge, experience and expertise, including Business, Finance, Hotel Operation, Legal, Passenger Carriers, Public Administration, Public Relations, Retail & Dining, and Travel Trade. The combination of members from within and outside the tourism industry provides the Board with a more balanced, holistic and independent view when setting policies, identifying measures and sharing insights on HKTB’s initiatives.





Expertise/Industry



The positions of the Chairman and Executive Director (“ED”) of HKTB are held by different persons and their roles are segregated. The Chairman is responsible for leading the Board in discharging the statutory functions set out in the Ordinance, setting strategies and policies for HKTB. The ED is the chief administrative officer of the Board responsible for executing the Board’s decisions and administering everyday business and affairs of HKTB.

Term of Service

All Board Members are determined and appointed for three consecutive years or less by the Chief Executive. A Board Member may be reappointed by the Chief Executive on the expiry of the term.

Decision Making System

Under the Ordinance, the Board is vested with the powers and duties as are conferred on it. Over the years, some of these decision-making powers have been delegated to Committees established under the Board.

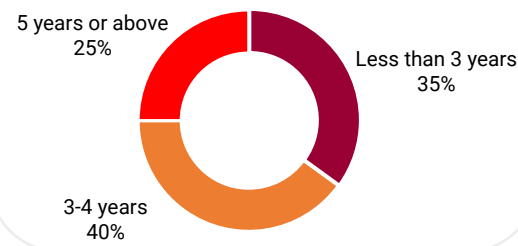
As delegated by the Board, the ED administers the appropriate levels of approval authorities for all matters, affairs and activities of HKTB except for those matters that require approval of the Board or delegated to Committees. The levels of approval authorities are documented as internal policy which must be adhered to. These arrangements serve the dual purposes of maintaining proper checks and balances and enhancing operational efficiency.

Induction and Development

Upon appointment, new Board Members will receive an invitation to participate in a tailored and comprehensive induction briefing conducted by the HKTB management. To support the new Board Members in gaining a good understanding of HKTB’s operations and their responsibilities, HKTB will provide an information manual comprising Terms of Reference for the Board, Code of Conduct, overview of HKTB’s business operation, corporate governance policies, along with the latest tourism information and statistics.

To ensure Board Members are well-informed about the latest developments and trends in Hong Kong’s tourism industry, HKTB regularly provides Board Members with various reports and updates regarding its works and tourism statistics. By staying informed about the latest development and trends, Board Members are in the best position to provide valuable insights and contribute to the continued success of HKTB and Hong Kong tourism industry.

Board Tenure



Board Committees

The Board establishes five (5) functional committees (“Committees”) to assist its oversight of HKTB’s operations and advise the Board on corporate governance matters arising from the committees’ works. All committee members are appointed by the Board.

The Board may set up panels, sub-committees and/or work groups to deal with particular issues from time to time.

Terms of Reference of the Committees set out the functions, duties and membership of the Committees. The Committees are accountable to the Board for their recommendations and decisions. Mechanism is in place to report recommendations and decisions made by the Committees to the Board.

Business-related Committees

Marketing and Business Development Committee

Marketing and Business Development Committee (“MBDC”) is responsible for:

- providing strategic input and advice to the Board on its marketing direction and business development;
- reviewing the draft annual business plan; and
- providing advice on new marketing directions and opportunities, global developments affecting tourism in Hong Kong, and strategies for enhancing the Board’s external communications and industry relations.

MBDC meets four (4) times a year.

Composition and Membership

MBDC comprises eight (8) Board Members, with the Head of Strategic Planning & Insights acting as Committee Secretary.

(Membership as at 31 March 2024)

Chairman	Ms Sonia Cheng
Members	Commissioner for Tourism Ms Margaret Fong Ms Rebecca Kwan Ms Lavinia Lau Mr Richard Tsang Mr James Wong Mr Ronald Wu, MH

### Product and Event Committee

Product and Event Committee (“PEC”) is responsible for:

- providing strategic direction and input on the development of product and event strategy;
- evaluating the contribution of any initiatives to HKTB’s overall marketing direction set by the MBDC;
- reviewing and approving product and event strategy plans by providing comments and recommendations on new product initiatives and infrastructure development; and
- approving the concepts and implementation of mega events.

PEC meets four (4) times a year. In 2023/24, a special PEC meeting was held upon request.

