



UOB Sustainability Report 2021

Innovating for a Sustainable Tomorrow



About This Report

United Overseas Bank Limited (UOB) has been committed to creating long-term value for our customers, our colleagues and our communities since 1935. In building a sustainable business over time and across borders, we engage our stakeholders constructively and regularly. This enables us to align our strategies with what is important to them and for them to have a deeper appreciation of how we contribute to enterprise, innovation and economic growth across the region.

In the UOB Sustainability Report 2021, we explain our sustainability approach, objectives and performance in the context of the year's operating environment. We also share how we create value for our stakeholders over the short, medium and long-term.

This Report is approved by the UOB Board of Directors and is prepared in accordance with:

- the Singapore Exchange (SGX) Securities Trading Limited Mainboard Listing Rules 711A and 711B on Sustainability Reporting, as well as Practice Note 7.6 Sustainability Reporting Guide issued in June 2016;
- the SGX Core ESG Metrics published in December 2021;
- the Global Reporting Initiative (GRI) Standards: Core Option issued in October 2016 by the Global Sustainability Standards Board;
- the GRI G4 Financial Services Sector Disclosures document;
- the Sustainability Accounting Standards Board (SASB) Financials Sector Standards on Commercial Banks, Consumer Finance and Mortgage Finance published in October 2018;
- the Monetary Authority of Singapore's (MAS) Green Finance Industry Taskforce's Financial Institutions Climate-related Disclosure Document published in May 2021;
- the MAS Guidelines on Environmental Risk Management for Banks published in December 2020;
- the Guidelines on Responsible Financing issued in October 2015 (revised June 2018) by The Association of Banks in Singapore; and
- the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) issued in June 2017 and updated in October 2021.

This report also serves as our Communication on Progress (CoP) for the United Nations Global Compact.

In applying the GRI Standards, we prioritised the four principles for defining report content, namely:

- Principle 1 - Stakeholder Inclusiveness;
- Principle 2 - Sustainability Context;
- Principle 3 - Materiality; and
- Principle 4 - Completeness.

This report should be read in conjunction with the UOB Annual Report 2021 and other related disclosures. Throughout the report, links to other relevant resources are provided for the convenience of our readers.

This report is our first that is externally assured against the GRI Standards for sustainability reporting. The assurance, provided by Ernst & Young LLP, validates the accuracy and reliability of figures and statements in this report that are related to the subject matters agreed as per the Assurance Statement. The assurance is in accordance with International Standard on Assurance Engagements (ISAE) 3000 Other Than Audits or Reviews of Historical Financial Information. The scope of work and conclusions can be found in the Assurance Statement on pages 123 to 130.

This report covers the period from 1 January to 31 December 2021, unless otherwise stated, and is published on 1 April 2022. It is available online at www.UOBgroup.com. No copies were printed.

All figures in this report are in Singapore dollars unless otherwise specified.

Certain figures in this report may not add up to the respective totals due to rounding.

To find out more about UOB and sustainability, follow us on:
#SustainableFutureWithUOB
www.UOBsustainability.com

We welcome your feedback and suggestions at Sustainability@UOBgroup.com.

Please scan the QR code to view the UOB Annual Report 2021.



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Our 2021 Snapshot

Drive Growth Sustainably



\$17 billion
in total sustainable financing
extended to corporates
as at the end of 2021



\$5 billion
in sustainable financing
extended to corporates
in 2021



Apex Winner
Sustainable Solutions,
Non-SME Category at the
Singapore Apex Corporate
Sustainability Awards 2021



\$9 billion
in total assets under
management in
ESG-focused investments



**World's 1st APAC
Green REIT ETF**
listed on the
Singapore Exchange

Keep Customers at the Centre



World's Best SME Bank
awarded by *Euromoney*
and *Global Finance*



20,000 SMEs
received our relief support
since 2020



Best Retail Bank
in Singapore, Malaysia and
Thailand awarded at the
Asian Banking & Finance
Retail Banking Awards 2021



**+3.8 improvement in
Net Promoter Score¹**
for customer experience



No data privacy fines
in respect of any
data breach²

Develop Professionals of Principle



\$23.3 million
invested in employee training
and development



100% completion
of our Group-wide Better U
foundational course by
eligible colleagues



290,000 square feet
of office space transformed
into high-performance
workspaces



UOB Mental Wellness Days
launched to help colleagues
lead healthier and more
fulfilling lives



54 nationalities
represented by our colleagues
across the Group

Uphold Corporate Responsibility



**No material information
security incidents**



**Operational
carbon neutrality**
achieved for our
own footprint



\$6.1+ million
in monetary and in-kind
contributions to the community



32,700+ hours
volunteered by our colleagues
to serve the community



**Corporate Excellence
and Resilience Award**
at Singapore Corporate Awards 2021
(Special Edition)
(>\$1 billion market cap)

¹ About 2.3 million retail customers were invited to participate in the Net Promoter Score survey after their interactions with UOB and more than 113,000 responded.
² Refers to Personal Data Protection Commission (PDPC) fines in respect of any data breach. The PDPC is Singapore's main regulatory body for administering the Singapore Personal Data Protection Act 2012.



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Deputy Chairman and CEO's Statement



Sustainability is now an imperative with collective will among governments, companies and individuals to change business practices and lifestyles for the greater good. As a leading financial institution in Asia, UOB takes seriously our responsibility to forging a sustainable future.

Underpinning our sustainable growth through the years are our time-tested values of Honour, Enterprise, Unity and Commitment. In 2021, we made further progress by setting up a dedicated Corporate Sustainability Office and appointing our first Chief Sustainability Officer. They are tasked to guide the Bank's efforts through the four pillars of our sustainability strategy, which are to drive growth sustainably, to keep customers at the centre, to develop professionals of principle and to uphold corporate responsibility.

By embedding these pillars in our business strategy, we sharpen our focus on helping businesses to advance responsibly, steering consumer wealth to sustainable investments and fostering social inclusiveness and environmental well-being.

Driving Growth Sustainably

During the year, we rolled out our Group Environmental Risk Management Framework and adopted the Equator Principles to determine, to assess and to manage the environmental and social risk in projects we undertake. As part of our Task Force on Climate-related Financial Disclosures (TCFD) adoption roadmap, we have incorporated physical risk disclosures in this year's Sustainability Report.

In our role as a catalyst and enabler to help our corporate clients tap regional connectivity and grow responsibly, we continued to roll out sustainable finance programmes such as our Green and Sustainable Trade Finance and Working Capital Framework. We also launched U-Drive and U-Energy, two integrated financing platforms designed to facilitate the growth of the electric vehicle sector and to promote energy efficiency respectively through financing support for industry players through to consumers.

Our efforts led to the achievement of our sustainable financing target of \$15 billion two years ahead of schedule. The commitment to integrating sustainability into our lending policy underpins the Bank's own inaugural sustainability bond under the UOB Sustainable Bond Framework. In addition to loans, we facilitated our clients' issuances of green and sustainability-linked bonds, as well as Islamic notes, with the proceeds raised to be used for green projects or to improve their sustainability performance.

In the area of sustainable investments, we launched several progressive solutions during the year. These include the UOB APAC Green REIT ETF, the world's first exchange-traded fund that provides access to quality green real estate investment trusts across Asia Pacific, and the United Smart Sustainable

Singapore Bond Fund, which offers investors opportunities to help contribute to Singapore's 2030 green development plan. We continued to create positive social impact through our impact investment funds aimed at supporting low-income communities in Southeast Asia and China.

Keeping Customers at the Centre

To assist our customers, particularly individuals and small- and medium-sized enterprises (SMEs), tide over the impact of the pandemic, we continued to extend various relief measures and financing schemes and to make them more accessible. For micro and small businesses especially, we rolled out the UOB Business Loan in Singapore, which features a short tenor cash advance loan or a longer tenor working capital loan. During the year, we also extended our UOB BizMerchant programme from Vietnam and Thailand to Indonesia. This financially-inclusive programme taps our data analytics-powered credit underwriting engine to make it easier for small businesses, particularly online sellers, to obtain bank loans.

Technology is a key tool in furthering our sustainability agenda. In our recent survey, three in five SMEs in Singapore said sustainable practices are key to their business growth. Through our Sustainability Innovation Programme powered by The FinLab, we helped SMEs adopt digital solutions that enabled them to build sustainable businesses and to emerge stronger.

To provide more personalised and simpler banking experiences for our customers, we also invested in our digital capabilities and innovation initiatives, including our unified UOB TMRW mobile app which will be launched progressively in our key ASEAN markets.

Developing Professionals of Principle

We are committed to building a safe, nurturing and inclusive environment for our people, who are our greatest asset. Our colleagues are treated respectfully and professionally and are given equal opportunity based on merit.

With the pandemic reshaping the concept of the workplace and with technology enabling effective hybrid workstyles, there was a blurring of work-life boundaries and pandemic fatigue. To support our people, we enhanced our total wellness programme to equip them with mindfulness and stress management techniques so that they can fortify their mental resilience and build greater awareness on how to care for colleagues who may be mentally distressed.

Our ongoing training and development help to ensure that our people stay future-focused and customer-centric. We continued to strengthen Better U, our Group-wide learning and development programme that focuses on building competencies required for the future. The programme now includes a specialised track on artificial intelligence (AI) to deepen our people's understanding of how AI technologies can be applied in the financial industry.



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To prepare for more colleagues returning to the office post-pandemic, we continued to create high-performance workplaces to enable collaboration, productivity and personal well-being for our increasingly agile workforce. In addition, we piloted in Singapore a gig employment model for retired employees. In doing so, we create flexible job opportunities and are able to tap the diverse strengths and valuable experience of our multi-generational workforce.

Upholding Corporate Responsibility

While we leverage the capabilities of technology in serving our customers better, we believe innovation has to be balanced with prudence and sound risk management. It is our priority to help ensure the security of the financial system by maintaining the highest governance, ethical and risk standards as a responsible financial steward.

Mindful of the environmental impact of our own operations, we achieved carbon neutrality for our own footprint in 2021. We will continue to step up our initiatives to be more energy-efficient, to use renewable energy sources and to contribute more to carbon emissions reduction programmes. We will also work on sectoral pathways to support the decarbonisation of our financed emissions together with our clients.

To #keepthegoodgoing for the community, in 2021 we raised more than \$6.1 million under our global #UnitedforYou COVID-19 Relief Programme and through our annual flagship UOB Heartbeat Run/Walk event to support frontline workers and the less privileged affected by the pandemic. Across the Group, we also clocked more than 32,700 hours of volunteer work during the year.

The 40th anniversary of our UOB Painting of the Year Competition exemplifies our longstanding support of art and local artists in Southeast Asia. We also launched the UOB Digital Art Grant that forms part of the National Arts Council Singapore's Sustain the Arts Fund, set up to help boost the viability of small arts organisations.

Building a Sustainable Tomorrow

The call for sustainable businesses and lifestyles has resonated with many people across the world as the prolonged pandemic continues to leave an indelible impact on the way we live, work and play. At UOB, we set our sights on working with our customers, colleagues and the wider community to create a multiplier effect in managing sustainability risks and opportunities sensibly. This will ensure that the collective impact we create is positive and meaningful for the long term.

Wee Ee Cheong

Deputy Chairman and Chief Executive Officer

February 2022



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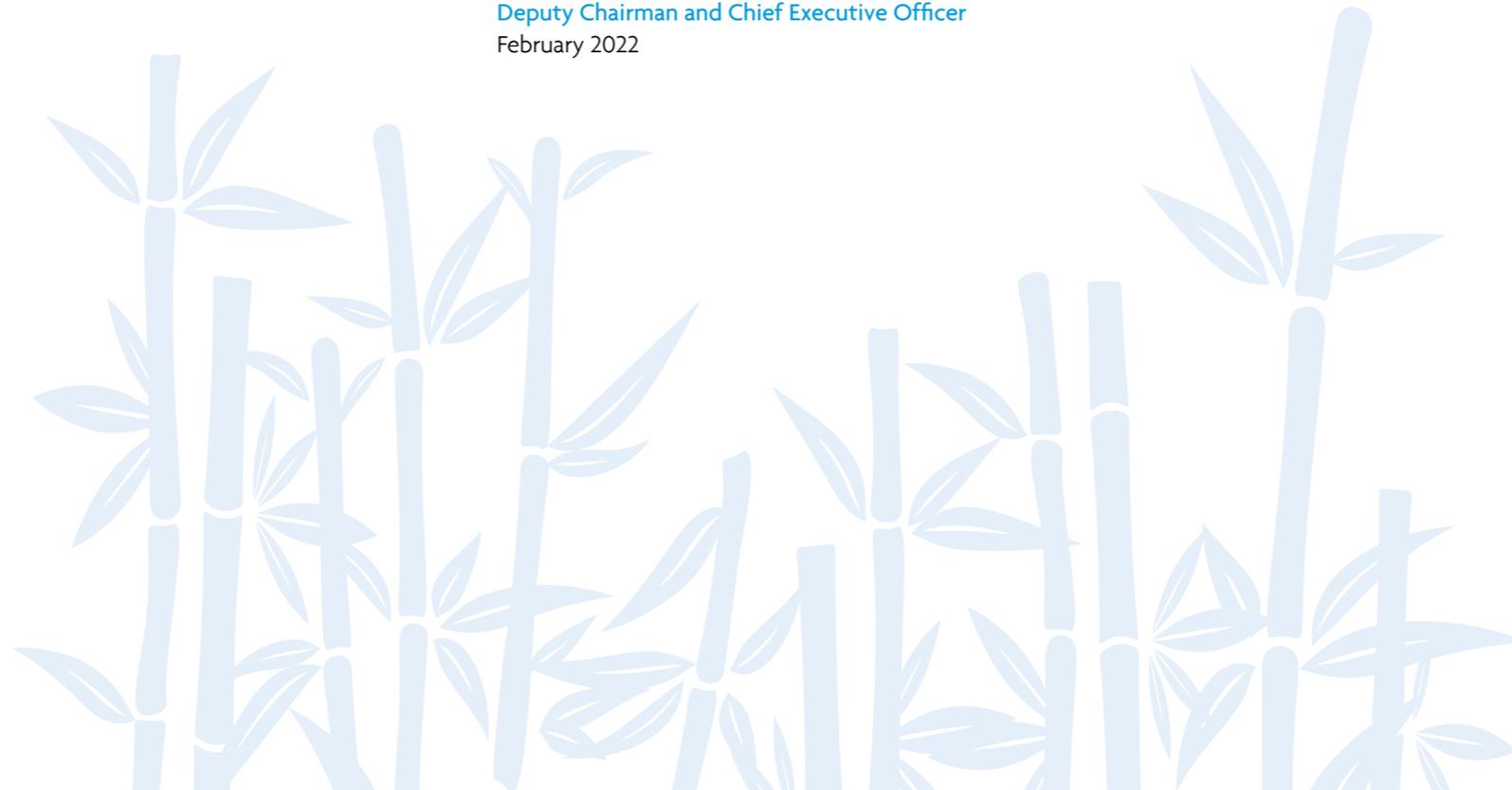
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Sustainability Strategy

Board Statement on Sustainability

The Board is committed to building on the Bank's rich heritage to continue creating long-term value for all its stakeholders. The Board guides Management and the Group Sustainability Committee in prioritising, formulating and driving the sustainability strategy, which is integral to the business direction UOB takes.

Together with Management and with feedback from external stakeholders, the Board considers and identifies the material ESG risks and opportunities that are relevant to the long-term success of the Bank and focuses on addressing current and forward issues, including climate change. The Board is cognisant of national agendas and recognises the importance of financial institutions in facilitating climate action.

Through its Committees, the Board oversees the management and implementation of the Bank's sustainability strategy to ensure that the Bank is responding effectively to developments in the market and in view of its stakeholders' expectations.

The Bank's values of Honour, Enterprise, Unity and Commitment underpin UOB's sustainability strategy. These will continue to guide its people, policies and processes to ensure the long-term interests of its stakeholders are met and the performance of UOB sustained.

As we continue to deepen our presence across the region, we strive to address the environmental, social and governance (ESG) risks and the impact of our operations in a manner consistent with our values. This is also in line with our role in helping to ensure a safe, secure and trusted banking system.

Scope of Impact

We are cognisant of the direct environmental and social impact of our own operations and have set objectives and targets toward mitigating this impact. We are also aware that our lending and funding activities have significant potential to affect the environment, society and the economy indirectly, in both positive and negative ways. Therefore, we are constantly enhancing the mechanisms to encourage our customers and suppliers to comply with all applicable local, national and international legislations, including those intended to safeguard the environment and social well-being. Further, we encourage our customers and suppliers to adopt suitable best practices that are aligned with internationally-recognised guidelines, codes and standards.

In our focus on creating sustainable value for our stakeholders, we align our long-term business strategies with their interests. We believe in sustainable 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.

Our Five Guiding Principles

UOB's approach to sustainability is guided by five principles that act as a compass for how we address the material risks and opportunities which may impact our customers, colleagues, investors, suppliers and the communities in which we operate. As one of Asia's largest banks, we have a duty to contribute to the region's long-term economic, social and environmental well-being. We also recognise that good corporate governance is essential for embedding sustainable business practices across the Group. This long-term, responsible approach is our heritage and is central to our business strategy and activities.



The Guiding Principles of Our Sustainability Approach

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



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Our Four Pillars

The four pillars of our sustainability strategy arise from our fundamental strengths and are rooted in our values. 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.

Drive Growth Sustainably

In driving growth sustainably, we incorporate sustainability risk elements in our approach to risk management. This includes integrating ESG considerations into our credit evaluation and approval processes. We offer a range of sustainable solutions that can help our customers make a difference in their own communities. We are also progressively adopting as well as promoting climate-resilient practices which will support our customers in their own transition to a low carbon economy. Beyond financing, we continue to make significant strides in growing our sustainable investing portfolio.

Keep Customers at the Centre

As we focus on doing what is right for customers, we ensure that Fair Dealing principles are entrenched in all aspects of our relationship with them. Keeping their best interests in mind, we harness technology and use data to make banking simpler, smarter, safer and more intuitive for them. By doing so, we aim to make banking more accessible and inclusive to individuals and businesses in the communities in which we operate. Standing by our customers also means that we must protect their data and privacy by maintaining the security and robustness of our systems and processes.

Develop Professionals of Principle

Our colleagues enable us to ensure the best outcome for our customers, our business and our community. Hence we develop professionals of principle – high-performing teams and individuals who are guided by our values. We embrace diverse strengths and abilities as these enhance our capabilities and enrich our competitiveness. We equip our colleagues to take on the challenges of tomorrow even as we care for their welfare and work-life harmony today. We also foster a sense of belonging among our colleagues by encouraging volunteerism and improving engagement and satisfaction.

Uphold Corporate Responsibility

We believe that as a responsible financial services provider, we must uphold corporate responsibility by maintaining the highest standards of governance and risk culture, ensuring regulatory compliance and protecting the financial system. We remain steadfast in our commitment to promote social development in the areas of art, children and education. Both in our own operations as well as among our stakeholders, we also actively encourage and support environmental stewardship efforts. Together, these efforts help us contribute to a strong and sustainable future for the wider community.

Balancing Growth with Stability

Our sustainability strategy mirrors our business approach of balancing growth with stability. It takes into account the influence and impact our decisions and actions may have on our stakeholders and the environment. It also ensures that we remain economically relevant through managing ESG risks and opportunities practically and in line with market

realities. To enable our programmes and initiatives to take root and to grow, we have ensured alignment with the ESG-related laws and regulations in each of our key markets. Just as our business strategy hinges on doing what is right for our customers, our sustainability strategy informs our engagement with our stakeholders and how we can help them in their own practices for positive outcomes in the long run.

We refine our sustainability strategy continually through engaging stakeholders from across the Bank. Considerations include internal factors that are key to the long-term growth of our business such as strong governance, employee health, safety and well-being, diversity and inclusion, as well as attracting, developing and retaining talent. We incorporate sustainability trends affecting businesses, including responsible financing, the growth of sustainability-related products and services and a changing regulatory landscape. We also consider global issues, aligning ourselves with the United Nations Sustainable Development Goals (UN SDGs) and recognise the critical need for the world to reach net zero by 2050, in accordance with the Paris Agreement.

When making business decisions and developing our products and services, we consider our stakeholders' expectations in appreciation of what is material to them and the context of the countries in which we operate. As part of our commitment to sustainable and responsible growth, we identify, assess and manage social and environmental risks, challenges, impact and opportunities. This is carried out within a robust governance framework, underpinned by policies and guidelines that define our commitment and guide our approach to conducting business.

Our approach to managing financed emissions

Climate change is one of the most complex and defining issues of our time. There is a global call for net zero by 2050 in alignment with the Paris Agreement and the 1.5°C trajectory outlined by the Intergovernmental Panel on Climate Change. We are, at the same time, cognisant of the challenges faced by ASEAN countries as they continue to deliver economic growth and societal development while managing their sustainability commitments.

As a leading financial institution in Asia, a region which is among the most vulnerable to global warming, UOB is committed to strengthening our portfolio resilience and to being a positive force in the fight against climate change. To this end, we endorsed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in 2019. We reported on our transition risk in 2020 and our physical risk in 2021.

We are also exploring viable time-bound pathways to decarbonise our portfolio and building strategies for supporting our clients' journey to decarbonisation. We will continue to take a pragmatic and progressive approach to sustainability, recognising that the transition journey will be a steep and challenging one for many in the region in which we operate.



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The Four Pillars of Our Sustainability Strategy

Promote United Nations Sustainable Development Goals With Our Stakeholders



Drive Growth Sustainably

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



Keep Customers at the Centre

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



Develop Professionals of Principle

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



Uphold Corporate Responsibility

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

Rooted in Our Values of Honour, Enterprise, Unity and Commitment



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United Nations Sustainable Development Goals and Global Compact

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



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How We Engage With Our Stakeholders

At UOB, we believe that constructive dialogue and collaboration with our stakeholders are important for creating and maintaining meaningful and mutually-beneficial relationships. Continual stakeholder engagement keeps us abreast of changes, open to possibilities and focused on staying relevant to our stakeholders. Stakeholder engagement is also an essential element in how we evaluate our strategies and initiatives as we strive to remain relevant in a fast-evolving region.

We regularly seek our stakeholders' views and expectations through conversations, collaboration and research. By taking an inclusive approach, we hope they in turn will have a deeper understanding of our purpose, practices and performance. During the year, we also carefully considered feedback from institutional investors and analysts, regulators and non-governmental organisations (NGOs) regarding the environmental, social and governance (ESG) factors that are material to the Bank.



Customers

- Interactions at branches (ongoing)
- Face-to-face meetings (ongoing)
- Contact centre service (ongoing)
- Post-transaction customer surveys (ongoing)
- Marketing and advertising campaigns (ongoing)
- Website and social media channels and campaigns (ongoing)
- Events and seminars, including workshops on sustainability (as and when appropriate)



Colleagues

- CEO communications to all colleagues on regular and topical subjects (quarterly)
- Head of Group Human Resource communications to all colleagues on employee-related initiatives (as and when appropriate)
- One-on-one sessions with managers (regularly)
- Online and mobile employee portal with informative, collaborative and social features (ongoing)
- Performance reviews (half-yearly)
- Employee satisfaction surveys (annually)
- Townhall meetings (annually)
- Training and workshops (ongoing)
- 'Speak Up' initiative for colleagues to raise issues for action and resolution (ongoing)



Governments and Regulators

- Regular meetings and engagement (as and when appropriate)
- Consultations with regulatory bodies (as and when appropriate)
- Annual reports (annually)
- Audit reports (ongoing)



Other Financial Institutions, and Industry and Trade Associations

- Participation in industry associations (ongoing)
- Industry-wide workgroups and meetings (as and when appropriate)
- Forums and conferences (as and when appropriate)



Suppliers

- Requests for quotations and proposals (as and when appropriate)
- Vendor briefings (as and when appropriate)
- Purchase agreements (as and when appropriate)
- Performance reviews (annually or prior to contract expiry)



Media

- News releases and media statements (ongoing)
- In-person and online conversations (ongoing)
- Media briefings and conferences (as and when appropriate)
- Media interviews (as and when appropriate)
- Social media platforms (ongoing)
- Economic and market research reports and white papers (as and when appropriate)



Community

- Support of national movements to build inclusive communities (ongoing)
- Fundraising events (annually)
- Regional art competitions (annually)
- Collaborations with customers, business partners, art institutions, social service organisations and Community Development Councils (ongoing)
- Art roadshows and outreach programmes (as and when appropriate)
- Education programmes for children (ongoing)
- Financial literacy programmes (as and when appropriate)
- Donations in cash or in kind to support causes related to art, children and education (as and when appropriate)
- Employee volunteerism (ongoing)



Investors and Analysts

- Financial reporting and results briefings (quarterly)
- Periodic meetings with rating agencies (at least once a year)
- General meetings with shareholders (annually)
- Annual reports (annually)
- SGXNet announcements (as and when appropriate)
- Presentations, conferences and roadshows (ongoing)
- UOB Corporate Day (annually)
- Feedback from analyst surveys (ongoing)
- Feedback from institutional investors and analysts on our ESG performance (ongoing)



NGOs

- Face-to-face meetings and conference calls (as and when appropriate)
- Conferences and seminars (as and when appropriate)
- Cooperation in joint programmes (ongoing)



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Material ESG Factors

Materiality Assessment

To identify the ESG factors which matter most to our business and to our stakeholders, we conduct materiality assessments and stakeholder consultations on a continual basis.

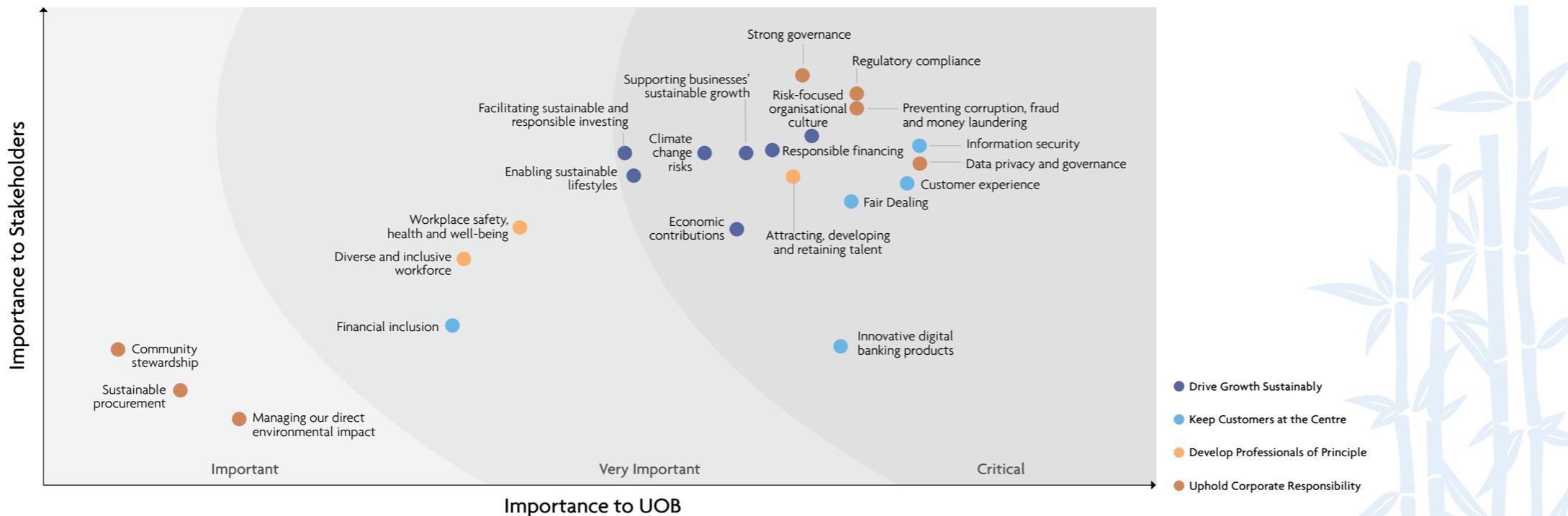
Materiality assessment exercises help us identify the topics we should prioritise to ensure the success of our business, while also supporting sustainable development. The results inform our strategic decision-making and reporting framework. Our analysis combines quantitative and qualitative research to provide a holistic overview of stakeholder expectations.

The materiality assessment process involves identifying relevant factors based on industry mega-trends and stakeholder feedback. UOB surveys internal as well as external stakeholders to rank the factors based on the significance they give to each of the ESG topics. Participants' responses are then assessed to create a materiality matrix that reasonably reflects the sustainability factors most relevant to UOB and its stakeholders.

How we determine our material ESG factors

Stage	What We Did
Identify	In our 2020 materiality assessment exercise, surveys were conducted with stakeholder groups including colleagues, investors and analysts, customers, non-governmental organisations and regulators. Participants were asked to rate ESG factors based on importance and to provide their recommendations and comments. In addition, the Board of Directors and senior representatives from all business units were invited to score the same factors and to express their opinions. In determining our material ESG factors, we also considered the sustainability issues identified by the SASB Materiality Map [®] as being material to the financial condition or operating performance of companies in our industry.
Prioritise	Following the 2020 materiality assessment, we added to, regrouped and refocused our material ESG factors to make our sustainability stance more explicit, industry-aligned and reflective of stakeholder interests. The ESG factors, which are categorised into Critical, Highly Important and Important based on the significance to UOB and to our stakeholders, guide us in our practices and reporting, as well as our approach to stakeholder engagement.
Update	In 2021, we reviewed and updated the ESG factors identified in the 2020 materiality assessment based on stakeholder feedback regarding our performance and disclosures, also taking into consideration the context of our operating environment. In particular, feedback from stakeholders has increasingly placed focus on climate action. To this end we have added to and recategorised ESG factors related to these topics to reflect their increasing importance.

Materiality Matrix



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Material ESG Factor	Boundary	Priority	Our Strategic Objectives	Our Value Creation	Interested Stakeholders	How We Responded to Stakeholder Expectations in 2021
Drive Growth Sustainably						
Economic contributions	▲	Critical	<ul style="list-style-type: none"> Contribute economically to the progress of our communities 	<ul style="list-style-type: none"> Paying our fair share of taxes Creating jobs in communities Delivering consistent returns for our investors Facilitating trade and industry, and building the financial resilience of our stakeholders 		<ul style="list-style-type: none"> Distributed \$6.9 billion in payments that flowed to our stakeholders including colleagues, suppliers, investors, authorities and local communities Committed to retaining jobs throughout the pandemic Continued supporting our customers through relief assistance throughout the pandemic
Risk-focused organisational culture	■	Critical	<ul style="list-style-type: none"> Embed ESG risk in our approach to risk management 	<ul style="list-style-type: none"> Maintaining a robust risk management framework to protect the interests of our stakeholders Ensuring that we remain nimble to seize business opportunities as they arise 		<ul style="list-style-type: none"> Developed a programme of initiatives based on the recommendations from The Association of Banks in Singapore's (ABS) 2020 inaugural report on the Banking Trust Index in Singapore Implemented a Policy on Individual Accountability and Conduct consistent with the Monetary Authority of Singapore's (MAS) guidelines
Responsible financing	■	Critical	<ul style="list-style-type: none"> Integrate social and environmental considerations into our credit evaluation and approval processes 	<ul style="list-style-type: none"> Addressing ESG issues when making lending decisions 		<ul style="list-style-type: none"> Further tightened our stance on financing the thermal coal mining sector, coal-fired power sector and palm oil sector, and strengthened our ESG risk assessment process through enhancements to our responsible financing checklists Adopted the Equator Principles to strengthen the Bank's processes and practices on environmental and social risk management when financing projects Established our Group Environmental Risk Management Framework with a key focus on climate risk management in line with the MAS Guidelines on Environmental Risk Management for Banks Actively participated in industry developments such as the MAS Green Finance Industry Taskforce's efforts to build environmental risk management capacity, to develop a standardised environmental risk questionnaire and to accelerate the development of green finance Collaborated with ABS to launch the updated ABS Responsible Financing e-Learning Module, 'Responsible Financing - Risk and Business Opportunities', which has been completed by all colleagues in relevant roles across the region
Climate change risks	■	Critical	<ul style="list-style-type: none"> Support our customers in their transition to a low carbon and climate-resilient economy 	<ul style="list-style-type: none"> Managing the risks related to climate change Collaborating with our stakeholders to limit climate change Helping our customers take steps to be more resilient to the expected effects of climate change 		<ul style="list-style-type: none"> Completed our initial assessment on the impact of climate physical risk on our portfolio and refreshed our assessment of climate transition risk Commenced our work on the development of an improved climate risk assessment methodology and uplifting the internal capacity of the Bank

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Supporting businesses' sustainable growth	■	Critical	<ul style="list-style-type: none"> Develop and provide sustainable financing solutions 	<ul style="list-style-type: none"> Helping businesses to identify and to address sustainability-related risks and opportunities Supporting new and viable business opportunities that contribute to one or more of the 17 UN SDGs 		<ul style="list-style-type: none"> Achieved \$17 billion in our total sustainable financing portfolio, exceeding our 2023 target of \$15 billion Extended \$5 billion in sustainable financing, up more than 40 per cent year on year Established the UOB Green and Sustainable Trade Finance and Working Capital Framework and facilities to support businesses in strengthening their supply chain resilience Rolled out sustainable financing programmes, including U-Energy to support and promote energy-efficiency, as well as U-Drive to support the electric vehicle ecosystem Actively participated in events to promote awareness of sustainability issues and to exchange knowledge on sustainability practices in the financial industry
Enabling sustainable lifestyles	■	Critical	<ul style="list-style-type: none"> Partner ecosystem players to offer holistic and progressive banking solutions for consumers 	<ul style="list-style-type: none"> Helping consumers make greener choices in their everyday spending 		<ul style="list-style-type: none"> Launched UOB Go Green Home and Car Loans. We purchase Renewable Energy Certificates for every such loan extended Rolled out UOB EVOL Card in Singapore, a bio-sourced credit card that is made from eco-friendly materials and produces less CO₂ emissions
Facilitating sustainable and responsible investing	■	Critical	<ul style="list-style-type: none"> Develop and provide sustainable and impact investment solutions 	<ul style="list-style-type: none"> Offer customers with sustainable investment solutions that deliver long-term, stable returns Connecting customers to investment opportunities that create a positive impact 		<ul style="list-style-type: none"> Achieved \$9 billion in total assets under management in ESG-focused and responsible investments as at end of 2021 Rolled out new sustainable investment products, including unit trusts and structured products, to help customers invest for profit and purpose Invested in companies creating social impact such as Evermos, an e-commerce platform in Indonesia that supports local suppliers, through our impact funds
Keep Customers at the Centre						
Innovative digital banking products	■	Critical	<ul style="list-style-type: none"> Make banking simpler, smarter and safer through ethical use of technology and data 	<ul style="list-style-type: none"> Introducing and transforming digital banking products to meet customers' demand for greater convenience and seamlessness 		<ul style="list-style-type: none"> Launched UOB TMRW in Singapore, a unified digital banking platform for individual customers Rolled out various new digital banking solutions across the region, such as TMRW Pay, an e-commerce check-out loan in Indonesia, as well as cross-border payment services that tap the national payment systems in Singapore and Thailand Led the nation-wide eGIRO initiative by the ABS in Singapore to digitalise the payment process, contributing to reduced paper usage and improved operational efficiency for entities



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Financial inclusion	■	Very Important	<ul style="list-style-type: none"> Make banking more accessible and inclusive Support businesses across all stages of growth 	<ul style="list-style-type: none"> Making banking products and services accessible and affordable to diverse segments of society to meet their needs and expectations Encouraging innovation and enterprise, and nurturing start-ups and small- and medium-sized enterprises 		<ul style="list-style-type: none"> Achieved 100 per cent in training our Singapore branch colleagues in 'Cultivating a Diverse & Service Inclusive Workplace' and 'Managing a Diverse Service Environment' Launched SimpleInvest, a suite of simple digital investing solutions for individuals to protect and grow their assets, starting from just \$100 Launched UOB BizMerchant in Indonesia and expanded programme in Thailand to include more online merchants Rolled out UOB Business Loan to provide short tenor cash advance loan or a longer tenor working capital loan to micro businesses in Singapore Launched the United-i Asia ESG Income Fund, which offers individual investors access to companies that comply with Shariah principles and adopt ESG considerations into their business models and practices Increased our impact fund's AUM to continue supporting businesses promoting access to finance and uplifting communities living at the 'Base of Pyramid'
Data privacy and governance	■	Critical	<ul style="list-style-type: none"> Protect customer data and privacy through our policies and practices 	<ul style="list-style-type: none"> Ensuring the confidentiality and security of our customers' information through comprehensive policies and processes 		<ul style="list-style-type: none"> Partnered with MAS in Veritas Phase 2 to extend the focus to cover all Fairness, Ethics, Accountability and Transparency (FEAT) principles for its adoption by the finance industry Lead member in MAS' initiative to develop an open-source fairness toolkit to facilitate the adoption of Veritas methodology on fairness assessment in artificial intelligence and analytical models
Fair Dealing	▲	Critical	<ul style="list-style-type: none"> Ensure Fair Dealing 	<ul style="list-style-type: none"> Treating customers fairly based on the principles of integrity, trust and respect 		<ul style="list-style-type: none"> Proactively listened to our customers through customer surveys, focus groups, interviews and feedback to better understand their needs, enhance our services, and co-create new services to meet rapidly evolving expectations Conducted a Fairness, Ethics, Accountability and Transparency (FEAT) and Fair Dealing Workshop for teams from across the region to reinforce a culture of Fair Dealing
Customer experience	▲	Critical	<ul style="list-style-type: none"> Create intuitive and impactful customer experiences 	<ul style="list-style-type: none"> Anticipating our customers' needs and wants and offering them safe, reliable and relevant products to meet their preferences 		<ul style="list-style-type: none"> Implemented 154 improvement initiatives across the Group to enhance customer experience, including leveraging artificial intelligence and automation technology, digitising forms and processes, and streamlining and simplifying of processes



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Attracting, developing and retaining talent	●	Critical	<ul style="list-style-type: none"> Develop high-performing teams and future-focused individuals Promote work-life harmony Ensure employee engagement and satisfaction 	<ul style="list-style-type: none"> Investing in training and career development for our colleagues Treating our colleagues with care and respect Providing our colleagues with the time and opportunity to give back to the community Conducting annual staff engagement surveys and responding to feedback 		<ul style="list-style-type: none"> Invested \$23.3 million in employee training Achieved an average of 7.25 training days per employee across the Group, compared with seven days in 2020 Achieved 100 per cent completion of the Better U foundational course by eligible colleagues across the Group Offered access to more than 8,000 courses on LinkedIn Learning to all colleagues across the Group to encourage them to take charge of their self-development and to learn new skills
Workplace safety, health and well-being	●	Very Important	<ul style="list-style-type: none"> Ensure workplace health, safety and well-being 	<ul style="list-style-type: none"> Providing our colleagues with a safe and conducive work environment 		<ul style="list-style-type: none"> Transformed close to 290,000 square feet of office space in Singapore and Hong Kong into high-performance workspaces Achieved SG Clean certification for close to half of our branches and four UOB-owned buildings in Singapore Distributed more than 5.7 million masks, 6,000 bottles of hand sanitiser and 120,000 Antigen Rapid Test kits to colleagues across the Group Launched UOB Mental Wellness Days to help colleagues lead healthier and more fulfilling lives Installed enhanced facial recognition readers with thermal scanners on turnstiles in UOB-owned and managed buildings in Singapore
Diverse and inclusive workforce	■	Very Important	<ul style="list-style-type: none"> Embrace diverse abilities and strengths 	<ul style="list-style-type: none"> Ensuring equal opportunity across diverse cultural backgrounds, age groups, genders and abilities 		<ul style="list-style-type: none"> Employed colleagues across demographic groups from 54 nationalities Offered re-employment contracts to 201 colleagues eligible for retirement, including 135 women Continued to employ people with different abilities, including people with autism and deaf employees, at the UOB Scan Hub
Uphold Corporate Responsibility						
Strong governance	■	Critical	<ul style="list-style-type: none"> Maintain highest standards of governance and risk culture 	<ul style="list-style-type: none"> Upholding robust corporate governance policies, processes and practices to safeguard our stakeholders' interests Embedding our risk culture across our franchise to ensure continued financial soundness and business viability 		<ul style="list-style-type: none"> Continued to evaluate and to revise our governance approach to ensure that it remains relevant and aligned with best practices and is responsive to change Implemented a policy on Individual Accountability and Conduct
Regulatory compliance	■	Critical	<ul style="list-style-type: none"> Ensure compliance with all laws and regulations in the jurisdictions in which we operate 	<ul style="list-style-type: none"> Observing the letter and spirit of all applicable laws, rules, regulations and standards 		<ul style="list-style-type: none"> Continued to monitor regulatory and industry developments actively and to engage with regulators, policymakers and standards-setting bodies

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Information security	■	Critical	<ul style="list-style-type: none"> Protect data and assets through secure and robust systems and practices 	<ul style="list-style-type: none"> Protecting our customers from cyber threats through robust risk management systems and processes 		<ul style="list-style-type: none"> Deepened our cybersecurity capabilities and enhanced our operating models to strengthen our cyber defence Collaborated with MAS and ABS on various initiatives to help strengthen the industry's collective defence against cyber threats and attacks
Preventing corruption, fraud and money laundering	■	Critical	<ul style="list-style-type: none"> Protect the financial system against abuse 	<ul style="list-style-type: none"> Adopting a zero tolerance approach to bribery and corruption and ensuring transparency and accountability Collaborating with regulators and industry peers in preventing cybercrime, money laundering, funding of terrorism and dealing with sanctioned persons 		<ul style="list-style-type: none"> Ensured our anti-bribery and corruption training module remained accredited and took steps to ensure that our policies remained aligned with our overall objectives Introduced SPOT checklist (Sense, Probe Tactfully, Observe and Take Action / Inform) to guide bank staff in the identification of potential scam victims by asking the right questions Launched a series of security communications videos on social media and UOB website to educate customers on prevailing fraud scams Continued active engagement with regulators and participated in public-private partnership initiatives focused on preventing money laundering, terrorism financing and dealings with sanctioned parties
Managing our direct environmental impact	■	Important	<ul style="list-style-type: none"> Manage direct environmental impact and encourage environmental stewardship 	<ul style="list-style-type: none"> Managing energy, water and resource consumption more efficiently, reducing greenhouse gas emissions and minimising waste 		<ul style="list-style-type: none"> Achieved operational carbon neutrality for our own footprint for Scope 1, Scope 2 and Scope 3 emissions Achieved highest Provisional Green Mark Platinum certification from Singapore Building and Construction Authority for UOB Plaza 1 Kuala Lumpur in Malaysia Integrated environmental sustainability as a key consideration in the design for new UOB buildings and workspaces Focused on digitalisation and automation for resource optimisation
Sustainable procurement	▲	Important	<ul style="list-style-type: none"> Incorporate sustainability principles into our procurement practices 	<ul style="list-style-type: none"> Engaging with suppliers to ensure that our sustainable procurement principles are upheld 		<ul style="list-style-type: none"> Continued to drive the tenets of the Group Supplier Sustainability Principles (GSSP), with 100 per cent of our material suppliers in Singapore acknowledging the GSSP
Community stewardship	▲	Important	<ul style="list-style-type: none"> Champion social development in art, children and education Encourage volunteerism and advocacy for social and environmental causes 	<ul style="list-style-type: none"> Helping the young, the underprivileged, budding talent and those with special needs to realise their full potential 		<ul style="list-style-type: none"> Donated more than \$6.1 million in monetary and in-kind contributions to promote social development in art, children and education Donated more than 113,000 pieces of personal protective equipment to healthcare workers and vulnerable communities globally Clocked more than 32,700 hours of volunteer work, averaging 1.3 hours per employee, across the Group Equipped 1,885 disadvantaged students across the region with digital learning tools and skills through UOB My Digital Space programme

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Sustainability Governance

Board of Directors and Management Executive Committee (MEC)

UOB's 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.

