

## Our People

### Living our Purpose and Value

At Hang Seng, our actions are guided by our purpose of “opening up a world of opportunity”, and by our values: “we value difference, we succeed together, we take responsibility and we get it done”.



Our values and our organisational culture help us make the right choices day to day in a variety of business situations and work environments. They dictate our conduct and behaviour in relation to how we treat customers and employees, judge when and how to intervene and speak up, and foster an inclusive work environment that supports the wellbeing of our staff. They allow us to stretch and unleash our potential to shape a Bank that is fit for the future.

We cultivate an agile and dynamic culture and workplace to support holistic development of our people including their environmental and social responsibility. We live our purpose and values to provide best in class customer experience and services and create a better future for our community including our commitment to the youth development which is a key pillar of the Bank’s ESG Strategy.



#### Youth Placement Programme

The youth placement programme (‘YPP’) is a prime example of how the Bank brings to live our purpose and values. In response to the adverse impacts of prolonged COVID-19 on the employment market in 2022, especially hard hit on graduates with no work experience, the Bank is committed to supporting our youths in their critical first employment experience. Notwithstanding a challenging business environment, the Bank offered graduates a six-month contract under YPP with potential options of permanent roles subject to mutual fit.



#### Star Award – Social Innovation

Hang Seng Bank won the “Star Award – Social Innovation” in the Hong Kong Institute of Bankers (‘HKIB’) Talent Development Excellence Award Programme, presented by The Hong Kong Institute of Bankers. We also received the Active Participation Award for the Greater Bay Area Youth Employment Scheme from the Hong Kong Government in November 2022. These awards recognise the Bank’s commitment to create positive social impacts on our youths and young talents. The awards highlight the Bank’s strategic investment to develop our future banking talents for the finance industry and business community.

## Our People

### Advocacy and awareness

Our corporate principles underpin all the Bank's policies and procedures, informing and connecting our purpose, values, strategy and risk management. They help us make better decisions when faced with difficult choices. We encourage our employees to act with courageous integrity, speak up, and use their sound judgement and principle-based decisions in challenging situations.

Our mission is to "serve customers right and serve the right customers". We embed this mission through our bank-wide risk culture initiative "RIGHT" Together.

The bank-wide cultural change initiative – "RIGHT" Together, is aimed at enhancing our long-term sustainability, maintaining the trust of our customers and supporting a working environment in which employees feel empowered, valued and inspired.

The five principles of the initiative promote positive behaviours that form part of our thriving corporate DNA:

<b>R</b> <b>READY</b> to challenge across boundaries with an open mind	<b>I</b> <b>IGNITE</b> curiosity to identify root causes and long-term solutions	<b>G</b> <b>GO</b> ahead, escalate concerns	<b>H</b> <b>HIGHER</b> standards by holding yourself and others accountable	<b>T</b> <b>TOGETHER</b> we recognise good conduct and behaviour
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We will continue to promote "RIGHT" stories and share the lessons we have learned through the mass communication of the "RIGHT" Together award winners' stories and departmental group discussions. These engagements have not only helped to share the best practices throughout our organisation, but have also enhanced our employees'

psychological feeling of safety in speaking up. We will continue to drive and reinforce the accountability of our personnel managers through workshops, while further embedding "behaviour first" as one of the objectives in our day-to-day performance management.

Through the "RIGHT" Together awards at the year's end, a positive adjustment in our annual pay review, and the "At Our Best Recognition" programme, we recognise and reward those colleagues whose actions exemplify our values and who have the courageous integrity to make changes that are contributing positively to the Bank and our customers. With the implementation of these initiatives, it has been observed that the "RIGHT" Together spirit is progressively being implanted into the daily work of our employees.

The "speak-up" and "trust" metrics in our annual pulse survey remains at robust levels, demonstrating the impact and effectiveness of our cultural change initiatives.



#### Metrics in our annual pulse survey against the financial services benchmark

##### Speak-up



##### Trust



## Our People

### We listen, from feedback to actions



In the wake of COVID-19, the pandemic has irrevocably changed employees' expectations on their work and lives. Options for employees are increasing in the competitive market. It is crucial for our leaders to listen, rethink and respond to employees' desires and aspirations. It becomes more difficult for our leaders to attract and retain talents in the evolving workforce environment where employees are not only looking for a stable and high-paid job, but also a job that they feel interesting with a sense of purpose in their work, and a workplace that they feel being valued with a sense of shared identity and connectivity, being respect with a certain extent of autonomy and flexibility. In this regard, we take every opportunity to research and seek our employees' feedback, listen to their wants and needs via diversified channels, and respond with sustainable actions and investment in human aspect of work. Together with employees, we can act and change – shaping common purposes to drive business strategies and growth and building the right culture and employee experience to attract and retain talents in order to create competitive advantage.

In response to our staff feedback from the 2022 annual employee survey (snapshot survey), we have taken proactive actions to enhance employee experience and enable their performance:

- ▶ **“Zoom free” Friday afternoons** to avoid scheduling meetings in Friday afternoons
- ▶ **Development Day** to advocate and support development focus for employees and time set aside for individuals or teams to pursue their choice of learning and development activities
- ▶ **Data Literacy Empowerment Programme** was launched bank-wide to equip staff in data and analytics skills
- ▶ **Future Skills development** was offered
- ▶ **Upskilling of people manager** was provided to engage, motivate and enable employees to perform at their best

Actions have been promptly taken to strengthen empowerment and autonomy of colleagues in their day-to-day work. “Be your Own Boss” was an online innovative design of scenario-based experience to inspire and empower colleagues in autonomous and agile ways of working. Individual reflections and lessons learnt from the scenarios have been shared in teams to foster peer learning and best practices.

In view of employees' feedback on our sales management and working arrangement during the fifth wave of COVID-19, a frontline staff sentiment survey was conducted in April 2022 with an aim of gauging staff sentiments on the latest pandemic conditions and gathering insights into areas including:

- ▶ Frontline employees' experience of work arrangements impacting their sales and work pressures during the fifth wave of COVID-19
- ▶ Perceived work practices and management culture
- ▶ Employees' suggestions for improvement areas

The 361 respondents, representing 16% of the frontline staff from Wealth and Personal Banking, were randomly selected to participate in the survey on a strictly anonymous and confidential basis.

We engage our employees to create a better lifestyle in their workplace with their own choices. Coffee tasting is one of the examples. We organise coffee tasting events regularly in which our employees can vote for the coffee they like best to be used in the office. Employees are excited with the results with overwhelming attention, feedback and participation.



## Our People

### Development for “Future Proof”

#### Day-to-day self-directed development journey

We encourage our staff to develop future skills. Through mobile apps with access to the Bank's portal system, both internal and external learning resources are made available on our web-based learning platform, Degreed. Staff are able to self-assess their learning needs, curate and personalise their learning plans, build networks for peer learning and initiate real-time knowledge transfers and experience sharing. Staff are encouraged to explore their “Focus Four” future skills in personal, data, digital and sustainability skills.

A skill diagnostic tool is available in the Degreed whereby employees can conduct individual skill review to understand their skills level and development areas. According to the review results, the platform provides relevant and personalised learning resources to cater to different learning needs and goals.



**>5,300**

employees registered at Degreed in 2022

**20,638**

self-reported learning hours in 2022

**Top 5 skills**

rated by our employees at Degreed are:  
Leadership, Negotiation, Operations, Project Management & Sales

## Our People

### New Ways of Learning

#### 1. Leaders as Teachers

We foster our senior leaders and middle managers as teachers to facilitate knowledge transfer on real-life case studies; we prepare their role as change champions to engage staff in the Bank. For example, business leaders and Human Resources ('HR') led the discussion in workshops to broaden participants' views from a diverse perspective. The "Branch Managers Development Programme" was led by area managers to build people's leadership and coaching capabilities, business acumen, customer focus and decision making.

#### 2. Learning from our Peers

We create platforms for our staff to build network across departments and facilitate peers learning on bank-wide change initiatives. For example, we hosted a bank-wide competition, "ESG Challenge", to explore new business ideas on green loans for our retail customers. We provided short-term assignment opportunities in order to encourage our staff to venture out of their comfort zone and enhance their connectivity. We introduced "Job Tasting Programme" within specific businesses or functions to promote cross team learning.

#### 3. Learn from Market Experts

We offered a variety of forums and symposiums in fintech, data and analytics, innovation, ESG etc. We invited external subject matter experts to share market information and their experience, in order to facilitate our staff to prepare for the future of banking through upskilling and reskilling.

