Our People

Living our Purpose and Values in the Hybrid Working Mode

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

Our values and organisation culture help us make the right choices day to day in a variety of business situations and work environment, uphold our conduct and behaviours on how we treat customers and employees, judge when and how to intervene and speak up, foster an inclusive work environment that supports the wellbeing of staff; and stretch and unleash our potential to shape the Bank fit for the future.

We are committed to cultivating an agile and dynamic culture and workplace that supports holistic development of our people, and achieves the Bank’s ambitions to provide best in class customer experience and create a strong sustainable future for the entire community.

In 2021, the Bank won the Star Award-Social Innovation in the HKIB Talent Development Excellence Award, presented by The Hong Kong Institute of Bankers. The Awards Programme celebrates financial institutions “that pursue forward-looking strategies and undertake long-term investment in nurturing talent development for the finance industry and business community”.

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 drives our long-term sustainability, maintains the trust of our customers and supports a working environment in which employees feel empowered, valued and inspired.

Its five principles promote positive behaviours that form part of our thriving corporate DNA:

- **READY** to challenge across boundaries with an open mind
- **IGNITE** curiosity to identify root causes and long-term solutions
- **GO** ahead, escalate concerns
- **HIGHER** standards by holding yourself and others accountable
- **TOGETHER** we recognise good conduct and behaviour

Advocacy and Awareness

Our Global Principles underpin all 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, to speak up, and to use sound judgement in challenging situations.

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Our People

In the third year of our culture campaign, building on our speak-up culture mentoring and workshops for people managers held from 2019 to 2020, a bank-wide “Speak-up starts with ME” campaign was launched in 2021 to reinforce personal ownership of speak-up behaviours through an engaging experience in mind set shift and driven bottom-up. Over 400 individual contributors across the Bank were selected as advocates to lead small groups including management staff in behaviour change experience.

“I felt able to make a difference to our speak up culture through leading this initiative for my team.”

Staff C

The Bank continued to promote “RIGHT” behavioural examples and share lessons learned through mass communication and departmental group discussions, which helped share best practices and strengthened the culture of psychological safety in speaking up. We drive and reinforce the accountability of people managers through workshops, further embedding ‘Behaviour first’ as a key principle into day to day performance management.

Through our annual “RIGHT” Together Oscar Award, positive adjustments in annual pay review and the At Our Best Recognition Programme, we recognise and reward colleagues whose actions exemplify our values and who have the courageous integrity to make changes that contribute positively to the Bank and our customers. These positive recognitions in 2021 attested strong “RIGHT” Together behaviours.

Staff are more open in challenging work processes, more risk vigilant in performing business transactions and escalating issues. Besides positive examples of frontline staff who acted robustly to protect customer’s and Bank’s interest, we also see increasing nominations of “RIGHT” behaviours in middle and back office compared with previous years. There is also an increased usage of the At Our Best Recognition Programme.

Creating channels for staff to speak with team leaders is a way to foster a stronger speak-up culture, providing staff with opportunities and encouraging them to raise their concerns or ideas for work process improvements. The Bank continued to hold Exchange meetings within departments. In 2021, it was extended to cross teams/functions with discussion topics selected by the participants to foster a wider exchange of ideas and feedback across the Bank. Guidance has been provided to team leaders and people managers to host the Exchange meetings to listen to the voice of staff.

The impact of behaviour change is demonstrated in the speak-up metrics in our 2021 staff engagement survey.

The Speak-up Index

<table>
<thead>
<tr>
<th>Year</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>74%</td>
</tr>
<tr>
<td>2020</td>
<td>80%</td>
</tr>
<tr>
<td>2021</td>
<td>80%</td>
</tr>
</tbody>
</table>

The Speak-up Index rose from 74% in 2019 to 80% in 2021, which is 13% above the Financial Services Benchmark. The level of trust in senior leaders remained at a high level of 82% in 2021. This demonstrates increased psychological safety of staff in feeling that they are able to speak up without fear or negative consequences.
Our People

To promote work efficiency and flexibility, uplift productivity, and strengthen cross-team collaboration, we deployed MS Teams bank-wide in 2021 and further enhanced our human resources (‘HR’) support.

**ESME Chatbot and Live Agent to handle HR enquiries**

As part of HR digitalisation journey and to improve employees’ experience, two new HR online support channels, ESME and Live Agent, went live in 2021 for employees’ access. Live Agent is an online live chat tool to contact HR representatives for HR guidance, while ESME is an automated messaging tool which addresses employees’ questions or enable prompt access to HR information. When ESME is unable to resolve an enquiry, staff are routed to a real time Live Agent for further assistance. Since the rollout in mid-September 2021, the Live Agent has achieved a 92% resolution rate of the requests received via live chats.

Enhanced HR mobile application enables colleagues to complete HR administrative tasks more effectively. Our mobile HR application enables employees to carry out self-service transactions, such as updating personal profile, completing mandatory learning and managing Everyday Performance and Development, as well as giving or receiving performance feedback. In 2021, we further enhanced the performance management functions in the app to enable employees and managers to complete year-end assessments through the mobile application.

**New learning journey to accommodate Future of work**

We engage our staff to embrace new learning by promoting self-paced learning on the Degreed platform. Delivery of learning programmes with innovative digital means such as Virtual Reality technology and mobile gamified learning on applications. We offer action learning in our young talent development programmes. Management Trainees work on projects related to banking business and develop thematic presentations. They have exchanges with senior leaders as part of their learning journey.

**One-stop shop benefit portal Mybenefits**

We launched “Mybenefits” in April 2021, to provide employees with an online one-stop shop benefits portal to access benefit information and events. Employees can enrol in employee benefits through the online platform, enhancing the user experience and reducing the use of paper forms.

**People Insights 2.0**

We have enhanced our internal HR reporting system, People Insights to make good use of the HR data we have, draw insights in identifying hidden risks/ better solutions in resolving HR issues.

