



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 **2019**



CONTENTS

ABOUT THIS REPORT	2
MESSAGE FROM MANAGEMENT	3
1.BUILDING A SUSTAINABILITY FRAMEWORK	4
2.OUR COMMUNITY	11
3.OUR PEOPLE	17
4.OUR CUSTOMERS	23
5.OUR SUPPLY CHAIN MANAGEMENT	28
6.OUR ENVIRONMENT	29
PERFORMANCE DATA SUMMARY	34
HKEX ESG GUIDE CONTENT INDEX	36



ABOUT THIS REPORT

Reporting Standard and Scope

This annual Environmental, Social and Governance ("ESG") Report (the "Report") was prepared by Public Financial Holdings Limited ("PFHL") and its subsidiaries (the "Group") in accordance with Appendix 27 of the ESG Reporting Guide ("ESG Guide") issued by Hong Kong Exchanges and Clearing Limited ("HKEX"). This Report reflects the Group's strategies, management approach and efforts on corporate social responsibility ("CSR") governance, community engagement, human capital, business services, supply chain management and environmental protection, for the period from 1 January 2019 to 31 December 2019 ("Reporting Period").

The scope of 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 four subsidiaries are detailed below:

Name of Subsidiaries	Principal Activities
Public Bank (Hong Kong) Limited ("PBHK")	Provision of banking, financial and 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

There are no significant changes in reporting scope between this Report and the 2018 ESG Report published on 15 May 2019.

For more information about the Group's corporate governance practices, please refer to our 2019 Annual Report which is available under the "Investor Relations" section of PFHL's website at www.publicfinancial.com.hk.

Approval

This Report was approved by the Board of Directors of PFHL (the "Board") in March 2020.

Feedback

We place great value on any comments or feedback received regarding this Report or the Group's ESG performance. Any suggestions can be sent to the Group's Corporate Culture & Social Responsibility Department at esg@publicbank.com.hk.

MESSAGE FROM MANAGEMENT

As an established banking and financial institution in Hong Kong, we are committed to high standards of customer service, staff conduct and sustainability performance whilst developing the communities in which we operate. In recent years, we have demonstrated this commitment through upholding our mission, corporate culture and values, and our Group's ESG Steering Committee.

Our management approach to ESG issues which affect the Group's sustainability and business performance is guided by the Group's Corporate Social Responsibility Policy ("CSR Policy"), which was developed in line with our CSR and business goals. We regard our role within the community is of utmost importance, and will continue to work diligently to uphold our spirit of social and environmental responsibility.

Our corporate culture places great emphasis on showing care, prudence, ethical behaviour, discipline, trust, and dedication to excellence. These pillars of our corporate culture provide the Group with the foundation to excel in customer service, maintain sound corporate governance, and ensure continued growth in profitability and shareholder value. We have high internal expectations on our employees and trust that every one of us within the Group is working towards the same goals.

The Group will maintain its ongoing efforts to fulfil the expectations of our stakeholders and look forward to a promising future as we effectively manage our ESG-related issues and sustainability performance.

Mr. Tan Yoke Kong

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

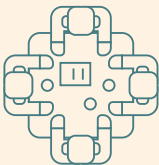



1. BUILDING A SUSTAINABILITY FRAMEWORK

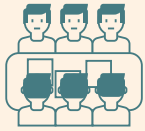
1.1 Sustainability Governance Structure

The Group promotes high standards for sustainable development and sets strategic policies and principles throughout all levels of the organisation to effectively evaluate and manage ESG-related risks as well as ensure compliance with the relevant laws, regulations, policies, and guidelines.

The following governance structure incorporates well-defined key roles and responsibilities for driving our CSR development and making our ESG-related efforts:

Top Management Oversight	
 <p>The Board</p>	<ul style="list-style-type: none"> ◆ Provides strategic guidance and continually evaluates PFHL's internal controls to uphold our commitment to sustainable development and to ensure our social responsibility objectives are aligned with and go beyond the minimum legal requirements. ◆ Monitors Group-level corporate governance practices and procedures, as well as maintains appropriate and effective risk management and internal control systems to ensure compliance with applicable rules and regulations. ◆ Approves the ESG Report, CSR Policy and ESG budget.
 <p>The ESG Steering Committee</p>	<ul style="list-style-type: none"> ◆ Identifies and continually enhances our ESG management approach, strategies, priorities, and objectives. ◆ Engages stakeholders to identify and prioritise material ESG-related aspects and Key Performance Indicators ("KPIs") that are relevant to the Group and its stakeholders. ◆ Reviews and reports the scope of and approach to defining or calculating material KPIs, and reports any differences or reason for changes to the aforementioned (if any). ◆ Reviews and recommends the budget for ESG activities to the Board or the delegated board committees. ◆ Reviews and recommends the allocation of adequate facilities and resources to the ESG Reporting Working Group to accomplish the tasks as approved by the Board or the delegated board committees. ◆ Reviews the status reports submitted by the ESG Reporting Working Group. ◆ Oversees the Group's implementation of ESG reporting guidelines and reviews the ESG Report for recommending to the Board for approval. ◆ Identifies and evaluates ESG-related risks to ensure that appropriate and effective ESG risk management and internal control systems are in place. ◆ Ensures the Group is in compliance with the relevant laws, regulations, policies and guidelines on ESG reporting as required by the relevant regulatory bodies. ◆ Enhances brand value and public image of the Group.

Managing CSR Issues and Implementing CSR Initiatives



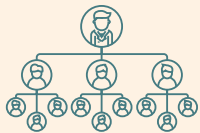
ESG Reporting Working Group

- ◆ Provides recommendations, monitors the implementation and evaluates the effectiveness of various ESG-related initiatives.
- ◆ Reports ESG-related issues and progress to the ESG Steering Committee in a timely manner.



Corporate Culture & Social Responsibility Department

- ◆ Promotes internal alignment and external awareness of CSR and bank culture related matters.



Departments and Branches

- ◆ Implements and integrates the CSR practices into daily business operations and practices.

1.2 CSR Policy

The Group's CSR Policy is an integral part of our overall sustainability strategy. The objectives and guidelines contained in this document formalise our sustainability practices throughout our operations. Our commitment to sustainability is reflected in the objectives of our CSR Policy which provides guidance for our efforts to incorporate a sustainable vision into our business practices. The CSR Policy, which has been approved by the Board, applies to all directors and staff of the Group.



