



**PUBLIC BANK GROUP'S
HUMAN RIGHTS POLICY**

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1. Introduction

- 1.1 The Public Bank Group (hereinafter referred to as “the Group”) acknowledges that respect for human rights is a fundamental responsibility that extends to its employees, customers and third-party suppliers, service providers, consultants and contractors (hereinafter collectively referred to as “vendors”).
- 1.2 The Human Rights Policy (hereinafter referred to as “the Policy”) articulates the Group’s commitment and approach to respecting human rights as an employer, as a financial products and services provider, and as a goods and services procurer.
- 1.3 The Group aims to identify, prevent and avoid human rights violations and, should they occur, to mitigate their impacts, which may not only harm affected parties but also damage the Group’s reputation and stakeholders’ trust.

2. Objectives

The Human Rights Policy is developed with the following objectives:

- 2.1 Establish the Group’s commitment to respecting and supporting human rights in all aspects of its operations;
- 2.2 Outline clear expectations for the Group’s employees, customers and vendors;
- 2.3 Ensure that the Group operates the business responsibly and transparently, and manages any human rights impact that may arise throughout the Group’s value chain;
- 2.4 Promote continuous improvement in human rights practices through regular review and adaptation of policies and procedures; and
- 2.5 Enhance stakeholder confidence by demonstrating the Group’s dedication to ethical and sustainable business practices.

2.6 These objectives were developed in line with the United Nation Sustainable Development Goals (“UN SDGs”) with relevance to human rights and relevance to the Group:

Goal	Impact
	Promotes employee health and well-being with comprehensive health benefits including regular health checks and stress management programs.
	Promotes a diverse, equal and inclusive workplace culture, where our employees feel empowered and respected through the Group’s Diversity, Equality and Inclusion Policy.
	Fosters sustainable and inclusive economic growth, and contributes to job creation by providing businesses with access to capital and financing solutions.
	Ensures equitable access to its products and services for all customer segments through its inclusive finance.
	Promotes transparency, zero tolerance against bribery and corruption, and robust governance, guided by its internal policies and procedures.

3. Applicability

- 3.1 The Human Rights Policy is applicable to all entities within the Group. The adoption of the Policy shall be guided by the Public Bank Group’s Governance Policy over Internal Documents (“Internal Document Policy”).
- 3.2 This Policy applies to the Board of Directors (“the Board”) and all employees within the Group, as well as the Group’s key stakeholders in the value chain such as customers and vendors.

4. Definition

The Universal Declaration of Human Rights, United Nations (“UN”) defines human rights as rights inherent to all human beings, regardless of race, gender, nationality, ethnicity, language, religion, or any other status. These rights include the right to life and liberty, freedom from slavery and torture, freedom of opinion and expression, the right to work and education, among others. Everyone is entitled to these rights, without discrimination.

5. Our Commitments

5.1 The Group respects human rights and keeps abreast of the latest development in the employment law, industrial relation law as well as the human rights climate in the community where the Group operates and takes human rights matters into consideration across the Group’s business operations.

5.2 In respect of labour rights, the Group’s commitments to human rights is based on the fundamental principles and standards laid out in the International Labour Organisation (“ILO”) Declaration on Fundamental Principles and Rights at Work.

5.3 In the event that prevailing local laws in a country in which the Group or its vendors operate conflict with international human rights obligations, the Group shall comply with the country’s local law while taking into account the international human rights practices.

6. Approach

The Group’s approach focuses on the areas of human rights most relevant to its operations and supply chains. The Group is committed to respecting human rights by promoting fair and transparent practices through its own business conduct with regard to its key stakeholders i.e. employees, customers and vendors.

6.1 Employees

As an employer, the Public Bank Group upholds basic human values that are vital to social and economic lives and affirms its obligations and commitments in the following:

6.1.1 Elimination of all Forms of Forced Labour

The Group does not condone any form of forced child labour, human trafficking and modern slavery. The Group has a social obligation towards the community that it operates in to safeguard its services from being used as a channel for illicit purposes and eliminating all forms of forced labour throughout the Group's value chain.

