



# 大眾金融控股有限公司

## PUBLIC FINANCIAL HOLDINGS LIMITED

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



# 2022

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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## ABOUT THIS REPORT

In strict compliance with the requirements under Appendix 27 "Environmental, Social and Governance ("ESG") Reporting Guide" ("ESG Guide") and the "Comply or Explain" provision of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("SEHK") issued by Hong Kong Exchanges and Clearing Limited ("HKEX"), Public Financial Holdings Limited ("PFHL") and its subsidiaries (collectively, the "Group", "Our" or "We") are pleased to present the Group's ESG Report for the financial year ended 31 December 2022 (the "Report") to demonstrate the Group's approach and performance in terms of its ESG management and corporate sustainable development.

## REPORTING BOUNDARIES

This ESG Report covers the Group's major operations in Hong Kong including 4 of its subsidiaries with offices and branches, namely:

- Public Bank (Hong Kong) Limited ("PBHK")
- Public Finance Limited ("PFL")
- Public Securities Limited ("PSL")
- Winton Financial Limited ("Winton")

The reporting period of this ESG Report is from 1 January 2022 to 31 December 2022, which is the same as the reporting period covered in PFHL's 2022 Annual Report, unless specifically stated otherwise. For the Corporate Governance Report, please refer to PFHL's 2022 Annual Report under "Investor Relations" section of PFHL's website at [www.publicfinancial.com.hk](http://www.publicfinancial.com.hk).

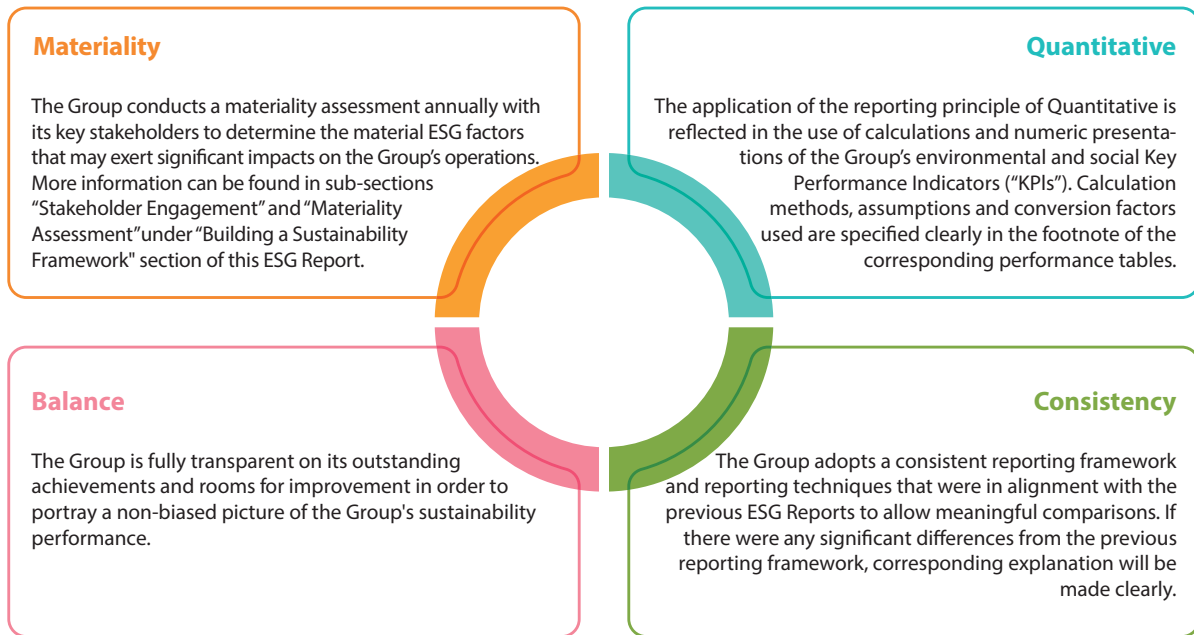
## INFORMATION DISCLOSURE

The information in this ESG Report was gathered from the official documents and statistics of the Group, the integrated information of supervision, management and operations in accordance with the relevant policies, the internal quantitative and qualitative data collected through questionnaires based on the reporting framework, and sustainability practices provided by the subsidiaries of the Group. This ESG Report was prepared in both English and Chinese, and has been uploaded to PFHL's website at [www.publicfinancial.com.hk](http://www.publicfinancial.com.hk). For any conflict or inconsistency, the English version shall prevail.



## REPORTING PRINCIPLES

Given the reporting principles that underpin the preparation of ESG report as required by the ESG Guide, the content of this ESG Report is determined and summarised under the overarching reporting principles of Materiality, Quantitative, Balance and Consistency.



## APPROVAL OF THE ESG REPORT

This ESG Report was approved by the Board of Directors of PFHL (the "Board") in January 2023.

## STAKEHOLDERS' FEEDBACK

The Group greatly values comments or feedback on its ESG policies and performance to facilitate the Group's continuous improvement in its sustainability performance in striving for excellence. Should there be any suggestions, please feel free to contact the Group's Corporate Culture & Social Responsibility Department at [esg@publicbank.com.hk](mailto:esg@publicbank.com.hk).



## ABOUT PUBLIC FINANCIAL HOLDINGS LIMITED



PFHL is an investment and property holding company listed on SEHK, with stock code 626. Incorporated in Bermuda under the Companies Act 1981 on 16 August 1991, PFHL is a 73.2% owned subsidiary of Public Bank Berhad, the shares of which are listed on the Malaysian Stock Exchange. The major subsidiaries of PFHL are PBHK, PFL, PSL and Winton.

PBHK is a commercial bank which provides a comprehensive suite of banking and financial services and has been a committed partner to its clients in Hong Kong and China for more than 80 years.

PFL is a deposit-taking company with its main business focused on deposit-taking, personal and commercial lending, mortgage financing, letting of investment properties and the provision of finance to purchasers of taxis.

PSL provides a range of securities services in Hong Kong. Winton is a licensed money lender and its main businesses are the provision of personal and mortgage loans, and financing of public vehicles such as taxis.

Employing 1,140 staff in Hong Kong, the Group strive to deliver exceptional banking and financial services with sustainable growth.

### CORPORATE CULTURE AND VALUES

The Group believes that cultivating a strong corporate culture is essential to its long-term organisational sustainability and success. Since 2018, the Group has adopted the Policy of Corporate Culture and Values ("Corporate Culture Policy") to promote sound governance measures in formulating internal assessment and feedback mechanisms, which both facilitate reducing the number of misconduct and guiding comprehensive risk management. Enhancing the cultivation of corporate culture helps motivate employees to practise the corporate values in their daily business operations and accomplish long-term success of the Group.



An annual review on the Group's Corporate Culture Policy is conducted and the result is concurred by the Bank Culture Committees, the delegated Board-level Committee, and then be recommended to the Board for approval.

## Corporate Culture Statement

The Group strives to promote a sound corporate culture. Six corporate values have been set to guide our staff working attitude and behaviour. These elements largely contribute to the Group's success and help determine the Group's strategy to achieving its mission.

## Corporate 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.



## SUSTAINABILITY AWARDS

### Television Broadcasts Limited (“TVB”) ESG Awards

This award is an acknowledgment for companies which perform to a high standard in ESG practices, as well as to create a transparent platform for companies to showcase their contribution in ESG against peers.



In 2022, PFHL was awarded “ESG Special Recognition Award” from TVB in recognition of its contribution and proactive efforts put into various ESG aspects.

### Caring Company

The Caring Company Scheme is launched by The Hong Kong Council of Social Service (HKCSS) aiming to promote good corporate citizenship and create collaboration opportunities for cross-sector community projects that focus on the needs of the community.



With the nomination of The Community Chest of Hong Kong, PBHK and PFL have been recognised as Caring Companies since 2018, and Winton has also been recognised as a Caring Company for 6 consecutive years. This demonstrated the passion of the Group in developing a better community for all.

### ERB Manpower Developer Award

The award is launched by the Employees Retraining Board (“ERB”) to recognise organisations which demonstrate outstanding achievements in manpower training and development as Manpower Developers.



From 2011 to 2022, PBHK has been awarded as a Manpower Developer for twelve consecutive years.



## MESSAGE FROM MANAGEMENT



**Tan Yoke Kong**

Executive Director and Chief Executive  
Chairman of ESG Steering Committee

On behalf of the Group, I am pleased to present this ESG report and share with you our approach and performance in terms of sustainable development for the year ended 31 December 2022.

The year of 2022 was another challenging year with uncertainties and challenges imposed on business operations due to the on-going COVID-19 pandemic (the “Pandemic”). Despite the unprecedented challenges, our focus on progressing towards sustainable development did not lose momentum. Throughout the year, we have been making our best efforts in remaining resilient while maintaining our sustainability commitment. Learning from the experience in fighting the Pandemic these years, we further understand the importance of integrating sustainability into our business strategies.

### STRENGTHENING GOVERNANCE

We have defined sustainability responsibilities to the Board, while we have also established the ESG Steering Committee and the ESG Reporting Working Group. Since the establishment of this “3-tier” governance structure, the Board and the aforesaid Committee and Working Group have been collaborating smoothly on evaluating and managing ESG-related issues, as well as implementing ESG-related initiatives across all subsidiaries, departments and branches. We believe such enhanced governance structure will further promote our ESG performance in striving for excellence towards a more sustainable future.





Meanwhile, we have always been identifying opportunities to further enhance our performance on sustainable development. Our six corporate values, namely trust, caring, ethics & integrity, prudence, discipline and excellence serve as lighthouses in paving our way in continuation of providing excellent customer service, upholding our business ethics, protecting our environment and contributing to the community. We believe our internal cultural alignment will facilitate us in achieving sustainability objectives and long-term success.

## GENERATING GREEN FINANCE BUSINESS OPPORTUNITIES

In view of the thriving green finance market, we see the increasing interest and demand from our customers who are looking for more diverse green finance options. To meet their needs as well as to keep abreast of the market, we developed and launched our Green Financing Programme during the year. We believe these products and services transformation would facilitate our customers in adapting to the gradual transformation of business models towards low-carbon development by serving them with green finance products and services.

## JOINING HANDS TOGETHER

As a responsible corporate citizen, we have long been engaging in philanthropy activities and staying in stable partnerships with different charities. In 2022, we carried out a series of charity projects related to health, elderly care, youth support, environmental protection and carbon reduction. Over 180 staff members from our 77 branches joined these activities and raised more than HK\$34,000 monetary donations together with other resources such as food and Pandemic prevention materials for those in need during the year, demonstrating our active devotion to corporate social responsibility (“CSR”).

## LOOKING AHEAD

Our commitment to sustainability is not a separate layer that sits above our daily operation. Through the effective implementation of our sustainability framework, together with our affirming leaders, our dedicated staff and our enthusiasm for building a sustainable future with our stakeholders, we will continue to take the initiative and embrace the transformation towards a green tomorrow. We are looking forward to joining hands with our stakeholders to build a better community while staying true to our core values.

### **Tan Yoke Kong**

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



# BUILDING A SUSTAINABILITY FRAMEWORK

## BOARD STATEMENT

The Board oversees and has the ultimate responsibility towards the Group's ESG management approach, strategy, and performance. The Board reviews the Group's material ESG topics and endorses related policies and targets, as well as approving the Group's ESG Reports.