1.3 Business Ethics

In line with our CSR objective to uphold high standards of ethical behaviour, our staff-related policies (such as Employee Handbook, Code of Conduct for Staff, Code of Ethics, Important Note on Employee's Conduct and Behaviour) and Policies and Procedures on Anti-Money Laundering and Counter Financing of Terrorism provide a clear set of principles and guidance for all employees to conduct business in an appropriate and ethical manner.

In support of our policies and objectives, we maintain a high standard of business ethics through constant vigilance against corrupt behaviour. Our Whistleblowing Policy includes provisions for confidential channels to receive reports from whistleblowers related to fraudulent and/or unethical conduct, non-compliance cases with laws and regulations and/or the Group's internal policies which could have significant adverse financial, legal, or reputational impacts. All stakeholders may report grievances, if any, through a protected email channel under PBHK and PFL respectively in strict confidence without risk of reprisal. This email account is only accessible by the respective Heads of Internal Audit who will undertake the follow-up actions as appropriate. PBHK and PFL respectively will assign a Non-Executive Director to be responsible for the effective implementation of the whistleblowing procedure and the establishment of the escalation process. A bi-monthly report on all received cases in relation to improper conduct shall be tabled to the respective Audit Committees of PBHK and PFL for record keeping and/or further action, if any. Reported cases involving the Head of Internal Audit will be escalated to the designated Non-Executive Director.

The Group has zero tolerance for all forms of bribery or corruption and fully complies with laws and regulations¹ relating to kickbacks, improper gratuities, duty or power in return for favourable treatment, extortion, fraud and money laundering. During the Reporting Period, there were no concluded legal cases regarding corrupt practices brought against the Group or its employees.

We take specific measures to ensure employee integrity. All new joiners are provided with the Code of Conduct for Staff upon employment. Speakers from the Independent Commission Against Corruption are regularly invited to deliver talks to our staff. Additionally, stringent guidelines are in place in relation to gift acceptance from customers or any external stakeholders to avoid violating the Prevention of Bribery Ordinance. Staff are required to strictly adhere to the Code of Conduct for Staff and they may be required to seek approval from the Code of Conduct Supervising Committee of PBHK and/or Human Resources Committee of PFL whenever applicable.

1.4 Corporate Culture

The Group understands that a strong corporate culture is an integral component in the process of achieving our organisational objectives. The Policy of Corporate Culture and Values ("Corporate Culture Policy") was formulated in 2018 with an annual review conducted in 2019 and relevant amendments approved by the Board of Directors of PBHK in November 2019. The aims of the Corporate Culture Policy are to promote sound governance measures, to formulate internal assessment and feedback mechanisms to facilitate the reduction of misconduct, and to guide prudent risk management. This internal cultural alignment helps to maintain our organisational commitment to achieving the Group's objectives and long-term success.

One conclusion of this year's annual review was an enhanced emphasis on the roles of the Board of Directors of PBHK and PFL whose overall responsibility are to steer the Group's corporate culture and behavioural standards that are in line with our strategic objectives, whereas senior management puts in place effective mechanisms to ensure that the Group's desired culture is understood and shared by all levels of staff.

¹ Including but not limited to the Prevention of Bribery Ordinance (Cap. 201).

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

- Ensure safety and well-being
- Listen and understand
- Serve the community



DISCIPLINE

- Be self-controlled and cooperative
- Be persistent and independent



ETHICS & INTEGRITY

- Do the right thing
- Be honest and fair
- Have actions and words in line with moral principles



EXCELLENCE

- Strive for the best
- Be business-minded and customer-oriented
- Support people advancement



PRUDENCE

- Make sound and considered judgment
- Make the right decision
- Plan ahead wisely

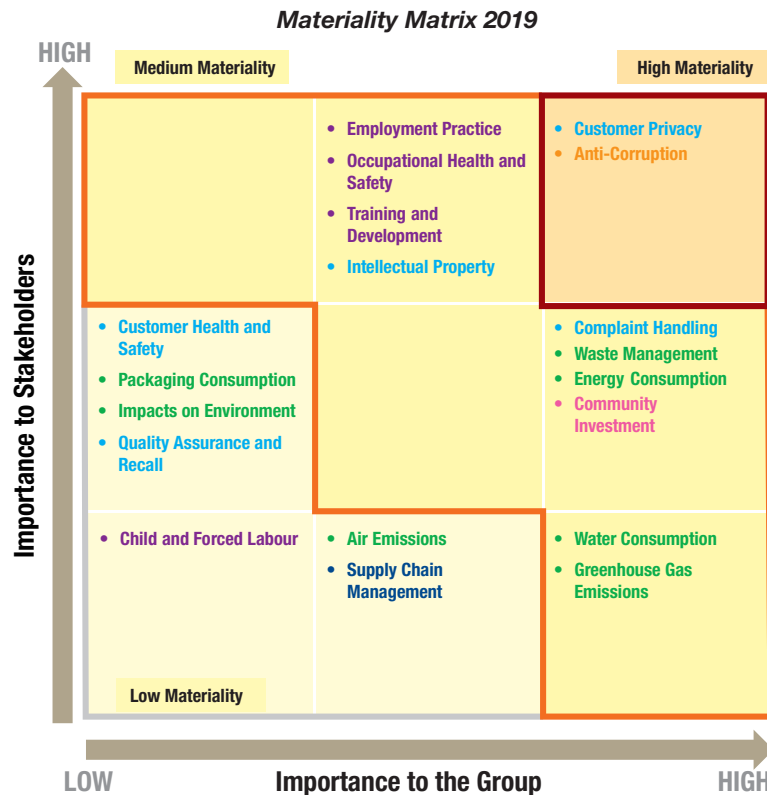
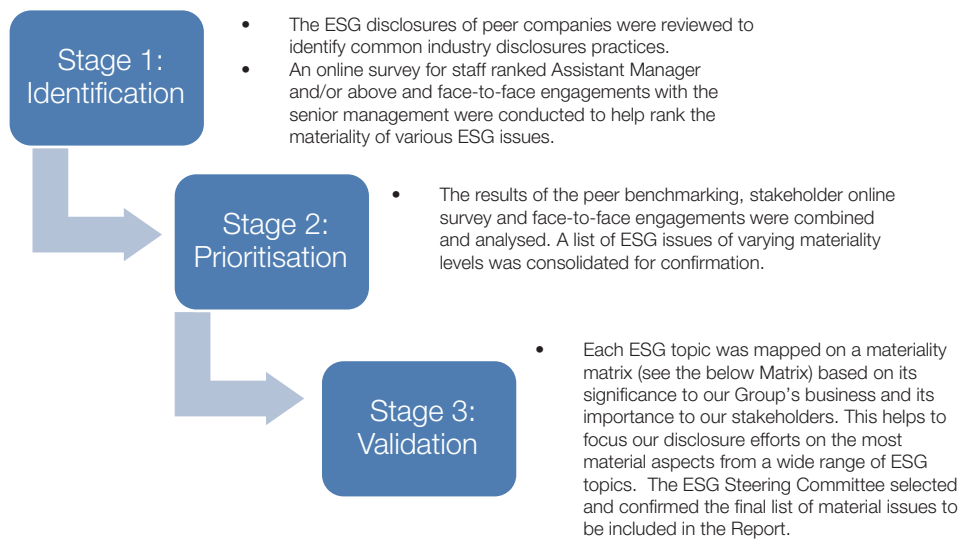