#### 4. Action Learning

We promoted a "Start-up Ecosystem" and provided platform and opportunities for our staff to pitch their new business ideas with investors, enterprises, academia and technology innovators. We provided resources for our staff to apply and test new technology. For example, utilise blockchain to track and recognise those staff who frequently engage in learning activities.

#### 5. Learning with Technology Enablement

With the outbreak of COVID-19 since 2020, new ways of learning have gained momentum to equip our staff in their continued skill building, development of critical banking capabilities and growth mind set to support the Bank's strategy. We also innovate and design digital learning solutions with the application of Virtual Reality ('VR') technology in credit risk training and gamified learning on mobile apps for licensed staff to earn accredited learning hours.

##### 5.1. Virtual Reality Technology to Transform Cross-Border Site Visit Training

- ▶ partnered with our businesses to transform the delivery model of our cross-border
- ▶ conducted on-site factory visit training with the use of VR technology
- ▶ digitalised the learning content through VR, and our innovation and investment paid off when the pandemic put cross-border travel on hold
- ▶ delivered VR factory visit, which are a core element of our credit risk training
- ▶ a total of 160 staff members attended this VR training visit in 2022

##### 5.2. Gamified Learning on Mobile

- ▶ developed a mobile learning programme using a gamified approach for bank-wide colleagues to acquire future skills and to obtain the Continuing Professional Development hours required with respect to the Insurance Authority
- ▶ met our learners' preferences by providing learning through portable devices
- ▶ allowed staff to learn anytime and anywhere that learning efficiency and experience were enhanced

The aim of the gamified learning with the theme "One Dice, One Map, Three Animated Scenarios, Three Levels of a Life Journey" is to incentivise the learners to learn effectively. Learners are asked to learn and apply future skills during the three levels of a life journey, ranging from playing board games and augmented reality games, to solving the problems from animated scenarios. In 2022, more than 2,200 of our colleagues completed this gamified mobile learning programme.

## Our People

### Data Literacy Empowerment Programme



Data Literacy Empowerment Programme ('DLEP') is a bank-wide transformation programme to equip staff with critical future skills in data and analytics and embed cultural transformation in data mindset. DLEP enables our vision to innovate with data in action and become a digital ready Bank. The programme is designed to engage and empower staff to learn and apply data analytics for business and operations. DLEP also focuses on data analytics in risk and control to recognise the importance of data quality, security and privacy to protect customers and bank interest for sustainable business growth.

Data and analytics is also key to engage our young talents and our youths in the community and create social impacts as a part of ESG. Prospective candidates for our 2023 Management Trainee ('MT') programme who engaged in the "Finoland" experience have overwhelmingly voted data and analytics as their top interest area in fintech.

DLEP hosted events and on-site data exhibition for students in order to support youth development. We are planning to provide career talks and site-visits for university students focusing on data and digital skills in banking.

DLEP transformation programme encompasses the following:

#### 1. Executives Roundtables

Executive Committee members participated DLEP Executives Roundtables to prepare their role as data leaders and advocate for the programme.

#### 2. Data Literacy Empowerment ('DLE') Champions model

Over 100 DLE Champions across lines of businesses and functions have formed a strong community of "advocators" and "ambassadors" of the programme to energise their colleagues in this cultural change journey. They attended train-the-trainer programmes and received accreditation to facilitate DLE learning delivery in the Bank, with over 100 classes delivered.

#### 3. Data and Analytics training

In its first-year launch in 2022, 2,215 staff completed over 12,400 hours in data and analytics training. The data citizen curriculum developed with 21.5-hour instructor-led training. Dedicated trainings had been offered to 233 colleagues in operations to support their new skills development.

#### 4. Gamification

A wide range of gamified learning activities were designed and launched with rewards. The staff participation in the learning activities, events and competitions were tracked and recognised on the leaderboard in the DLE portal.

#### 5. Connectivity

To promote and facilitate social connectivity in learning, "Meet Up" events are hosted. Senior leaders from HSBC and guest speakers shared use cases and market practices. "Brown bag" sessions led by DLE Champions facilitated the exchange of knowledge and experience of practical data analytics applying at work among colleagues.

#### 6. Data Hackathon

Data hackathon was launched in September to address practical business issues and explore innovative solutions for banking. The participated staff received trainings and coaching on data analysis and data visualisation. There were 15 entries across businesses and functions joining the competition with 5 winning ideas.

Our colleagues told us in Snapshot survey that Data and Analytics are the two future skills staff would like to develop.

2,215

colleagues attended DLEP training



446

colleagues received "Data Citizens" certification

2,119

participants attended 18 DLEP events including "Meet Up" and "Brown bag" sessions in 2022

## Our People

### Transformation

According to government statistics, with HKMA's "Fintech 2025" strategy announced in June 2021, it is estimated that the fintech start-ups in HK may recruit an extra 2,200 Fintech employees in the coming 3 years. We are creating new positions and building fintech-savvy workforce to meet the future needs of our business. Digitalisation of banking products, services and operations becomes the prime initiative and solution to cope with the new requirements from our stakeholders.

As a responsible employer, we plan ahead and go through the transformation together with our employees. DLEP is one of these entity-level initiatives and opportunities to upskill and reskill our employees to fit for the future and increase their employability and mobility. Over 38% of participants are junior employees who crave new opportunities and career advancement. Around 60% of participants are aged 45 and above, who are willing to stretch their potential and explore new opportunities.

In 2022, we supported and facilitated employees' internal mobility and career advancement and achieved positive outcome:

822 internal promotions

1,016 positions filled by internal employees (representing 46.8% of open positions, +6% vs 2021)

### Deepen our Learning Culture to Future Proof the Bank

To unleash the career potentials of our staff, a new platform "Talent Marketplace" ('TMP') was implemented to enable our staff to develop new skills and navigate career opportunities through part-time projects and build network across the organisation. The platform gathers information of staff's aspirations, skills, roles and experience in order to match their preferences to various projects and connections. The participants' learning agility and leadership capabilities were uplifted through the opportunities.

### Projects and Networking

TMP supports the future skills vision of creating a culture of continuous learning and growth, where colleagues are curious to learn new skills and build a sustainable and inclusive future. TMP matches the supply and demand of skills by aligning the employees' career and development goals with the business needs while promoting exchanges of expertise, insights and best practices across the Bank.

More than 780 employees registered to take part in projects and networking opportunities (as of December 2022).

### Successful Project – Domestic Startup Champions

The project connects colleagues from different departments, to contribute and provide ideas relating to the new-to-bank customers acquisition plan and enhancing the onboarding experience. The diverse background of the group of participants stimulated the brainstorming of ideas, innovation and learning across different specialties.

#### Kelly Chan

Head of Customer Propositions, Business Banking



### Project Participants' Experience

I am glad to have been a part of the domestic startup project. We could tailor various solutions for the domestic startups and evaluate the effectiveness of them, which enhanced our project management and stakeholder engagement skills.

#### William Chan

Head of Innovation and Growth, Wholesale Digital, Strategic Change and Simplification

Through discussions and sharing sessions in the project, I was inspired to reach out to the target segment and identify new-to-bank prospects with borrowings needs. It was a great opportunity to understand more about Commercial Banking, including the marketing strategies and the competitive edge of the Bank.

#### Tiffany Or

Assistant Relationship Manager, Global Banking



## Our People

### Training and skills development

To ensure that knowledge, skills and experience of our staff are appropriate for discharging their duties at work, the Bank has implemented a control process called a “Capability Gap Analysis”, where the business / function / Digital Business Services proactively identify the capability requirements in the workforce that are aligned to the strategic goals and business / function objectives. In cases where a training need is identified, our Learning and Talent Development Team will provide support to the individual department in formulating a learning plan with multiple learning solutions (eLearning, in-house / external instructor-led training, etc.), so that our staff members can acquire adequate knowledge and skills to carry out their duties effectively and support their overall performance.

We invest in learning and development, to build and sustain a professional team that will contribute to the success of the Bank. We are committed to deploying staff with sufficient skills, knowledge, professional qualifications, experience and soundness of judgement required for the responsible discharge of their duties. All of our staff undertake mandatory training on ethical standards that include treating their colleagues and customers fairly and with dignity and respect. To leverage our industry knowledge, insights and market practices, we partner with market experts from educational institutions and thought leaders to design and deliver these courses. In 2022, we partnered with the VTC for learning on insurance and investment market trends as well as on the latest regulatory requirements. We developed the “Resilience Training Workshops” with the input of a thought leader on this subject who delivered a series of workshops to equip our bank talents in their adaptability to challenging situations to sustain high performance and wellbeing.