The ESG Steering Committee has been set up to support the Board's oversight and systematic management of the ESG issues. The Committee members are appointed by the Board, with the Chief Executive as the Chairman. The ESG Steering Committee holds regular meetings to review the Group's sustainability performance and provide recommendations on relevant ESG issues to the Board. The Board further examines the recommendations and endorses them for departments to enhance their ESG performance.

As part of the systematic ESG management approach, the ESG Steering Committee evaluates, prioritises and manages ESG issues objectively through regular stakeholder engagement and materiality assessment. The corresponding findings are then discussed and finalised with a list of material ESG issues delivered to the Board for review and endorsement. Details regarding the evaluation and prioritisation on material ESG-related issues can be found under sub-sections "Stakeholder Engagement" and "Materiality Assessment" of this section.

To better manage the Group's material ESG issues and create long-term benefits for stakeholders, as well as imposing positive impacts to the environment and society, the Board discusses, reviews and adjusts the Group's strategies, action plans, risk management policies, annual budgets and business plans regularly. The Board, by such means, formulates organisational performance goals and with the assistance from the dedicated committees, monitors the implementation and execution of such plans and policies.

In view of its business nature and the increasing trend in green operations, the Group has set a series of environmental targets regarding the reduction of its emissions and use of resources. The implementation progress and performance of these targets will be monitored by the Board and reviewed on an annual basis. The Group is committed to driving sustainability throughout the organisation by integrating ESG into its daily practices, while actively exploring the opportunities to set up further goals in the near future.

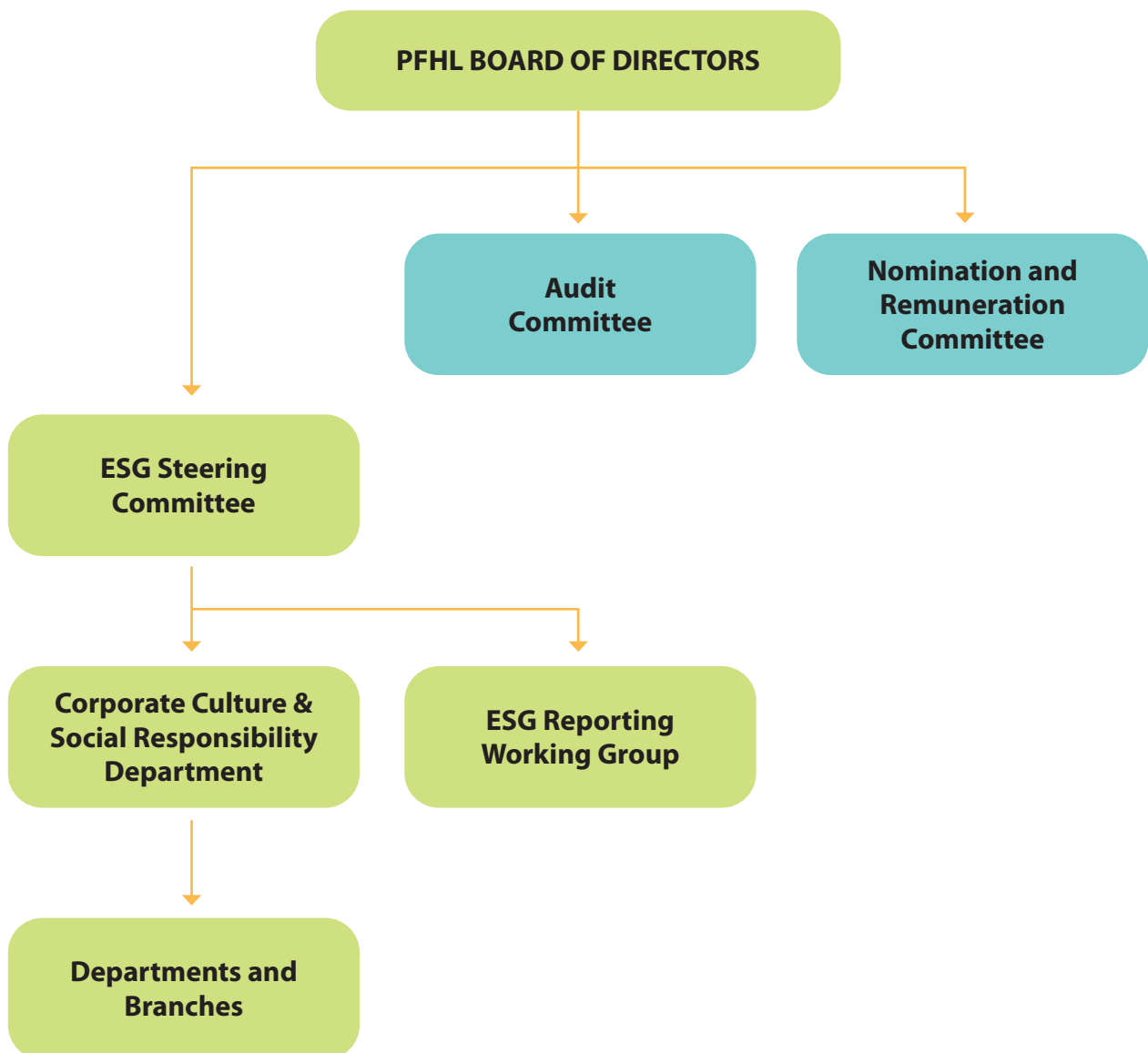


## GOVERNANCE STRUCTURE

In 2022, the Group continued its strong commitment in sustainable development through its efforts devoted by the Board, Senior Management and employees. Aligned with internal standards, the Group effectively evaluated and managed ESG-related issues so as to ensure strict compliance with the relevant laws and regulations.

To achieve sustainability targets more efficiently, a robust governance structure is essential in supporting the Group to meet its objectives. Through a “Top-down” management mechanism, the Board has been actively engaging in identifying, assessing and managing ESG-related risks and opportunities, while the ESG Steering Committee, ESG Working Group and representatives from different business units hold well defined responsibilities and roles across strategic planning, execution and review in ESG-related matters.

The following governance structure summarises the essential roles in the management mechanism which drives the Group’s CSR development and manages its ESG-related efforts.



### Top Management Oversight

#### Board of Directors

- Provides strategic guidance and continually evaluates the Group's internal controls
- Ensures alignment with the Group's social responsibility objectives and compliance with applicable rules and regulations
- Monitors Group-level corporate governance practices and procedures
- Maintains appropriate and effective risk management and internal control systems
- Approves ESG Report, CSR Policy and ESG budget

#### ESG Steering Committee

- Identifies and continually enhances the ESG management approach, strategies, priorities and objectives
- Initiates stakeholder engagement for material ESG issues identification
- Reviews and reports the stakeholder engagement approach, procedures and results
- Reviews and recommends the budget for ESG activities to the Board or the Bank Culture Committee
- 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 Bank Culture Committee
- Reviews the status reports submitted by the ESG Reporting Working Group
- Oversees the Group's implementation of ESG Guide 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 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
- Approves and engages the external ESG consultant for ESG Report
- Reviews the CSR Policy regularly and recommends the revisions on the policy, if any, to the Board for approval



**Managing CSR Issues and Implementing CSR Initiatives**

<b>ESG Reporting Working Group</b>	<ul style="list-style-type: none"> <li>Provides recommendations, monitors the implementation and evaluates the effectiveness of the ESG-related initiatives</li> <li>Reports ESG-related issues and progress to the ESG Steering Committee in a timely manner</li> </ul>
<b>Corporate Culture &amp; Social Responsibility Department</b>	<ul style="list-style-type: none"> <li>Promotes internal participation and external awareness of CSR and bank culture related matters</li> </ul>
<b>Departments and Branches</b>	<ul style="list-style-type: none"> <li>Implement and integrate CSR practices into daily business operations and practices</li> </ul>

**SUSTAINABILITY RELATED POLICIES**

The Group has formulated sustainability related policies, manuals and procedures in various aspects of business so as to guide all members of the Group to work together and create a sustainable environment for all.

**CSR Policy**

The Group’s CSR Policy guides its efforts in integrating the sustainability elements into its business practices. The Policy is approved by the Board and is applicable to all directors and staff of the Group. Through setting out the Group’s key principles for promoting sustainable development in the CSR Policy, the Group aims to formalise its sustainability philosophy and promote the integration into its business operations.



### Risk Management Policy Manual

The Group's Risk Management Policy guides the Group's enterprise risk management and internal control system, which adopts a three-line defence framework to define roles and responsibilities when managing risks to ensure the effectiveness of its processes.

#### THREE LINES OF DEFENCE

##### First line of defence

All business units are responsible for managing risks arising from their business activities, including proper risk identification, assessment, monitoring, management and reporting on an on-going basis.



##### Second line of defence

Risk Management Department and Compliance Department are responsible for overseeing risk-taking activities, undertaking risk assessments independently and establishing risk and compliance monitoring mechanism. Periodic reports on the state of potential risk, risk exposures and risk management activities are regularly deliberated and reviewed by the Risk Management Committee and dedicated Risk Committees (i.e. Assets and Liabilities Management Committee, Operational Risk Management Committee and respective committees relating to credit, anti-money laundering and counter-terrorist financing and compliance).



##### Third line of defence

Internal Audit Department regularly conducts independent assurance to assess the adequacy, effectiveness, soundness and integrity of the Group's internal control structures, risk management, governance systems and processes.

For more details on the responsibilities of committees within our risk management and internal control framework, please refer to the Corporate Governance Report in PFHL's 2022 Annual Report.

## COMPLIANCE AND BUSINESS INTEGRITY

The Group understands that its credibility comes from its operational integrity, ethical standards and effective risk management. Upholding strong corporate governance, the Group manages its compliance issues with the implementation of a series of internal policies including Employee Handbook, Code of Conduct for Staff, Code of Ethics, and Important Note on Employee's Conduct and Behaviour, in which clearly set the principles and guidelines for employees to conduct business appropriately and ethically.



Moreover, the Performance Assessment Forms have been enhanced by PBHK's Human Resources Department and PFL's Personnel Department in which risk management, compliance, and ethics or conduct-related behaviours are incorporated as the major factors in the annual staff performance assessment of the Group.

### Financial Crime Prevention

The Group reckons its responsibility to safeguard the interest of itself, as well as to protect the integrity of the financial system. In 2022, the Group complied with the relevant laws and regulations in relation to anti-bribery, extortion, fraud and money laundering that have a significant impact on the Group, including but not limited to:

- *Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong); and*
- *Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615 of the Laws of Hong Kong).*

The Group has zero tolerance of all forms of bribery or corruption, and specific measures have been taken to ensure employee integrity. For instance, all new joiners will be provided with the Code of Conduct for Staff upon hiring. Stringent guidelines regarding gift acceptance from external stakeholders are also in place. Staff are required to strictly adhere to the Code of Conduct for Staff and seek approval from the Code of Conduct Supervising Committee of PBHK and/or Human Resources Committee of PFL whenever applicable.

