



Promoting Diversity and Fostering Inclusion

Equal Opportunities

Hiring Process

To build a diverse and inclusive workforce, all our hiring managers are required to complete a learning programme on hiring and selection. The programme prepares hiring managers with interviewer skills and raises their awareness of unconscious bias in the selection of candidates.

For example, in order to move forward from experience-based hiring to skill-based hiring in Wealth and Personal Banking, we have introduced an Accelerating Wealth Programme ('AWP') with the aim of bringing diversity into our recruitment process. The AWP prioritises transferrable skills over experience and qualifications, enabling different people to kick-start an exciting career in our fast-growing Wealth business, regardless of their professional background.

Internal Mobility

We promote internal mobility for all levels of employees with equal opportunities, with the aim to nurture their career development and enrich their experience, while helping us retain talent. Open roles are advertised on internal job posting portals and monthly emails are sent to all staff members to promote the hot jobs of the month.



'Career in Your Hands' was an internal career fair aimed at promoting skill-based hiring and career advancement opportunities to all levels of employees within the Bank. During the event, career booths were set up to answer our colleagues' enquiries, and we invited representatives from various departments to introduce their departments and respective career opportunities, as well as the transferrable skillsets required for these jobs. Our Human Resources ('HR') team also shared information with the participants on how to build a strong internal profile, while selected colleagues were also invited to share their successful experience in cross-department transfers.

In 2023, we provided the necessary support to enhance our employees' internal mobility and career advancement, achieving positive outcome.

In 2023, a total of 811 job positions were filled by internal employees, representing 37.6% of our open positions. This demonstrates the Bank's strong support for the career development of our staff.



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We endeavour to provide redeployment opportunities for our employees who are impacted by restructuring due to business transformations. Our recruiters actively map the impacted employees' transferrable skills and knowledge with the requirements of relevant new positions, and provide one-on-one curriculum vitae consultations and internal application advisory sessions to those who are looking for internal redeployment opportunities.

Gender Representation and Pay

Our HR policies strictly comply with the Hong Kong legislation, ordinances and regulations. As an equal opportunity employer, our pay strategy is designed to attract and motivate the very best people. We determine the remuneration of our employees by their performance and behaviour, as well as internal and external relativity and market benchmarks, regardless of their gender, ethnicity, age, disability or any other factors unrelated to their performance or experience. We comply with the Hong Kong Equal Opportunities Commission guidelines on equal pay for men and women under the Sex Discrimination Ordinance.

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

the HSBC Group's risk-related policies (See the 'Performance Management and Constructive Feedback' section). We make appropriate adjustments if we identify any pay differences between men and women in similar roles, which cannot be explained by reasons such as their performance, behaviour rating or experience. To engage, develop and retain our employees, we regularly review the equity and competitiveness of our internal remuneration and benchmark them with the external market, in order to maintain appropriate market pay positions and ensure diverse career progression opportunities are available to all levels of employees.

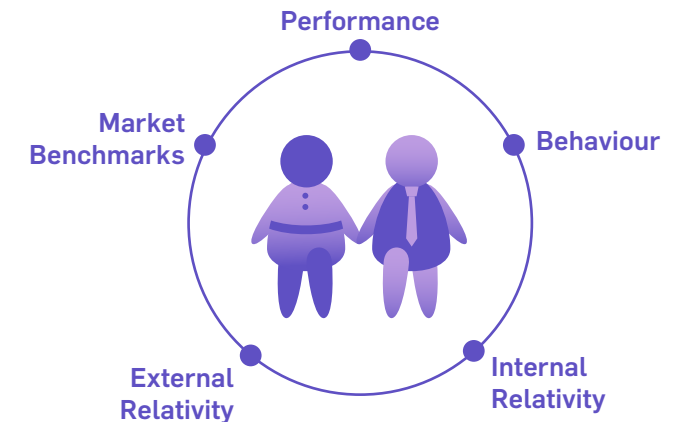
- **A gender fixed pay gap** (mean or median) is the difference between the full time equivalent (annualised) fixed pay of male and female employees as of 31 December 2023. The figure is expressed as a percentage of the full time equivalent (annualised) male fixed pay.
- **A gender total compensation 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 the total compensation paid to male employees. Total compensation is the sum of the full time equivalent (annualised) fixed pay and variable pay. This is for the performance year ending on 31 December 2023.

Hang Seng Group* Gender Remuneration Gap

Fixed Pay Gap		Total Compensation Gap
15.7%	Mean	16.2%
20.9%	Median	20.2%

* Hang Seng Group here refers to Hang Seng and all its subsidiaries

We determine the remuneration of our employees based on the below factors*:



* Regardless of gender, ethnicity, age, disability, or any other factor unrelated to performance or experience



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- 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 the mean male pay and the 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.

