



大眾金融控股有限公司
PUBLIC FINANCIAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability) Stock Code: 626

Environmental, Social and Governance Report 2018



Contents

	Page
ABOUT THIS REPORT	2
MESSAGE FROM MANAGEMENT	3
1. BUILDING A SUSTAINABILITY FRAMEWORK	4
2. OUR COMMUNITY	9
3. OUR PEOPLE	12
4. OUR CUSTOMERS	15
5. OUR SUPPLY CHAIN MANAGEMENT	17
6. OUR ENVIRONMENT	18
PERFORMANCE DATA SUMMARY	20
HKEX ESG GUIDE CONTENT INDEX	22



About This Report

Reporting Standard and Scope

Public Financial Holdings Limited ("PFHL") and its subsidiaries (the "Group") prepared this annual Environmental, Social and Governance ("ESG") Report (the "Report") in accordance with the ESG Reporting Guide ("ESG Guide") issued by Hong Kong Exchanges and Clearing Limited ("Stock Exchange" or "HKEX"). This Report details the performance, policies and strategies in five key areas including community engagement, human capital, business services, supplier management and environment protection of the Group, for the period from 1 January 2018 to 31 December 2018 (the "Reporting Period"). It serves as a transparent channel for the Group to communicate its ESG-related initiatives and efforts to stakeholders.

There were no significant changes in the scope of this Report from that of the 2017 ESG Report published on 17 May 2018.

This Report covers the Group's major operations in Hong Kong including four of its subsidiaries with offices and branches. The names and principal activities of the subsidiaries are listed below:

Name of Subsidiaries	Principal Activities
Public Bank (Hong Kong) Limited ("PBHK")	Provision of banking, financial and other related services
Public Finance Limited ("PFL")	Provision of deposit-taking and financing
Public Securities Limited ("PSL")	Provision of securities brokerage
Winton Financial Limited ("Winton")	Provision of personal and property mortgage loans, and financing of licensed public vehicles such as taxis

Approval

This Report was approved by the Board of Directors of PFHL (the "Board") in March 2019.

Feedback

Comments and suggestions regarding this Report and the Group's ESG performance are always welcome and can be sent to the Group's Corporate Culture & Social Responsibility Team at esg@publicbank.com.hk.

Message from Management

Since our establishment in 1991, our Group's mission has been being recognised and respected as a Hong Kong financial institution which excels in customer service and corporate governance whilst maintaining growth in profitability and shareholder value. We are glad to share with you the Group's ESG Report which demonstrates our sustainability performance during the financial year of 2018. Our Group has made substantial efforts in our sustainability performance over the past year as a responsible corporation aiming to meet our stakeholders' expectations.

To address ESG issues effectively, the ESG Steering Committee was established to develop the Group's Corporate Social Responsibility ("CSR") Policy which outlines our ESG goals in line with our business objectives. With PFHL's commitment to supporting sustainable business development, we will continue to contribute to the environment and the community.

In order to manage our sustainability performance efficiently, it is important to understand the concerns of our stakeholders such as shareholders, customers, employees, regulators, business partners and suppliers. We have engaged our stakeholders through various channels to gain valuable feedback on our ESG performance as well as ESG risks and opportunities. Through this ESG Report, we communicate to our stakeholders our approach to mitigating ESG risks that arise from our operation as well as nurturing the sustainable development of our community and the environment.

We continue to gather support from stakeholders in the journey towards our sustainable development. PFHL's corporate values will continue to guide the Group as we work closely with our stakeholders to strengthen our sustainability performance in the areas where we operate.

Tan Yoke Kong

*Executive Director and Chief Executive
Chairman of ESG Steering Committee*

1. Building a Sustainability Framework

1.1 Sustainability Governance Structure

Addressing sustainability issues and managing ESG-related risks require an effective governance structure. The Board provides strategic oversight for CSR direction of the Group. Our ESG Steering Committee is chaired by the Executive Director and Chief Executive of PFHL and comprises directors and senior management of the Group. The ESG Steering Committee provides direction on all ESG-related activities and matters; reviews the Group's ESG-related strategies, policies and reports; and oversees the execution of the Group's ESG-related initiatives. The ESG Steering Committee is also responsible for determining ESG-related risks and ensuring the appropriate and effective ESG risk management and internal control systems are in place. To support the ESG Steering Committee, an ESG Reporting Working Group (the "ESG Working Group") is responsible for making recommendations, monitoring the implementation and evaluating the effectiveness of various ESG-related initiatives and reporting ESG-related issues and progress to the ESG Steering Committee in a timely manner. The Corporate Culture & Social Responsibility Team communicates and works with various departments and business units to promote and implement CSR initiatives across the Group.

Each of the following entities plays a significant role in managing our CSR efforts:

The Board	
<ul style="list-style-type: none"> To monitor corporate governance practices and procedures, as well as to maintain appropriate and effective risk management and internal control systems of the Group to ensure compliance with applicable rules and regulations. 	<ul style="list-style-type: none"> To approve the ESG Report, CSR Policy and annual ESG Budget.
ESG Steering Committee	
<ul style="list-style-type: none"> To identify the ESG management approach, strategies, priorities and objectives. To identify the relevant ESG subject areas, aspects and Key Performance Indicators ("KPIs") that may have material environmental and social impacts. To engage stakeholders periodically through various communication means, identify material aspects and KPIs as well as to understand their views. To review and report the scope of and approach to reporting the difference and reason for change (if any) of definition or calculation method of KPIs. To review and recommend the budget for ESG activities to the Board or the delegated board committee. To review and recommend the allocation of adequate facilities and resources to the ESG Working Group to accomplish the tasks as approved by the Board or the delegated board committee. 	<ul style="list-style-type: none"> To note the status reports submitted by the ESG Working Group. To oversee the Group's implementation of ESG reporting guidelines and review the ESG Report for recommending to the Board for approval. To evaluate and determine the ESG-related risks, and ensure the appropriate and effective ESG risk management and internal control systems are in place. To ensure the Group is in compliance with relevant laws, regulations, policies and guidelines on ESG reporting as required by the relevant regulatory bodies. To enhance brand value and public image of the Group.