### Induction Programme

To ensure a seamless integration with our culture, and to develop their competencies and potential, we provide new joiners, third-party service providers and agency contractors with a comprehensive induction programme. This enhances their understanding of our culture, values, risk management, corporate governance and sustainability objectives.

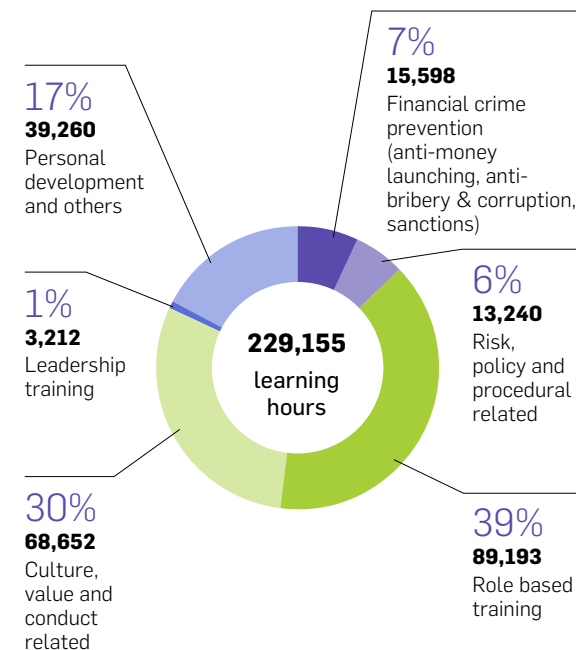
### Our learning and development programmes

<b>Education Subsidy Scheme</b>	To support our staff who wish to further their education (e.g., in postgraduate degrees) and / or attain professional qualifications.
<b>Innovation and Technology Fund Scheme</b> (Reindustrialisation and Technology Training Programme)	To support our staff in understanding advanced technologies.
<b>Enhanced Competency Framework</b> ('ECF')	To support the capacity building and talent development for banking professionals, we partner with HKIB to deploy an industry-wide “Enhanced Competency Framework” ('ECF') for banking practitioners within the Bank. This is a recommended licensing regime, designed to enhance the level of core competencies and support the on-going professional development of banking practitioners.

### Role-Specific Learning and Development Programmes

We offer role-specific learning and development programmes to equip our staff with the skills and knowledge they need to meet challenges and the related professional requirements. These programmes cover topics including sales and relationship management, products, operations, compliance, credit and risks.

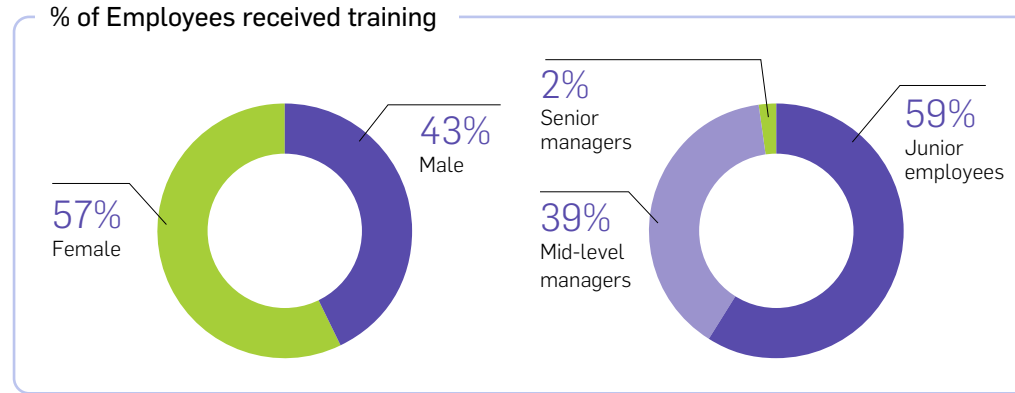
### Training provided for employees in Hong Kong in 2022





## Our People

All of our employees took part in training programmes in 2022. Out of the employees received training, 43% were male and 57% were female; 2% were senior managers, 39% were mid-level managers and 59% were junior employees. Our effort in learning and development is well recognised by our staff based on employee engagement survey results showing improved Career Index in 2022. In particular, 77% of our staff felt that their line managers actively supported their career development.



# 2,301 hours

We provided 2,301 hours of Competition Law<sup>^</sup> training to staff.

<sup>^</sup> Remarks: Training on Competition Law Modules is on a two-year cycle. The module has been deployed to all employees in 2021 and the assignment will be deployed again in 2023 whereas employees who are exposed to Competition Law risk in their day-to-day roles are assigned with additional training on Competition Law.

### Average hours of training

Average learning and development days per employee in Hong Kong **3.25**

#### By gender



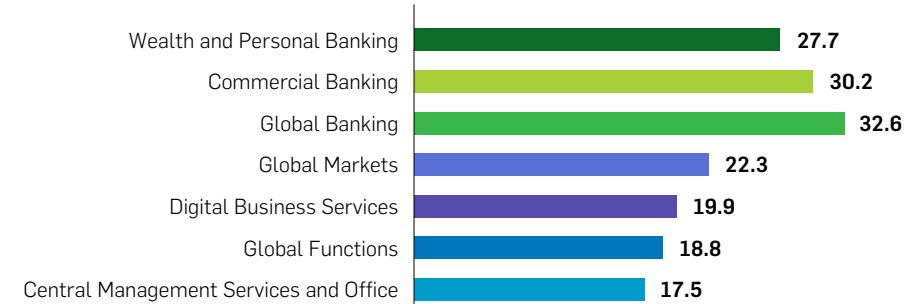
#### By employee category



#### By age group



#### By business / functions



Notes:

- 1 All headcounts are in full-time employee equivalent (FTE).
- 2 The above learning hours exclude the learning and development activities arranged by individual departments.

## Our People

### Learning Solutions for People Managers

In addition to the leadership curriculum provided to our employees, to support people managers in leading high-performing teams and share best practices on how to manage ambiguities and challenging situations in hybrid working, a theme-based people management workshop facilitates the learning process of team leaders to address practical work challenges and manage team protocol in flexible working.

### Leadership Curriculum by HSBC University

The **“Leading Self” curriculum** focuses on the development needs of individual participants, enabling them to work more effectively with others.

The **“Leading Others” curriculum** is for newly appointed people managers. We identify gaps in their skills and customise their learning pathways. Workshops help these managers cope with the challenges they face in their new roles.

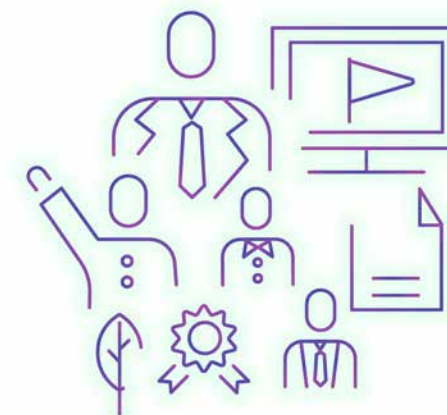
The **Leading a Business or Function programmes** equip senior leaders with the skills to deliver growth and support the efficiency of our business.

### Workshops for people managers

<b>“When Teams Go Virtual” workshops</b> – five sessions	196 people managers across different lines of businesses attended with seven senior leaders sharing
<b>People Management Clinics:</b> Leading Change for a Cohesive and Performing Team	165 people managers have attended the training
<b>“Managing with Respect Workshops”</b> – three sessions	111 people managers participated
<b>“Mental Health Conversation and Skills Practices” Workshop</b>	Enabling people managers to be confident to have open conversations about mental health at work and ensure everyone feel comfortable to seek support
<b>Mandatory training on wellbeing</b>	All people managers have to participate to enable them to support their staff to achieve a positive physical and mental health

### ESG-related training

We are enhancing our staff’s awareness and knowledge of ESG, so that they will be equipped to help the Bank to progress in its ESG journey. In 2022, we organised two ESG webinars, in which industry experts shared how the development of ESG and fintech is affecting the market and the Bank. For regular awareness programmes, we published ESG comics and newsletters to our staff on our [corporate website](#). We also conducted interactive ESG mini-quizzes internally and received a total of 1,648 responses.



## Our People

### Innovation in action

FinTecubator, a platform developed by Hang Seng Bank, continues to gather momentum in championing and driving bank-wide progress in innovation. The human enabler of FinTecubator empowers staff to innovate and develop entrepreneurship.

Two internal start-ups, PartyKing and U+H Biz have successfully launched their pilots to the market.