#### Composition and Membership

PEC comprises eight (8) Board Members, with the General Manager, Event & Product Development acting as Committee Secretary.

(Membership as at 31 March 2024)

Chairman	Ms Joyce Tam
Members	Commissioner for Tourism Ms Vanessa Cheung Mr Dennis Chow Mrs Gianna Hsu Dr Evelyn Lam, JP Mr Ricky Szeto Professor Simon Wong, BBS, JP

### Quality Tourism Services Committee

Quality Tourism Services Committee (“QTSC”) is responsible for:

- acting as the governing body of the Quality Tourism Services Scheme (“QTS Scheme”) and provides strategic input and advice to the Board on the development of the QTS Scheme; and
- approves the assessment criteria, scheme rules, complaint handling policy and pricing policy of the QTS Scheme.

QTSC meets twice (2) a year.

#### Composition and Membership

QTSC comprises eight (8) Board Members, with the General Manager, Business Development acting as Committee Secretary. QTSC leverages on a co-opt mechanism to include four (4) industry members to enhance the diversity of membership in its meetings.

(Membership as at 31 March 2024)

Chairman	(Chairman of HKTB)	Dr Pang Yiu-kai, GBS, JP
Members	(Board Members)	Commissioner for Tourism Mrs Gianna Hsu Mrs Ann Kung, BBS, JP Dr Evelyn Lam, JP Mr Ricky Szeto Ms Joyce Tam Professor Simon Wong, BBS, JP
	(Industry Members)	Mr Calvin Chan, MH Mr Ray Chui, JP Mr Andrew Wong Mr Selwyn Yu, SC

### Governance-related Committees

#### Audit Committee

Audit Committee (“AC”) is responsible for:

- advising the Board on the adequacy of internal controls and the effectiveness and efficiency of HKTB’s operations;
- reviewing and endorsing the annual audit plan; and
- reviewing the annual audited financial statements before submission to the Board.

AC meets three (3) times a year.

#### Composition and Membership

AC comprises six (6) Board Members, with the Head of Internal Audit acting as Committee Secretary.

(Membership as at 31 March 2024)

Chairman	Mr Dennis Chow
Members	Commissioner for Tourism Mr Abraham Chan, SC Ms Vanessa Cheung Mr James Wong Mr Ronald Wu, MH

### Staff and Finance Committee

Staff and Finance Committee (“SFC”) is responsible for:

- reviewing and endorsing financial matters, including financial policies, management control, annual audited financial statements, and matters involving long-term financial commitment by the HKTB such as office lease; and
- reviewing and endorsing manpower planning, terms and conditions of employment, the creation and deletion of senior managerial positions, and the promotion of senior executives.

SFC meets four (4) times a year.

The Chairman of HKTB and the SFC collaborate annually to establish a Remuneration Review Committee with an objective of evaluating the performance of senior executives and their overall compensation. The review typically takes place around the month of May.

#### Composition and Membership

SFC comprises eight (8) Board Members, with the General Manager, Human Resources & Administration acting as Committee Secretary.

(Membership as at 31 March 2024)

Chairman	Ms Mary Huen, JP
Members	Commissioner for Tourism Mr Abraham Chan, SC Ms Rebecca Kwan Mrs Ann Kung, BBS, JP Ms Lavinia Lau Ms Joyce Tam Mr Richard Tsang

### Meeting Procedures

The Board and Committees convene meetings on a regular basis, with special meetings held as and when necessary.

The Board and Committee Secretaries record the major points of discussions, recommendations, decisions and action items arising from the meetings. Committee decisions, as recorded on the meeting minutes, would be shared with the Board on a regular basis. Outstanding matters are followed up by the relevant divisions and progress updates are reported at subsequent meetings.

Meeting Attendance

In 2023/24, the Board convened a total of six (6) meetings. For business related committees, the MBDC, PEC and QTSC convened four (4), five (5) and two (2) meetings respectively. For governance related committees, the AC and SFC convened three (3) and four (4) meetings respectively.