**Employee Centricity**

**Building the ideal future of work**

The Bank has committed significant investment in a Workplace Transformation Programme since 2018, paving our way to the Future of Work. The Bank’s vision for new ways of working is to improve employee experience, productivity and their wellness. The Future of Work is enabled by three pillars: Human, Physical and Digital. The pandemic since 2020 has accelerated our pace of change to new ways of working.

**Human enabler for hybrid working**

To improve staff wellbeing and promote new ways of working, the Bank launched “Future Proof yourself and the Bank” campaign. Bank-wide focus groups were held with cross business / functional employees to engage their input in the Future of Work. We incorporated focus groups’ feedback in the workforce segmentation exercise to define hybrid working model by role types, and offer flexibility and autonomy for different workstyles from office-based to primarily home-based working.

We have established a formal policy to provide flexibility for employees 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. 75% of office based employees have 1 to 4 days per week working remotely from home. “When Teams Go Virtual” workshops have been offered to upskill people managers in leading high performing teams under Future of Work. Best practices on how to manage ambiguities and challenging situations, and build social and team cohesion and raise work productivity in home working are shared. Real life story sharing from employees help promote the positive outcome from new ways of working.
Our People

Promoting employee wellbeing

Flexible working
Promoting employees’ wellbeing is the backbone of the Bank’s people strategy.

The prolonged pandemic has accelerated the availability of remote working and flex work options which create new ways of working, including flexible work location, distributed teams, virtual teams working from home, etc. These change the way we compose a typical work day, restructure where, when and how we get things done. These new ways of working make a huge difference for employees’ wellbeing and engagement.

A Workforce Segmentation Exercise was conducted in May 2021 to properly assess risks and evaluate the suitability of each role including frontline and back offices for the Work from Home (‘WFH’) arrangement. Another post-implementation review was conducted in December 2021 on a risk-based approach incorporating the following 6 factors:

- Risks including data, security, compliance, regulatory and financial crime risks
- Collaboration with customers and external parties
- Collaboration with internal stakeholders and teams
- Technology feasibility
- Management processes and supervision
- Staff health, wellbeing and engagement

The risk evaluation results on home working arrangement can inform the Bank of its business continuity capability and the risk exposure due to the change of working style and the newly adopted policies, procedures and technical measures.

As our workplace is no longer limited to the office, an adaptive process is required to transition to a hybrid office and home working. We offer flexible working policy including flexible hours, hybrid working, work from home, part-time work, two-hour personal time-off each month, Friday afternoon No Zoom meetings, and 3 to 12 months of sabbatical leave. These pragmatic options enable our employees, particularly working parents and caregivers, to fulfil their household, parenting and home schooling responsibilities in the prolonged pandemic environment.

Health and wellness

We are committed to creating a work environment that enables our employees to be at their physical and mental best.

1. Wellbeing 360 – We organised extensive workshops and classes by zoom, face-to-face and hybrid mode to deliver better wellbeing activities for colleagues including yoga, Pilates, stretching exercise, Zentangle, sound bathing, stress management, mindfulness and self-awareness.

2. Tokyo Olympics series – Partnering with Sports Legacy Company Limited under The Sports Federation and Olympic Committee of Hong Kong, we invited current and past Hong Kong Team athletes and coaches to share their stories and the professional knowledge and insight about the Olympics and different sports.

3. Hang Seng Leisure Talents – Colleagues with special talents were invited to conduct workshops to share their stories and knowledge with others such as Astrophotography and Nagomi Pastel Art.

4. ESG-related activities – To demonstrate that we care about the wellbeing of staff, the environment and the community, we partnered with external organisations such as Hong Kong Organic Resource Centre and Kadoorie Farm & Botanic Garden to organise various workshops such as Hobby Farmers Course and Urban-Farmer Tie-up, Organic online fresh produces and The Secret World of Wild Animals.

5. On-site amenity facilities such as Game Room and Wellness Corner were reopened in different core buildings in late September and mid-November respectively when precautionary COVID-19 measures were eased. Various gaming and sports amenities were offered in the Game Room, such as table tennis, Playstation4 and Switch, and board games. We also partnered with Sports Legacy to provide on-site personal training sessions for staff in the Wellness Corner.

Overall, more than 16,000 participants joined nearly 400 staff programmes and activities in 2021.
Our People

We continued to enhance our medical benefit scheme in 2021.

We launched a new mobile app Benefit+ to enhance employee experience in medical e-claims by including their dependents. Video consultation with general practitioners, and delivery services for medicine have been introduced to make healthcare more accessible especially in the pandemic to provide critical medical consultation to employees who may be tested positive with COVID-19 and under self-quarantine or waiting for hospitalisation.

To support the health and wellness of our employees and their families, we provide hospitalisation and surgical benefits, maternity benefits, outpatient treatments, dental services and wellness support. Newsletters are sent to our staff bi-monthly to share useful health and benefits updates to promote health awareness.

A range of preventive and wellbeing services offered includes routine medical checks, eyesight checks and vaccinations. We also provide annual on-site seasonal influenza vaccinations for employees.

Our Employee Assistance Programme provides employees and their dependents with free access to professional counsellors. This service is confidential – available 24 hours a day, seven days a week.

We organised leisure and recreational activities for our employees to enjoy time with their families:

1. For family cares – Partnering with St. James Settlement, we organised a series of workshops to enhance the wellbeing of the elderly and care for families. Staff were given access to interim caring solutions by covering three important points: health management, family care and self-care.
2. For parents – Partnering with the Hong Kong Federation of Youth Groups, we organised workshops for professionals to share insights on how to better develop relationships between parents and children.
3. For pet lovers – Partnering with the Hong Kong Federation of Youth Groups, we organised workshops especially tailor-made for those newbie pet owners.
4. For children – We organised festive themed arts and crafts workshops for children and their parents to enjoy and celebrate the happy occasions.