FinTecubator aligns well with the Hong Kong Monetary Authority ('HKMA')'s "Fintech 2025" strategy to promote "All banks go fintech". The Bank has been very proactive in fintech adoption to enhance our business and operating models

### Project Participant's Experience

FinTecubator supports our internal innovation incubation programme, by encouraging our staff to think, act and eventually become entrepreneurs. Our staff enjoy the freedom to develop their own fintech ideas while we provide them with knowledge, resources and business connections. They also have opportunities to work with outside developers on new banking solutions. We aim to better serve our customers today and tomorrow by putting ideas into action.

**Nike Kong**  
Head of Innovation



and commercialise opportunities in digital banking services to engage customers and enhance customer experience. FinTecubator serves business needs to produce proof-of-concepts and production cases and explore the development of cutting-edge solutions.

Over the past year, FinTecubator collaborated with HR to launch fintech Innovation Experience ('FIE'). This initiative presented a series of fintech Talks, metaverse and virtual reality immersion tours and showcases to promote and develop future skills. Over 5,900 staff received training and completed over 21,000 fintech courses. Through liaison with our technology partners, HR offered Bank talents the opportunities to visit five leading technology organisations for their learning and development.

In driving the ESG agenda, Hang Seng sponsored the "Fintech X ESG Symposium" to bring together industry leaders to explore key considerations and opportunities in fintech and ESG.

Over the past year, we have seen increasing traction in our in-house innovations to drive Hang Seng to become more agile and future fit. FinTecubator held its first-ever "Innovation and Partnership Ceremony" to recognise the efforts of our colleagues and celebrate their success in bringing to life fintech innovations across the Bank.

Looking ahead, FinTecubator will continue to drive value creation for the Bank and harness the four pillars of digitalisation, new model and ecosystem, organisation agility and brand elevation. The people focus will drive and embed innovation mindsets and entrepreneurial culture fostering experimentation, prudent risk taking, and "test and learn" approaches. We will also seek out opportunities to create a wider impact in devising strategy and roadmaps for selective agreed initiatives, such as central bank digital currency ('CBDC'), virtual assets, web3, metaverse and other emerging technologies.

Hang Seng received the following recognitions in 2022:

### Master-Insight ESG Award

for our contribution to facilitate ESG development

### Leading Innovator

in the "Hong Kong Fintech Week" with Hang Seng and Hang Sang Insurance winning awards in "Best Fintech Transformation" and "Best Fintech Talent Development" respectively

### 3rd ranking

in the "2022 Corporate Innovation Index" launched by the Chinese University of Hong Kong

## Our People

Other examples of innovation in action within the Bank over the past year include:

**Data Hackathon** – To promote the application of data analytics to varied business challenges in the Bank and through new data insights to create innovative solutions.

**AWS DeepRacer** – To engage employees with hands-on experience in Artificial intelligence ('AI') and Machine Learning ('ML'), an innovative and fun car racing competition was held. Through the use of Amazon cloud based 3D racing simulator and a fully autonomous 1/18 scale race car modelled on reinforcement-learning, the participants from diverse disciplines and roles across the Bank participated in the car race to learn about AI and ML.

**Hang Seng Finland** – We pioneered the creation and launch of "Hang Seng Finland" in the metaverse environment to engage prospective candidates in the MT programme and socialise the programme features, development proposition, Bank's strategy and culture with candidates. Through an interactive experience for one hour, candidates are introduced to different career development opportunities open across the Bank and offers of diverse learning activities and rotations arrangement for MTs to get the right exposure and support to become future leaders in the bank.



### Case study



### Central Bank Digital Currency

Hang Seng Bank received the "Best Use Case Award" from HKMA in the Global Fast Track 2022 – Central Bank Digital Currency ('CBDC') Track Pitching Competition. Gilbert Lee, Head of Strategy & Planning and Chief of Staff to CE at Hang Seng, said: "Hang Seng is delighted to receive this award. We are leveraging our broad network and large customer base to be a pioneer in e-HKD development. We will continue to support the initiatives of the HKMA, including its e-HKD sandbox environment, which is expected to launch in the third quarter of next year. We will also collaborate closely with other key stakeholders to explore the feasibility of various e-HKD application scenarios."

### Hang Seng's "Future of Work" initiative

We have established a formal policy to provide flexibility for employees who wish to work from home or other Hang Seng offices, depending on the nature of their job, the requirements of the business, and their own circumstances.

To support this, we launched new digital collaboration tools and virtual desktops. This means that staff can work anywhere securely using a laptop, personal computer or a mobile device. We are also digitising our paper-dependent operations in order to remove physical constraints. In September 2020, we implemented integrated document management to centralise all our physical and electronic document handling. The introduction of e-workflows for our operations has made working from home more viable.



## ■ Our People

Our headquarter and Hang Seng 113 office building have been renovated and converted to an activity-based working model. By providing more spacious breakout areas to facilitate interactions between colleagues, we are seeking to cater to diverse working styles, encourage creativity, agility and collaboration, and support health and wellness in our workspaces.

To make our workplaces fun and energised, our building premises are also equipped with amenities including game corners with videogame consoles, billiards and table soccer, a table tennis room, a library and a recharge room with massage chairs. Two communal floors in our headquarters feature a cafeteria, a kiosk selling healthy fruit and snacks, shower rooms and a wellness corner with fitness equipment.

Under the Future of Work programme, we will continue to modernise our daily work processes and infrastructure set up, to reduce our carbon footprint and ensure a sustainable future.

### HR digitalisation

#### ESME Chatbot and Live Agent to handle HR queries

To improve employees' experience, two new HR online support channels with the use of ESME and Live Agent were launched in 2021. Employees can access the Live Agent, an online live chat tool to contact representatives for HR guidance, while ESME is an automated messaging tool addressing employees' queries or providing HR information promptly. For unresolved queries by ESME, they will be routed to a real-time live agent for further assistance. Since the rollout in mid-September 2021, the Live Agent has achieved 92% resolution rate of the requests received through live chats.

The staff's efficiency to complete HR-related administrative tasks was enhanced. The performance management function in the HR app allows employees and managers to complete the year-end assessments through mobile app.

#### New learning journey to fit for the future of work

We engage our staff to embrace the new learning journey by promoting self-paced learning on the Degreed platform. Delivery of learning programmes has applied innovative digital solutions such as VR technology and mobile gamified learning on apps. We offer action learning in our young talent development programmes. MT's work on banking business projects and give thematic presentations, they have exchanges with senior leaders as part of their learning journey.

### Mybenefits portal for one-stop shop for employees' services

We launched "Mybenefits" in April 2021 to provide an online one-stop shop benefit portal for our employees to access benefits information and life events and enroll in employee benefits through mobile platform to enhance users experience and reduce the use of paper forms.

### People insights 2.0

We have enhanced the reporting and analysis of people data to draw insights, spot trends and identify any emerging people risk and prompt solutions to address issues, plan and deploy people resources.

### Digitalised employee experience

Digitalisation enhances customer engagement and experience, and new technology investments also transform the workplace and employee experience. Digitalisation transcends the workday of employees from arrival in the office using QSeat to locate available hot desks; accessing Microsoft Office functionalities in Teams Chat, Calendar and Emails; using staff apps to reserve sessions with IT Express Centre or pre-order meals and beverages; online bookings of meeting rooms in any buildings. Well-resourced and modernised equipment such as All in One USB-C cable, VIA to join zoom calls and share screen, pairing zoom with home devices significantly enhance work efficiency.

## Our People

### Diversity and Inclusion underpinning sustainable and inclusive growth

#### Engagement

We conduct employee surveys annually to gauge staff sentiments and engagement level, staff confidence in the Bank's strategy, trust in leaders, speak-up and inclusive culture, career development and change leadership.

We aim to maintain or improve our employee engagement score against the last employee survey.

2022 survey reflects the continuous efforts of leaders in the Bank to engage their staff. Six out of eight indices have remained strong with favourable responses over 70%; the Bank's employee engagement index and employee focus index are 1% and 7% below the financial services industry benchmarks, the other 6 indices are above the financial services industry benchmarks by 3%-8%.

Improving the Employee Engagement Index and Employee Focus Index which score below 70% will be our focus area in 2023.



Snapshot Core Indices*	Hang Seng HK 2022 score <sup>#</sup>	Hang Seng HK 2021 Score <sup>#</sup>	vs. Financial Services Benchmark <sup>^</sup>
Employee Engagement Index	69	72	-1
Employee Focus Index	63	69	-7
Strategy Index	74	79	+3
Change Leadership Index	78	81	+4
Speak-up Index	76	80	+8
Trust Index	78	82	+4
Career Index	71	75	+7
Inclusion Index	75	78	+3
Wellbeing Index	78	78	0

	Number of Responses Received	Employee Engagement Index
<b>Breakdown by age group</b>		
20-29 years old	1,272	67%
30-39 years old	2,202	69%
40-49 years old	1,463	69%
50-59 years old	1,011	73%
60 years old	57	80%
<b>Breakdown by gender</b>		
Male	3,527	70%
Female	2,479	69%
<b>Breakdown by management level</b>		
Executive	2,419	73%
Officer	2,543	71%
Clerical / Blue-Collar	1,044	68%

\* Each index comprises a group of questions, with the average of these questions forming the index score.