### Whistleblowing Policy and Procedures

The Group's Whistleblowing Policy and Procedures provide confidential channels for whistleblowers to report fraudulent and/or unethical conduct, non-compliance cases with laws and regulations and/or the Group's internal policies which could impose significant adverse impacts to the Group in terms of financial, legal or reputational aspects. All stakeholders may report grievances in strict confidence without fearing of reprisals or inappropriate reactions through a protected email channel under PBHK, PFL and Winton respectively. Only respective Heads of Internal Audit of PBHK and PFL can access the email accounts, and follow-up actions will be undertaken as appropriate. For cases related to improper conduct, a bi-monthly report will be made to the respective Audit Committees of PFHL, PBHK and PFL for record keeping and/or further action when the management deems necessary. If the Head of Internal Audit was involved in any reported cases, such cases will be escalated to a designated Non-Executive Director to handle.

### Anti-corruption Training

Over the years, the Group has been regularly providing anti-corruption training sessions for directors and staff as a supplement to training and development on regulatory compliance. In 2022, 593 staff and 2 directors participated in the training sessions delivered by The Independent Commission Against Corruption (ICAC). Topics such as anti-corruption, business ethics, integrity and whistleblowing were included in the training sessions.

In 2022, no concluded legal cases regarding corrupt practices were brought against the Group or its employees.





## STAKEHOLDER ENGAGEMENT

We understand that listening to stakeholders' opinions is crucial when developing our business strategies. We highly value the feedback from stakeholders and take initiative to foster an intimate and reciprocal relationship through various communication channels as listed below.

Key Stakeholders	Expectations and Concerns	Communication Channels
<b>External Stakeholders</b>		
<b>Government and Regulators</b> 	<ul style="list-style-type: none"> <li>– Compliance with laws and regulations</li> <li>– Sustainable development</li> </ul>	<ul style="list-style-type: none"> <li>– Routine reports</li> <li>– General liaison</li> </ul>
<b>Suppliers</b> 	<ul style="list-style-type: none"> <li>– Fair and open procurement</li> <li>– Win-win cooperation</li> </ul>	<ul style="list-style-type: none"> <li>– Open tendering</li> <li>– Suppliers Code of Conduct</li> <li>– Supplier Review</li> </ul>
<b>Customers</b> 	<ul style="list-style-type: none"> <li>– High-quality products and services</li> <li>– Protection of customer rights and personal data</li> <li>– Sustainable development</li> </ul>	<ul style="list-style-type: none"> <li>– Corporate websites</li> <li>– Customer feedback surveys and suggestion forms</li> <li>– Customer service hotline and email</li> <li>– Complaint hotline</li> <li>– Barrier-free banking services</li> </ul>
<b>Shareholders, Investors and Analysts</b> 	<ul style="list-style-type: none"> <li>– Return on investments</li> <li>– Corporate governance</li> <li>– Business compliance</li> <li>– Sustainable development</li> </ul>	<ul style="list-style-type: none"> <li>– Corporate websites</li> <li>– Reports and announcements</li> <li>– General meetings</li> </ul>
<b>General Public and Media</b> 	<ul style="list-style-type: none"> <li>– Involvement in communities</li> <li>– Compliance with laws and regulations</li> <li>– Environmental protection awareness</li> </ul>	<ul style="list-style-type: none"> <li>– Corporate websites</li> <li>– Media enquiries</li> <li>– Public welfare activities</li> </ul>
<b>Non-Governmental Organisations ("NGOs")</b> 	<ul style="list-style-type: none"> <li>– Involvement in communities</li> </ul>	<ul style="list-style-type: none"> <li>– Collaborative projects</li> <li>– Staff volunteering</li> </ul>



Key Stakeholders	Expectations and Concerns	Communication Channels
<b>Internal Stakeholders</b>		
<p><b>Employees</b></p> 	<ul style="list-style-type: none"> <li>- Employees' compensation and benefits</li> <li>- Career development</li> <li>- Occupational safety and health ("OSH")</li> </ul>	<ul style="list-style-type: none"> <li>- Staff newsletters</li> <li>- Regular meetings</li> <li>- Employee culture survey</li> <li>- Email receiving staff feedback</li> <li>- Employee engagement activities</li> <li>- Annual Business Forum</li> </ul>

## MATERIALITY ASSESSMENT

Since ESG risks and opportunities vary across different industries and business patterns, the Group takes a stepwise approach and performed an annual materiality assessment in identifying matters that may impact both the stakeholders and the Group's standing and operation performance. Then, the main concerns and material ESG issues are being prioritised for the ESG Report.

The Group engaged its stakeholders to conduct a materiality assessment survey initiated by a third-party agency in order to enhance the objectivity of the evaluation. The Group believes the objective results of this materiality assessment is critical in understanding stakeholders' expectations on the Group's ESG performance, thus facilitating the Group's development on its action plans for better ESG management.

### Step 1: Stakeholder identification

Key stakeholders were identified based on the degree to which they were affected by the Group's activities and their ability to influence the Group's business objectives. Specifically, internal and external stakeholders including customers, suppliers, directors and employees of the Group were selected and invited to express their views on the Group's ESG issues regarding the Group's business development and strategies.

### Step 2: Internal impact assessment

An internal impact assessment was performed to understand which relevant topics impacted most on sustainable development, and therefore needed to be managed with top priority. The Group evaluated the impacts of each relevant topic on its sustainable development at different stages of its value chain.



**List of Materiality Issues**

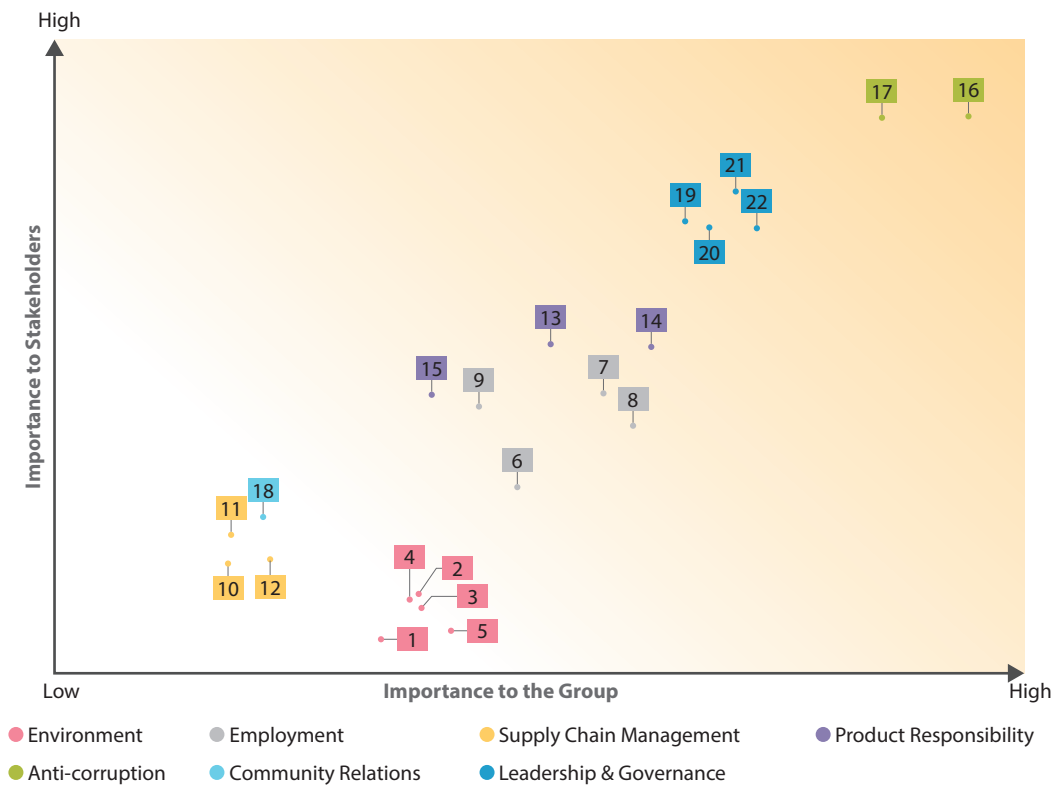
Aspect	Issue
<b>Environment</b>	1 Greenhouse Gas Emissions
	2 Energy Management
	3 Water & Wastewater Management
	4 Solid Waste Stewardship
	5 Climate Change Mitigation & Adaptation
<b>Employment</b>	6 Labour Practices
	7 Employee Remuneration and Benefits
	8 Occupational Safety and Health
	9 Employee Development and Training
<b>Supply Chain Management</b>	10 Green Procurement
	11 Engagement with Suppliers
	12 Environmental and Social Risk Management of Supply Chain
<b>Product Responsibility</b>	13 Service Quality
	14 Customer Privacy Protection and Data Security
	15 Marketing and Promotion
<b>Anti-corruption</b>	16 Business Ethics & Anti-corruption
	17 Internal Grievance Mechanism
<b>Community Relations</b>	18 Participation in Philanthropy
<b>Leadership &amp; Governance</b>	19 Business Model Adaptation and Resilience to Environmental, Social, Political and Economic Risks and Opportunities
	20 Management of the Legal & Regulatory Environment (Regulatory Compliance Management)
	21 Critical Incident Risk Responsiveness
	22 Systemic Risk Management (e.g. Financial Crisis)



### Step 3: Prioritisation and materiality matrix

Selected key internal and external stakeholders were invited to participate in an online survey to express their views on the above list of ESG issues. Integrating all the inputs gathered through this process, a materiality matrix was generated as shown below.

**Stakeholder Engagement Materiality Matrix**



### Step 4: Matrix validation and sustainability strategy

According to the matrix above, “Business Ethics & Anti-corruption”, “Internal Grievance Mechanism”, “Business Model Adaptation and Resilience to Environmental, Social, Political and Economic Risks and Opportunities”, “Management of the Legal & Regulatory Environment (Regulatory Compliance Management)”, “Critical Incident Risk Responsiveness” and “Systemic Risk Management (e.g. Financial Crisis)” were identified as the ESG issues that were of great significance to the Group’s business operations. The results were delivered for review and endorsement by the ESG Steering Committee. Meanwhile, other relatively important topics were also discussed in various sections of this ESG Report.

This assessment allowed the Group to highlight the material and relevant ESG aspects to align with its stakeholders’ expectations, and provide the ESG Steering Committee with insights in identifying and controlling ESG-related risks that will be reflected in corporate policies and initiatives.



# OUR RESPONSIBLE BUSINESS PRACTICE

Since our establishment, providing customer-centric services has always been at the core of our business development strategy. We strive to provide excellent customer service to gain mutual trust and loyalty from our customers. Internal policies and Service Enhancement Workgroup are in place to ensure that we can deliver excellent products and services.



## LAW COMPLIANCE

In 2022, the Group complied with relevant laws and regulations on health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. There were no reported cases of non-compliance with relevant laws and regulations as aforementioned.

Adhering to the reporting principle of materiality, policies and approaches regarding products subject to recalls for safety and health reason, advertising, and labelling are considered not material or applicable to the Group given its business nature, thus are not disclosed in this report.

## UNDERSTANDING OUR CUSTOMERS

The Group always embraces its customer-centric philosophy and gathers customer feedback through different channels so as to ensure its service quality and look for opportunities for improvement. In 2022, PBHK continued to conduct Mystery Shopper Programme (“MSP”) quarterly in order to analyse the service quality of the Group’s frontline staff in areas including staff professionalism, teller service, telephone etiquette, and selling practices. For PFL, the Mystery Calling Programme (“MCP”) is conducted bi-annually to evaluate the service quality and product knowledge of its frontline staff.