Financial wellbeing

Staff face different work-life challenges at different stages of their lives. To support financial wellbeing of our staff, based on the latest market trend and investment environment, we offer seminars to provide professional analysis on investment strategy. We provide special offers for credit cards, insurance and other products and services. We offer special terms for staff’s savings and housing loans, enabling employees to obtain a first home, and we assist with subsequent property purchases as family circumstances change.

To provide more flexibility, the maximum loan tenor for new property purchase applications has been extended to 65 years of age. Employees can shorten the repayment period, depending on their financial circumstances.

To encourage staff to plan for retirement, we offer a wide variety of fund options in the Defined Contribution Scheme. We provide regular fund factsheets, to help employees identify and understand their appetite for investment risk and volatility.

We also offer ShareMatch plan to our employees, an employee stock purchase plan through which staff could invest in HSBC shares.

We introduced a new Refund of Rent Programme in 2021 to allow eligible staff to enjoy tax efficiency with concessionary treatment under The Hong Kong Inland Revenue Ordinance.
Our People

Occupational health and safety
Hang Seng Bank commits to upholding high standards in Occupational Health and Safety (‘OH&S’). We adopt the international OH&S Management System as a backbone to assure all stakeholders in business activities and our surrounding community are not exposed to health and safety risks associated with our business. We are confident and dedicated to achieving the prescribe standard via clear goals and objectives set out in the OH&S Policy with engagement and support from employees at all levels.

To support such engagement, the Bank holds an annual Safety Management Committee with representatives from all levels of our business functional departments, e.g. Human Resources Department.

Hang Seng Bank was the first bank in the world to be accredited Occupational Health Safety Assessment System (OHSAS 18001:2007) and subsequently migrated to Occupational Health and Safety Management System (ISO 45001:2018) upon its launch, certified by independent external certification body.

We target and commit to low accident rate, compliance with OH&S related legal requirement and planning & execution of bank-wide campaigns for enhancement of OH&S.

A Safety Management Committee, comprising working member delegate of senior management representatives, monitors and advises on our OH&S programmes. The concerns and views of staff are represented by a working team of middle management representatives. They are supported by approximately 300 job hazard analysis (‘JHA’) team members.

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 risk rating so to achieve residual risk at acceptable level.

Staff are encouraged to alert their department’s JHA representatives to hazards or potential hazards. These may include improper handling, “slip, trip and fall” risks and loose-lying cables. Action is taken to mitigate the risks.

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

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

We implement occupational health and safety management system with the following measures:
- Occupational Health and Safety Management Policy
- Occupational health and safety organisation
- Occupational health and safety training
- Occupational health and safety inspection
- Functional Instruction Manual
- Arrangements and systems for resolving OH&S-related issues
- Performance targets and levels of practice
- Reporting of near miss
- Emergency preparedness
- Personal protective equipment
- Safety Management Committee
- Complaint and reporting mechanisms
- Accident investigation
- Job hazard analysis
Our People

We provided 3,722 hours of health and safety training to relevant staff in 2021.

COVID-19 created a raft of challenges for our people and business. Despite these, we upheld our commitment to support our staff, our customers and our community.

To further lessen the risk of infection, we established guidelines on 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. Different businesses and functions worked together to ensure a safe, secure and efficient transition to remote working to reduce the number of staff working on-site.

We still maintain the critical team split-site working arrangements to ensure critical services continue in case of an infection case in the workplace and close contact colleagues are required to be quarantined.

We keep employees up-to-date with work arrangements via an emergency notification system. Regular updates on COVID-19-related topics, including medical and mental health advices, are also available on our intranet and mobile staff app.

We organised two webinars with our Medical Advisor in March 2021 and renounced experts in October 2021 respectively to brief employees the various COVID-19 vaccines available, and answer questions from them on vaccination. The video recording of the seminar was also made available on the Bank’s intranet HASExplorer so that employees who could not join the webinars could assess related information.

The Bank keeps its employee safe via various methods and control measures. The Bank also reviews the control measures from time to time to ensure their appropriateness in light of the latest development, for example:

- Established and continuously review COVID-19 Work Arrangement Guiding Principles and Procedures
- Modification on work arrangement including but not limited to work from home, split-site operations, social distancing and restrictions on cross offices, cross floor working
- Define and schedule different level of cleanings subject to business need
- Provide personal protective equipment to all staff at work
- Establish cross-department taskforces responding to the latest development of COVID-19

With continued challenges in the pandemic since 2020, we have prioritised the protection of our employees’ and customers’ physical health and safety and building a resilient workforce by:

- Offering flexibility to employees to get vaccinated during working hours
- Providing three days of vaccination leave to ensure health care and protection to employees
- Offering equipment allowance to support employees in having the right equipment to work from home. The overall allowance budget totalled HK$20 million

By the end of December 2021, 85% of our employees were vaccinated and complied with the prevailing HKMA’s guidance on COVID-19 vaccination and COVID-19 testing.
Our People

To take care of the mental health of our employees, which includes emotional, psychological, and social wellbeing, we offer support and resources to our employees and people managers, including:

- One-day wellbeing leave in 2021 to support employees to spend time with family/friends
- “Friday Focus” practice of “no Zoom meetings after 4pm” across the Bank. Employees can enjoy “me time” for self-development or other tasks that require focused attention
- Upskilling workshops for people managers “When Teams Go Virtual” to cultivate trust with remote teams, promote team cohesion and uplift productivity
- Family support workshops for employment coaching of employees’ family members to enhance their job search and interview skills and increase their employability

Reinventing workplace communication

Our headquarters have been renovated and converted to support activity-based working model. We continue to renovate other office buildings. By providing more spacious breakout areas to facilitate colleagues’ interactions, we seek to cater to diverse working styles, encourage creativity, agility and collaboration, and support health and wellness.

To make our workplace fun and energised, our building premises are also equipped with amenities including game corners with videogame consoles, billiards and a table soccer, a table tennis room, a library, and a recharge room with massage chairs. Two communal floors in our headquarters, opened in 2021, feature a cafeteria, a kiosk selling healthy fruit and snacks, shower rooms and a wellness corner with fitness equipment such as an aerobic step, a treadmill, a bike and a yoga mat.

