

Public Bank Group ESG Statement

The Public Bank Group is fully committed to ensure that its long-term sustainability as an integral part of its business directions to ensure sustainable business growth while safeguarding stakeholders' values. Underpinned by its Corporate Philosophy, the Group emphasises on delivering value to its stakeholders, i.e. Customers, Shareholders, Employees and the Community.

The Public Bank Group supports the Sustainable Development Goals (“SDGs”) by the United Nations, which is a call for global action to end poverty, improve health and education, reduce inequality, spur economic growth, while tackling climate change. The Group strives to contribute to these global goals by embedding Environmental, Social and Governance (“ESG”) in every aspect of its business.

The Public Bank Group aims to work and engage with its stakeholders to positively impact the development of the nation and well-being of the society by upholding high ethical standards and embracing business practices integrated with ESG considerations.

This ESG Statement articulates the Public Bank Group's commitments and how it addresses risks as well as capitalising on opportunities in relation to ESG.

ESG Stewardship

The Public Bank Group is committed to responsibly manage its ESG priorities and regularly reviews its sustainability strategy and resource management to address the changing ESG needs. The Group's management of its material sustainability issues are reported in the Annual Report to keep stakeholders informed of the Group's sustainability progress. The Group greatly values comments or feedbacks from all stakeholders on its ESG commitments in striving for excellence for its sustainability performance.

The following ESG priorities are the Group's key focus areas. Given the continually evolving nature of ESG landscape, the following key areas are not exhaustive.

Climate Change

The Public Bank Group is committed to be part of the global action towards building a climate-resilient economy.

Aligned with Malaysia's climate agenda and the SDGs, the Group is committed to:

- Achieving carbon neutral position (Scope 1 and 2) by 2030
- Achieving net zero carbon by 2050

These will be achieved by taking tangible steps as a financial provider to align the Group's financial and lending practices with climate goals, while progressively decarbonising from the Group's operations through responsible consumption.

Diversity and Human Rights at the Workplace

The Public Bank Group respects human rights and embeds human rights principles into considerations across its business practices. The Group complies with the employment law and best practices applicable to the operating environment.

The following practices are in place to create a fair, transparent and inclusive working environment:

- Provide equal employment opportunities
- Eliminate all forms of forced and compulsory labour as well as any form of discrimination towards race, gender, religion, ethnicity, age, disability, nationality, culture, marital and parental status, physical impairment and religious beliefs etc
- Practise fair and transparent performance appraisal system and equitable remuneration, recognition and rewards
- Comply with fair labour practices, uphold freedom of association, right to collective bargaining and minimum wage
- Uphold employees' rights to a safe and healthy workplace

Community Well-being

Cognisant of its role as a responsible corporate citizen, the Public Bank Group strives to be a force for good, by driving sustainable development of the society, and contributing to the well-being of the community at large as well as nation building and economic development, in line with the responsible business practices and sustainability commitments outlined in other parts of this statement. The Group also contributes in monetary and in-kind to support various social needs including healthcare, education and community development. Volunteerism is also encouraged amongst employees so that they too can be active agents of good within their respective communities.

Corporate Governance

The Public Bank Group upholds high standards of ethical business practices and has zero tolerance for legal and regulatory non-compliance in the conduct of the Group's business. The Public Bank Group's corporate culture of integrity is set from the top, embraced by all employees and manifested in all the Group's business dealings.

The following policies and procedures are put in place to strengthen compliance culture and reinforce the importance of upholding high standards of ethics and integrity among all employees:

- Anti-Money Laundering, Countering Financing of Terrorism and Targeted Financial Sanctions Policy
- Anti-Bribery and Anti-Corruption Policy
- Anti-Fraud Policy
- Code of Ethics
- Whistleblowing Policy and Procedures
- Diversity, Equality and Inclusion Policy

Supply Chain

The Public Bank Group aims to effect positive change in relation to ESG beyond its business operations through its supply chain. The Group intends to build relationships with business partners who are aligned with the Group's ESG objectives.

The Public Bank Group's Vendor Code of Conduct sets out its ESG principles and expectations of vendors in conducting business dealings with the Group. The Vendor Code of Conduct outlines requirements on suppliers in relation to the Group's key issues including climate change, responsible sourcing, fair labour practices and human rights and ethical business conduct.

The latest Vendor Code of Conduct is accessible on Public Bank's corporate website at www.publicbankgroup.com.

Responsible Business Practices

The Public Bank Group recognises its responsibilities as a financial institution and is committed to ensuring accessibility to financial services for all segments of the society. In line with Public Bank's corporate philosophy to be a bank that cares for the community it serves, the Group advocates and practices the following principles:

- Being prudent in lending activities to safeguard socioeconomic stability
- Providing accessible and inclusive financial services to all layers of society
- Strengthening the foundation of trust anchored by robust governance practices
- Promoting financial literacy to enhance societal financial management

This Statement will be reviewed and updated when deemed necessary.

Date: 28 June 2023