### Mystery Shopper Programme and Mystery Calling Programme

To identify areas of improvement and develop enhancement measures, the results of MSP and MCP were reviewed by the Group’s Senior Management. Training and Development Department and District Insurance Specialists of PBHK and Training Department of PFL contacted its branches with the lowest overall score respectively to provide staff with refresher training courses which aim to enhance and improve their professional skills and knowledge.

In 2022, PBHK conducted 128 visits and made 384 calls to its branches, with 60 calls to Customer Hotlines via the MSP. PFL conducted 82 calls to its branches via the MCP.

### Feedback from Customers

The Group understands the significance of customer feedback in assisting the Group to identify improvement areas for its products and services quality. Surveys are conducted annually by PBHK and PFL to collect customer feedback from all branches, and the results are summarised for the respective Bank Culture Committees for review and action. Customers are welcome to express their views through various communication channels such as direct communication with branch staff members, or filling and returning designated forms via postage mail, email or fax. They may remain anonymous in providing feedback to the Group.



## Complaint Handling Mechanism

The Group has formulated administrative measures for handling customer complaints including the Procedural Guidelines on Handling Customer Complaints and the General Policies and Guidelines on Handling of Complaints. These set out the timeframe, procedures and other rules for handling customer complaints, which guide the employees to handle customer complaints timely and properly. Customers can express their opinions through complaint hotline, email and suggestion forms. Staff of the Group are well trained on how to appropriately reply and deal with customers' enquiries. The Group requires that all complaints are better to be resolved by close of business on the next business day of its receipt. If complaints cannot be resolved within the time period, a verbal or written acknowledgement needs to be provided within 7 days depending on the channels of complaints received. Complainants have to be notified with a final response within 30 days.

In 2022, the Group received 6 banking/financial service-related complaints from customers regarding its services and other general issues. The Group always values customers' suggestions and proactively reviews its business operations to meet their ever-changing expectations. The Group is dedicated to improving its business performance and delivering better services.

## Sharing of Experience



To raise staff awareness regarding the service quality and professionalism, and to encourage them to strive for zero complaint rate, an internal newsletter named "Customer First" has been published regularly since 2020. Customers complaints, handling methods and recommended actions are summarised in the internal newsletter for educating the frontline staff to better understand the needs of customers and inspire the staff to improve their service quality.

## SAFEGUARDING CUSTOMERS' HEALTH DURING PANDEMIC

To ensure the health and safety of the customers amid the Pandemic, all branches of the Group were equipped with thermal checking capabilities. All customers were required to undergo thermal screening before entering the branch. For those whose body temperature was above 37.3°C, they would be advised to visit the branch in another day. Meanwhile, all customers and staff were required to keep a safe distance and wear masks in the branch area. Alcohol hand sanitizers are also available at entrances of the branches for customers to observe good habits of Pandemic prevention.



## CUSTOMER PRIVACY AND DATA SECURITY

Securing the privacy of customers' personal information and sensitive data are critical for the Group to maintain its reputation. In 2022, the Group complied with *Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong)* and other regulations set out by HKEX, Hong Kong Monetary Authority ("HKMA"), and the Securities and Futures Commission. The Group's internal policies provide clear guidance on how to collect and use its customers' information properly. The Code of Conduct for Staff and Staff Dealing Policy guide staff on the use and management of data and information in accordance with the relevant regulatory requirements as set above. All staff members are required to follow the internal guidelines in handling customer data in a safe and secure manner, and adopting authorised and restricted access to reports on a "need to know" basis.

All personal data collected strictly adhere to the following principles:

- Only the necessary personal data directly related to application for any goods or services or to enquiries, comments or suggestions will be collected;
- Personal data held by the Group will not, without customers' prior consent, be used for other purposes for which they were collected. The Group may deliver marketing material to its customers; and
- Customers can contact and inform the Group at any time that they do not wish to receive further marketing material.

For instance, the information of the number of visitors will only be used for preparing general statistics on the visit of our websites. No personal data will be collected from customers when browsing our websites.

The Group has taken all practicable steps to ensure that personal data collected are accurate and up-to-date, thus will not be kept longer than they are necessary and will be destroyed according to internal policies. Personal data held by the Group are protected against unauthorised or accidental access, processing, deletion, or other use. Unless otherwise permitted by law, no personal data will be disclosed.

The Group also adopts a Clean Desk Policy stating the requirements where staff members need to lock up all important and confidential documents before leaving the office. The Group reviews the "access authority" of the Group's systems regularly according to the needs and job functions of the designated staff. Staff are reminded not to recycle papers which contain confidential information including customers' and business partners' information.

To ensure the effective implementation of privacy protection measures by all departments and branches in accordance with the Information Security Policy, Information Security Guidelines and the Group's Personal Data (Privacy) Ordinance General Guidelines and Handling Procedures, annual review on the aforesaid documents will be conducted by Information Security Working Group and Operations Department.





## FINANCIAL INCLUSION

The Group is committed to providing inclusive financial services to the community. As at 31 December 2022, the Group has 32 PBHK branches, 42 PFL branches and 3 Winton branches in Hong Kong which are all easily accessible in providing convenient and quality-assured services to the public. Reckoning that its diverse customer base includes senior citizens, individuals with disabilities, and other customers with specific needs, the Group has been continuously searching for rooms of improvement for its services and facilities, making its financial products and services accessible to all valuable customers.

The Group adopts a barrier-free approach for its branches and online-services. Portable ramps and customer service desks for wheelchair users facilitate the branches in providing convenient and quality services to those in need. In particular, more than 80% of PBHK branches are equipped with customer service desks for customers in wheelchair.

Other than physical facilities, barrier-free net-banking has also been launched in order to provide a better browsing experience and banking services to the Group's customers. Customers can now access PBHK's online services with an easier accessibility and more user-friendly interface, select their preferred language from Traditional Chinese, Simplified Chinese, or English, and connect with staff immediately with the newly added live chat support service.

## DIGITALISATION OF SERVICES

To enhance customers' experience and to keep abreast of the digitalisation trend, the "Public Bank (Hong Kong) Pay" mobile application was launched to allow fund transfers (in Hong Kong dollar and Renminbi) from PBHK to other local banks without an additional charge. Customers can arrange transfers by simply inputting the payee's mobile phone number, e-mail address, Faster Payment System identifier, bank account number or scanning a QR code.

## INTELLECTUAL PROPERTY RIGHTS

Being a responsible banking group, the Group understands its responsibility of protecting intellectual property rights. The Code of Conduct for Staff strictly prohibits installing or copying any unlicensed software onto company computers. The Group strictly complies with the Intellectual Property (Miscellaneous Amendments) Ordinance and any staff found to be in breach of the regulations will be subject to disciplinary action and may be liable to legal prosecution.



# OUR COMMUNITY

**W**e have always cared about the communities we serve. Through launching a diverse range of initiatives, we aim to understand the needs of the communities and to promote harmonious community development through creating shared value for all.



## COMMUNITY INVESTMENT

Guided by the Group's CSR Policy, the Group's community investment strategy focuses on the following four aspects:



### Community Service Highlights

Established by staff volunteers in 2016, the Group's PB We Care Team has served more than 25 community service programmes, and has been collaborating with charitable organisations and social service groups to contribute to the communities. Below are some of the prominent examples of the Group's community service efforts and contributions:





## The Community Chest of Hong Kong



### Walk for Millions

In January 2022, the Group participated in the “Virtual Walk for Millions” organised by The Community Chest of Hong Kong. In view of the limitation caused by the Pandemic, this event was organised virtually and participants were encouraged to achieve 10,000 steps in any format and at any place and time during the event period. 13 staff members of the Group participated in this activity and raised HK\$1,900 from colleagues, which were all donated to support the family and child welfare services.

In November 2022, 28 staff of the Group participated in the “New Territories Walk for Millions 2022”, which was the first in-person walk amidst the Pandemic. HK\$10,400 were raised from the Group and its staff.



### Skip Lunch Day

In March 2022, the Group joined the “Skip Lunch Day 2022” organised by The Community Chest of Hong Kong. 16 staff of the Group participated in this event and donated lunch fees of HK\$35 or more. A total of HK\$3,100 were raised, which were all donated to support the “Services for Street Sleepers, Residents in Cage Homes and Cubicles” provided by The Hong Kong Community Chest’s member agencies.

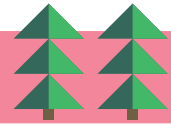


### Love Teeth Day

In December 2022, the Group participated in the “Love Teeth Day” jointly organised by The Community Chest of Hong Kong, The Hong Kong Dental Association and Oral Health Education Division of the Department of Health. A total of HK\$4,660 were raised from the staff, which were all donated to enhance “Oral Health Services for the Needy” provided by The Hong Kong Community Chest’s social welfare member agencies.



## Festive Care to the Elderly



During Dragon Boat Festival in 2022, the Group participated in the “Dragon Boat Festival Donation to Singleton Elderly 2022” organised by Yang Memorial Methodist Social Service and Hong Kong Sheng Kung Hui Welfare Council.

37 staff of the Group joined this event and raised HK\$7,300 for sponsoring the gift packs which contained supplies such as rice dumplings, face masks and noodles, so as to share festive joy and care to singleton elderly living in Wong Tai Sin District.

To extend the love and care for the elderly, the Group participated in another campaign held by ABWE Lai King Bradbury Neighbourhood Elderly Centre during the Mid-Autumn Festival in September 2022, under which the Group donated a total of 100 gift bags to the elderly in celebration of this full moon festival symbolising reunion.



## Love shared with Children



The Group organised the “Christmas Gifts for Children” activity for less fortunate children so as to send them love and joy by giving them educational presents during the Christmas season. Staff were encouraged to support in this meaningful campaign by monetary or gift donation.

From 5 to 12 December 2022, 53 staff participated in this activity with HK\$15,300 raised to prepare lovely gifts for children under the family counselling service of Hong Kong Family Welfare Society.



# OUR PEOPLE

**W**e believe that fostering an inclusive working environment that supports the well being of staff is crucial to our long-term success. In valuing the driving force of our business, we will continue our commitment to empowering our employees' career growth and providing opportunities for them to achieve career satisfaction.



## LAW COMPLIANCE

In 2022, the Group was in compliance with relevant laws and regulations in relation to compensation and dismissal, recruitment and promotion, working hours and rest periods, equal opportunity, diversity, anti-discrimination, welfare, and other benefits that have a significant impact on the Group.