1. Building a Sustainability Framework

ESG Working Group	
<ul style="list-style-type: none"> To make recommendations, monitor the implementation and evaluate the effectiveness of various ESG-related initiatives. 	<ul style="list-style-type: none"> To report ESG-related issues and progress to the ESG Steering Committee in a timely manner.
Corporate Culture & Social Responsibility Team	
<ul style="list-style-type: none"> To promote CSR and bank-culture related matters internally and externally. 	
Departments and Business Units	
<ul style="list-style-type: none"> To implement CSR practices in daily operations. 	

1.2 CSR Policy

The Group's CSR Policy was established to formalise our sustainability practices with regard to business ethics, workplace, environment, community engagement and stakeholder communication channels. The CSR Policy applies to all business operations and subsidiaries, and outlines our approach to sustainable development. In particular, the CSR Policy states the principles which guide responsible behaviour including compliance with relevant laws and regulations, working to maintain high ethical standards, integrating sustainable considerations into decision-making processes, and committing to ESG-related goals and targets.

The objectives of the CSR Policy are:

- To uphold the spirit of social responsibility, maintain high standard of ethical behaviours when doing business and dealing with stakeholders, and contribute to the sustainable development of the community
- To uphold the spirit of environmental protection within the Group, encourage energy saving and carry out Green Practices at office
- To set principles for all CSR activities to enhance sustainable development and strive to follow international best practices
- To establish standards for measurement of achievements
- To enhance the brand value and public image of the Group in the long run

1.3 Business Ethics

As stated in the CSR Policy, we are committed to maintaining high ethical standards and integrity in our business operations. The Group's values and expected ethical behaviours are guided by our Code of Conduct for Staff¹ and Code of Ethics, and supplemented by our Policies and Procedures for Prevention of Money Laundering and Anti-Terrorist Financing. These policies and procedures are regularly reviewed and updated to ensure appropriate ethical business practices and behaviour as well as compliance with corporate and regulatory requirements. As members of the Group, all employees are required to uphold high ethical standards and strictly comply with the relevant anti-bribery and anti-corruption regulations. The Group has zero tolerance of all forms of bribery or corruption.

¹ Code of Conduct for Staff applies to PBHK, PFL and PSL.

1. Building a Sustainability Framework

The Compliance Departments were established to ensure regulatory guidelines applicable to the Group are assessed and the associated initiatives are implemented and regularly monitored. The functions of the Compliance Departments also include the handling of all suspected money laundering cases. Any non-compliance with the regulatory requirements arising from compliance checking will be reported for remedial actions. We regularly invite guest speakers from the Independent Commission Against Corruption to hold seminars for our staff to refresh their knowledge of anti-corruption related measures and risk issues. The Compliance Departments are responsible for reporting material compliance issues to the Risk Management Committee and providing recommendations of actions to mitigate the underlying compliance risks of business units.

To help ensure adherence to the Group's expectations regarding business ethics, our Whistleblowing Policy is regularly reviewed and updated to provide a reporting channel for stakeholders to lodge complaints in relation to fraudulent and/or unethical acts, and non-compliance with laws and regulations and/or the Group's policies which have or could have significant adverse financial, legal or reputational impacts. We encourage our stakeholders to raise grievances without fear of reprisal and staff may report any breach or suspected breach of the Code of Conduct for Staff and Code of Ethics to the Head of Internal Audit.

The Group fully complies with laws and regulations relating to bribery, extortion, fraud and money laundering. During the reporting period, there were zero concluded legal cases regarding corrupt practices brought against the Group or its employees.

1.4 Corporate Culture

Reflecting our commitment to establishing and promoting a sound corporate culture, we formulated the Policy of Corporate Culture and Values (the "Policy") in 2018 which lays out a set of values to guide staff behaviour. The Policy clearly states the Group's corporate values, and its principles and guidelines which help develop and foster a sound corporate culture across all our operations. This alignment with our corporate culture facilitates prudent risk management and proper staff behaviour which lead to positive customer outcomes and high ethical standards within the Group. These ethical standards go beyond the minimum legal requirements, which demonstrates our full commitment to a robust corporate culture and good governance practices.

In 2019, we will further promote the Group's corporate values and encourage our staff to internalise and practise them in their daily business.







Corporate Culture Statement

The Group is committed to promoting a sound corporate culture by setting out six corporate values. These values guide our staff's working attitude and behaviour which contribute to the success of the organisation, and help determine the Group's approach to achieving its mission.

Our Mission

To be recognised and respected as one of the Hong Kong financial institutions excelling in customer service and corporate governance whilst maintaining growth in profitability and shareholder value.