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

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

- Barred visitors to our core buildings and stopped staff moving between offices and floors when the pandemic was its most serious
- Temporarily suspended weekly fruit provision and happy hour gatherings in offices
- Encouraged working remotely from home and flexible working hours
- Provided surgical masks for all staff
- Provided gloves and goggles for staff at branches
- Limited the number of people in meeting venues
- Encouraged video conferencing instead of face-to-face meetings
- Provided disinfectant mats at building entrances
- Measured body temperatures at building entrances
- Provided disinfectant gel in communal areas
- Increased the frequency of routine cleaning
- Installed protective screens on desks and counters
- Offered clear guiding principles and procedures on COVID-19
Our People

Employee engagement

We aim to create a work environment that promotes employee engagement, champions diversity and an inclusive culture, and empowers staff to perform at their best.

Information on the Bank’s direction and strategies, policy updates and employment matters is conveyed to employees through business briefings, town hall meetings, intranet posts, morning broadcasts, circulars, e-mails and the Bank’s social communication mobile app for staff – an important channel for fostering an open and dynamic culture in which employees feel empowered and inspired to engage in two-way communication with senior management and colleagues at all levels.

The Bank also encourages employees to provide suggestions, comments and feedback through employee surveys, exchange sessions and thematic focus groups. The Bank continuously monitors sentiments and behaviours of staff with the aim of developing training, communication and staff engagement plans that reinforce a positive corporate culture and values.

Moreover, employees can raise issues/grievances about wrongdoing or unethical behaviour via a confidential whistleblowing channel without fear of reprisal or retaliation in line with our speak-up culture. Cases raised by staff will be reviewed and handled by the Bank to achieve the most appropriate and timely outcome. Investigation will be carried out impartially by relevant subject matter experts and re-direction to other alternative channels will only be done after discussion with the staff who raised the concerns. Staff are made well aware of the channel via intranet, HR and administrative portal, induction course, cultural change programme and the awareness was measured through employee survey. In 2021, 27 whistleblowing cases were received and all were reported via the confidential whistleblowing channel.

We conduct employee surveys twice a year focusing on staff engagement, confidence in the Bank’s strategy, trust in leaders, speak-up culture, career development and change leadership. The response rate rose from 77% in second half of 2020 to 78% in the second half of 2021.

The most recent survey showed encouraging results of our engagement efforts. We aim to maintain or improve our employee engagement score against the last employee survey. The Employee Engagement Index in the survey in the second half of 2021 improved by 1% from the first half of 2021 to 72%. Our performance under all seven indexes was above financial services industry benchmarks by 1 to 13 percentage points.

<table>
<thead>
<tr>
<th>Index</th>
<th>Score* vs H1 2021</th>
<th>Hang Seng vs benchmark**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Engagement</td>
<td>72 (+1)</td>
<td>+4</td>
</tr>
<tr>
<td>Employee Focus</td>
<td>69 (+2)</td>
<td>+1</td>
</tr>
<tr>
<td>Strategy</td>
<td>79 (+2)</td>
<td>+9</td>
</tr>
<tr>
<td>Change Leadership</td>
<td>81 (0)</td>
<td>+5</td>
</tr>
<tr>
<td>Speak-up</td>
<td>80 (+2)</td>
<td>+13</td>
</tr>
<tr>
<td>Trust</td>
<td>82 (+1)</td>
<td>+11</td>
</tr>
<tr>
<td>Career</td>
<td>75 (+1)</td>
<td>+11</td>
</tr>
<tr>
<td>Wellbeing</td>
<td>78</td>
<td>NA</td>
</tr>
<tr>
<td>Inclusion</td>
<td>78 (+1)</td>
<td>+7</td>
</tr>
</tbody>
</table>

* Each index comprises a group of questions, with the average of these questions forming the index score.
** We benchmark Snapshot results against a peer group of global financial services institutions, provided by our research partner Karian and Box.
Our People

The breakdown of staff engagement results in the second half of 2021 by age group and by gender is summarised below.

<table>
<thead>
<tr>
<th>Breakdown by age group</th>
<th>Number of response received</th>
<th>Employee Engagement Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>20 – 29 years old</td>
<td>1,463</td>
<td>69%</td>
</tr>
<tr>
<td>30 – 39 years old</td>
<td>2,102</td>
<td>71%</td>
</tr>
<tr>
<td>40 – 49 years old</td>
<td>1,427</td>
<td>73%</td>
</tr>
<tr>
<td>50 – 59 years old</td>
<td>981</td>
<td>76%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Breakdown by gender</th>
<th>Number of response received</th>
<th>Employee Engagement Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>2,502</td>
<td>72%</td>
</tr>
<tr>
<td>Female</td>
<td>3,524</td>
<td>72%</td>
</tr>
</tbody>
</table>

Note:
As the respondents of the staff engagement survey can choose to disclose their age group or not, the total number of response from breakdown by age group is different from the total number of response from breakdown by gender.

From the result of our employee engagement survey conducted in the first half of 2021, we understand that there are five success factors for hybrid working, including:

1. Better and more streamlined communication
2. Improved technology
3. Greater management support
4. Facilitated collaboration
5. Higher flexibility

Human Capital and Workforce Development

Talent acquisition
Hang Seng has high commitment to local employment. We open up all external job postings to local candidates. In 2021, 98.6% of external hires were employed locally. The average hiring cost of the Bank’s staff was HK$12,883 in 2021.

With the market rebound in 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 Bank’s voluntary staff turnover rate was 19.7% in 2021, with higher staff attrition in the frontline and among new joiners. The Bank builds internal pipeline through upskilling, reskilling and internal deployment and retention of our staff.