The Group's human resources policies strictly adhere to the applicable employment laws and regulations in Hong Kong and other regions where the Group operates to protect its employees' interests. In 2022, the Group complied with material and applicable laws and regulations including but not limited to:

- *Employment Ordinance (Cap. 57 of the Laws of Hong Kong);*
- *Minimum Wage Ordinance (Cap. 608 of the Laws of Hong Kong);*
- *Employees' Compensation Ordinance (Cap.282 of the Laws of Hong Kong);*
- *Sex Discrimination Ordinance (Cap. 480 of the Laws of Hong Kong);*
- *Disability Discrimination Ordinance (Cap. 487 of the Laws of Hong Kong);*
- *Family Status Discrimination Ordinance (Cap. 527 of the Laws of Hong Kong);*
- *Race Discrimination Ordinance (Cap. 602 of the Laws of Hong Kong);*
- *Mandatory Provident Fund Schemes Ordinance (Cap. 485 of the Laws of Hong Kong);* and
- *Inland Revenue Ordinance (Cap. 112 of the Laws of Hong Kong).*

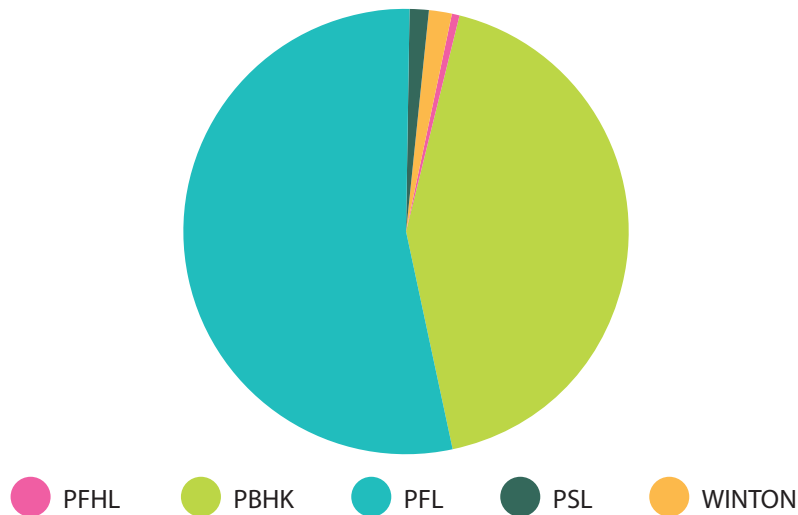
## A PEOPLE-ORIENTED WORKPLACE

Considering employees to be its most valuable assets, the Group is committed to creating a harmonious and friendly working environment for all through formulating human resources management approaches, which adhere to the principles as listed in the Human Resources Policies Manual, Code of Conduct for Staff, Whistleblowing Policy and Procedures, and Code of Ethics. To promote staff training and development, maintain high standards of ethical behaviours when doing business, maintain health and safety in workplace, and uphold the spirit of social responsibility, PBHK's Human Resources Department and PFL's Personnel Department are responsible for reviewing and updating relevant company policies regularly in accordance with the latest laws and regulations.

In 2022, there were a total of 1,140 employees working for the Group, with a gender ratio of 41:59 (male to female).



### Distribution of Full-time Staff in PFHL and its subsidiaries in Hong Kong



For more details of the Group's employment information, please refer to the "Performance Data Summary" section of this ESG Report.

### Recruit, Retain and Promote

Overseeing by PBHK's Human Resources Department and PFL's Personnel Department, the Group's recruitment and promotion matters are strictly aligned with the principles listed in the Human Resources Policies Manual. Having high commitment to local employment, all of the Group's job postings are opened to local candidates. In view of the fierce market competition, the Group ensures its talent acquisition, retention and promotion are fair and transparent according to the Remuneration Policy.

#### Internship Placement for Undergraduates

Since 2018, PBHK has been participating in the "Social Innovation Programme" organised by The University of Hong Kong, aiming to empower the younger generation through practical working experience. In 2022, 3 students namely Ms. Irena Luk, Ms. Abbie Chan and Mr. Leo Tsoi from Faculty of Social Science, were offered experiential learning opportunities in the Corporate Culture & Social Responsibility Department. They were grateful about this internship experience and were honoured to have served the society for greater benefit. They appreciated this opportunity to go beyond purely academic experience which empowered them in their future career development.





## Compensation and dismissal

PBHK's Human Resources Department and PFL's Personnel Department regularly reviews the Group's internal policies and compensation packages to ensure compliance with the latest relevant laws and regulations such as minimum wages. According to the Remuneration Policy, fair and competitive remuneration packages are offered to its employees. The remuneration packages will be reviewed periodically in view of the competitive labour market as well as to show recognition to staff with outstanding performance.

Meanwhile, the Group ensures that any termination of the employment contract is based on reasonable and lawful grounds. The Group's internal policies regulate the procedures for the dismissal of employees which strictly prohibits any kinds of unfair or unreasonable dismissals. For employee whose performance is unsatisfactory, found guilty of misconduct, or seriously violated the Group's policies, the Group will terminate the employment relationship with the relevant employee with or without prior notice.

In 2022, the turnover rate of the Group was 27.02%. Details can be found in the "Performance Data Summary" section of this ESG Report.

## Working hours and rest periods

The Group strictly complies with local laws and regulations related to working hours. According to its internal policies, the working time and rest periods for employees are properly managed. In addition to basic annual leave and statutory holidays, employees are also entitled to additional leave benefits, such as marriage leave, maternity leave, paternity leave and consolation leave.

## Equal opportunity and Anti-discrimination

The Group is committed to providing a workplace which supports and motivates its employees. In compliance with the Group's Human Resources Policies Manual, the Group strives to promote a working environment without any prejudice or discrimination based on nationality, race, religion, age, gender, pregnancy, family status, disability, or any other non-job related factors.

## PROMOTING EMPLOYEE WELL-BEING

The Group understands that it is critical to maintain effective two-way communication in order to create a healthy working environment. Multiple communication channels, including employee survey, staff newsletters, work groups, committee meetings and management meetings, are employed to facilitate smooth communication between general staff and Senior Management. Staff members can also provide their feedback to the Senior Management through designated email addresses.

## Health and Wellness

The Group is committed to creating a workplace that enables its staff to be at their physical and mental best. In 2022, the Group provided its employees with mandatory medical insurance schemes and took initiatives such as provision of medical benefits for family members of employees as an effort to care for employees and their family members' health. Moreover, the Group offers Personal Accident Insurance and Term Life and Total & Permanent Disability Insurance to its permanent employees, and a medical check up is provided to newcomers at PBHK.



### Chinese Medicine Dietetic Workshop

In June 2022, 30 staff members of the Group participated in the Joyful@Healthy Workplace Program's Virtual Chinese Medicine Dietetic Workshop. Registered Chinese medicine practitioner from the School of Chinese Medicine at Hong Kong Baptist University introduced traditional Chinese medicine dietetic theories, seasonal health preservation and ways of conditioning during recovery in common diseases to staff. Through this workshop, the Group strives to establish a healthy workplace by reminding staff about the importance to improve their health and reduce the risk of getting ill.



The Group has organised a variety of recreational activities in order to strengthen the well-being of staff members. The Group's Sports and Recreation Club, which is chaired by the Executive Director and Chief Executive of PBHK, is responsible for coordinating events on a regular basis for staff and their family members. In 2022, activities such as annual dinner and staff outings were, however, suspended in view of the Pandemic.

### Smart Friday

In June 2022, Human Resources Department of PBHK initiated a casual smart wear campaign. Aiming to promote better working environment and boost staff morale, staff are allowed to wear casual smart attire on every Friday.

## OCCUPATIONAL SAFETY AND HEALTH

The Group is committed to providing a safe and healthy workplace for its employees. The Group's Guidelines on Occupational Safety and Health are in place for identifying and managing OSH risks associated with its daily operations. In 2022, the Group was in compliance with relevant laws and regulations in relation to providing a safe working environment and protecting employees from occupational hazards that have a significant impact on the Group, including the *Occupational Safety and Health Ordinance (Cap. 509 of the Laws of Hong Kong)*.

PBHK provides a Fire Safety Handbook to departmental Fire Safety Officers, which outlines their responsibilities and provides them with preventive measures and contingency plans in case of a fire accident. Implemented and monitored by Premises and General Affairs Department, fire drills are conducted annually while training and sharing sections regarding safety and health are also arranged for staff regularly to raise their awareness on protecting themselves from occupational hazards.



### First-Aid Volunteers

To ensure that anyone who is injured or ill can be taken care of and kept safe until they receive more advanced medical treatment by health professionals or delivered to hospital, qualified staff are appointed as “First-Aider” to take charge of the Public Bank Centre premises. In 2022, as initiated by Premises and General Affairs Department, PBHK is continuously recruiting First-Aiders. Selected staff will be sponsored by PBHK to undergo training organised by Red Cross or Hong Kong St John Ambulance. To ensure their competence, selected First Aiders are required to pass the relevant examination before taking up this role and responsibilities.

In 2022, the Group recorded 3 work-related injuries and 11 lost workdays due to injury incidents. No work-related fatalities were recorded in the past three years including the reporting year.

## DEVELOPING DIVERSE TALENTS

The Group attaches great importance to staff training and development. In order to empower staff at all levels and improve their capabilities, the Group is committed to arrange diverse learning opportunities for its staff aiming to facilitate the mutual improvement of both employees and the Group. With its Training and Development Policies and Guidelines reviewed and updated regularly, the Group strives to provide training and development opportunities to all staff members tailored to their present job positions.

Other than internal training sessions, all full-time permanent staff are eligible for external training sponsorship with nominations from their respective Department Heads or Branch Managers. In 2022, 99.21% of the Group’s employees received a total of 29,191.25 hours of training, equipping them with the latest market trends/regulatory requirements and enhancing their knowledge and competency. A summary of internal training sessions delivered in 2022 is listed as below:

Training Categories	Number of Training Sessions
Induction for New Recruits & Officer Trainees	50
Products, Operations & Systems	23
Regulatory, Compliance & Risk Management	228
Sales & Marketing	5
Customer Service	8
Bank Group Culture	96
Personal & Team Effectiveness	23
Supervisory/Leadership/Management Development	32
ESG	18
Employee Well-being	5
Others	2
<b>Total</b>	<b>490</b>

Details on the number of trainees and training hours can be found in the “Performance Data Summary” section of this ESG Report.



PBHK has been awarded as a Manpower Developer by ERB for more than 10 years in recognition of its outstanding achievement in staff training and development. PBHK will continue its commitment to staff career development and promote a life-long learning corporate culture.

According to the Training Manual developed by Training and Development Department, various training and development schemes are available to staff members, including:

### Internal Training Programme

Full-time staff members will be provided with practical and job-related training and development programmes designed and implemented by Training and Development Department or line departments to help them in achieving the goals of the Group, and to ensure that they perform their jobs in the most competent and efficient manner.

In addition to compliance training, other training programmes regarding product knowledge, bank culture, customer services and selling skills, etc. are also provided.

### External Training Sponsorship Scheme

Staff members who have a direct and immediate job need will be nominated to attend external courses, seminars, conferences or workshops so as to upgrade their performance, update professional or market knowledge, and prepare them for taking up additional duties. Reimbursement will be provided to eligible staff with proper supporting documents.

### Publicly Recognised Professional Examinations Sponsorship Scheme

Staff members who would like to acquire professional qualification to further their career development are supported to sit for recognised professional examinations or programmes, which include:

- Certified Banker Programme by Hong Kong Institute of Bankers (“HKIB”)
- Qualification Programme by the Association of Chartered Certified Accountants
- Qualification Programme by The Hong Kong Institute of Certified Public Accountants
- Chartered Governance Qualifying Programme by The Hong Kong Chartered Governance Institute



### Enhanced Competency Framework (“ECF”) Sponsorship Scheme

The ECF is a set of common and transparent competency standards established by the HKMA together with the banking sector in raising and maintaining the professional competence of relevant practitioners within functions in authorised institutions.