<sup>#</sup> The employee survey change from semi-annually to annually in 2022.

<sup>^</sup> We benchmark snapshot results against a peer group of global financial services institutions, provided by our research partner.

## Our People

### Helping each other grow and improve Performance management & constructive feedback

All staff have a formal review at the end of every year with performance and behaviour ratings in line with the assessment framework. Management will conduct fairness review cross teams to ensure the year-end assessments are fair, evidence based and meritocratic.

To foster a fair and meritocratic working environment, we offer on-going coaching to managers through workshops and drop-in sessions to provide guidance and tips to team leaders on managing employees' performance and behaviours.

The continuous performance and feedback toolkit has been refreshed in 2022.

The enhanced toolkit helps employees navigate below topics

- ▶ Performance management
- ▶ Taking ownership of your career
- ▶ Regular conversations
- ▶ Managing feedback

To equip our people managers with essential knowledge to conduct a fair and accurate performance assessment for their team members, 2 drop-in sessions were held for people managers in 2022 and 480 people managers joined the session, representing 44% of participation rate. Guidance and key principles of performance review were shared with managers.

Hang Seng has a robust process to appraise employee performance and behaviours with stakeholders' input and encourage development of employees.

**Conversations between managers and staff** are encouraged through our everyday performance and development principles for holistic and meaningful discussions on performance progress, feedback and recognition, development and support, and individuals' wellbeing.

**Performance management** enables our staff to deliver sustainable and long-term results. It involves objectives set-up, feedback and recognition, performance and behaviour assessment, coaching and support. Supplementary resources, such as performance and talent management guides, are available.

**Top management performance objectives**, including Chief Executive and all Executive Committee members, have been incorporated with ESG initiatives, such as carbon reduction KPI / targets. The variable pay awards made to the Chief Executive and other Executive Committee members have reflected the assessment of their performance against the scorecard objectives in relation to both financial and non-financial objectives, including the ESG commitment that is in place.

**Risk management measures** are incorporated into our employee performance review, where the performance in managing risks is linked to the remuneration that an employee receives.

**Mandatory risk objective** is automatically added to every employee's list of objectives. The employee's performance against the risk objective is reviewed throughout the year. The achievement of this goal impacts the employee's performance review and pay review.

**Employee's awareness of risk mitigation** is one of the criteria to be assessed for the behaviour rating, which is one of the major factors in the annual pay review. The behaviour rating looks at how employees live our Corporate Values, perform in risk and compliance, and how they protect the interests of customers, colleagues and the Bank.

### Celebration

We use At Our Best Recognition, an online tool for employees to celebrate colleagues who bring the Bank's values to life. The programme promotes a better understanding of values in everyday practice and enables a consistent way of recognising people globally. We also thank our employees for choosing to build their career with the Bank and mark service anniversary milestones with us. Through At Our Best Service Recognition ('AOBSR'), we recognise employee service milestones at 5, 10, 15, 20, 25, 30 and 40 years. When achieving these milestones, employees will have access to a celebratory page on the AOBSR site and receive a points award and they will also receive messages from line manager, peers and stakeholders congratulatory in the system.



## Our People

### Supporting mind, body and purpose

#### Staff benefits

A variety of staff benefits is provided to employees to suit their personal needs in different stages of life, including different leave types to fulfil work-life balance, parental and family responsibilities, various benefits and offers to achieve personal goals, physical, mental and financial wellness:



#### Leave type

- ▶ Up to 30-day annual leave
- ▶ six-day marriage leave
- ▶ 16-week maternity / adoption leave
- ▶ 10-day paternity leave
- ▶ Birthday leave
- ▶ Volunteer day leave
- ▶ Exam leave
- ▶ Compassionate leave



#### Personal time-off

Employees are allowed short periods of time-off (e.g. two hours) each month



#### Retirement benefit



#### Medical benefit

Medical benefit cover employee and their dependants (including legal spouse, domestic partner and children), with easy access to healthcare and wellness treatment for medical conditions, illnesses or injuries.

Our staff receive bi-monthly newsletter to share useful wellness and health benefits updates to raise employees' health awareness.

Our medical benefit covers domestic partners regardless of sex. In 2022, we recorded a total of 236 domestic partners. 4% of them are same sex domestic partners.



#### Housing

- ▶ Housing loan
- ▶ Refund of rent



#### Shares plan

An employee stock purchase plan that invest in HSBC shares



#### Life assurance

Financial support for employee and their family if employee die or suffer from total permanent disability while working for Hang Seng



#### Employee assistant programme, Head Space – wellness App

Our employee assistance programme provides access to professional counsellors. This service is available 24 hours a day, seven days a week. It is offered free of charge to employees and the service is kept strictly confidential.



## Our People

### Benefits enhancements made during the year:

- ▶ **Enhance marriage leave** from five to six days, and **compassionate leave** extended to a wider scope of deceased family members being covered
- ▶ **Introduce Flex Returns** to support employees returning from maternity / paternity / parental leave who may start / finish work hours flexibly, or work half days or a shorter week, subject to working a minimum of 20 hours per week for up to two weeks
- ▶ **Streamline approval protocol** for part-time working, unpaid leave and sabbatical leave applications
- ▶ **Enhance medical benefit scheme and services** by launching a mobile app, Benefit+ to enhance users experience in claims process, allowing e-claim submission more flexibly, increasing the outpatient e-claim limit and extending the e-claim feature to dependents
- ▶ **Introduce video consultation** via Benefit+ with medicine delivery
- ▶ **Introduce a new feature, HealthScan+:** It is an AI health tracker which elevates digital healthcare with precise and accessible digital diagnostic solutions and help people conveniently monitor their health and stay healthy with a face scan
- ▶ **Launch of Total Reward Statement:** The statement is available online that summarises the monetary value of benefits offers and enhances employees' experience and understanding of the value of their total reward package, including fixed pay, variable pay and a wide range of benefits and support being offered

### Occupational Health and Safety

Hang Seng Bank is committed to upholding high standards in Occupational Health and Safety ('OH&S'). We have therefore adopted the international OH&S management system as a backbone to ensure that all stakeholders in business activities and our surrounding community are not exposed to health and safety risks associated with our operations. We are confident and dedicated to achieving the prescribed standards via clear goals and objectives set out in the [OH&S Policy](#), with engagement and support from our employees at all levels.

Hang Seng Bank is the first bank in the world to be accredited by the Occupational Health Safety Assessment System ('OHSAS 18001:2007') and subsequently migrated to the

Occupational Health and Safety Management System ('ISO 45001:2018') upon its launch, which is certified by an independent external certification body.

We are targeted and committed to keeping a low rate of accidents, and we comply with the OH&S-related legal requirements. A variety of bank-wide campaigns for the enhancement of OH&S are also planned and implemented.

A Safety Management Committee, comprising of senior management representatives, monitors and advises us on our OH&S programmes. The concerns and views of our staff are presented by a working team of middle management representatives. They are supported by our job hazards analysis ('JHA') team members.



## Our People

Risk assessments are undertaken by the JHA team at least once every six months. If there are any changes or proposed changes – including the use of equipment and materials, special or temporary activities or renovations, or actions undertaken after incidents – the existing analysis and assessment are reviewed as soon as possible. When a workplace hazard is identified, control measures are made available according to the risk rating, so as to maintain the residual risk at an acceptable level.

Staff members are encouraged to alert their department's JHA representatives to any hazards or potential hazards. These may include improper handling, "slip, trip and fall" risks and loose-lying cables. Actions are taken to mitigate these risks.

Our contingency plan for communicable diseases sets out the key issues and required actions in the event of a serious disease outbreak. Our intranet features information on the importance of personal hygiene and good health practices, and on the contingency measures that will enable us to continue serving the community during emergencies.

Hang Seng is dedicated to complying with the OH&S-related laws and regulations, including but not limited to the Occupational Safety and Health Ordinance (Cap. 509).