Group Sustainability Committee

The Group Sustainability Committee (GSC) reports directly to the MEC on sustainability matters. This ensures that ESG matters are given due consideration in all aspects of our operations. The GSC members represent the Bank's business and support units whose activities have the potential to impact the environment, society and the economy positively and negatively. The GSC reviews material ESG topics, 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.

Group Sustainability Framework

The Group Sustainability Framework was formalised in 2019. Underpinned by policies and guidelines that define our commitment and guide our approach to conducting business, the framework supports UOB's business decision-making at all levels. It provides guidance on the management of sustainability-related risks and business opportunities in the context of our direct and indirect impact to the environment, society and the economy.

It is the responsibility of all UOB employees to comply with the Group Sustainability Framework. The management teams of the UOB entities are responsible for appraising the relevant sustainability issues in their respective domains and for taking appropriate steps to ensure that customers and suppliers also meet relevant policy requirements, wherever applicable. Sustainability indicators are integrated into the Key Performance Indicators and appraisal process for colleagues from relevant functions.



Sustainability Reporting

Reporting is essential for building trust with our stakeholders. Our reporting demonstrates how we respond to sustainability-related risks and opportunities, manage our impact on society and the environment and create value for all our stakeholders. Further, the reporting process forms part of our sustainability strategy, providing guidance for initiatives and programmes across the Bank as we continue to integrate environmental, social and economic sustainability into all aspects of our business practices.

Our sustainability reporting is in accordance with the Global Reporting Initiative (GRI) Standards: Core Option, issued by the Global Sustainability Standards Board in October 2016. We have also included indicators from the GRI G4 Financial Services Sector Disclosures paper. The GRI Content Index provides the location of material disclosures in this report.

Our sustainability reporting also complies with the Singapore Exchange (SGX) Securities Trading Limited Listing Rules 711A and 711B, as well as Practice Note 7.6 Sustainability Reporting issued in June 2016. We are also aligned with the SGX Core ESG Metrics published in December 2021.

In determining our reporting content, we have applied the GRI Standards (GRI 101: Foundation 2016) reporting principles of stakeholder inclusiveness, sustainability context, materiality and completeness. To identify the factors most material to our business, we conduct materiality assessments with internal and external stakeholders. The process helps us to understand our stakeholders' sustainability-related interests, expectations and concerns. In that regard, we considered the broader sustainability context in which we operate and we report our relevant performance indicators for material ESG factors, unless noted otherwise.

For our investors, we also considered the sustainability-related issues identified by the Sustainability Accounting Standards Board (SASB) as being financially material to commercial banks, consumer finance and mortgage finance.

Our Sustainability Report is also in accordance with the Monetary Authority of Singapore (MAS) Green Finance Industry Task Force's Financial Institutions Climate-related Disclosure Document (published in May 2021), the MAS Guidelines on Environmental Risk Management for Banks (published in December 2020) and the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) (issued in June 2017 and updated in October 2021). To ensure quality in our reporting and to help our stakeholders assess our overall ESG performance, we have observed the principles of accuracy, balance, clarity, comparability, reliability and timeliness in our reporting.

Scope of Reporting

The UOB Sustainability Report 2021 is our sixth annual report to include GRI Standards disclosures and the second to include SASB disclosures. The report provides an overview of the Group's sustainability-related efforts from January to December 2021. [Our sustainability disclosures for 2020](#) were published in April 2021. Unless otherwise stated, the sustainability disclosures in this report include all entities and divisions within the Group.

Data and External Assurance

The Bank engaged Ernst & Young LLP (EY) to provide independent, limited assurance of this report against the GRI Standards for sustainability reporting. The assurance, which covers figures and statements related to the subject matters agreed as per the Assurance Statement, is in accordance with the International Standard on Assurance Engagements (ISAE) 3000 Other Than Audits or Reviews of Historical Financial Information. UOB's greenhouse gas (GHG) emission data was verified with the criterion of 'Accuracy' as defined by the GHG Protocol Corporate Accounting and Reporting Standard for GHG inventories and ISO 14064-3 Specification with guidance for the validation and verification of GHG assertions. This assurance is in accordance with the International Standard for Assurance Engagements on Greenhouse Gas Statements (ISAE 3410). EY's Assurance Statements can be found on pages 123 to 130.



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Economic Contributions

UOB's global network spans 19 countries and territories. The manner in which our economic value is distributed has the potential to impact the economy and society at large. Our economic contributions include payments to stakeholders such as our colleagues, suppliers, investors, authorities and local communities. In 2021, UOB distributed \$6.9 billion in payments that flowed to these stakeholders.

How We Approach This Topic

We contribute to the wider economy by creating jobs for employees, sourcing from suppliers of products and services, supporting local communities, promoting inclusive financing and paying taxes to governments and dividends to shareholders. To create long-term value for all our stakeholders, we have frameworks, policies, guidelines and procedures in place to ensure that we remain responsible and disciplined in how we drive growth.

Responsible Tax Management

UOB is committed to complying with the tax laws and regulations across the countries and territories in which we operate. We file our tax returns accurately and in a timely manner, and fulfill our tax obligations appropriately.

Approach to tax risk management and governance

The Group Chief Financial Officer is responsible for oversight of tax responsibilities with support from the Head of Group Tax.

UOB takes a low tolerance approach towards tax risk. Tax risk is managed through the Tax Risk Management and Governance Framework which is based on the following principles:

- Undertake transactions which are grounded in commercial realities;
- Consistently consider tax implications before implementing our business plans;
- File our tax returns accurately and in a timely manner, and fulfil our tax obligations appropriately;
- Employ experienced and qualified in-house tax professionals; and
- Seek professional advice from third-party advisers and consult with tax authorities on transactions with significant tax uncertainty.

Approach to Base Erosion and Profit Shifting

Base Erosion and Profit Shifting (BEPS) refers to tax planning strategies that exploit gaps and mismatches in tax rules to artificially shift profits to low or no-tax locations. Singapore is part of the BEPS Project, led by the Organisation for Economic Co-operation and Development (OECD), to tackle BEPS issues across countries and jurisdictions in a coordinated and comprehensive manner.

UOB supports the BEPS principle that profits should be taxed where substantive economic activities generating the profits are performed and where value is created.

Approach to transfer pricing

UOB has adopted the internationally-agreed arm's length principle for the determination of prices for transactions between related parties and maintains transfer pricing documentation to demonstrate that domestic and cross-border related party transactions are conducted on an arm's length basis. The transfer pricing documentation are prepared in accordance with the requirements of the OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations.

Relationship with tax authorities

UOB aims to build constructive relationships with tax authorities in the jurisdictions in which we operate. We achieve this by:

- being open, transparent and cooperative in our dealings with the relevant tax authorities;
- complying with legal obligations, including compliance, reporting and payment responsibilities;
- abiding by guidelines or recommendations issued by tax authorities which are intended to supplement legislation;
- responding to tax queries in a timely manner and being forthcoming with information when requested; and
- for material and contentious tax issues, we may approach tax authorities for a private ruling or, less formally, as part of the early engagement review process.



Find Out More

► [Read about our approach to responsible tax management.](#)

Our Targets

- Maintain zero material cases of non-compliance with regard to tax management.
- Maintain local procurement spend above 85 per cent to support local suppliers.
- Keep local employee representation above 90 per cent.

Our Performance in 2021

- Generated total income of \$9.8 billion, of which we distributed \$2.6 billion in employee compensation and benefits and accrued \$850 million in income tax.
- There were no instances of material non-compliance with regard to tax management.
- Distributed dividends of \$1.7 billion to shareholders.
- Created livelihoods for more than 24,300 people across our network, with local employee representation of 94.5 per cent and invested \$23.3 million in employee training.
- Made monetary contributions of more than \$6.1 million to the community.
- Supported local businesses and helped create jobs through the goods and services we bought from more than 7,700 suppliers in our seven key markets, of which local suppliers accounted for 94 per cent of our total purchases of more than \$1.7 billion.



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Risk-focused Organisational Culture

UOB's risk culture influences the decisions and actions taken by all employees throughout the organisation. Our robust risk culture mitigates conduct risk as we create long-term value for our stakeholders and safeguard our reputation. It promotes the appropriate risk awareness, judgement and behaviours required for risk-taking within UOB's risk governance framework.

Having a sound risk culture is the foundation for effective risk management and ensures that emerging risks are identified, assessed, escalated and addressed in a timely manner.

How We Approach This Topic

UOB's risk culture is built on our values of Honour, Enterprise, Unity and Commitment, and is core to the Group's broader organisational culture. Our comprehensive framework of policies, processes, methodologies and tools helps us identify, measure, monitor and manage material risks and opportunities faced by the Group.

Our Board Risk Management Committee (BRMC) is the designated Board-level committee that oversees risk culture matters, including approval of the Group Risk Culture and Conduct Risk Framework. This sets a strong Tone from the Top and provides the direction for all people managers to convey the appropriate Tone from Above, which is the signal sent by people managers to their immediate team members. A risk culture and conduct risk dashboard provides senior management and the BRMC with an overview of the state of risk culture across the Group.

To ensure the Tone from the Top is effectively translated into the Tone from Above, we have adopted a coordinated and consistent Bank-wide

communication approach to embed a sound and robust risk culture consistently across the Group. Senior management encourages understanding and practice of risk management across the organisation through regular and frequent communication such as face-to-face meetings, discussion groups and internal bulletins. It is also the responsibility of all people managers to promote risk-focused behaviour within their teams.

We also ensure that through our 'Speak Up' channels and whistle-blowing policy, our colleagues have the ability to share their views and raise matters of potential concern in a secure manner without fear of reprisal. All reported cases are swiftly investigated and resolved. The status of all whistle-blowing cases is tracked by Group Audit and reported to the Audit Committee every quarter.



Find Out More

- [Read about how we manage risk in the UOB Annual Report 2021.](#)
- [Read about our Whistle-blowing Policy in the UOB Annual Report 2021.](#)

Instilling a Risk Culture

To inculcate and to promote awareness and understanding of the Group's desired risk culture, the following apply across the Group:

- an established and formalised Group Risk Culture and Conduct Risk Framework;
- risk culture, including the framework, principles and case studies, which is incorporated into the UOB Risk Culture e-learning module to emphasise the importance of maintaining a robust risk culture across the Group;
- senior management committee survey to assess openness and robustness to challenges and how risk is embedded within the decision-making process;
- self-assessment for key business and support units to evaluate the risk culture within each of their units; and
- risk management-related questions that are included in our employee survey to gauge understanding of the prevailing risk culture across the Group.

Risk-focused Training

Ongoing training reinforces the risk-focused conduct that enables us to earn the trust of our stakeholders over generations. In 2021, our colleagues across the Group received risk management training, which included the following topics:

- risk culture and the UOB Code of Conduct;
- anti-money laundering;
- assessing and addressing operational and security risks;

Our Targets

- Maintain a sound and robust risk culture by operationalising the Bank's risk culture framework in line with G30's recommendations on Culture and Conduct.

Our Performance in 2021

- Developed a programme of initiatives to improve the level of trust our customers have in the Bank based on the recommendations from The Association of Banks in Singapore's inaugural report on the Banking Trust Index in Singapore in 2020.
- Implemented a Policy on Individual Accountability and Conduct consistent with the MAS' guidelines. This Policy is a key component of conduct risk management set out in the Group Risk Culture and Conduct Risk Framework.

- business ethics;
- core ethics for financial advisers;
- countering the financing of terrorism;
- Fair Dealing;
- financial crime prevention;
- global fraud prevention;
- information security and cyber risk awareness;
- regulations on short-selling; and
- the UK Bribery Act.



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Responsible Financing

Just as we are prudent in our business practices to ensure financial stability through economic and credit cycles, we are committed to mitigating environmental, social and governance (ESG) risks in our operations. We recognise that we have an important role to play through our financing practices in shaping responsible actions from our customers as we forge a sustainable recovery from the COVID-19 pandemic and transition to a low carbon future.

Overview of UOB Group’s Responsible Financing Journey

	Establishing 2015 - 2016	Improving 2017 - 2018	Strengthening and Evolving	
			2019 - 2020	2021
Key Milestone	<ul style="list-style-type: none"> Launched the Group-wide Responsible Financing Policy. Began to incorporate ESG clauses into Letters of Offer. 	<ul style="list-style-type: none"> Enhanced ESG monitoring and reporting to improve oversight on potential controversies. Implemented ESG risk classification to better manage ESG risk in portfolio. Adopted the ABS Haze Diagnostics Checklist as transboundary haze pollution shrouded the region. 	<ul style="list-style-type: none"> Strengthened due diligence process with enhanced checklist and climate-related questions. Tightened our stance in thermal coal mining sector, coal fired power sector, as well as palm oil sector. All employees in relevant roles completed an industry-wide e-learning module on responsible financing. 	<ul style="list-style-type: none"> Established the Environmental Risk Management (ENRM) Framework, and disclosed our responsible financing sector policies on our corporate website. Started working with GFIT* on an industry-aligned environmental risk questionnaire focusing on climate risk to evaluate our customers’ resiliency against climate impacts, and to identify opportunities to assist them. Supported GFIT on various capacity building programmes to drive industry implementation of MAS ENRM Guidelines.

* Green Finance Industry Taskforce

How We Approach This Topic Group Responsible Financing Policy

We are committed to responsible financing and have integrated the principles of The Association of Banks in Singapore’s (ABS) Guidelines on Responsible Financing into our business model. The Bank has a dedicated ESG team for policy development and risk management to ensure effective implementation of our ESG policies and strategy.

The Bank has established, since 2015, our Responsible Financing Policy which is approved by the Group Credit Committee under the oversight of the Board Risk Management Committee. The policy is embedded within UOB Group’s Corporate Credit Policy so that ESG considerations are integrated into our credit evaluation and approval processes. Group Credit is responsible for ensuring that ESG risks are adequately addressed and, where necessary, customers or projects with elevated ESG risks are escalated to the Group Credit Committee for further review and approval. Consistent with UOB’s overall risk management

approach, ESG risks are managed through the Bank’s Three Lines Model control structure.

Our Responsible Financing Policy applies to all borrowing customers of Group Wholesale Banking and to the Bank’s capital market activities. Under the policy framework, our account officers are required to conduct due diligence on all new and existing borrowers during the onboarding process and annual credit review. Customers are assessed for material ESG risks, including adherence to the Bank’s responsible financing exclusion list, as well as their capacity for, commitment to and track record in ESG risk management.

Our Targets

- Enhance and align our Responsible Financing Policy, practices and disclosures with key expectations from our stakeholders.
- Strengthen capacity-building and ensure all relevant colleagues are trained in responsible financing principles, policies and procedures.

Our Performance in 2021

- Aligned our environmental risk management practices with MAS’ Environmental Risk Management Guidelines for Banks, established our Group Environmental Risk Management Framework and Risk Appetite Statement and continued to enhance our Responsible Financing Policy and checklists.
- Adopted the Equator Principles to strengthen our ESG risk management approach further when financing projects.
- Improved our performance with respect to the integration of environmental and social considerations, as measured by the Sustainable Banking Assessment (SUSBA) published by the Worldwide Fund for Nature (WWF).
- More than 2,600 colleagues across relevant roles in Singapore, regional subsidiaries and branches completed the updated industry-wide e-learning module on responsible financing which was developed in collaboration with ABS and WWF.

Partnership for the Goals

- Member of the MAS GFIT Risk Management Workstream
- Collaborated in the Asia Sustainable Finance Initiative



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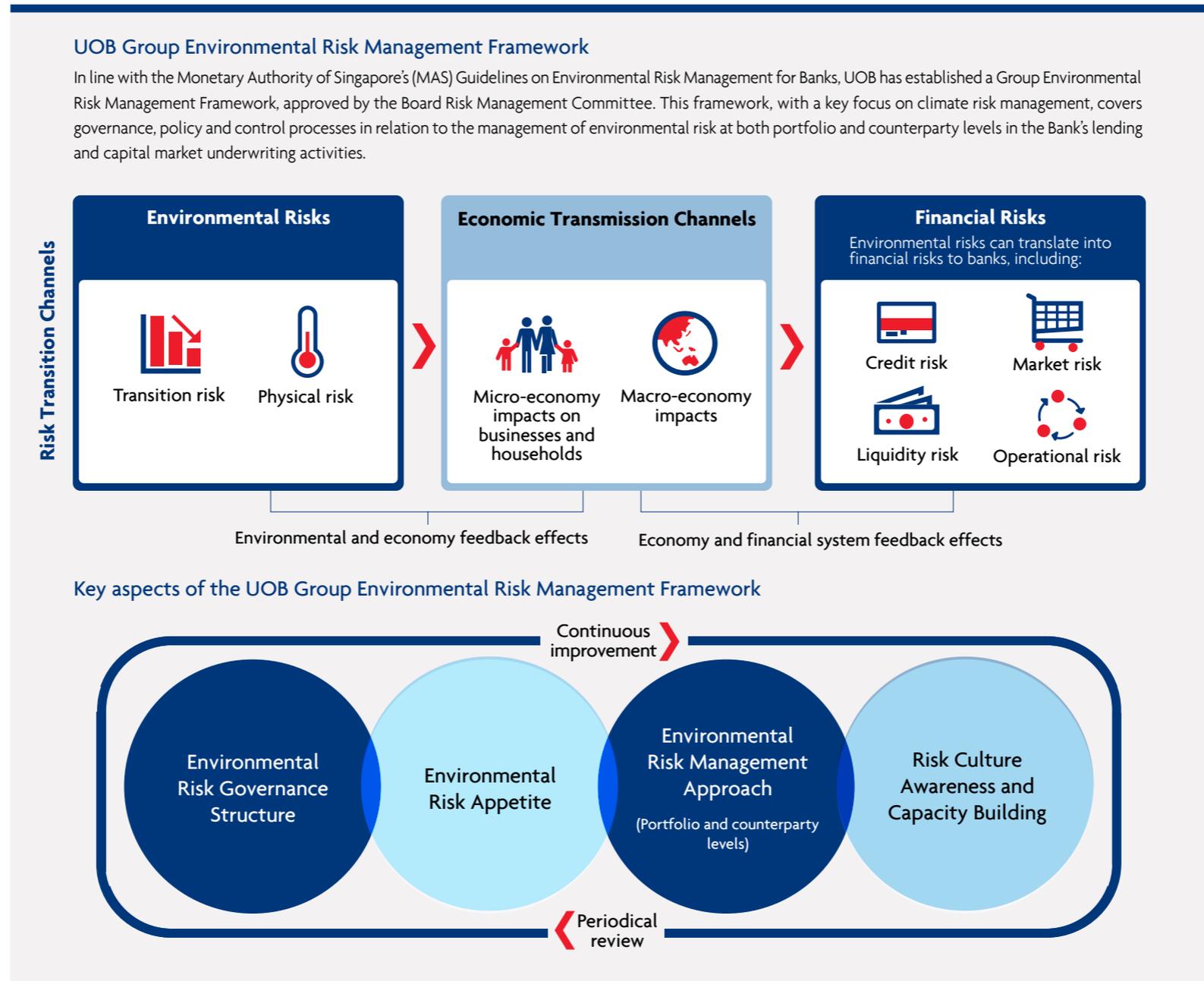
We have implemented sector-specific Credit Acceptance Guidelines and have responsible financing checklists in place to help our account officers identify, assess and review ESG risks.

Borrowers that fall within the following eight ESG-sensitive industries, as defined by the ABS Responsible Financing Guidelines, are subject to enhanced due diligence in accordance with sector-specific guidelines developed by the Bank.

- Agriculture
- Metals and Mining
- Chemical
- Infrastructure
- Forestry
- Defence
- Energy
- Waste Management

As part of our ESG risk classification approach, borrowers are classified as either 'high', 'medium' or 'low' ESG risk. This is based on the level of ESG risk inherent in their business operations and the residual ESG risk after taking into consideration their mitigation measures, as well as their ESG risk management capacity.

We notify our customers of their need to adhere to our Responsible Financing Policy and seek their representations and warranties to ensure compliance, including with the host country's ESG regulations. We also encourage them to follow established industry standards, to obtain relevant certifications and to adopt best practices pertaining to, for example, proper water and waste management, greenhouse gas emissions mitigation and occupational health and safety management. The policy references international standards and conventions such as the Roundtable on Sustainable Palm Oil, Forest Stewardship Council, World Heritage Convention, and best industry practices provided by the World Bank and the International Finance Corporation.



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Our Responsible Financing Policy prohibits our financing of companies:

- where their operations or projects threaten the outstanding universal value or special characteristics of UNESCO World Heritage Sites, Ramsar Wetlands, forests of high conservation value (HCV), or would impact critical natural habitats significantly;
- involved in animal cruelty and the trade of endangered species as defined by the Convention on International Trade in Endangered Species (CITES) of Wild Fauna and Flora;
- without measures in place to manage or to mitigate the risk of air, soil and water pollution which may negatively impact terrestrial or marine ecosystems;
- involved in the exploitation of labour, including forced labour and child labour, taking reference from the International Labour Organisation (ILO) standards;
- in violation of the rights of local or indigenous communities; and
- involved in open burning for land clearance.

These financing prohibitions are cross-cutting commitments applicable to all new and existing customers and help to bolster our efforts in fostering sustainable development through responsible financing.

ESG assessments performed in 2021

8,000+
customers were assessed

400+
customers required enhanced ESG due diligence

Sector-specific positions

UOB recognises that the financial sector has a pivotal role in driving the transition towards a low-carbon economy and addressing significant risks imposed by nature and biodiversity loss. Therefore, we periodically review our Responsible Financing Policy and sector-specific policies amid evolving societal and stakeholder expectations.

Our sector policies set out mandatory requirements and recommendations on ESG risk management approach, labour and working conditions, pollution prevention, resource efficiency, community health and safety, stakeholder engagement, as well as biodiversity conservation, which are applicable throughout the financing life-cycle.

Key enhancements to our sectoral responsible financing positions in 2021



- Limited our thermal coal mining exposure by only financing selected anchor client groups with diversification strategies towards less carbon-intensive business activities.
- Ceased project financing of thermal coal mine expansion, in addition to the existing prohibition against financing of greenfield thermal coal mine projects.



- Extended our prohibition on new project financing of coal-fired power plants (CFPP) to cover new corporate financing.
- Prioritising the exit of remaining CFPP projects.



- Require all mature palm oil plantations and milling operations financed by the Bank to be certified with locally or internationally recognised sustainability programmes (minimally Malaysian Sustainable Palm Oil (MSPO) in Malaysia, Indonesian Sustainable Palm Oil (ISPO) in Indonesia or Roundtable on Sustainable Palm Oil (RSPO) for customers in other countries).

Our Approach to ESG Risk Management



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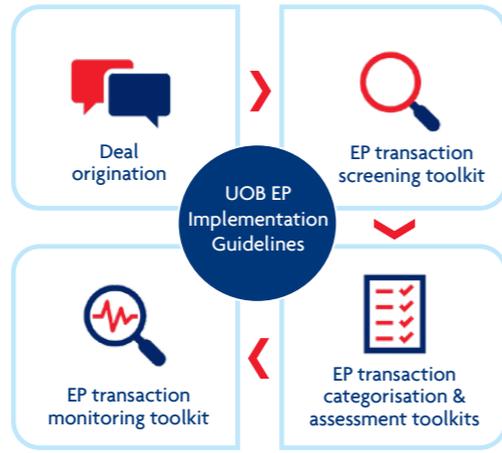
Equator Principles

To strengthen our processes and practices on environmental and social risk management further, UOB formally adopted the Equator Principles (EP) in 2021.

The EP is a risk management framework, adopted by financial institutions, for determining, assessing and managing environmental and social risks in projects and is primarily intended to provide a minimum standard for due diligence and monitoring.

EP requirements have been incorporated into our Responsible Financing Policy for Group-wide implementation. Dedicated EP Implementation Guidelines and toolkits have been developed to provide detailed guidance for transaction screening, categorisation, as well as environmental and social risk assessment. The Group Credit Committee is required to review and approve high-risk projects, i.e. Category A projects, as well as appropriate Category B projects under the definition of EP.

In addition, dedicated training programmes in the form of online webinars and e-learning courses have been rolled out to relevant colleagues to strengthen the Bank's capabilities in EP.



Support from approved independent environmental and social consultants (Category A and appropriate Category B Projects)

“As an EP Financial Institution, we will ensure that rigorous environmental and social standards are applied in the projects we support, from the project development stage through to follow-up monitoring. UOB’s adoption of the EPs underscores our ongoing integration of sustainability into our business strategy and lending practices, as we fulfil our role as a catalyst and enabler in helping our clients across the region to grow responsibly.

Mr Eric Lim
Chief Sustainability Officer, UOB

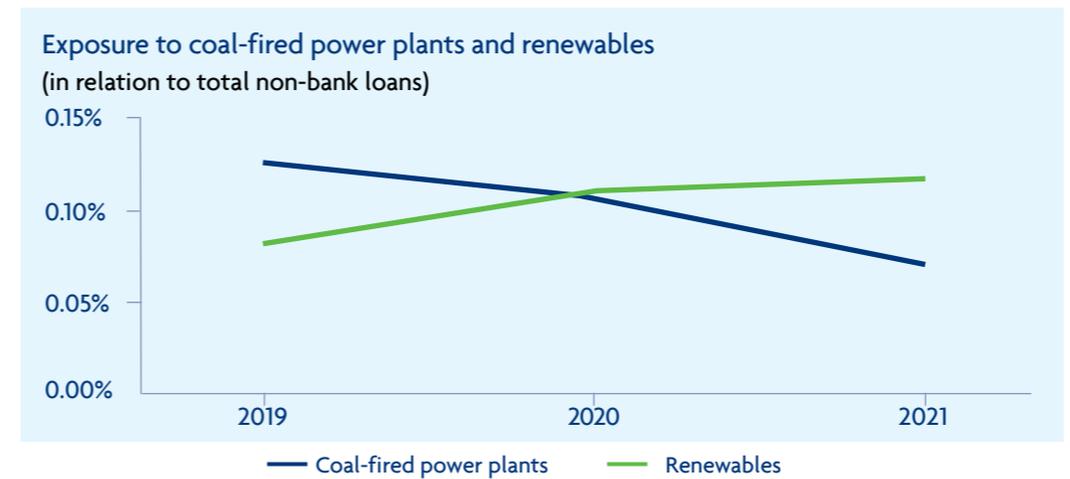
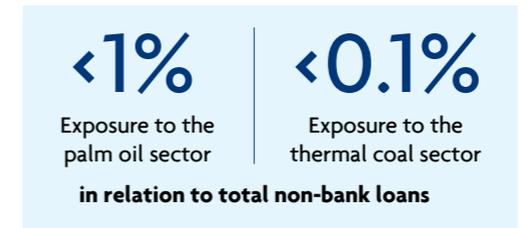
Monitoring

We engage our borrowers proactively and continually work with them to improve their ESG practices and performance. In addition, we monitor our borrowers on an ongoing basis for any adverse ESG-related news. Borrowers with any known material ESG-related incidents will trigger an immediate review to ensure ESG risks will be addressed and managed promptly and appropriately. We require our borrowers to rectify any breaches of our policy within a reasonable timeframe with account officers responsible for monitoring their progress. However, if we deem our borrowers unable or unwilling to commit to adequately managing the potential adverse impact from their operations, we are prepared to review and to reassess the relationship, or to reject the transaction. In 2021, we exited relationships with two borrowers who had violations against our policy requirements and were not able to mitigate the adverse impacts.

Portfolio exposure

We review our portfolio's ESG risk exposure periodically. As at 31 December 2021, all applicable

borrowers underwent the ESG risk assessment with relevant risks adequately managed and mitigated. In 2021, a total of 27 borrowers were included under heightened monitoring due to ESG concerns, of which 12 were escalated. These accounted for less than one per cent of our total non-bank loan portfolio. The Bank closely monitors our exposure in the high ESG risk sectors. As a result of our stricter financing stance, our exposure to coal-fired power plants has fallen significantly, in contrast to the progressive increase in renewable energy in line with our sustainable financing objectives. Our exposure to the palm oil sector remains low. The Bank did not have a significant concentration in any of the eight ESG-sensitive sectors, which collectively accounted for approximately nine per cent of our total loan portfolio.



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Stakeholder Engagement

We are committed to doing our part in shaping industry developments, promoting a more level playing field and supporting the Singapore Green Finance Action Plan. Over the past five years, we have supported the ABS and the Association of Southeast Asian Nations (ASEAN) Bankers in a number of capacity-building workshops in the region. In 2021, we continued our active involvement in the MAS GFIT and helped drive several key initiatives under the Risk Management workstream. As part of the Environmental Risk Management Capacity Building Working Group, we helped organise a series of eight workshops covering key aspects of environmental risk management. UOB is also co-leading industry efforts to develop a standardised environmental risk questionnaire focusing on climate risk for customers. In addition, we played a part in the development of the GFIT Financial Institutions Climate-related Disclosure Document, which provides a dedicated reference on climate reporting in the banking industry.

In 2021, the Bank commenced our initial study into the impacts of biodiversity risks via collaboration with the Task Force on Nature-related Financial Disclosures (TNFD) on a pilot research in the palm oil sector. The research outcome will guide our future approach in managing biodiversity risks.

As regulatory expectations on ESG risk management have evolved rapidly in recent years, UOB engages regularly with regulators in the various jurisdictions where we operate. These engagements help inform our understanding of the latest policy requirements and expectations on managing ESG risks.

In addition, the Bank actively participates in sustainability forums for knowledge exchange and to deepen understanding of ESG best practices. These have helped to ensure better integration of sustainability considerations into the Bank's overall strategy.

We will continue to engage with regulators as we collectively shape the path towards a more sustainable financial system. We will also continue to engage with other key stakeholders, including our customers, colleagues, investors, community and non-governmental organisations, to keep abreast of evolving expectations and industry developments.

Training and Capacity Building

Strengthening our internal capacity on ESG risk management remains a key focus as environmental risk becomes increasingly mainstream. All our colleagues in relevant roles are trained on our Responsible Financing Policy and processes.

In addition to the EP-related training programme provided in 2021, UOB collaborated with ABS to launch the updated ABS Responsible Financing e-Learning Module, 'Responsible Financing – Risk and Business Opportunities'. This course is mandatory for all our colleagues within Wholesale Banking, as well as selected colleagues within the risk management and business support functions. The Bank achieved 100 per cent completion rate of this e-learning course as at 31 December 2021. We are also collaborating with ABS and WWF on an additional suite of e-learning courses on sustainable finance, which is expected to be launched in 2022.

UOB also partnered a world-leading third-party service provider to customise a dedicated training programme on ESG risks in credit analysis and credit portfolio management for colleagues in relevant roles. These programmes, coupled with our active involvement in other capacity-building workshops including those organised by GFIT, have helped strengthen awareness of key ESG issues as well as effective identification and assessment of ESG risks. The Board, Group Sustainability Committee and senior management also received relevant training to stay abreast of key developments. In 2021, more than 160 hours were committed by relevant colleagues through training programmes organised by GFIT, the Singapore Chapter of the Risk Management Association, the Singapore Exchange and other industry experts.

2021 Sustainable Banking Assessment

On the back of our efforts to improve our responsible financing practices and disclosures, we continued to make progress in the SUSBA published by the WWF. UOB led the performance in ASEAN in the 2021 SUSBA.



CONTRIBUTION TO THE UN SDGs



Find Out More
► Read about our approach on responsible financing.



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Climate Change Risks

Climate change is one of the most complex and defining issues of our time and there is a critical need for the world to reach ‘net zero’ by 2050 in alignment with the Paris Agreement and the 1.5°C trajectory outlined by the Intergovernmental Panel on Climate Change. As a leading financial institution in the region, we are committed to strengthening our portfolio resilience and to being a positive force in the fight against climate change.

How We Approach This Topic

Governance

Role of the Board in overseeing climate change-related issues

Climate change is a priority for our senior leaders. Our Board provides oversight of climate change-related issues through our Executive Committee (Exco), with support from our Management and relevant business units. The Board receives twice-yearly updates on climate-related topics. These topics include, but are not limited to, regulatory developments, internal policies, direct environmental impact through our operations, indirect impact through our financing and investment activities, sustainability reporting disclosures and our initiatives to support our customers on their sustainability journey.

Our Exco oversees the Group’s material environment, social and government (ESG) factors, including climate change-related risks and opportunities. In 2021, climate change and the Group’s own environmental footprint were among the key consideration in the updates from our Group Sustainability Committee (GSC) to the Exco on our sustainability strategy. The updates also addressed our roadmap to implementing the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) to support our customers and other stakeholders in sustainable development, and enhancements to our Responsible Financing Policy.

Other Board Committees may also receive reports related to climate change-related risks and opportunities that come under their respective charters, particularly the Board Risk Management Committee, which has oversight of risk appetite, risk assessment and stress testing, and environmental risk management.

The Board and relevant Board Committees consider climate change-related risks and opportunities in the context of the Bank’s guiding principles and pillars of our sustainability strategy.

Climate change-related issues are integrated into the following sustainability governance mechanisms:

- strategy review;
- guidance on major plans of action;
- review and guidance on risk management policies;
- monitoring of implementation and performance of objectives;
- oversight of progress against goals and targets for addressing climate change-related issues; and
- review and approval of climate change-related disclosures in our annual reporting.

Role of the Management in assessing and managing climate change-related issues

The Management Executive Committee (MEC) supports the Board Exco in matters related to sustainability, including climate change-related responsibilities. The MEC reviews climate change-related issues and provides strategic direction for the Bank’s sustainability practices in line with the strategy approved by the Board. The MEC is responsible for:

- guiding the development of ESG-related policies, including those related to climate change;
- managing and monitoring climate change-related risks and opportunities; and
- overseeing the progress, performance and reporting on climate change-related issues.

Our GSC is a senior management committee that reports directly to the MEC, and supports MEC in all matters related to sustainability. The GSC identifies climate-related risks and opportunities, assesses emerging issues and has responsibility for delivering the Bank’s overarching sustainability strategy in partnership with relevant functions across the Group. To ensure that the Bank’s ESG principles are integrated across our business, the GSC comprises senior management from business and support functions across the Bank. This approach ensures that emerging climate change-related risks and opportunities – whether identified by ourselves, investors, customers, regulators and other stakeholders – are integrated into our decision-making, and assessed and managed at the highest levels.

The GSC serves as the integration point for internal ESG-related working groups with responsibility for environmental and social issues. More recently, we established a multi-function working group to lead our response to the recommendations of the TCFD. The working group comprises senior leaders from the Bank’s various functions who have specific roles in the implementation of our overall sustainability strategy. Together with the GSC, they ensure that we maintain a robust and integrated platform for governing, implementing and monitoring climate change-related targets and strategies.

UOB’s Sustainability Framework is implemented through relevant policies and guidelines, including the Bank’s Responsible Financing Policy which governs our review and approval of customer transactions in environmentally and/or socially sensitive sectors. UOB also has financing teams that work with customers to address climate change-related challenges and opportunities, and when necessary, also to work in collaboration with NGOs, certification bodies and other mutual stakeholders. Internally, to manage our direct environmental impact, our Corporate Real Estate and Services unit has a specialised energy and sustainability team that works to mitigate our environmental footprint and to realise our green building targets. Our Central Procurement Office oversees our indirect impact by ensuring that material suppliers act in compliance with our Group Supplier Sustainability Principles. In addition, we have dedicated environment specialists that work full-time on our initiatives in the relevant business units, ensuring ownership of the Bank’s sustainability goals across our organisation.



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Strategy

In line with the Monetary Authority of Singapore’s (MAS) Guidelines on Environmental Risk Management for Banks and TCFD recommendations, we continued to step up our efforts and capability in climate scenario analysis to better assess our portfolio resilience under various plausible outcomes. We regularly review our exposure to carbon-intensive segments most vulnerable to transition risk, which account for less than 10 per cent of UOB’s total loan portfolio.

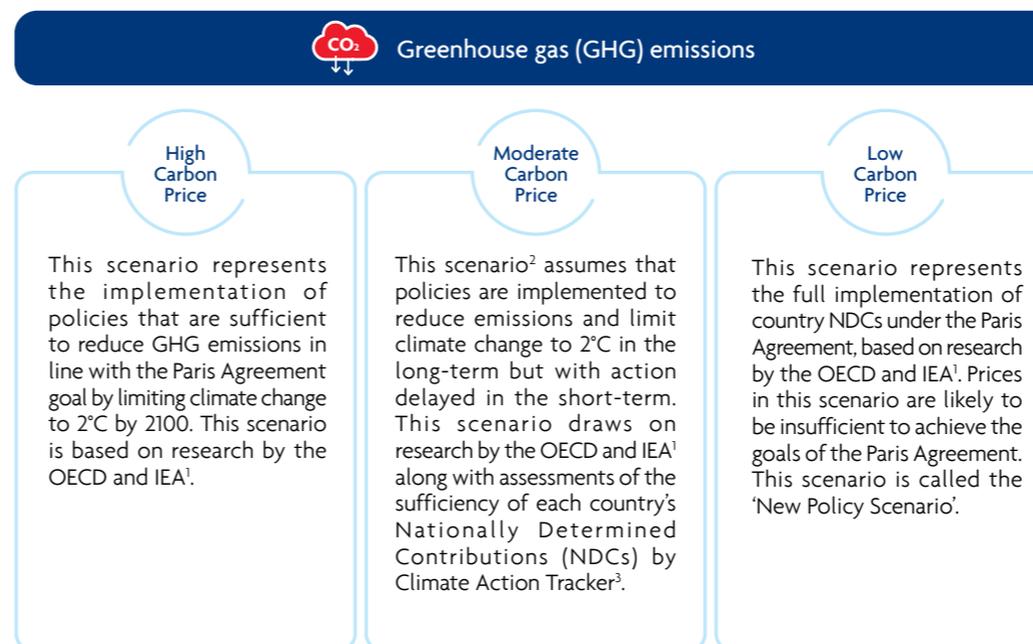
In 2021, we made further strides by progressing towards physical risk scenario analysis. Our main objective was to develop a portfolio heatmap to understand our potential vulnerability to key physical hazards under various scenarios.

Transition risks

In 2021, we partnered with an internationally recognised environmental consultancy to refresh and expand our transition risk scenario analysis. Similar to our 2020 pilot, the climate scenarios used are based on research by the International Energy Agency (IEA) and the Organisation for Economic Co-operation and Development (OECD). Climate scenario assumptions are differentiated by the increase in carbon prices in order to limit temperature rise to 2°C. The climate scenario assumptions explore three pathways:

- (i) an orderly transition where early actions are taken to reduce emissions to meet climate targets;
- (ii) a disorderly transition where delayed and drastic actions are taken to meet climate targets; and
- (iii) business-as-usual scenario where no actions are taken.

Climate change scenarios



From the identified sectors, we subjected a selected group of 404 borrowers, comprising both large corporates and small- and medium-sized enterprises (SMEs) for further bottom-up analysis. These borrowers cumulatively made up more than 60 per cent of UOB’s total exposures in these sectors and accounted for approximately four per cent of UOB’s total non-bank loan portfolio. To overcome data availability challenges, particularly for SMEs with limited carbon

emissions data, we utilised geographical and sectoral emissions as proxies. Borrowers’ carbon emissions were converted to a common ‘carbon to revenue’ metric, which we then used to assess the financial impact of transition risk over short-, medium- and long-term horizons.

Transition Risks

Transition risks arise from the process of adjustment towards a low-carbon economy which could result in financial and non-financial impacts. Impact is expected to materialise in a shorter time horizon with the speed and magnitude of transition dependent on changes in public policies, technological developments, shifts in consumer preferences and investor sentiment.

Physical Risks

Physical risks can be acute or chronic. Acute physical risks refer to those that are event driven, including increased severity of extreme weather events, such as cyclones and wildfires. Chronic physical risk arises from longer-term shifts in climate patterns, such as rising sea levels with time horizons typically spanning decades. Physical risks can result in financial losses due to direct damage to assets and indirect impact from supply chain disruption.

1 Source: OECD/IEA and IRENA (2017), *Perspectives for the energy transition: Investment needs for a low-carbon energy system*.
 2 Countries with NDCs that are not aligned to the 2°C goal in the short-term are assumed to increase their climate mitigation efforts in the medium- and long-term.
 3 Source: <https://climateactiontracker.org/>.



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Breakdown of sectors with their corresponding weighted carbon intensities

Sector	Core sub-sectors	UOB's exposure (% of total loan portfolio)	2021 (404 borrowers)		2020 (382 borrowers)	
			Sample population in relation to total non-bank loans	Sample population weighted carbon intensity (tCO ₂ e/\$million)	Sample population in relation to total non-bank loans	Sample population weighted carbon intensity (tCO ₂ e/\$million)
Cement Manufacturing	Building materials	0.1%	0.04%	8,183	0.1%	7,602
Energy	Utilities, oil and gas extraction, refining and transportation	2.0%	1.2%	2,243	1.1%	1,813
Agricultural	Agriculture and livestock production, manufacturing of agriculture products	0.7%	0.5%	1,243	1.2%	433
Transportation	Land transport, air transport and water transport	1.5%	0.9%	680	1.0%	648
Forestry	Logging, production of wood, and manufacturing of pulp and paper	0.3%	0.1%	469	0.2%	396
Metals and Mining	Coal, ferrous and non-ferrous mining, and manufacturing of metals	0.8%	0.5%	387	0.5%	648
Chemicals	Manufacturing of chemicals	0.2%	0.1%	311	0.2%	355
Infrastructure	Information and transportation infrastructure	0.6%	0.2%	156	0.1%	41
Heavy Manufacturing	Manufacturing of automobile and other heavy industrial goods	0.4%	0.2%	107	0.2%	44
Total		7%	4%	–	5%	–

Using our credit rating models, we simulated the impact of the financial cost resulting from the carbon price increase under each scenario on the borrowers' credit rating. Similar to our observation in 2020, the credit rating deterioration in 2021 was on average two notches across these 404 borrowers in the High Carbon Price scenario, with borrowers in the most carbon-intensive segments, such as building materials, experiencing more significant impact. Overall, the resulting credit risk impact on our portfolio is immaterial.

Year-on-year fluctuations in the weighted carbon intensities for our sample borrowers by sectors were mainly due to segment and borrower selection. In 2021, we included manufacturing of heavy industrial goods and information infrastructure in the scope of our analysis and excluded wholesale and trading of agriculture/food products due to the low carbon intensity.

For the real estate portfolio where we have more significant exposure, no material credit impact was observed in the previous analysis given the relatively low carbon intensity. We will undertake further assessment of this sector in 2022 under our enhanced methodology.



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Physical risks

In line with our TCFD roadmap, we partnered with a consultant to conduct a pilot physical risk analysis in 2021 involving approximately 2,000 wholesale banking clients and retail banking property mortgages. For wholesale banking, the selected clients comprised approximately 80 per cent of the total wholesale banking exposure and were representative of the portfolio sectoral composition. For our retail mortgage portfolio, our focus was on our major markets that are most vulnerable to physical risks, namely Indonesia, Malaysia and Thailand. Singapore was excluded in consideration of the proactive measures to be put in place by the government to mitigate climate change impact. In total, the sample borrowers represented approximately 91 per cent of the mortgage portfolio outside Singapore.

The analysis utilised a bottom-up approach with customers' operating and asset locations overlaid on various climate hazard maps to determine their vulnerability to individual physical hazards. As such, exact addresses of customers' operating locations and assets were collected as inputs for this analysis. Where such detailed information was not available, less granular data such as district- or province-level addresses were used as alternatives.

The analysis covered seven climate change physical hazards, and considered short-, mid-, and long-term horizons up to 2050 over three climate scenarios published by the Intergovernmental Panel on Climate Change (IPCC).