Attendance records of Members are shown as follows:

Board Members	Board	Business Related			Governance Related	
		Marketing & Business Development Committee	Product & Event Committee	Quality Tourism Services Committee	Audit Committee	Staff & Finance Committee
Dr Y. K. Pang (Chairman)	6/6			2/2*		1/1^
Commissioner for Tourism (Deputy Chairman)	6/6	4/4	5/5	2/2	3/3	4/4
Mr Abraham Chan	5/6				1/3	3/4
Ms Sonia Cheng <sup>1</sup>	5/6	3/4*		2/2		
Ms Vanessa Cheung	5/6		4/5		1/3	
Mr Dennis Chow	6/6		4/5		3/3*	
Ms Margaret Fong	4/6	1/4				
Dr Allen Fung	5/6					
Mrs Gianna Hsu	4/6		3/5	1/2		
Ms Mary Huen <sup>2</sup>	5/6					3/4*
Mrs Ann Kung	4/6			1/2		4/4
Ms Rebecca Kwan	6/6	3/4				2/4
Dr Evelyn Lam <sup>3</sup>	2/2					
Ms Lavinia Lau	6/6	3/4				3/4
Mr Ricky Szeto	6/6		4/5	2/2		
Ms Joyce Tam	6/6		5/5*	2/2		3/4
Mr Richard Tsang <sup>4</sup>	3/3	1/1				2/2
Mr James Wong	6/6	4/4			3/3	
Professor Simon Wong	6/6		3/5	1/2		
Mr Ronald Wu	6/6	4/4			2/3	
Ms Alice Kwok <sup>5</sup>	3/3	2/3				2/2
Mr Fong Lik-sun <sup>6</sup>	2/4		3/5			
Average attendance rate	89%	78%	78%	81%	72%	82%

1. Resigned from the Quality Tourism Services Committee with effect from 25 January 2024  
2. Chairmanship of Staff & Finance Committee with effect from 1 November 2023  
3. Appointment with effect from 1 January 2024  
4. Appointment with effect from 1 November 2023  
5. Appointment until 31 October 2023  
6. Appointment until 31 December 2023  
\* Committee Chairman as at 31 March 2024  
^ Remuneration Review Committee only

Highlights of Board and Committees’ Discussion

The Board and Committees meet regularly to discuss and approve matters of operational and strategic importance. Major topics covered during these meetings include the following categories:

Governance, Policies and Internal Control

- Board Committee’s Membership
- Annual Business Plan and Budget, Budgetary Control Reports and Forecast
- 2022/23 Audited Financial Statements and Related Matters
- 2023/24 Statutory Audit Plan by External Auditors
- Changes to Approval Matrix
- Changes to Authorised Bank Signatories
- Personal Data Privacy Governance Framework, Policy and Practical Guide
- Legal Compliance Review Report
- Internal Audit Plan and Reports

Business Planning and Strategies

- Key/Business Performance Indicators
- Marketing Strategies and Directions of the Hello Hong Kong, Hallo Hong Kong Halloween, Fostering Night-time Vibes, Hospitality Campaign, Professional Quality Tourism Services Pledge
- Concept, Implementation and Major Procurements of HKTB-staged Mega Events
- Marketing Collaborations with third party events
- Set up of Mega Events Development and Advancement Team
- Support Fund for Signature Tourism Events
- Funding Support for MICE and Cruise events
- Quality Tourism Services (QTS) Scheme related matters

