



# **UOB**

# **Group Sustainability**

# **Framework**

February 2025

## 1. INTRODUCTION

### 1.1 Objective

- 1.1.1 The Group Sustainability Framework ("Framework") supports UOB's business decision-making at all levels by providing guidance on how to manage sustainability-related risks and business opportunities in the context of direct and indirect impact to the environment, society and the economy.

### 1.2 Scope

- 1.2.1 This Framework is applicable to United Overseas Bank Limited (UOB or the Bank), including all branches.
- 1.2.2 Banking subsidiaries shall adapt and adopt this Framework to local requirements, in consultation with the Group Sustainability Committee (GSC).
- 1.2.3 Non-banking subsidiaries may be exempted in full or in part from relevant Group frameworks and policies after review by the GSC.
- 1.2.4 United Overseas Insurance and associate companies are excluded.

### 1.3 Definitions

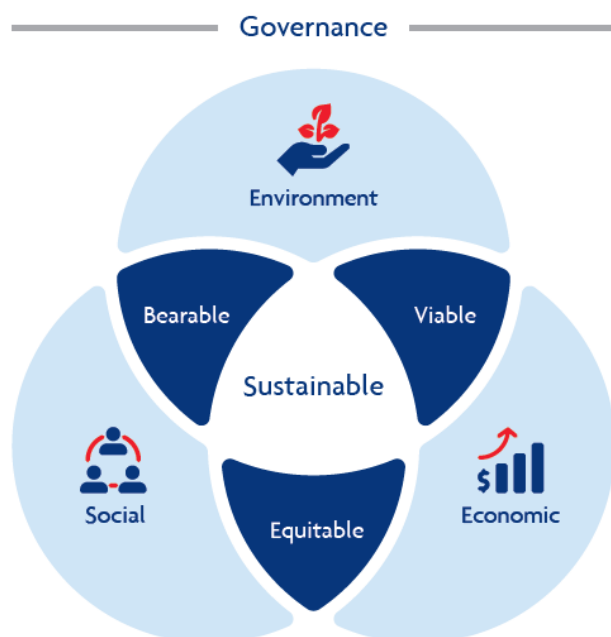
#### 1.3.1 Sustainability and Sustainable Development

A sustainable business is one that creates lasting benefits for its stakeholders through the integration of environmental, economic, social and governance considerations into its strategies and operations. We consider the three traditional pillars of sustainability (i.e. the environment, society and the economy) as well as governance to be interdependent and mutually reinforcing.

Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs. This entails respect for the environment, human rights, labour rights, decent work and economic growth, data privacy and business ethics.

### 1.3.2 Environmental, Social and Governance (ESG) Factors

Environmental, social and governance (ESG), as well as economic, factors are considered by investors and other stakeholders in assessing and measuring the sustainability of a company and its business activities. The same factors are considered, in turn, by the Bank to ensure that our stakeholders abide by our values and principles.



Sustainability occurs at the confluence of the three constituent pillars: the environment, society and the economy. A robust governance framework is also essential for corporations to remain sustainable.

### 1.3.3 Materiality

Material environmental, economic, social and governance factors include those that have significant impact on UOB's stakeholders, the economy, environment and society, and/or those that have significant impact on UOB's business, including financial effects from risks incidents and/or opportunities events.

## 1.4 **Issuance and Maintenance**

This Framework is issued by the GSC. It is reviewed by the GSC and approved by the UOB Board of Directors at least annually.

## 2. GOVERNANCE STRUCTURE

### 2.1 UOB Board of Directors and Management Executive Committee (MEC)

The UOB Board of Directors, through the Executive Committee, and the MEC, review long-term business and organisational goals and provide the strategic direction for the Bank's sustainability practices. They review, determine and oversee the management and monitoring of the Bank's material ESG factors and their scope, as well as evaluate relevant key performance indicators. They also review and approve relevant disclosures.

### 2.2 Group Sustainability Committee (GSC)

The GSC reports directly to the MEC on sustainability matters. This ensures that ESG factors are given due consideration in all aspects of our operations. The GSC members represent the Bank's business and support units whose activities may positively or negatively impact the environment, society and the economy. The GSC reviews material ESG factors, identifies risks and opportunities, sets goals and targets, evaluates emerging issues, collates and assesses relevant data, and monitors the progress of sustainability-related programmes and initiatives.