Future of work initiative
We have established a formal policy to provide flexibility for employees 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. Staff can work anywhere securely using a laptop, personal computer or mobile device. And we are digitising paper-dependent operations to remove physical constraints. In September 2020, we implemented Integrated Document Management to centralise all physical and electronic document handling. E-workflows for our operations have made working from home more viable.

We address employees’ feedback through our investment and enhancement on the digital enablers including HR mobile app, Mybenefits, MS Teams and also offered equipment allowance of HK$2,500 per employee to set up their home-office. According to the employee survey conducted in the second half of 2021, 81% of employee felt that their line manager was supportive and enabled them to adopt hybrid working.
Our People

Training and Skills Development
We invest in learning and development to build and sustain a professional workforce with strong values aligned behaviours and future skills to contribute to the ongoing success of the Bank. We deploy our staff with requisite skills, knowledge, professional qualifications, experience and soundness of judgement for the responsible discharge of their duties. We continue to build and nurture talent pipeline for the Bank through talent acquisition, job enhancements and career development strategy.

Introducing new learners’ journey
We promote new learners’ journey for future skills development. Through technology enablement in the use of mobile apps and access to the Bank portal of internal and external learning resources are made available on the Degreed learning platform. Staff are able to self-assess their learning needs, curate and self-pace their personalised learning plans, build networks for peer learning and real time knowledge transfer and experience sharing. Staff are encouraged to explore their “Focus Four” future skills in personal, data, digital and sustainability. New learners’ journeys to develop future skills go beyond the traditional measures of classroom learning hours.

With the outbreak of COVID-19 since 2020, new ways of learning have gained momentum to equip our staff in continued skill building, development of critical banking capabilities and growth mind set to support the Bank’s growth plans. We also deliver innovative digital learning solutions with the application of virtual reality technology in credit risk training and mobile game learning on staff apps.

We introduced Development Day in 2021 for leaders across the Bank to provide dedicated time to employees to focus on their future skills learning and embed the self-learning and development culture.

Quality of people management is critical to team productivity and business performance. To enable people managers to embrace new challenges, we organised a series of upskilling workshops in 2021, including:

- Purpose, Values and Strategies workshops
- “When Teams Go Virtual” workshops
- People Management Clinics: Coaching for performance
- Managing with Respect Workshop
- Mental Health Conversation and Skills Practices

Leaders as Teachers: We promote our senior leaders and middle managers as teachers to facilitate knowledge transfer and learning from live case studies; we prepare their role as change champions to engage employees to become a purpose led organisation.

Learning from Peers: We create platforms for staff to work on bank-wide projects or change initiatives such as Idea Competition to improve resource efficiency, ESG Challenge to pursue innovative ideas to commercialise green loans to retail customers. We provide short-term assignment opportunities and encourage talents to go out of their comfort zone, build broader context, connectivity and accelerate their learning. Job tasting programme is organised within specific businesses or functions to promote role awareness.
Our People

Learn from Market: In addition to virtual classroom training, we offer various forums and symposiums for information and experience sharing by external subject matter experts, promoting external focus in market trends and intelligence, and developing our people to be fit for the Future of Banking through upskilling and reskilling.

Action Learning: We promote a start-up ecosystem providing platforms and opportunities for staff to pitch their ideas with investors, enterprises, academia and technology innovators to help them develop and nurture their new business model. We provide resources for staff to test and try new technology such as the use of blockchain on digital platforms to recognize staff who frequently engage in learning activities.

To facilitate new joiners to integrate into the Bank’s culture, we offer a comprehensive induction programme focused on our culture, values, risk management, corporate governance and sustainability objectives to new employees, third-party service providers and agency contractors.

We offer role-specific learning and development programmes to equip staff with skills and knowledge to meet challenges and professional requirements. These cover sales and relationship management, products, operations, compliance, credit and risk.

To enrich our staff’s industry knowledge and insights and to leverage market practices, we partnered with market experts from educational institutions to design and deliver courses in 2021:

- Partnered with the Vocational Training Council to provide investment compliance training to our licensed staff
- Deployed Hong Kong Institute of Bankers “Enhanced Competency Framework” in different streams
- Partnered with The Chinese University of Hong Kong to design data training programmes for upskilling data literacy of our people

Our learning and development programmes enable employees to advance their careers, and to refine their management and interpersonal skills. We have put in place an Education Subsidy Scheme to support staff who wish to further their education (e.g. postgraduate degrees) and/or attain professional qualifications. We also offer an online portal with access to learning resources on a wide range of banking, technical and management subjects.

E-learning and instructor-led programmes are available to support staff learning and development.

In 2021, we provided our employees in Hong Kong with 310,514 learning hours.

- Financial crime prevention (anti-money laundering, anti-bribery & corruption; sanctions): 29,331 hours (9%)
- Risk, policy and procedural related: 30,131 hours (10%)
- Role based training: 197,506 hours (64%)
- Culture, value and conduct related: 34,375 hours (11%)
- Leadership training: 2,923 hours (1%)
- Personal development and others: 16,248 hours (5%)

All of our employees took part in training programmes in 2021. Out of the employees received training, 44% were male and 56% were female; 2% were senior managers, 34% mid-level managers and 64% junior employees. Our effort in learning and development is well recognized by our staff based on employee engagement survey results showing improved Career Index in 2021. In particular, 80% of our staff felt that their line managers actively supported their career development.
Our People

Fit for the future

To enable our staff to navigate their focus on Future Skills development, we launched a number of future skills initiatives in 2021:

• Future Skills Influencers: Mobilise a community of representatives from different businesses and functions to advocate future skills learning in townhalls and sharing sessions.

• Skill-Fit Adventure: A series of virtual events hosted by Future Skills Influencers, inviting internal subject matter experts as speakers to share experience on learning future skills (e.g. Data & Analytics, Creativity).

• Focus Four: We promote the benefits of personalised learning by engaging our staff to discover their own “Focus Four” future skills in personal, data, digital and sustainability, and leverage online learning resources.

We also offer a structured and staged leadership development curriculum, from “Leading Self” and building personal impact, to “Leading Teams” and coaching others, to “Leading Business” and driving growth and change.