TRUST

- Be open-minded and reliable
- Treat others with dignity and respect

1.5 Stakeholder Engagement and Materiality Assessment for ESG Report

To determine the most material ESG topics to be disclosed in this Report, the Group has appointed an independent consultant to conduct a comprehensive stakeholder engagement and materiality assessment as detailed below:



The ESG topics included in the Materiality Matrix 2019 are presented to illustrate the varying levels of materiality. The detailed determination of materiality for the purposes of this Report was conducted through the aforementioned three-step process – Identification, Prioritisation, Validation – with results confirmed by the ESG Steering Committee. For more information regarding each material ESG topic, please refer to the HKEX ESG Guide Content Index included in this Report.

Our stakeholders continue to view issues related to customer privacy and anti-corruption as significantly important to the Group as both topics remain highly material in comparison to 2018. We have also observed an increasing shift from our stakeholders' views on topics related to employment practices, community investment, and energy consumption. Moving forward, the Group will continue to engage our stakeholders on a regular basis to better manage and shape our ESG priorities.

The ESG Steering Committee has considered and confirmed a final list of material ESG topics as follows:

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

Under the guidance of our corporate objectives and CSR Policy, the Group is fully committed to upholding the spirit of social responsibility and serving the community. We provide our staff with different opportunities throughout the year to reflect our caring culture through acts of altruism. In 2019, we focused our CSR efforts on the key focus areas of elderly care, community development and collaborative partnerships with non-governmental organisations ("NGOs").



Recognition of PB We Care Team

Our PB We Care Team has been actively participating in various types of volunteer services since its establishment in 2016. We take great pride in the selflessness, passion, and empathy shown by our PB We Care Team through our caring culture and CSR initiatives. To recognise and appreciate these volunteers and to encourage more of our staff to embrace our caring culture,


11 staff volunteers who contributed 10 or more volunteer hours were presented a certificate of appreciation by Mr. Tan Yoke Kong, the Executive Director and Chief Executive of PFHL.

The Group will continue to organise and encourage participation in meaningful CSR initiatives and volunteer opportunities in the coming years.



2.1 Community Service Highlights in 2019

In 2019, our PB We Care Team participated in 21 community service programmes in partnership with various charitable organisations and social services groups. The programmes highlighted below show the exemplary efforts put forth by our PB We Care Team to contribute to our CSR focus areas:

Focus Area	Programme	Details	
The Elderly	Share-to-Care Volunteer Campaign	Organised by Agency for Volunteer Service ("AVS"), this campaign raised funds and mobilised volunteers to visit the less advantaged and singleton elderly in Sham Shui Po.	
The Elderly	Dragon Boat Festival Celebration with the Elderly	Our staff volunteers visited the singleton elderly living in Wong Tai Sin District during the Dragon Boat Festival.	
Students and Youth	Financial Interactive Theatre	We took part in "Financial Interactive Theatre" organised by the Hong Kong Association of Banks ("HKAB") and The Boys' & Girls' Clubs Association of Hong Kong. A theatrical performance promoting responsible money management was staged along with activities and game booths in which students were educated on sensible spending and practical money management skills under the guidance of our staff volunteers.	

Focus Area	Programme	Details	
Community Development	Crossroads Foundation – Volunteer Day	Staff volunteers aided Crossroads Foundation with a variety of tasks such as sorting and packing donated toys and other household goods, as well as with cleaning, gardening, maintenance and furniture assembly.	
Community Development	Hong Kong Red Cross Flag Day 2019	In line with our caring culture, the Group was a proud participant in the Hong Kong Red Cross Flag Day 2019 fundraising campaign. Flag bags were circulated amongst all departments with all proceeds raised in support of Hong Kong Red Cross' development of their humanitarian services.	
Community Development	Hong Kong Red Cross – Corporate Blood Donation	Our staff took an hour off from work to donate blood in Central District Donor Centre.	
Others		<p>We supported the Hong Kong Cancer Fund's Dress Pink Day to increase awareness of breast cancer and raise funds for cancer care services.</p> <p>We promoted initiatives of the Community Chest, including Dress Casual Day and Skip Lunch Day.</p>	 

2.2 Accolades

In December 2019, our PB We Care Team received the Certificate of Appreciation from the AVS for recognising their contribution to community service.

In the same year, PBHK and PFL received their first Caring Company Logo issued by The Hong Kong Council of Social Service's Caring Company Scheme. Winton has been a Caring Company for three years under the said scheme.



Our CSR Activities

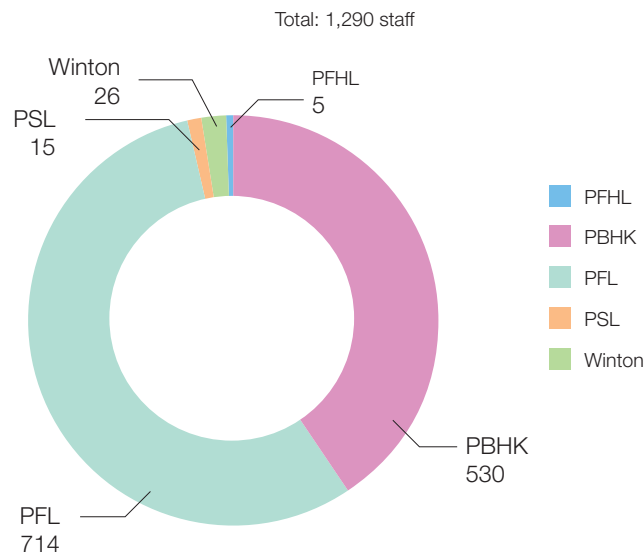




3. OUR PEOPLE

At PFHL, we recognise the importance of providing a safe, collaborative, inclusive and positive work environment. Employees are one of our most important stakeholders and as such, we work to support their career development, to promote work-life balance, and to facilitate positive workplace communication. The commitment to our employees is guided by the principles set out in the CSR Policy, Code of Conduct for Staff, Human Resources Policies Manual, and Code of Ethics.