Our Corporate Values

 CARING	<ul style="list-style-type: none"> • Ensure safety and well-being • Listen and understand • Serve the community 	 EXCELLENCE	<ul style="list-style-type: none"> • Strive for the best • Be business-minded and customer-oriented • Support people advancement
 DISCIPLINE	<ul style="list-style-type: none"> • Be self-controlled and cooperative • Be persistent and independent 	 PRUDENCE	<ul style="list-style-type: none"> • Make sound and considered judgment • Make the right decision • Plan ahead wisely
 ETHICS & INTEGRITY	<ul style="list-style-type: none"> • Do the right thing • Be honest and fair • Have actions and words in line with moral principles 	 TRUST	<ul style="list-style-type: none"> • Be open-minded and reliable • Treat others with dignity and respect

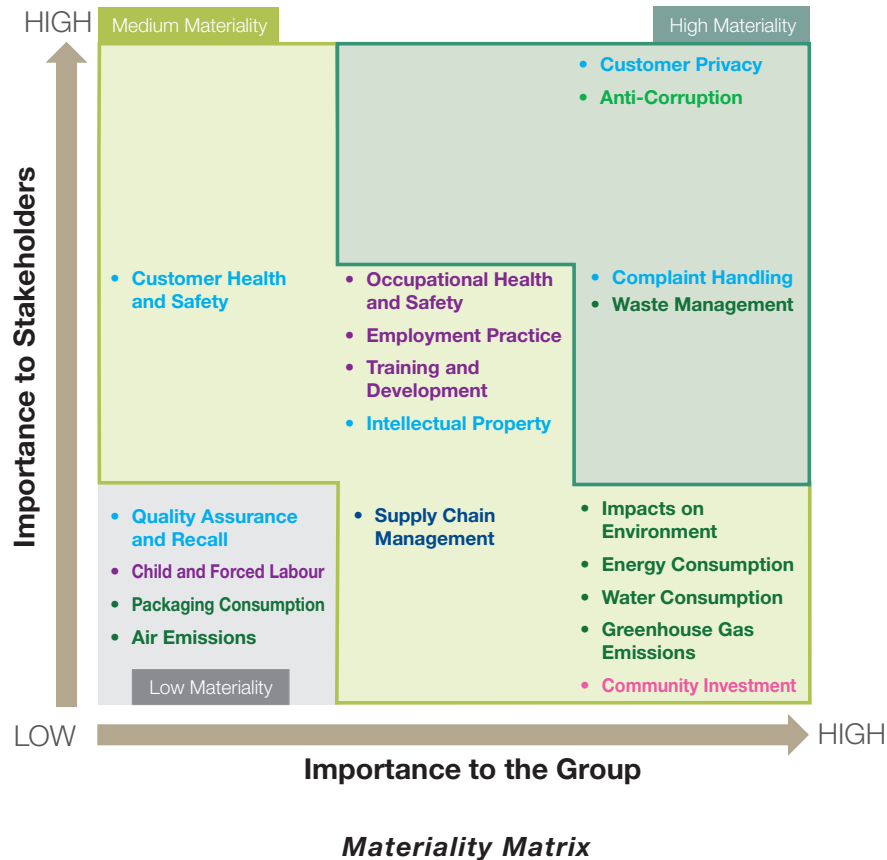
1. Building a Sustainability Framework

1.5 Stakeholder Engagement and Materiality Assessment

It is important to understand the concerns of our stakeholders such as shareholders, customers, employees, regulators, business partners and suppliers. Therefore, we have engaged our stakeholders through various channels.

To prepare for this Report, the Group appointed an independent consultant to conduct a structured, three-stage materiality assessment to identify important ESG issues to be included in the Report.

Stage 1: Identification	Stage 2: Prioritisation	Stage 3: Validation
<p>Peer benchmarking: The ESG disclosures of three peer companies were reviewed to identify industry practices.</p> <p>Stakeholder engagement: An online survey and two stakeholder engagement workshops were conducted for internal and external stakeholders to rank the materiality of various ESG issues.</p>	<p>The results of the peer benchmarking, the stakeholder engagement workshops and the online survey were combined and analysed. A list of ESG issues of varying materiality levels was consolidated for Stage 3.</p>	<p>We have mapped each ESG topic based on its significance to our Group's business and its importance to our stakeholders on a materiality matrix (see the below Matrix). This helps us focus our disclosure on the most material aspects from a wide range of ESG topics.</p>



1. Building a Sustainability Framework

The full list of material issues was considered by the ESG Steering Committee members to select and confirm a final list of material ESG issues and the relevant Aspects in the ESG Guide and KPIs for disclosure in this Report. This Report has been structured around the below material issues, which are discussed in greater detail in Sections 2 to 6.

Material ESG Topics	Reference in the Report
• Anti-corruption	Building A Sustainability Framework
• Community Investment	Our Community
• Employment Practice	Our People
• Occupational Health and Safety	
• Training and Development	
• Complaint Handling	Our Customers
• Intellectual Property	
• Customer Privacy	
• Supply Chain Management	Our Supply Chain Management
• Greenhouse Gas Emissions	Our Environment
• Waste Management	
• Energy Consumption	
• Water Consumption	
• Impacts on Environment	

2. Our Community

As part of the values listed in the Corporate Culture Statement, the Group is dedicated to protecting the environment and serving the needy, especially underprivileged children, the elderly and other disadvantaged groups. The key objectives of our CSR Policy include setting principles for all CSR activities to enhance sustainable development and follow international best practices. Our PB We Care Team was established in 2016 to carry out charitable initiatives with a view to making a positive impact on our society. In addition, we collaborate with diverse groups and organisations from the local community by providing outlets for community and charity events. In 2017/2018, our PB We Care Team contributed more than 450 service hours and received a Certificate of Appreciation from the Agency for Volunteer Service.



The Joy of Volunteering

"The PB We Care Team focuses on contributing to the local community and enhancing environmental protection through CSR activities, including charity walks, beach cleaning, and elderly home visits. The most rewarding moment of participating in the CSR activities was receiving all the warm smiles from the beneficiaries. I would encourage all our colleagues to join the PB We Care Team and make a difference in our community together. I never imagined that such a small contribution would bring so much joy and happiness to others. We should never underestimate the power of such a small contribution."