We implement various OH&S systems, policies and controls at a bank-wide and functional level, including the following examples:

- ▶ Occupational Health and Safety Management System ('ISO 45001:2018')
- ▶ Occupational Health and Safety Management Policy
- ▶ Occupational Health and Safety Organisation
- ▶ Occupational Health and Safety Training
- ▶ Occupational Health and Safety Inspection
- ▶ Safety Management Committee
- ▶ Accident Investigation
- ▶ Risk Assessment
- ▶ Job Hazard Analysis

Their effectiveness had been assessed during the certification process performed by an independent certification body.

**3,625** 

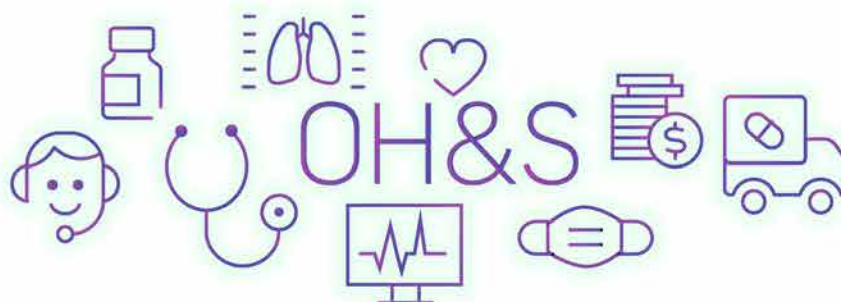
hours of health and safety training were provided to relevant staff members

**44** 

lost days due to work injury in 2022

**0**

number of work-related fatalities occurred in 2022



## Our People

### Health and wellness

<b>For staff as families</b>	Partnered with external organisations, we organised an online sharing session to introduce the topic of dementia to our staff and encourage them to provide care and support for their elderly contacts
<b>For staff as parents</b>	Partnered with external organisation, we organised “Enriching Children’s Summer Holiday”, a series of sports-related workshops for children and their parents to enjoy early summer in March / April 2022
<b>For staff as pet lovers</b>	Partnered with external organisation, we organised workshops that were tailor-made for new pet owners, including “Basic Daily Care for Cats and Dogs”
<b>For staff with children</b>	Organised festive themed arts and crafts workshops for children and their parents to enjoy and celebrate these happy occasions
<b>Wellbeing 360</b>	Organised extensive workshops and classes to deliver a variety of wellbeing activities for our colleagues, including cooking, yoga, Pilates, live music, Zentangle, stress management, etc.
<b>Internal and external sports competitions</b>	Competitions – Hang Seng Cup Bowling Competition, Hang Seng eSports tournament  Hang Seng Sports Teams – Several sports teams including our dragon boat team, football team, basketball team and bowling team underwent training and participated in external competitions

<b>ESG-related activities</b>	Partnered with external organisations to organise various green workshops, such as the “DIY Coffee Grounds Scrub Workshop”  The Bank supported the Community Chest and participated in the “Walk for Millions”; a virtual hiking activity, “Green Power Hike” with the Green Enthusiast Award
<b>On-site amenity facilities</b>	The Game Rooms and Wellness Corners were opened to staff for leisure, including table tennis, Playstation4, Switch, board games, etc.



**16,000**

overall participations

**>380**

staff programmes and activities held in 2022

## Our People

### Employee Health and Safety

COVID-19 was a challenge to both our people and business in 2022. Nonetheless, we continued to uphold our commitment to supporting our staff, our customers and our community.

With COVID-19 related challenges remain for almost three years now, our staff are well-accustomed to our contingency work arrangements, including working from home, split site operations, social distancing and restrictions on moving from one office to another, depending on the severity level of the pandemic. We have over 80% of our office-based staff working from home on a daily basis during the peak of the fifth wave of the pandemic in February / March 2022, and this ratio remained at over 30% even after we have removed the restriction on people working on-site in April 2022.

In line with the trend in Hong Kong, about half of the employees have been infected and recovered since the fifth wave. The Bank extended its care to our infected staff and their families by contacting them to express our sympathies and delivering the warm care packs.

Modelled after the Government's vaccine pass programme, the Bank has also implemented a Vaccine Pass programme, under which our staff and visitors to the Bank's core buildings are required to be vaccinated, with exemptions for those who have recovered from COVID-19 or who are medically exempted. Vaccine pass scanners were set up at the concierge counters at the Headquarters Building and at Hang Seng 113 office building, in order for visitors to scan their "LeaveHomeSafe" health codes.

We kept our employees up-to-date work arrangements via staff communication emails. Regular updates on COVID-19-related topics, including medical and mental health advices, were also available on our intranet and mobile staff app.

We organised a webinar with our medical advisor on long COVID in July 2022, in which we answered questions raised by our staff on Omicron and their concerns on its long-term health impact.

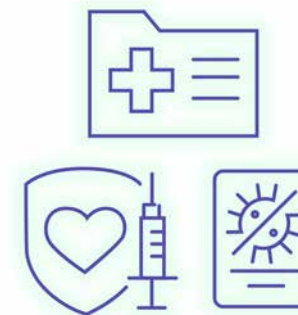
The Bank keeps its employees safe via a holistic safety management system supported by a variety of processes, programmes and control measures. The Bank also reviews the control measures from time to time, to ensure their appropriateness in light of the latest developments. These include, for example:

- ▶ Surveillance visits by the certification body of the accredited ISO 45001, with a continuous focus on the issue of COVID-19
- ▶ Risk assessments on our work processes
- ▶ Safety instructions on our work processes
- ▶ Emergency preparedness programme
- ▶ Annual compliance return
- ▶ Health and safety promotion
- ▶ Our medical advisor regularly advises us on the latest COVID-19 developments, followed by the related mitigation measures
- ▶ Establishment of cross-department task forces in response to the latest COVID-19 developments

### COVID-19 health measures

To safeguard our staff during COVID-19, we undertook the following measures, some of which were put in place after consultations with medical experts:

- ▶ Registration of visitors to our core building
- ▶ Provision of surgical masks for all staff
- ▶ Provision of RAT test kits
- ▶ Installation of protective screens on desks and counters
- ▶ Setting clear guidance principles and procedures in relation to COVID-19
- ▶ Regular advice from our medical advisor on the latest COVID-19 developments, followed by mitigation measures
- ▶ Establishment of cross-department taskforces in response to the latest COVID-19 developments





## Our People

### Equality and Openness

#### Equal opportunities

##### Internal mobility

We promote internal mobility for all levels of employees with equal opportunities and with an aim to nurture their career development and enrich their experience, while it is also helpful for us to retain talents. All of the open roles are advertised in internal job posting portals and monthly emails are sent to all staff to promote the hot jobs of the month. In April 2022, we launched an automatic job alert's function, which further enhances our staff's internal job search experience. Employees can customise their job alerts setting based on their prioritised areas of interest and preferred frequency (daily, weekly or monthly) for receiving notifications.

In 2022, a total of 1016 positions were filled by internal employees with different backgrounds, skills and experience, representing 46.8% of open positions (+6% vs 2021), which demonstrates the Bank's support for employees' career development and openness to explore employees' uncovered potential.

**1,016**

positions were filled by internal employees

#### Case study

#### Tina So, 2019 Management Trainee, is currently the ESG Manager of Hang Seng Bank

Tina's talent development story is a successful example featured by The Hong Kong Association of Banks to promote career prospects in the banking industry. From a non-banking or finance academic background, Tina benefited from a broad-based development in the three-year MT programme and acquired diverse skills and experience and discovered her passion in ESG. With full support of the Bank, Tina pursues her career interests as a dedicated ESG professional, contributing to one of the most important strategic pillars of the Bank.



### Transparency

#### Hiring process

To build a diverse and inclusive workforce, all hiring managers are required to complete a learning programme "Hiring and Selection: Getting it Right" on hiring and selection as a pre-requisite. The programme prepares hiring managers with evidence-based interviewing skills and raises their awareness of unconscious bias in the selection of candidates.

#### Launch of Total Reward Statement

The "Total Reward Statements" improve transparency and employee experience by better informing their understanding and enhancing the perceived value of individual total reward package.

## Our People

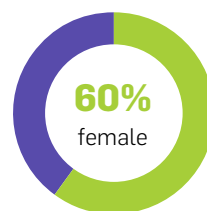
### Gender representation and pay

We comply with the Hong Kong Equal Opportunities Commission guidelines on equal pay between men and women under the Sex Discrimination Ordinance. The definition of gender pay gap for this reporting purpose is simply the pay difference (mean and median) between male and female employees across the organisation regardless of roles or seniority, illustrating gender representation differences. The gap is mainly attributed by a higher number of female (vs. male) employees at the more junior level.