For each borrower, raw physical risk scores for each of the seven hazards were generated based purely on locations of the assets. The raw scores were subsequently adjusted to take into consideration the sensitivity of different sectors to specific physical hazards. For example, businesses with high water dependency would be more vulnerable to water stress. An overall composite score for each borrower was then derived from the sensitivity-adjusted scores which reflect the materiality of specific physical hazards. Physical risk scores were finally translated into risk ratings from 'Low' to 'High'.

Corporate portfolio

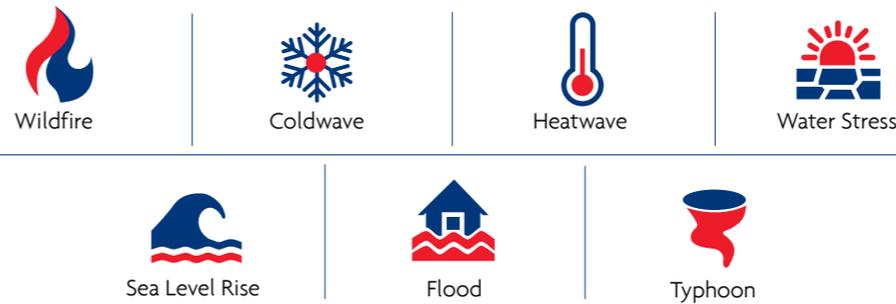
Climate change is expected to increase physical risk along the time horizon especially in the High Climate Risk scenario where continuation of business-as-usual results in warming of more than 4°C by the end of the century. This is in line with observations from our analysis with the risk profile gradually shifting from low risk towards medium and high risk in 2050. This is expected as a majority of our portfolio is in

ASEAN, a region commonly associated with elevated physical risk due to its position near the equator, long coastlines and abundant low-lying areas.

Nonetheless, after adjusting for sector sensitivity, the proportion of borrowers under 'High' risk will only see a modest increase to nine per cent under the

High Climate Risk scenario in 2050. The most material physical risk hazards are heatwave, water stress, sea level rise and typhoon. Borrowers in basic materials and utilities sectors are expected to be exposed to relatively higher physical risks.

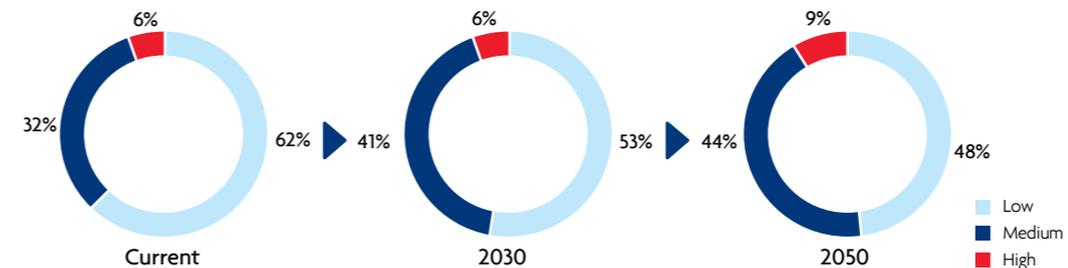
Physical hazards covered in the 2021 pilot physical risk analysis



IPCC climate change scenarios – Representative Concentration Pathway (RCP)		
Low Climate Change (RCP 2.6)	Moderate Climate Change (RCP 4.5)	High Climate Change (RCP 8.5)
Aggressive mitigation actions to halve emissions by 2050. This scenario is likely to result in warming of < 2°C by 2100.	Strong mitigation actions to reduce emissions to half of current levels by 2080. This scenario is more likely than not to result in warming of > 2°C by 2100.	Continuation of business as usual with emissions at current rates. This scenario is expected to result in warming of > 4°C by 2100.

The figure below shows the overall sensitivity-adjusted physical risk ratings of the sampled portfolio under the High Climate Risk scenario along the various time horizons.

Sensitivity-adjusted risk rating distribution of the sampled portfolio – High Climate Risk Scenario



80% coverage
of our total non-bank loans

~2,000 corporate clients
analysed in our 2021 physical risk analysis

~9,400 individual assets
assessed in our 2021 corporate borrower physical risk analysis

3 major mortgage markets covered



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Mortgage portfolio

In general, we similarly observed an increasing trend of physical risks along the time horizon from now to 2050. Based on the exposure of our mortgage portfolio to the physical risk hazards assessed, the overall physical risk of our mortgage portfolio is in the low-medium range under the High Climate Risk scenario in 2050.

While our overall portfolio exposure to flood risk is low, we observed some borrowers that would be exposed to elevated risk of flooding as compared with the general country profile, mainly those located in the Jakarta area of Indonesia, states of Pahang and Terengganu in Malaysia and the southern bank of

Mekong River in northeast Thailand. For the other hazards, Java in Indonesia has the most elevated water stress whereas the risk of wildfire and typhoon is generally low and less of a concern in this region. Further, as the impact of sea level rise is expected to materialise more significantly in the second half of the century, the risk exposure of our portfolio to this hazard is similarly low. Overall, we have limited exposure to borrowers vulnerable to high physical risk.

Notwithstanding the progress we have made in quantifying the impact of both transition and physical risks in our portfolio, we acknowledge the limitations of the methodology and data availability challenges. Notably, the methodology for transition risks primarily

attempts to quantify the impact of carbon price increase on our customers' financials without explicitly factoring in other plausible impacts such as changes in market demand on sales and additional capital expenditure required to transition. As detailed asset locations were not readily available for some of our borrowers in our pilot physical risk assessment, we used regional or national averages in our analysis. This may affect the accuracy of the assessment, particular for riverine flooding which requires highly granular spatial resolution. In addition, while we have assessed our portfolio vulnerability to key physical hazards, the methodology does not capture the potential financial impact. Nonetheless, the results provided a useful starting point and impetus for further customer engagement particularly to support the transition, mitigation and adaptation for those companies identified to be most impacted.

As part of our roadmap, we will continue to strengthen our approach on climate scenario analysis and enhance data collection. We have partnered with a leading global consultancy to develop an improved climate risk assessment methodology and uplift the internal capability and capacity of the Bank. With the strong support from this collaboration, we will be able to better analyse the Bank's exposure to climate risks and support the completion of our inaugural climate stress test as part of the MAS' Industry-Wide Stress Test in 2022. Recognising the common industry challenges associated with climate risk assessment such as data availability and lack of standardised metrics and targets, we will continue to work with regulators, industry associations and climate specialists to progress collectively to a more robust approach as methodologies and tools evolve and mature.

Risk Management

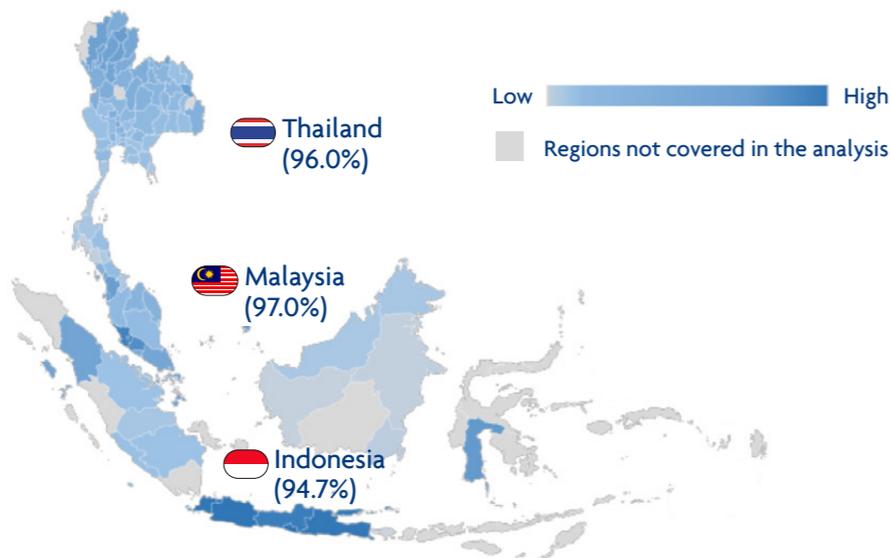
Tightening Our Stance

In view of the increasing threat of climate risk and greater scrutiny and expectations from our stakeholders, we have progressively tightened our stance on the most carbon intensive fossil fuels.

On thermal coal mining, our earlier prohibition on greenfield projects has been broadened to cover expansion projects and our financing is now limited to only selected anchor client groups approved by the Bank with a diversification strategy. We have also discontinued both new project financing and corporate financing of coal-fired power plants (CFPPs) and will prioritise the exit of remaining CFPP projects. Coupled with our proactive efforts to help our customers transition, our portfolio has gradually shifted towards less carbon intensive sources with renewable energy making up close to 20 per cent of our power generation portfolio.

We continue to take a highly cautious approach to financing upstream unconventional oil and gas activities in view of the elevated climate impact.

Mortgage physical risk level (High Climate Risk scenario – 2050)



Note: The percentages indicate the outstanding amount assessed in the pilot physical risk assessment in the respective country's mortgage portfolio. Hazards analysed include water stress, flood, sea level rise, wildfire and typhoon.



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Climate Change Risks

We recognise that climate risks can translate into known financial risk types for banks including credit risk, market risk, operational risk and liquidity risk, of which we consider the potential credit risk impact to be the most material. Climate risk is identified, assessed, managed and monitored through our Group Environmental Risk Management Framework and Responsible Financing Policy, which is an integral part of the Group Credit Policy.

Following our initial initiative to collect carbon emissions data systematically from our borrowers through enhancements to our responsible financing checklist, we are now helping to drive industry efforts on a standardised environmental risk questionnaire focusing on climate risk. This will help level the playing field and facilitate better assessment of borrowers' capabilities and resilience against climate risk.

In addition, we actively participate in and support various initiatives to collectively improve the industry's overall capability on climate risk management. They include:

- providing inputs and review of training programmes developed by The Association of Banks in Singapore to uplift industry capacity to manage ESG (including climate) risks; and
- participating in various workstreams organised by the MAS Green Finance Industry Taskforce (GFIT) that cover climate risk management, disclosure and capacity building.

As our operations span multiple jurisdictions, we closely monitor international developments such as the COP26 United Nations Climate Change Conference, the Basel Committee on Banking Supervision's initiative on climate risk management, as well as new initiatives by the Network for Greening the Financial System and local regulators to stay ahead of potential new regulatory requirements and to keep abreast of best industry risk management practices.

We also continually seek to strengthen our climate risk monitoring process and are studying various tools in the market that help us to enhance our management of ESG and climate risks.



Find Out More
► [Read about our approach on responsible financing.](#)

Metrics and Targets

The transition to a low carbon economy presents significant opportunities in our financing activities. To this end, we have assessed the climate-related opportunities across UOB's focus sectors and integrated climate considerations into our solutions.

We aim to deliver tangible impact in our product offerings across all customer segments, aligned to the respective ASEAN country's sustainability agenda and tailored to local industry readiness and adoption. Our solutions aim to maximise impact across various industries, customers and partners, leveraging UOB's core strengths and ASEAN footprint, with acceptable risks and returns to shareholders. The strategy leverages cross-sector green initiatives defined in our four sustainable finance frameworks.

In 2021, we exceeded our 2023 sustainable financing target of \$15 billion. Our new target is to achieve \$30 billion by 2025 through our integrated industry-driven solutions. In addition, we will continue to explore sectoral pathways for the decarbonisation of our financed emissions and support our customers in their transition to a low carbon economy.

Our Targets

- Continue to implement our roadmap towards adopting the Recommendations of the TCFD in order to assess, to measure, and to manage our climate change related risks.
- Enhance our borrower climate risk assessment approach via industry collaboration.

Our Performance in 2021

- Completed a pilot physical risk analysis and expanded the customer coverage of our transition risk analysis.
- Developed sustainable finance frameworks to facilitate the orderly transition of our customers.

Partnership for the Goals

- Supporter of the TCFD.
- Participant in the MAS GFIT.



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Supporting Businesses' Sustainable Growth

Financial institutions have an important role to play in helping businesses transition to a low carbon economy. According to Bain and Company, there is up to US\$1 trillion worth of economic opportunities in Southeast Asia for the development of infrastructure, technology, systems and designs in sustainable energy and resource, food and agriculture, efficient industries and green and connected cities. Such growth areas are expected to create at least five million jobs and contribute up to eight per cent to the region's economy by 2030. UOB supports businesses to seize these growth opportunities through our sustainable finance solutions.

How We Approach This Topic

We are committed to playing our role in the region's transition towards a sustainable and climate-resilient economy. To ensure that our financing decisions result in positive impact as well as to mitigate any potential harm to communities and ecological systems, we align our lending frameworks and practices to internationally-recognised standards, principles and guidelines wherever feasible. In developing sustainable financing solutions for our clients, our strategy and decision-making process are guided by the United Nations Sustainable Development Goals (SDGs). We also aim to provide financing solutions that support the national sustainability agenda of the countries in which we operate.

We offer sustainable finance products in six main categories, namely green bonds and loans, sustainability-linked bonds and loans, as well as green and sustainable trade finance and working capital solutions. Our approach prioritises eight sectoral opportunities:

- energy-efficient buildings;
- expansion of renewables and transition energy;
- electric/hybrid and shared mobility;
- sustainable infrastructure;
- circular economy;
- sustainable land use, food and packaging;
- energy efficiency and connectivity; and
- digitalising the supply chain and traceability.

The direct and indirect environmental impact resulting from these initiatives include:

- reductions in greenhouse gas (GHG) emissions;
- improvements in asset utilisation and resource savings;
- better water and waste management practices; and
- value created from waste streams in circular product cycles.

Social impact can also result indirectly from sustainable financing initiatives through better resource and waste management, and enhancements to the living environment of local communities.

Landmark Sustainable Finance Transactions in 2021

- \$330 million green loan – one of Singapore's largest – to South Beach Consortium by City Developments Limited
- HK\$400 million green club loan to Leo Paper Group (as Lead Arranger)
- US\$700 million sustainability-linked club loan – one of the largest in Asia Pacific – to ESR Cayman Limited
- \$2 billion sustainability-linked revolving credit facility for Changi Airport Group (also Joint Sustainability Adviser)
- \$750 million sustainability-linked club loan for Singapore Telecommunications Limited (also Joint Sustainability Adviser)

Financing as the Key Enabler

At the COP26 United Nations Climate Change Conference in November 2021, there was a strong call for the private sector to step up support of climate action. As more businesses invest in technology to advance their sustainable strategies and operations, financing becomes the key enabler to this development.

In 2021, several Southeast Asian countries also rolled out national plans, as part of their Nationally Determined Contributions (NDCs) to the Paris Agreement, for the transition to a low carbon economy.

- Singapore: The Singapore Green Plan 2030 includes quadrupling solar deployment by 2025 and five times by 2030 (base year 2020), phasing out internal combustion engine vehicles by 2040, improving energy efficiency through green building targets and smart energy methods in public housing.
- Indonesia: The National Development Agenda (RPJMN 2020-2024) includes plans to double recycling capacity and plastic waste collection by 2025, to increase renewable energy to 24 per cent of total energy mix by 2025 and to improve access to the urban gas network, rail connectivity and fibre optic network coverage.
- Malaysia: The country's energy transition plan includes an increased renewable energy target of 31 per cent by 2025 and 40 per cent by 2035. Malaysia will also not build new coal power plants.
- Thailand: The National Energy Plan 2022 aims to increase the proportion of renewable energy in new power generation by up to 50 per cent and to increase the domestic electric vehicles production to 30 per cent by 2030.

With these government-led policies and initiatives in place, we expect strong demand for green and sustainable financing in infrastructure and low carbon technologies over the next decade.

Our Targets

- [New] Build a sustainable finance portfolio of \$30 billion by 2025.
- Develop innovative financial solutions and initiatives across our network to support our clients in their transition to a low carbon future and help them promote sustainable practices in their own operations and across their supply chains.

Our Performance in 2021

- Launched the Green and Sustainable Trade Finance and Working Capital Framework and facilities in Singapore to support businesses in strengthening their supply chain resilience.
- Launched U-Energy and U-Drive, two integrated solutions to support energy efficiency projects and the electric vehicle ecosystem respectively.
- Extended \$5 billion in sustainable financing, up more than 40 per cent year on year.
- Achieved \$17 billion in our total sustainable financing portfolio, exceeding our 2023 target of \$15 billion.

Partnership for the Goals

- Co-lead in the Monetary Authority of Singapore's (MAS) Green Finance Industry Taskforce (GFIT) working group for Green and Sustainable Trade Finance (GSTF) Solutions, and a partner of MAS' Project Greenprint.
- Participated in industry events such as the Singapore FinTech Festival 2021 and the Circular Economy Conference 2021 organised by *The Star* in Malaysia, as well as partnered with the Singapore Business Federation on the Sustainable Financing Awareness Series to share experience and to exchange knowledge on sustainability practices in the financial industry.
- Conducted client outreach, including webinars to raise awareness and to share best practices in areas such as green buildings, solar energy, circular economy (e-waste and plastic recycling), energy efficiency and electric vehicles.



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Continuous Innovation in Sustainable Finance

As the sustainable finance market continues to grow and to mature, UOB is focused on creating more innovative sustainable finance offerings for our clients. As the co-lead for the MAS GFIT working group for GSTF, in 2021, we launched our Green and Sustainable Trade Finance and Working Capital Framework with a Second Party Opinion from Moody's ESG Solutions. This was rolled out under GFIT's Green and Sustainable Trade Finance and Working Capital Framework as part of the MAS' Green and Sustainability-Linked Loans Grant Scheme. In addition, we have a team of industry specialists developing UOB Sustainable Financing Solutions, a comprehensive suite of sector-specific solutions that leverages the Bank's ASEAN network and expertise.

Our solutions include:

- the Omega Green Programme, which offers a range of end-to-end bundled solutions for both main and sub-contractors in the green building business;
- U-Solar, Asia's first one-stop solar ecosystem financing platform targeted at solar project developers, engineering, procurement and construction contractors and end-users such as businesses and homeowners;
- U-Energy, Asia's first integrated financing platform to drive the development and adoption of energy efficiency projects for buildings and homes;
- U-Drive, an integrated green financing solution in Singapore that connects the electric vehicle value chain, from automotive brand owners, automotive dealers and charging point operators to end-users;

- the Plastic Recyclers Ecosystem Financing Programme, which offers comprehensive financing solutions to encourage plastic converters to switch to recycled materials ; and
- the E-Waste Ecosystem Financing Programme that addresses the financing needs of industry players by increasing their working capital flexibility.

In addition, we tap technology partnerships to drive innovation and adoption of digital solutions, especially among small- and medium-sized enterprises (SMEs). As a member of the MAS GFIT, UOB is leading a consortium of banks to work with the Singapore Trade Data Exchange (SGTraDex) on an initiative to develop digital solutions for the application of clear and consistent green trade financing standards across industries.

We are also one of the banks to partner CO2X on the development of a platform that will provide SMEs in Singapore with accessible carbon tracking solutions and green financial services through a data-driven approach. This project is supported by the MAS and Enterprise Singapore.



Find Out More

- [Learn more about UOB Sustainable Financing Solutions.](#)
- [Read about how our Responsible Financing Policy addresses environmental and social risks.](#)

UOB Sustainable Financing Solutions' Focus Areas

Integrating sustainability into business strategies, models and practices can be complex. This is why UOB is focused on simplifying sustainability for businesses.



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The UOB Sustainable Financing Solutions are housed under four sustainable finance umbrella frameworks:

- UOB Sustainable Finance Framework for Green Building Developers and Owners;
- UOB Smart City Sustainable Finance Framework;
- UOB Green Financing Framework for Circular Economy; and
- UOB Green and Sustainable Trade Finance and Working Capital Framework.

Aligned with the Loan Market Association/Asia Pacific Loan Market Association (LMA/APLMA) Green Loan Principles and Sustainability Linked Loan Principles, our frameworks set out the eligible projects or activities that qualify for green and sustainability-linked loans, trade finance and other retail banking products.

Our sustainable finance frameworks and solutions offer businesses the following benefits:

- low-cost access to sustainable financing;
- streamlined and transparent processing; and
- guidance on environment and social impact measurement and reporting.

Businesses with a clear sustainability strategy are more likely to enjoy:

- enhanced credibility and corporate profile;
- stronger supplier relationships with major customers globally;
- preferred partner status in the supply chain; and
- cost savings by adopting circular economy and energy efficiency in business operations.

UOB Sustainable Finance Framework for Green Building Developers and Owners

According to the Global Alliance for Buildings and Construction, building construction and operations accounted for 36 per cent of global energy use and 37 per cent of energy-related carbon dioxide emissions in 2020, representing the largest share of any industry. Based on the Climate Bonds Initiative's data, up to 70 per cent of a large city's GHG emissions are related to its buildings.

As such, green buildings offer a multitude of benefits to the environment and society, including:

- job creation;
- increased infrastructure and urban resilience;
- enhanced health and well-being;
- reductions in air pollution, GHG emissions and waste generation;
- improved energy access; and
- reduced impact on biodiversity.

In 2021, we refreshed the UOB Real Estate Sustainable Finance Framework to become the UOB Sustainable Finance Framework for Green Building Developers and Owners.

The enhanced framework incorporated the latest environmental, social and governance developments, included new energy efficiency eligibility criteria and expanded the scope of accepted green building certifications.

Carbon Trust provided the Second Party Opinion on the UOB Sustainable Finance Framework for Green Building Developers and Owners.



UOB Smart City Sustainable Finance Framework

The urban population in Southeast Asia is expected to reach half a billion by 2050, while waste created will increase by almost 50 per cent to exceed 700 million tonnes annually, according to the United Nations Environment Programme and World Bank Group.

The UOB Smart City Sustainable Finance Framework aims to help address the challenges arising from rapid urbanisation by supporting companies integral to the building of smart cities. It covers seven main categories:

- renewable energy;
- construction of green buildings;
- energy efficiency;
- green transport;
- sustainable water management and treatment;
- waste management; and
- climate change adaptation.

Carbon Trust provided the Second Party Opinion on the UOB Smart City Sustainable Finance Framework.



UOB Green Financing Framework for Circular Economy

According to the World Economic Forum, a global transition to circular economy approaches is estimated to provide more than US\$1 trillion in material cost savings by 2025 and to create up to 600 million jobs worldwide by 2030.

UOB recognises the growing awareness and demand across our key markets in Asia for products and services that minimise or manage resource consumption and waste production. We are committed to the common vision of a circular economy for plastics, metals, consumer electronics as well as other materials.

UOB's Green Financing Framework for Circular Economy aims to promote qualifying business activities in the '5Rs' of the circular economy: reduce, reuse and recycle waste materials, reuse and repair products to restore functionality and remanufacturing to produce a new product with different functionality.

Moody's ESG Solutions (Vigeo Eiris) provided the Second Party Opinion on the UOB Green Financing Framework for Circular Economy. First launched in 2019, the framework will be enhanced in 2022.



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UOB Green and Sustainable Trade Finance and Working Capital Framework

With more large corporates taking on net zero commitments, managing Scope 3 emissions becomes an important consideration. According to OECD Trade, China and ASEAN contributed significantly to the carbon dioxide (CO₂) export flows to western economies including the United States and Europe. To create a level playing field, the European Commission proposed a Carbon Border Adjustment Mechanism in July 2021 to levy carbon taxes on cross-border goods. These global developments will have an impact on businesses that supply to global buyers.

In 2021, we launched the UOB Green and Sustainable Trade Finance and Working Capital Framework, in alignment with the industry-led MAS GFIT. The framework aims to provide shorter-term green or sustainability-linked working capital financing.

We continue to work with our clients from different industries and across our key markets, collaborating with external stakeholders to raise awareness, influence mindsets and business practices to drive the adoption of best supply chain practices through trade finance.

Moody's ESG Solutions (Vigeo Eiris) provided the Second Party Opinion on the UOB Green and Sustainable Trade Finance and Working Capital Framework.



Barramundi Group



In 2021, UOB provided green trade and working capital facilities to Barramundi Group, which operates the largest ocean barramundi farms in Australia, Brunei and Singapore. Listed on the Euronext Growth Oslo exchange, the company is a pioneer in sustainable aquaculture. UOB's loan supported the company in contributing to Singapore's '30 by 30' goal – to produce up to 30 per cent of nutritional needs locally by 2030 – for greater resilience and security in the seafood ecosystem.

“Since 2017, we have been working closely with UOB on the financial solutions that best suit the needs of our company. Transitioning the relatively traditional aquaculture industry to a path of sustainability comes with its challenges. However, with the support of the green trade finance facility granted by UOB, we are able to inject more funds into accelerating the deployment of technologies that will help make fish rearing more sustainable. We look forward to the continued collaboration with UOB and together, we can contribute towards strengthening Singapore’s food security.”

Mr Andreas von Scholten
Chief Executive Officer, Barramundi Group



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U-Solar

In 2021, UOB's U-Solar programme financed projects that generated more than 279 gigawatt-hours (GWh) of solar energy¹, resulting in more than 142,000 tonnes CO₂-equivalent (tCO₂e) in avoided GHG emissions².

Available in Indonesia, Malaysia, Singapore and Thailand, our U-Solar programme is Asia's first one-stop solar ecosystem financing platform that supports companies and consumers in the development and adoption of solar power. Through U-Solar, we aim to help address the pain points faced by the solar energy industry value chain, from solar project developers and engineering, procurement and construction (EPC) contractors to end-users across the region. We work with UOB-approved solar EPC contractors in each country to ensure quality of service, and equipment and maintenance provision to end-users in the commercial, industrial and residential segments.

Through U-Solar, we hope to accelerate the adoption of renewable energy for a more sustainable future by:

- supporting local solar contractors with end-to-end financing for procurement, construction, operation and maintenance of the solar power system;
- promoting awareness among companies, both commercial and industrial, as well as residential users of the benefits and savings that can be achieved by installing their own solar power system;
- enabling companies and industries to play an active role in helping their countries meet the respective NDCs or climate pledge commitments as part of the Paris Agreement; and

- providing end-users with standardised solar financing packages.

For developers and contractors, we provide access to green loans to help them overcome working capital challenges.

For the end-users of solar energy – residential, commercial and industrial users – we offer financing solutions that enable them to take up quality solar panel installations for reliable performance. For residential customers in particular, we offer zero per cent interest instalment plans for the purchase of solar panel installations.

In 2021, our U-Solar programme received the following recognition:

- Apex Winner in the Sustainable Solutions, Non-SME category at the Singapore Apex Corporate Sustainability Awards 2021; and
- Singapore Domestic Initiative of the Year at the Asian Banking & Finance Wholesale Banking Awards 2021.



Find Out More
► [Learn more about U-Solar.](#)

U-Solar in Malaysia



In Malaysia, the government has committed to the green economy agenda with the proposal to allocate RM2 billion in 2021 and 2022 for the continuation of its Green Technology Financial Scheme as part of the National Budget 2021. The new Net Energy Metering (NEM) 3.0 programme will also enable consumers to install solar systems on the roofs of their premises and to sell excess power generated back to the grid so that they can offset their electricity bills. These initiatives are expected to drive greater participation from the private sector, mainly the manufacturing, industrial and services industries, in green technology and clean energy investment.

We anticipate that the market demand for solar power solutions will increase with the measures introduced under Malaysia's National Budget 2021 and NEM 3.0 programme.

"Under U-Solar, UOB provided us a comprehensive solar power solution at our premise, complete with an efficient end-to-end service and affordable financing package. We estimate the solution will generate an annual capacity of more than 934 megawatt-hours (MWh), which will translate to an equivalent of RM239,000 in cost savings in our utility bills per year. We are pleased to do our part in contributing to the country's green transformation agenda. As part of our commitment to protect the environment for a better future, we will be implementing the switch to using clean sources of energy for the rest of the companies within the OEL Group."

Mr Heng Kuan Chor
Managing Director, OEL Realty Holdings Sdn Bhd

¹ In accordance with the Global GHG Accounting and Reporting Standard for the Financial Industry, which is published by the Partnership for Carbon Accounting Financials (PCAF), an attribution factor or ratio is applied when calculating the amount of solar energy generated so that only UOB's share in the total financing of each project is included.
² We rely on the International Energy Agency (IEA) for GHG conversion factors.



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U-Energy

In 2021, we launched U-Energy, the first integrated financing platform in Asia to drive the development and adoption of energy efficiency projects for buildings and homes. With U-Energy, businesses and homeowners can reap financial benefits and achieve their environmental sustainability goals.

Launched in Singapore and Malaysia, to be followed by Indonesia and Thailand progressively, the U-Energy platform is designed to connect energy service companies (ESCOs) with end-customers.

These ESCOs, as our U-Energy partners, offer support in common energy efficiency projects such as improving chiller and air conditioning efficiency, installing solar panels on rooftops, switching to LED lights, optimising energy and power management systems, changing building façades to reflect direct sunlight to reduce heat absorption, as well as replacing elevators with energy regeneration technology.

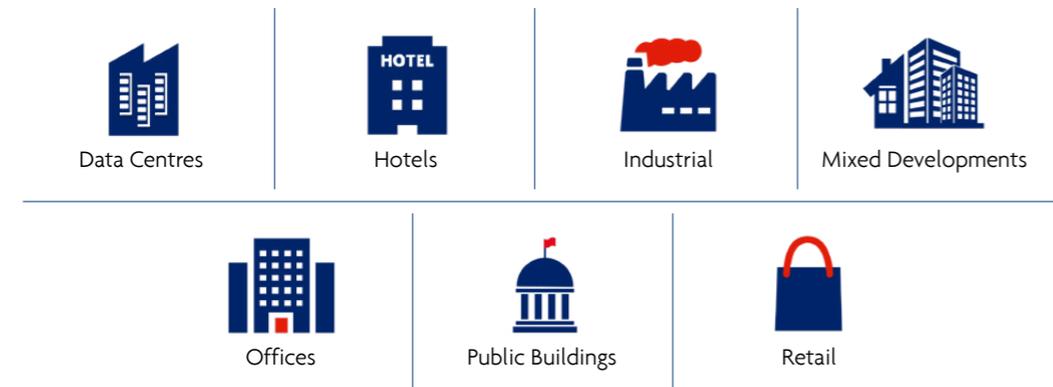


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► [Learn more about U-Energy.](#)

We offer two contracting models for commercial and industrial building owners. They can opt for a direct purchase of the energy-efficient equipment or system with UOB's green financing. Under this scheme, building owners may obtain a loan of up to \$10 million with a maximum seven-year loan facility, subject to optimal equipment and system sizing by our U-Energy partners. To enable greater speed to market, loan applications from building owners who are existing UOB customers will be put on a fast-track approval process.

Alternatively, building owners can take up the 'energy-as-a-service' model where we will provide green loans to the U-Energy partners, at no upfront cost to building owners. For homeowners, we offer a zero per cent interest instalment plan of up to three years when UOB credit cards are used as the mode of payment for their energy efficiency retrofitting projects.

Supported building types and energy efficiency projects for businesses



Comfort Management

Comfort Management, one of our U-Energy partners in Singapore, is a leading company in energy conservation and management, energy consultancy services and efficiencies upkeeping for air-conditioning and mechanical ventilation systems. Its innovative engineering solutions, coupled with experience in energy performance contracting, have helped various types of buildings to reap energy savings, with or without capital outlay, while maintaining the same comfort, convenience and productivity. Comfort Management's partnership with its clients has enabled them to lower energy usage, greatly reducing their carbon emissions.

In 2021, UOB supported an energy efficiency retrofitting project at the SGX Centre by providing a green loan to Comfort Management. The project, including the installation of a new intelligent energy management system, improved the efficiency of the building's chiller plant. Energy consumption is cut by 47 per cent, which is equivalent to reducing more than 2,000 tCO₂e in GHG emissions. The building was awarded the Singapore Green Mark Platinum Certificate by the Building and Construction Authority in 2021.

"For the SGX building management team to realise this green project in this daunting period of COVID-19 has indeed been a tougher and greater achievement than in usual circumstances. With the great support from Comfort Management and UOB, the team was able to realise this project smoothly and fulfil our sustainability responsibility to the environment."

Mr Loh Chee Shyong
Chairman, SGX Management Corporation Strata Title



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U-Drive

In 2021, we launched U-Drive, an integrated green financing solution for the electric vehicle (EV) ecosystem in Singapore. It connects the EV value chain – from automotive brand owners, automotive dealers and charging point operators to end-users – seamlessly.

Our U-Drive solution is designed to meet the financial needs of all EV ecosystem players through the provision of a comprehensive range of green banking facilities, including trade financing, dealer stock financing, the UOB Green Hire Purchase Loan and the UOB Go Green Car Loan. Businesses or individuals can also apply for green financial solutions for their purchases of EVs and charging equipment.

Through U-Drive, we seek to promote the development of the EV sector and to facilitate the transition to green vehicles, so as to contribute to a cleaner and greener environment. With Singapore ramping up its Green Plan 2030 initiatives, the greater adoption of EVs reflects the increasing awareness and acceptance of the need to change the way we live, work and play, as we forge a sustainable future for all.



Hong Seh Evolution



UOB pioneered U-Drive with Hong Seh Evolution (HSEV), the authorised distributor of commercial EVs from Dongfeng Sokon Automobile and dealer of BYD T3 electric vans in Singapore. The green facilities HSEV received from UOB enabled the company to have greater working capital flexibility in managing its commercial EV sales and inventory. HSEV and UOB are also working together to provide end-users with free charging credits to drive the adoption of commercial electric vehicles in Singapore.

"We have been banking with UOB since 1970. The Bank has been supportive of our foray into EVs, in particular our venture into commercial EVs, which we expect will continue to grow in demand. We are expanding as a one-stop electric vehicle hub spanning sales, leasing and even charging infrastructure and we look forward to continued support from UOB under the U-Drive solution."

Mr Edward Tan
Director, Hong Seh Evolution



Find Out More
► Learn more about U-Drive.



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Enabling Sustainable Lifestyles

Being sustainable is a way of life – how we live, work, play, learn, commute, interact and connect. In Southeast Asia, consumers are more influenced by issues such as climate change than ever before and are spending more on sustainable products. According to the *UOB ASEAN Consumer Sentiment Study 2021*, nearly 60 per cent of consumers stated they want their children to have a better future as a reason for opting for more sustainable products. One in two consumers said it might be too late if we do not act now to manage our carbon footprint.



How We Approach This Topic

Sustainability starts with consumers' everyday choices, from where they live and how they travel to which merchants they buy from. In this regard, we work closely with our ecosystem of partners across property players, energy and utility providers, electric vehicle distributors and credit card merchants to offer holistic and progressive banking solutions. This is so that we can help our customers make greener choices when buying a home, a car as well as in their day-to-day spending.

Renewable Energy Certificates for Green Home and Car Loans

The UOB Go Green Home Loan is designed to help homebuyers in Singapore lower their ownership costs when purchasing a property awarded with the Green Mark certification from the Building and Construction Authority Singapore. We also offer the UOB Go Green Car Loan, as part of the Bank's U-Drive programme, for our customers' purchase of fully-electric cars in Singapore. In 2021, we expanded our partner ecosystem to seven car dealers, which cover more than 90 per cent of new electric vehicle models in the country.

To partner our customers in supporting the growth of the renewable energy market in the region and the greater adoption of such sources, we purchase Renewable Energy Certificates (RECs) for every UOB Go Green Home Loan or UOB Go Green Car Loan extended.

In 2021, we also ran a National Day campaign in Singapore, under which we awarded additional RECs to customers taking up any of our green solutions.

During the year, we awarded close to 1,400 RECs, supporting the generation of 1,334 megawatt-hours (MWh) of renewable energy. This is equivalent to nearly 545 tonnes of carbon dioxide (CO₂) emissions being absorbed by more than 27,000 raintrees.

Savings and Rebates on Green Energy Plans

Under the Bank's U-Solar programme, we offer customers interest-free instalment plans when they use a UOB credit card to pay for their purchase and installation of solar power systems for their homes.

In Singapore, we also offer green energy plans with bill rebates in collaboration with open energy market retailers, including Geneco, Keppel Electric, Pacific Light and Sembcorp, to help our customers reduce their carbon emissions on electricity consumption.



Sustainable Credit Cards

In 2021, we launched in Singapore the UOB EVOL Card, which is Southeast Asia's first bio-sourced credit card. Each UOB EVOL Card:

- is made of 82 per cent plant-based polylactic acid material from non-edible corn;
- saves 4.48 grams of polyvinyl chloride (PVC); and
- produces 10 grams less in CO₂ emissions.

The UOB EVOL Card will be rolled out progressively in the region.



Find Out More

► [Learn more about our sustainable solutions for consumers.](#)



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Sustainable investing incorporates and integrates environmental, social and governance (ESG) factors into the research, selection and investment processes, with the objective of impacting the environment and society positively in addition to achieving financial returns. The *UOB ASEAN Consumer Sentiment Study 2021* also showed that consumers in the region recognise that sustainable investing will be more common over the next three to five years.

How We Approach This Topic

Responsible investment practices have significant potential to contribute to the development of a more sustainable financial system for the benefit of the environment and the wider community. Ensuring responsible investment practices is also part of our fiduciary duty. Across UOB Group, we integrate ESG considerations into our investment policies, processes and practices, as well as into our risk-based approach and objective to offer our customers sustainable investment solutions that deliver long-term, stable returns.

Through active engagement and dialogue, we also help our customers and portfolio companies to understand:

- the significance of ESG considerations in their investments;
- the ESG-related risks and opportunities in their business operations; and
- the importance of sustainable business models, strategies and practices.

Personal Financial Services – Offering Sustainable Investment Solutions for Consumers

The Personal Financial Services (PFS) function in our Group Retail segment focuses on helping consumers achieve their financial goals and aspirations through a wide range of products and services. We provide wealth and investment advisory and solutions, as well as offer ESG-focused unit trusts, structured products and equities, and fixed income products.

The PFS Sustainable Investing Working Group, set up in 2019, is tasked with building a sustainability-driven range of product offerings for our retail customers. We have a structured programme that ensures the integration of ESG considerations into how we develop our investment strategies, set standards for our product due diligence, select product providers, as well as provide investment advice to our customers.

In 2021, we saw demand for sustainable investments gaining pace in the region, driven partly by the growing awareness of the need for positive environmental and social impact. This led to PFS' assets under management (AUM) in ESG-focused investment products quadrupling during the year.

We received the Best Wealth Manager for Impact Investing, Asia award at *The Asset Triple A Private Capital Awards 2021* in recognition of our commitment to helping our customers invest sustainably.

Building on our Risk-First approach

The integration of ESG considerations into our retail investment solutions is rooted in our Risk-First wealth advisory approach, which helps our customers protect their assets and build their wealth.

Our Risk-First approach guides us in the selection of sustainable investment products across different asset classes to suit various investor profiles and risk appetites. It is also embedded into the way we hold our advisory and financial planning conversations with our customers. In particular, as the topic of sustainability takes root in all aspects of our lives – from mindset and behaviours to business strategies and practices, we share our insights into sustainability as an investment megatrend.

We partner reputable product specialists to screen, to score, to provide and to monitor sustainable investment products for our customers. In line with our due diligence framework, our product provider partners must have operationalised policies and processes in place and/or adopt or align to globally-recognised standards such as the United Nations (UN)-supported Principles for Responsible Investment (PRI), Task Force on Climate-related Financial Disclosures (TCFD), Sustainability Accounting Standards Board (SASB) and CDP. In working with these specialists, we ensure that we incorporate robust and industry-leading criteria and methodologies when identifying sustainable investment solutions.

As part of steering our customers' wealth to sustainable investments, in 2021 we engaged a market-leading ESG specialist to help our customers better understand how companies are transitioning to the green, lower carbon economy and how they can assess relevant risks.

Our Performance in 2021

- Achieved \$9 billion in total AUM in ESG-focused and responsible investments as at the end of 2021.
- PFS' AUM in ESG-focused investment products quadrupled in 2021.
- UOB Asset Management (UOBAM) achieved \$690 million in AUM in sustainable fund solutions launched in 2021.
- UOB Venture Management's (UOBVM) total responsible investing AUM was \$1.3 billion as at the end of 2021.

Partnership for the Goals

- UOB's investment management subsidiaries, namely UOBAM, UOBVM and UOB Global Capital, are signatories of the PRI. UOB was the first Singapore bank to have our investment companies sign up to the PRI in 2020.
- UOBAM and UOBVM are supporters of the Singapore Stewardship Principles for Responsible Investors, a set of principles intended to encourage investors to voluntarily pursue the spirit of stewardship and good governance.
- UOBAM is a participant of WWF RESPOND, a framework which helps asset managers to assess and improve portfolio resilience and alignment with a low carbon and sustainable future.
- UOBVM signed up to the Operating Principles for Impact Management in 2019, the first financial institution in Singapore to do so.



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Our Risk-First wealth advisory approach



ESG product solutions offered to wealth customers

Unit trusts

We offer professionally-managed ESG-focused unit trusts to our customers, enabling them to invest in companies that are committed to achieving financial and ESG performance. In the selection of ESG funds, we take into consideration:

- the fund manager’s expertise in managing ESG portfolios;
- the incorporation of ESG factors in the fund’s investment process; and
- the ability of the fund manager to perform well against its benchmark and peers.

The unit trusts we offer span bonds and equities. They include:

- United Smart Sustainable Singapore Bond Fund;
- United Sustainable Credit Income Fund;
- United Sustainable Equity Solution Fund;
- Allianz Global Sustainability Fund;
- BNP Paribas Energy Transition; and
- Schroder ISF Global Climate Change Equity.

We will continue to assess, to select and to offer fund products that meet our criteria for the benefit of our customers.

Structured products and equities

We offer structured notes linked to the equities of companies with strong ESG ratings, with a focus on environmental and social themes. These include, for example, companies that aim to help protect the environment by supporting clean energy and resource conservation projects.

In 2021, we partnered Societe Generale to launch a charity note programme, whereby Societe Generale will distribute to charity an amount that is proportionate to the customer’s investment. Societe Generale’s appointed charity is France-based CARE, which aims to help tackle the underlying causes of poverty and social injustice, as part of global efforts to meet the UN Sustainable Development Goals.

During the year, we were also the first retail bank in Singapore to offer Goldman Sachs’ note programme in respect of its sustainability notes issuances. Under this programme, Goldman Sachs intends to issue notes where an amount equal to the net proceeds will be allocated to finance or refinance projects and assets that respond to critical environmental, social and/or sustainability issues, including those related to climate transition and inclusive growth.

Green bonds

We offer green bonds selected from the Bloomberg Barclays MSCI Global Green Bond Index, which was voted the best index for the fifth year running by *Environmental Finance*, a leading news and analysis service for sustainable investing and green financing. The index ensures proper screening and monitoring of the use of proceeds, as well as adherence to industry-standard Green Bond Principles. Constituents of the index are rigorously assessed on the ongoing environmental impact of the projects, among other factors, for which the green bond proceeds are used.

We also screen green bonds using our internal risk assessment framework to assess their financial fundamentals. This includes assessing the probability of default, fair value and technical analysis indicators. The additional layer of screening enables us to offer our customers the highest-quality green bonds for the best risk-adjusted rewards and stable cash flow outcomes.

Globally, the green bond market saw strong growth in 2021, with an increase in high-quality issuances. As such, the number of green bond issuers in our offering also grew to 65 from 55 in the previous year.



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UOB Asset Management – Investing for Profit and Purpose

UOBAM's approach to sustainable investing is anchored on strong local expertise and fundamental research, and is augmented by the use of technology. Our proprietary Sustainable Investing (SI) framework and our Active Ownership policy, which form the foundation of our sustainable investing strategy, are aligned to our philosophy of investing for profit and purpose.

UOBAM's SI framework, which covers all asset classes, guides the integration of ESG factors into our existing investment research process to identify and to select securities with the aim of driving sustainable returns and supporting portfolio resilience. Such securities include those from companies that are positioned to ride the tailwinds of long-term sustainability trends and opportunities, have sustainable business practices and that meet UOBAM's ESG scoring requirements.

Our Active Ownership policy, launched in 2020, facilitates engagement, proxy voting and escalation strategies. The Active Ownership policy will be rolled out in our regional offices progressively.

