

Purpose

Public Financial Holdings Limited and its subsidiaries (the “PFHL Group” / “We”) are committed to providing excellent customer services and excelling in corporate governance. We will uphold the highest standards of quality and integrity in our dealings with suppliers¹. Our supply chain plays an important role in our overall sustainability performance and therefore, we seek to partner with suppliers who share our commitment to sustainability and corporate responsibility. The Supplier Code of Conduct (the “Code”) sets out the behaviours and high standards we expect from our suppliers in order to prevent regulatory, environmental and social risks along our supply chain. The Code is only applicable to suppliers contracted with Hong Kong operations of the PFHL Group.

The Code aims to align with the values and principles of a number of local and international charters, including but not limited to:

- The Environmental, Social and Governance Reporting Guide as set out in Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
- United Nations Universal Declaration of Human Rights;
- United Nations Guiding Principles on Business and Human Rights; and
- The principles as set out in the International Labour Organization’s (ILO) Fundamental Conventions.

Compliance with this Code

We expect our suppliers to adhere to the requirements of the Code. All suppliers whom we have entered into legally binding contractual agreements listed with terms and conditions will be provided with the Code. Where items of the Code are outlined by the term “shall”, we expect mandatory compliance by the suppliers. Where items under the Code are specified using the term “encourage”, we hope to inspire our suppliers to demonstrate continuous improvement and work towards full alignment in those areas within a reasonable time.

In those cases where a supplier is found to be in violation of the mandatory items of the Code, we will work with the supplier on an improvement plan to achieve compliance. If the supplier continues to be non-compliant with the Code, we will take steps to review the terms of the contract or even terminate the contract.

1. Anti-Bribery and Corruption

We are committed to conducting business free from bribery or unethical activities by complying with the relevant laws and regulations, including but not limited to, the rules or regulations issued by The Stock Exchange of Hong Kong Limited, Hong Kong Monetary Authority, The Hong Kong Association of Banks and The DTC Association (The Hong Kong Association of Restricted Licence Banks and Deposit-taking Companies).

Our suppliers shall not offer, pay, promise or authorise any bribes, kickbacks or other payments or benefits to anyone to obtain business or gain an improper advantage and they shall not violate any applicable anti-corruption and anti-bribery laws. Suppliers shall promptly report any illegal, unethical, questionable practices or improper conduct committed or about to be committed within PFHL Group. For more information on the whistleblowing procedures, our suppliers can refer to PFHL Group’s Whistleblowing Policy and Procedures.

¹ While the Code is prepared on the basis that suppliers are companies that provide goods and services to PFHL Group, suppliers who are individuals are still required to comply with the elements of the Code to the extent that such elements are equally applicable to individuals. If in doubt, such suppliers should contact us for clarification.

2. Anti-Money Laundering and Counter-Terrorist Financing

We strictly comply with laws and regulations associated with Anti-Money Laundering and Counter-Terrorist Financing (“AML / CTF”). Our suppliers shall:

- Not engage in or attempt to engage in any transactions involving proceeds derived from unlawful activities;
- Perform applicable AML / CTF related responsibilities in utmost good faith and immediately report to us any matter suspected to be related to money laundering or terrorist financing; and
- Not have dealings with individuals or entities (e.g. suspected terrorists or drug traffickers) that are subject to international economic or legal sanctions.

3. Fair Dealing and Fair Competition

We do not tolerate any attempt or act of taking advantage of anyone through manipulation, concealment, abuse of privileged information, intentional misrepresentation of facts or any other unfair practices. Suppliers shall comply with the relevant laws and regulations, including but not limited to, the Competition Ordinance. Unfair competition practices such as price fixing or bid rigging must not be allowed.

4. Data Privacy and Security

Suppliers shall protect the privacy of our data, comply with contractual requirements and the applicable data protection regulations including the Personal Data (Privacy) Ordinance, and secure our data against unauthorised access or use. Our suppliers shall:

- Not access or disclose any non-public information about us to third parties except as authorised by us or required by law;
- Return or destroy completely all documents and other materials that involve confidential, sensitive and proprietary information depending on the appropriate number of days decided by us and the contractor; and
- Immediately notify us of any unauthorised access, leakage or disclosure of our data.

5. Ethics

To avoid conduct that creates a conflict of interest and / or other impropriety, our suppliers shall:

- Not offer, promise, authorise, give, demand or accept any gift, fee, reward or other advantages to or from any person as an inducement, or not secure any other improper advantages;
- Not do anything which is dishonest, illegal, or in breach of trust;
- Not giving incentives to our employees or others who do business with us to avoid violating this Code without the knowledge and permission by the Senior Management of PFHL Group;
- Disclose timely if any of the vendor company’s shareholders, sole proprietors, partners, beneficial owners, or directors are known to be related to any staff and / or directors of PFHL Group;
- Not engage in or support human trafficking;
- Not submit inaccurate proposals or invoices to us; and
- Ensure the products and services supplied to us are of quality, safety standards, meet our requirements and expectations, and comply with all applicable laws and regulations.