### Gender pay gaps

Our approach to pay is fair and meritocratic. Remuneration decisions are based on a combination of business results, performance against objectives, desired leadership behaviour, adherence to our company's values, business principles and HSBC risk-related policies (See "Performance management & Constructive feedback" section). We make appropriate adjustments if we identify any pay differences between men and women in similar roles, that cannot be explained by reasons such as their performance, behaviour rating or experience. To engage, develop and retain our employees, we regularly review the internal remuneration equity and competitiveness with the external labour markets in order to maintain appropriate market pay positions and ensure diverse offerings of career progression opportunities to all levels of employees.

### Hang Seng Group Based Population



Remark: Hang Seng Group here refers to Hang Seng and its all subsidiaries

### Gender Remuneration Gap

	Fixed Pay	Total Compensation
Mean	16.6%	16.8%
Median	23.3%	22.0%

- ▶ **A gender fixed pay gap** (mean or median) is the difference between the full time equivalent (annualised) fixed pay of male and female employees as of 31 December 2022. The figure is expressed as a percentage of full time equivalent (annualised) male fixed pay.
- ▶ **A gender total compensation gap** (mean or median) is the difference between the total compensation paid to male employees and that paid to female employees. This is expressed as a percentage of total compensation paid to male employees. Total compensation is the sum of full time equivalent (annualised) fixed pay and variable pay. This is for the performance year ending on 31 December 2022.
- ▶ The **mean** is calculated by adding up the pay of all relevant employees and dividing the figure by the number of employees. For example, the mean gender pay gap is calculated based on the difference between mean male pay and mean female pay.

- ▶ The **median** is the figure that falls in the middle of a range when the pay of all relevant employees is lined up from smallest to largest. For example, the median gender pay gap is calculated based on the difference between the employee in the middle of the range of male pay and the middle employee in the range of female pay.

We offer fair and competitive pay and benefits to attract, retain and motivate talented staff. We maintain the internal remuneration equity and competitiveness with the external labour markets and regularly review our pay positions and career progression opportunities.

### Human rights and inclusion

“Valuing Differences” and “Succeeding Together” are two core Bank’s values.



To sustain our business growth and to thrive in a rapidly changing environment, the Bank fosters an open and inclusive culture and harnesses the benefits of diverse teams to drive innovation, enhance collaboration and improve workforce agility. We value, respect and support individual differences where the richness of ideas, backgrounds, styles and perspectives are actively sought out with informed empathy to create business value.

## Our People

We firmly uphold fairness and meritocracy in our hiring and selection process in line with our Equal Employment Opportunities Policy. They are trained in self-awareness of unconscious bias and upskilled in evidence-based selection against clear criteria of capabilities and experience defined for the role. All shortlisted candidates are interviewed and selected based on capabilities and experience fit with the use of a capability interview guide. Selection decisions are based on the input of a panel of interviewers to assure diverse input and holistic considerations in assessing meritocracy (e.g. Input from 1st and 2nd line of defence, front and mid office, stakeholders and peers' input etc.)

We expect all staff to adhere to the standard of behaviours clearly articulated under our diversity and inclusion policy as set out in the staff code of conduct. We expect all staff to treat each other with dignity and respect. We create an inclusive environment free from discrimination, harassment, victimisation, vilification or bullying on the grounds of age, colour, disability, ethnic or national origin, gender, gender identity, marital status, pregnancy, race, religion or belief, and sexual orientation, etc. We comply with the Sex Discrimination Ordinance, Race Discrimination Ordinance, Disability Discrimination Ordinance and Family Status Discrimination Ordinance. Staff who are found in breach of the standard of behaviours laid out in the code of conduct are treated as misconduct and subject to disciplinary actions. 4 out of 10 reported incidents were upheld from the investigations and were properly dealt with in 2022.

Employees are encouraged to speak up if they are aware of any improprieties to their manager, directly to HR or through our internal whistleblowing portals. Whistleblowers are

protected. There is no disclosure of whistleblowers' identity without their consent while employees may choose to make a report anonymously. Any concern raised and any related information are kept confidential as far as possible. We strictly prohibit retaliation against any staff members who reports improprieties or who participates in an investigation. We consider any retaliation in those circumstances as a disciplinary matter.

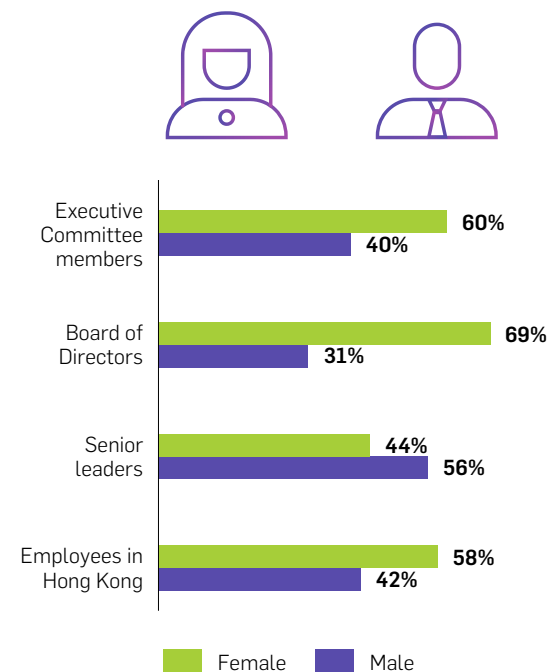
The Board has adopted a board diversity policy and reviewed the same in 2022, which has been made available on the Bank's [website](#) for better transparency and governance. Board appointments are based on merit and candidates are considered against objective criteria, having due regard for the benefits of diversity on the Board including, but not limited to, characteristics, such as gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge, length of service, and any other factors that the Board may consider relevant and applicable from time to time. The Board considers that its diversity, including gender diversity, is a vital asset to the business, the selection of female candidates to join the Board will be, in part, dependent on the pool of female candidates with the necessary skills, knowledge and experience.

As of December 2022, the female representation of the Board was 69% which is above the Board's aspirational target of a minimum of 40% female representation according to the Bank's board diversity policy.

The Board has also adopted a nomination policy which has been made available on the Bank's [website](#) to emphasis the Bank's commitment on transparent nomination process in the selection of candidates for Board appointment.

The Bank continues to offer an inclusive environment, in order to foster diversity and become the best workplace for talented individuals. The Bank was ranked 162nd out of the 3,895 global companies included in Equileap's 2022 Gender Equality Global Report and Ranking. According to Equileap, we were also the only company in Hong Kong that has achieved a gender balance (44%-69% women) at all four levels, including our Board, executive, senior management and workforce.

Hang Seng achieved gender balance



## Our People

44% of our senior leaders are female – a ratio that is well aligned with HSBC’s target of 39% in 2022. The female representation of senior leaders in Hang Seng (including operations in Hong Kong, mainland China, and overseas representative offices) was 46% as of the end of 2022.

In 2023, we will continue to sustain our inclusive culture in the Bank where everyone has the opportunity to grow and achieve their career objectives in the Bank, thereby improve and sustain our female representation at the senior level.

The female representation is driven by 3 factors, hiring, promotion and attrition (as of the end of 2022).

- ▶ 47% of our external senior hires are female
- ▶ 58% of our promotion into senior leaders are female
- ▶ 41% of our voluntary attrition of senior leaders are female

An “Inclusion Index” derived from the employee survey measures employee sentiments of inclusion and belonging including aspects of trust with their managers, psychological safety to speak up, fairness in treatment, sense of belonging in the Bank, ability to be themselves and to achieve individual career objectives. Our index which stands at 75% in 2022 is evidence of our strong inclusive culture. We target to sustain our strong Inclusion Index in the coming year.

Our inclusive culture also extends to the community where we support an inclusive society. Our new social initiative YPP launched in 2022 sought to offer employment opportunities

to graduates in an adverse employment market impacted by the prolonged pandemic. We seek to provide these graduates with their first employment experience to acquire employable skills and make a head start in their careers to fulfil their development potential.

We regularly review and enhance our diversity and inclusion policies and practices to ensure that they are in line with regulatory requirements, market trends and industry best practice. All staff receive training in diversity and inclusion, equal opportunities and are informed on human rights updates that are relevant to our operations. These focuses are part of our “New Joiners Induction Programme”. In 2022, we provided our employees in Hong Kong with approximately 6,127 hours of such learning.

We provide continued people management training to reinforce the role of team leaders to create and embed our inclusive culture.

To increase staff awareness on anti-harassment, bullying and discrimination, all of our staff members undertook mandatory training on these topics. Workshops run by legal professionals titled “Building a Safe Workplace” were arranged to equip employees with the knowledge and skills needed to combat workplace bullying and discrimination. To strengthen our staff-management capabilities and to cultivate our inclusive culture, “Managing with Respect” workshops were delivered to the Bank’s personnel managers. The content was based on situational scenarios, along with discussion to simulate the real-life experiences of our managers.