ESG governance in UOBAM

We have set up ESG sub-committees within our Regional Investment Committee and each office's Local Investment Committee to oversee the governance and implementation of ESG-related investment policies and initiatives, as well as the development of ESG-related products.

We also have in place a Regional Sustainability Group (RSG) and Local Sustainability Groups (LSG), with reporting lines to the regional management of UOBAM. As complementary committees to the Regional Investment Committee and Local Investment Committees, the RSG and LSGs aim to enhance the governance and operational roll-out of sustainability-related initiatives, in terms of investments and corporate sustainability, within UOBAM.

'Man and Machine' – Proprietary ESG research augmented by technology

At UOBAM, we draw on our strategic pillars of 'Be Digital-first' and 'Focus on Sustainability' to bolster our ESG evaluation and investment processes. We combine ESG data and predictive financial analysis with our investment analysts' fundamental research, tapping artificial intelligence driven by our proprietary machine learning models. We also leverage our in-house technology and data platform to store and to share our fundamental ESG research materials across the region. In addition, we continue to explore collaborations with financial technology companies to evaluate the impact of our investments and to embed ESG considerations into our credit rating model for bonds.

Active and localised – Strong regional footprint and local expertise

We leverage our strong regional footprint, drawing on the knowledge of our investment teams in Singapore, Indonesia, Malaysia, Taiwan, Thailand and Vietnam, to engage local companies on ESG topics. This way, we gain deep insights into their ESG performance and are able to refine our investment decisions accordingly.

Our approach also addresses the lack of in-depth coverage of the Asian securities universe by third-party ESG data service providers due to different regulations affecting issuers in emerging markets and developed markets. With local engagement, we can better reach out to newly-listed, under-researched and unlisted companies.

Sustainability Academy to deepen capabilities

Through our in-house Sustainability Academy, we offer a series of training and development programmes on sustainable investing to all UOBAM employees across the region. The programmes seek to embed further ESG considerations into the organisation's culture

and focus on sustainable investing fundamentals to deepen our colleagues' capabilities.

In 2021, we launched the Principles of Sustainable Finance course by Erasmus University Rotterdam. This adds to modules by Robeco and KPMG on topics such as ESG integration, active ownership and measurement of the contribution of companies to the UN Sustainable Development Goals (SDGs). In particular, UOBAM is the first financial institution in the world to offer Robeco's SDG Investing module as employee training. The training modules are recognised

under The Institute of Banking and Finance Singapore's Financial Training Scheme and the CFA Institute.

Promoting sustainable investing across the region

In 2021, UOBAM participated in various events, collaborating with organisations such as the Singapore Exchange (SGX), Stock Exchange of Thailand, GRESB, Endowus, Universiti Brunei Darussalam and Taiwan's Chinatrust Business School on seminars to share insights into sustainable investing.

UOBAM's Fund Launches in 2021

We achieved \$690 million in AUM in our new sustainable fund solutions, which included:

UOB APAC Green REIT ETF (Singapore)

World's first Asia Pacific (APAC) green real estate investment trust (REIT) exchange-traded fund (ETF). Listed on the SGX, the ETF offers exposure to APAC REITs with higher environmental performance and robust yields. The ETF aims to replicate, as closely as possible, the performance of the iEdge-UOB APAC Yield Focus Green REIT Index that was created in partnership with SGX and GRESB.

United Smart Sustainable Singapore Bond Fund (Singapore)

First Singapore-focused ESG fixed income fund that invests mainly in the credits of Singapore-based companies, with smaller allocations throughout Asia.

United Sustainable Series – Global Credits Fund (Malaysia)

Retail fund, launched in collaboration with Robeco, which focuses on bonds of corporates globally meeting the UN SDGs.

United i-Asia ESG Income Fund (Malaysia)

Retail mixed asset fund incorporating ESG and Shariah principles and which invests in Asia ex-Japan assets.

United Asia ESG Bond Fund (Taiwan)

Retail fund focusing on Asian investment-grade ESG bonds. It is the first Taiwanese domestic fund that incorporates and analyses ESG considerations in its sustainable investing strategy.

United Battery and EV Technology Fund (Thailand)

Retail fund, launched in collaboration with Robeco and Mirae Asset Management, which focuses on companies globally in battery production, lithium mining and the development of battery technology, and companies that are benefiting from the rising adoption of electric vehicles.

United Sustainable Credit Income Fund (Brunei and Thailand)

Retail fund, launched in collaboration with Robeco, offering local access, for the first time, to a multi-sector bond portfolio that supports the UN SDGs and provides attractive regular income.



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UOB Venture Management – Supporting Portfolio Companies in their ESG Developments

As a responsible private equity fund manager, UOBVM has incorporated ESG considerations into its investment process since 2004. Responsible investment practices are a key pillar of UOBVM’s investment strategy for the funds it manages and advises. As at December 2021, UOBVM’s responsible investing AUM stands at \$1.3 billion.

To advance economic and social developments in the region, UOBVM continues to identify and to pursue responsible investment opportunities for our funds. These include our flagship ASEAN China Investment Funds (ACIF), which invest in promising high-growth companies based along the ASEAN and China growth corridor, as well as the Asia Impact Investment Funds (AIIF), double bottom-line funds that support companies which generate positive social outcomes and economic returns by improving the well-being and livelihoods of people from the ‘Base of Pyramid’ (BoP) communities living on US\$3,000 or less a year.

Since the AIIF’s investments, the portfolio companies and the positive impact of their efforts benefitted close to 19 million low-income individuals as at the end of 2021¹.

Influencing better ESG outcomes

Prior to investment, UOBVM will consider the ESG risks and impact of a potential company and will seek to influence the portfolio company positively towards better ESG adherence.

One of the companies that UOBVM invested in during the year was Evermos Pte Ltd (Evermos), an e-commerce platform in Indonesia that addresses Indonesians’ daily lifestyle needs. The company aims to empower local suppliers on its platform to grow their businesses while enabling Indonesians in the lower-tier cities and rural areas to become entrepreneurs with zero capital, thereby improving their household incomes and livelihoods.

Before investing in Evermos, we conducted an environmental and social (E&S) review, with the assistance of an external consultant, to address key E&S risks in the company’s operations with mitigating corrective measures. An example was the implementation of a supplier ESG checklist.

Through such interaction, engagement with and investment in portfolio companies, UOBVM seeks to promote and positively influence ESG outcomes.

Recognition

The AIIF was one of five funds globally shortlisted in the ‘Impact Investing’ category at the *Financial Times* and IFC Transformational Business Awards 2021. This award recognises impact funds that demonstrate innovation, scalability and measured impact in their operations, with special attention on the fund manager’s impact approaches and results, financial returns, and quality of impact management against industry standards.

Creating Impact through AIIF



The AIIF invests selectively in portfolio companies that seek to improve the livelihoods and well-being of the low-income communities and to overcome the challenges faced by the BoP. Through these investments, UOBVM helps contribute to better market access for affordable and quality goods and services for the poor or integrate them into supply and value chains.

Evermos

Evermos supports micro, small- and medium-sized enterprises (MSMEs) in Indonesia in becoming more competitive by helping them to expand their geographical footprint without spending on physical storefronts. Evermos relies on resellers, who primarily reside in lower-tier cities and rural regions, to help bridge the gap between the MSMEs and their end-customers. Many of these resellers are women and a majority earn less than US\$200 a month, making them among the poorest segments of the income pyramid. Some had been unable to secure formal employment or lack qualifications or opportunities. Evermos also empowers and trains the resellers on running their own businesses. As at the end of 2021, Evermos enabled more than 330,000 resellers to become digital entrepreneurs with zero capital, and conducted approximately 18,000 training hours across their online and offline curricula.

¹ Figures have not been pro rated for the portion of UOBVM’s contribution and are based on data reported by portfolio companies.



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Creating Impact through AIIF EverLife

Beijing Changsheng Zhongkang Hospital Management Co., Ltd (EverLife) is China's largest and fastest growing healthcare services group specialising in nephrology (kidney healthcare). EverLife has been focusing on expanding its services in the country's lower-tier cities to improve access to dialysis service for patients in the less developed areas. As at the end of 2021, the group operated more than 52 hospitals and kidney dialysis centres in 33 cities across 10 provinces. About 90 per cent of these facilities are in third- to fifth-tier cities. EverLife also assists low-income patients in managing their treatment costs so that they can continue their dialysis treatment, and to some extent improve their quality of life. Beyond providing quality dialysis service, EverLife also pays close attention to patients' mental health, supporting them in dealing with lifestyle and employment challenges due to chronic kidney disease.

EverLife was among the winners of the Social Responsibility Excellence Award at the '2021 ESG Pioneer 60' awards in recognition of its commitment to and outstanding efforts in managing the physical health and mental well-being of its dialysis patients, as well as support given to communities during the COVID-19 pandemic and floods in Sichuan province.



Impact Reporting by AIIF's Portfolio Company

Ruangguru

In 2021, AIIF's portfolio company in Indonesia, Ruangguru Pte Ltd (Ruangguru), launched its inaugural impact report. This report, which covered its activities for 2020, laid out Ruangguru's approaches, targets and results in creating positive impact for its stakeholders in Indonesia's education sector.

As a leading technology-enabled education provider, Ruangguru is committed to providing better access to quality and affordable education for all students across Indonesia. In its first impact report, the company indicated that more than 22 million registered users have accessed its online courses, and more than 90 per cent of students said that Ruangguru's products have helped them to improve and maintain their academic performance at school.

More than 3.5 million people also used Skill Academy, Ruangguru's online training platform, for personal development and lifelong learning, in 2020.



- 96 per cent of users reported improved skills after joining a class in the Skill Academy;
- 73 per cent felt that the Skill Academy successfully assisted them in getting a new job; and
- 68 per cent experienced an increase in salary.

As at 31 December 2021, more than seven million users had undergone courses on Skill Academy.



CONTRIBUTION TO THE UN SDGs



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Ensuring the Safety of Our Customers

Providing a Safe Banking Environment at Our Branches

We remain committed to safeguarding our customers' well-being and to providing them with a safe and conducive banking environment during the ongoing COVID-19 pandemic.

To mitigate the risk of infection, we maintained a series of safe management measures, including:

- cleaning our branch premises thoroughly and frequently and applying anti-microbial coating at high-touch areas regularly;
- deploying thermal temperature scanners for visitors entering the branches;
- deploying identification scanners for visitors' SafeEntry registration in Singapore;
- placing safe distancing stickers and markers within our branches; and
- providing table shields at advisory cubicles, teller and reception areas to facilitate safe engagement with customers.

In 2021, we enhanced our smart queue management system for our customers in Singapore so that they can obtain a queue number via our mobile banking app, UOB TMRW, our website, SMS or directly at the branch for their greater convenience. Customers receive real-time queue status and alerts when their turn nears. The use of their own mobile devices means that our customers can enjoy a contactless experience, reducing contact with surfaces during the pandemic. Further, the digital issuance of queue tickets enables us to use less paper.

What our branch colleagues say

"Most of our customers are pleased that there is another way for them to get queue numbers, even when they are at home."

"Younger customers complimented the Bank on the convenience of obtaining queue numbers without having to go to the branch."

"Our customers especially the retail merchants in the area prefer to obtain the queue numbers through SMS so that they do not have to join the queue outside the branch."

In Singapore, we also continued our efforts to improve our fleet of self-service banking machines, such as accepting higher cash deposits at our recycler machines and accepting bulk cash bags at our bulk cash machines. Through these initiatives, our customers can use our machines instead of having to visit the branch. In this way, we reduce the volume of customers and transactions carried out at our branches, which in turn leads to shorter queues and greater convenience for those who need the assistance of our branch colleagues.

Further, we adopted predictive modelling to study the transaction volume and usage of our self-service banking machines. In understanding customers' behaviours and preferences, we are able to map out better our network localities to ensure we are within our customers' easy reach.

Enabling Digital, Contactless Account Opening

Amid social distancing restrictions during the pandemic, many of our customers prefer to bank online. As such, it was imperative that we provided

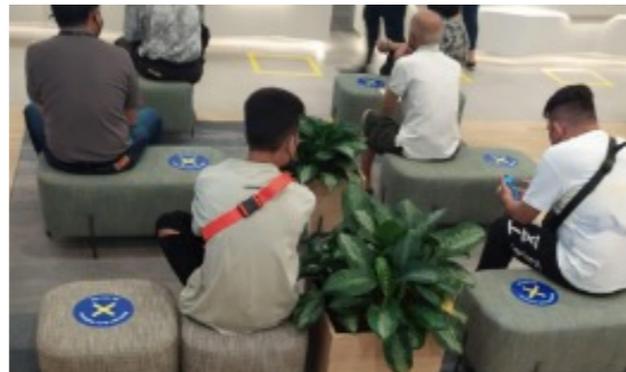
them with access to a full range of our services online, so that they can fulfill their banking needs from the comfort and safety of their homes.

Since 2018, we have made it possible for our customers in Singapore to apply for our consumer banking products digitally. This includes applications for deposit accounts, credit and debit cards, personal and secured loans, taking just a few minutes from application to the use of the product.

Using our digital banking app, our customers in Indonesia, Malaysia and Thailand can also open accounts easily online. The Know Your Customer (KYC) process is digitalised so that there is no need for customers to visit the branch for identify verification or submit lengthy paper documents.

Similarly, we offer contactless, instant account opening services to eligible small- and medium-sized enterprises (SMEs) in Singapore. We have also implemented a video-enabled KYC process for account opening and remote site visits for loan approval purposes across the region.

In addition, we have enabled SMEs in Singapore to apply for unsecured loans by drawing data from MyInfo business and using authentication via Singpass. MyInfo business is a government service that makes it easier for businesses to conduct online transaction by giving consent to share their data securely. This reduces the need for physical documentation and verification.



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Supporting Businesses Through Economic Cycles

Providing Assistance to Businesses Throughout the Pandemic

UOB is committed to supporting our clients through economic and market cycles, taking a long-term view to helping them build resilient businesses. Across the region, many businesses, especially small- and medium-sized enterprises (SMEs), continued to be affected by the pandemic as a result of supply chain disruptions, border restrictions and social distancing measures.

In 2021, we remained steadfast in support of our clients in tiding through their difficulties. Our dedicated restructuring task force, set up in 2020, persisted in engaging them actively to help manage their financial obligations as government-led relief measures tapered.

In Singapore, we provided loans to SMEs through government-supported schemes such as Enterprise Singapore's Temporary Bridging Loan, while in Malaysia, we offered a Relief and Recovery Facility term loan for SMEs in the services sector. We also extended a six-month repayment moratorium of instalments or a 50 per cent reduction on monthly repayments for six months for micro enterprises and SMEs in Malaysia.

For SMEs in Thailand, our loan rehabilitation programme offered SMEs interest waivers for the first six months and a two per cent interest rate valid for the first two years. Together with the Bank of Thailand and other government agencies, we also offered the COVID-19 Soft Loan and Social Security Office Soft Loan.

Since 2020, we have provided relief support to more than 20,000 SMEs across the region.

Beyond financial relief, we helped SMEs learn more about the various support schemes available through more than 150 webinars held in Indonesia, Malaysia, Singapore and Thailand. Through these sessions, the SMEs also gained insights into how they could prepare for post-pandemic recovery and sharpen their competitive edge to seize more growth opportunities.

Recognition

Our commitment to supporting SMEs received industry recognition, including:

- World's Best Bank for SMEs at the *Euromoney* Global Awards for Excellence 2021;
- Best SME Bank in the World, Asia-Pacific and Singapore at the *Global Finance* SME Bank Awards 2022; and
- Best SME Bank in Singapore and Asia Pacific at *The Asian Banker* Excellence in Retail Financial Services International Awards 2021.

Driving SMEs' Adoption of Digital Banking for Greater Efficiencies

Recognising the increasing importance of digitalisation in building a sustainable business, a need accelerated by the COVID-19 pandemic, we are enabling more SMEs to use digital payments. For example, among SMEs in Singapore, we continue to drive PayNow Corporate contactless payments, which provide convenience to both consumers and merchants. The number of transactions made by our SME customers through PayNow Corporate grew 25 times over three years from 2019 to 2021.

We also offer UOB mCollect, a mobile QR-based solution that businesses can use to collect payments from their buyers via PayNow at the points of sale and delivery of their goods and services. Utilising an application programming interface (API), the solution enables real-time notification and reconciliation of the payments collected, reducing the need for cash handling and manual processing of accounts.

In addition, the UOB mCollect solution can be integrated easily within a company's existing enterprise resource planning (ERP) solution. For small businesses without an ERP solution, UOB mCollect is also offered as part of UOB BizSmart, our integrated suite of cloud-based solutions that helps companies to manage core business processes.

Helping SMEs Embrace Digital Transformation

Beyond banking, we also support SMEs in their digital transformation, offering advisory and business solutions, as well as connecting them to technology solution providers.

The *ASEAN SME Transformation Study 2020* by UOB, Accenture and Dun & Bradstreet found that 64 per cent of SMEs across ASEAN ranked technology as their top investment priority amid the pandemic.

Digital tools such as UOB BizSmart help SMEs to operate digitally and effectively. UOB BizSmart enables SMEs to automate key operating processes, from accounting and inventory management to online sales and marketing. SMEs can also reconcile their financial transactions by linking their UOB BizSmart Account to their UOB bank account.

We also encourage SMEs in Singapore to go digital via our UOB BizSmart Electronic Payment initiative, which integrates the country's universal QR code – SGQR – as well as NETS and credit card payments into a single platform.

More than 16,000 SMEs in Indonesia, Malaysia, Singapore and Thailand have benefitted from UOB BizSmart since its launch in 2016.

During the pandemic, particularly from August 2020 to August 2021, we saw a 29 per cent increase in SMEs actively using the UOB BizSmart suite of solutions.



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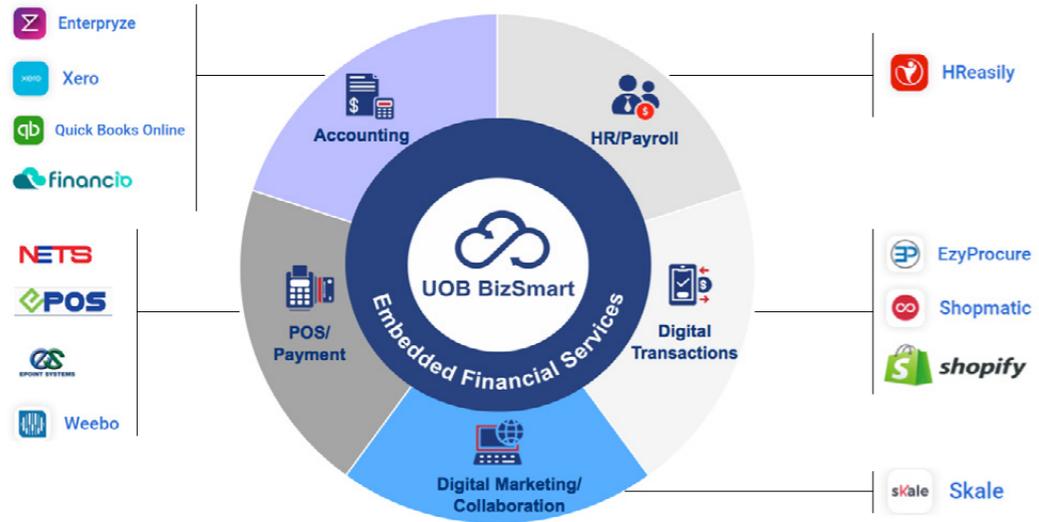
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Supporting Businesses Through Economic Cycles

UOB BizSmart

A suite of business management solutions for SMEs to manage their end-to-end business activities



Key benefits

- 1 Direct bank feed**
Enable bank balance and statement enquiry to support transaction reconciliation
- 2 Payment feed**
Enable payment instruction to be originated from solution and approved in UOB business banking app
- 3 Credit notification**
Notifies users on successful crediting into designated UOB accounts

In addition, we continue to work with our ecosystem partners to help SMEs digitalise their business. For example in Malaysia, we have been collaborating with StoreHub, a cloud-based operating ecosystem, to help SMEs in the food and beverage (F&B) and retail sectors in managing their pick-up and delivery services.

Through UOB, SMEs can enjoy lower subscription fees for StoreHub's tablet-based operating system and Beep Delivery, its online food delivery service.

Compared with the period before the Movement Control Order was implemented in Malaysia, F&B SMEs using Beep Delivery experienced up to two times increase in revenue as well as up to 15 per cent in savings on delivery platform fees.

Testimonial by UOB customer using StoreHub's solutions

"StoreHub's all-in-one system helps my business keep tabs on our online menus, inventory movements and sales receipts. It provides a user-friendly dashboard that we can conveniently access and generate daily sales activity. We are glad to be able to participate in such digital transformation and technology initiatives offered by UOB and to make them part of our service offering."

Sharon Tang
Founder of Basil Pasta House in Malaysia

Driving SME Innovation through The FinLab

UOB's innovation accelerator, The FinLab, plays a key role in helping SMEs in Singapore, Malaysia and Thailand thrive in the digital economy and new norm amid the pandemic. For instance, The FinLab's ongoing Jom Transform and Smart Business Transformation Programme in Malaysia and Thailand help SMEs gain access to business advisory and digital solutions to enhance their business operations.

Through The FinLab Online (TFO), a digital platform offering knowledge, tools and resources from The FinLab's regional networks, SMEs can also read more about success stories, understand more about topics such as change management, e-commerce and customer relationship management. In addition, they can be matched conveniently with technology solution providers. TFO also houses the PROPEL programme, a self-help initiative that enables SMEs to be guided on the digitalisation process virtually.

SMEs in Malaysia can also benefit from JomX, which offers free monthly subscription packages to digital solutions, ranging from cloud accounting systems, robotic process automation to marketing technology. Other events The FinLab held in Singapore during the year included:

- digitalisation webinars co-organised with the Restaurant Association of Singapore and the Singapore Chinese Chamber of Commerce and Industry to help SMEs learn digital strategies and harness digital tools;
- a four-week Digital Mumpreneurs Programme, comprising workshops, networking opportunities and sharing sessions by women business leaders to help women start and grow their business; and

- a Digital Reboot programme, organised in collaboration with NTUC Learning Hub, USME and Ngee Ann Polytechnic, to help SMEs learn how to adopt technology.

To promote greater awareness and adoption of sustainable business practices, especially in energy efficiency and decarbonisation, among SMEs, The FinLab held its inaugural Sustainability Innovation Programme in 2021. Strongly supported by partners, such as SP Digital, National University of Singapore, Paia Consulting and Global Initiatives, the five-week programme also introduced technology solutions to help SMEs on their sustainability journey.



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Innovative Digital Banking Products

With the rapid advancement of mobile technology in recent years, consumers expect faster and more convenient products and services that can be accessed easily online. Demand for digital banking also continues to grow. Based on the *ASEAN Consumer Sentiment Study 2021*, 92 per cent of respondents expressed confidence in using digital tools for financial services and payments. About 88 per cent of respondents identified mobile banking as the most trusted online banking channel and, compared with 2020, more ASEAN consumers preferred to use digital banking for opening a bank account, applying for a loan or purchasing an insurance or investment product.

How We Approach This Topic

At UOB, through our omni-channel approach, we offer our customers choices in how they can bank with us. We invest continually in our technology capabilities – from artificial intelligence (AI), data analytics to cloud computing – to make banking seamless, simpler, smarter and safer for them.

- UOB Infinity, which enables our corporate clients to manage their banking needs digitally through a single platform promptly and seamlessly. They can also transact and track end-to-end payments in real time. Available in Singapore and China, UOB Infinity will be rolled out progressively across the region.

Against the backdrop of accelerated digital adoption as a result of the pandemic, digital banking is now the preferred choice for many of our customers. More of our customers are digitally-savvy and prefer to use their mobile devices for their daily transactions. To engage and serve them, we offer a range of progressive and personalised digital banking solutions.

Our customers can access our suite of digital banking solutions through:

- UOB TMRW, which combines the innovation of our digital bank, TMRW, with the scale and product depth of our UOB Mighty mobile app, on one unified platform for individual customers. First launched in Singapore in 2021, UOB TMRW will be rolled out progressively across our key ASEAN markets; and

UOB TMRW – Personalising Banking Experiences

UOB was the first bank in ASEAN to develop a new business model focused on customer engagement when we launched TMRW in 2019. We built TMRW with an AI-driven digital engagement engine that combines best-in-class financial technology solutions to categorise and to analyse large volumes of transaction data in real time. It enables us to anticipate and to serve insights and solutions that are relevant to customers based on their banking patterns.

Through the unified UOB TMRW platform, we can tap economies of scale to accelerate innovation especially in the area of personalised digital banking experiences and speed to market. One service that is available through UOB TMRW is fund transfers between



Singapore and Thailand via PayNow-PromptPay, which are the national fast payment systems in the two countries. Our customers can enjoy the convenience of making instant, secure cross-border fund transfers using just their mobile phone and the recipient's mobile number.

In 2021, we also received the Monetary Authority of Singapore's Financial Sector Technology and Innovation Proof of Concept grant to pilot Carbon Insights, a feature within the UOB TMRW that will calculate, track and benchmark a customer's carbon footprint automatically. This will also help customers build awareness of their carbon impact and understand how they can play their part in combating climate change.

Our Targets

- Achieve 75 per cent digitally-registered individual customers with a monthly active rate of more than 35 per cent by 2025.

Our Performance in 2021

- Served 3.5 million digitally-enabled customers in Southeast Asia, 14 per cent more than 2020.
- Delivered more than 128 million personalised insights cards, 133 per cent more than 2020.



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Innovative Digital Banking Products

We also continued to build our mobile banking capabilities in the region with the roll-out of the following solutions:

Indonesia

- TMRW Pay, an e-commerce check-out loan launched in collaboration with our partner Bhinneka. It offers the option of deferred payment with zero interest for up to 90 days and instant credit approval;
- TMRW Power Saver, a fixed deposit product that offers a simple account opening process and 24/7 access; and
- BI-Fast, Indonesia's real-time payment initiative, of which we were among the first banks to launch. It enables swifter and safer cross-bank fund transfers using just the recipient's phone number or email address.

Thailand

- TMRW Cashplus, our first digital lending product in Thailand available for application 24/7.

Malaysia

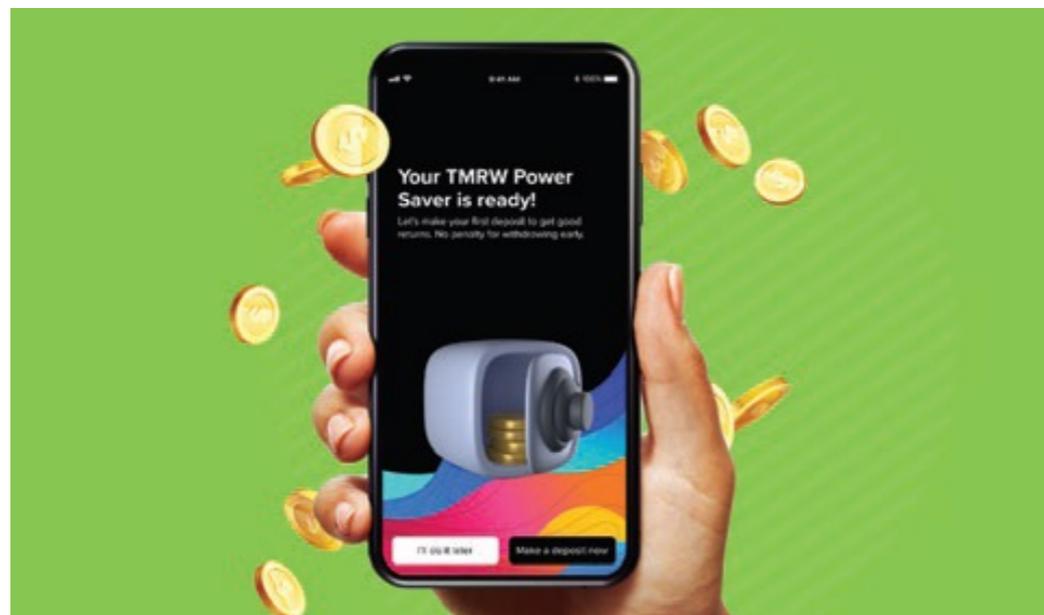
- a digital account opening service for customers to open a personal bank account anytime, anywhere in just 10 minutes with their mobile device.

We received multiple industry accolades, including Best Digital Bank in Southeast Asia and Best Bank for Millennials at *The Digital Banker* Global Retail Banking Innovation Awards 2021, Best Digital Bank in Indonesia and Thailand at the *International Finance* Awards 2021, as well as Best Consumer Digital Bank in Indonesia by *Global Finance* in recognition of our commitment to providing innovative digital banking solutions.

Reducing the use of paper documents through digital services

In 2021, we led a nation-wide initiative in Singapore to digitalise the current paper-based GIRO (Direct Debit Authorisation) process, dubbed eGIRO. Launched by The Association of Banks in Singapore, the initiative's highlights include:

- a completely digitalised process, from applying on the billing organisation's website or app to authorising the payment request on the bank's online banking service;
- streamlined workflows for billing organisations to enjoy greater operational efficiency; and
- eco-friendly design that helps to cut down the use of an estimated two million pages from paper-based GIRO processing each year.



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Financial Inclusion

Across Asia, education standards and income levels continue to rise with growing affluence. However, there are individuals and businesses that lack access to affordable financial products and services and financial inclusion is the means to meeting their needs in a responsible and sustainable way. The rapid advances in technology and prevalent use of mobile banking have also driven the need for digital financial inclusion so that various segments of the community can progress together. To achieve sustainable financial inclusion, banking products and services must continue to meet the needs of people from different backgrounds and at different stages of life.

How We Approach This Topic

UOB is committed to making our banking products and services accessible and affordable to consumers and businesses across segments. We aim to be holistic in our approach to financial inclusion, taking into consideration the unique socio-economic factors in each of our markets.

Banking solutions, including transaction accounts that enable saving and payments, loans, credit cards, insurance and investments, help individuals and businesses meet their financial needs more effectively. In turn, they can better manage the risks and opportunities that may impact the quality of their lives and livelihoods.

Across UOB, our colleagues are equipped with the skills and knowledge to serve the needs of a diverse customer base, including those who may be physically or visually impaired. In Singapore, we actively engage senior citizens to help them learn about and use digital banking solutions. In Malaysia, we offer Islamic banking services to help meet the local demand for Shariah-compliant financial services. To help small businesses access bank financing, we harness technology to assess their creditworthiness and to process loans more quickly and accurately.

In addition, through UOB Venture Management's (UOBVM) private equity financing, we facilitate better access to finance for micro-entrepreneurs.

Advocating Digital Financial Inclusion

As the digitalisation of financial services continues, it is important that no one is excluded in their day-to-day lives from the benefits and opportunities provided by technology. However, the fast pace of technological advancement has resulted in some groups of people being left behind. As a signatory of the Infocomm Media Development Authority (IMDA) Digital Participation Pledge in Singapore, we engage our customers and the wider community, especially senior citizens, actively to help them become digitally ready and understand how digital banking products and services can make their lives more convenient.



Equipping employees with digital skills

- We have enrolled more than 1,130 colleagues in the Career Conversion Programme, which we launched in 2017 in collaboration with Workforce Singapore and the Institute of Banking and Finance Singapore.
- About 97 per cent of branch colleagues have completed the programme and deepened their digital skillsets.



Providing inclusive and safe digital services

- We apply design thinking and tap artificial intelligence, machine learning and data analytics to make banking simpler and safer for our customers.
- Our smart queue management system enables customers to obtain a queue number via UOB TMRW, our website, SMS or directly at the branch. Using their own mobile devices, customers can have a contactless experience, which has been the preferred way during the pandemic. Customers also receive real-time queue status and alerts when their turn nears.



Educating customers on the use of digital services

- Our Digital Advocates at our Singapore branches teach customers how to use self-service machines for transactions such as cash deposits, withdrawals, bill payments and fund transfers.



Offering resources for digital readiness efforts

- We continue to work with IMDA and other partners to promote digital awareness and adoption in Singapore.

Our Targets

- Maintain 100 per cent completion of the 'Cultivating a Diverse & Service Inclusive Workplace' and 'Managing a Diverse Service Environment' courses by branch colleagues in Singapore.

Our Performance in 2021

- Achieved 100 per cent completion of the 'Cultivating a Diverse & Service Inclusive Workplace' and 'Managing a Diverse Service Environment' courses by branch colleagues in Singapore.
- Supported 25 per cent of the e-commerce lending market for small businesses in Ho Chi Minh, Vietnam through UOB BizMerchant.

Partnership for the Goals

- Signatory of the IMDA Digital Participation Pledge



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Financial Inclusion

Improving Access to Investment Services for Individual Investors

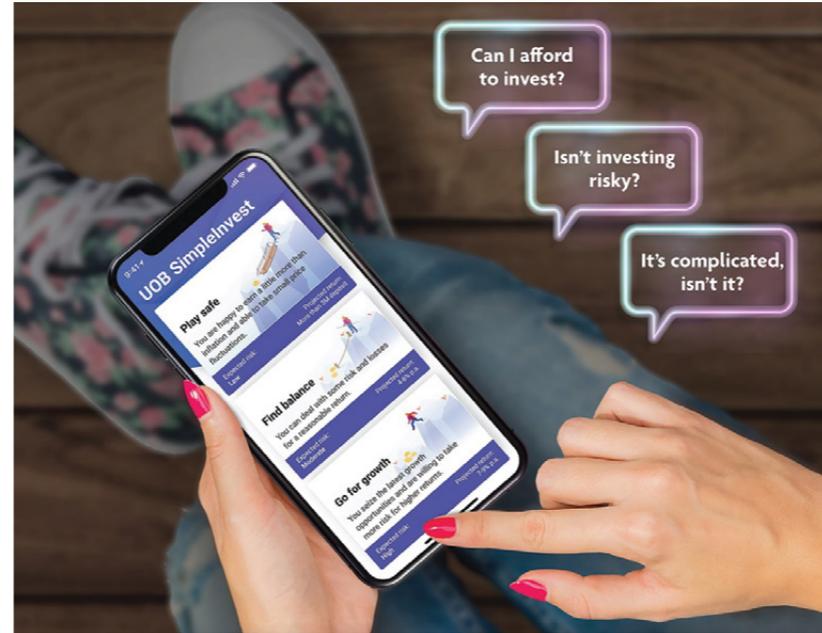
At UOB, we are committed to making investments more accessible to and more inclusive for individual investors as part of democratising our wealth advisory and investment management services.

A Simple suite on UOB TMRW

Through UOB TMRW, we are offering a suite of simple digital solutions to help our customers protect and grow their assets easily, using just their mobile phone.

Launched in 2021, SimpleInvest enables individuals to choose from three simple solutions, depending on their investment objectives and risk appetite, and to start investing with as little as \$100.

SimpleInvest is supplemented by Transact, which features a selection of more than 100 unit trusts for customers to ride on investment opportunities arising from megatrends such as artificial intelligence, healthcare and sustainability. In addition to SimpleInvest, we offer SimpleInsure through which customers can apply for cancer coverage insurance plans with just a few clicks and a simple health declaration. The Simple suite of these digital wealth solutions will be rolled out across the region progressively.



Liquidity United SGD Money Market Fund

- Invests in high-quality bonds, government securities and bank deposits, targeting for returns higher than short-term deposit interest rates
- Low expected risk
- No sales charge

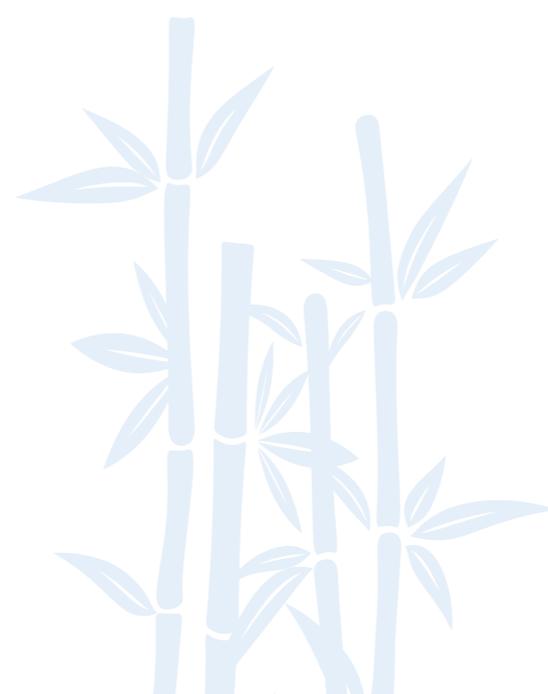


Income United Enhanced Income Select

- Invests in fixed income, equity and multi-asset funds diversified across Asian and global markets
- Suitable for those seeking moderate capital growth and regular income over the long term
- Moderate expected risk



- #### Growth
- Invests in equity funds tapping megatrends, such as healthcare, artificial intelligence and sustainability, which are reshaping economies and financial markets
 - High expected risk



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UOBAM Invest mobile robo-advisory app

We also offer UOBAM Invest, a mobile robo-adviser. The mobile app was launched by UOB Asset Management (UOBAM) in 2020 to offer individual investors personalised portfolios that are dynamically generated based on their risk profile and aggregated financial goals. UOBAM Invest lowers the entry barriers to investing – it takes as little as \$1 to start investing using the app and investors enjoy

the flexibility to change their investment goals, stop investing or even withdraw their investments at any point in time.

As the first regional asset management firm to offer a mobile robo-adviser with personalised portfolios, UOBAM is bringing the benefits of our risk-based approach – one that is trusted by institutional investors – to more individual investors.



Start investing from \$1



No account opening or closing fees



Unlimited, free withdrawals



Rebalancing and platform fees are included



A customised portfolio to manage an unlimited number of investment goals

UOBAM x SINGTEL



In 2021, UOBAM partnered Singtel to launch UOBAM Robo-Invest, a customised robo-adviser to users of the Singtel Dash mobile app. The first in Singapore to be available through a mobile wallet, UOBAM Robo-Invest leverages technology, data analysis and algorithm-based tools, and features an exclusive portfolio focused on environmental, social and governance (ESG) considerations for Singtel Dash customers.

In addition to the partnership with Singtel, UOBAM collaborates with financial technology firms across the region to distribute fund solutions to more individuals. These partners include:

- GrabInvest and Endowus in Singapore;
- Bareksa, Mirae Sekuritas and Pluang-grow in Indonesia; and
- Ascend Wealth (in the TrueMoney app) in Thailand.



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Supporting Small Businesses in Accessing Bank Financing

For many small businesses, accessing bank funding can be a challenge as they may lack the required proper or audited financial records for banks to assess their creditworthiness accurately. This often results in a lengthy credit evaluation process and significantly higher costs of financing for them.

We address this funding gap through our UOB BizMerchant programme, which taps our data analytics-powered credit underwriting engine to make it easier for small businesses, particularly online sellers, to obtain bank loans. The credit underwriting engine uses data sets, such as those relating to the businesses' day-to-day operations, to gain deeper insights into their credit behaviour. This in turn enables us to process loan applications with greater speed and accuracy, resulting in faster turnaround times for our small business customers.

In addition to enhancing the customer experience through a more frictionless loan application process, after the loan is approved, we offer banking solutions such as a transaction account and online banking services to support these small businesses holistically. With more data, we continue to refine the credit underwriting rules over time, which in turn enables us to support more online sellers eligible for working capital financing without the need for collateral.

First launched in Vietnam in 2019, UOB BizMerchant offers small-ticket financing to online businesses operating on marketplaces. In 2021, we supported approximately 25 per cent of the e-commerce lending market in Ho Chi Minh, Vietnam.

Also available in Thailand, UOB BizMerchant expanded during the year to include more online merchants on more marketplaces. The programme was also launched in Indonesia in 2021.

In view of the continued pandemic situation and recognising that more businesses will require support for growth and continuity, in 2021 we rolled out the UOB Business Loan to support micro businesses in Singapore. It features a short tenor cash advance loan or a longer tenor working capital loan for micro businesses with less than three years in operation or with low sales turnover.

The online application process for the UOB Business Loan makes it easier for previously under-served micro businesses to gain access to bank funding.

Testimonial by a UOB BizMerchant customer

"It is fast and convenient to apply for UOB BizMerchant as few documents are required. I look forward to obtaining a higher credit limit in the future, so I can have more liquidity to grow my business. This is my first loan for my company and I would like to thank UOB for providing me with a lot of information and serving me well as always."

Ms. Benja Srinak
Founder of Pak Tob Co., Ltd



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Offering Shariah-compliant Financing – an Alternative to Conventional Banking

At its core, the purpose of Islamic banking is to generate equitable, fair returns, with activities guided by the virtues of Shariah that promote ethical, communal and socially-responsible values. It is a viable alternative to conventional banking in many parts of the world.

We have been offering Islamic banking products and services to both Muslim and non-Muslim consumers and businesses in Malaysia since 2016 with the launch of the Islamic Banking Window. We also support Bank Negara Malaysia's vision for Value-based Intermediation, which promotes good banking practices and encourages sustainable consumer behaviours.

To help boost awareness of Islamic banking products and services in Malaysia, we provide small- and medium-sized enterprises (SMEs) with access to MyKNP (Khidmat Nasihat Perniagaan) financial advisory services by Corporate Guarantee Corporation. We also offer the Shariah-compliant SME Financing Scheme by SME Corp Malaysia to assist SMEs in obtaining competitively-priced financing for their business growth.

Enabling Shariah-compliant investing

On top of financing, we promote and offer Shariah-compliant investing through UOB Islamic Asset Management (UOBIAM), a subsidiary of UOB Asset Management.

UOBIAM offers Shariah-compliant investment solutions that suit the needs and objectives of those seeking ethical and socially-responsible investments.

Launched in 2021, the United-i Asia ESG Income Fund offers individual investors access to a diversified portfolio of equities and debt instruments issued by companies across Asia (excluding Japan) that comply with Shariah principles and adopt ESG considerations into their business models and practices.

Shariah-based investing prohibits interest, security lending and short selling, and excludes sectors such as tobacco, alcohol and breweries, weapons and armaments, as well as non-halal products. Complemented by sustainable investing which selects the best-performing companies in terms of environmental and social responsibility, combining the two approaches creates a stronger portfolio for investors' long-term benefit.



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Supporting Access to Finance Via Portfolio Companies

UOB Venture Management's (UOBVM) Asia Impact Investment Funds (AIIF) seek to contribute to poverty alleviation and to improve the livelihoods of those at the 'Base of Pyramid (BoP)' living on US\$3,000 or less a year.

One of the AIIF's key target areas is access to finance, focusing on companies such as microfinance institutions (MFIs) or providers of agricultural finance.

Since 2017, AIIF has been investing in MFIs in Southeast Asia that promote financial inclusion for marginalised groups, such as low-income individuals and women micro-entrepreneurs. With the efforts by AIIF's portfolio companies, more than 1.23 million low-income individuals have gained better access to finance to build or invest in agricultural activities or small businesses.

Facilitating access to micro-loans

The AIIF began its investment in PT Amartha Nusantara Raya (Amartha) in 2019. Amartha is a leading peer-to-peer financial technology lending platform in Indonesia that connects retail and institutional lenders to women micro-entrepreneurs online under a group lending model. In 2021, the AIIF provided additional financing to Amartha so that it could strengthen its lending business and improve its scalability and product offering.

As at the end of 2021, Amartha extended micro-loans to more than 974,000 active women borrowers across Java, Sumatra and Sulawesi via its network of more than 500 branches.



An Amartha Borrower's Story

Since 2015, Ibu Indah has run a culinary business on a floating boat on the Musi River in Palembang, South Sumatra, Indonesia. She operates this business together with her mother and husband. However, the global pandemic hit Ibu Indah's business and income hard.