6.1.2 Abolition of Child Labour

The Group advocates the provision of decent work for youth and adults of legal working age. The Group supports ILO's effort in the elimination of child labour through the extension of social safety nets, quality education, governance of labour markets and responsible practices as well as a solid legislative framework.

It is the Group's ethical responsibility to eliminate child labour throughout its value chain.

6.1.3 Elimination of Discrimination in Employment and Occupation

The Group has instituted a Policy¹ on Diversity, Equality and Inclusion ("DEI") to promote diversity, equality, and inclusion within the Group regardless of age, race, ethnic, culture, national origins, gender, marital and parental status, physical impairment, disability and religious beliefs.

¹ Public Bank's Diversity, Equality and Inclusion Statement is available at <https://www.publicbankgroup.com/sustainability/diverse-and-inclusive-workforce/>.

The Group is committed to building and fostering a fair and inclusive workplace which values diversity and encourages respect for dignity. Diversity is an important value to the Group, where each employee is respected, valued and appreciated for their differences.

The Group's employment practices are also in compliance with the provisions of the local employment law including the minimum wage.

The Group endeavours to ensure there is no direct or indirect discrimination towards or against employees of particular diverse backgrounds or gender in terms of remuneration and rewards. The remuneration system is designed to recognise and reward the achievements of employees based on their performance and merit. Performance review processes are documented and applied consistently and fairly to all employees during the reviews of their performance.

Career advancement or promotion is based on employee's performance, merit and governed by a set of pre-determined promotion criteria.

6.1.4 A Safe and Healthy Working Environment

The Group is guided by the requirements and standards of the Occupational Safety and Health (Amendment) Act 2022 ("OSHA 2022") and committed to providing a safe and conducive work environment free from all forms of violence, harassment, bullying or threats.

The Group conducts regular workplace assessments and inspections to uphold the safety standards in the work environment as well as establishes health and safety committees among the management and employee representatives to have regular and open meeting to discuss matters relating to the employee safety and health at workplace.

Training and refresher courses are also provided to employees who are appointed as safety and health committee members, first aiders, fire wardens as well as Occupational Safety and Health coordinators to equip them with the related knowledge and skills so that they are competent in their roles and contribute effectively to the safety and health of the workplace.

6.1.5 Freedom of Association and Collective Bargaining

The Group respects the rights of employees to freedom of association and collective bargaining. In this regard, the Group has given recognition to the National Union of Bank Employees (States of Malaya), Sarawak Bank Employees' Union and Sabah Banking Employees' Union in employee representation. Together, the Group forges a fair and cordial relationship with a common goal of upholding employees' wellbeing.

6.2 Customers

The Public Bank Group is committed to respecting human rights as a financial services provider. The Group seeks to implement its commitment through policies and processes with the objective of preventing or mitigating potential human rights impacts from its business activities.

6.2.1 The Group established an Environmental, Social and Governance ("ESG") Exclusion List which refrains the Group from financing customers who are involved in activities that contravene local and international laws and regulations in relation to respecting human rights, including:

- a) Activities causing human rights violations including child labour, forced labour and trafficked labour;
- b) Activities resulting in the infringement of the rights of indigenous and/or vulnerable groups without their Free, Prior and Informed Consent ("FPIC"); and

- c) Activities that violate the rights of local communities or those that take place in locations of significant social conflicts.

The Group's ESG Exclusion List can be found in Public Bank's Sustainable Finance Framework² ("SFF"), which is available on the Bank's corporate website.

6.2.2 Guided by the Group's SFF, the Group's concern of negative environmental and social impacts, including human rights, has been set out for two (2) sectors, the palm oil and construction and infrastructure sectors, as outlined in the Public Bank High ESG Risk Sectors ("HERs") Position Statement³.

6.2.3 The Group is committed to No Deforestation, No New Peat and No Exploitation ("NDPE") in its lending/financing practices, including refraining from financing businesses and transactions/projects that exploit the rights of workers, indigenous people, local communities and vulnerable groups⁴.