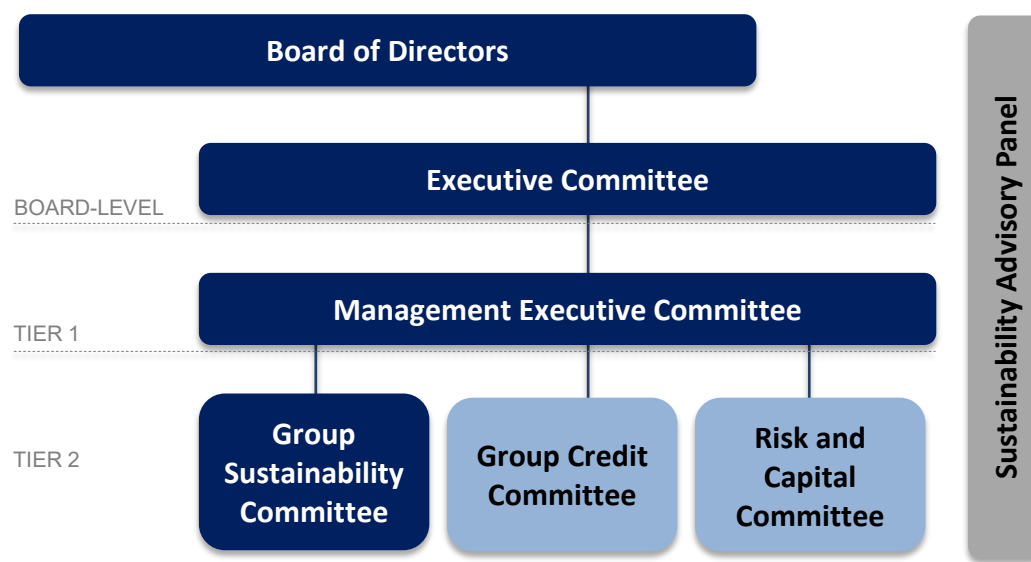
### 2.3 Others

#### 2.3.1 Sustainability Advisory Panel (SAP)

The SAP plays a key role in providing external perspectives and independent advice to our Board of Directors and Management on various aspects of our sustainability strategy, targets and initiatives. They provide guidance, specifically on our net zero operationalisation programme, sustainability-related commercialisation planning, net zero disclosures, as well as other initiatives including nature and biodiversity.

### 2.3.2 Group Credit Committee (GCC) and Risk and Capital Committee (RCC)

The GCC and RCC report directly to the MEC on ESG-related risk and credit matters, including policies.



## 3. RESPONSIBILITIES OF KEY STAKEHOLDERS

It is the responsibility of all UOB employees to comply with the Group Sustainability Framework. The respective management teams of the UOB entities are responsible for appraising the ESG factors in their local markets and for taking appropriate steps to ensure that customers and suppliers also meet relevant policy requirements, wherever applicable.

## 4. APPROACH TO SUSTAINABILITY

UOB's approach to sustainability is being pragmatic and progressive in addressing the material risks and opportunities that have the potential to impact our customers, colleagues, suppliers, investors and the communities in which we operate. We believe that as one of Asia's largest banks, we have a duty to contribute to and to ensure the region's long-term environmental, economic and social well-being. This responsible, long-term approach is central to our business activities.

We recognise that good corporate governance is essential for embedding sustainable business practices across the Bank. Therefore, we have developed a framework that is underpinned by policies which define our commitments and guide our approach to conducting business in a sustainable manner.

## 4.1 The Guiding Principles of Our Sustainability Strategy

- **Forging a Sustainable Future With Our Customers**  
Engage our customers proactively to influence their sustainability practices for greater long-term resilience
- **Aligned to Business Strategy and Stakeholder Interests**  
Stay economically relevant by pursuing sustainable growth strategies
- **Pragmatic and Progressive**  
Implement sustainability programmes to manage ESG risks and opportunities sensibly, in line with market and competitive realities
- **Regulatory Compliance as the Baseline**  
Align our sustainability approach with ESG policies and guidelines of governments in our key markets
- **Values-Driven**  
Based on our longstanding and distinct values

## 4.2 The Four Pillars that Support Our Sustainability Strategy

The pillars of our sustainability strategy are rooted in our values of Honour, Enterprise, Unity and Commitment. They reflect UOB's expertise, the responsibilities we hold and the role we can play for the long-term benefit of our key stakeholders. Each of the pillars determines a set of strategic objectives which we strive to achieve to ensure that we implement our strategy with clear plans and purpose. We have also mapped our material ESG factors to the four pillars and our strategic objectives.