With the support of a working capital loan from Amartha, Ibu Indah was determined to recover from the crisis by expanding the range of food products she sells. Aided by pandemic recovery initiatives and training programmes from Amartha, she has seen a recovery in income, with her weekly sales reaching more than IDR3.5 million. Since joining Amartha, she has also been able to hire seven employees for her business.



"No effort is wasted. Don't give up and keep fighting for our children's future."

Ibu Indah Permatasari
Entrepreneur selling Pempek and Palembang cuisine in Indonesia



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* Figures have not been prorated for the portion of UOBVM's contribution and are based on data reported by portfolio companies.

Data Privacy and Governance

Protecting personal data and privacy is a top priority at UOB and fundamental to how we conduct our business. We are committed to meeting industry best practices and to complying with the Personal Data Protection Act of Singapore. Banks host important and sensitive information about customers and ensuring data privacy is essential to our customers maintaining their trust in us. As digital economies expand beyond borders and more innovative uses of data emerge, it becomes increasingly important to recognise and respect the privacy and rights of our customers. UOB is proud to be the first bank to be awarded both the Data Protection Trustmark and the APEC Cross Border Privacy Rules System certifications by the Infocomm Media Development Authority of Singapore. These independent enterprise-wide certifications reflect international benchmarks and best practices and are a resounding validation of our data privacy practices.

How We Approach This Topic

We have policies and processes in place to ensure the confidentiality and security of our customers' information, including our Personal Data Protection Policy. In tandem with rising international data privacy standards, we also conduct regular reviews on our policies and processes to strengthen our data privacy practices.

Line data protection officers at functional and business levels in Singapore and locally appointed officers at overseas locations report to the Franchise Data Protection Officers in Singapore, who in turn report to the Group Operational Risk Management Committee. Such officers ensure compliance with local regulations and Group requirements and assist in the investigation of alleged breaches as and when required. Group Operational Risk Management and the Data Protection Office review any incidents and consider whether the incidents need to be reported and/or affected persons notified. Breach reporting and data leakage protocols are clear and designed to ensure timely breach management and mitigation of harm to data subjects. Post-incident action plans are pursued to closure to address any weakness in process that resulted in the incidents.

UOB's Enterprise Data Governance and Data Quality team governs the data life cycle from creation and consumption to eventual deletion. This function brings

together subject-matter experts from across UOB to focus on the continual improvement of data health, powered by innovations in processes and technology.

Data privacy by design is integral to our business and product development process to ensure that data privacy is embedded in the services we provide and in every aspect of our operations.

We respect our customers' marketing preferences and honour their privacy rights such as access and correction. Various channels are available for feedback and issue resolution. Our website provides information on our approach to privacy and data protection as well as the contact details of our Data Protection Officers. UOB's Privacy Notice is also available online at UOB Group's website and at all branches in Singapore.

Data Ethics

The drive for the ethical use of data is quickly gaining momentum; thought leaders, industry experts and data practitioners have produced guidelines and publications addressing and highlighting its importance. The UOB Data Ethics Validation plan was developed by a team comprising executive representatives from Data Management Office, Risk Management, Legal, Compliance, Customer Experience and Advocacy and key business units with reference to the Singapore Personal Data Protection Commission (PDPC) Model Artificial Intelligence (AI)

Governance framework, the Monetary Authority of Singapore's (MAS) Fairness, Ethics, Accountability and Transparency (FEAT) principles and the Veritas White Paper. In 2020, UOB collaborated with MAS and their partners in Veritas Phase 1 to co-develop the methodology to assess for fairness under the MAS FEAT principles. In 2021, UOB partnered MAS in Veritas Phase 2 to extend the focus to cover all FEAT principles for its adoption by the finance industry. UOB is also the lead member in MAS' initiative to develop an open-source fairness toolkit to facilitate the adoption of Veritas methodology on fairness assessment in AI and analytical models.

The FEAT principles, coupled with UOB's values and Code of Conduct, are embedded in our modelling and analytics processes. We developed and operationalised a balanced operating model across the Three Lines Model to provide robust challenge as well as assurance in the ethical handling of data and its outcomes.

Data Quality

Quality data is critical for efficient decision-making at the highest levels. Our regional data quality initiatives not only provide assurance to the regulators, senior management and risk professionals, they also ensure that accurate and timely data can be obtained for analysis and reporting. Our team at the Data Quality Centre of Excellence works collaboratively with the Function and System Data Stewards, appointed at

business and technical/operational levels in Singapore and the region, and actively pursues the resolution of data quality concerns, deep dives into the associated data management and technical processes, determines the root cause of data quality gaps and puts in place preventive and strategic resolutions across our complex data management landscape. The team also develops and promotes the adoption of data quality best practices and assists the data community in improving the handling of data sets across the data life cycle.

Our Targets

- Promote responsible sharing and usage of data via Group-wide guidelines and awareness programmes.
- Protect and secure data confidentiality and privacy in line with current and emerging data privacy laws, the global regulatory landscape and internal business sensitivities.
- Expand the deployment of MAS FEAT principles in the design and validation of key AI and analytical models.

Our Performance in 2021

- There were no legal proceedings taken against UOB in respect of any data privacy breach, nor any fine or other sanction imposed on the Bank by the PDPC.
- Continued to work with the PDPC to address concerns about use of personal data raised by our customers and members of the public. During the year, three incidents were referred to us by the PDPC and investigations determined that none of these were substantiated breaches.



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Fair Dealing

For 86 years, we have put our customers first and it is on this foundation that we developed our business and will continue to grow. What is not right for our customers is not right for us.

Fair Dealing is at the heart of every decision and recommendation that we make. This is achieved through conscious and concerted efforts across our entire franchise.

The principles of Fair Dealing are a reflection of UOB's own values and are not bound by business or geography. Fair Dealing principles are embedded in the way we design our investment products and services, our marketing and sales strategies and approaches through to our after-sales care.

How We Approach This Topic

Fair Dealing is the responsibility of everyone at UOB, regardless of our individual roles. This duty is embodied in our values-based Code of Conduct. Treating customers fairly is UOB's way of working. Our value of Honour underpins our commitment to delivering the five Fair Dealing outcomes as set out in the Monetary Authority of Singapore's (MAS) Guidelines on Fair Dealing. From the boardroom to the branch, we put our customers and their financial goals first by:

- offering products and services that are suitable for them;
- ensuring our employees give quality advice and appropriate recommendations;
- providing clear, relevant and timely information so that customers can make informed financial decisions; and
- dealing with feedback in an independent, effective and prompt manner.

The Group Fair Dealing Guidelines Committee (FDGC), comprising senior management appointed by the Group Chief Executive Officer, is responsible for

ensuring Fair Dealing outcomes for our customers. The Board and Management provide oversight through the Board Risk Management Committee and the Risk and Capital Committee respectively.

The Bank has in place policies, guidelines and operating frameworks to ensure that we always aim for and achieve the Fair Dealing outcomes. The FDGC also proactively drives the implementation of new programmes and enhanced controls and processes with the objective of improving our standards, including:

- regular 'Tone from the Top' communications to reinforce the importance of embracing Fair Dealing principles in all that we do;
- UOB Customer Commitment Awards to recognise colleagues who uphold and fulfil our customer commitments;
- the Art of Service Recovery Programme, which aims to drive mindset shifts, to instil and to equip employees with best practices on how to attend to customers, to enhance staff competency and to increase customer satisfaction; and

- Fairness, Ethics, Accountability and Transparency (FEAT) and Fair Dealing Outcome Five Workshop as part of our commitment to maintain a culture of Fair Dealing.

The Group Policy for Financial Advisory Services and Sale of Investment Products is an overarching policy that dictates the minimum standards on provision of financial advisory services and the sale of investment products for UOB Group. It also ensures that we have a consistent practice for dealing with our customers fairly. The policy aims to establish a framework to define the minimum standards to be adopted globally for the activities of financial advisory services and the sale of investment products, including but not limited to:

- competency of the sales force;
- due diligence for product suitability; and
- fair and transparent disclosures.

Promoting Free and Fair Competition

UOB values public confidence that the Group operates fairly in the various markets in which it has a presence. The need for integrity also applies in the competition for market share. The UOB Code of Conduct prohibits anti-competitive conduct and provides examples of such acts. Employees are advised to consult the UOB Legal team for further guidance on what could be deemed as anti-competitive conduct.

During the reporting period, there were no complaints in connection with anti-competitive behaviour in Singapore or other international locations in which UOB operates. UOB has also not breached any applicable anti-trust and monopoly legislation in Singapore or overseas during the reporting period.

Our Targets

- Maintain 100 per cent completion of mandatory training on MAS Fair Dealing by employees.
- Handle all non-compliance instances of Fair Dealing in an independent, effective and prompt manner.

Our Performance in 2021

- Achieved 100 per cent completion of mandatory training on MAS Fair Dealing by employees.
- Ensured that 100 per cent of customer complaints were addressed within the established processes and timelines.



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Customer Experience

Our customers are the core of our business. By actively engaging our customers and listening to their needs, we can serve them better and deepen our relationships. In focusing on doing what is right for our customers, we act in their best interests and provide them with appropriate solutions and services through our omni-channel approach. We also use technology and data to create distinctive experiences for our customers that are safe, reliable and relevant.

How We Approach This Topic

We employ an array of methods to understand better our customers' needs and preferences, and how they use our products and services. UOB's Art of Service Recovery programme equips our colleagues with the skills to resolve customer complaints and to turn challenging situations into positive outcomes.

We conduct a review and root-cause analysis for every customer complaint that we receive. With the help of the relevant business and/or support unit, we address the concerns of each customer and identify areas for improvement.

We actively listen to customers across the life cycles of products and services. Through the Voice of Customer (VOC) programmes and online Insight Community, we drive VOC activities, manage customer insights and testing to improve customer satisfaction and loyalty. We have cross-functional teams in place to develop, to refine and to implement improvement initiatives using the consolidated customer insights drawn from internal and external sources. Our continuous improvement is also guided by the Net Promoter

Score (NPS) and Customer Satisfaction Score (CSS), which are tracked throughout the year. Through industry surveys such as the Customer Satisfaction Index of Singapore (CSISG) and findings from our external consultants, we are able to obtain an independent gauge of the level of satisfaction among our customers as well as their changing needs. We use information and insight from these sources to enhance the customer experience and to develop products and services that enable us to serve our customers better.

Our Group Customer Experience and Advocacy (GCEA) function monitors key performance indicators and metrics relating to customer experience at both the strategic and operational level. Regular updates are presented to the Group Chief Executive Officer (CEO), country CEOs, senior management as well as relevant committees such as the Fair Dealing Guidelines Committee, the Operational Risk Management Committee and the Board Risk Management Committee. These updates relate to customers' NPS for Group Retail, Group Wholesale Banking and Global Markets, Contact Centre and our branches, as well as customer complaint indicators and end-to-end service measures.

Gaining Better Insights Through Market Research

We have in place a customer review framework which enables the business units to assess actionable feedback, to propose follow-up solutions and to track targeted outcomes. The framework helps us drive tangible and timely improvements for our products and services for our customers.

Market insights from Greenwich Associates indicate that the enhanced quality of our corporate client communications and engagement has led to continued improvements in our market penetration in Singapore across coverage and product capabilities.

Recognition

UOB garnered the Greenwich Share Leader Award for Asian Large Corporate Trade Finance (Singapore).

UOB was also named as one of the Standout Banks in Asia: Most Supportive in Mitigating the Impact on Business During the COVID-19 Crisis.

Our Targets

- Maintain mean Customer Experience (CX) score for Group Retail, Group Wholesale Banking and Global Markets at above 7.0 based on a zero to 10-point scale.
- Continue to resolve at least 90 per cent of customers' general complaints within five days across the Group.

Our Performance in 2021

- Improved CSISG results to 74.7 from 74.3 with UOB ranked first among peer banks.
- Outperformed customer issue resolution target with 96 per cent of complaints in Singapore resolved within five business days.
- Achieved mean CX score of 8.3 for Group Wholesale Banking and Global Markets.
- Achieved mean CX score of 8.0 and improved NPS from 34.2 per cent to 38.0 per cent for Group Retail.



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Attracting, Developing and Retaining Talent

Our people are our greatest asset. We are dedicated to empowering colleagues to make a positive difference and we do this by fostering an inclusive, prudent, progressive and performance-based organisation that encourages the best from each individual.

How We Approach This Topic

At UOB, we recognise that a customer-centric and future-focused workforce is essential to the continued success of our organisation, especially with the financial services industry transforming rapidly in the digital economy.

With this in mind, we are committed to sharpening the skillsets and mindsets of our people through a wide range of technical and personal development programmes so they can remain relevant, competitive and fulfilled. We also offer internal career opportunities and access to coaching as essential components of our approach to creating a dynamic and engaged workforce.

To sustain our growth strategy, we actively identify colleagues with leadership potential across the Group to accelerate their professional progress and to support the building of their long-term career with us. We also search externally for high-calibre and early-career talents to deepen our bench strength.

Our Code of Conduct and Upholding Human Rights

UOB is committed to building a safe, nurturing and inclusive workplace where all colleagues are treated respectfully, professionally and are given equal opportunity based on merit. We promote work-life harmony and an environment free from discrimination, bullying and harassment. We also support internationally-accepted human rights principles, including those relating to non-discrimination, child labour, forced labour, freedom of association and collective bargaining.

Our expectations of our people are laid out in our values-based [UOB Code of Conduct](#) (Code). We update our Code periodically to stay relevant with the times and to address regulatory requirements and policy changes.

Upon joining UOB, all new colleagues are informed of, and sign up to, their obligations and rights under our Code. All colleagues are also required to refresh their knowledge and to renew their commitment to our Code each year. We help deepen their understanding and embed the practice of our Code through frequent and interactive communications across the organisation.

Freedom of Association

We respect our colleagues' lawful right to freedom of association and collective bargaining. Our approach is to maintain mutually trusted and respectful relations with employee unions. We hold regular meetings with union representatives to understand and to address their concerns and expectations:

- In Singapore, we engage three unions, namely the Banking and Financial Services Union, The Singapore Bank Employees' Union and The Singapore Manual & Mercantile Workers' Union. We engage four unions in Malaysia and one in Indonesia;
- The collective bargaining agreements we have with the unions cover wages and working conditions such as working hours, retirement age and re-employment, shift work, allowances, transport reimbursement, leave benefits, medical benefits, insurance benefits and grievance procedures; and
- Colleagues who can be represented by unions are all employees in Indonesia, Officer II or below in Malaysia, and Senior Officer or below in Singapore. As at the end of 2021, the proportions of bargainable employees unionised in Singapore, Malaysia and Indonesia were 11.2 per cent, 87.9 per cent and 21.5 per cent respectively.

Our Targets

- Achieve at least an average of six training days per employee across the Group each year.
- Make three Better U specialist learning tracks on Project Management, Data Analytics and Artificial Intelligence (AI) available to all eligible colleagues across the Group by 2023.

Our Performance in 2021

- Invested \$23.3 million in training our people across the Group.
- Achieved an average of 7.25 training days per employee across the Group, compared with seven days in 2020.
- Achieved 100 per cent completion of the Better U foundational course by eligible colleagues across the Group.
- Offered access to more than 8,000 courses on LinkedIn Learning to all colleagues across the Group to encourage them to take charge of their self-development and to learn new skills.



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Managing Employee Performance

UOB is an equal opportunity employer and we are committed to fostering a meritocratic and high-performance culture at the workplace. Our integrated performance management framework, PEAK, includes a component to reinforce the importance of upholding our UOB values of Honour, Enterprise, Unity and Commitment.

The four stages of PEAK are:

- Plan;
- Appraise; and
- Engage;
- Keep Track.

The framework is designed to support career development by assessing and rewarding performance in an objective and fair manner. Using the PEAK framework, colleagues consult their managers to establish their business and personal development goals at the start of the year. Managers then hold PEAK performance discussions with their team members throughout the year to review their progress against agreed key performance indicators and to address their challenges.

In 2021, all eligible permanent employees¹ were assessed through performance appraisals against agreed key performance indicators and job-related competencies.

To supplement our PEAK process, we also have:

- **Performance and Development Council (PDC)**
A series of senior management meetings conducted in a fair and transparent manner to discuss colleagues' performance and development needs. Held at the end of the year, the discussions focus on performance calibration, assessment of employee potential, promotion endorsements, and other development recommendations. Colleagues then receive feedback on areas for improvement to support their professional growth, and

- **360° feedback**
An approved list of peers, stakeholders and direct reports are requested to provide anonymous feedback on the appraisee on important but hard-to-measure behaviours such as values, collaboration and employee development. Appraisees include First Vice Presidents and above. The feedback helps the PDC gain a more holistic view of each colleague they are assessing.

Attracting the Right Talent

We source for talent with passion and values that align with those of UOB. Besides seeking the best talent through our career portal and virtual forums, we broaden our outreach to different talent groups globally through collaborations with recruitment marketplaces and recruitment platforms.

UOB Management Associate (MA) Programme

We seek to attract early-career talent from across the region through our 18-month MA programme. In 2021, we ran the programme in mainland China, Hong Kong, Indonesia, Malaysia, Singapore, Thailand and Vietnam, engaging potential candidates through virtual career forums. We received more than 19,000 applications from which 49 fresh graduates were chosen for the programme.

Through the programme, the MAs will:

- rotate across various business operations locally and regionally to gain exposure;
- gain an in-depth understanding of UOB's culture; and
- develop skill sets through assigned regional projects mentored by senior leaders for a fast-track management career.



Partnering the Singapore Government to nurture banking talent

In Singapore, we participate actively in government-led initiatives to train individuals who are keen to join the financial industry. Trainees who perform well are offered opportunities to take on full-time roles at UOB.

Examples of these initiatives include:

- **SGUnited programmes** such as the SGUnited Traineeships Programme and the SGUnited Mid-Career Pathways Programme for people who have recently graduated or will soon be graduating, and mid-career individuals respectively. In 2021, we welcomed more than 230 trainees under these programmes and they have taken on roles that support our digital progress, such as data analysts, user interface design analysts and risk and compliance analysts; and
- **Technology in Finance Immersion Programme** to help individuals gain experience in key technology areas within the financial industry, such as cloud computing, cybersecurity and software engineering. Since 2019, we have had 65 trainees join us and this is among the highest number of trainees among participating financial institutions.

Tapping technology to enhance recruitment

During our recruitment process, we use technology to improve our efficiency as well as the candidates' experience.

Examples include:

- **Global applicant tracking system**
Provides interested candidates the opportunity to view current job postings across the Group's network and to apply directly for the role online;
- **Career chatbot**
Improves candidate conversions by using a chatbot to screen online job applications for personal bankers;
- **Online gamified assessments**
Engages candidates and enables us to eliminate unconscious bias in the hiring process; and
- **Robotic process automation**
Improves the employee onboarding process in areas such as background screenings and electronic document submissions via our recruitment portal.



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¹ Eligible permanent employees exclude new hires with less than six months of service, employees on extended leave, and employees who have resigned, among others.

Attracting, Developing and Retaining Talent

Developing Our People for the Future

We run numerous training and development programmes to equip colleagues with the right skillsets to realise their full potential and to serve our customers better.

Examples of these programmes include:

- **Better U**
Our flagship learning and development programme launched Group-wide in 2019. This is an holistic development programme that starts with a 12-week foundation course covering five core competencies to help colleagues build successful careers in the digital age;
- **Group Wholesale Banking Academy**
Courses across three levels of competency for wholesale banking colleagues across the Group. It is developed in partnership with Moody's Analytics and in consultation with Group Credit;
- **Finance Academy**
A structured learning programme for all colleagues in our finance function to sharpen their financial acumen and to deepen their knowledge in areas such as risk management, regulation and liquidity management. It was first launched in Singapore in 2020 and plans are underway to extend it across the Group;

- **Art of Service Recovery programme**
A customer service-oriented training held in mainland China, Indonesia, Malaysia, Singapore and Thailand to hone our colleagues' skills in resolving customer issues and turning difficult situations into positive outcomes; and
- **Sustainability Academy**
An in-house academy launched in 2020 to offer a series of training and development programmes on sustainable investing to UOB Asset Management colleagues across the region.

In 2021, we also offered access to more than 8,000 courses on LinkedIn Learning to all colleagues to help them take charge of their self-development and to learn new skills.

Preparing our people for the digital era through Better U

The banking sector is experiencing rapid transformation, resulting in job roles being increasingly redefined by emerging technologies. With this in mind, we designed an holistic development programme called Better U to equip colleagues across the Group with five core competencies to remain relevant and ready for the future:



Growth Mindset



Problem Solving



Digital Awareness



Human-centred Design



Data Storytelling

Launched in 2019, colleagues start on their Better U journey with a 12-week foundation course that comprises a one-day virtual workshop followed by guided online activities. Most of the modules are designed as games or interactive team-based formats for an engaging learning experience. As at the end of 2021, all eligible colleagues completed the Better U foundation course. In addition, 98 per cent of them rated it positively for course effectiveness and trainer effectiveness.

To supplement the foundation course, we introduced specialised learning tracks in project management and data analytics in 2020 to enable colleagues to dive deeper into these two areas. Launched first in Singapore and progressively rolled out in the region, more than 1,800 colleagues completed Level 2 of these two learning tracks in 2021. In addition, 87 per cent of them expressed their interest in pursuing a career in these two areas within the Group if the opportunity arises.

In 2021, we also launched our third specialised track on AI to create a greater awareness of the role of AI technologies in banking and how financial institutions can apply AI across various business segments.

Our commitment to upskilling our people through Better U and building an adaptive workforce in the digital age was recognised by industry observers. We received the IBF Inspire Award from The Institute of Banking and Finance Singapore (IBF) for our efforts in raising industry competency and contributing towards human capital development in Singapore. We were also named by LinkedIn as one of 15 best workplaces to grow a career in Singapore.



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Preparing Our Next Generation of Leaders

Growing our own timber forms the backbone of our talent and succession planning strategy. The Nominating Committee of the Board of Directors regularly reviews our succession plans for key positions across the Group and successors to critical roles are provided opportunities in various working committees to broaden their exposure and learning.

Our Group Human Resources oversees all talent and succession planning, as well as providing guidance to segment and function heads who are responsible for their respective talent pools. We identify colleagues with leadership potential across the Group, accelerate their professional progress and enable them to build long-term careers with us.

Our leadership development initiatives include:

- **Leadership Academy**

Our ongoing Leadership Academy features collaborations with global business schools including Tuck, Columbia and Massachusetts Institute of Technology to deliver a blend of experiential and application-based learning for selected colleagues. This enables participants to learn at their own pace, to join facilitated webinars for discussions and to network with one another. More than 1,730 colleagues have gone through the programme to date, with 310 completing it in 2021;

- **Leadership Masterclasses**

We started a series of virtual Leadership Masterclasses in 2020 to support the continual development of our senior leaders. In 2021, the theme of our masterclasses was 'Sustainability as a business' and topics included sustainable financing and the dangers of greenwashing. Hosted by our Chief Sustainability Officer, each session was led by a business leader and attracted an average of 800 participants across the Group;

- **Leadership Right By You**

Our flagship leadership and managerial skills training initiative launched in 2017 to help individual contributors and managers excel in their roles. As at the end of 2021, more than 5,000 colleagues across the Group enrolled in this programme and more than 90 per cent of them rated it positively for course effectiveness and trainer effectiveness; and

- **Leadership Acceleration Programme**

Established in 2019 to identify future leaders with the potential to grow into larger leadership roles. Our Development Council, chaired by Group CEO, was also formed in the same year to provide career coaching to these talents. As at the end of 2021, more than 1,000 high-performing colleagues were assessed for this programme through a series of online psychometric tests and business simulation exercises. There are currently 110 colleagues enrolled in this programme.



Making UOB a Better Place to Work

In 2021, we held a #Better Future of Work Festival to share with colleagues the Group's plans around workplace transformation, the workforce of the future and work-life well-being. Into the third year, the Festival featured a week-long series of virtual events, talks and activities, with topics focused on the following:

#Better workplace

- Previewing the enhanced human resources system that we are rolling out;
- Showcasing Microsoft 365's current and future capabilities for collaboration and productivity; and
- Sharing how we are transforming our offices into high-performance workspaces with a hybrid workplace culture in mind.

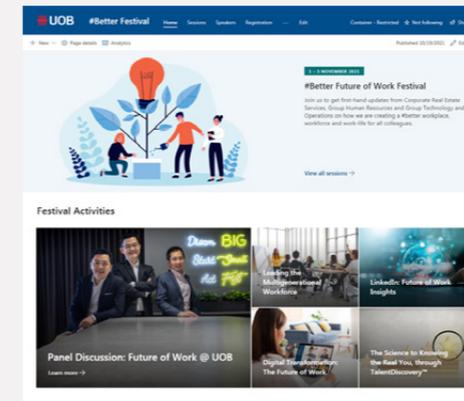
#Better workforce

- Talks on personal strengths, the future of work and the skills required to succeed;
- Introduction to the new Better U track on AI; and
- Launch of our gig employment model for retired employees to return to work on a flexible basis.

#Better work-life

- Guided yoga session;
- Talks on how to improve physical, mental and financial wellness; and
- Launch of our new employee clubhouse in Singapore.

During the Festival, we also had a digital learning segment where consistent learners were recognised on a Learning Leaderboard. Participants earned virtual coins for their learning efforts which could be exchanged for grocery and food delivery vouchers.



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Workplace Safety, Health and Well-being

As a responsible employer, we are committed to providing a safe and healthy work environment where our colleagues can perform at their best, especially during the ongoing COVID-19 pandemic. We believe that taking care of their well-being also helps us to improve our overall productivity, drive our performance and retain our talents for sustainable growth.

How We Approach This Topic

At UOB, we seek to ensure the safety and well-being of our colleagues, customers and tenants. We conduct appropriate risks assessments and communicate all relevant health and safety procedures that we have in place.

We also set out workplace safety and health (WSH) requirements for our vendors, suppliers and contractors working in our premises and at our construction sites. They are to comply with all applicable laws and regulations, to conduct appropriate risk assessments and to ensure that all their employees are sufficiently trained in health and safety procedures prior to the commencement of work.

Business and support units report WSH incidents in their respective markets, in accordance with the Group Operational Risk Management Policy. The policy requires investigations to identify the root cause of incidents and to develop corrective action plans to prevent future occurrences. In addition, business and support units that identify WSH as a key operational risk must assess the effectiveness of controls to mitigate risks during the annual Key Risk and Controls Self-Assessment (KRCSA) exercise. The combination of incident reporting and KRCSA facilitate the prompt identification and rectification of ineffective WSH controls.

Keeping Colleagues Safe in Our Offices

Although most colleagues worked from home in 2021 due to the ongoing pandemic, a core group of colleagues in customer-facing and critical roles continued to work in the office to provide the essential banking services that our customers need and to keep our systems secure.

To ensure their safety and as more colleagues returned to the office as part of the new hybrid workplace, we constantly assessed our efforts on maintaining pandemic-resilient premises in line with guidelines from the local authorities. We put in place proactive and precautionary measures including:

- distributing more than 5.7 million masks across the Group;
- providing more than 6,000 bottles of hand sanitisers across all of our premises;
- providing more than 120,000 Antigen Rapid Test self-test kits for colleagues who are required to return to the office for work;
- cleaning all UOB premises thoroughly and frequently;
- installing high-efficiency ventilation filters in our air-conditioning systems across the region;
- applying anti-microbial coating to high-touch surfaces at our premises including branches in Indonesia, Malaysia, Singapore, Thailand and Vietnam; and

- installing enhanced facial recognition readers with thermal scanners on turnstiles at UOB-owned and managed buildings in Singapore. This enables colleagues to be identified and their temperature checked for entry and exit without having to remove their mask.



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Our Targets

- Achieve the Singapore Building and Construction Authority-Health Promotion Board (BCA-HPB) Green Mark Healthier Workplaces certification for all new and renovated commercial offices by 2025.
- Achieve the SG Clean certification for all UOB-owned and managed buildings and branches in Singapore in 2022.
- Transform more than 750,000 square feet of office spaces in Hong Kong, Malaysia, Singapore and Thailand to high-performance workspaces by the end of 2022.
- Install enhanced facial recognition readers with thermal scanners on turnstiles in key UOB-owned and managed buildings across the region in 2022.

Our Performance in 2021

- Received two Gold^{PLUS} awards under the BCA-HPB Green Mark Healthier Workplaces certification for UOB-owned offices in Singapore.
- Achieved the SG Clean certification for close to half of our branches and three UOB-owned and managed buildings in Singapore.
- Transformed close to 290,000 square feet of office space in Singapore and Hong Kong into high-performance workspaces.
- Installed enhanced facial recognition readers with thermal scanners on turnstiles in UOB-owned and managed buildings in Singapore.
- Received the Outstanding Internal Communications Campaign Merit award for our employee communications efforts during the COVID-19 pandemic at the PRISM Awards organised by the Institute of Public Relations Singapore.



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Supporting the Health and Wellness of Our Colleagues

We provide health and wellness programmes for our colleagues across all markets. Our ongoing employee benefits include family care leave, staff loans, inpatient and outpatient coverage as well as life and accident insurance. As part of extending the care we provide our people, we also:

- partner our merchants to offer exclusive lifestyle and wellness promotions to colleagues across the Group through our Staff Deals section on our intranet, MyUOB;
- extend medical coverage to our colleagues' dependants in some markets; and
- introduced miscarriage leave in Singapore in 2021 to support colleagues through the difficult period.

To help colleagues adjust to living in an endemic COVID-19 environment and to ensure their well-being, we provided a range of additional measures such as:

- **vaccination exercises** at our office premises in mainland China and Malaysia. We also facilitated access to vaccinations for colleagues and their families in Indonesia, Thailand and Vietnam. Close to 14,500 colleagues and their loved ones participated in our vaccination programmes in these markets. In Singapore, we give colleagues time off from work to go for their vaccinations and close to 99 per cent of them were vaccinated as at the end of 2021;
- **medical teleconsultations** for colleagues in Indonesia, Malaysia, Singapore, Thailand and Vietnam, so they could seek prompt medical advice without having to visit a clinic physically. In Thailand, we also provided an additional 24-hour tele-consultation service called Doctor A-Z for colleagues who are recovering from COVID-19 and are isolating themselves at home;

- **medical insurance** in Hong Kong, Indonesia, Malaysia, Singapore, Thailand and Vietnam to cover COVID-19 related treatments including vaccination side effects;
- **access to counselling hotlines** in Malaysia and Singapore for colleagues feeling stressed by COVID-19 or other personal issues to support their emotional well-being; and
- **expanded claims categories under our employee welfare programmes** in Malaysia and Singapore. Colleagues in Malaysia could use their flexCARE benefits for pandemic-related expenses such as masks, COVID-19 screenings and home internet plans to facilitate remote working from home. In Singapore, colleagues could use HEAL (Healthy Employees, Active Lifestyles) dollars for any expenses including groceries and utility bills.



Encouraging healthier lifestyles through UOB Mental Wellness Days

In 2021, we launched the UOB Mental Wellness Days first in Singapore and then extended it Group-wide so we could help more colleagues lead healthier and more fulfilling lives. We organised 35 virtual activities according to four wellness pillars:

- **Financial Wellness:** Financial literacy talks to learn investing fundamentals;
- **Intellectual Wellness:** Explore potential hobbies to stimulate the mind, such as baking, terrarium-building and calligraphy;
- **Mental Wellness:** Talks on stress and time management as well as better sleeping habits; and
- **Physical Wellness:** Various yoga classes, home circuit training, zumba and pilates sessions.

More than 4,800 colleagues participated in this programme. Many of them also provided positive feedback through anonymous surveys held at the end of each session:

What our colleagues say

“Thank you for having staff welfare at heart. It is wonderful to have our management promote healthy lifestyle initiatives to show care for everyone. Indeed a great, healthy organisation culture and I am privileged to be a staff here.”

“First time doing chair yoga and it is well-recommended for individuals like me who are seated most of the time for work. I realised how inflexible I am but now I learnt that I can do stretches while sitting.”



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Supporting Remote Work through Improved Infrastructure

To ensure our colleagues remain connected with one another as they worked either from home or in the office, we continued to expand the range and quality of our digital mobility tools. This is also an important aspect in enabling deeper collaboration and efficiency among colleagues as we progress to a hybrid working environment.

In 2021, we strengthened our technology infrastructure to leverage cloud computing services across our markets. We also rolled out new workforce capabilities to our regional workforce, including:

Microsoft 365 office apps	What it is about	New in 2021
 <p>Microsoft Outlook Exchange</p>	Cloud-based email server	<ul style="list-style-type: none"> Increased mailbox size from 1 gigabyte (GB) to 100GB so colleagues need not archive emails as frequently to their computer's hard disk or to a cloud storage; and Mail archival to our cloud storage is made available for up to 1.5 terabytes (TB) worth of data space.
 <p>Microsoft OneDrive</p>	Cloud file storage to save and to back up work files	<ul style="list-style-type: none"> Each colleague can now access Microsoft OneDrive with 1TB of storage space; Files saved in Microsoft OneDrive are automatically backed up in the cloud. This ensures that the files can be safely retrieved even if a colleague's computer becomes faulty; and Multiple colleagues can work simultaneously on the same file saved in Microsoft OneDrive.
 <p>Microsoft Teams</p>	Collaboration channel for colleagues to communicate with one another individually or in groups	<ul style="list-style-type: none"> Colleagues can set up and join meetings on Microsoft Teams directly without having to go through the calendar function in their email account; Files can be uploaded and shared directly with other colleagues in the same chat window while in a discussion without having to send it via email; and Colleagues in the same group discussion can simultaneously edit the same work file uploaded onto Microsoft Teams.

Transforming Our Premises into High-Performance Workplaces

By providing high-performance work settings focused on ergonomics and comfort, we create workplaces that enable collaboration, innovation, productivity and personal well-being for our people. At UOB, we are increasingly designing our existing and new premises based on three approaches:

- Safety and control:** Putting in place COVID-19 safe management measures;
- Mobile and connected work environment:** Tapping technology to help colleagues collaborate with one another and creating office spaces that can be used for different activities by individuals or groups of colleagues; and
- Smart building technology:** Installing sustainability features such as energy-efficient fixtures and adopting operational technologies to ensure critical building parameters are maintained at desirable levels.

Our new and newly-renovated workplaces in 2021 include:

- Purpose-built office premises in Hong Kong**
We completed the refurbishment of our office premises at Central and Causeway Bay in 2021 to enhance work efficiency, productivity, collaboration and agility. The new features and facilities include:

- › **Shared workstations:** To encourage team cohesiveness and to maximise use of office space;
- › **Collaboration area:** Seating settings of various sizes where colleagues can work and interact with one another;

- › **Workplace amenities:** New amenities such as work bistro with a vending machine for drinks and snacks, as well as a table-tennis corner to help colleagues recharge; and
- › **Artwork installations:** Inspire colleagues to get creative at work through art displays including winning artworks from our annual UOB Art Ink Awards organised by UOB Hong Kong.



“A purpose-built workplace plays an important role in creating a high-performance work culture. With the new features and amenities, we have prepared our colleagues for the new work patterns under the hybrid work model to enhance work efficiency, productivity, collaboration and agility.”

Mrs Christine Ip
Chief Executive Officer, Greater China, UOB



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• **Exclusive employee clubhouse in Singapore**
 We have transformed a two-storey space close to our UOB Plaza headquarters into a clubhouse called 28BQ where colleagues can gather to collaborate, to recharge and to engage with one another. Launched in 2021 in the presence of Dr Tan See Leng, Minister for Manpower and Second Minister for Trade and Industry, 28BQ was designed to reflect our vision for the workplace of the future. It has a variety of areas to provide colleagues with different experiences:

- **A range of seating areas** where colleagues can catch up with one another or to work remotely;
- **Games area** where colleagues can have fun together and unwind over rounds of table tennis and foosball;
- **Events space** for activities such as townhalls and training sessions; and
- **Dedicated zone** for wellness activities such as yoga, supported with amenities that include lockers and shower facilities.

28BQ will be open to colleagues at an appropriate time when COVID-19 restrictions are lifted and when the Singapore Government advises that financial institutions can resume full operations.

“Today’s launch of 28BQ is further testament to UOB’s commitment to employee well-being. By providing employees with a recreational space to take part in activities, such as table tennis and yoga, it gives employees a chance to get moving, and clear their minds of stress. On top of that, such activities help to foster better teamwork and create a more cohesive work environment. We hope more employers can do likewise.”

Dr Tan See Leng
 Minister for Manpower and
 Second Minister for Trade and Industry



Recognition

Between 2019 to 2021, we received three Platinum and seven Gold^{PLUS} awards under the BCA-HPB Green Mark Healthier Workplaces certification for UOB-owned and managed offices in Singapore. The certification is in recognition of our design features such as ergonomic workspace furniture to support various working styles, as well as biophilic features such as planter boxes.

New Head Offices in Malaysia and Thailand

Our Head Office transformation and relocation projects in Malaysia and Thailand are expected to be completed in the coming year. Colleagues and tenants can look forward to:

UOB Plaza 1 Kuala Lumpur in Malaysia

Designed by award-winning Japanese architect Tange Associates which was also the agency behind UOB Plaza 1 and 2 in Singapore, this 29-floor building in Kuala Lumpur (KL) represents our confidence in and commitment to Malaysia. The building has three distinct concepts:

1. **Transforming Octagon:** Paying homage to the octagonal shapes of the existing Menara UOB building in KL and UOB Plaza in Singapore, the new headquarters integrates octagonal floorplates at the bottom and top of the building while having a curved building façade;
2. **Vertical Gardens:** Casual exterior space with two sky gardens at the upper floors for socialising and to enable natural vertical ventilation to help cool the building; and
3. **Lantern in the City:** When lit, especially at night, the building will resemble a lantern as a symbol of UOB Malaysia being a ‘light’ that provides guidance and a pathway to a better future for customers, colleagues, partners and the wider community.



UOB Plaza Bangkok in Thailand

Located in the heart of Bangkok’s lifestyle district along Sukhumvit Road and designed by renowned American architecture firm Kohn Pedersen Fox Associates, the new 30-floor building will serve as our new head office in Thailand. The design reflects colours and finishes inspired by Thailand’s diverse geography and will feature a four-zone workplace:

1. **Team Zone:** Primary work area for colleagues’ daily work;
2. **Flex Zone:** Open breakout area for colleagues to come together quickly for discussions;
3. **Central Zone:** Work cluster settings to support smaller teams and meetings; and
4. **Convenient Zone:** Social spots and a bistro café for colleagues to network and to interact in a more relaxed setting.



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We believe in fostering an inclusive workplace that celebrates differences and embraces all facets of diversity. Diversity provides our organisation with the ability to draw upon different experiences and perspectives, and fosters innovative thinking to solve business challenges for sustainable growth. Diversity also enables us to be sensitive to the needs of our customers and to serve them more effectively.

How We Approach This Topic

UOB is an equal opportunity employer and our approach to diversity is an important element in our strategy to attract, to develop and to retain talent for the Group. [Our UOB Code of Conduct \(Code\)](#) prohibits any kind of discrimination, bullying or harassment, whether based on a person's race, ethnicity, gender, gender identity or expression, colour, creed, religion, national origin, nationality, citizenship, age, disability, marital status, sexual orientation, culture, ancestry, veteran status, socio-economic status or any other legally-protected characteristic. This Code is also reflected in our Recruitment Policy, under which we practice non-discriminatory hiring and all hiring decisions are based on each individual's merit and suitability for the role.

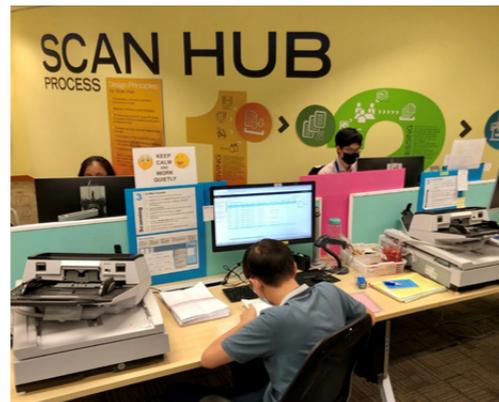
All employment decisions at UOB are based on business needs, job requirements and qualifications. Colleagues are encouraged to raise their concerns without fear of reprisal through the Group's whistle-blowing mechanism.

Ensuring Equal Opportunity Employment

Our diverse workforce extends beyond age and gender. Since 2013, we have been championing disability inclusion through the UOB Scan Hub in Singapore – our centre for digitising and archiving documents from various functions. At UOB Scan Hub, 35 per cent of our

colleagues are persons with disabilities and we create meaningful employment and career opportunities based on their abilities.

We continue to partner Autism Resource Centre (ARC) and SPD in Singapore in a structured training programme for persons with disabilities to ensure that work processes and office environments are suited for their needs.



“At UOB, we have seen that inclusive employment leads to clear business outcomes. Over the last eight years, our team at UOB Scan Hub has consistently displayed a high level of productivity and their low turnover rate creates a stable workforce. By giving them equal opportunity to achieve financial and social independence through career progression, we firmly believe that inclusive hiring is a win-win for businesses and the community.”

Ms Susan Hwee
Head, Group Technology and Operations, UOB

Extending our support of inclusivity



Taking our approach towards inclusive employment further, in 2019 we initiated the first private-public-agency called 'The Unlimited' to serve as a private sector catalyst to generate interest among other companies to hire persons with disabilities. We link interested companies with employment agency SG Enable – the focal agency in Singapore which seeks to enable persons with disabilities – which then works with social service agencies such as ARC and Movement for the Intellectually Disabled of Singapore (MINDS) as well as the charity SPD to identify suitable job candidates.

We also supported inclusive employment indirectly by procuring LiteHaus SPOTON units, which are light-weight thermal scanners assembled by persons with disabilities. In 2021, we completed the deployment of these thermal scanners across all our branches in Singapore.

Our championing of inclusive employment within our organisation and beyond was recognised by SG Enable. In 2021, we were the only financial institution out of six organisations to receive the Enabling Mark (Platinum) accreditation from SG Enable – the highest tier of accreditation – at a ceremony held at the Istana from the President of Singapore, Madam Halimah Yacob.

Our Targets

- Ensure an inclusive workplace free from discrimination, bullying and harassment, where there is equality of opportunity for all employees.

Our Performance in 2021

- Employed colleagues across demographic groups from 54 nationalities.
- Women comprised 55.6 per cent of our new hires, up from 55.0 per cent in 2020. They accounted for 61.5 per cent of our workforce, compared with 61.3 per cent in 2020. Women also held 36.3 per cent of senior management roles, up from 34.9 per cent in 2020.
- Offered re-employment opportunities to 201 colleagues, including 135 women, in Singapore who were eligible for retirement. Since the start of the programme in 2014, we have re-hired 1,228 colleagues including 690 women.
- Received the Enabling Mark (Platinum) accreditation from SG Enable for our commitment to disability-inclusive employment.

Partnership for the Goals

- Employer partner of ARC in Singapore.
- Employer partner of SPD in Singapore.



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Promoting Gender Diversity

We are committed to creating and maintaining a supportive work environment in which our female colleagues can succeed in their career. In 2021, we were recognised by Bloomberg in its Gender-Equality Index (GEI) for the third consecutive year as one of Singapore’s best inclusive workplaces.

The Bloomberg GEI recognises companies worldwide that demonstrate commitment to advancing an inclusive workplace through their policies, workforce representation and transparency in gender-related practices. UOB was one of only six companies in Singapore to be represented in the Bloomberg GEI. Across the Group as at the end of 2021:

- Women comprised 55.6 per cent of our new hires, up from 55.0 per cent in 2020;
- Women accounted for 61.5 per cent of our workforce, up from 61.3 per cent in 2020; and
- Women also held 36.3 per cent of senior management roles, up from 34.9 per cent in 2020.

Redefining the Future of Work for Our Multi-generational Workforce

As part of our commitment to building an inclusive and diverse workforce of the future, in 2021 we announced a new gig employment model for retired employees in Singapore to return to the workforce on a flexible basis. This strengthens our multi-generational workforce strategy and also supports Singapore’s Action Plan for Successful Ageing to build a nation for all ages.