6.2.4 The Group is committed to ensuring financial inclusion and supporting the community's financial needs. The Group's financial inclusion efforts are focused on offering financial services for all customer segments, particularly the small businesses, low-income group and underserved communities.

6.2.5 The Group respects the rights of customers and treats them fairly and without discrimination. Through its "Treat Customers Fairly Charter", the Group pledges to uphold the highest standards of fairness in all dealings with customers⁵.

² Public Bank Sustainable Finance Framework is available at <https://www.publicbankgroup.com/sustainability/sustainability-disclosures/>.

³ Public Bank High ESG Risk Sector (HERs) Position Statement is available at <https://www.publicbankgroup.com/sustainability/sustainability-disclosures/>.

⁴ Referenced from Public Bank HERs Position Statement.

⁵ Public Bank Treat Customers Fairly Charter is available at <https://www.pbebank.com/en/charter/>.

6.2.6 The Group is committed to conducting its business in a responsible, transparent and accountable manner. The Group provides clear information about its product and services, ensuring that its customers are well informed and able to make better financial decisions.

6.2.7 The Group recognises the importance of protecting and using customer information in a responsible manner. The Privacy Notice is in place to demonstrate the Group's commitment to safeguarding the confidentiality, integrity and security of customer information at all times, in accordance with the relevant secrecy provisions⁶.

6.3 Vendors

The Public Bank Group expects and encourages all of its vendors to conduct their business aligned with the Group's commitments on human rights. The Group communicates and supports its vendors to do business with ethics, respect for human rights of others and treating others fairly.

6.3.1 The Group has in place the Public Bank Group Vendor Code of Conduct ("Vendor CoC"), which details the Group's ESG expectations of all vendors and at minimum, meet the applicable employment and labour regulations⁷. The implementation of the Vendor CoC is focused on all vendors and/ or suppliers who are directly engaged by the Group.

6.3.2 The Vendor CoC expectations include but are not limited to, minimum wages, working hours, health and safety, working conditions, freedom to associate, anti-bribery and anti-corruption, and anti-discrimination.

⁶ Public Bank Privacy Notice is available at <https://www.pbebank.com/en/privacy/>.

⁷ Public Bank Group's Vendor Code of Conduct is available at <https://www.publicbankgroup.com/sustainability/sustainability-disclosures/>.

7. Operationalising Our Approach

7.1 The UN Guiding Principles on Business and Human Rights recommended that the management of human rights should encompass the following four (4) key elements:

1) Commitment

- Embedding respect for human rights throughout the Group's operations and across its supply chain

2) Assessment

- Conducting ongoing due diligence to proactively identify potential and existing human rights risks in the Group's business and supply chain

3) Action

- Engaging with stakeholders to provide remedial measures on human rights issues raised from the Group's grievance mechanisms

4) Communication

- Reporting human rights performance indicators to the relevant management committees and in the annual Sustainability Report to external stakeholders

The Group will act upon potential human right risks in its business and supply chain activities in accordance with the key elements, as deemed appropriate.

7.2 The Group's implementation is anchored upon internal policies and processes:

7.2.1 Employees

The Group, via the Occupational Safety and Health Unit, carries out regular inspections on its workplaces and facilities to ensure employees' fundamental rights to a safe and healthy workplace environment is upheld. Employee benefits are regularly reviewed to ensure compliance with local labour regulation and standards.

The Group offers a diverse range of learning and development opportunities to improve employee empowerment in the workplace and raise awareness in relation to human rights. In addition, human rights related issues are regularly updated via the Group's internal circular management.

Employee engagement is pivotal in addressing employees' concerns with regards to human rights. The Group conducts engagements with employees through the various platforms, such as employee engagement events, surveys and electronic communication channels.

7.2.2 Customers

To manage human right risks arising from the Group's financing activities, customers are subjected to ESG due diligence process, which includes risk assessment on human rights. This due diligence assessment is executed via the Risk Acceptance Criteria ("RAC") checklist, formulated with reference to the Public Bank Group's ESG RAC Policy.