Full-time confirmed staff members who are performing specific job roles within the functions of “Relevant Practitioners (RP)” and nominated by their respective Department Heads are eligible to this sponsorship. Reimbursement may be obtained upon satisfactory examination results.

### Fintech Training

Fintech Training Courses are newly added to the Group’s list of training programmes. Given fintech is now one of the global spotlights brought by the speedy growth of its ecosystem, the Group offers opportunities for its staff to stay aligned with the latest trend on financial and technology development.

In 2022, more than 160 staff members of the Group completed courses organised by Cyberport Academy, Securities and Futures Commission and HKIB etc. on topics including digital assets and artificial intelligence.

Full-time staff members are also eligible to enrol in online courses under “Coursera for Public Bank” which are relevant to their job functions and/or of interests to them. The course fees will be sponsored by the respective subsidiaries.

## PROTECTING LABOUR RIGHTS

In 2022, the Group strictly abided by the relevant laws and regulations in relation to the prevention of child and forced labour that has a significant impact on the Group, including the *Employment Ordinance (Cap. 57 of the Laws of Hong Kong)* and the *Employment of Children Regulations (Cap. 57B of the Laws of Hong Kong)*.

With the Group’s commitment to human rights extended to the value chain, suppliers are required to commit to protecting the rights of their employees and complying with all relevant laws and regulations in the areas where they operate. The Group’s endeavours regarding human rights issues are communicated to the engaged suppliers via their acceptance of the Group’s Supplier Code of Conduct (“SCoC”). Suppliers must sign their undertaking to comply with the SCoC before formal engagement.



**Suppliers shall:**

- Respect and protect the human rights of their labour
- Not engage in or support human trafficking
- Prohibit the use of all types of forced labour and child labour

The Group follows rigorous procedures in its recruitment processes to avoid child and forced labour. Valid identity documents of job applicants are verified to ensure that they are lawfully employable prior to the confirmation of any employment. All employees are free to terminate the employment relationship with the Group following the proper procedures as stated in its internal policies. In case of any incident identified which violates the labour standards, the Group will terminate the employment contract according to relevant laws immediately.

In 2022, the Group was not in violation of any of the relevant laws and regulations in relation to the prevention of child and forced labour that has a significant impact on the Group.



# OUR SUPPLY CHAIN MANAGEMENT

We are committed to upholding our standard of supplier engagement in terms of quality, integrity and social responsibility as a responsible banking group. Our SCoC sets out clear guidelines for suppliers and contractors, which are actively encouraged, to conduct sustainable activities and uphold ethical business practices.



## SUPPLIER ENGAGEMENT & SUPPLY CHAIN RISK MANAGEMENT

During supplier selection and tender process, potential suppliers are evaluated based on various criteria, including product and service quality, business operation standards, delivery capabilities and price. To ensure open and fair competition, two or more parties are invited to submit their quotations under normal circumstances. The Group considers that these engagement processes are essential in maintaining a sustainable, stable and resilient supply chain.

To minimise the environmental and social risks along the supply chain, the Group has strictly implemented the SCoC which lists out standards that suppliers should follow in preventing any non-compliance risks. The SCoC is aligned with the values and principles of the United Nations Universal Declaration of Human Rights, the United Nations Guiding Principles for Business and Human Rights, and the fundamental conventions of the International Labour Organisation. Suppliers are required to comply with the Group's requirements in the following areas:

- Ethical Standards of Conduct
- Employment Practice
- Occupational Safety and Health
- Environmental Protection

The Group highly encourages suppliers to enhance their environmental and social performance beyond compliance. For more information on the SCoC, please visit the "Supplier Code of Conduct" section of PFHL's website at [www.publicfinancial.com.hk](http://www.publicfinancial.com.hk).

## GREEN PROCUREMENT

In addition to an all-rounded supplier selection and engagement procedure, the Group is committed to promoting green procurement practices during operations by taking the following actions:

- Forest Stewardship Council (FSC) certified paper is used for the Group's publications and reports whenever possible; and
- Electrical appliances such as refrigerators and microwaves with Grade 1 Energy Label are prioritised during procurement.

In 2022, the Group collaborated with a total of 285 suppliers which are all located in Hong Kong. The Group's supplier engagement and management policies applied to all of its key suppliers, and are implemented by the corresponding departments during procurement with monitoring from Corporate Culture & Social Responsibility Department.





# OUR ENVIRONMENT

**W**e believe that the environment is essential in shaping the well-being for all. We strive to minimise the negative impacts imposed to the environment from our operations by following the principles and guidance from our CSR Policy and Green Office Practices documents. In pursuit of a sustainable development, we mainly derive our efforts in advocating green workplace and nurturing environmental awareness amongst staff members.



This section primarily discloses the Group's policies and practices regarding its emissions, use of resources, environmental and natural resources, as well as climate change during 2022. A full view on its quantitative environmental data can be found in the "Performance Data Summary" section of this ESG Report.

## LAW COMPLIANCE

In 2022, the Group strictly complied with relevant applicable local environmental laws and regulations and was not in violation of any laws or regulations relevant to air and greenhouse gas ("GHG") emissions, discharges into water and land, and generation of hazardous and non-hazardous waste, including but not limited to:

- *Waste Disposal Ordinance (Cap. 354 of the Laws of Hong Kong); and*
- *Noise Control Ordinance (Cap. 400 of the Laws of Hong Kong).*

The Group's CSR Policy clearly states the principles of environmental protection which guide staff members to fulfil their responsibilities.

## EMISSIONS MANAGEMENT

In 2022, the Group's emissions included air and GHG emissions, commercial wastewater discharges and solid waste disposal.

### Air and GHG Emissions

In 2022, the consumption of diesel is the major source of air emission for the Group. Although the amount of emission is not significant, the Group will continue to explore alternatives in reducing its air emissions including reinforcing its efforts to purchase vehicles with engines that fulfil Euro VI Standards.

Given the Group's business nature, its GHG emissions profile was mainly dominated by Scope 2 (Energy Indirect Emissions) in the reviewing period. Since GHG emissions are positively correlated to electricity consumption, the Group is committed to reducing energy consumption in its daily operations. Implemented measures will be further described in next section.



## Waste

In 2022, the non-hazardous waste generated by the Group mainly consisted of commercial wastewater and solid waste from its offices' operations. Ink cartridges, fluorescent tubes, batteries and LED light tubes were the only hazardous waste generated by the Group during the year under review, which were all properly collected, handled and recycled.

The wastewater was normally directly discharged to the sewage pipework, while the solid waste was collected by the property management of each office for disposal. Since the amount of wastewater discharged mainly depends on freshwater consumption, the Group has adopted specific measures to reduce its water consumption, which will be further described in next section.

Meanwhile, the Group has established an effective waste management system by enacting waste recycling practices together with its waste reduction initiatives. The Group's strong sense of environmental responsibility is depicted in the practices below:

- Maintain high recycling rate of used ink cartridge by collecting and returning all used ones to recycling agents;
- Raise employees' awareness of waste reduction; and
- Be aware of the latest governmental initiatives and policies related to waste management, waste reduction and recycling campaigns to allocate resources and formulate strategies in a timely manner.

The Group's waste recycling practices also cover other resources including newspapers, non-confidential documents, plastics, metals, electrical appliances and printer toners by collaborating with the GREEN@COMMUNITY recycling network. In 2022, more than 390 ink cartridges and more than 320 LED light tubes were recycled respectively. Moreover, a general waste monitoring scale has been installed at the PBHK headquarter to record waste generated from the office operations. Looking ahead, the Group will continue to identify waste reduction opportunities and dispose of waste in an environmentally responsible way.



## EFFICIENT USE OF RESOURCES

In 2022, the major resources used by the Group included electricity, water and paper. Details of the resources consumed in 2022 can be found in the “Performance Data Summary” section of this ESG Report.

### Energy

The Group consumed both direct energy and indirect energy during the year under review. Despite the direct energy consumption of diesel was minimal, the Group still pays attention to the efficient use of fossil fuels by preventing unnecessary travel. Meanwhile, the indirect energy consumption of electricity represented the largest portion of the Group’s annual energy consumption profile.

The Group consumes electricity mainly in its daily office operations, and is dedicated to saving energy by monitoring its power consumption. The following practices have been implemented by the Group to improve energy efficiency, thus lowering related GHG emissions:

- Install automatic timers in the Group’s distilled water dispensers to stop continuous water boiling after office hours;
- Upgrade the energy-saving systems to be more efficient;
- Replace obsolete lighting fixtures with LED lights; and
- Switch off lights at branches from 10:30 p.m. to 8:00 a.m. everyday.

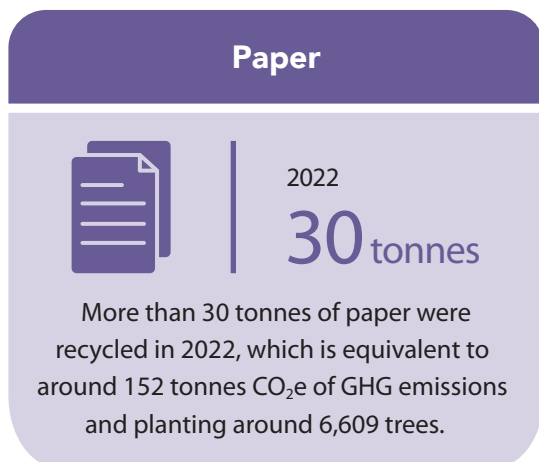
### Water

In 2022, the Group did not face any problem in sourcing water fit for its purpose. The Group will continue to identify rooms for improvement and discover solutions to enhance water utilisation efficiency. Below are some of the initiatives that the Group has formulated and implemented:

- Place signs next to water faucets to remind staff of water conservation; and
- Fix dripping water taps in time to prevent further leakage.



## Paper



The use of paper for administrative purpose is unavoidable given the Group's business nature. In line with its waste management principles, the Group has taken the following measures to reduce the consumption of paper:

- Encourage employees to adopt double-sided printing;
- Reuse paper whenever possible; and
- Recycle printed non-confidential documents.



## THE ENVIRONMENT AND NATURAL RESOURCES

Over the years, the Group has been putting an effort in fulfilling its environmental responsibilities by monitoring and controlling its consumption of natural resources. To protect the planet for present and future generations, the Group endeavours to better control its environmental impacts during operations. Although the Group's operations are not going to impose any significant environmental impacts due to its business nature, based on the annual materiality assessment, GHG emissions and waste disposal are relatively material to the Group's environmental performance in 2022.



## Green Office Culture

Reckoning that great changes start with small steps from ourselves, the Group endeavours to foster an environmentally friendly office culture. The Group has introduced Green Labels and Green Tips for Office Practices to enhance staff members' environmental awareness. Internal notices are posted as reminders to employees to conserve energy, water and other resources during operations. The Group also welcomes staff to identify potential energy saving opportunities and report any water leakage for immediate remedial actions.