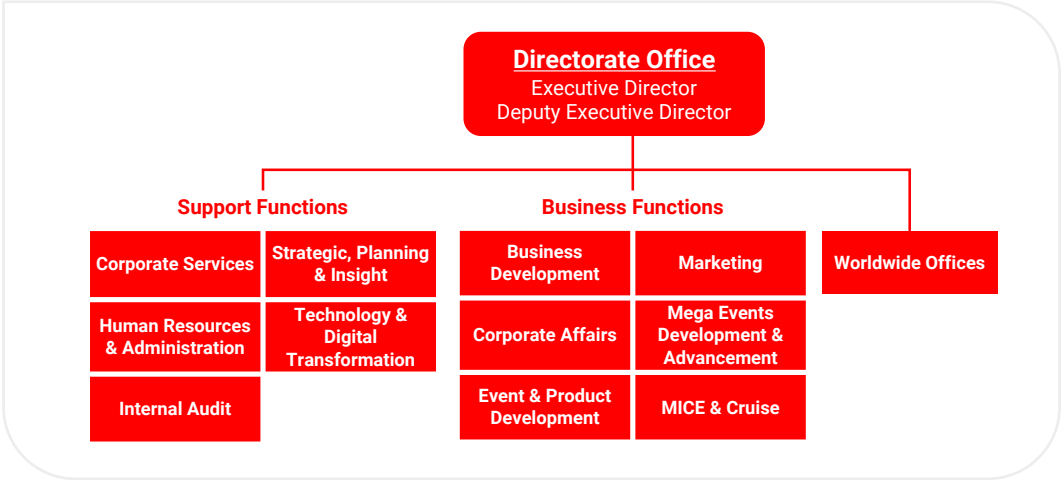
Staff Administration and Development

- Annual Salary Review
- Appointment of HKTB Management Staff
- Head Office Renovation

Organisational Structure

The organisational structure of HKTB as at 31 March 2024 is illustrated in the organisation chart below:

Each function has its own defined roles, duties and responsibilities, and collaborates with others to ensure a smooth operation of HKTB at all times.



Worldwide Network

HKTB has a global presence with strategic operations established across twenty-one (21) locations. Such international reach effectively connects HKTB with diverse stakeholders, enhances its visibility and promotes Hong Kong as a world-class travel destination on a global scale.



📍 **Head Office**  
Hong Kong

- **Worldwide Offices**  
Beijing, Guangzhou, Shanghai, Chengdu, Tokyo, Seoul, Singapore (Vietnam representative), Taipei, Sydney, London, Paris, Frankfurt, Los Angeles, New York, Toronto, New Delhi, Jakarta, Bangkok, The Philippines, Kuala Lumpur, Dubai

For the address and contact details of the worldwide offices and representatives, please visit [www.discoverhongkong.com](http://www.discoverhongkong.com).



(2) Corporate Governance Practices

Effective corporate governance is fundamental aspect for establishing a sustainable and successful business. Enhancing the quality of corporate governance is an important objective of HKTB and HKTB consistently strives to develop and improve in this area.

Corporate governance practices cover a range of topics, all of which play an important role in ensuring that HKTB’s business is managed with an appropriate system of management, internal controls supporting compliance, and good business practices.

Standard of Behaviour

HKTB is a public body under the Prevention of Bribery Ordinance (Cap. 201, Laws of Hong Kong) (“PBO”). All Board Members and HKTB employees are regarded as “public servants” for the purpose of PBO.

Good corporate governance counts on Board Members and HKTB staff who demonstrate utmost integrity, impartiality and ethical standards in carrying out their duties. Standard of behaviour states the HKTB’s expectations on the behaviour of Board Members and HKTB staff.

Code of Conduct for Board Members

HKTB has issued a set of Code of Conduct for Board Members, which has been approved by the Board. Board Members are required to adhere to the Code of Conduct. It sets out the basic standard of conduct expected of all Board Members and the HKTB’s policy on matters such as declarations of conflicts of interest, confidentiality of information, acceptance of advantage and entertainment, and sponsorship offered in connection with their official duties.

Board Members should always act in the best interest of the HKTB, place public interest above private interest and should not bring the HKTB into disrepute.

Code of Conduct for Staff Members

HKTB has issued the Code of Conduct for staff members, setting out the employees’ legal obligation and fiduciary duties. HKTB staff members are required to adhere to the Code of Conduct when carrying out any role on behalf of HKTB. Any HKTB staff member in breach of the Code of Conduct will be subject to disciplinary action.

All HKTB staff members are briefed on the Code of Conduct during their onboarding process. They have easy access to the Code of Conduct at any time through the HKTB’s intranet.

To foster staff members’ awareness and understanding of the issue, HKTB has arranged the annual acknowledgement of the Code of Conduct exercise and regularly invited the Hong Kong Independent Commission Against Corruption (“ICAC”) to conduct awareness training sessions for staff members on business ethics which all new joiners are mandatory to attend.

Declaration of Interest

HKTB adopts a “Two-Tier Reporting System” in the declaration of interest of Board Members. All Board Members are required to register to the Board Secretary in writing their personal interest, direct or indirect, pecuniary or otherwise, at the time of appointment, annually thereafter and to report on conflict of interests as and when they arise. Such declarations are maintained by the Board Secretary and are available for public inspection.