| Pillar                   | Material ESG Factor    | Definition  | Strategic objectives   |
|--------------------------|------------------------|---|--|
| Drive Growth Sustainably | Economic contributions | Economic Contributions is the financial impact and value added to the economy by an organisation through its business and operations, including job creation, wages paid, taxes and investments in the community. UOB seeks to generate positive economic contributions to the markets in which we operate through job creation, sourcing from local suppliers, support from local communities, and paying taxes to government and dividends to shareholders. | <ul style="list-style-type: none"> <li>Contribute economically to the progress of our communities</li> </ul>   |
|                          | Sustainable banking    | Sustainable Banking embeds environmental, social, and governance considerations into financial products and services to support long-term economic, ecological and societal well-being. UOB provides sustainable banking products, and addresses ESG risks and opportunities, including those related to climate change, natural capital and biodiversity, and human rights.  | <ul style="list-style-type: none"> <li>Embed ESG risk in our approach to risk management</li> <li>Integrate social and environmental considerations into our credit evaluation and approval processes</li> <li>Adopt and promote climate-resilient practices to support our customers in their transition to a low carbon economy</li> <li>Develop and provide sustainable financing and sustainable investment solutions</li> </ul> |

| Pillar                       | Material ESG Factor | Definition   | Strategic objectives   |
|------------------------------|---------------------|--|--|
| Keep Customers at the Centre | Fair dealing        | Fair dealing is a practice that emphasises honesty, transparency and equity when interacting with customers, ensuring they are provided with accurate information and are treated justly in all transactions and decisions. UOB places customers and their financial goals first through offering products and services that are suitable, ensuring employees provide quality advice and appropriate recommendations, providing clear, relevant and timely information, and addressing feedback in an independent, effective and prompt manner. We also seek to create positive experiences for customers and foster deeper trust with them. | <ul style="list-style-type: none"> <li>• Ensure fair dealing</li> <li>• Create intuitive and impactful customer experiences</li> <li>• Make banking simpler, smarter and safer through ethical use of technology and data</li> </ul> |
|                              | Data privacy        | Data Privacy refers to the proper handling, protection and governance of bank and customer data, ensuring that individuals' rights to control their personal data are respected and that personal and proprietary data is not misused or improperly disclosed. UOB integrates data privacy deeply into service delivery and operational processes to ensure that bank and customer data are safeguarded against threats or misuse.   | <ul style="list-style-type: none"> <li>• Protect customer data and privacy through secure and robust systems and practices</li> <li>• Protect the financial system against abuse</li> </ul>  |



| Pillar                             | Material ESG Factor              | Definition  | Strategic objectives   |
|------------------------------------|----------------------------------|---|--|
| Keep Customers at the Centre       | Financial inclusion              | Financial Inclusion is the practice of ensuring that underserved individuals and businesses have access to useful and affordable financial products and services that meet their needs – such as savings, loans, payments and insurance – delivered in a responsible and sustainable way. UOB provides and facilitates access to affordable financial products and services, including through digital innovation and customer education.   | <ul style="list-style-type: none"> <li>• Make banking more accessible and inclusive</li> <li>• Support businesses across all stages of growth</li> </ul>   |
| Develop Professionals of Principle | Talent development and inclusion | Talent Development and Inclusion constitutes corporate practices to ensure workplace resilience, such as attracting and retaining talent with right skillsets and values to maintain a customer-centric and future-focused culture, fostering a diverse, inclusive and progressive workplace, and developing employees through professional and personal growth programmes. UOB is committed to fostering a diverse, inclusive, meritocratic and high-performance workplace culture, and to cultivating talent and leaders. | <ul style="list-style-type: none"> <li>• Develop high-performing teams and future-focused individuals</li> <li>• Ensure employee engagement and satisfaction</li> <li>• Embrace diverse abilities and strengths</li> </ul> |

| Pillar                             | Material ESG Factor                     | Definition  | Strategic objectives  |
|------------------------------------|---|---|---|
| Develop Professionals of Principle | Workplace safety, health and well-being | Workplace Safety, Health and Well-being is ensuring safe, secure, healthy and conducive work environments for all employees, customers, contractors and tenants. UOB cares for the well-being of employees by taking note of physical, financial, mental and social wellness, through initiatives such as flexible work arrangements, medical coverage and health screenings. UOB also seeks to safeguard its buildings and branches from physical and operational risks.   | <ul style="list-style-type: none"> <li>Promote work-life harmony</li> <li>Ensure workplace health, safety and well-being</li> </ul> |
| Uphold Corporate Responsibility    | Corporate governance and risk culture   | Corporate Governance and Risk Culture comprises rules, practices and processes by which an organisation is managed, to ensure accountability, fairness and transparency in an organisation's relationship with its stakeholders. It includes the values and knowledge related to risk awareness, risk-taking and risk management within an organisation, influencing how employees at all levels handle and prioritise risks. UOB believes strong governance culture and robust risk culture can influence decisions and actions taken throughout the organisation and in turn, help to safeguard the long-term interests of stakeholders and reputation of the Bank. | <ul style="list-style-type: none"> <li>Maintain highest standards of governance and risk culture</li> </ul>                         |