Our gig employment model recognises the contributions of our mature colleagues who possess valuable skills and deep experience. It is also in line with a staff survey we conducted in 2021 with close to 800 colleagues across the Group. The survey results showed eight in 10 colleagues would consider some form of work after retirement. They also preferred a flexible work scheme such as shortened work hours, set periods of work and pay-for-service options as the ability to maintain work-life balance is their top priority post-retirement.

Our retiree gig programme opens up short-term and project-based opportunities in roles where deep technical expertise and extensive experience are highly valued, such as customer service, process and systems training, operations as well as project advisory. We conducted a four-month pilot in 2021 with seven retirees working in our branches and the learnings were used to refine our approach in areas such as project-based opportunities, healthcare benefits, insurance coverage and performance management process. As at the end of 2021, more than 50 per cent of our colleagues who were retiring in Singapore signed up for our gig employment programme.

“As Singapore’s workforce ages and with the financial services industry transforming at an accelerated pace, there is a need for the workforce of the future to be inclusive and multi-generational. This programme enables us to tap on a growing and vibrant pool of retired employees that is highly skilled and experienced. It also creates opportunities for them to stay active, engaged and involved. While they are not necessarily looking for full-time work, our retirees also tell us they miss the camaraderie they have with colleagues and seek opportunities to give back to the next generation. Our programme helps to address these needs and to create a vibrant society in Singapore, where contribution and connection are not limited by age.”

Mr Dean Tong
Head of Group Human Resources, UOB

“After I retired, I felt like there was more I could do with my time. Hence, it was great to have this opportunity to come back to work on a flexible basis and at the same time contribute in a meaningful way. Not only does it help me to stay active, it also gives me the opportunity to connect with the younger generation and to stay up to date on the latest trends.”

Mr Raymond Teo Choon Chuan
UOB retiree



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Strong Governance

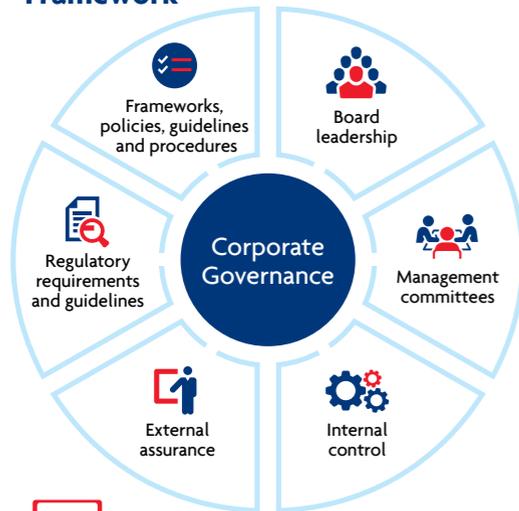
Strong governance is crucial to organisational success, value creation and sustainability. We are committed to upholding the highest ethical and corporate governance standards. In establishing and maintaining a culture of accountability, responsibility and ethical behaviour and practices, we safeguard the long-term interests of, and create value for, our stakeholders.

How We Approach This Topic

Our corporate governance is based on a partnership between our Board and Management, supported by a system of frameworks, policies, guidelines and processes by which we operate, make decisions and ensure accountability. We evaluate and revise our governance approach regularly to ensure that it is up to date, relevant and aligned with best practices.

Our governance body consists of our Board, Management Executive Committee and Management Committee.

Our Corporate Governance Framework



Find Out More

► Read about our corporate governance in the UOB Annual Report 2021.

Board Leadership

Our Board provides entrepreneurial leadership and strategic direction. It also provides leadership in promoting corporate governance, with the support of our Management. Among its roles, the Board sets the Tone from the Top and the desired organisational culture and values of the Bank, and inculcates an appropriate risk culture. It also considers sustainability issues and material environmental, social and governance factors in formulating the Bank's strategies.

Comprising a majority of independent and non-executive directors, our Board collectively has skillsets, expertise and experience that span across industries, professions, markets, cultures and the public and private sectors, providing diversity in thought and opinion. Succession planning is performed on an ongoing basis. Besides identifying new directors with complementary expertise and experience, the Board is guided by our Board Diversity Policy, which promotes diversity in various dimensions including age, gender, industry expertise, domain or functional expertise, tenure, board independence, cultural ethnicity and international experience. Annually, each Director is assessed on his/her independence, fitness and propriety to hold office, and performance.



Seven
out of 10 Directors are independent



Nine
out of 10 Directors are non-executive



Two
out of 10 Directors are female

Directors receive regular training on topics ranging from the Bank's initiatives, industry developments and trends to regulatory updates. Training sessions may be conducted by internal personnel or external specialists. Newly-appointed Directors are briefed by key senior management on the Bank's business, risk management and sustainability approaches and other relevant topics. New Directors appointed to Board Committees receive additional specialised training depending on their roles. Directors who have not previously held directorships in a public-listed company also receive training prescribed by the Singapore Exchange.

Our Board delegates some of its duties to five Board Committees, namely the Audit Committee (AC), Board Risk Management Committee, Executive Committee, Nominating Committee, and Remuneration and Human Capital Committee.

Our Board, through the AC, works closely with the internal and external auditors and Management to ensure a strong Third Line. Our AC meets the internal auditors and external auditors separately in the absence of Management every quarter.

Management Oversight

Our Chief Executive Officer leads Management in the execution of strategies and plans approved by the Board. He also leads Management in seeking new opportunities and in the day-to-day operations of the Bank. Assisting him are the following dedicated senior management committees that provide governance oversight on the day-to-day management of the Group:

- Asset and Liability Committee: oversees the effectiveness of the Group's market and liquidity risk management;
- Credit Committee: oversees the Group's credit and country risk management;

- Group Sustainability Committee: sets the Group's sustainability strategy and roadmap, aligned to UOB's vision and long-term business strategy and plans;
- Human Resources Committee: oversees the Group's human resources strategy in support of business objectives and growth;
- Information and Technology Committee: provides strategic oversight of the Group's investment in technology and data;
- Investment Committee: oversees the Group's investment activities;
- Management Committee: oversees the overall performance of the Group, country corporate functions and business segments;
- Management Executive Committee: oversees the overall management of the Group, including the Group's strategic direction and business activities as well as capital and resource allocation;
- Operational Risk Management Committee: oversees the Group's operational risk management, including approval of frameworks, policies, risk models and methodologies relating to operational and reputational risks; and
- Risk and Capital Committee: oversees the management of risks and capital of the Group.

Our Targets

- Maintain a majority independent Board.
- Ensure at least one female director on the Board.

Our Performance in 2021

- Met our independence target based on Board composition.
- Appointed Mrs Tracey Woon to the Board on 1 September 2021. The Board also appointed Ms Teo Lay Lim on 1 January 2022.



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Regulatory Compliance

Banks play an integral role in ensuring the stability and security of the financial system and regulatory compliance is a top priority. As the custodian of our customers' assets, we are accountable for upholding the highest standards of ethics and integrity. This helps to ensure that UOB remains a source of stability, security and strength for our stakeholders.

How We Approach This Topic

At UOB, regulatory compliance is a top priority. We are respectful of the local laws and regulatory standards in the jurisdictions in which we operate and are mindful of the nuances in each. Led by our values, we are committed to safeguarding the interests of our stakeholders, including regulators, and to maintaining the trust that they place in us.

To protect the integrity of the financial system, governments and regulators continue to introduce new measures to manage cyber threats and financial crime and to address opportunities and challenges arising from technological advances and changing consumer behaviours and preferences. New laws, regulations and standards are also being developed around the world to mitigate the potential impact that business activities may have on the environment and society.

In tandem with these changes, UOB continually assesses and adjusts our policies and processes to ensure compliance and best practices are in place. As a trusted financial institution, we are committed to complying with the laws and regulations in the countries and territories in which we operate. Robust protocols and processes are in place to address regulatory requirements, which include identifying, assessing, monitoring and managing regulatory compliance risks.

In maintaining our values-based compliance culture, we closely monitor regulatory and industry developments, actively engage with regulators, policymakers and standards-setting bodies, and continually enhance the compliance capabilities within our organisation. We also provide regular updates on regulatory trends and developments to senior management committees and the Board.

Prohibiting Insider Trading

All UOB employees are expected to act honestly and with integrity which includes safeguarding the information that they obtain in the course of their work. All employees are required to adhere to the UOB Group Staff Trading Policy, which prohibits insider trading. They are also required to complete annually an online learning module on insider trading and market misconduct.

UOB has in place a Pre-Trade Clearance System that requires employees, who may reasonably be expected to have access to inside information, to make declarations and to seek approval before dealing in securities on any stock exchange. In addition, Group Compliance regularly reviews securities transactions to detect potential violations.

Foreign Account Tax Compliance Act (FATCA)

Under the provisions of United States' (US) tax law, FATCA, non-US financial institutions are required to identify and report information on assets held by US persons and other non-cooperative entities and individuals to the US Internal Revenue Service. Many countries, including Singapore, have intergovernmental agreements with the US to facilitate the reporting required under FATCA.

We are committed to complying with the provisions of FATCA and to ensuring that the Group meets all applicable FATCA requirements in all jurisdictions in which we operate. Our governance framework also ensures that the Group continues to comply with FATCA requirements on a business-as-usual basis.

Common Reporting Standard (CRS)

The CRS is a global tax information exchange standard developed by the OECD to help prevent offshore tax evasion. The CRS requires financial institutions in participating jurisdictions to identify, to collect and to report to the authorities annually the tax residency information of customers from jurisdictions with which agreements to exchange information are in place.

Our CRS policy ensures the Group meets all applicable CRS requirements in all the participating jurisdictions in which we operate.



Find Out More

► Read about our approach to responsible tax management.

Our Targets

- Maintain zero material issues raised by regulators.

Our Performance in 2021

- Adhered to all laws and regulations including those pertaining to environmental, social and economic impact, product and service information and labelling, as well as marketing communications which includes advertising, promotion and sponsorship.
- No material fine, penalty or sanction was imposed on the Bank for non-compliance in relation to any of the above.
- No material losses as a result of legal proceedings.



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Information Security

We use technology to provide a borderless, reliable and efficient service, and are committed to protecting our data and assets, including customer data, from cybersecurity threats.

How We Approach This Topic

Our Group Technology Risk Management Framework and Information Technology Security Management and Cyber Resiliency Policy outline our cybersecurity policies and guidelines to protect our data and assets. These ensure that cybersecurity risks are identified and managed in a consistent way across the Group.

We monitor, detect and respond to potential cybersecurity risks and threats and continually upgrade our security capabilities to respond to the evolving threat landscape by partnering leading cybersecurity providers and enhancing our security technology and capabilities.

We are also committed to enhancing our operating models and strengthening our defences to keep pace with the dynamic threat landscape. Through these efforts, we contribute to the security and stability of the financial system and help to build trust in the banking environment. As we advance our digital capabilities, we will continue to increase our investments in our cyber resilience and security.

Recognising that everyone plays a role in data protection and cybersecurity, we regularly train our people on information security and cybersecurity risks.

We keep our people informed of developments, share best practices with them and conduct activities such as phishing simulations and internal cybersecurity training to raise our colleagues' awareness and to assess their understanding, vigilance and susceptibility to cybersecurity threats.

Data sharing

Enabling responsible and secure data sharing, either across borders or with external parties, is of key importance to UOB. In 2021, we enhanced the cross-border data (CBD) transfer processes and defined the operating model to promote responsible data sharing. The scope was expanded to include both manual and system transfers. The latter was operationalised by integrating the CBD requirements into the System Development Methodology, as a part of new application development. This ensures that CBD requirements (as part of data protection by design) are 'baked into' the system design, thereby ensuring compliance with the applicable regulations.

The Group-wide and country-specific Sensitive Data Fields list and associated guidelines were updated to align with the business and regulatory requirements. These lists and associated guidelines considering the complex regional regulatory and data privacy landscape, as well as internal business confidentiality aspects provide a consistent risk-based approach in the usage and protection of such fields.

UOB Personal Data Protection Policy Principles

- Personal data must only be collected and used for purposes the customer has consented to, or as may be permitted by law;
- Personal data is used responsibly in accordance with our ethical standards and corporate values;
- Access and disclosure are subject to strict controls;
- Integrity and security of personal data are paramount; and
- Personal data that is no longer required for legal or business purposes must be destroyed, in accordance with document retention policies.

Our Targets

- Protect and secure the Bank's and customers' information by continually enhancing our cybersecurity capabilities to counter threats and to address an evolving technology and threat landscape.
- Create strong cyber and information security awareness with a 'security is everyone's responsibility' mindset.
- Maintain 100 per cent completion of security training by employees.

Our Performance in 2021

- No material security incidents to report.
- Implemented an enhanced mandatory security training module across the Group.
- Achieved 100 per cent completion of security training by employees.

Partnership for the Goals

- Actively collaborates with the Monetary Authority of Singapore and The Association of Banks in Singapore (ABS) on various initiatives. These include participating in the Financial Services Information Sharing and Analysis Center to help strengthen the industry's collective defence against cyber attacks by sharing information on potential threats and best practices with our industry peers.
- Supports The Institute of Banking and Finance's Technology in Finance Immersion Programme through providing work attachments for mid-career talent to transition into a technology career path and to develop their cybersecurity skills and knowledge further.
- Chairs the ABS Standing Committee on Cyber Security, which provides a platform that encourages sharing of threat information and best practices for technology and cyber risk management among member banks in order to strengthen the resilience of the Singapore financial sector against cyber attacks.



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Preventing Corruption, Fraud and Money Laundering

Financial crimes undermine fair competition, impede innovation, raise costs and pose serious legal and reputational consequences. Such threats, if not anticipated and addressed, could severely undermine both the integrity and trust of the financial system.

How We Approach This Topic

UOB is committed to doing our part to protect the integrity of the financial system and its users. We do this by continually strengthening our ability to mitigate risks of financial crime and by investing in the necessary expertise and systems to do so.

Our approach is built on a strong Tone from the Top and a Group-wide culture rooted in our values of Honour, Enterprise, Unity and Commitment. The UOB Code of Conduct lays down the principles of personal and professional conduct and the requirement for all employees to uphold the highest standards. All new employees are required to complete an online learning module and assessment on Anti-Money Laundering/Countering the Financing of Terrorism (AML/CFT) and Sanctions, the UOB Code of Conduct, UK Bribery Act 2010, and Fraud Awareness. Our [UOB Code of Conduct](#) is published on our website.

Our Whistle-blowing Policy provides an avenue for employees to report concerns of suspected or actual wrongdoing.

Preventing Fraud Governance

UOB takes a proactive stance in managing fraud risks and has a governance framework and security measures in place to address risks across our internet banking, mobile banking and branch channels. The Integrated Fraud Management (IFM) unit was established in 2017 to enhance the Bank's management of fraud risk across geographies and to drive collaboration across functions for a more integrated anti-fraud approach. We also have dedicated IFM teams in our overseas subsidiaries.

We have in place a Group Fraud Risk Management Framework and a Group Fraud Risk Management Policy. The framework sets out the roles and responsibilities of the First Line with integrated oversight by the Second Line and audit assurance by the Third Line. The corporate governance oversight of fraud risk is provided by the Board Risk Management Committee at the Board level and primarily by the Operational Risk Management Committee at the management level.

Monitoring

The Bank invests continually in fraud monitoring and detection systems and measures across the Group Security Operations Centre, IFM and Cards Fraud Team. We have implemented security and authentication measures across our internet and mobile banking platforms to prevent fraud and we make enhancements as fraud trends evolve.

The five pillars of our fraud prevention framework

UOB has in place a fraud management strategy and framework which covers five pillars:

- Prevention;
- Detection;
- Response;
- Remediation; and
- Reporting

The framework lays out the roles and responsibilities of the First Line with oversight by the Second Line and audit assurance by the Third Line.

Fraud risks are also assessed as part of our Key Risk Control Self-Assessment annual exercise which covers the banking and asset management entities across the Group.

All First Line business and support units receive structured training on fraud awareness to strengthen our capabilities in detecting internal and external fraud.

Zero tolerance policy

UOB has a zero tolerance policy to internal fraud and to breaches of the UOB Code of Conduct. All employees are informed that the Bank will not hesitate to investigate and to report incidents of internal fraud to the appropriate authorities.

Rising risks

In 2021, the banking industry continued to witness a significant rise in reported scams coinciding with the ongoing COVID-19 pandemic. During this period, more people fell prey to online shopping, technical support and loan-related scams. We collaborated closely with the Singapore Anti-Scam Centre (ASC) and peer banks in the recovery of scammed monies.

Our Targets

- Maintain 100 per cent completion by all eligible employees of mandatory e-learning on AML/CFT and sanctions, fraud awareness, anti-bribery and anti-corruption.

Our Performance in 2021

- Achieved 100 per cent completion by all eligible employees of mandatory e-learning on AML/CFT and sanctions, fraud awareness, anti-bribery and anti-corruption.
- 100 per cent of our governance body members, including our Board, Management Executive Committee and Management Committee, received relevant training on AML/CFT and sanctions, fraud awareness, anti-bribery and anti-corruption.

Partnership for the Goals

- Corporate alliance member of the Association of Certified Fraud Examiners (ACFE)
- Active member of the Alliance of Public PrivAte Cybercrime sTakeholders (APPACT) set up by the Cybercrime Command of Singapore Police Force
- Member of the Anti-Money Laundering/Countering the Financing of Terrorism Industry Partnership (ACIP) in Singapore



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Customer education and awareness

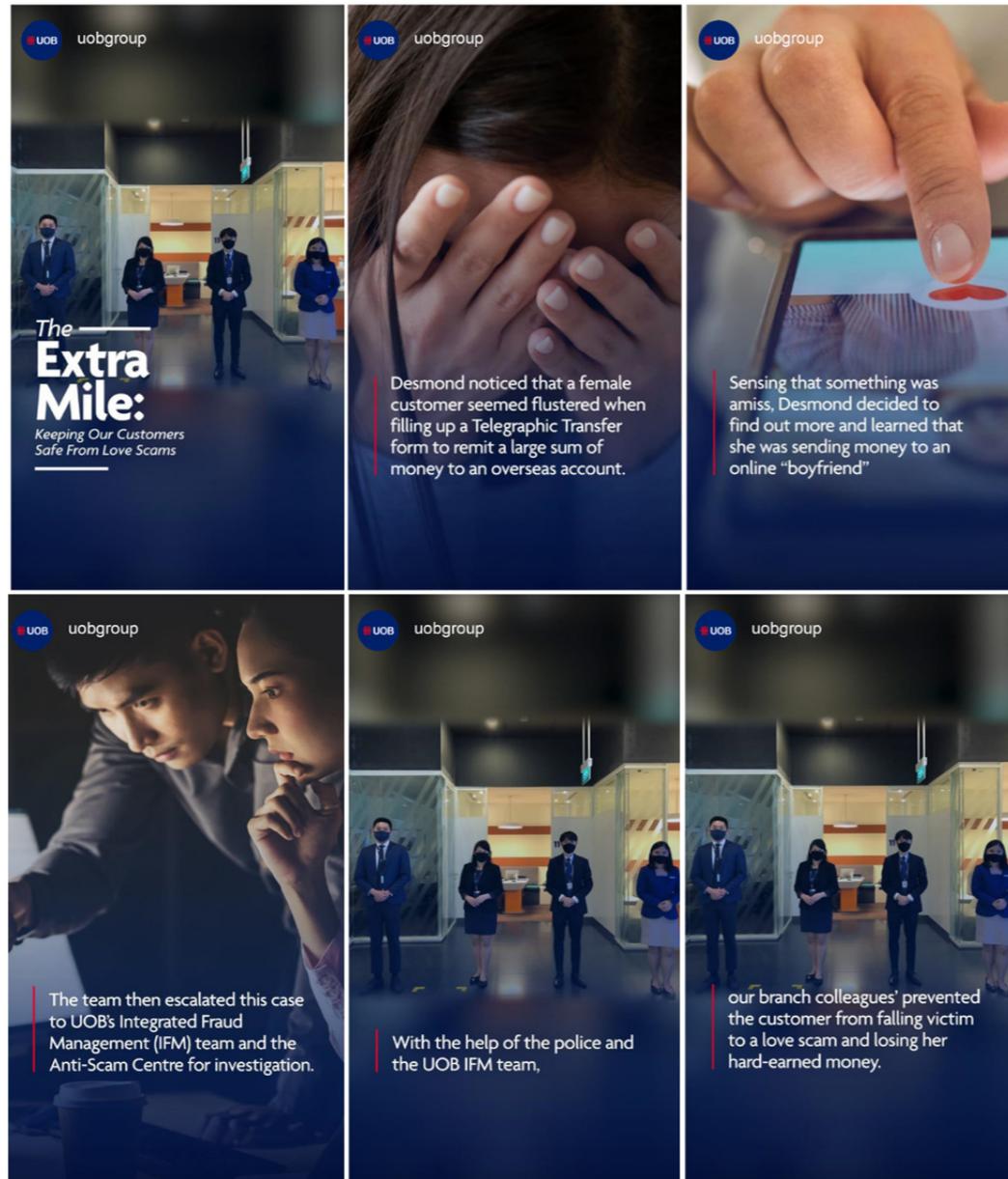
As the nature of fraud continues to evolve, we continue to enhance our internal control capabilities against such threats. In 2021, we developed a series of security communications materials on our website and social media channels to educate our customers on prevailing fraud scams. The outreach initiative is part of a wider roadmap to raise fraud awareness among our customers.

Recognition

- In June 2021, UOB received two organisation-level Outstanding Community Partnership awards and five individual-level Community Partnership awards from the Singapore Police Force's Commercial Affairs Department. The awards recognised our efforts in helping scam victims and recovering their funds, as well as prompt reporting to the ASC.
- Our Head of Group IFM received the Minister for Home Affairs National Day Award 2021 for leading the Bank's efforts in combating scams and recovering funds for scam victims.



Find Out More
► Read about our Whistle-blowing Policy in the UOB Annual Report 2021.



SPOT Checklist

Intervention at customer touchpoints, such as branches, has been found to be highly effective in preventing potential scams.

In April 2021, we, in consultation with the ASC, launched the SPOT (Sense, Probe Tactfully, Observe and Take Action / Inform) checklist, which guides our branch colleagues in the identification of potential scam victims by asking the right questions. This way, our colleagues may solicit the truth or raise more doubts from potential victims more effectively to stop fraudulent transactions from happening.

Through such efforts, we helped prevent 19 scam cases in Singapore during the year.



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Preventing Corruption

The UOB Code of Conduct, which specifies zero tolerance to bribery and corruption in all forms, sets out the policies and principles adopted by our Group with respect to efforts to prevent corruption. The bribery and corruption segment of the Code is reviewed annually to ensure that it remains up to date, relevant and relatable to our employees, contractors, vendors and other stakeholders.

Training for all new employees and yearly refresher courses are a key part of the protocols deployed to ensure that our anti-bribery and anti-corruption policies remain effective. We revisit our training modules every year to ensure that the content is aligned with our overall objectives. We also ensure that our training module remains accredited by The Institute of Banking and Finance in Singapore.

With respect to customer relationships, applicable anti-corruption policies and procedures (including ensuring the inclusion of specific terms and conditions and /or contractual provisions where required) have been communicated and implemented.

We require our employees, contractors, vendors, third parties and other stakeholders to be aware of our anti-bribery and anti-corruption provisions. They are encouraged to speak up, raise any question or concern if they see anything that they feel is unethical or runs counter to our anti-bribery and anti-corruption provisions. There were no confirmed cases of bribery and corruption reported in the UOB Group for the year ended 31 December 2021.

AML/CFT and Sanctions Governance

The Group Anti-Money Laundering Committee, comprising senior management, oversees the management of AML/CFT and sanctions risks for the Group. Our AML/CFT and Sanctions Framework aims to detect and to prevent the risks associated with money laundering, terrorist financing and sanctions. The framework includes programmes relating to risk assessment, employee training, customer due diligence and transaction monitoring. We require all employees to comply with UOB's Group AML/CFT and Sanctions Policy, as well as applicable laws. We regularly review our framework, policies, procedures, programmes and transaction monitoring systems to ensure their robustness and compliance with regulatory requirements. The framework and the associated programmes are also audited by our internal and external auditors.

We have established a Group AML/CFT and Sanctions Programme to ensure that money laundering, terrorist financing and sanctions risks we identified are sufficiently mitigated. The programme includes elements of risk assessment, customer due diligence, controls and monitoring, investigating and reporting of potential suspicious activity to the relevant regulatory bodies. We also appointed Group and Country Money Laundering Reporting Officers (or an alternative position as required by local regulations) as part of the programme.

The AML/CFT and Sanctions Programme is subject to periodic independent testing.

Leveraging artificial intelligence (AI)

In combating the increasingly sophisticated nature of financial crimes, UOB leverages advanced analytics including AI and machine learning to support transaction monitoring and name screening operations. They enable us to pinpoint higher-priority cases from the suspicious transaction alerts flagged each month, as well as to deploy the necessary resources to investigate potential money laundering attempts swiftly.



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We are committed to conserving resources and reducing carbon emissions for the well-being of our stakeholders and future generations. We are also cognisant of the direct environmental impact resulting from our operations across our network. As our business continues to grow, we seek to mitigate our carbon footprint by building a more energy- and resource-efficient real estate portfolio and encouraging environmental stewardship at the workplace.

How We Approach This Topic

Our direct impact on the environment results primarily from consuming resources, including energy, water, paper and other supplies. The waste products resulting from the extraction, production, transport, consumption and disposal of our resources include greenhouse gas (GHG) emissions, wastewater and office waste. As such, we concentrate our efforts on optimising energy use, conserving water, reducing paper consumption and diverting office waste from landfills.

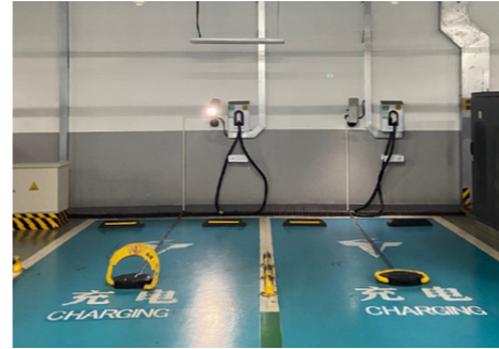
We seek to contribute to the Singapore Green Plan 2030 and the Singapore Green Building Masterplan, as well as to meet other built environment sustainability standards in the markets in which we operate.

Our Focus Areas Energy and resource management

We work actively to achieve measurable reductions in energy and resource consumption by adopting new and efficient technology to upgrade our current systems.

To mitigate our environmental impact further, we are committed to sourcing electricity from renewable sources while optimising our energy and resource usage with the adoption of innovative technologies. Examples include:

- **Solar thermal hybrid air-conditioning** to upgrade split units at our wholly-owned buildings and satellite branches progressively. These air-conditioning units utilise ambient and rejected heat to reduce urban heat island contribution. They typically consume at least 30 per cent less electricity than conventional air conditioning units.
- **Smart lighting** with the use of highly-efficient dimmable light-emitting diodes (LEDs) and re-zoning of the usage areas with intelligent sensors. Lighting quality within buildings significantly impacts user satisfaction and energy consumption. We plan to upgrade our lighting in all UOB wholly-owned buildings, beginning with Singapore. One of our LED installations at the Far Eastern Bank Building in Singapore has saved about 50 per cent in energy consumption compared with conventional fluorescent lighting.



- **Electric vehicle (EV) charging points** to be implemented in our wholly-owned buildings where feasible. We installed 12 EV charging points at two buildings as at the end of 2021. We plan to add another 16 EV charging points at four other buildings, including in Singapore in alignment with the Singapore Land Transport Authority's 2040 vision of achieving a more environmentally-sustainable transport sector, in 2022.
- **Lift modernisation** for UOB wholly-owned buildings in Singapore started in 2021. We target to complete the exercise in 2024. A lift destination control system improves operation efficiency, reduces the waiting time and potentially saves up to 25 per cent in electricity consumption.

Our Targets

- Maintain operational carbon neutrality for our Scope 1, Scope 2 and Scope 3 emissions.
- Achieve green building certifications for all key wholly-owned UOB buildings by 2030. We expect to achieve the BCA Green Mark certification for Far Eastern Bank Building in Singapore and UOB Plaza Bangkok in Thailand in 2022.
- Achieve 14 per cent reduction in electricity use intensity by 2030, with baseline year of 2018.
- Achieve 14 per cent reduction in Scope 2 emissions intensity by 2030, with baseline year of 2018.

Our Performance in 2021

- Achieved operational carbon neutrality for our Scope 1, Scope 2 and Scope 3 emissions.
- Achieved highest Provisional BCA Green Mark Platinum certification for UOB Plaza 1 Kuala Lumpur in Malaysia. The building is projected to attain at least 30 per cent annual energy savings compared with a typical compliant building in Singapore, due mainly to the use of highly-efficient chiller plant systems, smart lighting and a high-performance building façade system.



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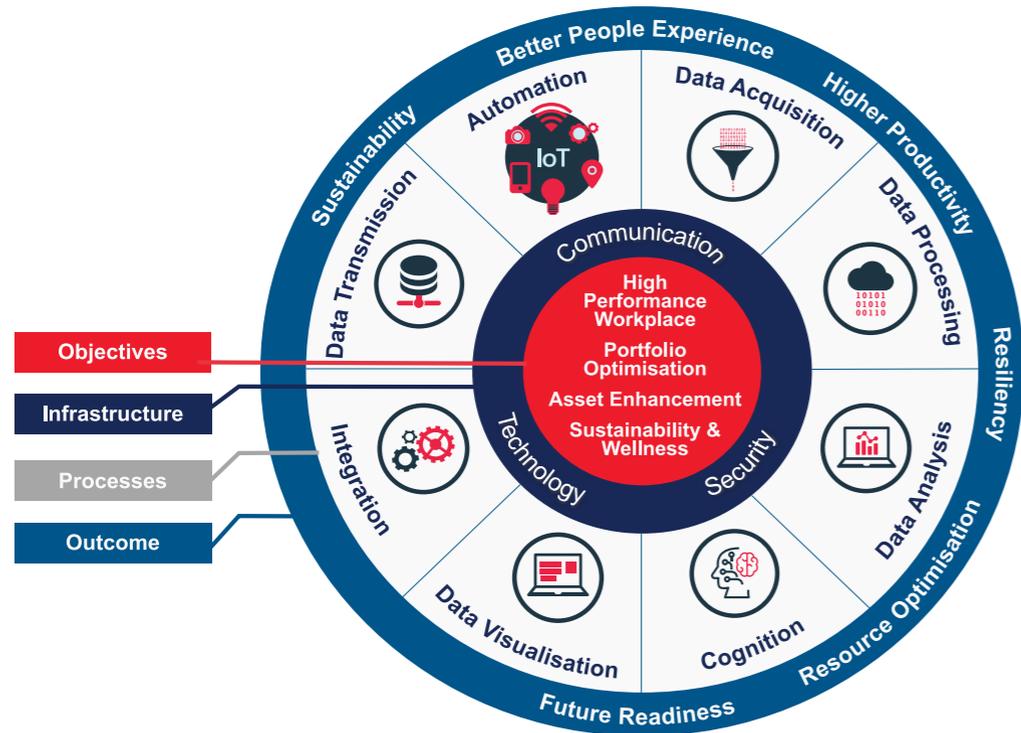
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Digitalisation and workflow automation

We seek to optimise our systems, processes and initiatives through digitalisation and workflow automation so that we can enhance our energy efficiency. One way we do this is during our upgrading works, where we integrate digital technology into our smart facility management framework.

For example, we adopted a lift destination control system in our lift modernisation project to shorten waiting times and to improve the performance and reliability of our lifts. We also combined smart sensors and application programming interfaces so that the operation of our building lighting is dynamic and customised to moving occupancy patterns. These improvements are part of our efforts to create a smart and sustainable workplace environment, which will drive productivity and energy efficiency.

Green building certifications

We are committed to managing our premises efficiently and in alignment with best practices and green building standards. We use the Green Mark criteria developed by the Singapore Building and Construction Authority (BCA) for newly-acquired or retrofitted buildings and office spaces to benchmark the green efforts of our group portfolio wherever applicable. We first adopted the BCA Green Mark Existing Non-residential Building Standards in 2013. Since then, five of our 14 wholly-owned buildings have been certified with three Green Mark Gold^{PLUS} and two Green Mark Platinum awards. We are also committed to adhering to the latest code compliance changes, such as the recent implementation of BCA Green Mark 2021, in our upcoming re-certification process.



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Achieving Carbon Neutrality

In 2021, UOB became the first Singapore bank to achieve operational carbon neutrality for our own footprint. This included our Scope 1, Scope 2 and Scope 3 emissions. We are committed to maintaining our carbon neutrality as we move towards a low carbon economy.

Energy efficiency

More than 90 per cent of our operational carbon emissions come from purchased grid electricity. Therefore, our carbon neutrality plan focuses on reducing Scope 2 emissions through energy efficiency. We seek to use resources only where required.

Renewable energy

We have stepped up our efforts in procuring from renewable sources the electricity we consume across our network.

As a consumer, we aim to contribute, over the mid to long term, to additional renewable generation capacity in the region via power purchase agreements (PPAs), especially in our home market, Singapore. Where PPAs are not feasible or available, we will purchase unbundled renewable energy certificates (RECs) to address our electricity consumption.

In 2021, we purchased and redeemed a total of 127,685 solar and wind RECs from mainland China, Indonesia, Thailand and Vietnam to address

100 per cent of our electricity consumption in all our key markets. All the purchased RECs are certified by the I-REC standard. To create demand for renewable energy within the markets in which we operate, we purchased local RECs whenever possible. Exceptions were applied to Singapore and Malaysia, where RECs were procured from Vietnam due to a limited supply of local solar RECs. Moving forward, we seek to purchase renewable energy locally whenever possible via virtual PPAs or RECs.

Carbon offsets

We aim to reduce energy consumption and use renewable energy to mitigate the majority of our operational carbon emissions. However, we recognise

that there will be hard-to-abate emissions, which may only be addressed through the use of carbon offsets. We seek to ensure that the carbon offsets we purchase are real, quantifiable, additional and permanent.

In 2021, we purchased and retired about 6,000 carbon offsets to address our Scope 1, residual Scope 2 and Scope 3 air travel emissions. As part of our commitment to advancing the renewable energy sector in the region, we sourced carbon offsets from a solar project in Vietnam certified by the Verified Carbon Standard. In addition to supplying renewable energy and mitigating carbon emissions, the solar project also generated employment opportunities and provided training for the local community.

Our long-term roadmap to maintaining carbon neutrality



Renewable energy

We will switch to clean energy sources through:

 Renewable Energy Certificates to claim solar and wind energy for our overseas offices

 A virtual Power Purchase Agreement with a solar energy provider in Singapore



Energy efficiency

We are adding more sustainability features across our buildings including:

 More efficient light-emitting diodes (LED) lighting systems

 Smart building sensors to manage lighting and lifts optimally

 Upgraded air-conditioning systems with lower energy use



Carbon offsets

We will support carbon emissions reduction programmes such as:

 Renewable energy projects to install solar panels and wind turbines

 Afforestation or reforestation efforts to plant more trees

 Coastal ecosystem conservation initiatives to protect mangroves

Cat Hiep solar power project

In Vietnam, the national grid has been reliant on fossil fuel-based power, resulting in rising levels of greenhouse gases. The country's energy demand is also rising at an estimated eight per cent each year.

In 2021, we supported the Cat Hiep solar power project as part of our efforts to help power Vietnam's economic development with solar energy.



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Purchased Grid Electricity

Our energy consumption across the region reduced by 6.5 per cent as compared with 2018, totalling 129.4 gigawatt-hours (GWh). Overall energy use intensity, measured in kilowatt-hours (kWh) per square metre (m²) of floor space, improved 9.3 per cent over the same period. Excluding data centres, the energy use intensity of our offices and branches reduced significantly by 15.4 per cent, mainly due to low occupancy in offices arising from work-from-home arrangements during the pandemic period.



■ Singapore ■ Malaysia
■ Indonesia ■ Greater China
■ Thailand ■ Vietnam and overseas branches
-.- EUI excluding data centres
-.- EUI including data centres
 Note: Data for 2021 includes Vietnam and overseas branches.

Greenhouse Gas Emissions

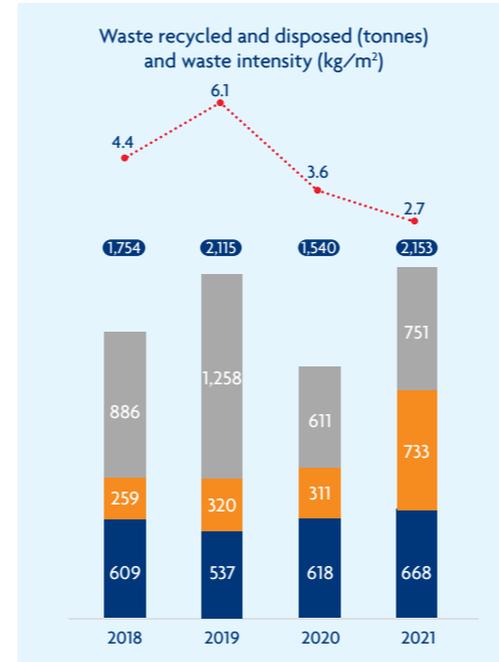
Our 2021 data includes Scope 1 emissions from the use of vehicular fuels, refrigerants from air conditioning units and stationary combustion fuels, in addition to existing Scope 2 emissions across our footprint. Scope 3 includes our air travel emissions. Similar to our energy performance, overall Scope 2 emissions reduced by 7.1 per cent to 66.6 thousand tonnes of carbon dioxide-equivalent (tCO₂e) when compared with 2018. Our overall emissions intensity (measured in kilogram (kg) of CO₂-equivalent per m² of floor space) reduced by 9.6 per cent over the same period. However, excluding data centres, the emission intensity of our office and branches decreased 14.9 per cent, attributed to the low office and branch occupancy during the pandemic.



■ Scope 1 (Stationary combustion, refrigerant etc)
■ Scope 2 (Electricity purchase)
■ Scope 3 (Air travel)
-.- Scope 2 GHG emission intensity excluding data centres
-.- Scope 2 GHG emission intensity including data centres
 Note: Data for 2021 includes Vietnam and overseas branches.

Waste Recycled and Disposed

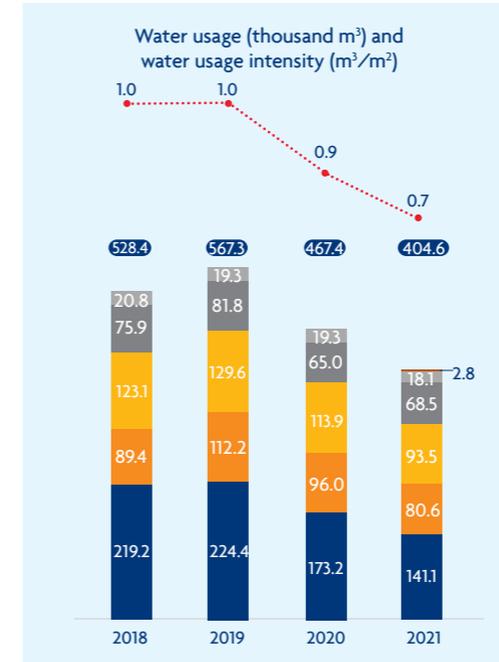
Our 2021 data covers all branches and offices in our key markets, including estimates from sites where we could not obtain actual data. This resulted in a 22.7 per cent increase in waste collection in 2021 compared with 2018. Of the 2,153 tonnes of waste generated in 2021, 31.0 per cent was recycled and 34.9 per cent was processed at waste-to-energy incineration plants. The increase in waste landfill in 2021 was attributed to the expanded scope of reporting. Overall, waste disposal intensity (measured in kg of waste per m² of floor space) improved 38.6 per cent over the same period.



■ Waste recycled
■ Waste incinerated
■ Waste landfill
-.- Overall waste intensity
 Note: Data for 2021 includes Vietnam, and branches and offices in key markets.

Water Usage

Our water consumption in 2021 decreased 23.4 per cent to 404.6 thousand cubic metres (m³) when compared with 2018. Overall water usage intensity (measured in m³ of water per m² of floor space) improved 30.0 per cent over the same period. The reduction in water consumption was attributed to low office occupancy during the pandemic.



■ Singapore ■ Malaysia
■ Indonesia ■ Greater China
■ Thailand ■ Vietnam
-.- Water usage intensity
 Note: Data for 2021 includes Vietnam.



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Purchased Office Paper

We purchased a total of 1,644 tonnes of office printing paper in 2021, 19.6 per cent less than 2018. Forest Stewardship Council (FSC)-certified paper (including both FSC 100 per cent and FSC Mix) made up 34.7 per cent of our total purchased paper in 2021. The reduction of paper was mainly due to behavioural changes in the use of resources as our colleagues largely worked from home during the pandemic.



■ FSC-certified office paper
 ■ Non FSC-certified office paper

Note: Data for 2021 includes Vietnam.

Methodology and adjustments

We continually seek to apply the most appropriate methodologies to report relevant environmental data. Resource consumption and waste data pertaining to our business operations are based on our providers' invoices and information.

Our Scope 1, 2 and Scope 3 emissions are derived in accordance with the most recent directives of the Greenhouse Gas Protocol Corporate Standard, developed by the World Resources Institute and the World Business Council for Sustainable Development. Global Warming Potential factors are based on the Intergovernmental Panel on Climate Change Fifth Assessment Report.

The reported Scope 1 and Scope 2 data include our offices, branches and data centres across our Group. Our methodology excludes UOB-owned spaces with leased tenants, known as downstream leased assets. Scope 1 and Scope 2 emissions are calculated based on location-based GHG conversion factors from international standards by the United Kingdom Department for Environment, Food and Rural Affairs (DEFRA) and the International Energy Agency (IEA) respectively.

Scope 2 emissions are the main component of our emissions profile, arising from our purchase of grid electricity and outsourced data centres. We report both the location-based and market-based emissions in this report. In addition, we report emissions derived from air travel undertaken by employees for business purposes. Scope 3 includes our air travel emissions.

When the Bank acquires or divests any property within the year, we include the property's full-year energy consumption and Scope 2 GHG emissions when computing intensity figures for annualisation purpose. This is an enhancement to the data reported for the previous years, where data was included in the calculation only if the acquired or divested property altered the individual country's baseline by more than one per cent. The revised methodology includes all our properties and provides more accurate energy and GHG emission intensity figures for our operations. The revised methodology is in accordance with the Greenhouse Gas Protocol Corporate Standard.

Waste data for previous years only included that from UOB-owned buildings. For 2021, we estimated and included data for sites where we could not obtain actual data, by establishing waste unit rates that are based on the actual waste data from typical branches and offices of each country. These waste unit rates were then used to extrapolate to the other sites by referencing their areas.



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Sustainable Procurement

As we continue to deepen our presence across the region, we seek to address the environmental, social and governance (ESG) risks and effects of our operations in a manner consistent with our values. This approach extends to the procurement of products and services from suppliers, which include any third party, company or individual that provides a product or service to the Bank. The conduct of our suppliers has the potential to impact our standing and reputation within the communities in which we operate.

How We Approach This Topic

We expect our suppliers to adhere to the standards set out in the [Group Supplier Sustainability Principles](#) (GSSP) in the areas of corporate governance and compliance, labour and human rights and environment, health and safety.

The GSSP sets out the requirements we have of our suppliers as we seek to reduce the environmental and social risks and impact associated with our sourcing activities. These include risks related to modern slavery and human trafficking within our supply chain. The majority of our purchases from

suppliers are related to corporate services, real estate, information systems and manpower management. We understand that there are ESG risks associated with our suppliers' activities and that the risks will vary depending on their sector, size and location. As such, we expect our suppliers' practices to comply with our GSSP.

