



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

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



## 2023

### ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

# CONTENTS

ABOUT THIS REPORT	2
ABOUT PUBLIC FINANCIAL HOLDINGS LIMITED	4
MESSAGE FROM MANAGEMENT	10
<b>BUILDING A SUSTAINABILITY FRAMEWORK</b>	<b>12</b>
<b>OUR RESPONSIBLE BUSINESS PRACTICE</b>	<b>25</b>
<b>OUR COMMUNITY</b>	<b>37</b>
<b>OUR PEOPLE</b>	<b>43</b>
<b>OUR SUPPLY CHAIN MANAGEMENT</b>	<b>55</b>
<b>OUR ENVIRONMENT</b>	<b>58</b>
PERFORMANCE DATA SUMMARY	74
HKEX ESG REPORTING GUIDE CONTENT INDEX	80





## ABOUT THIS REPORT

In strict compliance with the requirements under Appendix C2 “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”) (“Listing Rules”) 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 2023 (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:



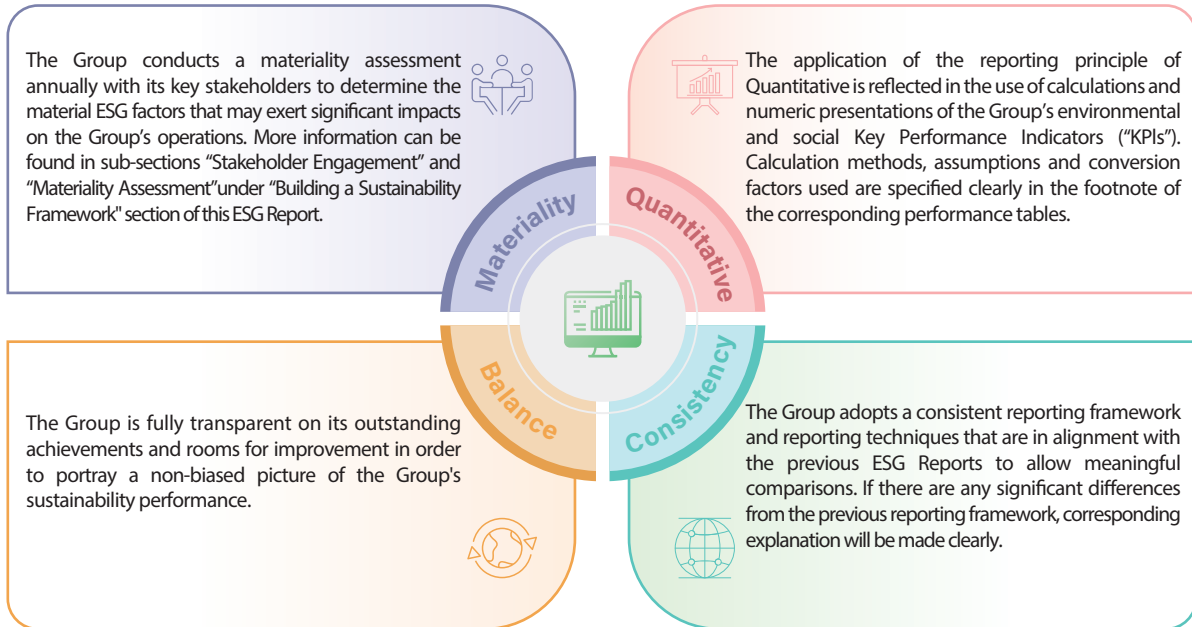
The reporting period of this ESG Report is from 1 January 2023 to 31 December 2023, which is the same as the reporting period covered in PFHL’s 2023 Annual Report, unless specifically stated otherwise. For the Corporate Governance Report, please refer to PFHL’s 2023 Annual Report under “Investor Relations” 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) and SEHK’s website at [www.hkexnews.hk](http://www.hkexnews.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 2024.

## Stakeholders' Feedback

The Group greatly values comments or feedback on its ESG policies and performance to facilitate the Group's continuous improvement and striving for excellence in its sustainability performance. 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, the shares of which are 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 (“PBB”), the shares of which are listed on the Bursa Malaysia. The major subsidiaries of PFHL are PBHK, PFL, Winton and PSL.

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.

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. PSL provides a range of securities services in Hong Kong before its business cessation on 31 December 2023.

Employing 1,122 staff in Hong Kong, the Group strives to deliver exceptional banking and financial services with sustainable growth.

### Our Mission

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

### 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 Culture and Values

Our culture is the foundation of who we are and how we conduct ourselves. It defines our attitudes, behaviours, and the principles that guide our actions. Our culture is built upon a strong set of values and beliefs that shape our interactions with customers, employees, shareholders, and the community.

Since 2018, the Group has adopted the Policy of Corporate Culture and Values (“Corporate Culture Policy”) to promote a sound corporate culture by setting out six corporate values – “Caring”, “Discipline”, “Ethics & Integrity”, “Excellence”, “Prudence” and “Trust”. The Corporate Culture Policy also clearly states the principles and guidelines to develop and promote sound corporate culture that guides prudent risk management and proper staff behaviour, which lead to positive customer outcomes and high ethical standards in the Group. These ethical standards are higher than the minimum legal requirements, which reflects the Group’s full commitment to a sound corporate culture and governance.

## Our Corporate Values

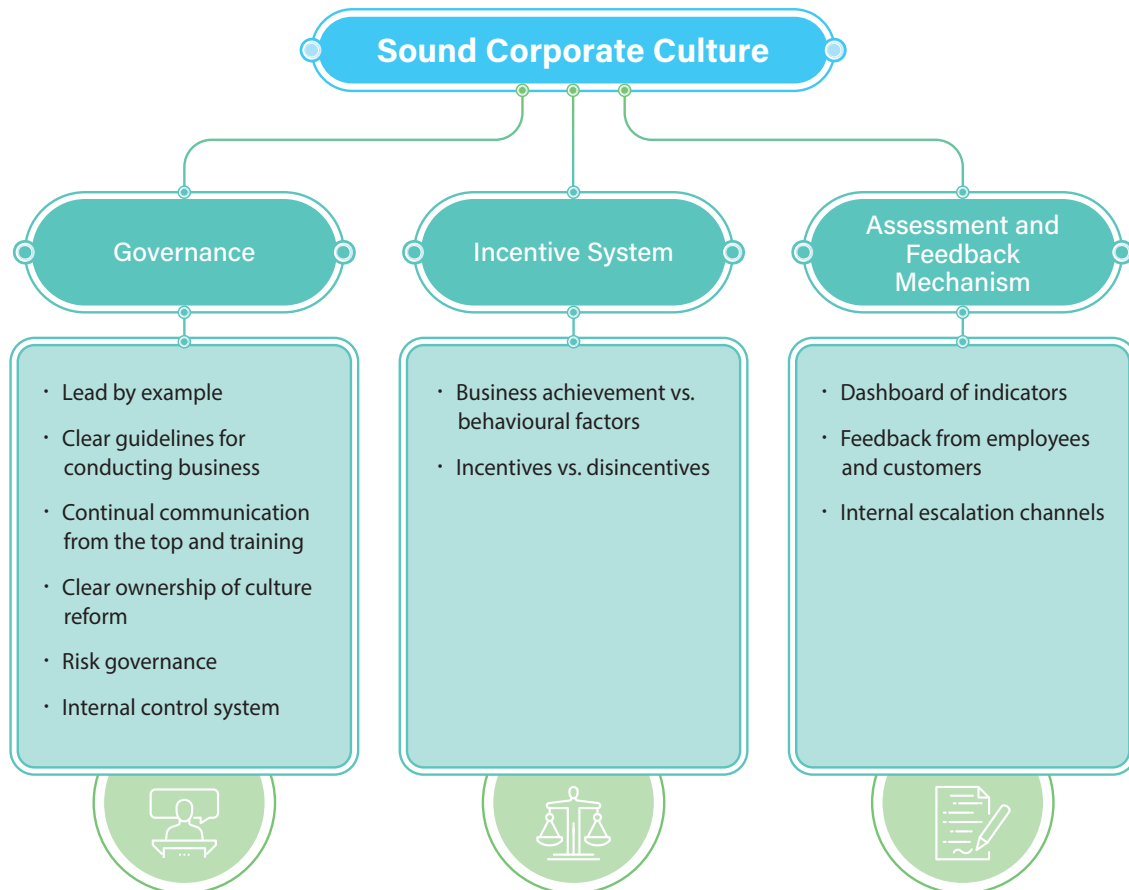




## Establishing a Sound Corporate Culture





















We understand the significance of a robust governance structure in shaping our corporate culture. The Board, with the assistance from the Bank Culture and Sustainability Committees (renamed from Bank Culture Committees in March 2023) of PBHK and PFL, plays a crucial role in establishing behavioural standards and encouraging responsible risk-taking throughout the organisation. Additionally, Senior Management has implemented effective mechanisms to ensure that the desired culture of the Group is comprehended and embraced by all staff members.

To foster a strong corporate culture, the Group has adopted a framework that focuses on three key pillars: Governance, Incentive System, and Assessment and Feedback Mechanism. Each pillar is supported by clear guidance and targets, and new employees receive culture related training as part of their onboarding process. By prioritising these pillars, the Group ensures the successful implementation of the Corporate Culture Policy. This approach enhances the efficiency and effectiveness of promoting a sound corporate culture within the organisation, motivating employees to embody the corporate values in their daily business operations, and ultimately leading to long-term success for the Group.



## Contribution to United Nations' Sustainable Development Goals

The Group aligns its ESG principles with the United Nations' Sustainable Development Goals ("UNSDGs") to connect its business practices with the global agenda for sustainable development. In doing so, the Group recognises the interconnectedness between its operations and the broader societal and environmental challenges outlined by the UNSDGs. Moreover, integrating the ESG principles with the UNSDGs enables the Group to strategically address areas of impact and actively contribute to achieving specific sustainable development targets.

Our ESG Principles	UNSDGs
<p><b>Business Ethics</b></p>  <ul style="list-style-type: none"> <li>• Create a positive impact on the society while doing business</li> <li>• Maintain high standards of ethical behaviours in all business units within the Group</li> <li>• Demonstrate its strong sense of responsibility to the society</li> </ul>	 
<p><b>Workplace Practices</b></p>  <ul style="list-style-type: none"> <li>• Behave ethically and endeavour to improve the quality of life of the employees, their families as well as the society</li> <li>• Respect human rights and provide a fair, healthy and safe working environment</li> </ul>	  
<p><b>Community Engagement</b></p>  <ul style="list-style-type: none"> <li>• Respect cultural and social differences, and prohibit all forms of discrimination</li> <li>• Have a positive impact on people and the community, focus on supporting the elderly, children and young people</li> <li>• Establish partnerships with Non-Governmental Organisations ("NGOs") and encourage employees to participate in volunteer services</li> </ul>	   
<p><b>Environmental Responsibilities</b></p>  <ul style="list-style-type: none"> <li>• Raise environmental awareness among our employees and the society by implementing inhouse environmental initiatives, such as holding green talks, affixing green labels, launching recycling campaigns and conveying messages regarding environmental protection in newsletters and Green Tips for Office Practices</li> <li>• Participate in activities organised by green groups and/or relevant government departments</li> </ul>	   
<p><b>Stakeholders</b></p>  <ul style="list-style-type: none"> <li>• Respect fair business practices and human rights</li> <li>• Exercise sound and fair corporate practices to earn the trust of stakeholders</li> <li>• Maintain effective and timely communication with stakeholders</li> </ul>	  





## Corporate Values X ESG

A good corporate culture constantly reduces and prevents systemic conduct risks, including those arising from inadequate management of ESG issues. By aligning our core values with ESG objectives, we could not only incorporate sustainability, responsible practices, and positive societal impacts into every aspect of our operations, but also effectively tackle global challenges such as climate change, social inequality, and ethical governance, while generating long-term value for our stakeholders. Moreover, it increases the likelihood of employees speaking up against misconduct and significantly impacts enforcement outcomes, thereby minimising our risk exposure at all levels within the Group.



Our ESG Objectives and Principles						
		Business Ethics	Workplace Practices	Community Engagement	Environmental Responsibilities	Stakeholders
Our Corporate Values and Behaviours	Caring	Create a positive impact on society while doing business aligns with serving the community.	Improve the quality of life of employees and their families aligns with ensuring safety and well-being.	Respect cultural and social differences and prohibit all forms of discrimination align with listening and understanding.		
	Discipline	Maintain high standards of ethical behaviours aligns with being self-controlled and cooperative.	Behave ethically aligns with being self-controlled and cooperative.		Strictly abide by all environmental policies to ensure environmentally friendly business operations.	Ensure a high standard of business compliance and ethical practices to protect all stakeholders rights and interests.
	Ethics & Integrity	Maintain high standards of ethical behaviours aligns with doing the right thing, being honest and fair, and having actions and words in line with moral principles.			Incorporate environmental considerations into the decision making process to minimise the negative impacts.	Respect fair business practices and human rights aligns with having actions and words in line with moral principles.
	Trust	Demonstrate a strong sense of responsibility to society aligns with being open-minded and reliable.	Provide a fair, healthy, and safe working environment aligns with treating others with dignity and respect.	Encourage employees to participate in volunteer services aligns with being open-minded and reliable.		
	Excellence			Have a positive impact on people and the community aligns with supporting people advancement.	Raise environmental awareness among employees and society aligns with striving for the best.	Exercise sound and fair corporate practices to earn the trust of stakeholders aligns with supporting people advancement.
	Prudence		Foster a two way communication with employees to effectively understand and address their concerns.		Implement in house environmental initiatives aligns with making sound and considered judgments and planning ahead wisely.	



By connecting our corporate culture and values with ESG objectives, we demonstrate our commitment to responsible banking, sustainable growth, and contributing to a better future for all, as we make a meaningful difference and create shared value for our customers, employees, shareholders, and the communities we serve. These elements largely contribute to the Group's success and help determine the Group's strategy to achieving its mission.

## 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 2023, 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.



Since 2018, PBHK and PFL have been recognised as Caring Companies. Winton has also been recognised as a Caring Company for 7 consecutive years. This demonstrated the passion of the Group in developing a better community for all.

### Employees Retraining Board ("ERB") Manpower Developer Award

The award is launched by the ERB to recognise organisations which demonstrate outstanding achievements in manpower training and development as Manpower Developers ("MDs").

PBHK has been awarded to "Super MD" by the ERB in recognition of its demonstration of outstanding achievements in manpower training and developments as MD for 13 consecutive years since 2011.



### Wastewi\$e Certificate

The Wastewi\$e Certificate of the Hong Kong Green Organisation Certification ("HKGOC") acknowledges companies and organisations that demonstrate dedication and actions towards environmental protection by reducing waste and/or promoting recycling.

In 2023, HKGOC awarded the Wastewi\$e Certificate in Good Level to PBHK to recognise its contribution to environmental protection.





## MESSAGE FROM MANAGEMENT

### Mr. Chong Yam Kiang

Executive Director and Chief Executive  
Chairman of Bank Culture and Sustainability  
Steering Committee



On behalf of the Group, I am pleased to present our annual ESG report, demonstrating the Group's unwavering dedication to sustainable development throughout the year 2023.

As a responsible banking institution, we have remained steadfast in our commitment to advancing sustainable practices across our operations. Our focus on sustainable development has not faltered, and we have made significant progress in our ESG initiatives. Recognising the importance of integrating ESG factors, we actively oversee the Group's ESG development and have implemented measures to embed sustainability principles into our business strategies and operations.