Number of Full-time Staff in PFHL and its Subsidiaries in Hong Kong²



3.1 Creating a Competent and Diverse Workforce

As of end of 2019, the Group comprised 1,290 staff members in Hong Kong. The Group takes great care to create a fair, safe, and unbiased work environment free from any prejudice or discrimination based on nationality, race, religion, gender, age, physical abilities, pregnancy, or family status. Our Human Resources Policies Manual has been developed to integrate equal opportunity principles into the processes of recruitment, dismissal, promotion and any other staff movement. Employee remuneration packages and welfare benefits are prescribed with consideration of experience and responsibilities and adhere to the policies and guidelines stipulated in our Human Resources Policies Manual.

During the Reporting Period, we strictly observed and complied with the relevant local laws and regulations in relation to employment and labour practices. These include:

- Employment Ordinance (Cap. 57);
- Sex Discrimination Ordinance (Cap. 480);
- Disability Discrimination Ordinance (Cap. 487);
- Race Discrimination Ordinance (Cap. 602);
- Family Status Discrimination Ordinance (Cap. 527);
- Employees' Compensation Ordinance (Cap. 282);
- Inland Revenue Ordinance (Cap. 112);
- Mandatory Provident Fund Schemes Ordinance (Cap. 485);
- Minimum Wage Ordinance (Cap. 608);
- Occupational Retirement Schemes Ordinance (Cap. 426);
- Personal Data (Privacy) Ordinance (Cap. 486); and
- Occupational Safety and Health Ordinance (Cap. 509).

² 10 part-time staff in Hong Kong and 67 full-time staff in China are excluded in this Report.

3.2 Talent Development

The development and personal growth of our employees are integral components of the Group's long-term sustainable growth. We encourage staff at all levels to enhance their professional knowledge and competency through our Group's training initiatives. Our external training sponsorship initiative supplements our internal training offerings and is available to all full-time permanent staff with approval from Head of Training and Development as well as senior management. In 2019, the Group provided a total of 434 training sessions to help employees keep pace with market trends and enhance their knowledge and competency.

For nine consecutive years since 2011, PBHK has been recognised by Employees Retraining Board ("ERB") as a Manpower Developer in recognition of our outstanding achievement in staff training and development, and fostering an organisational culture conducive to life-long learning. We are honoured to be consistently recognised by ERB and endeavour to continually demonstrate our commitment to growth and development.



Average Training Hours Per Employee



14.88

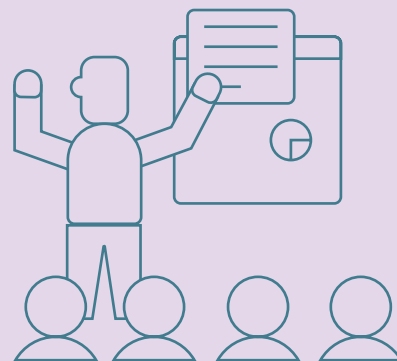
Percentage of Employees Received Training



97.91

Enhancing Staff's Professional Competency Within the Banking Industry

The Hong Kong Monetary Authority embarked on the Enhanced Competency Framework ("ECF") Programme to support talent development and augment professional competency in the banking industry. PBHK's ECF Programme rewards the recommended Relevant Practitioners ("RPs") engaged by PBHK who perform specific roles and tasks under the various ECF work streams in its Hong Kong operations. The recommended RPs will be rewarded with a cash incentive upon the attainment of the ECF certification. Three relevant ECF work streams will be covered by the incentives offered by PBHK: Anti-Money Laundering and Counter-Financing Terrorist, Retail Wealth Management, and Credit Risk Management. We strongly encourage PBHK staff to acquire professional qualification under this programme.



Social Innovation Internship Summer 2019 Programme

During the summer, PBHK had an opportunity to empower members of the younger generation by working together with The University of Hong Kong through their Social Innovation Internship Summer 2019 Programme.

Over a two-month period, a student intern was immersed in our Corporate Culture and Social Responsibility Department assisting in a wide range of tasks such as providing internal support to promote our bank culture and CSR initiatives, and reaching out to potential NGO partners for future collaborative opportunities.



3.3 Occupational Safety and Health

We place great emphasis on the well-being of our staff members and make every effort to create a safe and healthy workplace. In compliance with relevant occupational safety and health ("OSH") standards and regulatory requirements³, we have OSH-related procedures in place to identify and manage OSH risks associated with our business activities. The Premises and General Affairs Department of PBHK has been working with the Incorporated Owners of Public Bank Centre, the Bank's headquarters, to improve the safety of the building according to the suggestions made by Occupational Safety & Health Council.



We also conduct fire drills on a regular basis at most of the Group's premises to ensure the staff have a practical understanding of fire safety procedures. At PBHK, a Fire Safety Handbook has been issued and distributed to the staff which outlines the responsibilities of departmental Fire Safety Officers and describes preventive measures and contingency plans in case of a fire incident.

To raise staff awareness of OSH issues and mitigate risk, we organise an e-training course of fire safety at workplace. Representatives from Labour Department were also invited to deliver talks on health hints for office workers on the use of computers and handling of occupational stress.

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 Including but not limited to the Occupational Safety and Health Ordinance.

3.4 Employee Communication

Open and two-way communication is essential to build an engaged and stable workforce within the Group. Multiple communication platforms and engagement channels, including an annual Business Forum of PBHK (an interactive communication platform between all staff and top management), regular staff newsletters, committee meetings, management meetings and employee surveys, are in place to enable effective and participative communication between general staff and management. Furthermore, the Founder and Chairman Emeritus of Public Bank Group delivers his new year message through a printed booklet to reach out to all staff of the Group.

Every year, selected sales staff and senior staff members attend the National Sales Convention and Public Bank Management Seminar respectively organised by Public Bank Berhad, PFHL's holding company, in Malaysia. As key drivers of the Public Bank Group's sales performance, the convention and seminar helped our staff understand Public Bank Group's upcoming strategic business plans. The theme for 2019 – "The Way Forward" inspired our colleagues in attendance to remain agile and look ahead to adapt to changing market conditions and effectively implement the Group's strategic business plans.



