



UOB

Group Sustainability

Framework

February 2024

1. Introduction

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.

This Framework is issued by the Group Sustainability Committee (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 environment, social and governance (ESG) factors and their scope, as well as evaluate relevant key performance indicators. They also review and approve relevant disclosures. A Sustainability Advisory Panel, comprising sustainability and industry experts, independently advises the Board and Management on the Bank’s sustainability strategy, targets and initiatives.

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.



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 sustainability issues 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.

Climate change, in particular, is one of the most complex and defining issues of our time. Studies indicate that Asia is among the most vulnerable regions in the world to global warming. As a leading financial institution in the region, UOB has a vital role in supporting efforts toward climate change mitigation and adaptation. 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 also 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 objectives which we strive to achieve to ensure that we implement our strategy with clear plans and purpose.

4.2.1 Drive Growth Sustainably

- a) Contribute economically to the progress of our communities
- b) Embed environmental, social and governance risk in our approach to risk management
- c) Integrate social and environmental considerations into our credit evaluation and approval processes
- d) Adopt and promote climate-resilient practices to support our customers in their transition to a lower-carbon economy
- e) Develop and provide sustainable financing and sustainable investment solutions

4.2.2 Keep Customers at the Centre

- a) Protect customer data and privacy through secure and robust systems and practices
- b) Ensure Fair Dealing
- c) Create intuitive and impactful customer experiences
- d) Make banking simpler, smarter and safer through ethical use of technology and data
- e) Make banking more accessible and inclusive
- f) Support businesses across all stages of growth

4.2.3 Develop Professionals of Principle

- a) Develop high-performing teams and future-focused individuals
- b) Promote work-life harmony
- c) Encourage volunteerism and advocacy for social and environmental causes
- d) Ensure employee engagement and satisfaction
- e) Ensure workplace health, safety and well-being
- f) Embrace diverse abilities and strengths

4.2.4 Uphold Corporate Responsibility

- a) Maintain highest standards of governance and risk culture
- b) Ensure regulatory compliance
- c) Protect the financial system against abuse
- d) Incorporate sustainability principles into our procurement practices
- e) Manage direct environmental impact and environmental stewardship
- f) Champion social development in art, children and education

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