## Environmental Activities

To nurture environmental awareness amongst staff members, the Group organised a series of internal activities and participated in external events organised by various organisations, which were highlighted below:

Activity	Objectives and details	Organiser
<b>Recycle of Plastic (all year round)</b>	Staff working at Public Bank Centre participated in this all year round campaign to collect plastic recycles for easing burdens of landfills.	Fong Chung Social Service Centre Limited
<b>Promotion of Electronic Red Packet (Jan – Feb 2022)</b>	32 PBHK branches participated in this campaign to encourage the general public to use electronic red packets during Chinese New Year.	HKMA
<b>Lai See Packet Reuse and Recycling Campaign (Feb 2022)</b>	The Group joined this event to collect lai see packets (red packets) that were in good condition for recycling or redistribution to the general public for next year's usage.	Greeners Action
<b>Green Power Hike (Jan – Feb 2022)</b>	This was a fundraising hiking event to support the environmental education works of Green Power. The Group donated HK\$5,000 through participating in this event.	Green Power
<b>Earth Hour (Mar 2022)</b>	On 26 March 2022, 32 PBHK Branches, 42 PFL Branches and 3 Winton Branches turned off the external lighting of branches for an hour to save energy.	World Wide Fund for Nature
<b>Green Month (Jul 2022)</b>	As a Group based event, this event aimed to promote green messages and raise the awareness of Eating Green, Shopping Green and Going Green of all staff.	Corporate Culture & Social Responsibility Department



Activity	Objectives and details	Organiser
<b>Clothes Donation (Jul 2022)</b>	The Group participated in this event to donate second-hand ladies and children clothing to a social enterprise of St. James' Settlement to achieve environmental and social change through fashion reuse and for women empowerment.	"Green Ladies & Green Little" of St. James' Settlement
<b>Mooncakes Collection (Aug 2022)</b>	Aiming to donate mooncake coupons and mooncakes for the elderly in celebration of Mid-Autumn Festival, a total of 77 pieces of mooncakes were collected from staff members during this event.	ABWE Lai King Bradbury Neighbourhood Elderly Centre

## Green Financing Programme

In view of the rapid development of green financial markets, the Group continued to enrich its green finance products and services to influence and help its customers' transition to a greener future.

### Green Mortgage Plan

In September 2022, the Group launched a new Green Mortgage Plan to mortgage loan applications for purchasing residential properties that have received the BEAM Plus Gold or Platinum Rating issued by Hong Kong Green Building Council.

### Green Business Financing Plan

To promote the development of sustainable finance to achieve a green future, the Group launched the Green Business Financing Plan to help financing its customers' purchase of green equipment, machine or installation expenditure. This plan is also applicable to unsecured or secured loans for green projects. Corporate customers should provide a green standard or certification issued by a qualified assessment organisation and the proof of the green project during application.



### Green Vehicle Financing Programme and Green Taxi Financing Programme

With the green vehicle market getting active, the Group launched the Green Vehicle Financing Programme to finance up to 100% Loan-to-value ratio ("LTV") for its customers in purchasing new electric private vehicles, light good vehicles and selected models of used vehicles.

Along with the "Green Transport" concept promoting across the market, the Group also launched the Green Taxi Financing Programme to facilitate its customers' purchase of hybrid/electric taxis with maximum LTV up to 90%.



## Awards and Recognition

In recognition of the Group's contribution towards sustainability and active performance on various ESG aspects in the previous year, the Group was awarded "ESG Special Recognition Award" by the TVB ESG Awards 2022.



## TARGETS AND ACTIONS

The Group understands its responsibility in contributing to a sustainable future. Despite the fact that the Group's business operations did not cause any significant impacts on the environment during the year under review, the Group is committed to setting up specific environmental targets in fulfilling the increasing demand and expectations from regulatory authorities and various stakeholders.

The Group's future targets and actions are summarised in the table below:

Areas	Targets	Actions
<b>Air and GHG Emissions</b>	Taking 2022 as the baseline year, the Group targets to maintain its amount of air emission at the same level, while reduce GHG emissions by 3% in 2023.	The Group will continue to improve its scientific and standardised system to monitor and review its emissions.
<b>Solid Waste</b>	Taking 2022 as the baseline year, the Group targets to maintain the intensity of non-hazardous solid waste generated in 2023 within the same scope at the same level.  Specifically, the Group targets to reduce paper procured by 2% by 2023 when compared to 2022.	The Group will continue its commitment to minimising the generation and disposal of unnecessary waste by strictly abiding with its waste management policies.  Besides, the Group will discover alternatives to replace paper-dominated workflows in creating a paperless office.





Areas	Targets	Actions
<b>Electricity</b>	Taking 2022 as the baseline year, the Group targets to reduce electricity consumption by 3% in 2023.	Apart from electricity saving measures, the Group will continue to improve its energy efficiency by raising the awareness of energy conservation among employees.
<b>Other Energy Resources</b>	Taking 2022 as the baseline year, the Group targets to maintain the intensity of petrol and diesel consumption in 2023 within the same scope at the same level.	The Group will continue to optimise its operating procedures aiming for lowering its fuel usage.
<b>Water and Wastewater</b>	Taking 2022 as the baseline year, the Group targets to maintain the intensity of water consumption and wastewater discharged in 2023 within the same scope at the same level.	The Group will continue with its commitment in water saving by adopting water-saving equipment in its business operation and searching for applicable solutions.

## ADDRESSING CLIMATE CHANGE

The world's growing concerns on sustainability and net-zero carbon future drive the Group in taking actions to strengthen its climate resilience and mitigating climate change. The Group recognises the importance of managing climate-related risks effectively in maintaining its long-term financial sustainability and relationship with the natural environment. With reference to the Task Force on Climate Disclosure (TCFD) framework and Supervisory Policy Manual on Climate Risk Management issued by the HKMA, the Group has incorporated climate risk management into its risk management governance framework and formulated Climate Risk Management Policy to monitor and manage climate-related risks effectively. For more information on the Group's governance structure and its risk management system, please refer to sub-sections "Governance Structure" and "Sustainability Related Policies" under "Building a Sustainability Framework" section of this ESG Report.

The following table summarises the risks and opportunity faced by the Group and the Group's strategy in combating with climate change.

Risk	Description of Risk	Potential Impact and the Group's Strategy in Response to the Risk
<b>Physical Risk</b>	Actual physical risk: increase in frequency of extreme weather events, such as typhoons, rainstorms and floods	<ul style="list-style-type: none"> <li>– Temporary closure of business branches due to extreme weather events may induce lower revenue</li> <li>– The Group's properties could be damaged by extreme weather events thus threatening staff members' safety</li> <li>– Risks of extreme weather events may negatively impact the property value thereby affecting the mortgage loan portfolios</li> </ul>



Risk	Description of Risk	Potential Impact and the Group's Strategy in Response to the Risk
<b>Physical Risk (Continued)</b>	Chronic physical risk: rises in temperature and sea level	<ul style="list-style-type: none"> <li>– Rise in sea level as a result of an increasing global temperature may negatively impact the property value, especially waterfront properties, thereby affecting the mortgage loan portfolios</li> <li>– The Group's properties located at the coastal areas could be devalued</li> </ul>
<b>Transition Risk</b>	Reputation risks	<ul style="list-style-type: none"> <li>– With general public paying more attention to climate-related actions of enterprises, the Group may need to invest more in these areas so as to maintain and enhance its industry reputation</li> </ul>
	Tightening environmental rules and guidelines	<ul style="list-style-type: none"> <li>– The Group's operations will need to respond and adapt to new and emerging regulatory requirements, including the enhanced obligations on formalising climate risk management, scenario analysis and stress testing</li> <li>– Some borrowers of the Group's loan portfolio will need to adapt to the new environmental rules and their operations and financial positions will be affected accordingly</li> </ul>

Opportunity	Potential Impact and the Group's Strategy
<b>Change in customers' preference towards green financing</b>	<ul style="list-style-type: none"> <li>– The Group has launched the Green Financing Programme to support its customers in transitioning to a low-carbon business</li> </ul>

As the Group has participated in the Pilot Banking Sector Climate Risk Stress Test led by the HKMA before, the Group understands the importance of improving its climate resilience. As such, in addition to launching green financing programmes to grasp the growing market opportunities, the Group has also stepped up its efforts in implementing effective risk management and internal control systems against climate-related risks (i.e. formation of climate-related risk management policy to provide guidance on management of climate-related risks, among others) for minimising the potential impact (i.e. physical risk and transition risk).

Although climate change is not going to impose direct severe impacts on the Group's operations, the Group is always aware of and keep adapting to the consequences of climate change through optimising its daily operations. The Group is currently in progress of developing new metrics and targets in the near future to enhance its climate risk management capabilities.



## PERFORMANCE DATA SUMMARY

### Aspect A1: Emissions

#### The Group's Total Emissions by Category in 2022 and 2021

Emission Category	Key Performance Indicator (KPI)	Unit	2022		2021	
			Amount	Intensity <sup>1</sup> (Unit/FTE)	Amount	Intensity (Unit/FTE)
Air Emissions <sup>2</sup>	SOx	Kg	0.06	5.08x10 <sup>-5</sup>	–	–
	NOx	Kg	5.84	0.005	–	–
	PM	Kg	0.49	4.28x10 <sup>-4</sup>	–	–
GHG Emissions <sup>3</sup>	Scope 1 (Direct Emissions) <sup>4</sup>	Tonnes of CO <sub>2</sub> e	10.38	–	13.12	–
	Scope 2 (Energy Indirect Emissions) <sup>5</sup>	Tonnes of CO <sub>2</sub> e	2,158.33	–	2,705.08	–
	Scope 3 (Other Indirect Emissions) <sup>6</sup>	Tonnes of CO <sub>2</sub> e	2.97	–	2.46	–
	Total (Scope 1, 2 & 3)	Tonnes of CO <sub>2</sub> e	2,171.48	1.90	2,720.66	2.27
Non-hazardous Waste	General wastes disposed <sup>7</sup>	Tonnes	38.25	0.03	24.61	0.02
	Wastewater <sup>8</sup>	m <sup>3</sup>	4,722.80	4.14	4,154	3.47
Hazardous Waste	Ink cartridges	Pieces	20	0.02	–	–
	Fluorescent tubes	Pieces	46	0.04	–	–
	Batteries	Pieces	23	0.02	–	–
Recycled Waste	Paper	Tonnes	31.71	0.03	114.94	0.10
	Plastic	Tonnes	0.08	–	0.10	–
	Electrical Appliances	Pieces	–	–	1,223	1.02
	Ink cartridges	Pieces	393	0.34	616	0.52
	LED light tubes	Pieces	321	0.28	3,013	2.52
	Fluorescent tubes	Pieces	1,400	1.23	–	–
	Batteries	Pieces	300	0.26	–	–



1. Intensity for 2022 was calculated by dividing the amount of air, GHG and other emissions respectively by the Group's total number of full-time employees ("FTE") in Hong Kong of 1,140 in 2022.
2. The Group's air emissions only included the air pollutants arose from mobile fuel consumption.
3. The methodology adopted for reporting on GHG emissions set out above was based on "How to Prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by HKEX, The GHG Protocol: A Corporate Accounting and Reporting Standard and the 2006 Intergovernmental Panel on Climate Change (IPCC) Guidelines for National Greenhouse Gas Inventories.
4. The Group's Scope 1 (Direct Emissions) only included the emissions arose from the consumption of diesel and petrol.
5. The Group's Scope 2 (Energy Indirect Emissions) only included the emissions arose from electricity consumption, which was calculated based on the equation:  $(\text{data collected for } M \text{ number of months}) / (M \text{ number of months}) \times 12$ .
6. The Group's Scope 3 (Other Indirect Emissions) only included the emissions arose from electricity used for processing fresh water and sewage by government departments, as well as business air travel. The amount of fresh water consumed was calculated based on the equation:  $(\text{data collected for } M \text{ number of months}) / (M \text{ number of months}) \times 12$ .
7. The amount of general waste disposed is estimated based on general waste disposal record sampled two times a week. The general waste disposed data only includes PBHK and PFL. The data of 2021 was recalculated for consistency.
8. The total amount of wastewater generated by the Group was primarily based on the direct measurement together with appropriate estimations assuming 100% of the fresh water consumed by the Group will enter the sewage system in areas where an accurate recording of the amount of wastewater was hard to obtain.