Top-down message to all staff from the Founder and Chairman Emeritus of Public Bank Group, Tan Sri Dato' Sri Dr. Teh Hong Piow.



3.5 Caring for Staff

We fully support our employees in maintaining a good work-life balance by organising a wide range of leisure activities to accommodate the diverse interests of our staff. As a caring company, we extend our care to the family members and friends of our employees and encourage their participation in different staff events. In 2019, Public Bank Group, Hong Kong Sports and Recreation Club ("Sports and Recreation Club") organised a half-day tour to Sok Kwu Wan, Lamma Island. Senior management and staff members together with their families took part in the tour to visit the authentic cultural village and enjoy the natural scenery of the island.

Striking a Good Work-Life Balance

I am always delighted to join the events and outings organised by the Sports and Recreation Club. These activities are a fantastic way of meeting and socialising with colleagues from various departments and subsidiaries so I can get to know them better.

This year, we went to Lamma Island to visit some of the local fishing rafts to catch a glimpse of a fisherman's lifestyle. From feeding and catching fish, to enjoying a delectable seafood feast, there was no shortage of delightful activities that day.

Living a day in someone else's shoes is truly an eye-opening experience for all of us on this trip. We are grateful that the Group has provided us with this wonderful experience. Sharing those moments together with colleagues made us all feel closer and helped us to feel a sense of belonging within the Group.

Alice Fung
Mong Kok Branch
Public Finance Limited



3.6 Staff Recognition

We highly appreciate employees who have shown strong commitments and loyalty as well as demonstrated our corporate values in their daily operations. In 2019, 165 staff received the Long Service Award.

Year of Service	Number of Staff
30 years and above	8
25 years	13
20 years	10
15 years	6
10 years	53
5 years	75



Staff members receiving the 25-year Long Service Award for their contribution to PBHK.



Staff members receiving the 35-year (left photo) and 40-year Long Service Award (right photo) for their commitment to PFL.

In addition, a new programme, Corporate Culture Champion, has been developed to recognise staff members who have incorporated the Group's corporate culture and values into their day-to-day work. Three dedicated employees were selected as our Corporate Culture Champions in a competition held in 2019.

4. OUR CUSTOMERS

The Group is steadfast in its customer-centric commitment to build mutual trust and long-term relationships with customers. As part of our corporate values, we strive to deliver product and service excellence by carefully considering customers' needs and concerns with prudence and professionalism. We conduct reviews and enhance the Group's products and services on a regular basis to ensure the best experience is offered to our customers.

4.1 Customer Data Privacy and Intellectual Property Rights

Ensuring the confidentiality of all personal data and information collected from our customers is critical in maintaining our corporate reputation and establishing the trust which underpins the Group's continued business success. As such, we set out clear data privacy guidelines in our Personal Data (Privacy) Ordinance General Guidelines and Handling Procedures, Code of Conduct for Staff and Staff Dealing Policy, covering the use and management of data and information in accordance with the relevant regulatory requirements⁴. All staff members are obliged to adhere to these internal guidelines to handle customer data in a safe and secure manner.

As a responsible financial institution, we are mindful of the potential concerns regarding intellectual property rights arising from the use of computer software. As outlined in our Code of Conduct for Staff, we strictly prohibit the installation or copying of any unlicensed software onto company computers. Any employee found to be in breach of the Intellectual Property (Miscellaneous Amendments) Ordinance will be subject to disciplinary action and/or be liable to legal prosecution.

During the Reporting Period, there were no reported cases of non-compliance with the relevant laws and regulations relating to customer health and safety, advertising, labelling and privacy matters in relation to products and services provided and methods of redress.

4.2 Customer Service and Satisfaction

A deeper understanding of customers' needs and expectations guides our Group to make decisions which support our commitment to excellence. Building on our customer-centric philosophy, various engagement channels and programmes are in place to gather feedback from customers in a systematic and proactive manner.

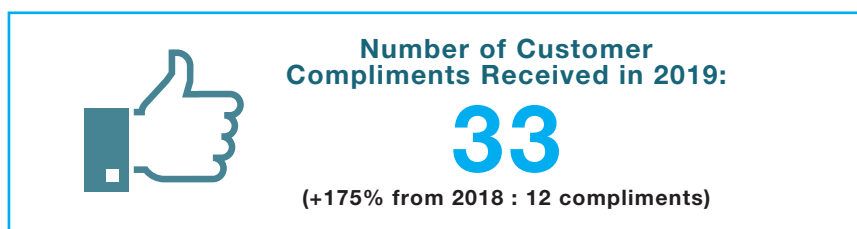
To monitor the service quality of our frontline staff, PBHK continued to conduct the quarterly Mystery Shopper Programmes ("MSP"). To ensure we can receive impartial and accurate feedback, the MSP is coordinated through an external service provider to evaluate the quality of our banking services in four main areas, namely, staff professionalism, teller service, telephone etiquette and staff selling practices. The results from the MSP are reviewed by PBHK Customer Relations Officers and our senior management respectively to identify areas for improvement and develop enhancement measures. Branches which obtained an unsatisfactory overall score will be contacted by PBHK Customer Relations Officers to facilitate staff training and refresher courses to update and improve their professional skills and knowledge. In 2019, PBHK conducted 640 visits to 32 branches via the MSP and PFL conducted 80 calls to 40 branches via the Mystery Calling Programme.

⁴ Including but not limited to the Personal Data (Privacy) Ordinance (Cap. 486) and other regulations set out by HKEX, Hong Kong Monetary Authority, and the Securities and Futures Commission.

We highly value feedback received regarding our service quality. We view each and every comment from our customers as an opportunity to perfect our service delivery. Every year, both PBHK and PFL conduct customer satisfaction surveys to collect customer feedback across all branches. Aside from our Customer Satisfaction Surveys, customers are welcome to express their opinions in the form of enquiries, comments, suggestions or complaints, through direct communication with our staff, or by filling in and returning designated forms via postage mail, email or fax. All complainants may remain anonymous if they wish to do so.