Samson Hui
Personal Loans Centre, PBHK
Member of PB We Care Team



Staff volunteers participated in the celebration of Tuen Ng Festival with the elderly in Sham Shui Po.

2.1 Creating a Compassionate Society

In September 2018, our volunteers from the PB We Care Team participated in the Love and Care Mid-Autumn Festival Celebration with the Elderly activity organised by Yang Memorial Methodist Social Service. The volunteers visited elderly homes and distributed mooncakes donated by our staff as well as other gift items. During the visit, our volunteers expressed care and blessings to the elderly in the festive season. They also proactively understood the elderly's needs and reported them back to the organisation.



2. Our Community

2.2 Youth Empowerment

The Group also contributed to the local community by sharing our knowledge of the banking industry with underprivileged youth. PBHK participated as an employer speaker from the banking sector in Career Talk for School held by the Employees Retraining Board ("ERB") in October 2018. We delivered a career talk to students at Hong Kong Red Cross Princess Alexandra School which provides education and rehabilitation services to 6-to-12-year-old students with special needs. Our representatives presented a brief overview of the banking industry in Hong Kong, the profile of PBHK and its corporate culture. In addition, we highlighted the career prospects of different positions in the banking industry and its development opportunities for graduates. Tips on preparing job applications and interviews were also shared with the students. During this career talk, students gained valuable knowledge from the insights shared by our representatives and explored career pathways in the banking industry.

Altogether, the various community engagements allowed the Group to fulfil its role as a recognised and respected financial institution by serving the needs of the elderly and the youth.



2.3 Community Service Highlights in 2018



- Celebrated Tuen Ng Festival with The Elderly**

Organised by the Neighbourhood Advice-Action Council Shamshuipo District Community Care Service Centre for the Elderly, the activity allowed our volunteers to celebrate Tuen Ng Festival with the elderly residents in Sham Shui Po district by bringing them gift packs of food items and traditional rice dumplings.

- Celebrated Mid-Autumn Festival with the Singleton Elderly**

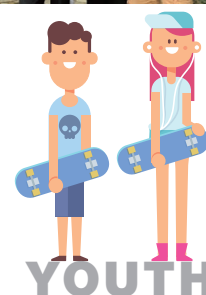
Partnered with Yang Memorial Methodist Social Service, our staff participated in home visits to singleton elderly residents living in Wong Tai Sin district. During the visit, the residents were pleased to receive mooncakes as festive gifts.



2. Our Community

- **Child Development Fund “BOSS” Mentorship Scheme of YMCA (the “Scheme”)**

The Scheme was sponsored by the Hong Kong SAR Government and external donors. Our staff acted as youth mentor and volunteer to provide mentee with advice on positive thinking, planning for future development of personal strengths, abilities or skills, and building a habit of money saving. Our volunteer also participated in various activities to enhance mentee's personal development.



- **Career Talk for School**

Our staff delivered a career talk to students with special needs at Hong Kong Red Cross Princess Alexandra School and presented a brief overview of the banking industry in Hong Kong, development opportunities for graduates and tips on preparing job applications and interviews.



- **1&1 Community Involvement**

Our volunteers made two terrariums to be sold at a charity sale event organised by The Boys' and Girls' Clubs Association of Hong Kong.

- **Charity Run & Walk for Volunteering 2018**

Organised by the Agency for Volunteer Service, this annual charitable event aimed to raise funds for the development of volunteerism.



- **Love Teeth Day 2018**

Our Group supported Love Teeth Day organised by The Community Chest of Hong Kong (the “Chest”). Through the Chest's fundraising effort, the event enabled disadvantaged groups to receive improved oral health services.

- **Pass-it-On Campaign 2018/19 Charity Sale Counter**

This annual Hong Kong Red Cross (“HKRC”) fundraising campaign aimed to promote a “Share and Care” spirit amongst people. Our staff volunteers participated in this charity event by managing a sales booth in Mong Kok. Revenue generated by this activity was directed to aid HKRC's support services for those in need.

- **Pass-it-On Campaign 2018/19 “Love & Found” Agent Investigation Day**

This event aimed to encourage the general public to gain a deeper understanding of HKRC's humanitarian services through the participation in a series of experimental and educational games. Our staff supported the event by managing the game booth and helping with crowd control.

- **Po Leung Kuk Charity Raffle 2018**

PBHK supported the Campaign by allowing raffle tickets to be sold at its branches and encouraging customers to care for the community. The charitable initiative aimed to raise fund for the social and educational services provided by Po Leung Kuk.

3. Our people

Our Group's 1,359² employees are the cornerstone of our business, we therefore strive to create a fair, healthy and safe work environment to enable them to reach their full potential. We follow the principles set out in our Human Resources Policies Manual, CSR Policy, Code of Conduct for Staff and Code of Ethics, such as upholding high standards of ethical behaviour when doing business, promoting staff training and development, and maintaining safety and health standards.

3.1 Creating a Competent and Diverse Workforce

Our Human Resources Policies Manual was developed in accordance with the applicable laws and regulations related to labour standards. The Group is committed to providing a fair and safe work environment with equal opportunities to staff and embracing diversity regardless of nationality, race, religion, gender, age, physical abilities, pregnancy or family status. Fairness, honesty and integrity are emphasised in the process of recruitment, dismissal, promotion and any other staff movement as part of the principle of equal opportunity. During the reporting period, we strictly complied with local laws and regulations in relation to employment and labour practices, including those related to occupational health and safety, anti-discrimination, child labour and forced labour.