• 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 Business or Function programme equips senior leaders with the skills to deliver growth and hones leadership styles.

• Thematic people managers workshops address on-the-job people management challenges. For example, we organised “When Teams Go Virtual” workshops in 2021 to enable people managers to manage virtual teams effectively.

The Bank’s Talent Council sponsors bank-wide strategic projects for talent development in learning agility and leadership capabilities. Talents are entrusted with the responsibility to lead these strategic initiatives and create business, commercial, branding and sustainability impact.

Through robust development conversations, we challenge and accelerate the growth of talented individuals in bank-wide projects and planned job moves. Aspiring leaders are also nominated for structured assessment and development programmes for Enterprise Leadership.

Youth development

We are committed to providing opportunities for university students and graduates. We develop young talents into banking professionals by offering internships across our businesses and functions. In 2021, we offered internship opportunities to 232 university students to help them to gain practical experience, skills and knowledge needed for a successful career in banking.

In 2021, Hang Seng Bank collaborated with The Hong Kong Council of Social Services (‘HKCSS’) to hire 4 interns as ESG Assistants to engage in ESG projects in the Bank. Recruitment of our Fintech interns more than doubled from 19 hires in 2020 to 52 hires in 2021. We offered 18-month contracts to fresh graduates under the Greater Bay Area Youth Employment Scheme. We employed 481 fresh graduates in 2021 for entry level roles in Hong Kong.
Management Trainee Programme

Every year we hire graduates to develop and nurture future banking talents through a three-year management trainee ('MT') programme to those seeking to build a banking career and develop their potential as next generation leaders in the Bank. Please refer to the management trainee programme webpage for further details.

Proud to be part of the team

“Everyone in Hong Kong is familiar with the Hang Seng Bank’s name. The bank has witnessed the growth of the city over its nearly 90-year history and play an important role in the transformation of society, in areas such as education, community services and environment. The bank has shared in many of Hong Kong’s remarkable and historical moments – knowing that the three table tennis bronze medallists in Tokyo Olympics 2020 were graduated from Hang Seng Table Tennis Academy shows that every great achievement requires the joint effort of society. This also shows our bank has made significant efforts in sports development and related community services.”

Hazel Fung,
Management Trainee (2020 intake), Commercial Banking

“The MT programme at Hang Seng allows me to rotate to different departments and experience the cultures of different teams. That unique experience contributed to my placement at Global Markets as I was able to drive cross-team initiatives by becoming the bridge between different departments. Apart from that, trainees are offered a wide range of training courses in areas such as technical knowledge, business etiquette and leadership skills, which equip us for management roles in the future. This is a fruitful journey and I am proud to have joined the MT programme.”

Daniel Ho,
Management Trainee (2020 intake), Global Markets
Our People

**Sustainability**

We enhance our staff’s awareness and knowledge on ESG so they are equipped to help the Bank become an ESG leader. In 2021, we organised three ESG webinars, in which industry experts shared with our employees how climate change affects Hong Kong and the Bank. They also introduced the benefits of renewable energy. In addition, we held a symposium on ESG investing and two green living workshops for staff. A total of 959 employees joined these ESG trainings.

During the year, we rolled out a series of 8 bite-sized videos to explain what ESG means, their importance and our efforts in enhancing our ESG performance. For details of the videos, please refer to our corporate website.

**Data literacy**

Data & Analytics is rated the most important future skills by 56% of employees from a choice of 18 future skills reflected in all staff survey in 2020. The Bank’s Data Strategy is to create a digital-ready bank with highly data literate community. We launched a bank-wide Data Literacy Empowerment Programme in 2021 to cultivate data-driven culture in Hang Seng by empowering employees to speak, work and design with data.

81% of Hang Seng executives or senior management have held roundtables and completed training designed in partnership with The Chinese University of Hong Kong. With an estimated investment of USD3 million over three years, the programme will offer two learning curricula for Data Citizen and Citizen Data Scientist, covering 5,600 employees from 2022 to 2024. A three-day training for Data Citizens and five-day training for Citizen Data Scientists will be offered with total training days of 20,000 over the next three years. The programme includes a series of workshops, internal and external speaker series, digital learning and Hackathon, and an integrated platform providing a one-stop shop for all data literacy empowerment relevant information, insights and, learning and development resources. It will also enable users to learn, reflect and exchange ideas.

**Inclusive Culture**

**Promotion of equal opportunities, diversity and inclusion**

We believe that a diverse and inclusive workforce is critical to running a sustainable and successful business. Our approach aims to harness the benefits of diverse teams to drive greater innovation, enhance collaboration and improve workforce agility.

Our culture values, respects and supports individuals, where their richness of ideas, backgrounds, styles and perspectives are actively sought out with informed empathy to create business value.

With our internal diversity and inclusion policy (set out in the Code of Conduct) and equal opportunities policy, we expect all members of our teams to treat each other with dignity and respect and 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 / expression, 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.
Our People

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 member who reports improprieties or who participates in an investigation. We consider any retaliation in those circumstances as a disciplinary matter.

Board appointments are based on merit, and candidates are considered against objective criteria with due regard for diversity, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. Transparency in the director nomination process is ensured by a policy that is available on our website.

The Bank continues to offer an inclusive environment to foster diversity where the best want to work. The Bank was ranked 49th out of the 3,702 global companies researched in Equileap’s 2021 Gender Equality Global Report & Ranking. We were also one of the 10 companies and the only bank achieving gender balance (40%-60% women) at all four levels – board, executive, senior management and workforce.