To ensure we address customer concerns in a consistent and efficient manner, we have our standardised complaint handling procedures outlined in PBHK's Procedural Guidelines on Handling Customer Complaints and PFL's General Policies and Guidelines on Handling of Complaint, respectively. Upon receipt of a written complaint, an acknowledgment letter will be sent to the complainant within seven days. At PBHK, a Complaint Handling staff member who is not directly involved in the subject matter will be appointed to conduct a thorough investigation regarding the complaint case, while the Complaint Officer will review the results of the investigation and follow up on the progress of remedial actions. A similar mechanism is in place at PFL where the Complaints Officer will conduct a review or investigation, and prepare a final report for the General Manager. A final response would be sent to the complainant within 60 days. All complaints received regardless of forms or communication channels will be lodged in the Complaint Register for internal record.

We are pleased to see that our efforts in improving our customer service and satisfaction have yielded positive results. During the year, the Group received a total of 20 banking/financial service-related complaints, which is a 33% drop as compared to 2018.



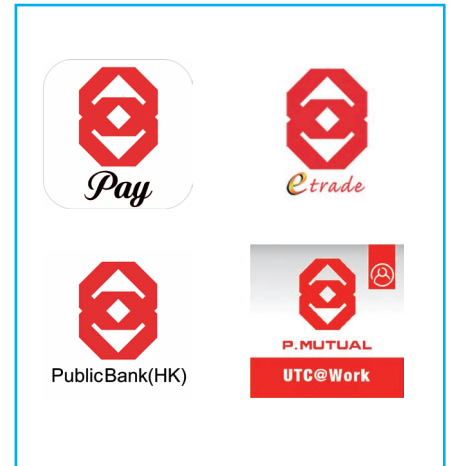
4.3 Enhancing Customer Experience

In keeping with market trends and customer demand, PBHK provides digital banking services for customer convenience. In 2019, the Bank launched a mobile app PBHK Pay which allows fund transfers (HKD and RMB) from PBHK to other local banks by inputting the payee's mobile phone number, e-mail address, Faster Payment System identifier, bank account number or by scanning a QR code.

4.4 Serving the Elderly and Customers with Special Needs

We are proud to have the support of a diverse customer base including elderly citizens, differently-abled individuals, and other customers with specific needs. To ensure that the needs of all our valued customers are met, we are constantly exploring new ways to improve our services and facilities. This year, in our capacity as a member of HKAB, we joined together with other member banks to support HKAB's ATM Education Talks initiative for Hong Kong's senior citizens. Our volunteers demonstrated the basic operation of an ATM and various safety measures including a lesson on setting a secure PIN without using obvious numerical sequences to provide these seniors with a more convenient and secure banking experience.

To support and provide our differently-abled customers with a convenient, comfortable, and hassle-free banking experience, we have continued to strive to create barrier-free environments by installing customer service tables for wheelchair users. As of end of 2019, portable ramps were provided at all PBHK branches with entrance steps to enable easier access by wheelchair users and the elderly.



Customer Compliments

To: Janice Law and all staff of PBHK Tsim Sha Tsui Branch

Best services, quality products.
Always on customer thought.

Customer: Mr. Goh



To: Peter Yau of PBHK Central Branch

Whole-hearted thanks to Mr. Yau.
He is very kind and effective to solve my urgent issue. I deeply appreciate this Branch, especially Mr. Yau's help.

Customer: Mr. Chan



To: Annie Lam, Louisa Kwok and Nelson Lam and all staff of PBHK Tseung Kwan O Branch

Staff are friendly, polite and efficient. Much appreciated of the satisfactory services.

Customer: Ms. Chou



To: Isabella Cheung of PBHK Sha Tin Branch

Listening to customers' concern attentively and understanding elders' thought. Highly accurate and efficient.

Customer: Mr. Lam



To: Mong Kok Branch of
Winton Financial Limited

*Thanks to branch staff for
advising me the appropriate loan
product so that I can overcome
monetary concern.*

Customer: Ms. Lau



To: Wan Chai Branch of
Winton Financial Limited

*I've been a loyal customer to
Winton Financial Limited.
Branch staff help me address my
concern immediately all the time.*

Customer: Mr. Liu



To: Lai Chi Kok Branch of
Winton Financial Limited

*I appreciate the company's
approval of my mortgage loan
application with low interest. This
eases my financial burdens.*

Customer: Ms. Lee



5. OUR SUPPLY CHAIN MANAGEMENT

Committed to operating responsibly, we are working to infuse our supply chain with the same spirit of social responsibility and environmental protection we expect from our own organisation. We aim to extend our sustainability considerations to a wider set of stakeholders, including our suppliers and business partners by embracing fair business practices and human rights, whilst encouraging them to implement CSR practices beyond compliance. To better manage the environmental and social risks arising from our supply chain, we are currently developing a Supplier Code of Conduct which communicates our requirements on ethical standards, human and labour rights, and environmental practices. Full compliance with this Supplier Code of Conduct is expected from our suppliers.

During the supplier engagement and tender process, our evaluation criteria include factors such as product and service quality, business operation standards, delivery capabilities, and price. With respect to competitive fairness, all new supplier engagements must invite two or more parties to submit their quotations under normal circumstances.

As at the end of 2019, the Group had a total of 430 suppliers of which 100% are based in Hong Kong.



6. OUR ENVIRONMENT

The Group is fully conscious of the environmental impacts which may arise from our operations. Our dedication to the sustainable management of our environmental footprint and the continual enhancement of our sustainability performance over time is demonstrated within the principles of our CSR Policy and supported by the Group's Green Tips for Office Practices document. To date, our efforts have been focused on resource conservation and recycling, as well as nurturing environmental awareness amongst our staff members.

During the Reporting Period, we complied with all applicable legal and regulatory requirements⁵ regarding environmental protection and there were no non-compliance cases relating to air and greenhouse gas (GHG) emissions, discharges into water and land, and the generation of hazardous and non-hazardous wastes.

6.1 Reducing Energy Consumption

As a responsible corporate citizen, we recognise our role in contributing to the efforts against the global challenge of climate change. To manage our operations in an energy efficient manner, we actively seize energy-saving opportunities throughout the Group and adopt more upgrading projects at our offices and branches. We continue to replace obsolete lighting fixtures with LED lights for signboards and install automatic timers in our distilled water dispensers to stop continuous water boiling after office hours. Additionally, to minimise light nuisance and electricity consumption during non-business hours, 26 PBHK branches switch off their lights from 10:30 p.m. to 8:00 a.m. every day. With our concerted efforts, these branches were awarded the Platinum Award under the Charter on External Lighting organised by the Environment Bureau for the third consecutive year. 33 PFL and 2 Winton branches also signed up the Charter in 2019.