| Pillar                          | Material ESG Factor         | Definition   | Strategic objectives  |
|---------------------------------|-----------------------------|--|---|
| Uphold Corporate Responsibility | Regulatory compliance       | Regulatory Compliance is the adherence to laws, regulations, guidelines and specifications relevant to an organisation's business and operations. UOB upholds the highest ethical standards through complying with international and local laws and regulations, and believes regulatory compliance can help prevent financial crime such as insider trading, bribery, corruption and money laundering.  | <ul style="list-style-type: none"> <li>• Ensure regulatory compliance</li> <li>• Protect the financial system against abuse</li> </ul>  |
|                                 | Information security        | Information Security is the process of establishing, strengthening and improving standards, systems and infrastructure to enhance organisational and technical capabilities to protect data and assets, and to prevent, detect, and respond to potential external cybersecurity threats. UOB seeks to safeguard bank and customer's data and assets against evolving cyber threats through employment of advanced monitoring, detection and rapid response strategies. | <ul style="list-style-type: none"> <li>• Protect customer data and privacy through secure and robust systems and practices</li> <li>• Make banking simpler, smarter and safer through ethical use of technology and data</li> <li>• Protect the financial system against abuse</li> </ul> |
|                                 | Direct environmental impact | Direct Environmental Impact is the direct consequences of an organisation's actions, own operations and facilities on the environment, including resource consumption, waste production, emissions and pollution. UOB's direct impact on the environment results primarily from consuming resources such as energy, water and paper among others.  | <ul style="list-style-type: none"> <li>• Manage direct environmental impact and encourage environmental stewardship</li> </ul>  |

| Pillar                          | Material ESG Factor     | Definition   | Strategic objectives   |
|---------------------------------|-------------------------|--|--|
| Uphold Corporate Responsibility | Sustainable procurement | Sustainable Procurement involves purchasing of goods and services with a focus on their long-term economic, social, and environmental impact, aiming for overall value and sustainability. UOB's procurement activities seek to align with requirements and criteria that supports the protection of ecological and societal well-being (inclusive of human rights). | <ul style="list-style-type: none"> <li>• Incorporate sustainability principles into our procurement practices</li> </ul>   |
|                                 | Community stewardship   | Community Stewardship is the responsible management and care of community well-being, and contributions to the overall health and vitality of the community. UOB supports the social development of communities where we operate, focusing on art, children and education – areas that are essential for the quality and progress of society.                        | <ul style="list-style-type: none"> <li>• Champion social development in art, children and education</li> <li>• Encourage volunteerism and advocacy for social and environmental causes</li> <li>• Encourage environmental stewardship</li> </ul> |



UOB is committed to net zero by 2050, and the Bank's commitment is grounded in the need for a just transition that continues to support socioeconomic growth and improve energy access across ASEAN. We recognise the important role of financial institutions in facilitating action against climate change and nature loss, and supporting customers' transition to more sustainable businesses and solutions. These are taken into account when shaping the sustainability strategy of the Bank, and ensuring that the Bank's implementation plans are effective in addressing market developments and stakeholders' expectations on net zero and nature.

We also recognise the growing risk of greenwashing and the potential implications on reputation regulatory and litigation risks for the Bank. We have integrated greenwashing as a reputational risk trigger in the Group Reputational Risk Management Policy and will continue to enhance measures to address greenwashing risk across the Bank.

#### **4.3 Alignment with the United Nations Sustainable Development Goals (UN SDGs)**

The UN SDGs, or Global Goals, set the global agenda for sustainable development by 2030 and call for action by both the public and private sectors. UOB's strategy and reporting are aligned with the 17 UN SDGs. We recognise that while UOB is better placed to contribute directly to a sub-set of the Global Goals, the broadening scope of our sustainable financing, responsible investing and impact investment activities and their corresponding positive impact enable us to align with all the Global Goals.

UOB became a participant of the United Nations Global Compact in 2021. As a Participant-level signatory, we support the Ten Principles of the Global Compact in the areas of human rights, labour, environment and anti-corruption. We are committed to integrating these principles into our culture, business strategy and daily operations.

## SUSTAINABLE DEVELOPMENT GOALS