This report highlights our systematic approach to ESG management. We diligently assess material ESG-related issues and engage with our stakeholders to align our sustainable development practices with their concerns. Through ongoing communication, we actively seek feedback from our stakeholders to better understand their expectations and incorporate their opinions into the establishment of relevant policies. This collaborative approach ensures that we continuously improve our performance in sustainability.

### Strengthening Governance

We have defined sustainability responsibilities to the Board, and the Board is actively reviewing the governance for sustainable development of the Group. We have strengthened our governance, renamed the Bank Culture Committees to Bank Culture and Sustainability Committees, and combined two steering committees, the Bank Culture Steering Committee and ESG Steering Committee, as the Bank Culture and Sustainability Steering Committee; and two working groups, the Bank Culture Working Group and ESG Reporting Working Group, as the Bank Culture and Sustainability Working Group. Since the establishment of this "4-tier" governance structure, the Board and the aforesaid Committees 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 in 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 continued launching 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. Details of the “Green Financing Programme” of the Group are set out in “Our Community” section of this ESG Report.

### Finding Opportunities in Climate Change

As part of our commitment to sustainable development, we place strong emphasis on climate risk resilience. We recognise the urgent need to address the challenges posed by climate change and its potential impacts on our operations, the community we serve, and the broader economy. We have formulated and implemented measures to further integrate sustainability initiatives into our business operations. By proactively identifying and addressing climate risks and opportunities, we aim to enhance our resilience and ensure the long-term sustainability of our business. We are dedicated to collaborating with stakeholders, leveraging innovative solutions, and supporting the transition to a low-carbon economy. By prioritising climate risk resilience, we strive to protect the interests of our stakeholders and contribute to a more sustainable and resilient future.

### 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 2023, we carried out a series of charity projects related to health, elderly care, youth support, environmental protection and carbon reduction. Over 83 staff members joined these activities and raised more than HK\$12,120 monetary donations for those in need during the year, demonstrating our 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 extend our gratitude to our valued customers, employees, shareholders, and other stakeholders for their continued support and collaboration on our ESG journey. Together, we will continue to build a more sustainable and resilient future.

#### **Chong Yam Kiang**

*Executive Director and Chief Executive*

*Chairman of Bank Culture and Sustainability Steering Committee*





# **BUILDING A SUSTAINABILITY FRAMEWORK**

# 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 assumes accountability for reviewing the Group's significant ESG topics, endorsing ESG policies and targets, and approving the Group's ESG Reports.

During the reporting year, the Bank Culture Committees of PBHK and PFL were renamed as the Bank Culture and Sustainability Committees, and the ESG Steering Committee and Bank Culture Steering Committee were combined as the Bank Culture and Sustainability Steering Committee to better support the alignment of the Group's ESG initiatives with the corporate culture. Both the chairman and the members of the Bank Culture and Sustainability Committees are appointed by the Board, while the chairman is an Independent Non-Executive Director. The Bank Culture and Sustainability Committees regularly hold meetings to review the Group's sustainable development performance, to improve the Group's management in ESG-related risks and opportunities, and to provide recommendations on relevant ESG issues to the Board. The Board then further examines the recommendations and endorses them for departments/business units to enhance their ESG performance.

As part of the systematic ESG management approach, the Bank Culture and Sustainability 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.

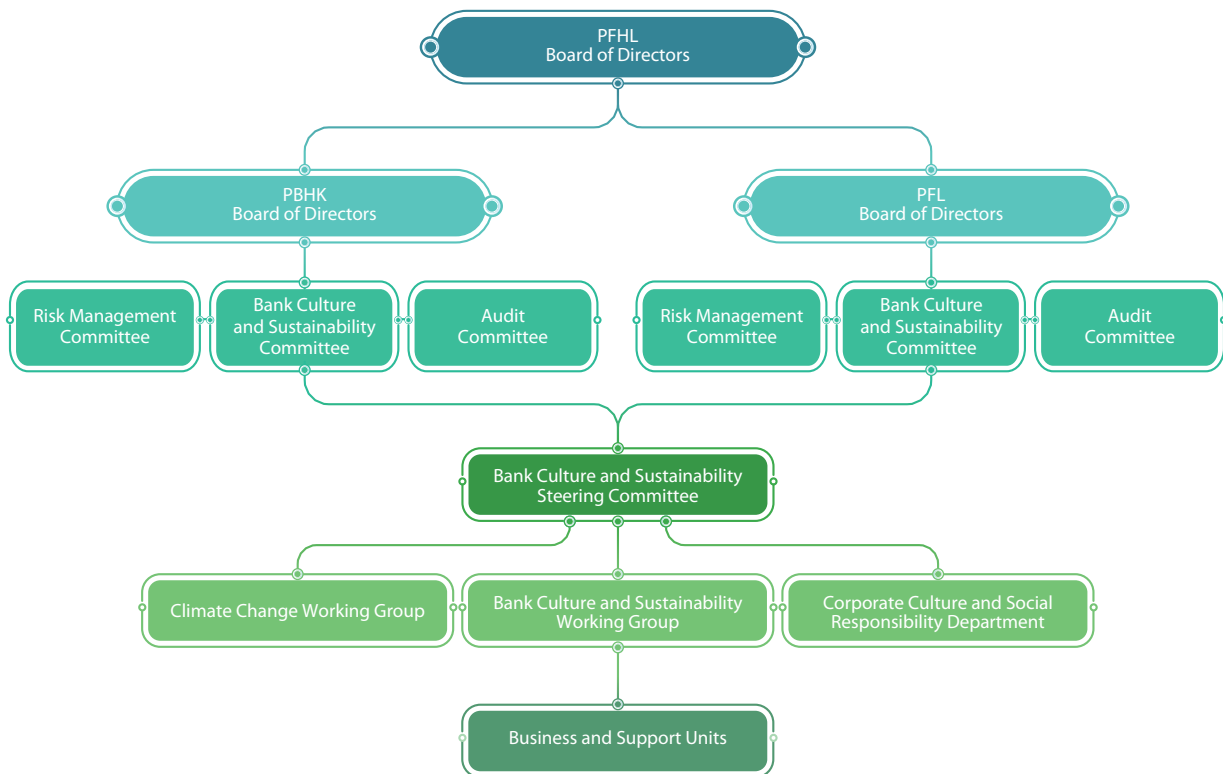


## Governance Structure

In 2023, 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 Boards of Directors of PBHK and PFL have been actively engaging in identifying, assessing, and managing ESG-related risks and opportunities, while the Bank Culture and Sustainability Committees, the Bank Culture and Sustainability Steering Committee, the Bank Culture and Sustainability Working Group, and representatives from different departments/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.

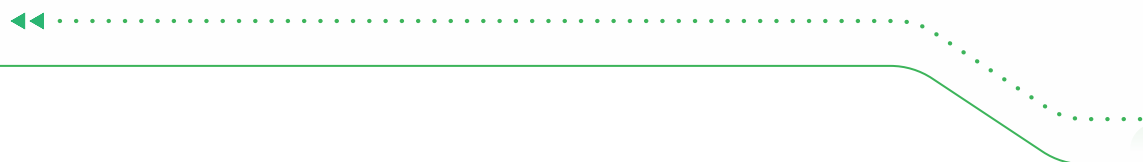




## Top Management Oversight

<p><b>Boards of Directors of PFHL, PBHK and PFL</b></p>	<ul style="list-style-type: none"> <li>- Provides strategic guidance and continually evaluates the Group’s internal controls</li> <li>- Ensures alignment with the Group’s social responsibility objectives and compliance with applicable rules and regulations</li> <li>- Monitors Group-level corporate governance practices and procedures</li> <li>- Maintains appropriate and effective risk management and internal control systems</li> <li>- Concurs/approves ESG Report, Corporate Culture Policy, CSR Policy and ESG budget</li> </ul>
<p><b>Bank Culture and Sustainability Committees of PBHK and PFL</b></p>	<ul style="list-style-type: none"> <li>- Advises and assists the Board in culture and ESG-related matters</li> <li>- Develops a comprehensive framework to foster a sound culture and embed sustainability in the Group</li> <li>- Oversees the integration of sustainability into the Group’s operations, managing significant ESG risks and exploring opportunities</li> <li>- Reviews the effectiveness of culture enhancement and ESG initiatives pursued by the Group regularly</li> <li>- Approves, reviews, and assesses the adequacy of the annual statement on the Group’s culture and behavioural standards</li> <li>- Ensures the annual statement is translated into relevant policies and procedures and relevant to the daily work of staff</li> <li>- Reviews and recommends revisions to the policies on corporate culture, values and CSR, if any, to the Board for approval</li> <li>- Reviews and recommends revisions to the Conflict of Interests Policy, if any, to the Board for approval</li> <li>- Sets the tone and ensure adequate resources, systems, and processes for monitoring and managing ESG matters and sustainability performance</li> <li>- Discusses and concurs budgeting for ESG activities and allocates resources to the Bank Culture and Sustainability Working Group</li> <li>- Oversees the Group’s implementation of the ESG Guide and reviews and recommends the ESG Report to the Board for the approval</li> </ul>





### Top Management Oversight

#### Bank Culture and Sustainability Steering Committee

- Assists the Bank Culture and Sustainability Committee in discharging its responsibilities for bank culture and ESG related matters of the Group
- Builds up an effective, continual and regular communication channel to share examples/cases regarding behaviours, misconduct and disciplines with the staff and promotes an open exchange of view in relation to bank culture and behavioural standards
- Designs and puts in place a clear ownership structure for the core risks (including the ESG risks) and bank culture reform initiative
- Prepares and analyses a dashboard of indicators for assessing the culture of the Group and to help gauge changes over time
- Identifies the relevant ESG subject areas, aspects and key performance indicators (“KPIs”) that have material environmental and social impacts
- Engages stakeholders periodically through various communication means for identifying material aspects and KPIs and understanding their views
- Reviews and recommends the budgeting for ESG activities
- Assists the Bank Culture and Sustainability Committees of PBHK and PFL in overseeing the Group’s implementation of the ESG Reporting Guide as set out in Appendix C2 of the Listing Rules and review the ESG Report
- Ensures the Group is in compliance with relevant laws, regulations, polices and guidelines on ESG Reporting as required by the relevant regulatory bodies
- Reviews the Corporate Culture Policy and the CSR Policy regularly to ensure that the policies align with corporate culture objectives and the high standard of ethical behaviours of the Group, and recommends the revisions on the policies, if any



## Managing ESG Issues and Implementing ESG Initiatives

<p><b>Bank Culture and Sustainability Working Group</b></p>	<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 Bank Culture and Sustainability Steering Committee in a timely manner</li> </ul>
<p><b>Climate Change Working Group</b></p>	<ul style="list-style-type: none"> <li>– Assists and supports the Bank Culture and Sustainability Steering Committee in its oversight function on sustainability, strategies, priorities and targets</li> <li>– Provides continuous training and capacity building programmes to upskill staff in the areas of sustainability and management of climate-related risk</li> <li>– Provides regular and timely updates to the Bank Culture and Sustainability Steering Committee on the progress towards achieving the Group’s sustainability targets and Risk Management Committee on any material information on climate-related risk and opportunities</li> </ul>
<p><b>Corporate Culture &amp; Social Responsibility Department</b></p>	<ul style="list-style-type: none"> <li>– Promotes internal participation and external awareness of CSR and bank culture related matters</li> </ul>
<p><b>Business and Support Units</b></p>	<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.



## Stakeholder Engagement

With the understanding that listening to stakeholders' opinions is crucial when developing our business strategies, we maintain regular and open communication with key stakeholders through various channels to gain a deeper understanding of their concerns and expectations. The Group can then ensure material ESG issues are included in its ESG management policies and approaches, figure out appropriate solutions to the relevant issues, and continuously enhance its ESG performance by actively seeking key stakeholders' opinions.

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> <li>– Stable relationship</li> </ul>	<ul style="list-style-type: none"> <li>– Open tendering</li> <li>– Suppliers Code of Conduct</li> <li>– Supplier Review</li> <li>– Business meetings</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>– Compliance with laws and regulations</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>– Environmental protection</li> </ul>	<ul style="list-style-type: none"> <li>– Corporate websites</li> <li>– General meetings</li> <li>– Financial reports</li> <li>– Announcements and notices</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 enquires</li> <li>– Public welfare activities</li> </ul>
 <b>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>
<b>Internal Stakeholders</b>		
 <b>Employees</b>	<ul style="list-style-type: none"> <li>– Employees' compensation and benefits</li> <li>– Career development</li> <li>– Occupational safety and health ("OSH")</li> <li>– Internal Dispute Reporting Mechanism</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>– Business Forums</li> </ul>



## Materiality Assessment

The Group highly values stakeholder opinions as they play a crucial role in shaping and adjusting its business and sustainable development strategies. These opinions also serve as a valuable measure to assess the effectiveness of the Group's ESG disclosure initiatives. Since ESG risks and opportunities vary across different industries and business sectors, the Group has engaged a third party ESG consultant in establishing an ESG issues inventory that identifies important ESG issues that are commonly related to the industry. The ESG consultant also performed an annual materiality assessment in identifying matters that may impact both the stakeholders and the Group's standing and operation performance. The main concerns and material ESG issues found in the materiality assessment are being prioritised for the Group's future ESG developments and strategies.

The Group engaged its stakeholders to conduct a materiality assessment survey initiated by the third-party agency in order to enhance the objectivity of the evaluation. This year, the materiality assessment was conducted by surveying stakeholders such as Senior Management, employees, suppliers, and customers to focus on the changes in their concerns and expectations.

The Group believes that the objective results of this materiality assessment are critical in understanding stakeholders' expectations on the Group's ESG performance, thus facilitating the Group's future development in its action plans for better ESG management.

### Step 1: Stakeholder Identification

Stakeholder groups were identified based on their significance to the Group, including their influence on the Group's business objectives and the impact of the Group's activities on them. Specifically, internal and external stakeholders including customers, suppliers, Senior Management and employees of the Group were selected and invited to express their views on the Group's ESG issues embedded in the Group's business development and strategies.

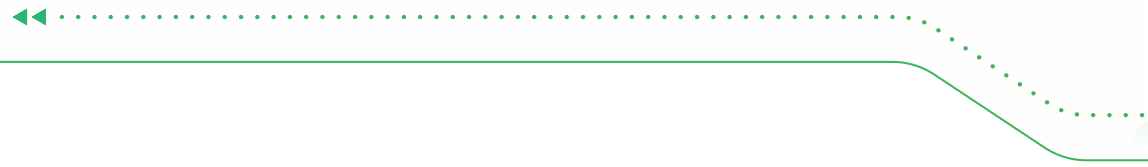
### Step 2: Establishment of List of Material ESG Issues

An internal impact assessment was performed to understand the ESG topics that were most relevant to the Group and the financial industry in terms of 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. A list of 27 ESG issues was then consolidated to set the ground for stakeholders survey.