Our suppliers are encouraged to:

- Support fair-trade and ethical sourcing practices relevant to the products or services provided;
- Commit to eliminating employment barriers for the disadvantaged; and
- Provide products and services that are accessible to people with special needs.

6. Labour Practices

Our suppliers shall respect and protect the human rights of their labour and shall:

- Prohibit the use of all types of forced labour and child labour;
- Ensure a fair and equitable working environment that is free from any form of harassment or discrimination based on age, race, disability, gender and sex, marital and family status, pregnancy, religion, political views or union affiliation; and
- Set working hours, mandated minimum wages, employees' compensation insurance and employment contracts that comply with the relevant laws and regulations to ensure the health and well-being of labour.

Our suppliers are encouraged to:

- Have clear, uniformly applied disciplinary practices and grievance procedures that include provisions prohibiting any forms of abuse.

7. Health and Safety

Our suppliers shall:

- Abide by local laws and regulations in relation to health and safety; and
- Provide a safe and clean working environment with minimal health hazards or harm to labour.

Our suppliers are encouraged to:

- Establish and follow a clear procedure related to occupational health and safety.

8. Environmental Practices

Our suppliers shall actively protect the environment. We invite our business partners and suppliers to emulate the standards, practices and principles outlined below and in the "Environmental Responsibilities" section under our Corporate Social Responsibility Policy. Our suppliers shall:

- Comply with the relevant environmental legislation and mandatory standards;
- Monitor, control and properly manage waste, wastewater and greenhouse gas emissions generated by business operations, industrial processes and sanitation facilities as required by environmental legislation and mandatory standards; and
- Ensure compliance with the relevant legislation on the handling or disposal of any hazardous materials used in the business operations.

Our suppliers are encouraged to:

- Establish an environmental policy to manage and monitor environmental impacts from business operations including greenhouse gas emissions, water, waste, air quality, raw material usage and biodiversity;
- Minimise energy consumption, pollution and carbon footprint generated from business operations;
- Make use of technologies to reduce excessive resource consumption such as paper usage;
- Minimise the need for business travel;
- Make use of environmentally-friendly and recycled goods, and/or sustainable forest products in business operations;
- Minimise waste production by reducing it at source or by carrying out practices such as recycling and reusing materials, using substitutes, and maintaining and conserving used materials; and
- Reduce air emissions from volatile organic chemicals generated during business operations.

9. Monitoring

The Code is made available to our suppliers via PFHL Group’s websites² and by written request. The abovementioned requirements have listed out the relevant policies and measures that suppliers should be encouraged to have in place to ensure compliance with the Code. If needed, we may require an audit upon reasonable notice, self-declaration or self-assessment of the supplier’s adherence to the Code.

10. Review

The Code will be reviewed by Environmental, Social and Governance (“ESG”) Reporting Working Group at least annually or as and when necessary to ensure that it remains applicable. The review result and proposed changes, if any, shall be tabled to ESG Steering Committee for concurrence and the Board of Directors for approval. We will notify the suppliers as soon as practicable if there is any update on the Code.

If there is any inconsistency or ambiguity between the English version and the Chinese version, the English version shall prevail.

[September 2022]

² PFHL Group websites include: Public Financial Holdings Limited [<https://www.publicfinancial.com.hk>],

Public Bank (Hong Kong) Limited [<https://www.publicbank.com.hk>],

Public Finance Limited [<https://www.publicfinance.com.hk>],

Public Securities Limited [<https://www.publicsec.com.hk>] and Winton Financial Limited [<https://www.wintonfinancial.hk>].

Acknowledge Receipt of Supplier Code of Conduct

Please sign the acknowledgement and return a copy of this signed acknowledgement receipt to PFHL Group’s representative no later than [].

By signing this acknowledgement receipt, I / we hereby confirm that:

1. I / We understand and agree that I / we will conduct my / our business in conformity with the standards set forth in PFHL Group’s Supplier Code of Conduct;
2. I / We acknowledge that the failure to comply with PFHL Group’s Supplier Code of Conduct may result in my / our termination as a qualified supplier to PFHL Group.

Contact Details of PFHL Group (To be completed by PFHL Group):

Company:	(Please <input checked="" type="checkbox"/> where appropriate) <input type="checkbox"/> Public Financial Holdings Limited <input type="checkbox"/> Public Bank (Hong Kong) Limited <input type="checkbox"/> Public Finance Limited <input type="checkbox"/> Public Securities Limited <input type="checkbox"/> Winton Financial Limited
Department Name and Staff Name:	
Office Telephone No.:	
Office Fax No.:	
Office Email:	

Supplier Information (To be completed and signed by the supplier):

Signature:			
Full Name in Block Letters:			
Job Title / Position:			
Company Name:			
Company Address:			
Telephone No.:		Fax No.:	
Email:			