## Aspect A2: Use of Resources

### Total Resources Consumption in 2022 and 2021

Use of Resources	Key Performance Indicator (KPI)	Unit	2022		2021	
			Amount	Intensity <sup>9</sup> (Unit/FTE)	Amount	Intensity (Unit/FTE)
<b>Energy<sup>10</sup></b>	<b>Direct Energy Consumption</b>					
	Diesel	'000 kWh	3.55	0.003	5.05	0.004
	Petrol	'000 kWh	34.65	0.03	39.44	0.03
	<b>Indirect Energy Consumption</b>					
	Electricity <sup>11</sup>	'000 kWh	3,916.01	3.44	4,170.91	3.49
Total Energy Consumption (Direct + Indirect)	'000 kWh	3,953.42	3.47	–	–	
<b>Water<sup>11</sup></b>		m <sup>3</sup>	4,723	4.14	4,154	3.47
<b>Paper</b>		Tonnes	1.22	2.54x10 <sup>-4</sup>	–	–

9. Intensity for 2022 was calculated by dividing the amount of resources that the Group consumed in 2022 by the Group's numbers of full-time employees (FTE) in Hong Kong of 1,140 in 2022.
10. The energy conversions were calculated based on the conversion factors as stated in the "How to Prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by HKEX.
11. The electricity and water consumption were calculated based on the equation: (data collected for M number of months)/(M number of months) X 12.



## Aspect B1: Employment

### Total Number of Employees by Age Group, Gender, Employment Type, Employee Category, Geographical Locations of the Group in 2022 and 2021<sup>12, 13</sup>

By employment type and gender	2022		2021	
	Male	Female	Male	Female
Full-time	469	670	495	708
Part-time	0	1	6	1
<b>Total</b>	<b>469</b>	<b>671</b>	<b>501</b>	<b>709</b>

By employment type and age group	2022			2021		
	Aged < 30	Aged 30 - 50	Aged > 50	Aged < 30	Aged 30 - 50	Aged > 50
Full-time	144	669	326	173	713	317
Part-time	1	0	0	1	0	6
<b>Total</b>	<b>145</b>	<b>669</b>	<b>326</b>	<b>174</b>	<b>713</b>	<b>323</b>

By geographical location	2022	2021
	Total Number of Employees	
Hong Kong	1,140	1,196

By employment type and employee category	2022		
	General Employees	Middle Management	Senior Management
Full-time	996	131	12
Part-time	1	0	0
<b>Total</b>	<b>997</b>	<b>131</b>	<b>12</b>

12. The employment data was obtained from the Group's Human Resources Department based on the employment contracts entered into between the Group and its employees. The data covered employees engaged in a direct employment relationship with the Group according to relevant local laws and workers whose work and/or workplace was controlled by the Group within the reporting scope. The methodology adopted for reporting on employment data set out above was based on "How to Prepare an ESG Report – Appendix 3: Reporting Guidance on Social KPIs" issued by HKEX.
13. The reporting scope of this ESG Report only includes the Group's operations in Hong Kong, therefore 68 and 64 full-time staff employed in the mainland China operations in 2022 and 2021 respectively are not covered in this report.



**Employee Turnover Rate by Age Group, Gender and Geographical Locations in 2022 and 2021<sup>14</sup>**

By gender	2022		2021	
	Male	Female	Male	Female
<b>Turnover rate (%)</b>	26.65	27.27	26.18	19.52

By age group	2022			2021		
	Aged < 30	Aged 30 - 50	Aged > 50	Aged < 30	Aged 30 - 50	Aged > 50
<b>Turnover rate (%)</b>	70.34	26.16	9.51	44.77	22.58	9.00

By geographical location	2022	2021
	Hong Kong	Hong Kong
<b>Turnover rate (%)</b>	27.02	22.24

14. The turnover data was obtained from the Group's Human Resources Department based on the employment contracts entered into between the Group and its employees within the reporting scope. Turnover rate was calculated by dividing the number of employees who resigned in 2022 by the number of employees in 2022. The methodology adopted for reporting on turnover data set out above was based on "How to Prepare an ESG Report – Appendix 3: Reporting Guidance on Social KPIs" issued by HKEX.

**Aspect B2: Health and Safety****Number and Rate of Work-related Fatalities and Lost Days due to Work-related Injuries<sup>15</sup>**

	2022	2021	2020
<b>Number of work-related fatalities</b>	0	0	0
<b>Rate of work-related fatalities (%)</b>	0	0	0
<b>Lost days due to work-related injuries</b>	11	12.5	36.5

15. The work-related fatalities and injuries lost days information was obtained from the Group's Human Resources Department. The methodology adopted for reporting the number and rate of work-related fatalities and lost days due to work-related injuries set out above was based on "How to Prepare an ESG Report – Appendix 3: Reporting Guidance on Social KPIs" issued by HKEX.



## Aspect B3: Development and Training

### Number and Percentage of Employees Trained by Gender and Employee Category in 2022<sup>16</sup>

	2022
<b>Total number of employees trained</b>	1,131
<b>Total number of employees in financial year end</b>	1,140
<b>Percentage of total employees trained (%)</b>	99.21

	By gender		By employee category		
	Male	Female	General Employees	Middle Management	Senior Management
<b>Percentage of employees trained (%)</b>	41.11	58.89	87.44	11.58	0.97

16. The training information was obtained from the Group's Training and Development Department. Training refers to the vocational training that the Group's employees within the reporting scope attended in 2022. The methodology adopted for reporting the number and percentage of employees trained set out above was based on "How to Prepare an ESG Report – Appendix 3: Reporting Guidance on Social KPIs" issued by HKEX.

### Average Training Hours Received by the Employees by Gender and Employee Category in 2022<sup>17</sup>

	By gender		By employee category		
	Male	Female	General Employees	Middle Management	Senior Management
<b>Average training hours received (hours)</b>	26.84	25.02	24.82	29.83	44.88

17. The training information within the reporting scope was obtained from the Group's Training and Development Department. The methodology adopted for reporting employees' training hours set out above was based on "How to Prepare an ESG Report – Appendix 3: Reporting Guidance on Social KPIs" issued by HKEX.





### Aspect B5: Supply Chain Management

#### Number of Suppliers by Geographical Location

	2022	2021
Hong Kong	285	497
Overseas	0	2
<b>Total</b>	<b>285</b>	<b>499</b>

### Aspect B6: Product Responsibility

#### Number of Products and Services Related Complaints Received

	2022	2021
Complaints	6	32

### Aspect B7: Anti-corruption

#### Number of Concluded Cases regarding Corrupt Practices Brought Against the Group and its Employees

	2022	2021
Concluded Cases	0	0



## HKEX ESG REPORTING GUIDE CONTENT INDEX

Aspects	ESG Indicators	Description	Section/Remarks
<b>A. Environmental</b>			
<b>A1: Emissions</b>	General Disclosure	<p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.</p> <p>Note: Air emissions include NO<sub>x</sub>, SO<sub>x</sub>, and other pollutants regulated under national laws and regulations. Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride. Hazardous wastes are those defined by national regulations.</p>	Our Environment
	KPI A1.1	The types of emissions and respective emissions data.	Performance Data Summary
	KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Performance Data Summary
	KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Performance Data Summary
	KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Performance Data Summary
	KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Our Environment



Aspects	ESG Indicators	Description	Section/Remarks
	KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Our Environment
<b>A2: Use of Resources</b>	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.  Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.	Our Environment
	KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Performance Data Summary
	KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Performance Data Summary
	KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Our Environment
	KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Our Environment
	KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Due to its business nature, the Group does not consume significant amount of packaging materials.
<b>A3: The Environment and Natural Resources</b>	General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Our Environment
	KPI 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>A4: Climate Change</b>	General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Our Environment



Aspects	ESG Indicators	Description	Section/Remarks
	KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Our Environment
<b>B. Social</b>			
<b>Employment and Labour Practices</b>			
<b>B1: Employment</b>	General Disclosure	Information on:  (a) the policies; and  (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Our People
	KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Performance Data Summary
	KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Performance Data Summary
<b>B2: Health and Safety</b>	General Disclosure	Information on:  (a) the policies; and  (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Our People
	KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Performance Data Summary
	KPI B2.2	Lost days due to work injury.	Performance Data Summary



Aspects	ESG Indicators	Description	Section/Remarks
	KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Our People
<b>B3: Development and Training</b>	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.  Note: Training refers to vocational training. It may include internal and external courses paid by the employer.	Our People
	KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Performance Data Summary
	KPI B3.2	The average training hours completed per employee by gender and employee category.	Performance Data Summary
<b>B4: Labour Standards</b>	General Disclosure	Information on:  (a) the policies; and  (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Our People
	KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Our People
	KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Our People



Aspects	ESG Indicators	Description	Section/Remarks
<b>Operating Practices</b>			
<b>B5: Supply Chain Management</b>	General Disclosure	Policies on managing environmental and social risks of the supply chain.	Our Supply Chain Management
	KPI B5.1	Number of suppliers by geographical region.	Performance Data Summary
	KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Our Supply Chain Management
	KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Our Supply Chain Management
	KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Our Supply Chain Management



Aspects	ESG Indicators	Description	Section/Remarks
<b>B6: Product Responsibility</b>	General Disclosure	Information on:  (a) the policies; and  (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Our Customers
	KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Due to its business nature, the recall issue is not applicable nor material to the Group's operations.
	KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Our Customers, Performance Data Summary
	KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Our Customers
	KPI B6.4	Description of quality assurance process and recall procedures.	Our Customers  Due to its business nature, the recall issue is not applicable nor material to the Group's operations.
	KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Our Customers
<b>B7: Anti-corruption</b>	General Disclosure	Information on:  (a) the policies; and  (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Building a Sustainability Framework



Aspects	ESG Indicators	Description	Section/Remarks
	KPI 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
	KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Building a Sustainability Framework
	KPI B7.3	Description of anti-corruption training provided to directors and staff.	Building a Sustainability Framework
<b>Community</b>			
<b>B8: Community Investment</b>	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Our Community
	KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Our Community, Our Environment
	KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Our Community, Our Environment







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