## List of Material Issues

Aspects	ESG Issues
<b>Environment</b>	<ol style="list-style-type: none"> <li>1. Greenhouse Gas Emissions</li> <li>2. Resource Management</li> <li>3. Water and Wastewater Management</li> <li>4. Solid Waste Stewardship/Management</li> <li>5. Climate Change Mitigation and Adaptation</li> <li>6. Green Financing*</li> </ol>
<b>Employment</b>	<ol style="list-style-type: none"> <li>7. Labour Practices</li> <li>8. Employee Remuneration and Benefits</li> <li>9. Occupational Safety and Health</li> <li>10. Employee Development and Training</li> <li>11. Diversity and Inclusion*</li> </ol>
<b>Supply Chain Management</b>	<ol style="list-style-type: none"> <li>12. Green Procurement</li> <li>13. Engagement with Suppliers</li> <li>14. Environmental and Social Risk Management of Supply Chain</li> </ol>
<b>Service Responsibility</b>	<ol style="list-style-type: none"> <li>15. Service Quality</li> <li>16. Customer Privacy Protection and Data Security</li> <li>17. Marketing and Promotion</li> <li>18. Responsible Lending Practice*</li> </ol>
<b>Anti-corruption</b>	<ol style="list-style-type: none"> <li>19. Business Ethics and Anti-corruption</li> <li>20. Internal Dispute Reporting Mechanism</li> </ol>
<b>Community Relations</b>	<ol style="list-style-type: none"> <li>21. Community Involvement</li> <li>22. Financial Inclusion and Accessibility*</li> </ol>
<b>Leadership &amp; Governance</b>	<ol style="list-style-type: none"> <li>23. Business Model Adaptation and Resilience to Environmental, Social, Political and Economic Risks and Opportunities</li> <li>24. Management of the Legal and Regulatory Environment</li> <li>25. Critical Incident Risk Responsiveness</li> <li>26. Systemic Risk Management (e.g. Financial Crisis)</li> <li>27. Sustainable Investment*</li> </ol>

\* New ESG issues introduced in the materiality assessment for the financial year ended 31 December 2023.



### Step 3: Prioritisation and Materiality Matrix

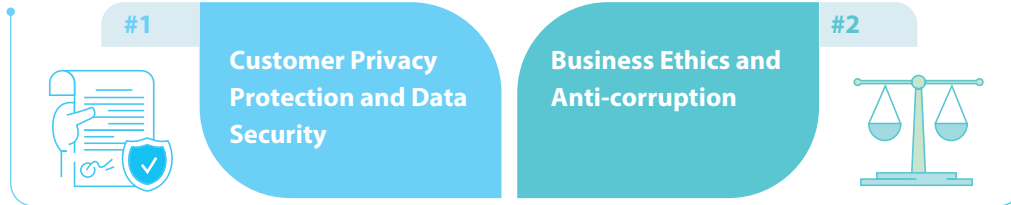
The materiality of ESG issues was assessed according to the stakeholders' view on the importance of the issues to the Group. An online ESG issues materiality assessment survey was designed for the stakeholders to rate the identified ESG issues based on how important the Group's actions taken/to be taken regarding the issues would be to them.

Selected key internal and external stakeholders were invited to participate in the survey to express their views on the above list of ESG issues, and a total of 409 survey responses were received. Integrating all the inputs gathered through this process, a materiality matrix was analysed as below.

#### 2023 ESG Issues - Stakeholder Engagement Materiality Matrix



## Step 4: Matrix Validation and Sustainability Strategy



According to the materiality matrix, “Customer Privacy Protection and Data Security” and “Business Ethics and Anti-corruption” are the two most important issues to both internal and external stakeholders. Meanwhile, “Employee Remuneration and Benefits”, “Occupational Safety and Health”, and “Internal Dispute Reporting Mechanism” are also considered as the ESG issues that are of great significance to the Group’s business operations. Other relatively important topics were classified in the list below and discussed in various sections of this ESG Report. The results were delivered for review and endorsement by the Bank Culture and Sustainability Steering Committee.

This assessment allowed the Group to highlight the material and relevant ESG aspects to align with its stakeholders’ expectations and provide the Bank Culture and Sustainability Steering Committee with insights in identifying and controlling ESG-related risks that would be reflected in corporate policies and initiatives for further deliberation by the Bank Culture and Sustainability Committees.

## Importance of ESG Issues

Level of Importance	ESG Issues
<b>High</b>	16. Customer Privacy Protection and Data Security
	19. Business Ethics and Anti-corruption
	8. Employee Remuneration and Benefits
	9. Occupational Safety and Health
	20. Internal Dispute Reporting Mechanism





## Importance of ESG Issues (Continued)



Level of Importance	ESG Issues
Medium	7. Labour Practices
	10. Employee Development and Training
	11. Diversity and Inclusion*
	15. Service Quality
	17. Marketing and Promotion
	18. Responsible Lending Practice*
	22. Financial Inclusion and Accessibility*
	23. Business Model Adaptation and Resilience to Environmental, Social, Political and Economic Risks and Opportunities
	24. Management of the Legal and Regulatory Environment
	25. Critical Incident Risk Responsiveness
	26. Systemic Risk Management
	27. Sustainable Investment*
Low	1. Greenhouse Gas Emissions
	2. Resource Management
	3. Water and Wastewater Management
	4. Solid Waste Stewardship/Management
	5. Climate Change Mitigation and Adaptation
	6. Green Financing*
	12. Green Procurement
	13. Engagement with Suppliers
	14. Environmental and Social Risk Management of Supply Chain
21. Community Involvement	

\* New ESG issues introduced in the materiality assessment for the financial year ended 31 December 2023.





**OUR  
RESPONSIBLE  
BUSINESS PRACTICE**





## OUR RESPONSIBLE BUSINESS PRACTICE

Providing customer-centric services has always been at the core of our business development strategy. We strive to provide excellent customer services 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 2023, the Group complied with the 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 the 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.

### Risk Management Policy Manual

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

THREE LINES OF DEFENCE	
▼	<p><b>First line of defence</b></p> <p>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.</p>
▼	<p><b>Second line of defence</b></p> <p>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).</p>
▼	<p><b>Third line of defence</b></p> <p>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.</p>

For more details on the responsibilities of committees within our risk management and internal control frameworks, please refer to the Corporate Governance Report in PFHL’s 2023 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, Social Media Policy, Policy on Staff Conduct and Discipline, and Important Note on Employee's Conduct and Behaviour, which can be accessed by the employees and clearly set out the principles and guidelines for employees to conduct business appropriately and ethically. In addition, we conduct related trainings regularly for employees to be more aware of and to uphold the Group's corporate culture and values while Department/Business Unit Heads are responsible for informing the staff of the latest update on the relevant laws, regulations, and industry standards through internal emails to ensure the employees are aware of and adhere to them.

Moreover, the annual staff performance assessment of the Group takes employees' performance relating to non-financial factors such as risk management, compliance, and ethics or conduct-related behaviours as a significant consideration, which may override the outstanding financial performance of the employees.

### Financial Crime Prevention

The Group reckons its responsibility to safeguard the interest of itself, customers and the community, as well as to protect the integrity of the financial system. To prevent financial crime, the Group has in place the "Policies and Procedures for Anti-Money Laundering, Countering Financing of Terrorism and Targeted Financial Sanctions" and reviews the policies and procedures at least annually against 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);*
- *Guideline on Anti-Money Laundering and Counter-Terrorist Financing issued by Hong Kong Monetary Authority ("HKMA"); and*
- *Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615 of the Laws of Hong Kong).*

In order to effectively manage the risk of money laundering and terrorism financing ("ML/TF") and to detect suspicious transactions, the Group adopted a risk-based approach and have established a clear framework with a comprehensive scoring and classification system for risk profiling on customers to identify relevant ML/TF risks. In the meantime, the ML/TF management is supported by an internal reporting channel for reporting any suspicious transactions, in which the Group has appointed an Anti-Money Laundering and Counter-Financing of Terrorism ("AML/CFT") Compliance Officer ("AMLCO") and a Money Laundering Reporting Officer ("MLRO") who are responsible to monitor and review the effectiveness of the Group's financial crime prevention system.

The Group has set the roles and responsibilities for each department and employee in combating financial crimes, in which a four-stage approach is put in place for employees to effectively identify any suspicious transaction and report to the AMLCO and/or MLRO. The Group has continuously enhanced the compliance awareness of the employees by providing trainings and refresher courses to them.

Adopting digital technology, PBHK's Digital Transformation Department has been working on a new initiative on Regulatory Technology ("Regtech") in AML/CFT and Customer Due Diligence Solution (the "CDD Solution") in hope to digitalise the related ML/TF assessment to increase internal efficiency in this matter. We are committed to preventing financial crimes as well as to continuously moving forward in digital transformation, leveraging the development of new technology, and the process of reviewing customers' accounts and customer onboarding using the CDD Solution will be a step forward for PBHK after launching the product.



## Anti-corruption

The Group has zero tolerance of all forms of bribery or corruption. We work towards to build and foster a bribery and corruption free business environment. We put up specific measures to ensure all employees uphold the highest standard of integrity and accountability to prevent any form of corruption. We have established and adopted the “Anti-Bribery and Anti-Corruption Policy” (“ABAC Policy”) which is reviewed at least annually. It sets out the key roles and responsibilities of the management, the principles and guidelines of anti-bribery and anti-corruption, as well as the penalty for breaching of the policy.

We are dedicated to creating a transparent and effective management of risk and compliance of anti-bribery and anti-corruption. Therefore, the anti-bribery and anti-corruption compliance is overseen by the Board and supported by the Risk Management Committee and the Audit Committee, while the Operational Risk Management Committee is responsible for the implementation of the risk management and compliance of anti-bribery and anti-corruption as well as to establish the ABAC Policy.



Our anti-bribery and anti-corruption measures are the collaborative efforts from the “three lines of defence” framework. The first line of defence is supported by different business and support units which conduct business activities in accordance with the laws and regulations. Compliance Department and Risk Management Department are responsible for the second line of defence. They actively perform periodic compliance checks and bribery and corruption risk assessment to discover and prevent any form of corruption. Being the third line of defence, Internal Audit Department reviews the procedures and controls in the anti-bribery and anti-corruption management process to ensure the effectiveness of the Group’s measures in the matters. Internal Audit Department is also responsible for investigating any whistleblowing cases and reporting to the Audit Committee.

To ensure the understanding of our approach on anti-corruption, all new joiners of the Group will be provided with the Code of Conduct for Staff upon joining. 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.

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 2023, 160 staff and 9 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 2023, no concluded legal case regarding corrupt practices was brought against the Group or its employees.

### Whistleblowing Policies and Procedures

The Group's Whistleblowing Policies 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 have 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 PFHL, 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. If the Head of Internal Audit is involved in any reported cases, such cases will be escalated to a designated Non-Executive Director to handle.

### Understanding Our Customers

Customer-centric approach has been the Group's attitude towards our customers and we actively seek customers' feedback through various channels to ensure the delivery of high-quality services and identify areas for improvement including conducting customer feedback survey, mystery shopper programme, and review of complaint cases. In 2023, PBHK continued its quarterly Mystery Shopper Programme ("MSP") to assess the service quality provided by frontline staff. The MSP evaluates aspects such as staff professionalism, teller service, telephone etiquette, and sales practices. Similarly, PFL conducts the bi-annual Mystery Calling Programme ("MCP") to evaluate the service quality and product knowledge of its frontline staff. These initiatives enable the Group to analyse and enhance customer service experiences, foster continuous improvement and ensure customers receive excellent service and support.

### Mystery Shopper Programme and Mystery Calling Programme

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

In 2023, PBHK conducted 120 visits and made 120 calls to its branches, with 20 calls to Customer Hotlines via the MSP. PFL conducted 78 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. Customer Feedback Surveys are conducted twice a year by PBHK and PFL to collect customer feedback, and the results are summarised for the respective Bank Culture and Sustainability Committees' 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 specific forms via mail, email or fax.

To collect customer feedback more effectively, a new survey channel, "Quick Response ("QR") code", was introduced in 2023 that directly linked to PBHK's website for customers to complete the Customer Feedback Survey form and submit directly to Training and Development Department. The QR code is being placed at branches for customers to scan and fill in the digital survey form at their convenience. Customers may remain anonymous in providing feedback to the Group through the above channels.

We treasure all the feedback from our customers and the survey result is analysed by the Training and Development Department of PBHK and Complaint Department of PFL to identify any training needs for the staff with the aim of improving our service quality continuously.

## Complaint Handling Mechanism

The feedback from customers is valuable to the improvement of our services. We aim to react and handle complaints promptly and responsibly. Hence, the Group has administrative procedures for handling customer complaints including the Procedural Guidelines on Handling Customer Complaints and the General Policies and Guidelines on Handling of Complaints. These policies and guidelines 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 Customer 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 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.

- **Channel**

Complainants can reach the Group through different channels; the most straight forward way is to talk to our branch staff of PBHK/PFL/Winton directly. Other channels include phone, mail, fax, and e-mail. We also provide “Customer Suggestion Form” in all branches/centre and complainants can fill in the form and drop it into the suggestion box at our branches or return it by mail. For PBHK customers, they can submit the complaint on PBHK website via scanning the respective QR code which directs them to PBHK website.

- **Key Elements**

Confidentiality	Time	Independency
<p>Any information pertaining to the complaint should be regarded as confidential and must be handled by the relevant staff members strictly on a need-to-know basis.</p> <p>The information should be kept private in compliance with the <i>Personal Data (Privacy) Ordinance (“PDPO”) (Cap. 486 of the Laws of Hong Kong)</i>.</p>	<p>All complaints should be handled in a timely manner.</p> <p>In general, written acknowledgement should be sent within 7 calendar days upon receipt of the complaint and verbal acknowledgment of telephoned complaints should be provided to the complainant during the conversation.</p>	<p>When investigating complaints, it is important that the assigned staff member is not directly involved in the matter.</p> <p>In cases where complaints are serious and critical, they should be promptly escalated to Senior Management for immediate attention.</p>

In 2023, the Group received 17 banking/financial service-related complaints from customers regarding its services and other general issues (2022: 17 cases). 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.

In 2023, the Group received 46 banking/financial service-related compliments from customers (2022: 49 cases), recognising our staff efforts in providing excellent services.





## 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 2023, the Group complied with PDPO and other regulations set out by HKEX, 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 that 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.

## Managing Information Security

We recognise the importance of safeguarding sensitive information and protecting the privacy of our customers, employees, and stakeholders. To achieve this, we have implemented comprehensive information security management systems and measures to mitigate risks and ensure the confidentiality, integrity, and availability of data assets.

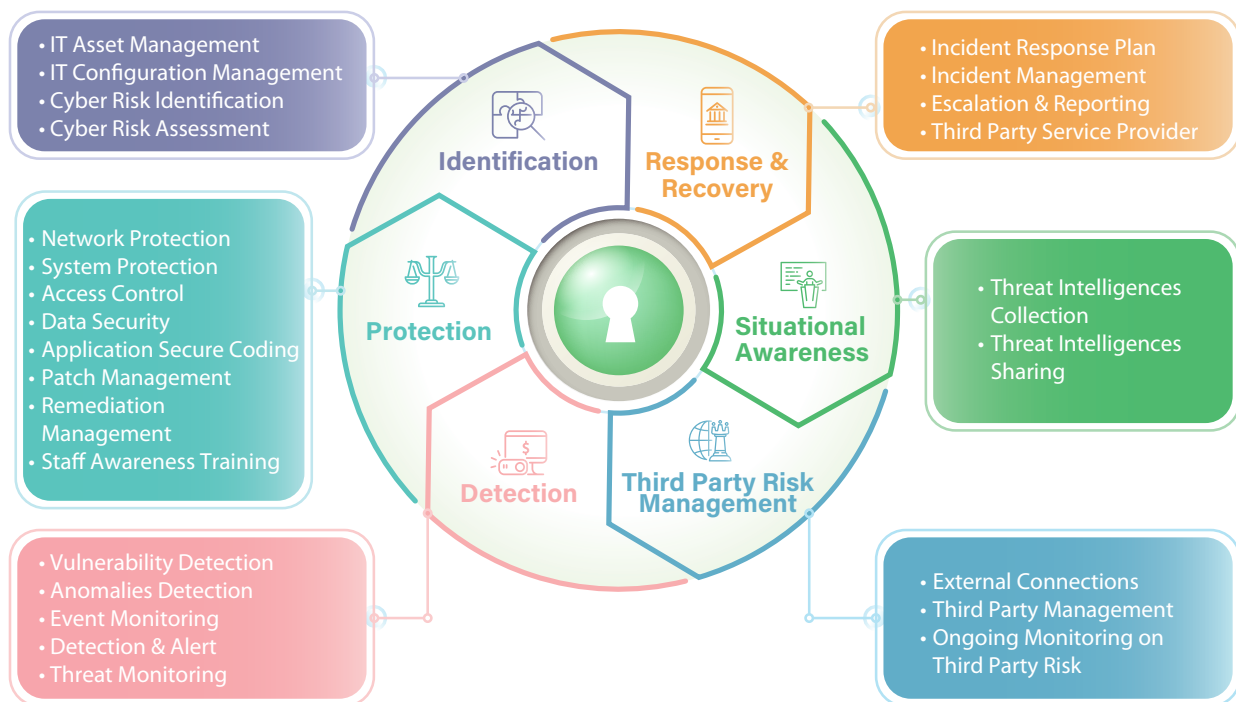
To protect data assets, the Information Security Working Group is responsible to interpret, review, and update the relevant policies as well as conducting training and user awareness programme for the staff. We have also appointed Information Security Officers from different departments to ensure the appropriate development, review, approval, and implementation of information security policies, guidelines, standards, and control procedures.