If a Board Member (including the Chairman) has any declarable interests in any matter under consideration by the Board, he/she must, as soon as practicable after he had become aware of it, disclose to the Chairman (or the Board) prior to the discussion of the item. When a known declarable interest in any matter under consideration by the Board exists, the Board Secretary may withhold circulation of relevant papers to the Board Member concerned.

Accountability

HKTB has built its corporate structure and management culture based on the principle of accountability. Under the current structure, the Board is accountable for HKTB’s overall performance. HKTB is responsible for managing its everyday business and is accountable to the Board for its performance.

Audits

Internal Audit

The Internal Audit Division (“IAD”) has an independent role to evaluate the adequacy and effectiveness of the internal control. It formulates an audit plan yearly, covering the financial, operational and compliance control of functional units and worldwide offices. HKTB has established an Internal Audit Charter to set out the purpose, authority and responsibility of the IAD. IAD provides HKTB and the AC with an overall assurance about the adequacy and effectiveness of the internal controls, and the compliance with established plans, policies and procedures in its day-to-day operations.

External Audit

HKTB also engages an external auditor to conduct statutory audit. The external auditor agrees on the scope of the statutory audit with the Audit Committee before the audit commences.

The AC meets, at least once a year, with the external auditor without the presence of the HKTB Management to discuss any matters that the external auditor may wish to raise. The external auditor of the year 2023/24 was KPMG. The remunerations for their audit and non-audit services during the year are HK\$373,500 and HK\$8,600 respectively.

## Maintaining Transparency

As a public body, HKTb is committed to maintaining the transparency of its operations. The public can learn about HKTb’s work through its annual report. Additionally, HKTb submits annual work reports to the Legislative Council and attends relevant public meetings to explain its work strategies and address questions from council members.

Furthermore, the public and industry stakeholders can stay informed about HKTb’s latest initiatives through various channels, including press releases, media events, publications, websites issued by HKTb and industry briefings.

## Legal Compliance

### Legal and Regulatory Compliance

HKTb is committed to ensuring its businesses are operated in compliance with applicable laws, rules and regulations. This commitment is fundamental to maintaining the integrity and reputation of HKTb, as well as fostering trust among stakeholders and the public.

To uphold this commitment, HKTb conducts a Legal Compliance Review annually, with the scope of review endorsed by the Audit Committee. The review evaluates the compliance status of various business units and reports these findings to the Audit Committee.

## Personal Data Privacy

HKTb is committed to maintaining a high level of integrity in its personal data privacy protection. HKTb embraces personal data protection as part of its corporate governance responsibilities and culture.

Recognising the importance of personal data privacy, HKTb established a dedicated Data Privacy Office in 2023, led by HKTb’s senior executives and Legal Director who are responsible for overseeing and managing the organisation’s personal data privacy protection efforts. HKTb has appointed personal data privacy stewards in different divisions and worldwide offices to manage, handle and implement proper safeguards for personal data protection. As an on-going initiative to monitor personal data protection, HKTb has implemented a “Privacy Management Programme” to assess and monitor day-to-day personal data privacy protection and attend to any potential risks and issues arisen over time.

To cultivate a privacy-conscious work environment and enhance understanding of the personal data privacy issue among staff, HKTb released its “Personal Data Privacy Policy” and “Practical Guide on Personal Data Protection” for internal reference. Awareness trainings have also been organised for staff members. In recognition of HKTb’s effort and achievement in this area, the Office of the Privacy Commissioner for Personal Data awarded the “Privacy-Friendly” Silver Award to HKTb in July 2023.

## Prevention of Bribery

HKTb is determined to implement ethical and anti-bribery business practices and adopts zero-tolerance towards bribery conduct. To maintain the highest standards of integrity and combating bribery within the organisation, HKTb has issued relevant Codes of Conduct applicable to all personnel, including its Board Members and staff members at all levels.

Apart from the HKTb’s personnel, HKTb’s business partners should also have strong ethical commitment. Where appropriate, HKTb should inform all business partners of its anti-corruption policy. For major contracts and partnering arrangements, HKTb will include suitable probity requirements in the agreements with the business partners concerned.

From time to time, HKTb invites ICAC to conduct trainings in order to promote staff awareness of anti-corruption, strengthen their understanding of anti-bribery law, build correct ethics and values, and enhance the ability of identifying anti-corruption exposure.