Our suppliers are expected to notify us promptly of any deviations from the GSSP. In the event that a supplier is found to be non-compliant, the Bank will request the supplier to present an improvement plan if one is not already in place.

Our Targets

- Have 90 per cent of our material suppliers in Singapore acknowledge our GSSP.

Our Performance in 2021

- Continued to drive the tenets of our GSSP, with 100 per cent of our material suppliers in Singapore acknowledging the GSSP.



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Group Supplier Sustainability Principles



Corporate Governance and Compliance

- Suppliers shall comply with all applicable local and national laws and regulations in the jurisdictions in which they operate.
- Suppliers shall conduct themselves ethically and morally at all times.
- Suppliers shall not engage in bribery, facilitation payments, corruption, fraud or other prohibited business practices.



Labour and Human Rights

- Suppliers shall provide equal opportunity for all their employees regardless of gender, religion, race, ethnicity, national origin, age, disability and sexual orientation.
- Suppliers shall ensure that no child, involuntary or forced labour is used in their operations.
- Suppliers shall provide fair pay and working conditions for employees.
- Suppliers shall promote a work environment free of physical, sexual or other forms of harassment, where employees are treated with respect and dignity.



Environment, Health and Safety

- Suppliers shall provide a safe and healthy work environment for their employees in line with their health and safety policy.
- Suppliers shall implement an effective environmental policy and/or have an environmental management system or plan to manage natural resource scarcity issues and to mitigate the environmental risks, impacts and dependencies of their products and/or services.



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Community Stewardship

Enriching lives and strengthening social bonds are fundamental elements of our business philosophy. We are committed to supporting the social development of the communities in which we operate through art, children and education. We believe these to be essential for the quality and progress of society. Over many decades, our efforts across the region have helped the young, especially the underprivileged, those with special needs and those with untapped talent. During the ongoing COVID-19 pandemic in 2021, we continued to make a positive difference to vulnerable communities around the world through philanthropy, partnerships and volunteerism.

For our strong corporate social responsibility (CSR) efforts in 2021, we received eight industry awards and accolades including the Best Bank in CSR (Singapore) award by *Asiamoney*.

How We Approach This Topic

At UOB, our CSR efforts from across the Group come together under the UOB Heartbeat CSR programme, which aims to create sustainable good for more caring and inclusive societies through corporate philanthropy, stakeholder partnerships and employee participation.

Guided by our values of Honour, Enterprise, Unity and Commitment, we bring together our colleagues, customers and partners to make a positive difference to our communities.



Colleagues across 17 markets united virtually to keep fit and to keep the good going during the 2021 UOB Global Heartbeat Virtual Run/Walk – the programme’s 15th anniversary, raising a record of more than \$1.8 million for 25 charities around the world.

How We Give Back

Philanthropy
 We are committed to helping improve lives and strengthen social fabric through financial and non-financial contributions such as donations in cash or kind, sponsorships, scholarships and the purchase of goods and services from charities.

Partnerships
 We maximise our corporate giving by connecting and collaborating with partners for greater reach and impact. They include customers, business partners, vendors, community development councils, as well as institutions and artists who participate in our art competitions.

Participation
 We unite as one in giving our time, skills and service to help build strong, inclusive and caring communities. We promote volunteerism that creates a sense of belonging for our colleagues and helps improve the lives of others.



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We focus on three areas to open hearts and minds in building an inclusive society:

Art
Championing Southeast Asian Art and Ink Art
 Art connects people, broadens minds, enriches lives and strengthens societal bonds. With our regional heritage and longstanding support of Southeast Asian art and ink art, we aim to draw out the next generation of great artists from the region.

Children
Developing the young to their full potential
 As children are the future, our efforts focus on helping them have a strong head start in life, inspiring them to express themselves and nurturing their talent as individuals.

Education
Laying the foundation for the future
 Education is essential for the progress of a country, its economy and its people. We support learning opportunities for young minds, help bridge the digital divide, and develop the leaders of tomorrow.

Community Stewardship

Heartbeat for Our Community in 2021



113,000+

pieces of personal protective equipment donated globally



\$6.1+ million

in monetary and in-kind contributions to communities in need



60

artists recognised for their excellence in Asia through our two annual art competitions



1,885

disadvantaged students equipped with digital learning tools and skills across seven markets



Singapore's Best Bank in CSR

awarded by *Asiamoney*



124

youths received the Wee Cho Yaw Future Leaders Award under a \$50 million scholarship programme established in 2015

Our Targets

- Encouraging employee volunteerism: Achieve an average of 1.4 volunteer hours per employee per year across the Group in 2022.
- Championing visual art and artists: Contribute at least \$1.5 million to support the social development of art across Asia in 2022.
- Opening hearts and minds of the young through education: Equip at least 1,800 students with digital literacy skills and/or digital learning tools in 2022.

Our Performance in 2021

- Clocked more than 32,700 hours of volunteering, averaging 1.3 volunteer hours per employee per year across the Group.
- Contributed more than \$1.8 million to support the social development of art across Asia in the 40th milestone year of the UOB Painting of the Year (POY) art competition.
- Equipped 1,885 students with digital learning tools and skills through the UOB My Digital Space programme across seven markets.



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Championing Southeast Asian Art and Ink Art

As the leading patron of the arts in Asia, UOB believes that art plays an important role in fostering social inclusiveness. It connects people and communities, celebrates cultures and enriches lives. For more than four decades, we have been supporting the creative pursuits of established and emerging artists across Asia. In recognition of our long-term commitment to art, we were presented the National Arts Council's Distinguished Patron of the Arts Award in Singapore for the 17th year.

Celebrating UOB Painting of the Year's 40th anniversary

UOB champions Southeast Asian art through our flagship UOB POY competition, which celebrated its 40th anniversary in 2021. Held in Indonesia, Malaysia, Singapore and Thailand, the UOB POY competition is the longest-running art competition in Singapore and one of the most prestigious in Southeast Asia.



Since 1982, the UOB POY competition has uncovered and nurtured more than 1,000 outstanding artists across Singapore, Indonesia, Malaysia and Thailand.

The 40th UOB POY Virtual Awards Ceremony was graced by the President of the Republic of Singapore, Madam Halimah Yacob. Across the region, we saw a record number of UOB POY entries, which demonstrated the imagination and ingenuity of artists to connect with their audience. The artists captured the fortitude, compassion and resilience of people looking beyond immediate concerns during the pandemic to find rays of hope for a better future.



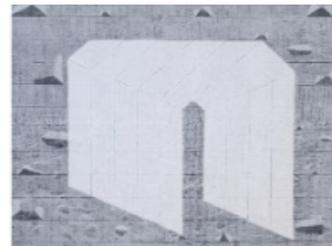
Singapore President, Madam Halimah Yacob (centre), and UOB Deputy Chairman and CEO, Mr Wee Ee Cheong (second from right), showing their strong support to the 42 Southeast Asian winning artists at the 40th UOB POY competition. New iconic design award trophies were presented to 2021 UOB Painting of the Year (Singapore) winner, Mr Keane Tan (second from left), and the 2021 Most Promising Artist of the Year (Singapore) winner, Mr Brian Ko (first from left), to recognise their outstanding works.

The 2021 UOB Southeast Asian Painting of the Year, our coveted regional top award, was won by Mr Saiful Razman from Malaysia for his artwork, *Walk in Silence, Don't Walk Away in Silence*. His monochromatic painting was inspired by the absence of sound reflecting the quietness and serenity of self-isolation during the COVID-19 pandemic. The delicate texture of the mixed media artwork reflects the current pandemic situation we are in.

To mark UOB POY's 40th anniversary, we introduced an award trophy modelled after *Vitalità*, a bronze sculpture commissioned by UOB and created by famous Italian sculptor, Ms Anna Chiara Spellini. The new trophy design aims to illuminate the passion of artists as they express their artistic vision.

As part of our efforts to advance visual arts, in 2021 we also launched the UOB Digital Art Grant in partnership with the National Arts Council Singapore through a \$200,000 donation from UOB. The grant will be part of the Sustain the Arts Fund to foster transformation and to support the art community in realising creative pursuits using digital technologies.

To raise awareness of and appreciation for traditional ink art through contemporary expressions, we held the fifth edition of the annual UOB Art in Ink Awards in Hong Kong in 2021. The competition recognised 18 local artists with the top award given to Ms Hon Ngan Ting, Rebecca for her artwork, *Coastline of Victoria Harbour*, which combines traditional and digital media.



Walk in Silence, Don't Walk Away in Silence



In Hong Kong, UOB presented the 2021 UOB Ink Art of the Year Award and Gold Award, Abstract (Open Category) to Ms Hon Ngan Ting, Rebecca (second from left). The 2021 Most Promising Artist of the Year Award was presented to Ms Tung Oi Ching (third from left).



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Bringing Art Closer to All



Preserving heritage through art education

As part of our rural art education programme in mainland China, we partnered non-profit organisation Helin Art Promotion Institution to host a nine-day art camp in Yunnan Province for close to 100 children and teachers. Focusing on Yunnan's natural environment and cultural heritage, the curriculum aimed to nurture the children's appreciation of art and culture. To expand the programme reach, the art courses were made available online and were provided to schools in other remote areas in China.



Promoting mental wellness using art

Amid the prolonged global pandemic, we continued to run the regional UOB Art Explorer programme on social media for the second year to encourage artistic exploration and self-expression while promoting mental well-being through art tutorials, art therapy sessions and virtual exhibitions. The online visual arts programme runs in mainland China, Hong Kong, Indonesia, Malaysia, Singapore and Thailand through its various enriching initiatives – Art As Therapy, Art At Home, Art In Colour, Art In Story and Art Virtually.



Growing the appreciation of art across Asia

In championing Southeast Asian art and ink art, we continued to profile our winning artists and artworks and to grow the appreciation of art with the community. In 2021, we organised and supported 23 art exhibitions, art fairs and art educational forums across the region. We were the Lead Partner for two major art fairs – Art and Design Education: FutureLab in mainland China and Art Central Hong Kong, which attracted more than 25,000 visitors, including our customers, over five days.



Inspiring budding artists through conversations

As part of our art outreach programme, we partnered various schools in Singapore to organise Artist's Conversation sessions virtually, enabling established artists to share their experiences with students pursuing specialised curricula on visual arts. More than 270 students attended the sessions and participated actively to gain insights into the evolution of art techniques as well as art as a career.



Learning sustainability through art

In Indonesia, we launched *Tromarama: The Lost Jungle* at the UOB Museum MACAN Children's Art Space, an immersive digital installation that aimed to raise awareness of environmental issues and biodiversity for children and families. Visitors could experience a live digital simulation of a jungle that reflected the actual weather conditions in Jakarta, as well as interact with a video installation that captured visitors' movements in front of a screen to demonstrate how human activity impacts the environment.



As part of Singapore's National Day celebrations, we organised a virtual art workshop for more than 60 disadvantaged students, during which they upcycled old newspapers and magazines to create papercrafts of their favourite local hawker dishes. During the process, they also learnt more about food sustainability as well as Singapore's hawker culture.



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Developing the Young to Their Potential

We believe that education has the ability to change lives for the better by laying a strong foundation for the future. UOB supports programmes that develop the minds of children from disadvantaged backgrounds and supports those with special needs. By enhancing the well-being of children and developing them to their full potential, we help to build inclusive communities.

Bridging the digital divide



The COVID-19 pandemic continues to reshape the way children access education. The UOB My Digital Space is our flagship regional education programme to equip disadvantaged students with digital learning tools and skills. In 2021, we joined the Infocomm Media Development Authority (IMDA) Singapore as a key partner to champion the Digital For Life (DfL) national movement. Through UOB My Digital Space, we support the DfL movement by helping Singaporeans of all ages and backgrounds to embrace digital learning as a lifelong pursuit and to enrich lives through digital technology. We distributed more than 600 digital devices in 2021 and contributed more than 1,000 digital devices across eight markets since 2020.

We also launched the UOB My Digital Space interactive learning portal, a website that features educational multimedia content on art, environmental sustainability, cybersecurity and financial literacy, as well as game-based learning activities. The National Environment Agency and Cyber Security Agency of Singapore, as partners of the programme, contributed

educational content to the interactive learning portal, which is available on all laptops distributed under UOB My Digital Space.

To contribute towards a circular economy, we also teamed up with non-profit organisation, Engineering Good, to refurbish and to distribute 2,500 used laptops progressively, beginning from the end of 2021, under Engineering Good's Computers Against COVID initiative. This new initiative complements the UOB My Digital Space programme to bridge the digital gap for disadvantaged students, giving them access to digital tools to support remote learning and development.



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Levelling the Playing Field

Multiplying the impact of corporate giving with our clients and colleagues

The COVID-19 pandemic did not put a stop to our annual UOB Heartbeat Lunar New Year fundraiser in Singapore. Our colleagues and clients from Group Commercial Banking raised more than \$1.2 million through a series of fundraising activities including bamboo art workshops and an art auction. Our beneficiaries included *The Straits Times* School Pocket Money Fund, *The Business Times* Budding Artists Fund and the UOB-Singapore Management University Asian Enterprise Institute. Together, we extended the impact of our corporate giving to nurture the young and to advance aspiring small- and medium-sized enterprises through education.



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Cultivating the love of reading

To share the benefits of reading, we launched the UOB Heartbeat Virtual Reading Programme where UOB volunteers partnered social service agencies in Singapore to offer weekly online storytelling and reading sessions to close to 50 disadvantaged primary school students over five months. The regular sessions aimed to open the hearts and minds of the students and to improve their reading skills.



Promoting financial literacy among the young

In Thailand, we launched *UOB Money 101: Teen Edition*, an online financial literacy programme to equip disadvantaged students with financial knowledge and skills to prepare them for the future. The initiative, which was also part of the UOB My Digital Space programme, provided 1,000 lower-secondary students with an understanding of critical money management principles and the journey to financial wellness.



Supporting education for disadvantaged children

To encourage low-income families in Malaysia to send their children to school, we raised funds to provide 100 disadvantaged students with cash aid for a year when they continue to attend school. This community programme aimed to provide learning opportunities for the young and to give them a good head start in life.



Building preschools of the future

In mainland China, we partnered the Shanghai Huji Foundation, a non-profit organisation, to improve the quality of preschool education for children aged three to six, especially for those in rural China. In 2021, we supported the building of a kindergarten in Zhenxiong County, Yunnan Province. In addition, we also introduced UOB Art Explorer, our online visual arts programme, to preschool students to help them to learn and to explore art.



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Promoting Environmental Stewardship

In support of environmental sustainability, UOB launched a range of initiatives to cultivate awareness for the environment among our colleagues and the wider community. Through our efforts in building a circular economy, we help to promote the adoption of more sustainable practices and to encourage mindset change and action.



Learning through virtual eco-excursions

In 2021, we organised a series of UOB Heartbeat Virtual Eco-Excursions, an interactive sustainability programme, for more than 100 disadvantaged students in Singapore during the school holidays. During the experiential sessions guided by trainers and UOB volunteers, the students learnt about critical environmental issues and topics through various hands-on activities and virtual tours.



Building sustainable cities through education

We provided scholarships to 40 youths from low-income families in Malaysia to complete a year-long apprentice programme at the Solar Academy by SOLS 24/7. This programme offered disadvantaged youths a chance to obtain technical education and also provided them with career opportunities in the solar industry, in support of building sustainable cities.



Recycling in support of a circular economy

To step up our recycling efforts, we expanded our festive packet recycling programme to the UOB Plaza buildings and all UOB branches across more than 40 locations in Singapore as well as UOB branches in Thailand's Chinatown district. We collected a total of more than 2,000 kg of festive packets for recycling in 2021, doubling that in 2020.



From waste to wonder

As part of our 'Waste to Wisdom' sustainability programme in Thailand, we rallied our colleagues to donate 3,600 kg of cardboard, which was subsequently turned into 200 cardboard beds for 74 field hospitals for COVID-19 patients nation-wide.



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#UnitedForYou COVID-19 Relief Programme

Our global #UnitedForYou COVID-19 Relief Programme brings together the strengths of the UOB network and our like-minded partners to help alleviate the financial burden many are facing during the prolonged COVID-19 pandemic. In 2021, we continued to engage the communities across our network to offer relief and to help see them through to better times.



Mainland China

As part of our efforts to protect our colleagues, their families and the broader community, more than 2,300 colleagues and the general public benefited from our on-site vaccination services provided at UOB Plaza Shanghai.



Hong Kong

We raised funds for the Children's Cancer Foundation in Hong Kong to improve the quality of life for 45 young cancer patients and their families whose livelihoods are affected by COVID-19.



Indonesia

To ease the severe shortage of oxygen supply for COVID-19 patients in Indonesia, we donated more than 500 medical oxygen cylinders to the Indonesia Ministry of Health for hospitals in Indonesia to help them tide through the healthcare emergency.



Malaysia

Amid the escalating pandemic situation in Malaysia, we donated various critical medical equipment worth RM100,000 to local hospitals via MERCY Malaysia to help them fight the spike in COVID-19 cases that left the nation's medical infrastructure under severe pressure.



Singapore

Responding to the community's call for support, we donated more than 111,000 pieces of personal protective equipment to disadvantaged children and families and contributed more than 100 hours to pack food rations for vulnerable communities at a food bank.



Thailand

We partnered the Thai Red Cross Society to provide essential COVID-19 relief kits and daily necessities to 7,700 affected individuals.



Vietnam

We donated more than 16,000 food cans to disadvantaged families across Ho Chi Minh City and provided medical supplies to frontline healthcare workers at the city's University Medical Center.



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	2021	2020	2019	2018
Customers				
Access to financial services				
Number of branches	440	467	476	469
Number of automated teller machines (ATMs) ³	1,436	1,572	1,653	1,669
Number of contactless ATMs	783	508	509	382
Number of ability ATMs ⁴	16	18	20	20
Digital transformation				
Digitally enabled retail customers (% of individual customer base) ⁵	69	64	-	-
Digitally active retail customers (% of individual customer base) ⁶	36	32	-	-
Customer experience and advocacy				
Number of customer compliments	99,391	65,936	82,967	58,426
Complaints relating to sale of investment and insurance products (%)	0.06	0.11	0.12	0.09
Lending profile (\$ billion)				
Loans to small businesses	11.7	11.3	10.4	10.0
Loans to medium businesses	57.0	51.2	50.6	46.0
Loans to large businesses	142.7	122.2	109.0	107.6
Loans to individuals	99.4	96.7	98.6	98.1
Sustainable financing				
Total green and sustainability-linked loans as at 31 December 2021 (\$ billion)	16.8	11.3	6.6	-
Green and sustainability-linked loans extended in 2021 (\$ billion)	5.5	4.7 ⁷	1.0	-
Renewable energy generated by projects financed (GWh) ⁸	279.5	157.4	-	-
Greenhouse gas emissions avoided through financing of renewable energy (thousand tCO ₂ e) ⁹	142.0	77.3	-	-

1 Unless otherwise stated, all numbers are at Group Level.

2 Data pertaining to 2018 to 2020 may not be available for newly included metrics. Dashes denote that data is unavailable.

3 In 2021, UOB provided access to more than 1.25 million self-service machines across Southeast Asia and China, including owned and shared ATMs, recyclers and secured cash machines.

4 Ability ATMs are designed to provide visually-impaired customers with audio assistance.

5 Refers to customers with an online banking account.

6 Refers to customers with more than one online banking login per month. 2020 numbers were revised in view of the updated indicator.

7 Figure has been restated due to rounding.

8 In accordance with the Global GHG Accounting and Reporting Standard for the Financial Industry (published by the Partnership for Carbon Accounting Financials (PCAF)), an attribution factor or ratio is applied when calculating the amount of solar energy generated so that only UOB's share in the total financing of each project is included.

9 Greenhouse gas conversion factors are sourced from the International Energy Agency (IEA).



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Financial inclusion				
Amount of non-performing loans qualified to programmes designed to promote small businesses in Singapore (\$ million)	36	41	-	-
Number of schools visited as part of our financial literacy outreach programmes in Indonesia ¹⁰	0	4	26	16
Retail banking activity metrics^{11,12}				
Value of checking and savings accounts (\$ billion)	99.4	91.4	-	-
Value of loans – less mortgage and revolving credit loans (\$ billion)	15.5	13.3	-	-
Value of mortgage loans – residential and commercial ¹³ (\$ billion)	60.1	58.4	-	-
Weighted average loan-to-value ratio of mortgage loans (%)	53.7	55.5	-	-
Percentage of unique customers with active credit card accounts ¹⁴ (%)	83.2	83.2	-	-
Percentage of unique customers with active debit card accounts ¹⁵ (%)	52.6	53.5	-	-
ESG integration by UOB Personal Financial Services				
ESG-focused transaction volume (\$ billion)	1.0	0.3	-	-
ESG-focused assets under management (AUM) (\$ billion)	0.8	0.1	-	-
ESG integration by UOB Asset Management				
AUM in investments that incorporate ESG factors and/or social impact assessment (\$ billion)	6.7	0.8	-	-
Proportion of companies in portfolio that were engaged on ESG topics (%)	20.0	13.0	10.4	-
Impact investments by UOB Venture Management				
AUM in committed capital that incorporate ESG and/or social impact assessment (\$ billion) ¹⁶	1.3	1.1	1.0	1.0
Total number of low-income individuals reached through AIIF investee companies (in millions) ¹⁷	19	16	16	13
Community Stewardship				
Monetary contributions (\$ million)	6.2	6.3	5.4	5.1
Average volunteer hours per employee ¹⁸	1.3	0.7	2.2	2.0

¹⁰ No financial literacy-related schools visited in 2021 as all schools conducted full online learning, while school visits were limited in 2020 due to COVID-19-related restrictions.

¹¹ Includes both personal and small businesses in Singapore.

¹² Certain data for 2020 was restated to align with updated methodologies.

¹³ Our standardised mortgage loan pricing packages are available to any customer who meets our loan eligibility requirements.

¹⁴ Active credit card accounts include those with at least one credit card transaction in the last 12 months.

¹⁵ Active debit card accounts include those with at least one debit card transaction in the last 12 months.

¹⁶ Figures comprise the Asia Impact Investment Funds (AIIF) and the ASEAN China Investment Funds (ACIF).

¹⁷ Figures have not been prorated for the portion of UOB Venture Management's contribution, and are based on data reported by portfolio companies.

¹⁸ Our volunteer hours were lower in 2021 and 2020 as a result of COVID-19-related restrictions. Our colleagues volunteered 32,760 hours in 2021.



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Economic Value of Our Contributions (\$ million)				
Total operating income	9,789	9,176	10,030	9,116
Dividends to shareholders	1,741	1,990	2,180	2,052
Employee compensation and benefits	2,602	2,501	2,716	2,447
Profit before tax	4,937	3,536	5,174	4,826
Profit after tax ¹⁹	4,075	2,915	4,343	4,008
Income tax ²⁰	850	606	812	805
Income tax as a percentage of profit before tax (%)	17.2	17.1	15.7	16.7
Suppliers²¹				
Total purchase (\$ million)	1,786	1,776	1,888	1,645
Purchase from local suppliers (%)	93.7	94.0	93.8	93.5
Preventing Fraud				
External fraud net loss (\$ million)	0.32	0.95	0.92	1.82
Net operational risk loss (\$ million)	4.94	3.63	5.71	6.82
Direct Environmental Impact^{22, 23}				
Energy consumption				
Fuel consumption from non-renewable sources (Gj)				
Diesel	1,934.3	-	-	-
Petrol	37,407.6	-	-	-
Natural gas	6,276.2	-	-	-
Steam	1,579.4	-	-	-
Fuel consumption from non-renewable sources (GWh)	13.1	-	-	-

¹⁹ Relates to the amount attributable to equity holders of the Bank.

²⁰ Income tax for the year ended 31 December 2019 was stated as \$813 million in Annual Report 2019. Restated in Annual Report 2020 due to rounding.

²¹ Supplier figures comprise data from our seven key markets in Singapore, Malaysia, Thailand, Indonesia, Greater China (including the Mainland and Hong Kong) and Vietnam.

²² Electricity consumption intensity and emissions intensity figures comprise data from our operations in Singapore, Malaysia, Thailand, Indonesia and Greater China (including the Mainland and Hong Kong) and for 2021, Vietnam and overseas branches. Water usage intensity, waste disposal intensity and purchased office paper figures comprise data from these locations except for overseas branches. Fuel consumption and Scope 1 GHG emissions are new data collected in 2021 globally.

²³ 2018 to 2020 data were restated due to refinement of our data collection methodologies and for consistency of application across the Group.



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Energy consumption (continued)				
Purchased grid electricity (GWh)				
Singapore	62.9	65.9	63.6	64.4
Indonesia	21.3	22.8	24.4	24.4
Thailand	19.2	20.8	24.6	24.2
Malaysia	17.8	18.7	19.3	19.4
Greater China	5.9	5.7	5.8	6.0
Vietnam	0.6	-	-	-
Overseas branches	1.7	-	-	-
Total electricity consumption	129.4	133.9	137.7	138.4
Renewable Energy (GWh)				
Purchased Renewable Energy Certificates ²⁴	127.7	-	-	-
Electricity use intensity (kWh per m² of floor space)				
Electricity use intensity excluding data centres	159.8	174.5	182.8	188.8
Electricity use intensity including data centres	230.8	249.5	251.9	254.4
Greenhouse gas (GHG) emissions (thousand tCO₂e)				
Scope 1 GHG emissions				
Refrigerants	1.1	-	-	-
Fuel combustion	0.4	-	-	-
Owned/leased vehicles	2.8	-	-	-
Total	4.3	-	-	-
Location-based Scope 2 GHG emissions				
Singapore	24.3	25.5	24.6	24.9
Indonesia	16.3	17.4	18.7	18.7
Thailand	8.9	9.7	11.4	11.3
Malaysia	11.8	12.4	12.8	12.9
Greater China	3.8	3.7	3.7	3.9
Vietnam	0.4	-	-	-
Overseas branches	1.0	-	-	-
Total	66.6	68.8	71.3	71.7

24 Renewable Energy Certificates are redeemed for our key markets.



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Greenhouse gas (GHG) emissions (thousand tCO₂e) (continued)				
Market-based Scope 2 GHG emissions ²⁵				
Total	1.0	68.8	71.3	71.7
Scope 3 GHG emissions ²⁶				
Total air travel emissions ²⁷	0.6	1.5	11.6	10.3
Total Scope 1, market-based Scope 2 and Scope 3 GHG emissions	6.0	70.3	82.9	82.0
Carbon offsets retired	6.0	-	-	-
GHG emissions intensity (kg CO₂e per m² of floor space)				
Scope 2 location-based GHG emissions intensity excluding data centres	86.8	94.0	99.1	102.0
Scope 2 location-based GHG emissions intensity including data centres	119.1	128.2	130.4	131.7
Scope 1 and 2 location-based GHG emissions intensity including data centres	126.7	131.0	151.7	150.7
Water usage (thousand m³)				
Singapore	141.1	173.2	224.4	219.2
Indonesia	80.6	96.0	112.2	89.4
Thailand	93.5	113.9	129.6	123.1
Malaysia	68.5	65.0	81.8	75.9
Greater China	18.1	19.3	19.3	20.8
Vietnam	2.8	-	-	-
Total water usage	404.6	467.4	567.3	528.4
Water usage intensity (m³ of water per m² of floor space)				
Overall water usage intensity	0.7	0.9	1.0	1.0
Purchased office paper (tonnes)				
FSC-certified office paper ²⁸	570	619	755	586
Non FSC-certified office paper	1,074	1,161	1,503	1,459
Total office paper purchased	1,644	1,779	2,259	2,045

²⁵ Market-based Scope 2 GHG emissions are residual emissions not offset by Renewable Energy Certificates. For 2021, this primarily arose from overseas branches' Scope 2 GHG emissions.

²⁶ The method used takes into account the impact of radiative forcing, as well as well-to-tank emissions resulting from the production and transportation of fuels.

²⁷ Data includes domestic and international air travel in Singapore, Malaysia, Thailand, Indonesia and Greater China (including the Mainland and Hong Kong) and for 2021, Vietnam.

²⁸ FSC-certified office paper comprises FSC 100% and FSC mix certified paper.



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Waste (tonnes)				
Recycled waste				
Plastics and other waste ²⁹	66	3	3	15
Electronic equipment ³⁰	46	43	6	14
Paper and cardboard	556	573	527	580
Total waste recycled	668	618	537	609
Disposed waste				
Waste landfilled	733	311	320	259
Waste-to-energy incineration	751	611	1,258	886
Total disposed waste	1,484	922	1,578	1,145
Total waste	2,153	1,540	2,115	1,754
Waste disposal intensity (kg of disposed waste per m² of floor space)				
Overall waste disposal intensity ³¹	2.7	3.6	6.1	4.4
Our People³²				
Number of employees³³				
Male	9,362	9,855	10,510	10,102
Female	14,984	15,611	16,362	16,051
Total	24,346	25,466	26,872	26,153
Number of employees (%)³³				
Male	38.5	38.7	39.1	38.6
Female	61.5	61.3	60.9	61.4
Total	100.0	100.0	100.0	100.0
Number of employees by employment type and gender³³				
Full-time male employees	9,356	9,854	10,508	10,100
Full-time female employees	14,949	15,573	16,319	16,008
Part-time male employees	6	1	2	2
Part-time female employees	35	38	43	43

²⁹ Other recycled waste in 2021 includes food waste from China.

³⁰ Data for 2021 comprise electronic equipment recycled in Singapore, Malaysia and Mainland China, while data for 2018 to 2020 comprised only for Singapore.

³¹ Includes both landfilled and incinerated waste. In 2021, the estimated waste collection for all UOB's operational sites have been included for completeness of data collection.

³² Certain data for previous years were restated to align with updated methodology.

³³ Includes full-time and part-time permanent and fixed-term contract employees.



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Number of employees by employment contract and gender				
Permanent male employees	9,097	9,551	10,090	9,694
Permanent female employees	14,603	15,189	15,821	15,454
Contract male employees	265	304	420	408
Contract female employees	381	422	541	597
Temporary male employees	541	473	417	518
Temporary female employees	1,063	983	854	727
Number of employees by employment contract and country				
Permanent				
Singapore	8,850	9,219	9,504	9,072
Malaysia	4,924	5,026	5,189	5,102
Thailand	4,552	4,745	5,055	4,954
Indonesia	3,231	3,579	3,793	3,824
China	913	944	1,055	1,019
Hong Kong	371	374	398	371
Vietnam	438	431	470	369
Overseas branches	421	422	447	437
Contract				
Singapore	386	440	554	573
Malaysia	70	59	112	76
Thailand	12	18	24	24
Indonesia	84	107	151	220
China	36	54	106	104
Hong Kong	21	19	5	7
Vietnam	24	17	5	0
Overseas branches	13	12	4	1



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Number of employees by employment contract and country (continued)				
Temporary				
Singapore	568	471	452	505
Malaysia	195	124	149	144
Thailand	386	375	200	122
Indonesia	365	363	364	369
China	33	54	63	68
Hong Kong	41	42	43	47
Vietnam	16	27	0	0
Overseas branches	0	0	0	0
Employment from local population (%)				
Local staff representation ³⁴	94.5	94.7	94.2	94.9
Employees by age group and gender				
<30 years (%)				
Male	34.3	34.5	36.6	35.9
Female	65.7	65.5	63.4	64.1
30-50 years (%)				
Male	39.5	39.8	39.9	39.3
Female	60.5	60.2	60.1	60.7
>50 years (%)				
Male	38.0	38.8	39.4	40.1
Female	62.0	61.2	60.6	59.9
Average age across all age groups				
Male	40.2	39.0	38.4	38.4
Female	39.7	38.6	37.8	37.6
All employees	39.9	38.8	38.0	37.9

³⁴ Local employees are citizens or permanent residents of the country in which they are employed.



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Employees by grade and gender (%)³⁵				
Senior management				
Male	63.7	65.1	64.9	65.3
Female	36.3	34.9	35.1	34.7
Middle management				
Male	48.3	48.4	48.6	48.2
Female	51.7	51.6	51.4	51.8
Executive				
Male	35.4	36.1	37.5	37.3
Female	64.6	63.9	62.5	62.7
Administrative				
Male	28.3	28.3	28.8	28.9
Female	71.7	71.7	71.2	71.1
Employees by grade and age group (%)³⁵				
Senior management				
<30 years	0.0	0.0	0.0	-
30-50 years	40.2	45.6	48.0	-
>50 years	59.8	54.4	52.0	-
Middle management				
<30 years	0.7	0.7	1.0	-
30-50 years	76.9	78.9	80.3	-
>50 years	22.4	20.4	18.7	-
Executive				
<30 years	22.1	24.5	28.7	-
30-50 years	65.5	64.6	61.7	-
>50 years	12.4	10.9	9.6	-
Administrative				
<30 years	24.5	28.5	33.5	-
30-50 years	62.2	59.2	55.5	-
>50 years	13.3	12.3	11.0	-

³⁵ Senior management refers to Managing Directors and Executive Directors; middle management refers to Senior Vice Presidents, First Vice Presidents and Vice Presidents; executive refers to Assistant Vice Presidents, Managers and Senior Officers.



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	2021	2020	2019	2018
Number of management employees by gender				
Male supervisors or managers	2,140	2,352	2,438	2,432
Female supervisors or managers	2,465	2,831	2,718	2,743
Male Management Committee ³⁶	18	17	16	16
Female Management Committee ³⁶	4	4	4	5
Number of new employee hires by gender				
Male	1,415	823	2,657	3,099
Female	1,774	1,006	3,489	4,121
Total	3,189	1,829	6,146	7,220
New employee hire rate by gender (%)				
Male	15.1	8.4	25.3	30.7
Female	11.8	6.4	21.3	25.7
Number of new employee hires by age group				
<30 years	1,528	934	3,036	3,735
30-50 years	1,567	833	2,751	3,132
>50 years	94	62	359	353
New employee hire rate by age group (%)				
<30 years	39.6	20.3	51.6	62.6
30-50 years	9.5	4.9	15.8	18.6
>50 years	2.3	1.6	10.1	10.5
Number of new employee hires by country				
Singapore	1,470	815	2,441	2,704
Malaysia	555	329	939	1,069
Thailand	457	225	1,277	1,601
Indonesia	298	258	891	1,154
China	84	45	225	289
Hong Kong	96	37	98	142
Vietnam	168	89	225	189
Overseas branches	61	31	50	72

³⁶ Management Committee refers to members of the Group Management Executive Committee and Group Management Committee, including the Group CEO, as at 1 March 2022.



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	2021	2020	2019	2018
New employee hire rate by country (%)				
Singapore	15.9	8.4	24.3	28.0
Malaysia	11.1	6.5	17.7	20.6
Thailand	10.0	4.7	25.1	32.2
Indonesia	9.0	7.0	22.6	28.5
China	8.9	4.5	19.4	25.7
Hong Kong	24.5	9.4	24.3	37.6
Vietnam	36.4	19.9	47.4	51.2
Overseas branches	14.1	7.1	11.1	16.4
Number of employee attrition by gender³⁷				
Male	1,765	1,330	1,890	2,174
Female	2,218	1,558	2,688	3,068
Total	3,983	2,888	4,578	5,242
Employee attrition rate by gender (%)³⁷				
Male	19.4	14.2	18.9	22.5
Female	15.2	10.5	17.2	20.0
Number of employee attrition by age group³⁷				
<30 years	1,293	1,059	1,841	2,126
30-50 years	2,346	1,573	2,420	2,738
>50 years	344	256	317	378
Employee attrition rate by age group (%)³⁷				
<30 years	35.3	24.9	33.8	38.4
30-50 years	14.4	9.5	14.1	16.6
>50 years	9.1	7.3	9.9	12.3
All age groups	16.8	11.9	17.8	21.0

³⁷ Attrition rates include all voluntary and involuntary attrition among permanent employees only.



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	2021	2020	2019	2018
Number of employee attrition by country³⁸				
Singapore	1,740	1,070	1,606	1,860
Malaysia	618	479	733	801
Thailand	620	534	1,140	1,343
Indonesia	618	458	696	757
China	121	148	127	188
Hong Kong	83	40	63	126
Vietnam	136	124	154	89
Overseas branches	47	35	59	78
Employee attrition rate by country (%)³⁸				
Singapore	19.7	11.6	16.9	20.5
Malaysia	12.6	9.5	14.1	15.7
Thailand	13.6	11.3	22.6	27.1
Indonesia	19.1	12.8	18.3	19.8
China	13.3	15.7	12.0	18.4
Hong Kong	22.4	10.7	15.8	34.0
Vietnam	31.1	28.8	32.8	24.1
Overseas branches	11.2	8.3	13.2	17.8
Training spend				
Total training investment (\$ million) ³⁹	23.3	19.6	31.1	26.0
Total training investment per employee (\$)	955.4	771	1,157.8	992.3
Total training investment per trainee (\$)	948.4	686	1,111.0	916.0
Average training hours per employee				
Senior management	26.7	32.0	35.5	33.4
Middle management	40.9	44.2	48.5	39.3
Executive	53.2	52.0	58.8	48.2
Administrative	62.2	51.8	44.5	50.2

³⁸ Attrition rates include all voluntary and involuntary attrition among permanent employees only.

³⁹ Includes total training costs as well as any subsidies or grants given.



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	2021	2020	2019	2018
Average training hours per employee by grade and gender⁴⁰				
Senior management				
Male	25.2	31.2	34.7	32.3
Female	29.2	33.4	36.9	35.6
Middle management				
Male	41.4	43.0	50.3	39.0
Female	40.4	45.2	46.8	39.5
Executive				
Male	55.8	51.2	64.8	51.5
Female	51.8	52.5	55.1	46.2
Administrative				
Male	49.5	50.5	43.0	47.4
Female	67.3	51.6	45.1	51.3
All grades combined				
Male	48.5	47.4	55.5	46.3
Female	52.2	50.3	50.5	46.1
Parental leave				
Number of employees who took maternity leave	517	247	509	-
Number of employees who took paternity leave	183	172	206	-
One-year retention rate of returning mothers (%) ⁴¹	86.1	76.6	85.0	-
Workplace safety				
Number of recordable work-related injuries	8	2	9	10
Rate of recordable work-related injuries ⁴²	0.03	0.01	0.03	0.03

40 Training hours include classroom training, e-learning, webinars, on-the-job training, sponsorship, town halls and teambuilding.

41 Percentage of employees who remained in the organisation at least one year after returning from maternity leave.

42 Injury rates represent the number of reportable injuries per 100 full-time workers and were calculated as (N/H) x 200,000 where N=number of injuries, H=total hours worked by all employees in the year.