## Cyber Security

In today's digital landscape, the importance of managing cyber security risk and improving cyber resilience increase continuously in the industry. To address the growing risk posed by cyber threats, we have implemented robust cyber security control strategy encompassing technology, processes and procedures, people, and training which are designed to enhance cyber resilience and ability to effectively mitigate and respond to cyber risks.

The Board is responsible to oversee the management of cyber resilience and to ensure the cyber security control strategy is implemented effectively while supported by the four committees (i.e. Risk Management Committee, Board Executive Committee, Operational Risk Management Committee and Information Technology Steering Committee) who are responsible for reviewing the strategy.

To achieve a strong cyber security defence line, we have established six main functions of Cyber Resilience Process to help prevent, detect, and react to the potential risks.





## Marketing and Promotion

The Group adheres to internal policies that prioritise the provision of clear and transparent information in marketing and advertising materials when promoting its products and services. These policies ensure that products promotion is in compliance with the relevant laws and the customers receive accurate and comprehensive information, enabling them to make informed decisions. By maintaining transparency in its marketing and advertising practices, the Group aims to build trust with its customers and uphold its commitment to ethical and responsible communication.

The internal policies for marketing and promotion set out the procedures for pitching and launching new or revamp products to provide comprehensive information and material for marketing purpose. The Group ensures responsible promotion of products by requiring product owners to submit a Request for Product Promotion Advertisement for all product marketing materials. Prior to the request, the launch, revision of features, and promotion of general products must be approved by the Senior Management and for other products, product due diligence and assessment must be conducted.

There was no material non-compliance concerning marketing and promotion by the Group during the reporting period.

## Digitalisation of Services

In the rapidly evolving landscape of the financial industry, the digitalisation of services has emerged as a transformative force, reshaping the way financial industry operates while offering numerous benefits to both institutions and their clients. To enhance customers' experience and to keep abreast of the digitalisation trend, the Group puts steadfast efforts to embrace new digital technologies and the intrinsic link between technology and sustainability, aiming to address evolving customer demands and enhance the overall customer experience, and have launched and provided a series of electronic banking services to streamline the banking operations.

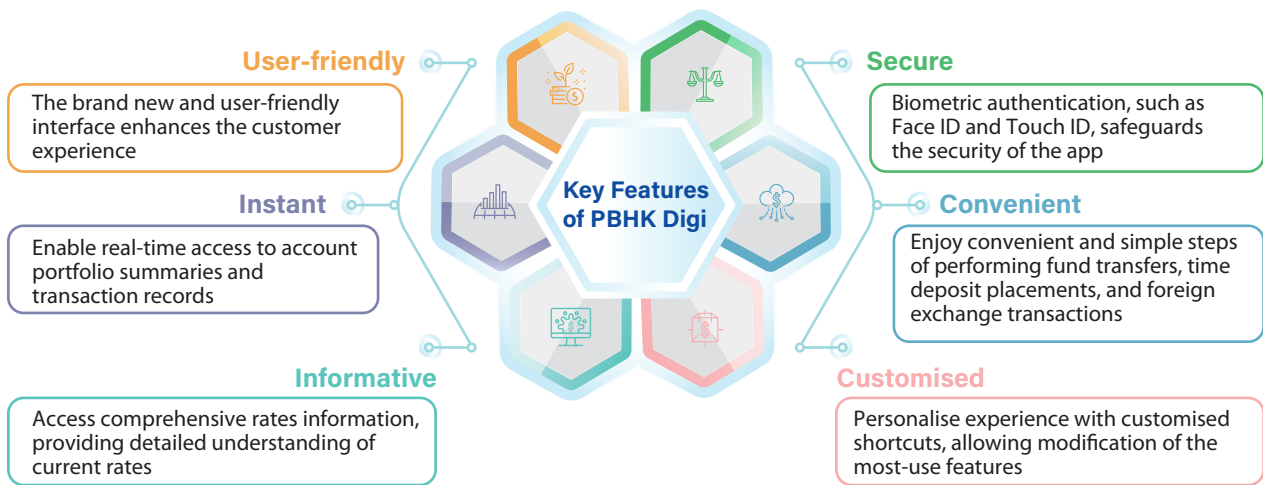
### Net Banking Online Services

Aiming to provide a better online banking experience to our customers as well as pushing the digital transformation forward, in July 2023, PBHK added the online service channel for registering Net Banking and resetting password and the request will take effect immediately upon successful submission.

### Digital Banking Mobile Application



In our stride for continuous advancement in our path of technology, PBHK has launched a new mobile app "PBHK Digi" in March 2023 which is an upgraded version of the previously launched mobile application "Public Bank (Hong Kong) Pay". PBHK Digi is committed to providing a secure and user-friendly digital banking experience. Our platform features a newly enhanced interface that allows seamless fund transfers, time deposit placements, and foreign exchange transactions, ensuring utmost convenience and ease. Additionally, we offer comprehensive rates information and other features to cater the customer needs in one app.



With the Fintech 2025 Three-Year Plan, PBHK will work on launching more features and services in the application to continue providing excellent digital customer services.

## E-Statement and E-Advice

Integrating digitalisation with sustainability, we have launched e-Statement and e-Advice (collectively “the e-Services”) via Net Banking and PBHK Digi in September 2023 for customers to manage their statements easier and provided a more environmentally friendly service. We provide the e-Services free of charge and will no longer be providing hardcopy e-Statement/e-Advice to the registered customers.

Customers can now access PBHK’s online services with an easier accessibility and more user-friendly interface, select their preferred language and connect with staff immediately with the newly added live chat support service as well as viewing their monthly statement online.

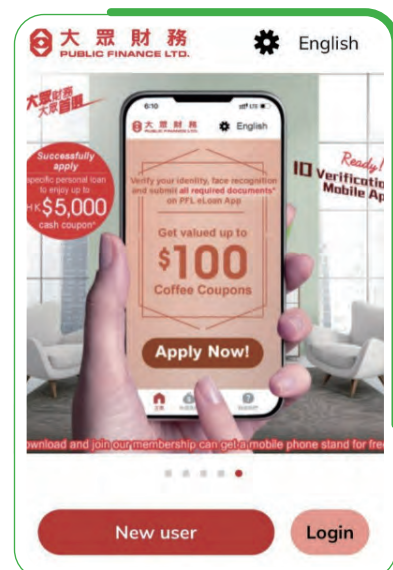
## E-Loan Service

With an unwavering dedication to streamlining and enhancing customers’ financial journeys, PFL has unveiled its latest mobile application, the “PFL eLoan App”. “PFL eLoan App” stands as a testament to our commitment to excellence in the era of digitisation, offering customers an additional channel for accessing a comprehensive and convenient online loan service. By embracing technology, we aim to provide a seamless and efficient experience for our customers, empowering them to manage their financial needs with ease.

### Launching of “PFL eLoan App”

PFL is deeply committed to improving the accessibility of financial loan services, with the aim of facilitating and easing the financial journey for the public. In line with this commitment, PFL has introduced the innovative mobile application “PFL eLoan App”. This application has been specifically designed to offer customers with an additional channel, enabling them to conveniently access a comprehensive range of online loan services. The application boasts several key features, including:

One-stop	Instant	Seamless
No waiting required, simply complete the application in a few minutes	Support for 24/7 application, without the need to physically show up	Access and enjoy loan services without any spatial limitations



## All-in-one Automated Teller Machine ("ATM")

In December 2023, the Group embarked on a digitalisation journey by introducing all-in-one ATMs with enhanced functionalities at multiple branches. The upgraded ATMs now offer an array of new features designed to provide a more seamless and convenient banking experience for our customers. One notable enhancement is the incorporation of MP4 monitors, which display promotional videos for PBHK, effectively bringing valuable information and offers to our customers' attention.

To streamline the transaction process, customers can now effortlessly select their desired ATM services through intuitive touchscreens. Additionally, we have optimised the display font size and colour contrast to ensure clarity and ease of reading for all users. Recognising the importance of customer privacy, we have installed partitions between the ATMs, safeguarding confidential information during password input and balance inquiries.

Besides we have made accessibility a priority by creating more leg space to accommodate customers with physical disabilities. This inclusive design ensures that all individuals can comfortably access and utilise our ATM services. These improvements collectively enhance the overall customer experience and exemplify our dedication to providing convenient and customer-centric banking solutions.



## Extensive Local Branch Network

To ensure that our customers receive the services in a timely manner and enhance customer convenience, we have built an extensive local branch network. Currently, the Group has 30 PBHK branches, 40 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 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 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, 96.8% of PBHK branches are equipped with customer service desks for customers in wheelchair.

## 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 into 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



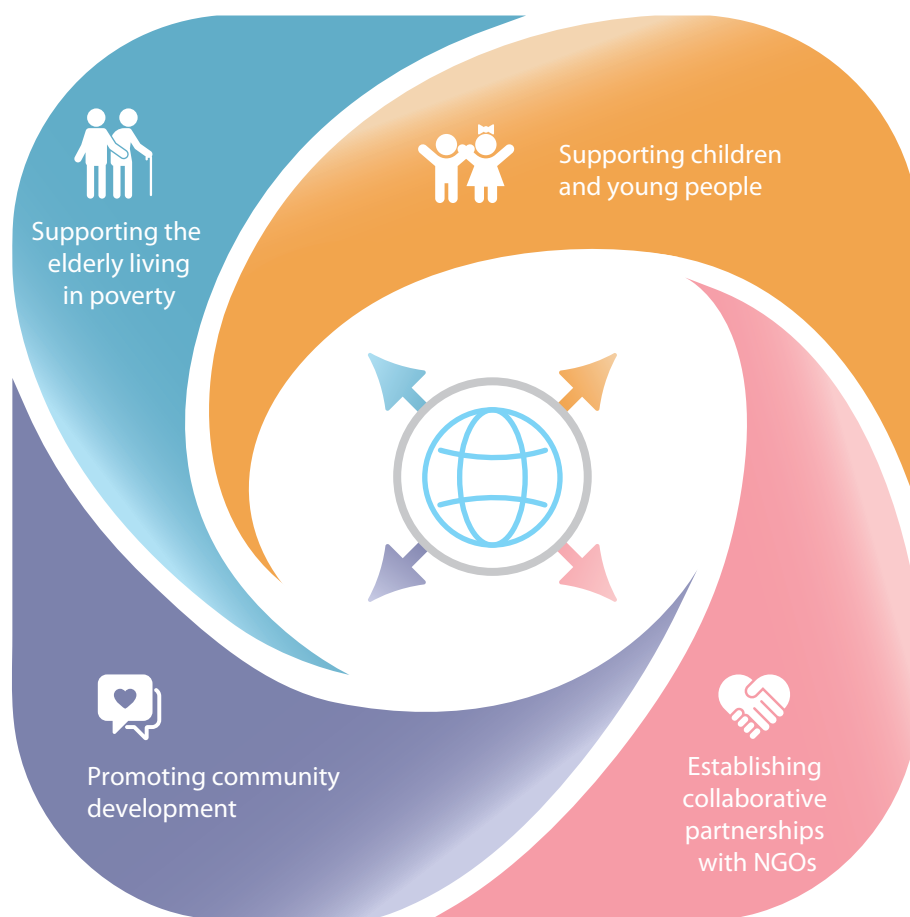


## OUR COMMUNITY

Our commitment to the communities we serve has always been a top priority. To better understand and address their needs, we have launched a diverse range of initiatives. Our overarching goal is to foster harmonious community development and create shared value for all stakeholders. Through our ongoing efforts, we aim to build stronger, more inclusive communities where everyone can thrive.

### Community Investment

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



The PB We Care Team (the “Team”), established in 2016 by dedicated staff volunteers, has actively participated in over 25 community service programmes in 2023. Through partnerships with charitable organisations and social service groups, the Team has made significant contributions to various communities. The Group is continuously making its best effort in contributing to the communities. We encouraged the participation of staff in various community service events throughout the year.

## Supporting the Elderly Living in Poverty

With global aging population, the elderly living in poverty is one of our main focuses in our community investment. We recognise the unique challenges faced by this vulnerable group and strive to provide the care and assistance they need. Through various initiatives and partnerships with organisations dedicated to elderly welfare, we aim to improve the quality of life for elderly individuals facing financial hardships.

### Mid-Autumn Festival - Visit the Elderly and Deliver Care Packages

It is important to show the elderly in need our care and support especially during festive periods. Coordinated with Shun Lee Neighbourhood Elderly Centre under Hong Kong Christian Service, our staff visited the underprivileged elderly in Shun Lee Estate, Kwun Tong during Mid-Autumn Festival and delivered care packages to them, hoping to deliver a warm and heartfelt care to them during Mid-Autumn Festival. Our volunteer team visited over 30 elderly, comprising low-income, singleton, doubleton and hidden elderly, and delivered 100 care packages.







## Supporting Children and Young People

We believe in investing in the future of our communities by supporting children and young people. We understand that nurturing and empowering the next generation to reach their full potential is one of our missions. Through our community contribution initiatives, we provide educational opportunities, mentorship programmes, and resources that enable children and young people to thrive.

### Summer Internship for University Students

Since 2018, PBHK has been partnering with the University of Hong Kong (“HKU”) to offer summer internship positions to university students. We hope to offer students with social sciences background, and those who are interested in banking industry an opportunity to work in PBHK and be exposed to experiential learning.

In 2023, two students from HKU and one student from University College London participated in this programme and had the opportunity to work alongside and learn from our knowledgeable staff at PBHK. We believe in nurturing young talents and providing them with a platform could expand their skills and knowledge in a professional setting which will be rewarding in the long run.



### Promoting Mental Health and Wellness in Youth through CLAP@JC

Winton continued their involvement in the youth-led project “CLAP@JC”, supported by The Hong Kong Jockey Club Charities Trust. Collaborating with The Boys’ and Girls’ Club Association of Hong Kong, Winton donated money and presented handmade gifts. Winton’s staff, family members, and youth volunteers participated in a workshop where they learned to create scented mosquito repellents using natural plants. The completed products were gift-wrapped and donated to homeless people.

This meaningful initiative fostered new connections and a sense of fulfilment, benefiting both the youth and the community.