In 2022, we provided 5,760 hours of training on anti-harassment, bullying and discrimination against our staff

while more than 1,500 colleagues attended the scenario-based workshops. Upskilling workshops are also delivered to people managers on mental wellbeing to heighten their awareness of mental health, equip managers to spot mental health issues and conduct appropriate conversation with team members in need, with an empathetic and non-judgemental approach.

### Learning Item / Learning Hours (Hong Kong Employees)

- ▶ **939 hours**  
Anti-Harassment and Discrimination Training
- ▶ **1,429 hours**  
Building a Safe Workplace
- ▶ **2,504 hours**  
Global Mandatory Training Trimester 3 (33% of the learning module)
- ▶ **666 hours**  
Making the Bank More Inclusive
- ▶ **222 hours**  
Managing with Respect
- ▶ **36 hours**  
Mental Health Conversation – Skills in Practice Workshops for People Managers
- ▶ **331.5 hours**  
When Teams go Virtual
- ▶ Ability programme for WPB – How to Provide Banking Service to Dementia Friends

## Our People

The prevalence of hybrid working has presented new challenges to people managers in leading their teams and managing individual performance and productivity. “When Teams Go Virtual” workshops are offered to people managers to share challenging situations and offer practical guidance to develop team protocol in an inclusive, trusting and empowering work environment and enable new ways of working under hybrid working model.



1,429



employees joined the “Building a Safe Workplace” workshop

111



people managers participated in “Managing with Respect” workshops in 2022

10

incidents of discrimination and harassment were reviewed in 2022

### “Building a Safe Workplace” workshop

We are committed to providing our employees with an inclusive and healthy work environment and to raising staff awareness of their daily behaviour and enhancing their understanding of the employees’ responsibilities in fostering a culture of mutual respect and speaking up to stop inappropriate behaviour. As a result, five “Building a Safe Workplace” workshops were held in the second half of 2022. We invited legal professionals from an external law firm as speakers to share their knowledge of workplace harassment, discrimination and bullying, and to provide practical guidance through case studies. A total of 1,429 employees joined us in the workshop.



### “Managing with Respect” workshop for people managers

“Managing with Respect” workshops were organised for our people managers regularly throughout the year, with aim of improving their capability for dealing with workplace discrimination, harassment and bullying, and ensuring our personnel managers understand their accountability in managing a respectful workplace for their own team. Practical guidance on handling staff cases was shared with the participants through case studies.



## ■ Our People

### Talent Attraction and Retention

#### Talent acquisition

Hang Seng is committed to local employment. We open up all external job positions to local candidates. In 2022, 97.9% of external hires were employed locally.

The average hiring cost of the Bank's staff was HK\$14,439 in 2022, inclusive of sourcing, advertisements, agency fees, use of assessment tools and vetting fees.

Since 2021, there was intense market competition for frontline staff and increased market demand for hot skills not limited to banking competitors, and staff exits due to emigration. The voluntary staff turnover rate was 21.4 % bank wide in 2022, with higher staff attrition in the frontline branch network. The Bank builds internal pipelines through upskilling, reskilling and internal deployment and retention of our staff.

### Creating Opportunities for Youth

#### Management Trainee ('MT') Programme

Every year, we hire high calibre graduates for our MT Programme. Our MT Programme offers a holistic scope of development, encompassing two key dimensions – enterprise and professional levels. At the enterprise level, our MTs are immersed in the Bank's purpose and values, and learnt the Bank's strategy in Fintech, Greater Bay Area development and ESG initiatives. At the professional level, our MTs build their core banking knowledge and specialist skills at work.

In 2022, the Bank created a new and innovative MT recruitment experience for university students and recent graduates. MT Finland is an in-house development with collaboration between the HR, IT and FinTecubator departments which enable us to engage prospective candidates in metaverse. Through interactions and mini games in the metaverse, participants understand the job rotation plans of different

MT streams, Future Skill learning curriculum and the Bank strategy in areas as fintech, ESG etc.

Compared with conventional campus recruitment talks, MT Finland has significantly increased our reach of MT candidates by 4 times and applicants to our 2023 MT Programme has increased 50% on 2022 applicants, and 83% participants consider MT Finland a better way to socialise and introduce our MT Programme.

Instead of acquiring a readily-made programme from vendor, we chose to develop the MT Finland in-house with a strong collaboration between the HR, IT and FinTecubator departments. We received very encouraging feedback from MT Finland visitors who recognised Hang Seng as the leading bank in the market to use metaverse in MT recruitment and serve the interest of the young generation. Compared with conventional campus recruitment talks, MT Finland has significantly increased our reach of MT.

The Virtual MT immersive experience in Finland is really interesting. It highlights the Bank's strong emphasis on the wellbeing of its employees and showcases the sense of oneness within the Bank. The one-hour experience in Hang Seng's Finland reflects a true taste of what it is like to be a MT in Hang Seng, including different career rotation opportunities across departments and functions, and diverse learning activities.

**Roc Lui**

MT, 2022 cohort, Compliance

The rotation arrangement of the MT programme allowed me to take part in cross-team projects. It was a unique and rewarding learning journey, where the exposure to different placements added up to a give me a greater picture of the business as a whole. Outside our particular fields, the programme offered us many opportunities to take part in a range of initiatives throughout the Bank with our fellow peers and equipping us for the responsibilities related to management roles at the end of the programme.

**Eugene Chan**

MT, 2021 cohort, Insurance (Actuarial)

I recommend highly of the mentorship programme, where trainees are paired with senior management for regular catchups. In these catchups, my mentor has continuously provided prominent advice for my rotation performances and career planning. I truly value the chance to connect as it is an experience conducive to my career-building journey, and also a prime example of how the programme supports us on top of hard skills-learning.

**Athena So**

MT, 2021 cohort, Wealth and Personal Banking

## Our People

### Youth Placement Programme

We are developing young talents into banking professionals by offering internships across our businesses and functions. In 2022, 249 (+7% vs 2021) university students joined us in the various internship opportunities provided by the Hang Seng programmes, from which they acquired the practical experience and skills in banking.

The Bank newly launched a social initiative in March 2022, the youth placement programme ('YPP'), offering six-month employment contracts to graduate hires, with potential options to extend their contract or offer of permanent roles at the end of six months subject to mutual fit.

YPP attracted more than 700 applicants with 82 graduate hires successfully onboarded in July to September 2022. Graduates were offered diverse roles in business and functions across the Bank, such as, Data Analytics, Strategic Planning, Trade Business Management, Credit Risk Management, Financial Reporting, Audit, etc.

YPP participants learnt soft skills in teamwork, stakeholders' engagement, communication and ownership of personal accountabilities. They gave strong unanimous feedback on the Bank's open and inclusive culture, for providing them a wide array of learning resources including Robotic Processing Automation, Data & Analytics, Design Thinking etc.

Given these employment opportunities in banking, YPP participants gained first-hand experience and understanding of financial services and were motivated to develop their professional careers in banking. The Programme has made

a strong social impact to promote the prospects of banking career to young talents. YPP brings positive social impacts on Youth, which is one of the key pillars of our ESG strategy.


Results from a survey of YPP Associates as follow:

  
**80%**


favourable response on the programme equipping them with useful hands-on experience and working knowledge in related banking areas

  
**82%**

favourable response on YPP building their confidence as a young professional

  
**85%**

favourable response on Hang Seng work environment and culture enabling them to learn and perform

  
**87%**

favourable response on strong support and guidance from their managers and colleagues

### Feedbacks from different parties



**Managers**

Positive impacts of YPP were also strongly felt by managers, notably a very high level of work commitment and motivation amongst YPP hires, bringing new ideas and energies to the team. YPP helped build an effective pipeline of young talents for ongoing recruitment needs in the Bank.

A YPP participant who started in Insurance Operations has found her professional development interest in Insurance Underwriting with a permanent offer in the Bank after YPP.



**YPP Participant A**



**YPP Participant B**

Another YPP participant in the Risk function who supported risk identification, has been offered a permanent role in Risk Policy team.

### Bank talent development programmes

Staff with a high level of potential are nominated for executive leadership development programmes (including our resilience workshop, financial leaders programme and accelerating into leadership programme). They are provided with an incredible opportunity to develop their career through future opportunities. These programmes feature a series of group coaching sessions, visibility and exchanges with senior leaders, networking events which help talents in building the skills and mind-set required for more encompassing and sophisticated roles.