Our Human Resources Policies Manual also stipulates the policies and procedures relevant to employee benefits, compensation and professional behavioural expectations. The Group rewards its employee with competitive remuneration packages and welfare benefits which are commensurate with their experience and responsibilities.

3.2 Training and Development

In a constantly changing business environment, it is essential to equip our employees with up-to-date knowledge and skill sets so that they can remain competitive in the banking industry.

A comprehensive performance appraisal system is in place to monitor and evaluate employee performance annually. The appraisals also serve as a communication platform between employees and management to promote two-way discussion on staff performance and career goals. In addition, the Group encourages and organises job-specific trainings and seminars in order to further enhance staff work performance and competency.

Various internal and external training programmes relating to the banking industry are arranged for staff. PBHK and PFL offer various types of internal training to enhance staff's competence and job performance, thereby increasing the Group's business effectiveness and operational efficiency. Furthermore, our established sponsorship scheme for external training helps cultivate a continuous learning culture within the Group. All full-time permanent staff are eligible to take external courses and seek sponsorship from the Group upon approval by Head of Training and Development and Senior Management. The sponsorship effectively explores the potential of our staff and fosters their development.

**Percentage of
Employees Trained
100%**



² The Group comprises 1,348 full-time and 11 part-time employees.

3. Our people

Supporting Professional Development to Pursue Operational Excellence in Banking

To support talent development and raise the professional competence of banking practitioners in Hong Kong, the Hong Kong Monetary Authority ("HKMA") embarked on developing the Enhanced Competency Framework ("ECF") in collaboration with the banking industry and relevant professional bodies. In 2018, we invited a speaker from Hong Kong Institute of Bankers to deliver a briefing on the ECF initiatives. During the briefing, our branch managers were encouraged to attend various training programmes and examinations relating to the ECF. Whilst the ECF is not a mandatory licensing regime, we encourage our employees in their relevant streams of professional work to undertake the HKMA ECF training programmes and examinations with the aim of raising and maintaining their professional competence.



ERB Manpower Developer Award Scheme

Since 2011, PBHK has been recognised by ERB as a Manpower Developer for our excellence in organising staff training and development programmes. ERB assessed our various capabilities, such as CSR in manpower development, training and development systems, and resources planning. This year our title of ERB Manpower Developer has been further renewed in recognition of our continuous outstanding achievement.



3.3 Occupational Safety and Health

The Group strives to provide a healthy and safe working environment for our employees. Under the guidance of the CSR Policy, we follow laws and regulations related to occupational health and safety as well as set out safety measures and procedures to prevent potential occupational risks during business operations.

To effectively manage and mitigate such health and safety risks, we develop and implement appropriate health and safety measures, such as conducting fire drills³ and providing employees with first aid training. Some of our staff are also trained as departmental fire safety officers to provide support when necessary.

During the reporting period, there were no significant non-compliance cases relating to the provision of a safe work environment and the protection of employees from occupational hazards.

3 In 2018, the fire drills were conducted for the majority of the Group's premises.

3. Our people

3.4 Employee Communication

We provide different staff communication channels, including regular staff newsletters, committee meetings and employee culture survey. An annual Business Forum is also launched for PBHK staff to communicate with the senior management.

3.5 Caring for Staff

At the Group, we believe that the health and well-being of all employees are essential to creating a positive and caring workplace. The Group abides by the requirements of the Employment Ordinance (Cap. 57) to ensure reasonable working hours and rest days are arranged for our employees. Public Bank Group, Hong Kong Sports and Recreation Club ("Sports and Recreation Club") organised a range of staff engagement activities, such as annual dinner, barbecue and sports activities in order to accommodate the diverse interests of our Group employees.

Promoting Work-Life Balance

"I am a member of the Sports and Recreation Club Committee with the goal of helping the Group create a more inclusive and fun working environment for my colleagues. Over the past 10 years, I have collaborated with colleagues from different subsidiaries and departments to organise a variety of recreational activities for our colleagues and their families.

To maintain staff's physical fitness and promote a healthy lifestyle, we organised a number of sports events and activities. For example, as an annual event we arranged a bowling competition to the delight of our colleagues. Apart from the sports events, we also arranged outdoor recreational activities for the Group. More than 100 participants joined our barbecue party held earlier this year and I was glad to see that everyone was having a wonderful time outside the normal office environment.

I hope to see more colleagues joining as committee members of the Sports and Recreation Club in the future to help plan more events and activities for us so we can all enjoy a better work-life balance."

Betty Chan

MPF and Bancassurance, PBHK

Organising Member of the Sports and Recreation Club Committee



Staff having a great time with their families and friends during an outdoor recreational activity.

3.6 Staff Recognition

The Group recognises staff's long-term service and contribution. In 2018, 124 staff received the Long Service Award.

Years of Service	Number of Staff
25 years	13
20 years	15
15 years	2
10 years	47
5 years	47



Staff members receiving the Long Service Award for their contribution to the Group.



4. Our Customers

The Group places a heavy emphasis on the quality of services we provide to all our customers. We aspire to maintain high levels of service quality by considering customer needs and interests throughout our operations. According to the approach outlined in our CSR Policy, reviews and modifications of the Group's products and services are to be conducted regularly.

4.1 Customer Data Privacy and Intellectual Property Rights

Our Group follows regulations and practices set out by regulatory authorities, including but not limited to Stock Exchange, HKMA, and the Securities and Futures Commission. As a bank group committed to promoting a sound corporate culture, we must take great care when handling highly sensitive information, therefore, our Code of Conduct for Staff and Staff Dealing Policy strictly outline the guidelines for the use and management of all data and information. All members of staff are required to adhere to the Code of Conduct for Staff and ensure compliance with the Personal Data (Privacy) Ordinance.