### Sharing the Christmas Joy with the Underprivileged Children

In celebration of Christmas, the Group had organised a Christmas donation drive in late November 2023 and a Christmas Party with primary school children in mid-December 2023. The response to the Christmas donation drive was heartwarming, with a total of HK\$12,000 donated, along with 10 granted gifts. All the donated funds were put to good use, including purchasing stationery packs, board games, personal growth and inspirational books for the children and the North Point Happy Teen Club under Hong Kong Christian Service.

The donated funds were also utilised for the Christmas Party, which brought together 15 dedicated staff volunteers and 20 children from underprivileged backgrounds or with special educational needs. The event was filled with joy, happiness and an unforgettable experience for all involved.



### Promoting Community Development

By promoting community development, we aim to empower individuals, strengthen social connections, and contribute to the overall growth and prosperity of the communities we serve. Through our community contribution initiatives, we actively engage with local organisations, non-profits groups, and community leaders to identify and address the unique needs of each community.

#### Skip Lunch Day

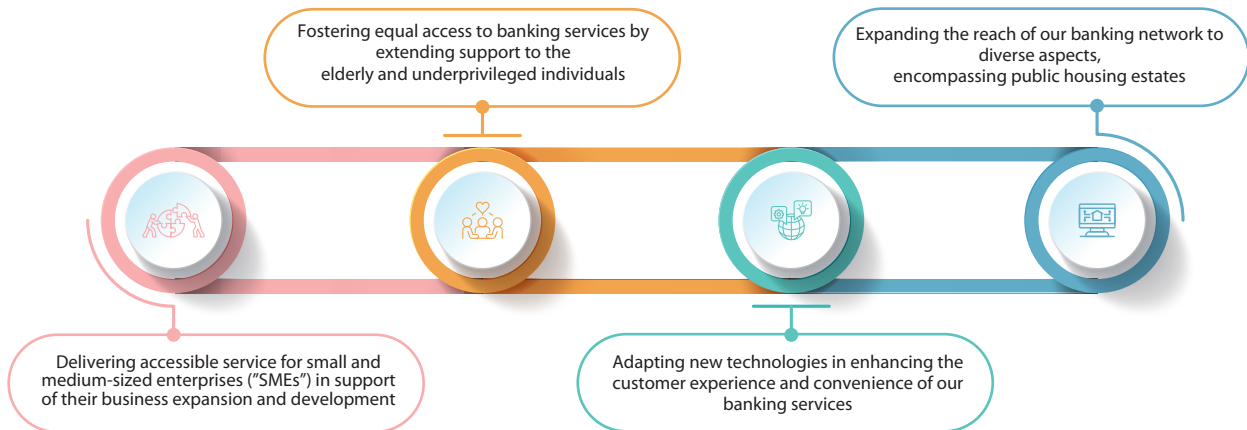
In March 2023, the Group joined the “Skip Lunch Day 2023” organised by The Community Chest of Hong Kong. There were 33 staff of the Group participated in the event and each donated lunch fees of HK\$35 or more.

A total of HK\$4,000 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.



## Financial Inclusion and Accessibility

Upholding the Group’s customer-centric philosophy, and in line with HKMA’s initiative to promote financial inclusion, the Group is dedicated to providing convenient and inclusive financial services to individuals from all walks of life in the community in support of their financial needs. A range of initiatives in improving the financial products and services accessibility is as follows:



## Supporting SMEs Participation in “Night Vibes Hong Kong”

PBHK supports SMEs in their participation in the Hong Kong SAR Government Campaign on “Night Vibes Hong Kong” (the “Campaign”) in revitalising the city’s nightlife and night-time economy. The Campaign commenced from mid-September 2023 running across Mid-Autumn Festival, National Day, Halloween, Christmas and New Year until early 2024.

In support of the Campaign, PBHK offers an enhanced SME Loan Scheme (the “Scheme”) in support of SMEs participation in the Government initiative. With the current Scheme, PBHK is offering SMEs loan amount up to HK\$1,000,000 with preferential interest rate and loan tenor up to 36 months. With the enhancement, the handling fees have been waived. The Scheme provides SMEs with business opportunities in exploring different sectors of the community through their participation in the series of diversified night time activities such as live performances, night bazaars, gourmet, music and culture held on harbourfront sites under the Campaign.

All staff are encouraged to promote the Scheme to SMEs customers, their friends and families in addition to PBHK’s customers.

The enhancement of the Scheme in alignment with the Government initiative has reflected the Group’s corporate culture of caring in relieving customers’ cash flow pressures in difficult times and also in boosting Hong Kong’s night-time economy.





# OUR PEOPLE





## OUR PEOPLE

We recognise that our employees are instrumental in driving our sustainable business forward. We remain committed to cultivating a diverse, inclusive, competent and harmonious work environment that prioritises the well-being and career growth of our employees. Through continuous support and empowerment, we aim to foster a people-oriented culture where everyone can thrive and contribute to the long-term success and sustainability of the Group.

### Law Compliance

In 2023, the Group was in compliance with the 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 2023, 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);*
- *Personal Data (Privacy) Ordinance (Cap. 486 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 Policies 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 the relevant company policies regularly in accordance with the latest laws and regulations.

As at 31 December 2023, there were a total of 1,122 employees working for the Group in Hong Kong, with a gender ratio of 42:58 (male to female). For more details of the Group's employment information, please refer to the "Performance Data Summary" section of this ESG Report.

### Talent Attraction and Retention

We are committed to attracting and nurturing talents by providing them rewarding career development opportunities. The Group's recruitment and selection procedures adhere to the principles outlined in the Human Resources Policies Manual, ensuring fairness, non-discrimination, and compliance with statutory regulations and industry best practices. To meet our business development needs, we leverage diverse recruitment channels, including referrals, recruitment agencies, and campus recruiting, to strengthen our talent pipelines and refine our hiring process. We are committed to continuously enhancing our recruitment strategies and practices to attract the best-fit candidates who align with the Group's values and contribute to its long-term success.

The Group places a strong emphasis on providing all employees with equal and unbiased opportunities for promotion through a transparent process that aligns with the Human Resources Policies Manual and Remuneration Policy. We have established performance appraisals and competency assessments that are specifically designed to review and evaluate the performance and competence of our employees. These assessments serve as a reliable basis for making informed decisions regarding employee retention and promotion.



### Shining “PB Stars” as Corporate Culture Ambassadors

The Group places a high emphasis on recognising employees’ contribution and dedication, as one of our key strategies in talent management and retention. In 2023, the Group has proudly re-launched the “PB Star - Corporate Culture Ambassador” Scheme.

This initiative aims to acknowledge and honour the exceptional contributions and performances of staff members who consistently embody the Group’s corporate culture and values in their attitude and behaviour at work.

Out of the numerous deserving candidates from PBHK, PFL and Winton, a total of six winners were selected. These individuals were recognised for their unwavering dedication to achieving work excellence and professionalism in delivering high-quality services to the customers. Moreover, they were commended for the efforts in fostering a friendly and inclusive working environment. As Corporate Culture Ambassadors, these winners serve as exceptional role models, inspiring others to uphold the Group’s corporate values in the workplace.

### Termination and Dismissal

Meanwhile, the Group is committed to upholding reasonable and lawful grounds for any termination of employment contracts. We have established internal policies that govern the procedures for employee dismissals, and strictly prohibited any form of unfair or unreasonable dismissals. For employees who are found guilty of misconduct, or have seriously violated the Group’s policies, or whose performance are unsatisfactory, the employment relationship with the relevant individuals may be terminated with or without prior notice.

### Remuneration and Benefits

In view of the fierce labour market, the Group understands the importance of recognising and appreciating the dedicated contributions and efforts of the employees. To ensure that our employees are fairly compensated, we offer a comprehensive and competitive remuneration package that goes beyond statutory requirements. This package includes various benefits such as performance bonuses, overtime allowances, staff housing loans, personal loans, medical benefits and insurance coverage. In addition, our employees enjoy preferential interest rates on staff savings and fixed deposit accounts, as well as other offers that help improve their quality of life.

Furthermore, the Group goes above and beyond in ensuring strict compliance with local laws and regulations pertaining to working hours and rest periods. We prioritise the well-being of our employees by granting them various forms of leave. 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. We are committed to regularly reviewing our remuneration packages to remain competitive in the labour market and to support the physical, mental, and financial wellness of the employees.

## Promoting Employee Well-Being

### Employee Care

We understand the significance of work-life balance and we prioritise the well-being of our colleagues. In line with this commitment, we have implemented a range of comprehensive staff support programmes and initiatives, which are designed to align with our values and contribute to attracting, engaging, and retaining our talented workforce.

Throughout the year 2023, we organised a number of staff activities to foster a positive and inclusive work environment, for example, festival celebrations, team building tours, health workshops, and appreciation dinners. These initiatives not only provide opportunities for our colleagues to relax, connect, and promote their well-being, but also boost staff morale and promote a caring corporate culture.

### Optimisation of Our Front Office Incentive System

Pursuant to the Final Report on Focus Review on Incentive Systems of Front Offices in Retail Bank conducted by the HKMA in May 2022, we provided our feedback which had contributed to the contents of the report, and we also received HKMA's feedback on our practices.

To benchmark and optimise our practices in this regard, we have undergone a gap analysis which consisted of two parts: (A) Rewards for Non-financial Performance, (B) Mechanisms to Support Staff in Delivering Good Outcomes. To address the issues found from the analysis, both the analysis result and follow up actions have been reported and suggested in the meetings of Bank Culture and Sustainability Steering Committees by Corporate Culture & Social Responsibility Department during the reporting year. Below are the optimisation measures in this regard:



#### Rewards for Non-financial Performance

- (1) Positive reinforcement of good conduct by organising an award presentation session by Senior Management for winning branches of the MSP and MCP
- (2) Amplifying staff good conduct by conducting PB Stars nomination and giving rewards under the Corporate Culture Ambassador Scheme; excellent customer service case sharing and certificate and prize recognition at the Business Forum or Group's functions

#### Mechanism to Support Staff in Delivering Good Outcomes

- (1) Exploring e-solutions from customer data to help staff understanding customers' needs





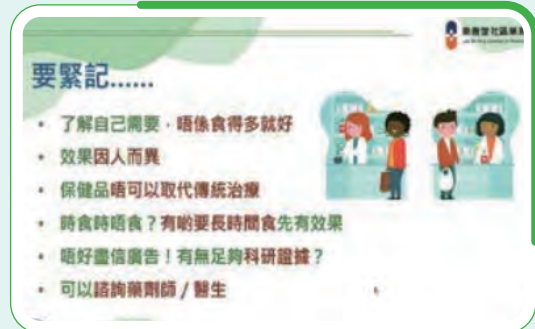
### Team Building Activities

In April and May 2023, the Group organised two exciting half-day team building activities at Hong Kong Disneyland Park, with a total of 158 Group staff and Senior Management participated. The primary objective was to foster teamwork and emphasise the significance of working together cohesively. Various tasks and challenges were incorporated to boost team spirits and promote a collective and collaborative work environment. By creating opportunities for staff members to come together and collaborate outside their daily work routine, the Group aims to strengthen relationships, improve communication, and enhance overall team dynamics.



### Promoting Nutrition, Health and Wellness

The Group is dedicated to promoting employee health and wellness. In May 2023, we organised an online health workshop, “How to Choose the Right Supplements”, aimed to equip our employees with the necessary knowledge about quality medical care, medicine, and health-related information. Up-to-date information of various supplementary health products and their functions were introduced, and participants had learnt to be more cautious on the usage of health products. The key takeaway was that making informed and intelligent decisions when selecting and consuming supplements were crucial in improving overall health and well-being.



### Organising Hybrid Mental Health Talk

Our commitment to the well-being of our employees is always a top priority for the Group. We recognise the importance of raising mental health awareness and promoting overall well-being.

To show our support for World Mental Health Day, the Group organised a Hybrid Mental Health Talk on 18 October 2023. We invited an experienced clinical psychologist to share professional insights on practical ways to assess mental health conditions and how to effectively cope with stress and negative emotions.



## Protecting Labour Rights

In 2023, the Group strictly abided by the relevant laws and regulations in relation to the prevention of child and forced labour, including the *Employment Ordinance (Cap. 57 of the Law of Hong Kong)* and the *Employment of Children Regulations (Cap. 57B of the Law 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.

Under the SCoC, all of our suppliers are required to:

- 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 the relevant laws immediately.

In 2023, the Group was not in violation of any of the relevant laws and regulations in relation to the prevention of child and forced labour.

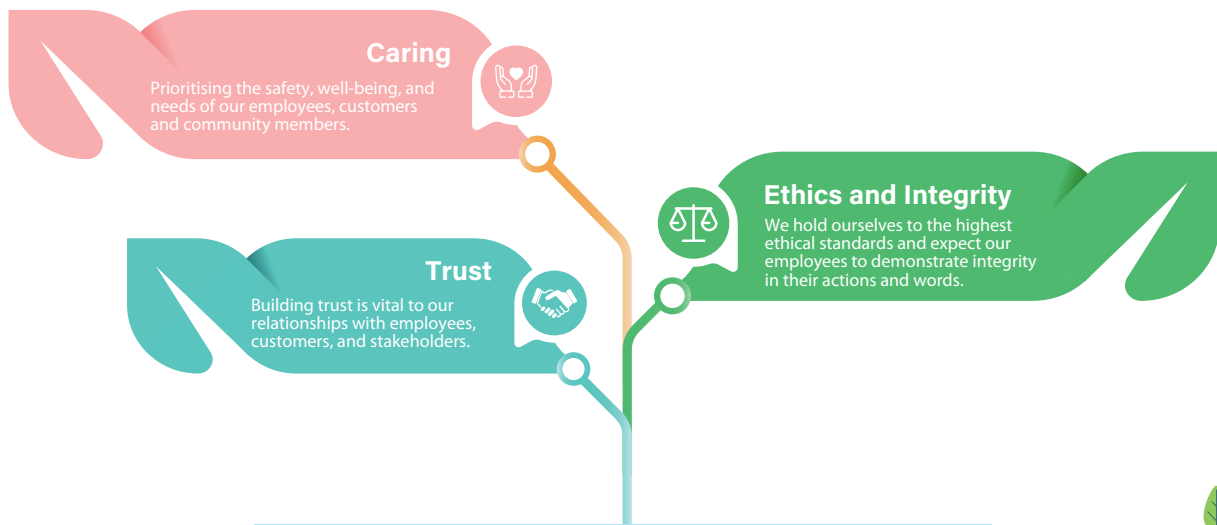
## Employee Communication

The Group recognises the importance of fostering effective two-way communication to cultivate 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. These platforms enable information sharing, updates on organisational initiatives, and the opportunity for staff members to voice their opinions and concerns. To further support open communication, designated email addresses such as [staffsuggestion@publicbank.com.hk](mailto:staffsuggestion@publicbank.com.hk) are provided for staff members to directly communicate their feedback to Senior Management.



## Diversity, Equity and Inclusion

We firmly believe that Diversity, Equity, and Inclusion (“DEI”) are integral to our success as an organisation. As we integrate DEI principles into our core corporate values of “Caring”, “Ethics and Integrity” and “Trust”, we aim to foster an environment where every individual feels valued, respected, and empowered. By aligning these values with DEI, we strive to create a workplace that celebrates diversity, ensures ethical practices, and builds strong relationships based on trust.