• 54% of Executive Committee members are female
• 45% of Board of Directors are female
• 41% of senior leaders are female
• 58% of our employees in Hong Kong are female

Our 41% female senior leaders are well positioned against the our parent company’s target of 31% of female senior leaders in 2021. In 2022, we plan to further improve gender representation at the senior level, and strengthen our inclusive culture in the Bank where everyone has the opportunity to grow. We will track our progress with two metrics below:

1. The female representation of senior leaders in Hang Seng Group (including operations in Hong Kong, mainland China, and overseas representative offices) was 43.5% as of the end of 2021. In 2022, Hang Seng Group aims to increase its female representation of senior leaders to 46%.
2. An “inclusion index” derived from the employee survey measures employee sentiments of inclusion and belonging. We stand strong at 78% and target to maintain the score in upcoming year.

We regularly review and enhance our diversity and inclusion policies to ensure that they are in line with regulatory requirements, market trends and industry best practice. To strengthen our people-management capabilities and cultivate our inclusive culture, we provide training to our people managers. Regular workshops with case studies are available to combat workplace bullying and discrimination, embrace diversity. Upskilling workshops are also offered to people managers to be non-judgemental and empathetic to spot mental health issues and conduct appropriate conversation with team members in need.

All staff receive learning on diversity, inclusion, equal opportunities and human rights matters that are relevant to our operations. This is also part of our New Joiners Induction Programme. In 2021, we provided our employees in Hong Kong with approximately 5,922 hours of such learning.

Learning Item / Learning Hours

Making the Bank More Inclusive: 1,092 hours
Anti-Harassment and Discrimination Training: 1,562 hours
Global Mandatory Training Trimester 3 (33% of the learning module): 3,010 hours
Managing with Respect: 162 hours
Mental Health Conversation – Skills in Practice Workshops for People Managers: 96 hours

We provided Anti-Harassment and Discrimination Training to all staff in 2021 and two workshops related to non-discriminatory practices for 81 people managers, accounted for 4,733 training hours.
Our People

Gender representation and pay gap
We have strong female representation at the senior levels which is a clear evidence of our inclusive culture and our open and fair hiring and promotion practice based on meritocracies, with check and balance built in through the input of wider stakeholders in the selection process. We also provide training to hiring managers to ensure that the strongest candidates from diverse talent pools are fairly selected.

We uphold pay practices based on objective criteria of market pay benchmarks for job scope and skill requirements, and uphold the principle of pay for performance supported by "RIGHT" behaviours. We review our pay outcomes in the annual pay review cycle to assure no gender bias in our pay decisions. Performance driven and conduct risk based reward principles are underpinned to ensure pay decisions to all employees are fair and free-from-bias, regardless of gender, ethnicity, or any other characteristic that is unrelated to an employee’s performance, contribution or conduct.

Staff responded positively in our employee survey that we have fair processes for moving or promoting people into new roles. We will continue to focus on promoting feedback culture and access to opportunities for everyone to grow and achieve career objectives in the Bank.

For more details of our gender pay gap, please refer to our parent company – HSBC Group’s ESG Datapack 2021 as a proxy.

Promotion of fairness and feedback culture
Hang Seng has a well-established system for appraising employee performance and encouraging lifelong learning and continual improvement.

Our Everyday Performance and Development ('EPD') principles encourage frequent, holistic and meaningful conversations between managers and staff. These provide opportunities to discuss progress, give feedback and recognition, identify support that may be needed, and address issues that could affect an individual's wellbeing.

Our HR system and mobile HR App facilitate the EPD principles by enabling employees to give, request and receive feedback, and to track their progress in their assigned duties and activities.

All staff have a formal review at the end of every year, during which they discuss their progress towards established objectives. They also receive performance and behaviour ratings, as per our employee assessment framework. Management teams will conduct fairness review which aims to ensure the year-end assessments are fair, accurate and free-from-bias.

The behaviour rating looks at how they manage issues such as risk and compliance, and how they protect the interests of customers, colleagues, the market and the Bank. The behaviour rating underpins pay recommendations during the annual review.

To encourage voice of staff, and foster wider exchange of ideas and feedback across the Bank, regular Exchange meetings are extended to cross team, cross function, cross first and second lines of defence with focused discussion topics. People managers identify high impact examples and staff feedback from Exchange meetings for wider sharing in the Bank semi-annually.

To foster a fair and unbiased working environment, we offer on-going coaching to managers through workshops and drop-in sessions. Guidance and tips on managing employees' performance are shared with managers.

We offer competitive pay and benefits to attract talented staff. Performance-based remuneration motivates employees and rewards their contributions to growing our business. Variable pay is discretionary and is based on group and business performance, and an individual’s behaviour, conduct and contribution. To retain staff and maintain our competitiveness, we regularly review our rewards and career opportunities.

Salaries vary according to market pay for roles and specialist skills, experience level, individual performance and behaviour. Our pay and benefits are well above the minimums stipulated by local laws and statutory regulations. For part-time employees, legislation and market practice provide a framework for contractually agreed pay.
Our People

Our human resources policies strictly comply with 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 remuneration by performance, behaviour, internal and external relativity and market benchmarks, regardless of gender, ethnicity, age, disability or any other factors unrelated to performance or experience. We comply with the Hong Kong Equal Opportunities Commission guidelines on equal pay between men and women under the Sex Discrimination Ordinance. We are confident in our approach to pay. 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 performance, behaviour rating or experience.

Exploring opportunities and potentials beyond stereotype

Internal mobility
We promote internal mobility for employees to nurture their career development, broaden experience and retain talents. All open roles are advertised in internal job posting portals and a monthly email are sent to all staff to promote Hot Jobs of the month and increase their awareness of internal opportunities and encourage applications. In 2021, a total of 1,067 roles were filled by internal employees, representing 40% of open positions and demonstrated the Bank’s support for the career development of our staff.

Workforce reshaping to maximise opportunities

To proactively reshape the Bank’s workforce to be fit for future banking and encourage reskilling opportunities, a workshop “Explore Your Career Potentials” was hosted to share successful career change experience of colleagues in the Bank including role change from the middle office to front line. The workshop also demystified career possibilities and misperceptions and provided information on internal mobility and best practices when considering new role changes in the Bank. The workshop was very well attended with more than 150 employees taking part.