In addition, the Audit Committee included “Prevention of Bribery” as one of the review areas in HKTb’s Legal Compliance Review in 2024. This new initiative enables HKTb to assess its anti-bribery practices across all business units from an independent standpoint.

## Budgeting, Planning and Reporting

### Corporate Planning and Budgeting

HKTb prepares its annual business plan and budget every year to review the performance of the current year, and to outline its forecast, strategic focus and work plan of the following year. The annual business plan and budget are discussed and endorsed at the Joint Committee Meeting of MBDC and PEC as well as the SFC with Board’s approval before submission to the Government for approval prior to the commencement of each financial year. The implementation progress is monitored by the management and the Board regularly.

HKTb adheres to the principle of financial prudence in budgeting. Effective fiscal control and planning measures are in place to ensure the financial resources are deployed in alignment with HKTb’s business strategies.

## Financial Control and Reporting

HKTb has established the financial control policy and procedure to ensure proper and effective use of its financial resources in a manner which satisfies the requirements of accountability, transparency, internal control and financial risk management. The policy and procedure set out the principles on how HKTb conducts its financial and procurement affairs and is applicable to all employees.

The consolidated financial statements of HKTb and its subsidiary were prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSS**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). Applicable requirements as stipulated in the Hong Kong Companies Ordinance are also voluntarily observed. To promote transparency and openness, the salaries and discretionary performance pay for all senior executive positions are disclosed by band.

The annual audited financial statements and related matters are submitted to the SFC for review and endorsement. They are then reviewed and approved by the Board, and submitted to the Government.



Procurement

HKTB is committed to upholding high standards of transparency and accountability in its procurement processes. To ensure fairness and competitiveness, HKTB adopts a two-envelope approach for procurement. This method involves the separate submission of technical and financial proposals, allowing for a thorough evaluation of each bid.

For procurement with value exceeding the pre-determined threshold as approved by the Board, HKTB adopts an open tender approach. This approach not only enhances transparency but also encourages a wide range of suppliers to participate, fostering healthy competition and ensuring the best value for public funds.

Informed Decision-Making and Record Keeping

HKTB provides the Board and Committees with relevant materials to enable thorough and informed deliberation at meetings. HKTB also furnishes the Board with relevant information to facilitate detailed scrutiny of outcomes and performance.

HKTB and Committees keep records for the Board in the form of minutes of discussion, attendance and decisions made.

Whistleblowing

HKTB is committed to high standards of corporate governance and to maintaining a high standard of openness, probity and accountability. HKTB employees at all levels are expected to conduct themselves with integrity, impartiality and honesty.

To this end, HKTB has devised a whistleblowing policy that aims at providing a formal channel to guide and encourage employees to report noncompliance or malpractice internally, without fear of reprisal, in a responsible manner. HKTB employees can report any legitimate malpractice concern to the senior management and/or Head of Internal Audit as deemed appropriate.

HKTB will endeavour to treat all reports in a confidential manner. Internal or external parties such as auditors, government officials or other experts may be engaged to assist in the investigation. The result of the investigation would be reported to the Audit Committee and/or any relevant government bodies as obligated.

(3) Communications

HKTB considers transparency a foundation of good corporate governance. HKTB endeavours to maintain interactive communication with the public and stakeholders by providing timely and appropriate information.

Stakeholder Engagement

Board Members and HKTB have close connection and relationship with stakeholders of the local tourism industry, such as travel agents, airlines, hotels, the retail and dining sectors, representatives of attractions and academics. HKTB proactively updates the stakeholders on the initiatives undertaken by HKTB to foster consensus on industry issues.

HKTB organises forums and conferences for the tourism industry aiming at providing an effective communication channel for the industry members to exchange views and establish a close collaboration between them and HKTB.

HKTB periodically provides relevant stakeholders with up-to-date industry information and statistics.

Internal Communications

HKTB places great importance on prioritising effective internal communication as an integral part of its organisational culture. To ensure effective communication, HKTB holds townhall meetings for all staff, allowing the senior management to share updates and address staff concerns. In addition, HKTB conducts comprehensive orientation sessions for new joiners to facilitate their integration into the organisation. Weekly business meetings are held to engage members from different teams to foster collaboration. Through these initiatives, HKTB aims to create an inclusive environment that empowers employees and enhances organisational effectiveness.