Caring	Ethics and Integrity	Trust
<p><b>Ensure Safety and Well-being:</b></p> <p>We commit to providing a safe and secure workplace that promotes physical and mental well-being for all employees.</p> <p><b>Listen and Understand:</b></p> <p>We encourage active listening and understanding of individuals’ diverse perspectives, needs, and experiences.</p> <p><b>Serve the Community:</b></p> <p>We actively engage in charitable activities and environmental initiatives to contribute positively to the communities we serve.</p>	<p><b>Do the Right Things:</b></p> <p>We expect employees to make choices and take actions aligned with moral principles and ethical guidelines.</p> <p><b>Be Honest and Fair:</b></p> <p>We emphasise honesty, fairness, and transparency in all business dealings and relationships.</p> <p><b>Have Actions and Words in Line with Moral Principles:</b></p> <p>We expect employees to align their behaviour and communication with our shared moral principles.</p>	<p><b>Be Open-minded and Reliable:</b></p> <p>We encourage open-mindedness, reliability, and consistency in our interactions and commitments.</p> <p><b>Treat Others with Dignity and Respect:</b></p> <p>We foster an environment where individuals are treated with dignity, respect, and fairness.</p>

The Group's commitments are reflected and integrated into our key people practices and processes:

- Equal employment opportunity, elimination of all forms of forced and compulsory labour as well as non-discrimination towards race, gender, religion, ethnicity, age, disability, nationality, culture, marital and parental status, physical impairment and religious beliefs;
- Fair and equal access to all developmental and career advancement opportunity;
- Prioritising the safety, health and well-being of staff;
- Fair and equitable remuneration, recognition and rewards;
- Transparent and fair performance appraisal system;
- Compliance with fair labour practices, uphold freedom of association, right to collective bargaining and minimum wage; and
- Embed supportive and inclusive culture through women empowerment in support of equal rights for women.

### Promoting Diversity and Equal Opportunity

The Group is committed to creating an inclusive environment for all employees. In line with the Group's Human Resources Policies Manual and Code of Conduct, the Group is in place to prohibit discrimination, harassment, or prejudice on any grounds of nationality, race, religion, age, gender, pregnancy, family status, disability, or any other non-job related factors. To maintain diversity in our workplace, we have ongoing monitoring on our diversity mix. As at 31 December 2023, we reached a gender balance of 58% women and 42% men for full-time employees across the Group.

### Zero Tolerance for Discrimination and Harassment

Our organisation adheres to a strict Code of Conduct that unequivocally prohibits all forms of discrimination and harassment. We have set forth a clear expectation for our staff members to fully comprehend and comply with the regulations outlined in the Discrimination Ordinances. We strive to ensure and maintain an open and inclusive environment free from any unlawful acts of harassment or discrimination.

To effectively address and prevent workplace sexual harassment, the Group has implemented the Anti-sexual Harassment Policy that is in line with the *Sex Discrimination Ordinance (Cap. 480 of the Laws of Hong Kong)* and the Code of Practice on Employment under Sex Discrimination Ordinance. We are committed to cultivating a safe and respectful work environment that is entirely free from any form of sexual harassment, both within and outside the scope of employment. We take a zero-tolerance approach towards any acts of sexual harassment, including verbal and non-verbal, visual, psychological and physical harassment. We have established dedicated reporting channels to facilitate the reporting of any suspicious cases and all reports will be treated seriously and in strict confidence. Following receipt of a report, investigation and disciplinary procedures will be conducted.

In 2023, there are no concluded cases pertaining to discrimination or harassment involving the Group or employees.



## 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 2023, the Group was in compliance with the 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.

In 2023, the Group recorded 3 work-related injuries and 257 lost workdays due to injury incidents. No work-related fatalities were recorded in the past three years including the reporting year.

## Promoting Staff Development

The Group attaches great importance to staff training and development. We deeply value the professional growth and improvement of our employees. 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. Our Training and Development Policies and Guidelines are regularly reviewed and updated to ensure they remain relevant and effective. These policies guide our efforts in providing tailored training and development opportunities that directly align with the current job positions of our staff members.

Training Needs Analysis will be conducted by the Training and Development Department yearly to comprehensively understand and identify the skills, knowledge, and attitude required to aid business growth and to enhance staff's competency. This assessment enables us to optimise the training content and outcomes, ensuring that the training initiatives that we implemented precisely to address the needs of our workforce.

In 2023, 100%\* of the Group's employees received training with a total of 23,452 hours, equipping them with the latest market trends/regulatory requirements and enhancing their knowledge and competency.

\* The percentage of employees received training includes the number of employees employed and resigned in the year 2023.



Under the unwavering commitment in the realm of staff training and development, PBHK has been awarded as a MD by ERB for 13 consecutive years. PBHK maintains its steadfast dedication to promoting lifelong learning amongst our employees, propelling continuous improvement in their professional journey. By prioritising manpower training and development initiatives, we empower our staff members to acquire new skills, stay abreast of industry trends, and enhance their expertise. This culture of learning lays a strong foundation for the continuous growth and advancement of the Group.

To comply with HKMA guidelines, the Group incorporates the “Training-for-Competency (“TFC”) Approach” to reiterate the importance of competence and ethical behaviour of staff of all levels. The TFC Approach encourages a more active partnership between Training and Development Department, Human Resources Department and all functional units in monitoring, developing and maintaining the competence levels and ethical behaviour of staff.

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

Staff will be provided with practical and job-related training and development programmes designed and implemented by the Training and Development Department and/or line departments to help them to meet the company goal, and to ensure that they perform their jobs in the most competent and efficient manner.

In addition, AML/CTF and other compliance trainings will also be provided to all full time staff members.

### External Training Sponsorship Scheme

Staff who have a direct and immediate job need will be nominated to attend 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 and subsidies will be given to encourage the continuous trainings of all staff members.

### Publicly Recognised Professional Examinations Sponsorship Scheme

Staff who would like to acquire professional status or qualification to further their career development may sit for external examinations recognised by the public and the Group and should relate to the present job position. For example:

- Certified Banker Programme by Hong Kong Institute of Bankers (HKIB)
- Qualification Programme by The Association of Chartered Certified Accountants (ACCA)
- Qualification Programme by Hong Kong Institute of Certified Public Accountants (HKICPA)
- Chartered Governance Qualifying Programme by The Hong Kong Chartered Governance Institute (HKCGI)



### 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 Business Unit/Department Heads are eligible to this sponsorship. Reimbursement will be obtained upon satisfactory examination results.

### Online Learning Subscribed by PBB

PBB has subscribed to courses under “Coursera” and extended to staff of the Group. Under Coursera, the Group would sponsor the staff to apply for online access to education that are relevant to their job function and to upscale themselves.

### Overseas Training Programme

PBB Head office in Malaysia regularly organises management seminars or sales conventions, in which suitable staff members of the Group are nominated to attend to foster the knowledge exchange and experience sharing between Malaysia headquarters and our Hong Kong office.

## Training Workshop on Communication Skills

The Group has engaged an external training consultant in organising a 1-day workshop on “Influencing and Working with Your Team Members Successfully” in enhancing staff’s influencing and communication skills at work. A total of 16 participants ranging from clerical to managerial level staff attended the workshop. The trainer shared practical insights and real-life experiences related to effectively communicating and influencing others. Her wealth of knowledge greatly benefited our employees, equipping them with valuable techniques that could apply in their day-to-day work interactions.



# OUR SUPPLY CHAIN MANAGEMENT





## 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 and 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:

The Group highly encourages suppliers to enhance their environmental and social performance beyond compliance. In those cases where a supplier is found to be in violation of the mandatory items of the SCoC, we will work with the supplier on an improvement plan to achieve compliance. If the supplier continues to be non-compliant with the SCoC, we will take steps to review the terms of the contract or even terminate the contract.

Compliance and Fair Competition	Data Privacy and Security	Ethical Standards of Conduct
<p>We ensure equal opportunities for all suppliers and require our suppliers to adhere to relevant laws and regulations, including but not limited to, the Competition Ordinance and the rules or regulations issued by the SEHK and HKMA to prevent anti-competitive practices such as price fixing, bid rigging, or any form of bribery.</p>	<p>Keep the data safe and confidential as well as comply with data protection regulations including the PDPO. Notify the responsible person of the Group if there is any leakage or unauthorised use of our data.</p>	<p>To avoid conflict of interest and ensure the quality of the product/service is up to standard. To support fair trade and commit to eliminate employment barriers.</p>

Employment Practice	Occupational Safety and Health	Environmental Protection
<p>We expect our suppliers to respect and protect human rights of their employees. They should provide a fair working environment and ensure the rights of the employees are complied with the relevant laws.</p>	<p>It is important to us that our suppliers provide a safe working environment and support the health of their employees with a set of policies and procedures.</p>	<p>The Group has set out the standards, practices, and principles on environmental protection under our CSR Policy and we hope our suppliers can work with us to protect the environment actively.</p>

## 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 2023, the Group collaborated with a total of 108 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



## OUR ENVIRONMENT

We believe that the environment is essential in shaping the well-being for all. We strive to minimise the negative impacts 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 2023. A full view on its quantitative environmental data can be found in the "Performance Data Summary" section of this ESG Report.

### Law Compliance

In 2023, the Group strictly complied with the relevant applicable local environmental laws and regulations and was not in violation of any laws or regulations relevant to air and Greenhouse Gas Emissions ("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);*
- *Noise Control Ordinance (Cap. 400 of the Laws of Hong Kong); and*
- *Motor Vehicle Idling (Fixed Penalty) Ordinance (Cap. 611 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.

### 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. The Group also welcomes staff to identify potential energy saving opportunities and report any water leakage for immediate remedial actions.

## Environmental Activities

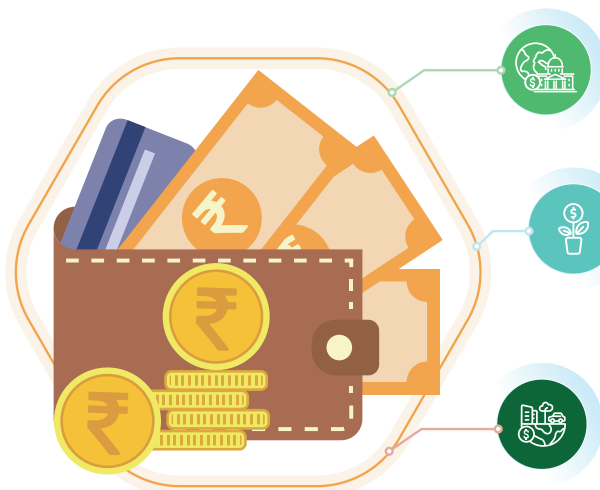
To nurture environmental awareness amongst staff members, the Group organised a series of internal activities and participated in external events organised by various organisations, which were highlighted below:

Activity	Objectives and Details	Organiser/Facilitator
<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 2023)</b>	32 branches of PBHK participated in this campaign to encourage the general public to use electronic red packets during Chinese New Year.	HKMA
<b>Green Power Hike (Jan – Feb 2023)</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>Unused Laisee Packet Recycling Campaign (Jan – Feb 2023)</b>	The Group joined this event to collect laisee packets (red packets) that were unused and in good condition for recycling or redistribution to the general public for next year’s usage.	Greeners Action
<b>Earth Hour (Mar 2023)</b>	On 25 March 2023, 32 Branches of PBHK, 42 Branches of PFL 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 2023)</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
<b>Coffee Grounds Soap Making Workshop (Jul 2023)</b>	Aims to let our staff members learn the concept of waste repurposing with coffee grounds and how to incorporate them into the soap-making process.	Eco-Greenergy

Activity	Objectives and Details	Organiser/Facilitator
<b>Dress Green, Act Green Day (Jul 2023)</b>	Staff are encouraged to wear green in earth tone colours to work on the last day of the Green Month Campaign. Nearly 100 staff were dressed in earth tones and took group photos to demonstrate their ways of sustainability lifestyle.	Corporate Culture & Social Responsibility Department
<b>Clothes Donation (Jul 2023)</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 (Sep 2023)</b>	Aiming to donate mooncake coupons and mooncakes for the elderly in celebration of Mid-Autumn Festival, a total of 170 pieces of mooncakes were collected from staff members during this event.	<ol style="list-style-type: none"> <li>Shun Lee Neighbourhood Elderly Centre, HKCS</li> <li>Saint Barnabas' Society and Home</li> </ol>

## 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

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 help financing our corporate customer in purchase of green equipment, machine or installation expenditure. This product is also applicable to unsecured or secured loans for green projects. A Green Bonus is offered to the customer as an incentive to encourage transit to green operation.

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

To finance up to 100% Loan-to-value ("LTV") ratio for our customers in purchasing new electric private vehicles, light good vehicles and selected models of used vehicles.

Up to 90% LTV ratio is offered to the customer in purchasing hybrid/electric taxis in order to promote the "Green Transport" concept across the market.



Promoting Internal and Public on Green Awareness

Internal Green Online Shopping Webinar

Given that the increasing popularity of online shopping practices, the rise of packaging waste has skyrocketed. The packaging wastages have generated an excessive amount of residential garbage that has intensified the landfills burden and the ecosystem.

In regard to this concern, the Group has organised a webinar for all staff on the practice of green online shopping led by the Green Sense, an environmental NGO.

Throughout the webinar, the Speaker shared different knowledge on actionable solutions on different types of packaging that can be recycled in both residential and commercial settings, which have enabled staff to practise green online shopping and influence their relatives and friends in this regard.



Promoting Public to Use e-Laisee

The Group has embraced the market trend of utilising online media platforms to enhance exposure for our brand. These online media platforms serve as an additional channel for the Bank to promote its products and services while at the same time to influence the public with our ESG practices. Our Corporate Culture & Social Responsibility Department has leveraged on the online media platforms in encouraging the general public to respond to environmental protection by sending "e-Laisee" via PBHK Pay (now known as "PBHK Digi") to their families and friends, in order to minimise the paper waste generated. We will continue to embrace such practices to bring social impacts to the public.



Recycling Laisee

Recycling is also an effective way to minimise waste generated. The Group allocated four laisee collection boxes in office premises for collecting unused laisee for recycle purpose. Three cartons of recycled unused laisee were collected from our supportive colleagues. The Group is dedicated to reducing wastage and cultivating green sense into staff and customers mindset. Staff were reminded to think green while celebrating the Chinese New Year festive season.



## Green Month Campaign

To promote green messages and raise the awareness of green in our daily life, the Group has launched the Green Month for the whole month of July 2023 by organising a series of activities with different weekly themes of sustainability trends.

### Sustainable Travelling

The Green Month kick-started the first week of the theme of sustainable travelling. As travelling restrictions were lifted, our Corporate Culture & Social Responsibility Department shared green tips on how to travel responsibly, such as choosing transportation with the lowest carbon footprint.

### Waste Reduction

For the second week, the theme of waste reduction was adopted. Through the “Clothes Donation” activity, Group staff donated over 50 clothing items to be forwarded to the “Green Ladies and Green Little” of St. James’ Settlement, a social eco-enterprise that promotes environmental and social progress through fashion reuse and empowering middle-aged women re-entering the workforce. This activity not only reduced textile waste, but also supported a worthy cause.

### Sustainable Eating

For the third week, the theme of sustainable eating was encouraged. Our Corporate Culture & Social Responsibility Department shared tips to staff on which food have the lowest environmental impact, and staff were encouraged to embrace plant-based diets in benefitting their health and the planet.

### Recycling and Repurposing

For the fourth week, the theme of recycling and repurposing was practiced through Coffee Grounds Soap Making Workshop held at PBHK’s Training Centre and led by Eco-Greenergy, an environmental social enterprise dedicated to recycling coffee grounds and promoting sustainable practices. Nearly 20 staff participated in the workshop in designing and making their own unique soaps. In the workshop, staff learnt about the steps and benefits of repurposing coffee grounds, as well as the importance of sustainability.



The Green Month ended with the “Act Green, Dress Green” initiative, with nearly 100 colleagues participating.



## 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 have 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 2023.