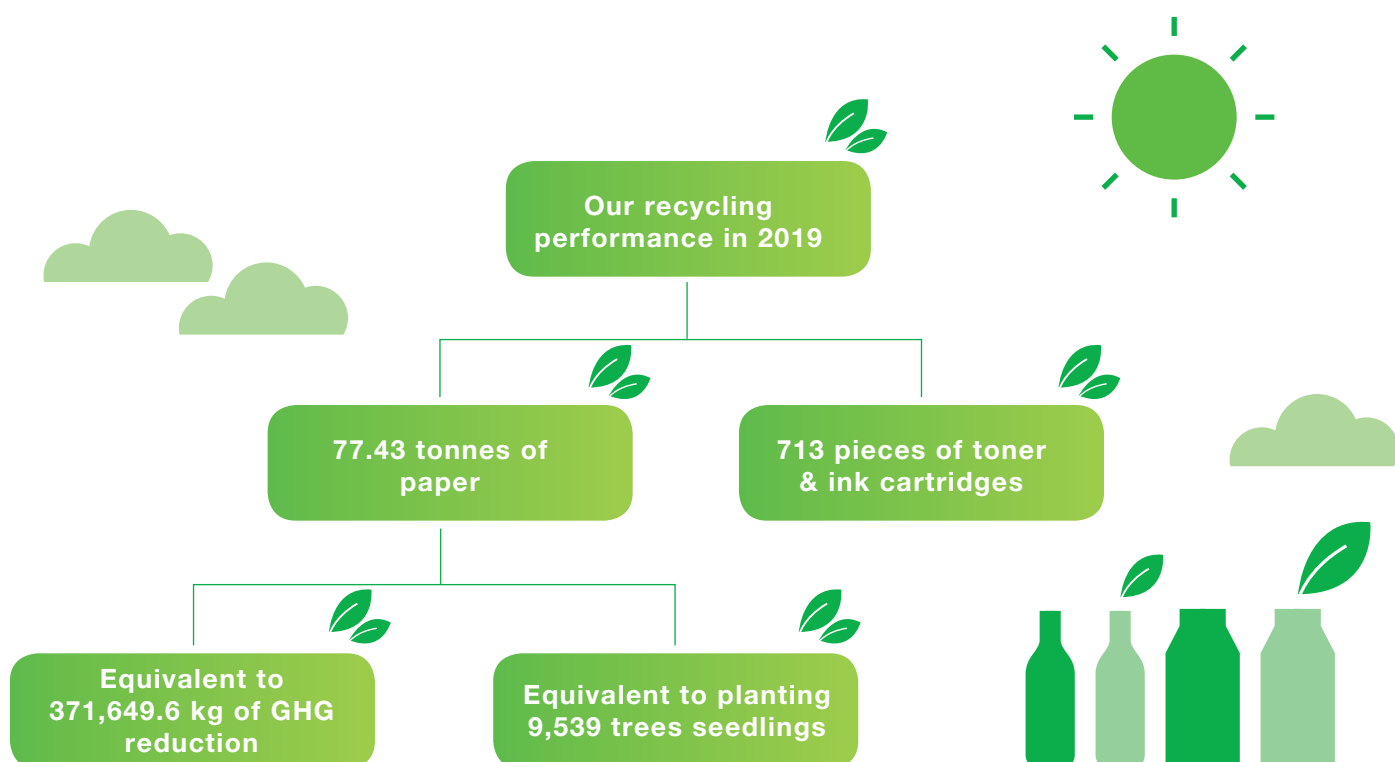


In 2019, PBHK replaced
1,033 LED Lights

6.2 Effective Waste Management

Proper waste management is essential to alleviate the burden on Hong Kong's landfills and enhance resource efficiency. To this end, we actively promote recycling and waste reduction at our operations. We encourage employees to adopt double-sided printing and reuse paper whenever possible. Newspapers are collected and recycled, while documents containing confidential information are collected separately and shredded before being recycled. In addition to paper, we continue to recycle printer toners and ink cartridges under our Printer Cartridge Collection Programme. Used printer cartridges will be refilled or recycled depending on their condition. For every cartridge collected, our recycling partner will donate to The Green Earth, a local environmental charity, in support of their education work. This recycling programme enables us to reduce the amount of hazardous wastes being disposed at landfill sites.

⁵ Including but not limited to Waste Disposal Ordinance (Chapter 354) and Noise Control Ordinance (Chapter 400).



Launching Food Donation Campaigns

Every year in Hong Kong, a large amount of intact food and gift packs from Chinese New Year and Mid-Autumn Festival are discarded to landfills. To reduce food wastages, we organised Chinese New Year food and mooncake donation campaigns at our offices and branches. Staff members were encouraged to donate excess food items and gifts received over Chinese New Year and Mid-Autumn Festival which were then delivered to Food Grace for redistribution to underprivileged families. With the active support from our staff, we managed to reduce food wastages by donating them to those in need.



Participation in the Lai See Packet Recycling and Reuse Programme

To minimise waste generation and promote environmental awareness amongst our staff, the Group took part in Greeners Action's Lai See Packet Recycling and Reuse Programme during Chinese New Year in 2019. We encouraged our staff to keep their used and unwanted Lai See envelopes in good condition and donate them at designated locations at Public Bank Centre and Wing On House. The collected Lai See envelopes were delivered to Greeners Action to be sorted and repacked for redistribution and reuse in 2020.



Additionally, to demonstrate our commitment to a more environmentally-friendly festive tradition, we took the lead to order 10% fewer Lai See envelopes this year as compared to 2018.

Supporting Suits for Success Campaign

In 2019, the Group took part in the Suits for Success campaign organised by the Women in Finance Asia ("WiFA"). The campaign collected donations of new or lightly-used professional office attire for underprivileged job seekers entering the workforce. The donated clothing was sorted and distributed to various NGOs such as Christian Action, SENSational Consultancy, and the Heep Hong Society to help those in need.



6.3 Building a Green Office

To build a lasting environmentally conscious culture within the Group, we have introduced Green Labels and Green Tips for Office Practices to enrich staff's environmental awareness. At our office premises, we encourage staff members to conserve energy, water, and other resources through internal notices. Employees are also welcome to identify potential energy saving opportunities and report all water leaks for immediate remedial actions. To further strengthen our dedication to improving our environmental performance, a green talk was organised in collaboration with The Green Earth to promote environmental stewardship amongst our employees.



Given the business nature of the Group, we understand proper management of our office supplies, particularly paper, is essential to minimise our impacts on the environment and natural resources. For instance, we ensure the paper we source is produced in a sustainable manner, and hence, have made the decision to use Forest Stewardship Council (FSC) certified paper for our publications and reports whenever possible.