Diversity Policy

The Board has adopted a Board Diversity Policy and reviews the policy annually. The last review of the policy was approved by the Board in November 2023 based on the endorsement of the Bank's Nomination Committee. The policy has been published on the Bank's website for better transparency and governance. Board appointments are based on merit and candidates are selected against a set of 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. The Board considers that its diversity, including gender diversity, is a vital asset to the business, and 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 31 December 2023, the female representation of the Board was around 73%, which is well above the Board's aspirational target of a minimum of 40% female representation, according to the Bank's Board Diversity Policy.

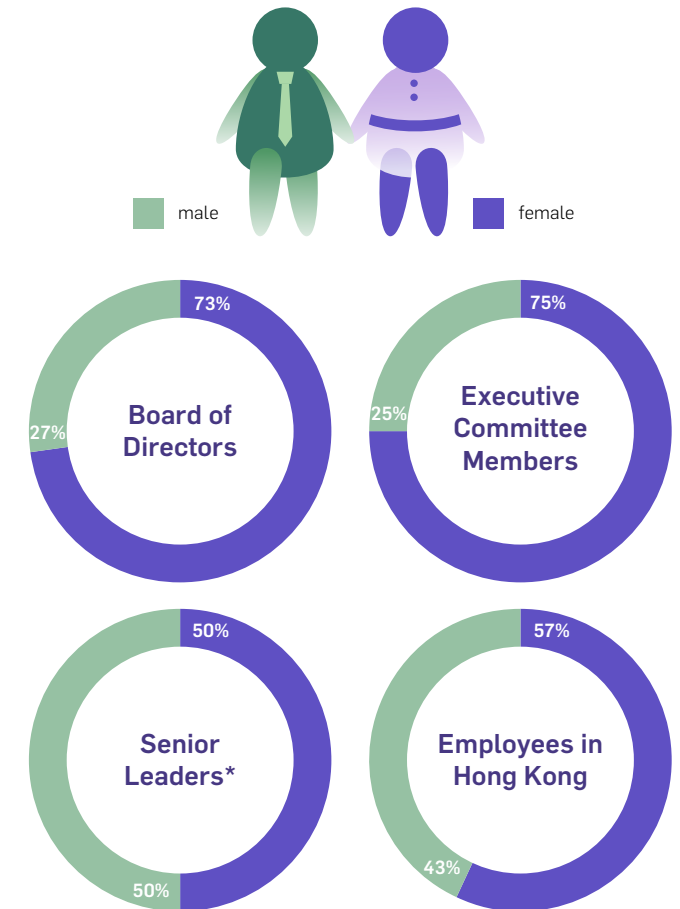
The Board has also adopted a Nomination Policy, which has been made available on the Bank's website, that emphasises the Bank's dedication to transparent nomination processes during the selection of candidates for Board appointment.

The Bank continues to offer an inclusive environment to foster diversity and become the best workplace for talented individuals. The Bank was ranked first in Hong Kong and 149th (compared with 162nd in 2022) globally from 3,787 companies in Equileap's 2023 Gender Equality Global Report & Ranking. The Bank was also recognised for having representation (>70%) of women on the Board and executive team.

50% of our senior leaders* are female, which means we are well-positioned against the target of 41% in 2023. The female representation of senior leaders in the Group included the operations in Hong Kong, mainland China and overseas representative offices.

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

Hang Seng Achieved Gender Balance



* Senior Leaders refer to employees at global career band 3 or above.



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Our female representation is driven by the following three factors: Hiring, Promotion and Attrition (as of the end of 2023).

- 50% of our senior leaders that are hired externally are female
- 62% of our senior leaders that are promoted to their position internally are female
- 27% of our senior leaders that resigned on their own are female

* Figures relating to senior management and senior leaders include employees seconded from the HSBC Group.

During the processes of external hiring and internal promotion, the Bank endeavours to achieve fair gender representation in candidate shortlisting and the setting up of the interview panel.

We regularly review and enhance our diversity and inclusion policies, so as to ensure that they are in line with the regulatory requirements, market trends and best practices of the industry.

The Bank is dedicated to upholding inclusion by becoming a signatory of the Racial Diversity and Inclusion Charter for Employers of the Equal Opportunities Commission in Hong Kong. This significant step underscores our dedication to fostering a workplace that champions diversity, equality and inclusion. Through this charter, we affirm our commitment to eradicating racial discrimination, promoting equal opportunities, and creating an environment where every individual feels valued and empowered. Our journey towards becoming a more inclusive institution has aligned seamlessly

with our broader ESG goals, as we recognise that diversity and inclusion are essential pillars in building a sustainable and equitable future for both our workforce and the communities we serve.

To increase staff awareness of anti-harassment, bullying and discrimination, all our employees are required to undertake mandatory training on these topics.

10 cases relating to discrimination and harassment were reviewed and closed in 2023.

Overall, more than half of our employees in Hong Kong are female, with a high proportion of female representation at the staff level (global career band 6 or below). We continue to sustain our inclusive culture in the Bank, where everyone has the opportunity to grow and achieve their career objectives.