### Efficient Use of Resources

In 2023, the major resources used by the Group included electricity, water and paper. Details of the resources consumed in 2023 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 to energy-saving systems/equipment;
- Replace obsolete lighting fixtures with Light-emitting Diode ("LED") lights;
- Organise internal programmes and participate in external energy saving schemes;
- Switch off lights and signboards at branches from 10:30 p.m. to 8:00 a.m. everyday; and
- Introduce and actively use electric vehicles.



### Internal Energy Saving Scheme

To combat climate changes, our Corporate Culture & Social Responsibility Department introduced a new reward scheme for all departments and branches in PBHK on electricity usage. Using data compiled during the first 6 months of the year 2023 and over the past 2 years, the Group was able to identify departments and branches that reached their target energy saving rate as compared to the previous year.

The successful winners that managed to achieve the target reduction rate of 3% were branches located in Hunghom, Tseung Kwan O, Kwun Tong and Wan Chai districts. To show appreciation to their tremendous efforts in helping to save the planet, the Group rewarded nearly 30 branch staff with gift vouchers. Additionally, the relevant Branch Managers shared their energy-saving strategies, serving as a valuable reference for other branches/departments to follow.

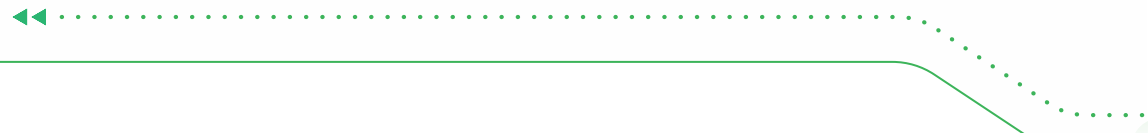
For branches/departments experiencing over a 5% increase in electricity usage, Corporate Culture & Social Responsibility Department worked closely with them to understand their challenges and identify ways to help them achieving the target and fostering continuous improvement in sustainability practices in future.

### Charter on External Lighting

To put forth our best efforts in mitigating the problems of light nuisance and energy wastage caused by external lighting, 56 of our branches have participated in the scheme called "Charter on External Lighting" organised by the Environment and Ecology Bureau. Our branches have received the Platinum Award under this scheme.

Under the Charter, we have pledged to switch off lighting installations with decorative, promotional, or advertising purposes that affect the outdoor environment during the pre-set times. We believe that by doing so, we can refrain from switching on unnecessary external lighting at night, thereby driving behavioural change. This switch-off arrangement can provide residents with a better environment conducive to sleep and also promote energy saving and low-carbon living, with the purpose of combating the profound impact of climate change.





## Emissions Management

In 2023, the Group’s emissions included air and GHG emissions, commercial wastewater discharges and solid waste disposal.

### Air and GHG Emissions

In 2023, 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 reporting year. 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 the next section.




### Paper

The use of paper 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:

- Joint monitoring of departmental paper usage by Premises and General Affairs Department and Corporate Culture & Social Responsibility Department and reward those departments/business units with 5% reduction on the usage;
- Think before printing;
- Check the page margin before printing to avoid wastage;
- Print 2 pages per sheet;
- Encourage employees to adopt double-sided printing;
- Reuse paper whenever possible;
- Recycle printed non-confidential documents; and
- Incorporate “Go Green. Print Less. Save the Planet” slogan at our email footnote to promote paper reduction.



### Paper Recycled

2023			2022
 <p>More than <b>85</b> tonnes Paper recycled</p>	<p>Equivalent to around</p>  <p><b>411</b> tonnes CO<sub>2</sub>e of GHG emissions</p>	<p>Equivalent to around</p>  <p><b>16,202</b> trees planted</p>	<p>More than <b>30</b> tonnes Paper recycled</p>



### Waste

In 2023, 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. 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.

### Water

In 2023, 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.





### PBHK Head Office is Leading the Way

PBHK Head Office has demonstrated a strong commitment to integrating waste management best practices within its daily operations. PBHK Head Office showcases its efforts to the subsidiaries and branches in promoting sustainable waste management practices.

PBHK Head Office has implemented various waste reduction guidelines, action plans, and training programmes. These initiatives aim to raise awareness among staff members and provide the necessary knowledge and skills to effectively manage waste. By promoting waste avoidance strategies, PBHK Head Office encourages employees to reduce waste generation at its source, emphasising the importance of mindful consumption and efficient resource utilisation.

Furthermore, PBHK Head Office has implemented comprehensive recycling programmes to ensure that recyclable materials are properly sorted and disposed of. Through the establishment of recycling stations and the provision of clear guidelines and “Office Green Tips”, employees can actively participate in waste recycling activities. PBHK Head Office has outsourced third parties to collect data and measure the KPIs of the group companies making recycling efforts, so that we can utilise the relevant data for analysis and assess the recycling performances.

In line with its commitment to sustainability and to minimise the environmental impact associated with its procurement activities, PBHK Head Office has also adopted green procurement practices to reduce waste generation throughout the supply chain, such as sourcing from suppliers who adhere to sustainable practices, prioritising environmentally friendly products, and using recyclable or biodegradable packaging materials.

These efforts have been recognised through the prestigious “Good Level” of Wastewi\$e Certificate issued by the HKGOC, highlighting its dedication to environmental stewardship and sustainable business operations.










## Review of Our 2023 Goals

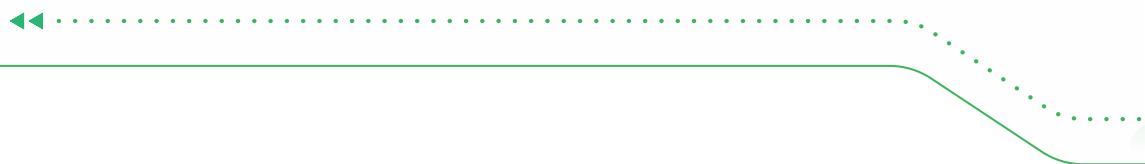
The Group understands its responsibility in contributing to a sustainable future. Despite the fact that the Group’s business operations did not cause any significant impacts on the environment during the year under review, the Group is committed to setting up specific environmental targets in fulfilling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

Regarding to our goals set for the year 2023, we have made substantial progress in achieving our environmental goals. Here are the key accomplishments summarised below:

Areas	2022 Baseline	2023 Target	2023 Achievement
 <b>Air and GHG Emissions</b>	Total Air Emissions: 6.39 kg	Same Level	↓ Reduced 14.40%
	Total GHG Emissions: 2,171.48 tCO <sub>2</sub> e	↓ 3%	↓ Reduced 9.03%
 <b>Solid Waste</b>	Non-hazardous solid waste: 38.25 tonnes	Same Level	↓ Reduced 64.39%
	Paper procured: 82 tonnes	↓ 2%	↓ Reduced 2.96%
 <b>Water and Wastewater</b>	Water and wastewater Intensity: 4.14 m <sup>3</sup> /FTE	Same Level	↓ Reduced 17.63%
 <b>Electricity</b>	3,916.01 MWh	↓ 3%	↓ Reduced 0.80%
 <b>Other Energy Resources</b>	Diesel & Gasoline Intensity: 0.03 MWh/FTE	Same Level	↑ Increased 53.31% <sup>1</sup>

Note:

- Due to the fluctuating COVID-19 situation in the Hong Kong in 2022, there was a relatively lower frequency of business trips and client visits compared to normal circumstances. As a result, the consumption of diesel and gasoline in 2022 was lower. However, we have actively reduced the use of gasoline and diesel and have started implementing the use of electric vehicles as a means of transportation for daily business commutes in the current year.



## Targets and Actions

The Group is devoted to making its utmost efforts to build a greener future. The table below summarises our future targets and actions.

Areas	Targets	Actions
<b>Air and GHG Emissions</b>	Taking 2023 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 2024.	The Group will continue to improve its scientific and standardised system to monitor and review its emissions.
<b>Solid Waste</b>	Taking 2023 as the baseline year, the Group targets to maintain the intensity of non-hazardous solid waste generated in 2024 within the same scope at the same level.  Specifically, the Group targets to reduce paper procured by 2% by 2024 when compared to 2023.	The Group will continue its commitment to minimising the generation and disposal of unnecessary waste management policies.  Besides, the Group will discover alternatives to replace paper-dominated workflows in creating a paperless office.
<b>Water and Wastewater</b>	Taking 2023 as the baseline year, the Group targets to maintain the intensity of water consumption and wastewater discharged in 2024 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.
<b>Electricity</b>	Taking 2023 as the baseline year, the Group targets to reduce electricity consumption by 3% in 2024.	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 2023 as the baseline year, the Group targets to maintain the intensity of petrol and diesel consumption in 2024 within the same scope at the same level.	The Group will continue to optimise its operating procedures aiming for lowering its fuel usage.

## Climate Risk Identification and Management

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 have 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.

The following table summarises the risks and opportunities 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 branches due to extreme weather events may result in 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>
	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/lowlying 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>
<b>Opportunity</b>		<b>Potential Impact and the Group’s Strategy</b>
<b>Change in customers’ preference towards green financing</b>		The Group has launched the Green Financing Programmes to support its customers in transiting to a low-carbon business



## 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 mitigate 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.

### Climate Governance

## OUR CLIMATE GOVERNANCE STRUCTURE

#### BOARD OF DIRECTORS

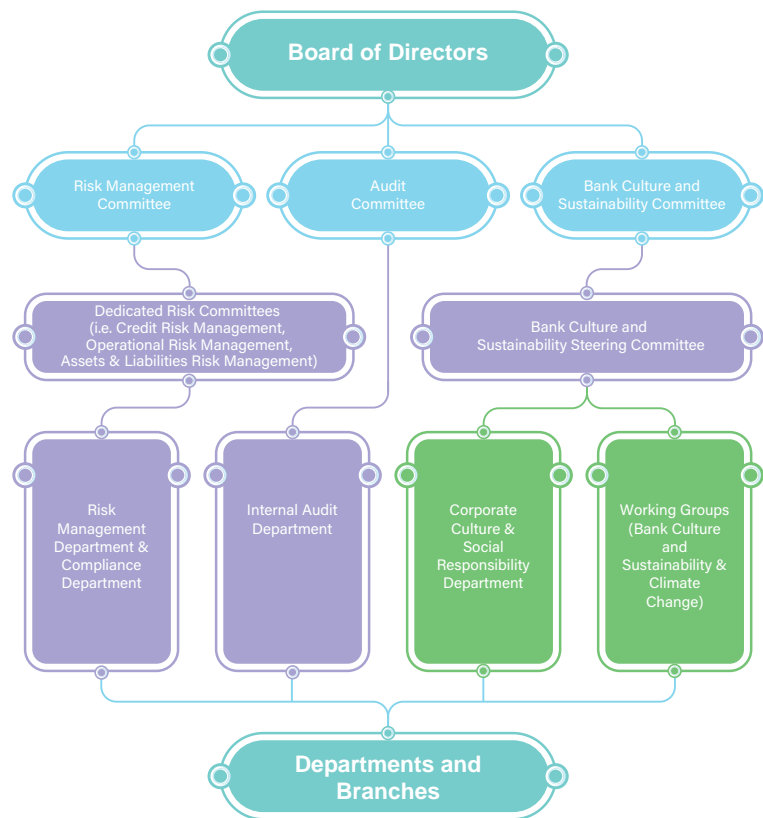
The Board is responsible for strategic decision-making, ensuring stakeholders’ interests, and overseeing corporate governance. They appoint executives, set goals, monitor performance, manage risks, and ensure compliance. Their expertise and guidance shape the Group’s directions and governance.

#### BOARD COMMITTEES

Leverage the functions and strengths of each committee to assist the Board in overseeing the formulation, implementation, and progress of the Group’s overall climate change-related policies.

#### MANAGEMENT COMMITTEES AND FUNCTIONAL DEPARTMENTS AND WORKING GROUPS

Owners of climate-related risks and Lines of Defence to manage the Group’s climate-related risks, ensure effective implementation of Climate Risk Management Policy and Group-level strategy.



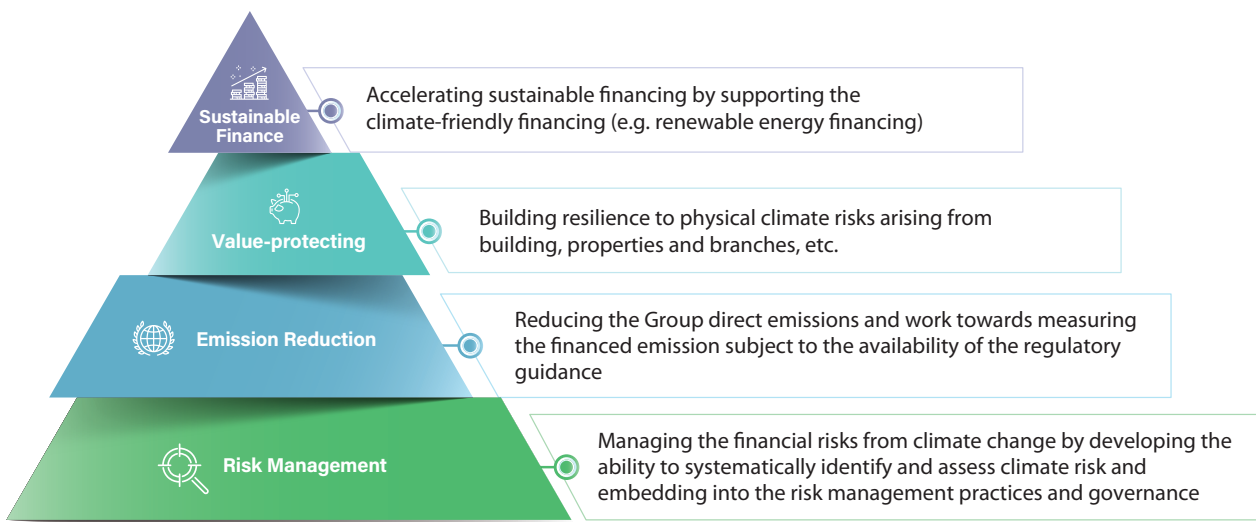
We are pleased to announce the establishment of a new working group during the reporting year, the Climate Change Working Group. This initiative has revealed that combatting climate changes has been ascended to an important agenda among the Senior Management of the Group.

This working group has been formed with the objective of driving our sustainability agenda and addressing the challenges and opportunities associated with climate change. The Climate Change Working Group will play a pivotal role in supporting and assisting the Bank Culture and Sustainability Steering Committee in its oversight function over sustainability strategies, priorities, and targets. Additionally, this working group will formulate and deliberate specific strategies and actions to achieve our Sustainability Themes in collaboration with the business and support units. This includes addressing regulatory requirements and identifying sustainability opportunities. The working group will also make recommendations to integrate sustainability initiatives into our business operations by enhancing practices, processes, policies, and frameworks. The establishment of the Climate Change Working Group reaffirms our commitment to responsible banking and dedication to effectively addressing climate change challenges for a sustainable future.

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.