Protect the Environment
Print Double-Sided

energy saving

Switch off when not in use.



6.4 Environmental Activities

Enhancing awareness is an essential driver of environmental sustainability in the community, therefore we continue to actively support and participate in different environmental campaigns together with our motivated staff volunteers. For the fourth consecutive year, PBHK was proud to continue its support of Green Power's annual fundraising event for environmental education and awareness, the Green Power Hike. Two of our PBHK staff members helped to provide operational and logistical support, and assisted with the trail clean up after the event.

Together, We Embrace the Environment

As the saying goes “It is more blessed to give than to receive”. Through participating in the Group’s CSR activities, I serve the community and contribute to environmental sustainability in fun and meaningful ways. I have tons of pleasant memories from the Group’s volunteer activities but I would pick “Green Power Hike” as my fondest memory. I still vividly remember helping out at different checkpoints to deliver water and fruits to participants who finished the charitable walkathon. We cheered them on as they ran by and gave them encouragement and support. I was ecstatic to contribute to the success of this commendable event and inspire the public to cherish the nature while raising funds for environmental education.

Sampson Lo
Information Technology
Public Bank (Hong Kong) Limited



6.5 Green Volunteering

In 2019, five environment-related programmes were organised in partnership with four charity and social service groups. Programme highlights include:

Organisation	Programme	Details
Green Power	Green Power Hike 2019	Volunteers provided on-site support for raising funds to support the environmental and preservation works of the organiser.
Greeners Action	Lai See Packet Recycling and Reuse Campaign 2019	Staff donated Lai See envelopes that were in good condition for recycling or redistribution to the general public for use.
Food Grace	Chinese New Year Food Recycling Campaign 2019	Staff donated intact and surplus food items to the underprivileged families.
	Mooncake Collection	Staff donated surplus moon cakes or moon cake coupons to the underprivileged families.
WiFA	Suits for Success 2019	Staff donated business clothing and accessories to young graduates from the underprivileged families.

6.6 Green Acknowledgements

Acknowledgements were given in recognition of the Group’s commitment to environmental protection.



PERFORMANCE DATA SUMMARY

HKEX KPI	Unit	2019
A. Environmental		
A1.2	Greenhouse gas emissions	
Scope 1 emission	Tonnes of CO ₂ e	15.27
Scope 2 emission	Tonnes of CO ₂ e	2,994.54
Scope 3 emission	Tonnes of CO ₂ e	165.59
Total GHG emissions (Scope 1+2+3)	Tonnes of CO ₂ e	3,175.40
Intensity (Scope 1-3)	Tonnes of CO ₂ e/FTE ⁶	2.46
A1.3	Total hazardous waste produced	
Empty Ink Cartridges (Recycled)		
– Total	Pieces	713
– Intensity	Pieces/FTE	0.55
A1.4	Total non-hazardous waste produced	
Paper (Recycled)		
– Total	Tonnes	77.43
– Intensity	Tonnes/FTE	0.06
A2.1	Direct and indirect energy consumption by type	
Total Direct Energy Consumption		
– Total	'000 kWh	51.68
– Intensity	'000 kWh/FTE	0.04
Diesel Oil		
– Total	'000 kWh	4.83
– Intensity	'000 kWh/FTE	0.004
Petrol		
– Total	'000 kWh	46.85
– Intensity	'000 kWh/FTE	0.04
Total Indirect Energy Consumption (Purchased Electricity)		
– Total	'000 kWh	4,371.93
– Intensity	'000 kWh/FTE	3.39
A2.2	Water consumption	
– Total	m ³	4,369 ⁷
– Intensity	m ³ /FTE	3.39

⁶ FTE refers to full-time equivalent.

⁷ As of April 2020, both PBHK and Winton did not receive water bills for the period of August 2019 to December 2019. Therefore, the figures only represent the water data of PBHK and Winton that is currently available. The Group will update the relevant figures (KPI A1.2 and A2.2) in due course to reflect the environmental performance during the Reporting Period.

HKEX KPI		Unit	2019		
B. Social					
B1.1	Total workforce by gender		Male		Female
	Full-time	No. of staff	560		730
	Part-time	No. of staff	9		1
	Total workforce by age group		Under 30	30-50	Above 50
	Full-time	No. of staff	227	789	274
	Part-time	No. of staff	1	0	9
	Total workforce by geographical region		Hong Kong		Mainland China
	Full-time	No. of staff	1,290		67 ⁸
	Part-time	No. of staff	10		0
B1.2	Employee turnover rate by gender		Male		Female
		%	20.36		20.82
	Employee turnover rate by age group		Under 30	30-50	Above 50
		%	40.97	18.88	8.76
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 ⁹				
		Days	218		
B3.1	The percentage of employees trained by employee category				
	– Senior Management	%	100		
	– Middle Management Managerial Staff	%	100		
	– General Staff/ Non-managerial Staff	%	97.62		
	The percentage of employees trained by gender				
	Male	%	97.86		
	Female	%	97.94		
	B3.2	The average training hours completed per employee by employee category			
– Senior Management		Hour	15.32		
– Middle Management/ Managerial Staff		Hour	17.75		
– General Staff/ Non-managerial Staff		Hour	14.52		
The average training hours completed per employee by gender					
– Male		Hour	15.56		
– Female		Hour	14.37		
B5.1	Number of suppliers by geographical region				
	– Hong Kong	No.	430		
	– Overseas	No.	0		
B6.2	Number of products and service related complaints received				
	– Complaints	No.	20		
B7.1	Number of concluded cases regarding corrupt practices brought against the Group and its employees				
	– Concluded cases	No.	0		

⁸ This figure only applies to PBHK.

⁹ This figure is a result of two 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 impacts 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 & safety measures	Our People

Aspect	HKEX KPI	Description	Section/Remarks
B. Social			
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
B4 Labour Standards	B4	General Disclosure	Our People
	B4.1	Description of measures to review employment practices to avoid child and forced labour	Due to the business nature of the Group, this issue is considered not material, and therefore, our management decided not to disclose this issue.
	B4.2	Description of steps taken to eliminate such practices when discovered	
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, number of suppliers, and 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	Due to the business nature of the Group, this issue is considered not material, and therefore, our management decided not to disclose this issue.
	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	Due to the business nature of the Group, this issue is considered not material, and therefore, our management decided not to disclose this issue.
	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



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

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