The Group's Code of Conduct for Staff also outlines our policies on the protection of intellectual property rights. Given the nature of our business, the areas of concern related to intellectual property rights are mainly related to the use of licensed software. Under the Intellectual Property (Miscellaneous Amendments) Ordinance, any staff member found to be in breach of the Ordinance may be subject to disciplinary action and/or may be liable to legal prosecution.

4.2 Customer Service and Satisfaction

Our Group understands that listening to our customers inspires us and helps us serve them better. Our customer service staff can be contacted via various channels, including service hotlines, e-mail, post or fax, as well as in person at branches.

As outlined in PBHK's Procedural Guidelines on Handling Customer Complaints and PFL's General Policies and Guidelines on Handling of Complaint, individuals who wish to give us feedback or even file a complaint may do so through various channels including direct communication with our staff at any branch or with the Complaint Officers by phone, or by completing PBHK's Customer Suggestion Form or PFL's Complaint Form and returning it to any branch of the corresponding subsidiaries, by mail, email or fax. Any individual filing a complaint may remain anonymous, if they wish to do so. A written acknowledgement will be sent to the complainant within seven days upon receipt of the written complaint (except those without any contact information) or upon request from the complainant. Complaint cases received by PBHK and PFL will be reviewed by PBHK's Service Enhancement Workgroup and PFL's General Manager or the delegated parties respectively to ensure that staff members meet the Group's expectations and adhere to its policies. Our Customer Relations Officers/Manager would also meet with individual branches or departments concerned to review the complaint cases received and discuss opportunities for further improvements if necessary. After a thorough review and investigation, a final response would be sent to the complainant within 60 days⁴. During the reporting period, our Group received 30 banking/financial service related complaint cases, which is 11 per cent lower compared with the figure in 2017.

⁴ A final response would be sent to the complainant within 60 and 30 days by PBHK and PFL respectively.

4. Our Customers

Our Group launched Customer Satisfaction Surveys and quarterly Mystery Shopper Programmes to improve the services provided by branches. In 2018, PBHK conducted 576 visits through its Mystery Shopper Programme, whilst the Group administered 6,507 Customer Satisfaction Survey responses. The results were sent to senior management for review and consideration of enhancement measures. PBHK Customer Relations Officers also visited those branches that had obtained low scores in the Mystery Shopper Programmes and requested some of the customer facing staff to re-attend training courses to refresh their knowledge and skills.

Number of
Customer
Compliments
Received:



Compliment from a Customer on Banking Service Excellence

This year, PBHK's Tai Kok Tsui branch received a letter from a customer praising the outstanding dedication and performance of our staff in dealing with a bank fraud case. An individual arrived at the branch with documents, claiming to be a representative authorised by one of our customers and requested to proceed with certain banking procedures on behalf of that customer. Our staff verified the customer's identity and subsequently revealed this to be a case of bank fraud. The customer highly praised the professionalism and attentiveness of our employees in maintaining the safety, integrity and authenticity of our banking services.

4.3 Enhancing Customer Experience

The Banking Ordinance stipulates the regulatory requirements for banking institutions to comply with. Our Bank strives to enhance customer experience by launching the Faster Payment System ("FPS"). To ensure our FPS will be in compliance with the Banking Ordinance, we follow the Authorization of Virtual Banks Guideline issued by HKMA and consider risks such as customer data protection when preparing our FPS.

4.4 Serving Customers with Special Needs

We are working to improve PBHK branches to cater customers' special physical needs, therefore new features such as doorbells and aluminium notice plates have been installed in 32 PBHK branches. To further enhance our barrier-free banking services, PBHK plans to tailor and install customer service tables at various branches for wheelchair users.



5. Our Supply Chain Management

As a financial services provider, we assess suppliers and business partners with a focus on price, quality, delivery and their business practice standards. Our CSR Policy outlines the principles for supplier engagement including ensuring respect for fair business practices and human rights, and encouraging existing business partners to promote CSR. To evaluate our suppliers effectively, we have formed an internal committee to review our Supplier Code of Conduct and its follow up mechanisms. We invite at least two potential suppliers for selection before a decision is made to ensure a fair supplier selection process.

In 2018, the Group had a total of 456 suppliers of which around 99 per cent are based in Hong Kong.



6. Our Environment

The Group aims to care for the environment by implementing different green initiatives. We understand that as a responsible corporate citizen, we play an important role in environmental protection. In this regard, we have stated our approach in the Group's CSR Policy which promotes the efficient use of natural resources, and raises staff's environmental awareness by promoting green office practices.

No major laws and regulations were identified as having a significant impact on the Group in terms of environmental issues relating to air and greenhouse gas ("GHG") emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. During the reporting period, there were no cases of non-compliance with relevant laws and regulations.

6.1 Reducing Energy Consumption

The Group continues to implement initiatives for the promotion of efficient energy consumption. Automatic timers have been installed in distilled water dispensers to stop the boiling of water after office hours to reduce energy consumption. We have also continued to install energy efficient LED light fixtures.

To further reduce energy consumption, the Group reminds its staff to switch off office equipment when not in use (e.g. printers, computers, monitors, etc.), whenever possible.

Charter on External Lighting

In recognition of the work and contribution towards minimising energy consumption and light pollution, PBHK has received the Platinum Award from the Charter on External Lighting organised by the Environment Bureau. This is the second consecutive year PBHK has been awarded with this distinction for its daily commitment to switching off all external light fixtures from 10:30 p.m. to 08:00 a.m.