7.2.3 Vendors

With regards to procurement activities that pose an increased risk of human rights violations, the Group seeks acknowledgment of its Vendor CoC from new and existing material vendors to ensure that their ESG practices and commitments are in line with the Group's commitments.,

The Group embeds ESG criteria into its supplier screening process to encourage sustainable practices among its vendors. To put this into practice, the Group conducts site visits to ensure that its expectations of selected suppliers are being delivered.

In the event of any illegal, unethical, questionable practices or improper conduct committed by the vendors, the Group reserves the right to terminate any business relationship with them.

8. Access to Remedy

8.1 To ensure that complaints about human rights violations are addressed promptly, the Group provides communication channels to file complaints on actions or activities that do not comply with the Group's Human Rights Policy via the following channels:

- a) Whistleblowing reporting channels, which is an avenue for all employees, interns, consultants, contractors, vendors, suppliers and/or customers to disclose any illegal, unethical, questionable practices or improper conduct committed or about to be committed within the Group, by filling in a web-form via PBALERT Link or sending an email to PBALERT@publicbank.com.my; and
- b) Staff Grievance Portal where employees are encouraged to submit their grievances using the Group's digital platform for swift handling and amicable resolution of their grievances.

8.2 The Group accords protection of confidentiality to the whistleblower to the extent reasonably consistent with the need to conduct an adequate investigation, and take all reasonable steps to protect the whistleblower against any discrimination, retaliation or harassment.

9. Governance

The governance of the implementation of the Group's human rights commitments and approach is as follows:

- 9.1 The Human Rights Policy shall be approved by the Board, which is the ultimate body accountable for the Group's sustainability agenda.
- 9.2 The Board Sustainability Management Committee ("BSMC") reviews and recommends the Policy for the Board's approval. The BSMC assists the Board in fulfilling its oversight responsibilities regarding the Group's adherence to human rights commitments.
- 9.3 The Sustainability Management Committee ("SMC") reviews, concurs and recommends the Policy to the BSMC. The SMC is responsible for overseeing the implementation of the Group's human rights commitments.

- 9.4 The relevant divisions, including the independent units such as Internal Audit Division, Risk Management Division, Compliance Division, provide independent reviews on the implementation of the Policy.
- 9.5 The Sustainability Management Unit, together with Human Capital Management, review and propose recommendations to the Policy, and coordinate the implementation of the Policy.

10. Reporting

The Group is committed to reporting the progress on its efforts in relation to human rights, the impact of human rights impact to its business and supply chain activities, and key performance metric of human rights, as part of its disclosure on human rights topic to the SMC, BSMC, the Board and in the annual Public Bank Sustainability Report.

11. References

The documents cited and referenced in the Policy are as follows:

- Public Bank's Diversity, Equality and Inclusion Statement, from <https://www.publicbankgroup.com/sustainability/diverse-and-inclusive-workforce/>;
- Public Bank Sustainable Finance Framework, from <https://www.publicbankgroup.com/sustainability/sustainability-disclosures/>;
- Public Bank High ESG Risk Sector (HERs) Position Statement, from <https://www.publicbankgroup.com/sustainability/sustainability-disclosures/>;
- Public Bank Treat Customers Fairly Charter, from <https://www.pbebank.com/en/charter/>;
- Public Bank Privacy Notice, from <https://www.pbebank.com/en/privacy/>; and

- Public Bank Group's Vendor Code of Conduct, from <https://www.publicbankgroup.com/sustainability/sustainability-disclosures/>.

12. Document Review

- 12.1 The Human Rights Policy shall be reviewed at least annually or as and when deemed necessary to ensure that it remains relevant and applicable.
- 12.2 The review of the Policy shall be carried out in consultation with the independent units and any other relevant divisions, where applicable.
- 12.3 During the periodic reviews, material revisions of the Policy shall be approved by the Board. Any non-material revisions of the Policy shall be approved by the SMC.