### Climate Strategy

The Group aims to measure and manage financial and non-financial risks from climate change and reduce emissions related with its own activities and those related to the financing of customers in alignment with PBB Group’s commitment to achieve carbon neutral position for Scope 1 and Scope 2 by 2030 and net zero carbon by 2050. In establishing the climate strategy, we take into consideration the Group’s contribution to climate change and its exposure to the risk arising from climate change while contributing the PBB Group’s commitment at the same time. Besides, a top-down and bottom-up approach is adopted in managing climate related risk. Strategic goals are formulated and implemented at the corporate, business and operational levels based on the strategic direction set by the Board. We shall propose actions in the following aspects:







## PERFORMANCE DATA SUMMARY



ESG Indicators	Unit	2023	2022	
<b>A. Environmental Indicators</b>				
<b>A1</b>	<b>Emission</b>			
<b>A1.1</b>	<b>Type of emissions and respective emissions data</b>			
	Nitrogen oxides	Kg	5.01	5.84
	Sulphur oxides	Kg	0.09	0.06
	Particulate matter	Kg	0.37	0.49
	<b>Total air emissions</b>	Kg	5.47	6.39
<b>A1.2</b>	<b>Direct (Scope 1), energy indirect (Scope 2) and other indirect (Scope 3) GHG emissions and intensity</b>			
	GHG emissions (Scope 1) <sup>b,e</sup>	tCO <sub>2</sub> e	15.68	10.38
	GHG emissions (Scope 2) <sup>c,e</sup>	tCO <sub>2</sub> e	1,957.29	2,158.33
	GHG emissions (Scope 3) <sup>d,e</sup>	tCO <sub>2</sub> e	2.47	2.97
	<b>Total greenhouse gas emissions</b>	tCO <sub>2</sub> e	1,975.44	2,171.48
	<b>GHG emissions intensity <sup>a</sup></b>	tCO <sub>2</sub> e/FTE	1.76	1.90
<b>A1.4</b>	<b>Total non-hazardous waste/wastewater produced</b>			
	Total non-hazardous waste produced <sup>f</sup>	Tonne	13.62	38.25
	Total non-hazardous waste intensity <sup>a</sup>	Tonne/FTE	0.01	0.03
	Total non-hazardous wastewater discharged <sup>g</sup>	m <sup>3</sup>	3,824.82	4,723.00
	Total non-hazardous wastewater intensity <sup>a</sup>	m <sup>3</sup> /FTE	3.41	4.14
<b>Others</b>	<b>Total hazardous/non-hazardous waste recycled</b>			
	<b>Total hazardous wastes recycled</b>	Piece	1,288.00	2,414.00
	Electrical appliances	Piece	2.00	—
	Ink cartridges	Piece	797.00	393.00
	LED light tubes	Piece	169.00	321.00
	Fluorescent tubes	Piece	320.00	1,400.00
	Batteries	Piece	—	300.00
	<b>Total non-hazardous wastes recycled</b>	Tonne	85.65	31.79
	Paper	Tonne	85.58	31.71
	Plastic	Tonne	0.07	0.08

ESG Indicators	Unit	2023	2022
<b>A. Environmental Indicators</b>			
<b>A2</b>	<b>Use of resources</b>		
<b>A2.1</b>	<b>Direct and/or indirect energy consumption by type in total and intensity</b>		
	<b>Direct energy consumption<sup>h</sup></b>		
Diesel consumption	MWh	4.90	3.55
Petrol consumption	MWh	52.74	34.65
	<b>Indirect energy consumption</b>		
Electricity consumption <sup>i</sup>	MWh	3,884.84	3,916.01
<b>Total energy consumption</b>	MWh	3,942.48	3,953.42
<b>Total energy consumption intensity<sup>a</sup></b>	MWh/FTE	3.52	3.47
<b>A2.2</b>	<b>Water consumption in total and intensity</b>		
Water consumption <sup>i</sup>	m <sup>3</sup>	3,824.82	4,723.00
Water consumption intensity <sup>a</sup>	m <sup>3</sup> /FTE	3.41	4.14
<b>Others</b>	<b>Paper consumption in total and intensity</b>		
Paper consumption <sup>j</sup>	Tonne	79.57	82.00
Paper consumption intensity <sup>a</sup>	Tonne/FTE	0.07	0.07

Notes:

- a Intensity is 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 1,122 in 2023 (2022: 1,140).
- b The Group's air emissions and Scope 1 emissions are generated from combustion of petrol and diesel at the Group's vehicles.
- c The Group's Scope 2 emissions are generated from the purchase of electricity from the Hong Kong electricity suppliers, and the electricity is mainly used for daily offices and branches operations.
- d The Group's Scope 3 emissions are generated from the electricity used for processing fresh water and sewage by government departments.



- e The methodology adopted for reporting on GHG emissions, as described above, is based on the following references: "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.

The emission factors used for calculating Scope 2 emissions are referenced to the CO<sub>2</sub>e emissions intensity of electricity sold by CLP Power Hong Kong ("CLP") and Hong Kong Electric ("HKE"), as reported in their Sustainability Reports. These emission factors remain the same as those used in 2022, with CLP at 0.39 kg/kWh and HKE at 0.68 kg/kWh.

The emission factors used for calculating Scope 3 emissions are referenced to the Territory-wide default value of purchased electricity, which is specified in the "How to Prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by HKEX, with a value of 0.7 kg/kWh.

- f The amount of non-hazardous waste produced in 2023 mainly included waste plastic and other general office wastes. The amount was estimated based on general waste disposal records sampled twice a week. The data for non-hazardous waste produced included PBHK, PFL, and Winton for the year 2023. In contrast, the data for 2022 only included PBHK and PFL. No restatement was made for the 2022 waste data as the waste generated in Winton was not considered material to the Group.
- g The total amount of wastewater generated by the Group is primarily determined through direct measurement, supplemented by appropriate estimations. In cases where accurate recording of the wastewater amount is challenging, it is assumed that 100% of the fresh water consumed by the Group directly enters the buildings' sewage system.
- h The energy conversions are 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.
- i The majority of electricity and water consumption is calculated based on the bills monthly or quarterly invoices. However, during the preparation of this ESG report, some invoices were not received from the electricity and water suppliers. In such cases, assumptions were made to estimate the consumption for the missing months. The estimation method used was to calculate the average of the billed electricity or water consumption and then multiply it by the number of missing months for each office and branch.
- j The paper consumption in 2023 was calculated based on the actual records of the quantity of paper ordered from the suppliers. Therefore, last year figure has been restated for comparison purpose.

ESG Indicators	Unit	2023	2022	
<b>B. Social Indicators</b>				
<b>B1</b>	<b>Employment<sup>a</sup></b>			
<b>B1.1</b>	<b>Total workforce by gender, employment type, age group, employee category and geographical region</b>			
	Total number of employees	Person	1,122	1,140
<b>Gender</b>	Male	Person	474	469
	Female	Person	648	671
<b>Age group</b>	below 30 years old	Person	130	145
	30-50 years old	Person	640	669
	above 50 years old	Person	352	326
<b>Region</b>	Hong Kong	Person	1,122	1,140
<b>Employee category</b>	Senior Management	Person	12	12
	Middle Management	Person	272	131
	General employees	Person	839	997
<b>Employee type</b>	Full time	Person	1,121	1,139
	Part time	Person	1	1
<b>B1.2</b>	<b>Employee turnover rate by gender, age group and Geographical Locations</b>			
	Total employee turnover rate	Percentage	26.20%	27.02%
<b>Gender</b>	Male	Percentage	25.32%	26.65%
	Female	Percentage	26.85%	27.27%
<b>Age group</b>	below 30 years old	Percentage	63.85%	70.34%
	30-50 years old	Percentage	26.25%	26.16%
	above 50 years old	Percentage	12.22%	9.51%
<b>Region</b>	Hong Kong	Percentage	25.31%	27.02%

ESG Indicators	Unit	2023	2022	
<b>B. Social Indicators</b>				
<b>B2</b>	<b>Health and safety <sup>a</sup></b>			
<b>B2.1</b>	<b>Number and rate of work-related fatalities</b>			
	Number of work-related fatalities <sup>c</sup>	Case	0	0
	Rate of work-related fatalities <sup>c</sup>	Percentage	0	0
<b>B2.2</b>	<b>Lost days due to work injury</b>	Working day	257	11
<b>B3</b>	<b>Development and training <sup>a</sup></b>			
<b>B3.1</b>	<b>Percentage of employees trained by gender and employee category <sup>b</sup></b>			
	Number of employees trained	Person	1,239	1,131
	Percentage of employees trained	Percentage	100%	100%
<b>Gender</b>	Male	Percentage	43.10%	41.11%
	Female	Percentage	56.90%	58.89%
<b>Employee category</b>	Senior Management	Percentage	0.97%	0.97%
	Middle Management	Percentage	28.89%	11.58%
	General employees	Percentage	70.14%	87.45%
<b>B3.2</b>	<b>Average training hours completed per employee by gender and employee category</b>			
<b>Gender</b>	Male	Hour	22.14	26.84
	Female	Hour	20.00	25.02
<b>Employee category</b>	Senior Management	Hour	23.36	44.88
	Middle Management	Hour	31.77	29.83
	General employees	Hour	17.30	24.82
<b>B5</b>	<b>Supply chain management</b>			
<b>B5.1</b>	<b>Number of suppliers by geographical region</b>			
	Hong Kong	Supplier	108	285



ESG Indicators	Unit	2023	2022	
<b>B. Social Indicators</b>				
<b>B6 Product responsibility</b>				
<b>B6.1</b>	<b>Percentage of total products sold or shipped subject to recalls for safety and health reasons<sup>d</sup></b>	Percentage	N/A	N/A
<b>B6.2</b>	<b>Number of products and service-related complaints received</b>	Case	15	6
<b>B7 Anti-corruption</b>				
<b>B7.1</b>	<b>Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period</b>			
	Number of corruption lawsuits	Case	0	0
<b>B8 Community investment</b>				
<b>B8.2</b>	<b>Resources contributed to the focus area</b>			
	Total volunteer servicing hours	Hour	115	Not disclosed
	Volunteer opportunities	Time	83	Not disclosed
	CSR programmes	Programme	25	Not disclosed
	Number of partnering NGOs	Entity	11	Not disclosed
	No. of beneficiaries	Person	143	Not disclosed

Notes:

- a The employment data (B1, B2) is obtained from the Group's Human Resources Department and Personnel Department, based on the employment contracts between the Group and its employees. The data includes employees who are directly employed by the Group in accordance with local laws and workers whose work and/or workplace is under the control of the Group within the reporting scope.  
  
The training information (B3) is obtained from PBHK's Training and Development Department and PFL's Training Department. This includes vocational training attended by the Group's employees within the reporting scope in 2023.  
  
The methodology used to report the employment data (B1, B2) and training information (B3) mentioned above are based on the "How to Prepare an ESG Report – Appendix 3: Reporting Guidance on Social KPIs" issued by HKEX, unless otherwise specified.
- b B3.1 Percentage of employees trained by gender and employee category includes the number of employees employed and resigned in the year 2023.
- c During the reporting period, the Group did not have any work-related fatality cases, nor did it have any such cases in the years 2022 and 2021.
- d The Group's main business involves providing banking and financing services to customers. As a result, there are no products sold or shipped, and therefore, B6.1, which measures the percentage of total products subject to recalls for safety and health reasons, is not applicable to the Group's operations.



# HKEX ESG REPORTING GUIDE CONTENT INDEX



Subject Areas, Aspects, General Disclosures and KPIs		Reference/Remarks	Page
<b>A. Environmental</b>			
<b>Aspect A1: Emissions</b>			
<b>General Disclosure</b>		<b>Emissions Management</b>	66
		<b>OUR ENVIRONMENT - Law Compliance</b>	
KPI A1.1	The types of emissions and respective emissions data.	PERFORMANCE DATA SUMMARY	74
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity.	PERFORMANCE DATA SUMMARY	74
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity.	PERFORMANCE DATA SUMMARY	74
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity.	PERFORMANCE DATA SUMMARY	74
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Targets And Actions Emissions Management	70
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.	Emissions Management	67
<b>Aspect A2: Use of Resources</b>			
<b>General Disclosure</b>		<b>Efficient Use of Resources</b>	64
KPI A2.1	Direct and/or indirect energy consumption by type in total (kWh in '000s) and intensity.	PERFORMANCE DATA SUMMARY	75
KPI A2.2	Water consumption in total and intensity.	PERFORMANCE DATA SUMMARY	75
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Targets And Actions Efficient Use of Resources	70
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.	Efficient Use of Resources	70
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	N/A	N/A

Subject Areas, Aspects, General Disclosures and KPIs	Reference/Remarks	Page
--	-------------------	------

## A. Environmental

### Aspect A3: The Environment and Natural Resources

<b>General Disclosure</b>	<b>The Environment and Natural Resources</b>	64
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them. The Environment and Natural Resources	64

### Aspect A4: Climate Change

<b>General Disclosure</b>	<b>Addressing Climate Change</b>	72
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. Addressing Climate Change	72

## B. Social

### Employment and Labour Practices

#### Aspect B1: Employment

<b>General Disclosure</b>	<b>A People-Oriented Workplace OUR PEOPLE - Law Compliance</b>	45
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region. PERFORMANCE DATA SUMMARY	77
KPI B1.2	Employee turnover rate by gender, age group and geographical region. PERFORMANCE DATA SUMMARY	77

#### Aspect B2: Health and Safety

<b>General Disclosure</b>	<b>Occupational Safety and Health OUR PEOPLE - Law Compliance</b>	52
KPI B.2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year. PERFORMANCE DATA SUMMARY	78
KPI B.2.2	Lost days due to work injury. PERFORMANCE DATA SUMMARY	78
KPI B.2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored. Occupational Safety and Health	52



Subject Areas, Aspects, General Disclosures and KPIs		Reference/Remarks	Page
<b>B. Social</b>			
<b>Employment and Labour Practices</b>			
<b>Aspect B3: Development and Training</b>			
<b>General Disclosure</b>		<b>Promoting Staff Development</b>	52
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	PERFORMANCE DATA SUMMARY	78
KPI B3.2	The average training hours completed per employee by gender and employee category.	PERFORMANCE DATA SUMMARY	78
<b>Aspect B4: Labour Standards</b>			
<b>General Disclosure</b>		<b>Protecting Labour Rights OUR PEOPLE - Law Compliance</b>	49
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Protecting Labour Rights	49
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Protecting Labour Rights	49
<b>Operating Practices</b>			
<b>Aspect B5: Supply Chain Management</b>			
<b>General Disclosure</b>		<b>Supplier Engagement and Supply Chain Risk Management</b>	55
KPI B5.1	Number of suppliers by geographical region.	PERFORMANCE DATA SUMMARY	78
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.	Supplier Engagement and Supply Chain Risk Management	56-57
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supplier Engagement and Supply Chain Risk Management	56-57
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Green Procurement	57

Subject Areas, Aspects, General Disclosures and KPIs	Reference/Remarks	Page
--	-------------------	------

## B. Social

### Employment and Labour Practices

#### Aspect B6: Product Responsibility

<b>General Disclosure</b>	<b>OUR RESPONSIBLE BUSINESS PRACTICE OUR RESPONSIBLE BUSINESS PRACTICE - Law Compliance</b>	25
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	N/A
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Understanding Our Customers PERFORMANCE DATA SUMMARY
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Intellectual Property Rights
KPI B6.4	Description of quality assurance process and recall procedures.	Compliance And Business Integrity Risk Management Policy Manual
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Customer Privacy and Data Security

#### Aspect B7: Anti-corruption

<b>General Disclosure</b>	<b>Compliance And Business Integrity</b>	27
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.	Compliance And Business Integrity
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Compliance And Business Integrity

## Community

### Aspect B8: Community Investment

<b>General Disclosure</b>	<b>OUR COMMUNITY</b>	37
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	OUR COMMUNITY
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	OUR COMMUNITY





大眾金融控股有限公司

PUBLIC FINANCIAL HOLDINGS LIMITED

**Head Office and Principal Place of Business**

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

**Telephone:** (852) 2541 9222

**Facsimile:** (852) 2815 9232

**Website:** [www.publicfinancial.com.hk](http://www.publicfinancial.com.hk)