6.2 Effective Waste Management

We regularly review the Group's recycling practices and programmes, and raise staff awareness of best practices for resource conservation.

- Paper Recycling**

Our Group promotes printing on recycled paper, and double-sided printing whenever possible. Newspapers are collected and recycled, while documents containing confidential information are collected in designated bags and shredded before being recycled.

- Recycling and Reuse of Toner and Ink Cartridges**

In 2018, PBHK has launched a recycling programme targeting printer toner and ink cartridges. Working together with a recycling partner, PBHK collects empty toner and ink cartridges, which will then be refilled and reused by our recycling partner. Cartridges that are in poor condition and cannot be refilled or reused are dismantled and recycled. To further support environmental education initiatives, our recycling partner will make monetary donations to a local environmental charity, The Green Earth, for the cartridges collected. During the reporting period, PBHK recycled 200 empty ink cartridges.

6. Our Environment

• Recycling of Waste Electrical and Electronic Equipment (“WEEE”)

PBHK organised a WEEE recycling campaign to raise staff awareness and understanding of the correct handling of these wastes. The campaign began with a talk delivered by a guest speaker with specialised experience in handling WEEE. The talk provided methods of keeping old electrical and electronic equipment in good condition to help reduce the generation of WEEE by avoiding new appliance purchases. Following the talk, a three-day campaign was launched to collect staff's old electrical and electronic equipment for donation. A variety of items were collected, including mobile phones, rice cookers, electric fans, etc. Overall, the campaign developed awareness and knowledge of WEEE reduction among staff.



Friends of EcoPark – Certificate of Appreciation

Our Group received the Certificate of Appreciation from Hong Kong EcoPark for our efforts in launching WEEE Recycling Programme and promoting environmental awareness among staff.



Head of Training & Development of PBHK, Ms. Stephanie Ho (first on the left), representing the Group to receive the award.

6.3 Building a Green Office

To protect the environment and conserve natural resources, the Group has introduced Green Labels and Green Tips for Office Practices to constantly remind its employees to be aware of their energy and resources consumption.

In addition to the above, we are also promoting efficient water use among employees by encouraging them to avoid leaving taps running (e.g. when lathering hands with soap, or when washing mugs and cutlery) and to report all leaks to prevent water wastage.

We believe that managing our use of office supplies is an effective and direct method to reduce the consumption of natural resources, and mitigate waste generation. In this regard, the Group has committed to using Forest Stewardship Council certified paper for our publications and reports whenever possible.

6.4 Environmental Activities

For the third consecutive year, the Group continued to participate in the annual fundraising walkathon Green Power Hike Bank Cup Challenge organised by Green Power in February 2018. We sponsored our staff volunteers to participate in the Hong Kong Trail and enjoy the natural landscape. This event allowed our volunteers to support Green Power in inspiring the public to learn and appreciate Hong Kong's natural beauty. Donations raised in the event were used for environmental education programmes carried out by the organiser.



Performance Data Summary

HKEX KPI		Unit	2018
A. Environmental			
A1.2	Greenhouse gas emissions		
	Scope 1 emission	Tonnes of CO ₂ e	16.89
	Scope 2 emission	Tonnes of CO ₂ e	2,977.23
	Scope 3 emission	Tonnes of CO ₂ e	73.76
	– Total	Tonnes of CO ₂ e	3,067.88
	– Intensity	Tonnes of CO ₂ e/FTE ⁵	2.28
A1.3	Total hazardous waste produced		
	Batteries ⁶ (Recycled)		
	– Total	Pieces	15
	– Intensity	Pieces/FTE	0.48
	Fluorescent Tubes ⁷ (Recycled)		
	– Total	Pieces	27
	– Intensity	Pieces/FTE	0.87
	Empty Ink Cartridges ⁸ (Recycled)		
	– Total	Pieces	200
	– Intensity	Pieces/FTE	0.33
A1.4	Total non-hazardous waste produced		
	General Solid Waste ⁹ (Landfilled)		
	– Total	Tonnes	0.54
	– Intensity	Tonnes/FTE	0.02
	Paper (Recycled)		
	– Total	Tonnes	102.21
	– Intensity	Tonnes/FTE	0.08
A2.1	Direct and indirect energy consumption by type		
	Total Direct Energy Consumption		
	– Total	'000 kWh	57.04
	– Intensity	'000 kWh/FTE	0.04
	Diesel Oil		
	– Total	'000 kWh	3.34
	– Intensity	'000 kWh/FTE	0.002
	Petrol		
	– Total	'000 kWh	53.7
	– Intensity	'000 kWh/FTE	0.04
	Total Indirect Energy Consumption (Purchased Electricity)		
	– Total	'000 kWh	4,287.42
	– Intensity	'000 kWh/FTE	3.18
A2.2	Water consumption		
	– Total	m ³	4,972
	– Intensity	m ³ /FTE	3.69

⁵ FTE refers to full-time equivalent.

⁶ These figures apply to Winton only.

⁷ These figures apply to Winton only.

⁸ These figures apply to PBHK only. The Group will further roll out the recycling and reuse of toner and ink cartridges in other subsidiaries in the future.

⁹ These figures apply to Winton only. The Group will strive to formulate a better mechanism to record relevant ESG data in the future.