Upskilling to unleash potentials

To develop career potentials of our staff, a CareerWise campaign with a programme of initiatives was launched in 2021 to engage senior leaders and colleagues at different stages in their career journey to share personal experience and insights in career development. The programme features:

- Rock Your Profile: Workshops to develop personal branding through LinkedIn® professional network and profile professional track record and achievements. This in turn strengthens the Bank’s employer brand in the market and ability to attract talents.
- Career KOL: External and internal key opinion leaders share their career journeys and personal reflections, provide reality checks and challenge development thinking.
- Future Skills: A community of Future Skills champions was formed and mobilised across different businesses and functions to promote future skills learning in the Bank.

Inclusion permeates into the many aspects of our employee experience at Hang Seng. Our leaders and employees share the same purpose to uphold workplace inclusion, fight any stigma, bias and discrimination, provide support to working parents and caregivers, and open opportunities to employees at all levels for professional development and personal growth to reach their full potential.

Robust & proper HR governance

Performance management
Performance management enables staff to deliver sustainable and long-term results. It involves setting clear objectives, providing regular feedback and recognition, assessing performance and behaviour, and coaching and supporting employees to perform to the best of their ability. Supplementary resources such as performance and talent management guides are available.

We incorporate risk management measures into employee performance review, e.g. compensation tied to reducing risk.
Our People

We operate a number of policies and processes to ensure the effective alignment of risk, performance and reward, and to incentivise compliance with the firm’s risk policies and conduct expectations.

- Risk assessment overlay the Bank’s variable pay pool: The variable pay pool is based on a range of financial, non-financial and contextual factors. The main quantitative and qualitative performance and risk metrics used for performance assessment include the Bank’s financial performance (including fines, penalties and provision), current and future risks by taking into consideration performance against the Bank’s risk appetite, financial and resourcing plan and conduct outcomes.

- Performance management: Assessment of individual performance is made with reference to clear and relevant financial and non-financial objectives. Managing risk is every employee’s responsibility. A mandatory risk objective is embedded in every employee’s objectives. Performance against the risk objective is reviewed throughout the year and formally assessed at year end. Achievement of risk objective impacts employees’ performance review and decisions on their remuneration. Employees’ behaviour will be reviewed along with their performance. Risk awareness and mitigation and good conduct are robustly assessed against a behavioural guide with illustrative examples of expected values aligned behaviours at different levels from Role Model, Strong, Good and Unacceptable behavioural ratings. “Behavioural first” means behavioural ratings are considered first in pay decisions.

- Employee Recognition and Conduct Framework: Variable pay awards may be adjusted downwards in circumstances including detrimental conduct, involvement in events resulting in significant operational losses, or events that have caused or have the potential to cause significant harm to the Bank and non-compliance with the values-aligned behaviours and other mandatory requirements or policies. Positive conduct and behaviours are recognised through At Our Best Recognition Programme, or positive adjustments to variable pay awards. Management reviews are in place to evaluate the extent to which employee ratings and compensation decisions are incentivising the right behaviours, values and culture.

- Identification of Material Risk Takers (‘MRTs’): A robust process for identifying MRTs based on the qualitative and quantitative criteria set out under the European Union Regulatory Technical Standard plus additional internal criteria. Variable pay awards for identified MRTs is limited to 200% of fixed pay and awards and are generally subject to a minimum 40% deferral (60% for awards of £500,000 or more) over a minimum period of four years. A minimum of 50% is deferred share awards and the balance is deferred into cash.

- Malus and clawback: All deferred awards are subject to malus provisions, subject to compliance with local laws. Awards granted to MRTs are subject to clawback. Malus can be applied to unvested deferred awards granted in prior years in circumstances including detrimental conduct; past performance being materially worse than originally reported; restatement, correction or amendment of any financial statements; and improper or inadequate risk management. Clawback can be applied to vested or paid awards granted to MRTs as a result of participation in, or responsibility for, conduct that results in significant losses; failing to meet appropriate standards and propriety; reasonable evidence of misconduct or material error that would justify, or would have justified, summary termination of a contract of employment; and a material failure of risk management suffered by the Bank in the context of our risk management standards, policies and procedures.

- Annual HKMA CG-5 Self-Assessment Review: The Bank as an authorised institution under the Banking Ordinance is required by the HKMA Supervisory Policy Manual CG-5 “Guideline on a Sound Remuneration System” (the Guideline) to assess whether their existing remuneration systems and policy are in line with the principles in the Guideline, independently of management and at least annually. All prior year assessments have delivered confirmation of our compliance to the HKMA CG-5 guidelines.
Our People

Managing incentives for frontline colleagues

In Wealth and Personal Banking (‘WPB’), we apply a discretionary approach to incentivising our frontline colleagues rather than formulaic incentives linked to sales. Following the review of incentives during 2020, we continued to embed the changes with the aim to be even more customer-centric and focused on employee development.

The WPB Performance Framework aims to drive the right customer outcomes, reward competitively the achievement of long-term sustainable performance, and motivate sales staff on incentive pay to adhere to the Bank’s values. The framework intends to reward employees to serve our customers in a more flexible, digital and customer-centric way through a simpler and more transparent arrangement. Under the framework, a behavioural gateway is in place whereby employees have to meet minimum behavioural standards to be eligible for a discretionary variable pay award. The behavioural gateway will be assessed against the values and behaviours guide to align with behaviour ratings assessment.

The scorecard objectives include people, experience, quality and solutions to reflect holistic roles and responsibilities of frontline employees. Managing financial crime risk behaviours come under the quality objective. The structured balanced scorecard approach enables a holistic assessment to ensure the right customer outcomes are delivered. Sales quality forms a part of the overall assessment of performance. The sales quality and mystery shopping reviews assess whether customers receive a fair outcome. If any issues are identified, we investigate the root cause, put things right and act to reduce the risk of the issue occurring again with mandatory deductions applicable in instances of misconduct or regulatory breaches in accordance with our personal conduct case framework.