Performance Data Summary

HKEX KPI		Unit	2018		
B. Social					
B1.1	Total workforce by employment type and gender		Male		Female
	Full-time	No. of staff	580		768
	Part-time	No. of staff	9		2
	Total workforce by employment type and age group		Under 30	30-50	Above 50
	Full-time	No. of staff	264	834	250
	Part-time	No. of staff	2	0	9
	Total workforce by employment type and geographical region		Hong Kong		Mainland China
	Full-time	No. of staff	1,284		64
	Part-time	No. of staff	11		0
B1.2	Employee turnover rate by gender		Male		Female
		%	25.13		21.30
	Employee turnover rate by age group		Under 30	30-50	Above 50
		%	47.37	20.26	6.56
B2.1	Number and rate of work-related fatalities				
	– By number	No. of staff	0		
	– By rate	%	0		
B2.2	Lost days due to work injury ¹⁰				
		Days	372		
B3.1	The percentage of employees trained by employee category				
	– Senior Management	%	100		
	– Middle Management of PBHK/Managerial Staff of PFL, PSL and Winton	%	100		
	– General Staff of PBHK/ Non-managerial Staff of PFL, PSL and Winton	%	100		
	The percentage of employees trained by gender				
	Male	%	100		
	Female	%	100		
	B3.2	The average training hours completed per employee by employee category		(I) PBHK	
– Senior Management		Hours	17.00		14.43
– (I) Middle Management/ (II) Managerial Staff		Hours	24.81		11.63
– (I) General Staff/ (II) Non-managerial Staff		Hours	22.60		6.85
The average training hours completed per employee by gender					
– Male		Hours	9.27		
– Female		Hours	6.11		
B5.1		Number of suppliers by geographical region			
	– Hong Kong	No.	454		
	– Overseas	No.	2		
B6.2	Number of products and service related complaints received				
	– Complaints	No.	30		
B7.1	Number of concluded cases regarding corrupt practices brought against the Group and its employees				
	– Concluded cases	No.	0		

¹⁰ This figure is a result of four separate cases.

HKEX ESG Guide Content Index

Aspect	HKEX KPI	Description	Section/Remarks
A. Environmental			
A1 Emissions	A1	General Disclosure	Our Environment
	A1.1	The type of emissions and respective emissions data	As a financial institution, the Group's operations do not have significant impact on emitting air pollutants.
	A1.2	Greenhouse gas emissions in total and intensity	Performance Data Summary
	A1.3	Total hazardous waste produced and intensity	Performance Data Summary
	A1.4	Total non-hazardous waste produced and intensity	Performance Data Summary
	A1.5	Description of measures to mitigate emissions and results achieved	Our Environment
	A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved	Our Environment
A2 Use of Resources	A2	General Disclosure	Our Environment
	A2.1	Direct and/or indirect energy consumption by type in total and intensity	Performance Data Summary
	A2.2	Water consumption in total and intensity	Performance Data Summary
	A2.3	Description of energy use efficiency initiatives and results achieved	Our Environment
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	Our Environment
	A2.5	Total packaging material used for finished products	As a financial institution, the Group's operations do not generate or deploy significant amount of packaging materials
A3 The Environment and Natural Resources	A3	General Disclosure	Our Environment
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	Our Environment
B. Social			
B1 Employment	B1	General Disclosure	Our People
	B1.1	Total workforce by gender, employment type, age group and geographical region	Performance Data Summary
	B1.2	Employee turnover rate by gender, age group and geographical region	Performance Data Summary
B2 Health and Safety	B2	General Disclosure	Our People
	B2.1	Number and rate of work-related fatalities	Performance Data Summary
	B2.2	Lost days due to work injury	Performance Data Summary
	B2.3	Description of occupational health and safety measures adopted	Our People
B3 Development and Training	B3	General Disclosure	Our People
	B3.1	Percentage of employees trained by gender and employee category	Performance Data Summary
	B3.2	Average training hours completed per employee by gender and employee category	Performance Data Summary

HKEX ESG Guide Content Index

Aspect	HKEX KPI	Description	Section/Remarks
B4 Labour Standards	B4	General Disclosure	Our People
	B4.1	Description of measures to review employment practices to avoid child and forced labour	Our management decided not to disclose this issue because it is not material to our business nature. The Group adheres to all relevant laws and regulations, including but not limited to Employment Ordinance.
	B4.2	Description of steps taken to eliminate such practices when discovered	Our management decided not to disclose this issue because it is not material to our business nature. The Group adheres to all relevant laws and regulations, including but not limited to Employment Ordinance.
B5 Supply Chain Management	B5	General Disclosure	Our Supply Chain Management
	B5.1	Number of suppliers by geographical region	Our Supply Chain Management, Performance Data Summary
	B5.2	Practices relating to engaging suppliers, no. of suppliers where and how the practices are being implemented	Our Supply Chain Management
B6 Product Responsibility	B6	General Disclosure	Our Customers
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	Our management decided not to disclose this issue because it is not material to our business nature.
	B6.2	Number of products and service related complaints received and how they are dealt with	Our Customers, Performance Data Summary
	B6.3	Description of practices relating to observing and protecting intellectual property rights	Our Customers
	B6.4	Description of quality assurance process and recall procedures	Our management decided not to disclose this issue because it is not material to our business nature.
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	Our Customers
B7 Anti-corruption	B7	General Disclosure	Building a Sustainability Framework
	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	Performance Data Summary
	B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	Building a Sustainability Framework
B8 Community Investment	B8	General Disclosure	Our Community
	B8.1	Focus areas of contribution	Our Community
	B8.2	Resources contributed (e.g. money or time) to the focus area	Our Community



Head Office and Principal Place of Business

2/F, Public Bank Centre, 120 Des Voeux Road Central, Central, Hong Kong

Telephone: (852) 2541 9222

Facsimile: (852) 2815 9232

Website: www.publicfinancial.com.hk