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 <p>ASEAN Business Advisory Council Priority Integration Sector, Finance</p>	 <p>Asiamoney Best Bank for Corporate Social Responsibility in Singapore</p>	 <p>Asian Banking and Finance Banking for Women Initiative of the Year (Singapore)</p>	 <p>Cambridge IFA Global Good Governance Award for Community Development & Philanthropy</p>	 <p>Global Compact Network Singapore Sustainable Solutions (U-Solar)</p>	 <p>Human Resource Asia HR Asia Most Caring Companies Award (Indonesia)</p>	 <p>National Arts Council Distinguished Patron of the Arts Award (17th time)</p>
 <p>People's Association Community Partnership Excellence Award</p>	 <p>Securities Investors Association Singapore Most Transparent Company Award for Financials</p>	 <p>SG Enable Enabling Mark Platinum (Inclusive Employment)</p>	 <p>Shanghai Media Group and Jiemian Best Corporate Social Responsibility of the Year (China)</p>	 <p>Singapore Corporate Awards 2021 Corporate Excellence and Resilience Award (>\$1 billion market cap)</p>	 <p>Singapore Governance and Transparency Index (SGTI) 2021 Ranked 6th of 518 Singapore-listed companies (General Category)</p>	 <p>South Korea's Ministry of Economy and Finance Economy Development Contribution Award</p>
 <p>Syobserve Best Charity Programme of the Year (China)</p>	 <p>The Asset Platinum Award</p>	 <p>The Asset <ul style="list-style-type: none"> • Best Issuer for Sustainable Finance in Singapore • Best Sustainability Bond in Singapore </p>	 <p>The Asset Best Wealth Manager for Impact Investing, Asia (Wealth Management)</p>	 <p>World Human Resource Development Congress Award for Leading HR Practices in Quality Work-Life</p>	 <p>Zhaopin Best Employers for Female Employees (China)</p>	 <p>Find Out More ► Learn more about our awards</p>



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ESG Ratings, Rankings and Indices	UOB's Rating / Ranking
Sustainalytics ESG Risk Rating	Rated 19.8 Low Risk (as at March 2022)
MSCI ESG Rating	Rated AA (as at October 2021)
CDP Climate Change	Rated C in 2021
Dow Jones Sustainability Index / S&P Global ESG Score	Scored 58 in 2021
FTSE4Good ASEAN 5 Index	Ranked 2 nd by Market Cap (as at February 2022)
Vigeo Eiris ESG Score	47 (as at September 2021)
Bloomberg ESG Disclosure Rating	45.6 (as at March 2022)
ISS ESG Rating	ESG decile ranking: 5/10 (grade D+)
WWF Sustainable Banking Assessment (SUSBA)	Ranked 1 st among ASEAN banks in 2021 assessment
NUS-CGS Singapore Governance and Transparency Index	Ranked 6 th in 2021 among 519 Singapore-listed companies (in General Category)
iEdge Singapore ESG Leaders Index	2 nd largest constituent (as at December 2021)
ASEAN Corporate Governance Scorecard (ACGS)	Ranked 2 nd among publicly-listed companies in Singapore Ranked top 20 among publicly-listed companies in ASEAN



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GRI Standard	Disclosure Information or Location
GRI 102: General Disclosures 2016	
Organisational Profile	
GRI 102-1 Name of the organisation	United Overseas Bank Limited
GRI 102-2 Activities, brands, products and services	UOB Annual Report 2021 (4)
GRI 102-3 Location of headquarters	UOB Annual Report 2021 (4)
GRI 102-4 Location of operations	UOB Annual Report 2021 (5)
GRI 102-5 Ownership and legal form	Public limited company listed on the Singapore Exchange
GRI 102-6 Markets served	UOB Annual Report 2021 (4-5, 29, 42-59)
GRI 102-7 Scale of the organisation	UOB Annual Report 2021 (3, 4-5, 30, 35, 133)
GRI 102-8 Information on employees and other workers	95-97
GRI 102-9 Supply chain	19, 82
GRI 102-10 Significant changes to the organisation and its supply chain	No significant change during the reporting period
GRI 102-11 Precautionary Principle or approach	6-9, 20, 21-25, 26-31, 32-38, 39, 40-44, 77-81, 82
GRI 102-12 External initiatives	9, 21, 31, 32, 40, 51, 68, 73, 74
GRI 102-13 Membership of associations	9, 21, 31, 32, 40, 51, 68, 73, 74
Strategy	
GRI 102-14 Statement from senior decision-maker	3, UOB Annual Report 2021 (22-25)
GRI 102-15 Key impacts, risks, and opportunities	3, 6-9, 20, 21-25, 26-31, 32-38, 39, 40-44, 49-50, 51-55, 56, 71, 72, 73, 74-76, UOB Annual Report 2021 (22-25, 102-118)
Ethics and Integrity	
GRI 102-16 Values, principles, standards and norms of behaviour	6, 20, 56, 57, 60, 68-69, 72, 73, 74-76, UOB Annual Report 2021 (8-9)
GRI 102-17 Mechanisms for advice and concerns about ethics	UOB Annual Report 2021 (76, 88-89, 94)
Governance	
GRI 102-18 Governance structure	17, UOB Annual Report 2021 (76-96)
GRI 102-19 Delegating authority	17
GRI 102-20 Executive-level responsibility for economic, environmental and social topics	17
GRI 102-21 Consulting stakeholders on economic, environmental and social topics	10, 17
GRI 102-22 Composition of the highest governance body and its committees	UOB Annual Report 2021 (10-19, 80-81)
GRI 102-23 Chair of the highest governance body	UOB Annual Report 2021 (80-81)



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Governance	
GRI 102-24 Nominating and selecting the highest governance body	UOB Annual Report 2021 (79-83)
GRI 102-25 Conflicts of interest	UOB Annual Report 2021 (79)
GRI 102-26 Role of highest governance body in setting purpose, values and strategy	17, 71, UOB Annual Report 2021 (76-78)
GRI 102-27 Collective knowledge of highest governance body	17, 25, 26, 71
GRI 102-29 Identifying and managing economic, environmental and social impacts	6, 10, 17, 21, 26, 57, 71, 74, UOB Annual Report 2021 (76-78, 105-106)
GRI 102-30 Effectiveness of risk management processes	6, 10, 17, 21-25, 26-31, 57, 71, 74, UOB Annual Report 2021 (76-78, 105-106)
GRI 102-31 Review of economic, environmental and social topics	17, 26
GRI 102-32 Highest governance body's role in sustainability reporting	17
GRI 102-35 Remuneration policies	UOB Annual Report 2021 (98-101)
GRI 102-36 Process of determining remuneration	UOB Annual Report 2021 (98-101)
Stakeholder Engagement	
GRI 102-40 List of stakeholder groups	10
GRI 102-41 Collective bargaining agreements	60
GRI 102-42 Identifying and selecting stakeholders	10
GRI 102-43 Approach to stakeholder engagement	10
GRI 102-44 Key topics and concerns raised	22-26
Reporting Practice	
GRI 102-45 Entities included in the consolidated financial statements	UOB Annual Report 2021 (188-191)
GRI 102-46 Defining report content and topic Boundaries	22-26
GRI 102-47 List of material topics	22-26
GRI 102-48 Restatements of information	90-102
GRI 102-49 Changes in reporting	No significant change
GRI 102-50 Reporting period	1 January 2021 to 31 December 2021
GRI 102-51 Date of most recent report	April 2021
GRI 102-52 Reporting cycle	Annual
GRI 102-53 Contact point for questions regarding the report	1
GRI 102-54 Claims of reporting in accordance with the GRI Standards	17



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GRI 102-55 GRI Content Index	105-112
GRI 102-56 External assurance	123-130
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GRI 103-1 Explanation of the material topic and its Boundaries	12
GRI 103-2 The management approach and its components	19, UOB Annual Report 2021 (22-25)
GRI 103-3 Evaluation of the management approach	19
GRI 201-1 Direct economic value generated and distributed	19, 90-92, UOB Annual Report 2021 (26-37)
GRI 201-2 Financial implications and other risks and opportunities due to climate change	26-31
GRI 202: Market Presence 2016	
GRI 103-1 Explanation of the material topic and its Boundaries	12
GRI 103-2 The management approach and its components	19, UOB Annual Report 2021 (22-25, 131-135)
GRI 103-3 Evaluation of the management approach	19
GRI 202-2 Proportion of senior management hired from the local community	97
GRI 203: Indirect Economic Impacts 2016	
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GRI 103-2 The management approach and its components	21-24, 26, 32, 39, 40
GRI 103-3 Evaluation of the management approach	10, 21-24, 26, 32, 39, 40
GRI 203-1 Infrastructure investments and services supported	32-38, 39, 40-44, 47-48, UOB Annual Report 2021 (42-51)
GRI 203-2 Significant indirect economic impacts	21-25, 26-31, 32-38, 39, 40-44, 51-55
GRI 204: Procurement Practices 2016	
GRI 103-1 Explanation of the material topic and its Boundaries	16
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GRI 103-3	Evaluation of the management approach	10, 74-76
GRI 205-2	Communication and training about anti-corruption policies and procedures	74-76
GRI 205-3	Confirmed incidents of corruption and actions taken	74-76
GRI 206: Anti-Competitive Behaviour 2016		
GRI 103-1	Explanation of the material topic and its Boundaries	14
GRI 103-2	The management approach and its components	57
GRI 103-3	Evaluation of the management approach	10, 57
GRI 206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	57
GRI 207: Tax 2019		
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GRI 103-2	The management approach and its components	19
GRI 103-3	Evaluation of the management approach	19
GRI 207-1	Approach to tax	19, 72
GRI 207-2	Tax governance, control, and risk management	19, 72
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GRI 302: Energy 2016		
GRI 103-1	Explanation of the material topic and its Boundaries	16
GRI 103-2	The management approach and its components	77-81
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GRI 302-1	Energy consumption within the organisation	77-81, 92-93
GRI 302-3	Energy intensity	77-81, 93
GRI 302-4	Reduction of energy consumption	77-81
GRI 303: Water 2018		
GRI 103-1	Explanation of the material topic and its Boundaries	16
GRI 103-2	The management approach and its components	77-81
GRI 103-3	Evaluation of the management approach	77-81
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GRI 103-3 Evaluation of the management approach	26-31, 77-81
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GRI 103-2 The management approach and its components	77-81
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GRI 306-4 Waste diverted from disposal	77-81, 95
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GRI 307-1 Non-compliance with environmental laws and regulations.	21-25, 72
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GRI 103-2 The management approach and its components	60-62
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GRI 403: Occupational Health and Safety 2018		
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GRI 404-2	Programmes for upgrading employee skills and transition assistance programmes	61-63
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GRI 103-2	The management approach and its components	68-69
GRI 103-3	Evaluation of the management approach	10, 68-69
GRI 405-1	Diversity of governance bodies and employees	68-69, 71, 97-99 As at 31 December 2021, <ul style="list-style-type: none"> • Our Board of Directors comprised 88.9 per cent men and 11.1 per cent women. All of them were above 50 years old. • The Group Management Committee comprised 81.8 per cent men and 18.2 per cent women. 81.8 per cent of them were above 50 years old and 18.2 per cent were between 30 and 50 years old.



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GRI 103-2	The management approach and its components	60
GRI 103-3	Evaluation of the management approach	10, 60
GRI 407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	60
GRI 408: Child Labour 2016		
GRI 103-1	Explanation of the material topic and its Boundaries	12, 15, 16
GRI 103-2	The management approach and its components	23-24, 60, 82
GRI 103-3	Evaluation of the management approach	10, 23-24, 60, 82
GRI 408-1	Operations at significant risk for incidents of child labour	None of our office and branch locations is at significant risk for incidents of child labour
GRI 409: Forced or Compulsory Labour 2016		
GRI 103-1	Explanation of the material topic and its Boundaries	12, 15, 16
GRI 103-2	The management approach and its components	23-24, 60, 82
GRI 103-3	Evaluation of the management approach	10, 23-24, 60, 82
GRI 409-1	Operations at significant risk for incidents of forced or compulsory labour	None of our office and branch locations is at significant risk for incidents of forced or compulsory labour
GRI 413: Local Communities 2016		
GRI 103-1	Explanation of the material topic and its Boundaries	12, 13, 14, 16
GRI 103-2	The management approach and its components	23-24, 43-44, 51-55, 83-89
GRI 103-3	Evaluation of the management approach	10, 23-24, 43-44, 51-55, 83-89
GRI 413-1	Operations with local community engagement, impact assessments and development programmes	23-24, 43-44, 51-55, 83-89
GRI 417: Marketing And Labelling 2016		
GRI 103-1	Explanation of the material topic and its Boundaries	14
GRI 103-2	The management approach and its components	57, 72
GRI 103-3	Evaluation of the management approach	10, 57, 72
GRI 417-1	Requirements for product and service information and labelling	57, 72
GRI 417-2	Incidents of non-compliance concerning product and service information and labelling	57, 72
GRI 417-3	Incidents of non-compliance concerning marketing communications	57, 72



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Global Reporting Initiative (GRI) Content Index

GRI Standard		Disclosure Information or Location
GRI 418: Customer Privacy 2016		
GRI 103-1	Explanation of the material topic and its Boundaries	14, 16
GRI 103-2	The management approach and its components	56, 73
GRI 103-3	Evaluation of the management approach	10, 56, 73
GRI 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	56, 73
GRI 419: Socio-economic Compliance 2016		
GRI 103-1	Explanation of the material topic and its Boundaries	12, 14, 15, 16
GRI 103-2	The management approach and its components	19, 21-24, 57, 72, 74-76
GRI 103-3	Evaluation of the management approach	10, 19, 21-24, 57, 72, 74-76
GRI 419-1	Non-compliance with laws and regulations in the social and economic area	19, 57, 72



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GRI G4 Financial Services Sector Disclosures

GRI G4 Indicator		Disclosure Information or Location
G4 Financial Services Sector Disclosures		
Product Portfolio		
G4-FS1	Policies with specific environmental and social components applied to business lines	21-25, 26-31, 40-44, 51-55
G4-FS2	Procedures for assessing and screening environmental and social risks in business lines	21-25, 26-31, 40-44
G4-FS3	Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions	21-25
G4-FS4	Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines	24-25, 31, 42
G4-FS5	Interactions with clients/ investees/ business partners regarding environmental and social risks and opportunities	10, 21-25, 26-31, 32-38, 39, 40-44
G4-FS6	Percentage of the portfolio for business lines by specific region, size and by sector	90-91, UOB Annual Report 2021 (28-29)
G4-FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	2, 32, 40, 90-91
G4-FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	2, 32, 40, 90-91
G4-FS9	Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures	21-25
G4-FS10	Percentage and number of companies held in the institution's portfolio with which the reporting organisation has interacted on environmental or social issues	90-91
G4-FS11	Percentage of assets subject to positive and negative environmental or social screening	21, 40, 90-91
G4-FS12	Voting policies applied to environmental or social issues for shares over which the reporting organisation holds the right to vote shares or advises on voting.	42
Local Communities		
G4-FS13	Access points in low-populated or economically disadvantaged areas by type	46, 51-55, 90
G4-FS14	Initiatives to improve access to financial services for disadvantaged people	51-55
Product and Service Labelling		
G4-FS15	Policies for the fair design and sale of financial products and services	57
G4-FS16	Initiatives to enhance financial literacy by type of beneficiary	65, 87-88, 91



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Sustainability Accounting Standards Board (SASB) Index¹

Indicator Code		Disclosure Information or Location
SASB FN-CB: Commercial Banks		
Data Security		
FN-CB-230a.2	Description of approach to identifying and addressing data security risks	14, 16, 56, 73
Financial Inclusion & Capacity Building		
FN-CB-240a.2	Amount of non-performing loans qualified to programmes designed to promote small businesses ²	91
FN-CB-240a.4	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	91
Incorporation of Environmental, Social, and Governance Factors in Credit Analysis		
FN-CB-410a.1	Commercial and industrial credit exposure, by industry	UOB Annual Report 2021 (211-212)
FN-CB-410a.2	Description of approach to incorporation of ESG factors in credit analysis	21-25
Business Ethics		
FN-CB-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations	72
FN-CB-510a.2	Description of whistle-blower policies and procedures	20, 74-75, UOB Annual Report 2021 (94)
Systemic Risk Management		
FN-CB-550a.1	Global Systemically Important Bank (G-SIB) score, by category	UOB Annual Report 2021 (119-120)
FN-CB-550a.2	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities	UOB Annual Report 2021 (102-119)
Activity Metrics		
FN-CB-000.A	Value of checking and savings accounts ²	91
FN-CB-000.B	Value of loans-less mortgage and revolving credit loans ²	91
SASB FN-MF: Mortgage Finance		
Discriminatory Lending		
FN-MF-270b.1	Weighted average Loan-to-Value (LTV) ratio of mortgages issued to all borrowers ²	91
FN-MF-270b.2	Total amount of monetary losses as a result of legal proceedings associated with discriminatory mortgage lending	72
FN-MF-270b.3	Description of policies and procedures for ensuring non-discriminatory mortgage origination	Our standardised mortgage loan pricing packages are available to any customer who meets our loan eligibility requirements.

¹ Certain SASB Standards metrics are specific to United States regulations. These were assessed for relevance to UOB's business and activities. In this report, we omit metrics that are not directly applicable to the local context. However, we will review the latest SASB Standards and reconsider the scope of our reporting on an annual basis.

² Metric has been adjusted for relevance to UOB's business context.



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Sustainability Accounting Standards Board (SASB) Index

Indicator Code		Disclosure Information or Location
SASB FN-MF: Mortgage Finance		
Activity Metrics		
FN-MF-000.B	Value of mortgage loans – residential and commercial ³	91
SASB FN-CF: Consumer Finance		
Customer Privacy		
FN-CF-220a.2	Total amount of monetary losses as a result of legal proceedings associated with customer privacy	56
Data Security		
FN-CF-230a.3	Description of approach to identifying and addressing data security risks	14, 16, 56, 73
Selling Practices		
FN-CF-270a.5	Total amount of monetary losses as a result of legal proceedings associated with selling and servicing of products	72
Activity Metrics		
FN-CF-000.A	Percentage of unique consumers with an active (1) credit card account and (2) debit card account, with at least one transaction in the last 12 months ³	91

³ Metric has been adjusted for relevance to UOB's business context.



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Task Force on Climate-related Financial Disclosures (TCFD) Index

TCFD Recommendations	Disclosure Information or Location
Governance	
a. Describe the board's oversight of climate-related risks and opportunities	26
b. Describe management's role in assessing and managing climate-related risks and opportunities.	26
Strategy	
a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	27-30, 32-42
b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	27-30, 32-42
c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	27-30
Risk Management	
a. Describe the organisation's processes for identifying and assessing climate-related risks.	30-31
b. Describe the organisation's processes for managing climate-related risks.	30-31
c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	30-31
Metrics and Targets	
a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	31, 90
b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks.	28, 80, 93, 94
c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	31-32, 77, 79-81



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United Nations Sustainable Development Goals (UN SDGs) Index

The Global Goals	Global Targets Toward Which We Can Align Our Efforts	Material ESG Factor and Page Reference
1 No Poverty	Global Target 1.4 Equal rights to economic resources, basic services, natural resources, appropriate new technology and financial services, including microfinance	<ul style="list-style-type: none"> Facilitating Sustainable and Responsible Investing, 43-44 Financial Inclusion, 55
2 Zero Hunger	Global Target 2.3 Increase in agricultural productivity and incomes of small-scale food producers through knowledge and financial services	<ul style="list-style-type: none"> Financial Inclusion, 55
3 Good Health and Well-being	Global Target 3.4 Reduce premature mortality from non-communicable diseases through prevention and treatment and to promote mental health and well-being	<ul style="list-style-type: none"> Community Stewardship, 86
	Global Target 3.8 Health coverage and access to quality essential healthcare services and access to safe, effective, quality and affordable essential medicines and vaccines for all	<ul style="list-style-type: none"> Workplace Safety, Health and Well-being, 64
	Global Target 3.C Increase in health financing and the recruitment, development, training and retention of the health workforce in developing countries	<ul style="list-style-type: none"> Supporting Businesses' Sustainable Growth, 35 Facilitating Sustainable and Responsible Investing, 43-44
4 Quality Education	Global Target 4.4 Increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship	<ul style="list-style-type: none"> Community Stewardship, 86-88
	Global Target 4.6 Build and upgrade inclusive and safe schools	<ul style="list-style-type: none"> Facilitating Sustainable and Responsible Investing, 43-44 Community Stewardship, 86-88
	Global Target 4.7 Learners to acquire knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development	<ul style="list-style-type: none"> Community Stewardship, 86-88
5 Gender Equality	Global Target 5.5 Full and effective participation and equal opportunities for women at all levels of decision-making in political, economic and public life	<ul style="list-style-type: none"> Facilitating Sustainable and Responsible Investing, 43-44 Financial Inclusion, 55 Diverse and Inclusive Workforce, 69
6 Clean Water and Sanitation	Global Target 6.3 Improve water quality by reducing pollution, halving the proportion of untreated wastewater and increasing recycling and safe reuse globally	<ul style="list-style-type: none"> Supporting Businesses' Sustainable Growth, 34-35
7 Affordable and Clean Energy	Global Target 7.2 Increase share of renewable energy in the global energy mix	<ul style="list-style-type: none"> Supporting Businesses' Sustainable Growth, 34-35
	Global Target 7.3 Global rate of improvement in energy efficiency to double	<ul style="list-style-type: none"> Supporting Businesses' Sustainable Growth, 34-35
	Global Target 7.B Infrastructure expansion and technological upgrade in order to supply modern and sustainable energy services for all in developing countries	<ul style="list-style-type: none"> Supporting Businesses' Sustainable Growth, 34-35



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The Global Goals	Global Targets Toward Which We Can Align Our Efforts	Material ESG Factor and Page Reference
8 Decent Work and Economic Growth	Global Target 8.2 Higher levels of economic productivity achieved through diversification, technological upgrading and innovation	<ul style="list-style-type: none"> Supporting Businesses Through Economic Cycles, 48
	Global Target 8.3 Development-oriented policies promoted to support productive activities, decent job creation, entrepreneurship, creativity and innovation, and to encourage the formalisation and growth of micro-, small- and medium-sized enterprises, including through access to financial services	<ul style="list-style-type: none"> Financial Inclusion, 54-55
	Global Target 8.4 Improvement in global resource efficiency in consumption and production and decoupling of economic growth from environmental degradation	<ul style="list-style-type: none"> Supporting Clients in Sustainable Development, 34
	Global Target 8.5 Full and productive employment and decent work to be achieved for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value	<ul style="list-style-type: none"> Facilitating Sustainable and Responsible Investing, 43-44 Attracting, Developing and Retaining Talent, 60 Diverse and Inclusive Workforce, 69
	Global Target 8.10 Capacity of domestic financial institutions to be strengthened to encourage and expand access to banking, insurance and financial services for all	<ul style="list-style-type: none"> Financial Inclusion, 54-55
9 Industry, Innovation and Infrastructure	Global Target 9.1 Quality, reliable, sustainable and resilient infrastructure to support economic development and human well-being	<ul style="list-style-type: none"> Workplace Safety, Health and Well-being, 64 Managing Our Direct Environmental Impact, 77 Community Stewardship, 87
	Global Target 9.3 Increase in access to small-scale industrial and other enterprises to financial services, including affordable credit, and their integration into value chains and markets	<ul style="list-style-type: none"> Supporting Businesses Through Economic Cycles, 48 Financial Inclusion, 54
	Global Target 9.4 Upgrade infrastructure to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally-sound technologies and industrial processes	<ul style="list-style-type: none"> Supporting Businesses' Sustainable Growth, 34-35 Managing Our Direct Environmental Impact, 77
10 Reduced Inequalities	Global Target 10.2 Social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status	<ul style="list-style-type: none"> Facilitating Sustainable and Responsible Investing, 43-44 Financial Inclusion, 55 Diverse and Inclusive Workforce, 69
11 Sustainable Cities and Communities	Global Target 11.4 Strengthen efforts to protect and safeguard cultural and national heritage	<ul style="list-style-type: none"> Community Stewardship, 86, 88
	Global Target 11.6 Reduced adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management	<ul style="list-style-type: none"> Supporting Businesses' in Sustainable Growth, 34-35 Supporting Businesses Through Economic Cycles, 48 Financial Inclusion, 54 Managing Our Direct Environmental Impact, 77
12 Responsible Consumption and Production	Global Target 12.5 Reduction in waste generation through prevention, reduction, recycling and reuse	<ul style="list-style-type: none"> Managing Our Direct Environmental Impact, 77 Community Stewardship, 87-88
	Global Target 12.6 Companies, especially large and transnational companies, encouraged to adopt sustainable practices	<ul style="list-style-type: none"> Supporting Businesses' Sustainable Growth, 34-35
	Global Target 12.7 Promotion of sustainable procurement practices in accordance with national policies and priorities	<ul style="list-style-type: none"> Sustainable Procurement, 82



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United Nations Sustainable Development Goals (UN SDGs) Index

The Global Goals	Global Targets Toward Which We Can Align Our Efforts	Material ESG Factor and Page Reference
13 Climate Action	Global Target 13.2 Integration of climate change measures into policies, strategies and planning	<ul style="list-style-type: none"> Climate Change Risks, 31
	Global Target 13.3 Improvements in education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning	<ul style="list-style-type: none"> Supporting Businesses' Sustainable Growth, 34-35 Community Stewardship, 88
14 Life Below Water	Global Target 14.1 Prevention and reduction of marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution	<ul style="list-style-type: none"> Supporting Businesses' Sustainable Growth, 34-35
15 Life on Land	Global Target 15.A Increase in financial resources to conserve and sustainably use biodiversity and ecosystems	<ul style="list-style-type: none"> Supporting Businesses' Sustainable Growth, 34-35
16 Peace, Justice and Strong Institutions	Global Target 16.5 Reduction in corruption and bribery in all their forms	<ul style="list-style-type: none"> Preventing Corruption, Fraud and Money Laundering, 76
17 Partnership for the Goals	Global Target 17.16 Multi-stakeholder partnerships that mobilise and share knowledge, expertise, technology and financial resources, to support the achievement of the sustainable development goals	<ul style="list-style-type: none"> Responsible Financing, 25 Climate Change Risks, 31 Supporting Businesses' Sustainable Growth, 32 Financial Inclusion, 51 Data Privacy and Governance, 56 Diverse and Inclusive Workforce, 69 Information Security, 73 Preventing Corruption, Fraud and Money Laundering, 74
	Global Target 17.17 Effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships	<ul style="list-style-type: none"> Supporting Businesses' Sustainable Growth, 32 Community Stewardship, 87-88



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United Nations Global Compact (UNGC) Ten Principles

UNGC Ten Principles		Material ESG Factor and Page Reference
Human Rights		
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights	6, 9, 42, 60, 82
Principle 2	Make sure that they are not complicit in human rights abuses	21-25, 82
Labour		
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	9, 60
Principle 4	The elimination of all forms of forced and compulsory labour	21-25, 60, 82
Principle 5	The effective abolition of child labour	21-25, 60, 82
Principle 6	The elimination of discrimination in respect of employment and occupation	60, 68
Environment		
Principle 7	Businesses should support a precautionary approach to environmental challenges	6-9, 21-25, 26-31, 32-38, 39, 40-44, 77-81, 82
Principle 8	Undertake initiatives to promote greater environmental responsibility	21-25, 32-38, 39, 40-44, 86-88
Principle 9	Encourage the development and diffusion of environmentally friendly technologies	32-38, 39, 40-44
Anti-Corruption		
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery	9, 74-76



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Glossary

Anti-money laundering (AML)

AML refers to combating money laundering. Money laundering refers to the process of masking financial proceeds from criminal conduct such that these proceeds appear to have originated from legitimate source(s).

Carbon dioxide equivalent (CO₂e)

The common metric used to compare emissions from the various types of greenhouse gases. Different greenhouse gases have different potential for global warming. By converting all greenhouse gases to the common measure of tonnes of CO₂e, companies are able to be consistent in their measurement and comparison. For example, one tonne of methane would be equal to about 25 tonnes of CO₂e, because it has a global warming potential that is approximately 25 times that of one tonne of carbon dioxide.

Climate change and global warming

The increase in the average temperature of the Earth's climate system, apparent since the mid- to late-20th century. Climate change is attributed primarily to the higher amounts of greenhouse gases in the atmosphere resulting from the burning of fossil fuel, the production of industrial products, livestock farming, crop fertilisation and deforestation. The gases trap heat in the atmosphere and are expected to have a variety of effects on the planet, including sea level rise, droughts and severe weather events.

Corruption

The abuse of entrusted power for private gain.

Customer Satisfaction Score (CSS)

Refers to the measurement that determines how satisfied customers are with our products and services and their overall satisfaction based on recent interactions with the Bank, on a scale of zero to 10.

Financial inclusion

Programmes and initiatives that help individuals and businesses access useful, appropriate and affordable financial products and services that meet their needs (for example transactions, payments, savings, credit and insurance) and that are delivered in a responsible and sustainable way.

Fraud

An act, with an element to deceive or conceal facts. Fraud is not restricted to monetary or material benefits.

Global Reporting Initiative (GRI) Standards

A set of internationally-recognised standards that help businesses, governments and other organisations communicate and report their risks and impacts for environmental, social and economic topics.

Global warming potential

A measure of the amount of heat a greenhouse gas is able to trap in the atmosphere relative to carbon dioxide gas.

Green loans

Any type of loan instrument made exclusively to finance or to re-finance, in whole or in part, new and/or existing Green Projects that are deemed eligible under UOB umbrella frameworks or borrowers' frameworks, and which are aligned to the Loan Market Association/Asia Pacific Loan Market Association (LMA/APLMA) Green Loan Principles.

Green trade facility

Any trade and/or working capital facilities made to finance or to re-finance, in whole or in part, new and/or existing Green themes and activities and/or relevant industry certifications that are deemed eligible under the UOB Green and Sustainable Trade Finance and Working Capital Framework, and which are aligned to the Loan Market Association/Asia Pacific Loan Market Association (LMA/APLMA) Sustainability-linked Loan Principles.

Greenhouse gas emissions

Gaseous pollutants that absorb infrared radiation and trap heat in the atmosphere. The primary greenhouse gases are carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride.

Impact investing

The deployment of capital in companies with the deliberate intention of generating positive social and/or environmental benefits alongside, and as a means of, achieving positive financial returns.

Islamic banking

A system of banking that complies with Islamic law (Shariah). The underlying principles that govern Islamic banking are sustainable circulation of wealth, transparency, stability, assurance of justice and protection of wealth. In generating profit, Islamic banking transactions are based on trading activities and interest-bearing transactions are prohibited.

Location-based emissions

Emissions calculated based on the average emissions intensity/factors of the grids on which the energy consumption occurs.

Market-based emissions

Emissions calculations that reflect or include emissions from electricity that the user entity has chosen to purchase, for example, contractual arrangements under which the organisation procures power from specific suppliers or any external sources, such as renewable energy.

Material environmental, social and governance (ESG) factors

Environmental, social and governance, as well as economic, factors can impact the risk and return profile of our financing and investment decisions as well as our internal operations. Such 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.



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Material supplier

A material supplier is a new, existing or re-contracted supplier that performs a material outsourcing activity which, if disrupted, has the potential to impact our business operations significantly or our ability to manage risks effectively. Material suppliers also include those that supply goods and/or services to the Bank with an annual spend of \$5 million or more.

Materiality assessment

The methodology by which we identify and assess the material ESG factors that have an impact on our business and influence stakeholder decision-making.

Microfinancing

The provision of financial services to individuals, households and micro-enterprises that are normally excluded from conventional banking services.

Net Promoter Score (NPS)

A metric used to measure the likelihood of a customer recommending a company's brand, product or service to others. The NPS is an established worldwide metric used to measure customer loyalty and to predict business growth.

Physical risks

Physical risks can be acute or chronic. Acute physical risks refer to those that are event driven, including increased severity of extreme weather events, such as cyclones and wildfires. Chronic physical risk arises from longer-term shifts in climate patterns such as rising sea levels with time horizon typically spanning decades. Physical risks can result in financial losses due to direct damage to assets and indirect impact from supply chain disruption.

Responsible financing

The integration of ESG factors into our credit and risk evaluation process for financing activities.

Sustainability Accounting Standards Board (SASB)

An independent non-profit organisation that sets standards to help guide corporations in their disclosure of financially material sustainability information to investors.

Scope 1 greenhouse gas emissions

Direct emissions that originate from operations or assets which are owned or controlled by the organisation including on-site generation of electricity, steam or heat in equipment, travel in cars and other vehicles owned or controlled by the company and hydrofluorocarbons emitted from refrigeration or air-conditioning equipment.

Scope 2 greenhouse gas emissions

Indirect emissions resulting from the generation of grid electricity, heat or steam by an outside organisation, such as an electricity provider, but which is utilised by the reporting organisation.

Scope 3 greenhouse gas emissions

All other indirect emissions which occur at sources the organisation neither owns nor controls. Scope 3 emissions can result from business travel in non-company vehicles, especially commercial planes; employees commuting in non-company vehicles, as well as the activities of suppliers, customers and contractors.

Sustainable development

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.

Sustainability-linked loans

Any type of loan instrument and/or contingent facility (such as bonding lines, guarantee lines or letters of credit) which incentivise the borrower to achieve pre-determined sustainability performance objectives. The borrower's sustainability performance is measured using sustainability performance targets, which can include key performance indicators, external ESG ratings or equivalent metrics which measure improvements in the borrower's sustainability profile.

Task Force on Climate-related Financial Disclosures (TCFD)

Industry-led initiative established by the Financial Stability Board in 2015 at the request of the G20 to develop a set of voluntary climate-related financial risk disclosures which can be adopted by companies so that those companies can inform investors and other members of the public about the risks they face related to climate change. The recommendations of the TCFD are organised around four pillars, namely governance and management, strategy, management of climate change-related risks and metrics and targets in place to address the impacts.

Taskforce on Nature-related Financial Disclosures (TNFD)

Risk management and disclosure framework for organisations to report and act on evolving nature-related risks, with the ultimate aim of supporting a shift in global financial flows away from nature-negative outcomes and toward nature-positive outcomes.

Transition risks

Transition risks arise from the process of adjustment towards a low-carbon economy which could result in financial and non-financial impacts. Impact is expected to materialise in a shorter time horizon with the speed and magnitude of transition dependent on changes in public policies, technological developments, shifts in consumer preferences and investor sentiment.

United Nations-supported Principles for Responsible Investment (PRI)

The PRI sets out six principles that serve as a global standard for responsible investing. They also provide guidance to financial institutions on the integration of ESG factors in the investment process and in active ownership.

United Nations Global Compact (UNGC)

The United Nations Global Compact is an initiative to encourage companies to align their strategies and operations with ten principles in the areas of human rights, labour, the environment and anti-corruption, and to advance progress against the UN SDGs.

United Nations Sustainable Development Goals (UN SDGs)

The 17 UN SDGs, also known as the Global Goals, were adopted by the United Nations Member States in 2015 and form the core of the 2030 Agenda, a universal call to action for governments, businesses and civil society to end poverty, protect the planet and ensure peace and prosperity for all people by 2030.



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United Overseas Bank Limited (“UOB”)

28 March 2022

Independent Limited Assurance Statement in connection with the Subject Matter included in the UOB Sustainability Report 2021

To the Management of UOB

Scope

We have been engaged by UOB to perform a ‘limited assurance engagement’, as defined by International Standards on Assurance Engagements, here after referred to as the engagement, to report on UOB’s Sustainability Report 2021 GRI Standards disclosures (the “Subject Matter”) as set out in the Subject Matter and Criteria section below as of 28 March 2022 for the year ended 31 December 2021 for the period from 1 January 2021 to 31 December 2021 (“FY2021”) (“the Report”).

Subject Matter and Criteria

In preparing the Subject Matter, UOB applied the Global Reporting Initiative (“GRI”) (“the Criteria”) as set out in the table below:

GRI Standards Disclosures

No	GRI Standards Disclosures	Sub-indicators under “Shall” requirements (referenced as per GRI Standards)	Scope
1	102-8 Information on employees and other workers	a. Total number of employees by employment contract (permanent and temporary), by gender. b. Total number of employees by employment contract (permanent and temporary), by region. c. Total number of employees by employment type (full-time and part-time), by gender. d. Whether a significant portion of the organization’s activities are performed by workers who are not employees. If applicable, a description of the nature and scale of work performed by workers who are not employees. e. Any significant variations in the numbers reported in Disclosures 102-8-a, 102-8-b, and 102-8-c (such as seasonal variations in the tourism or agricultural industries). f. An explanation of how the data have been compiled, including any assumptions made.	Group ¹

No	GRI Standards Disclosures	Sub-indicators under “Shall” requirements (referenced as per GRI Standards)	Scope
2	102-9 Supply chain	a. A description of the organization’s supply chain, including its main elements as they relate to the organization’s activities, primary brands, products, and services.	Group
3	102-41 Collective bargaining agreements	a. Percentage of total employees covered by collective bargaining agreements.	Singapore, Malaysia and Indonesia
4	201-1 Direct economic value generated and distributed	a. Direct economic value generated and distributed (EVG&D) on an accruals basis, including the basic components for the organization’s global operations as listed below. If data are presented on a cash basis, report the justification for this decision in addition to reporting the following basic components: <ul style="list-style-type: none"> i Direct economic value generated: revenues; ii Economic value distributed: operating costs, employee wages and benefits, payments to providers of capital, payments to government by country, and community investments; iii Economic value retained: ‘direct economic value generated’ less ‘economic value distributed’. b. Where significant, report EVG&D separately at country, regional, or market levels, and the criteria used for defining significance.	Group
		2.1 When compiling the information specified in Disclosure 201-1, the reporting organization shall, if applicable, compile the EVG&D from data in the organization’s audited financial or profit and loss (P&L) statement, or its internally audited management accounts.	
5	205-2 Communication and training about anti-corruption policies and procedures	a. Total number and percentage of governance body members that the organization’s anti-corruption policies and procedures have been communicated to, broken down by region. b. Total number and percentage of employees that the organization’s anti-corruption policies and procedures have been communicated to, broken down by employee category and region. d. Total number and percentage of governance body members that have received training on anti-corruption, broken down by region. e. Total number and percentage of employees that have received training on anti-corruption, broken down by employee category and region.	Group

¹ “Group” under Audit scope comprises Singapore, Malaysia, Thailand, Indonesia, Greater China (including the Mainland and Hong Kong), Vietnam, and all overseas branches (UK, Australia, etc).



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No	GRI Standards Disclosures	Sub-indicators under “Shall” requirements (referenced as per GRI Standards)	Scope
6	302-1 Energy consumption within the organization	<p>a. Total fuel consumption within the organization from non-renewable sources, in joules or multiples, and including fuel types used.</p> <p>b. Total fuel consumption within the organization from renewable sources, in joules or multiples, and including fuel types used.</p> <p>c. In joules, watt-hours or multiples, the total:</p> <ul style="list-style-type: none"> i. electricity consumption ii. heating consumption iii. cooling consumption iv. steam consumption <p>d. In joules, watt-hours or multiples, the total:</p> <ul style="list-style-type: none"> i. electricity sold ii. heating sold iii. cooling sold iv. steam sold <p>e. Total energy consumption within the organization, in joules or multiples.</p> <p>f. Standards, methodologies, assumptions, and/or calculation tools used.</p> <p>g. Source of the conversion factors used.</p> <p>2.1 When compiling the information specified in Disclosure 302-1, the reporting organization shall:</p> <p>2.1.1 Avoid the double-counting of fuel consumption, when reporting self-generated energy consumption. If the organization generates electricity from a non-renewable or renewable fuel source and then consumes the generated electricity, the energy consumption shall be counted once under fuel consumption;</p> <p>2.1.2 Report fuel consumption separately for non-renewable and renewable fuel sources;</p> <p>2.1.3 Only report energy consumed by entities owned or controlled by the organization;</p> <p>2.1.4 Calculate the total energy consumption within the organization in joules or multiples using the following formula:</p> <p>Total energy consumption within the organization = Non-renewable fuel consumed + Renewable fuel consumed + Electricity, heating, cooling, and steam purchased for consumption + Self-generated electricity, heating, cooling, and steam which are not consumed - Electricity, heating, cooling, and steam sold</p>	Group

No	GRI Standards Disclosures	Sub-indicators under “Shall” requirements (referenced as per GRI Standards)	Scope
7	302-3 Energy intensity	<p>a. Energy intensity ratio for the organization.</p> <p>b. Organization-specific metric (the denominator) chosen to calculate the ratio.</p> <p>c. Types of energy included in the intensity ratio; whether fuel, electricity, heating, cooling, steam, or all.</p> <p>d. Whether the ratio uses energy consumption within the organization, outside of it, or both.</p> <p>2.5 When compiling the information specified in Disclosure 302-3, the reporting organization shall:</p> <p>2.5.1 Calculate the ratio by dividing the absolute energy consumption (the numerator) by the organization-specific metric (the denominator);</p> <p>2.5.2 If reporting an intensity ratio both for the energy consumed within the organization and outside of it, report these intensity ratios separately.</p>	Group
8	305-1 Direct (Scope 1) GHG emissions	<p>a. Gross direct (Scope 1) GHG emissions in metric tons of CO₂ equivalent.</p> <p>b. Gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all.</p> <p>c. Biogenic CO₂ emissions in metric tons of CO₂ equivalent.</p> <p>d. Base year for the calculation, if applicable, including:</p> <ul style="list-style-type: none"> i. the rationale for choosing it; ii. emissions in the base year; iii. the context for any significant changes in emissions that triggered recalculations of base year emissions. <p>e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.</p> <p>f. Consolidation approach for emissions; whether equity share, financial control, or operational control.</p> <p>g. Standards, methodologies, assumptions, and/or calculation tools used.</p> <p>2.1 When compiling the information specified in Disclosure 305-1, the reporting organization shall:</p>	Group



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No	GRI Standards Disclosures	Sub-indicators under “Shall” requirements (referenced as per GRI Standards)	Scope
8	305-1 Direct (Scope 1) GHG emissions	<p>2.1.1 Exclude any GHG trades from the calculation of gross direct (Scope 1) GHG emissions;</p> <p>2.1.2 Report biogenic emissions of CO₂ from the combustion or biodegradation of biomass separately from the gross direct (Scope 1) GHG emissions. Exclude biogenic emissions of other types of GHG (such as CH₄ and N₂O), and biogenic emissions of CO₂ that occur in the life cycle of biomass other than from combustion or biodegradation (such as GHG emissions from processing or transporting biomass).</p>	Group
9	305-2 Energy indirect (Scope 2) GHG emissions	<p>a. Gross location-based energy indirect (Scope 2) GHG emissions in metric tons of CO₂ equivalent.</p> <p>b. If applicable, gross market-based energy indirect (Scope 2) GHG emissions in metric tons of CO₂ equivalent.</p> <p>c. If available, the gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all.</p> <p>d. Base year for the calculation, if applicable, including: i. the rationale for choosing it; ii. emissions in the base year; iii. the context for any significant changes in emissions that triggered recalculations of base year emissions.</p> <p>e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.</p> <p>f. Consolidation approach for emissions; whether equity share, financial control, or operational control.</p> <p>g. Standards, methodologies, assumptions, and/or calculation tools used.</p> <p>2.3 When compiling the information specified in Disclosure 305-2, the reporting organization shall:</p> <p>2.3.1 Exclude any GHG trades from the calculation of gross energy indirect (Scope 2) GHG emissions;</p> <p>2.3.2 Exclude other indirect (Scope 3) GHG emissions that are disclosed as specified in Disclosure 305-3;</p> <p>2.3.3 Account and report energy indirect (Scope 2) GHG emissions based on the location-based method, if it has operations in markets without product or supplier-specific data;</p> <p>2.3.4 Account and report energy indirect (Scope 2) GHG emissions based on both the location-based and market-based methods, if it has any operations in markets providing product or supplier-specific data in the form of contractual instruments.</p>	Group

No	GRI Standards Disclosures	Sub-indicators under “Shall” requirements (referenced as per GRI Standards)	Scope
10	305-3 Other indirect emissions (Scope 3) emissions	<p>a. Gross other indirect (Scope 3) GHG emissions in metric tons of CO₂ equivalent.</p> <p>b. If available, the gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all.</p> <p>c. Biogenic CO₂ emissions in metric tons of CO₂ equivalent.</p> <p>d. Other indirect (Scope 3) GHG emissions categories and activities included in the calculation.</p> <p>e. Base year for the calculation, if applicable, including: i. the rationale for choosing it; ii. emissions in the base year; iii. the context for any significant changes in emissions that triggered recalculations of base year emissions.</p> <p>f. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.</p> <p>g. Standards, methodologies, assumptions, and/or calculation tools used.</p> <p>2.5 When compiling the information specified in Disclosure 305-3, the reporting organization shall:</p> <p>2.5.1 Exclude any GHG trades from the calculation of gross other indirect (Scope 3) GHG emissions;</p> <p>2.5.2 Exclude energy indirect (Scope 2) GHG emissions from this disclosure. Energy indirect (Scope 2) GHG emissions are disclosed as specified in Disclosure 305-2;</p> <p>2.5.3 Report biogenic emissions of CO₂ from the combustion or biodegradation of biomass that occur in its value chain separately from the gross other indirect (Scope 3) GHG emissions. Exclude biogenic emissions of other types of GHG (such as CH₄ and N₂O), and biogenic emissions of CO₂ that occur in the life cycle of biomass other than from combustion or biodegradation (such as GHG emissions from processing or transporting biomass).</p>	Group



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No	GRI Standards Disclosures	Sub-indicators under "Shall" requirements (referenced as per GRI Standards)	Scope	
11	305-4	GHG emissions intensity	Group	
				a. GHG emissions intensity ratio for the organization.
				b. Organization-specific metric (the denominator) chosen to calculate the ratio.
				c. Types of GHG emissions included in the intensity ratio; whether direct (Scope 1), energy indirect (Scope 2), and/or other indirect (Scope 3).
				d. Gases included in the calculation; whether CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , or all.
				2.7 When compiling the information specified in Disclosure 305-4, the reporting organization shall:
2.7.1 Calculate the ratio by dividing the absolute GHG emissions (the numerator) by the organization-specific metric (the denominator);				
2.7.2 If reporting an intensity ratio for other indirect (Scope 3) GHG emissions, report this intensity ratio separately from the intensity ratios for direct (Scope 1) and energy indirect (Scope 2) emissions.				
12	306-4	Waste diverted from disposal	Group	
				a. Total weight of waste diverted from disposal in metric tons, and a breakdown of this total by composition of the waste.
				b. Total weight of hazardous waste diverted from disposal in metric tons, and a breakdown of this total by the following recovery operations: <ol style="list-style-type: none"> Preparation for reuse; Recycling; Other recovery operations.
				c. Total weight of non-hazardous waste diverted from disposal in metric tons, and a breakdown of this total by the following recovery operations: <ol style="list-style-type: none"> Preparation for reuse; Recycling; Other recovery operations.
				d. For each recovery operation listed in Disclosures 306-4-b and 306-4-c, a breakdown of the total weight in metric tons of hazardous waste and of non-hazardous waste diverted from disposal: <ol style="list-style-type: none"> onsite; offsite.
				e. Contextual information necessary to understand the data and how the data has been compiled.

No	GRI Standards Disclosures	Sub-indicators under "Shall" requirements (referenced as per GRI Standards)	Scope	
13	306-5	Waste directed to disposal	Group	
				2.2 When compiling the information specified in Disclosure 306-4, the reporting organization shall:
				2.2.1 Exclude effluent, unless required by national legislation to be reported under total waste;
				2.2.2 Use 1000 kilograms as the measure for a metric ton.
				a. Total weight of waste directed to disposal in metric tons, and a breakdown of this total by composition of the waste.
				b. Total weight of hazardous waste directed to disposal in metric tons, and a breakdown of this total by the following disposal operations: <ol style="list-style-type: none"> Incineration (with energy recovery); Incineration (without energy recovery); Landfilling; Other disposal operations.
c. Total weight of non-hazardous waste directed to disposal in metric tons, and a breakdown of this total by the following disposal operations: <ol style="list-style-type: none"> Incineration (with energy recovery); Incineration (without energy recovery); Landfilling; Other disposal operations. 				
d. For each disposal operation listed in Disclosures 306-5-b and 306-5-c, a breakdown of the total weight in metric tons of hazardous waste and of non-hazardous waste directed to disposal: <ol style="list-style-type: none"> onsite; offsite. 				
e. Contextual information necessary to understand the data and how the data has been compiled.				
2.4 When compiling the information specified in Disclosure 306-5, the reporting organization shall:				
2.4.1 Exclude effluent, unless required by national legislation to be reported under total waste;				
2.4.2 Use 1000 kilograms as the measure for a metric ton.				



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No	GRI Standards Disclosures	Sub-indicators under "Shall" requirements (referenced as per GRI Standards)	Scope
14	401-1 New employee hires and employee turnover	a. Total number and rate of new employee hires during the reporting period, by age group, gender and region. b. Total number and rate of employee turnover during the reporting period, by age group, gender and region.	Group
15	404-1 Average hours of training per year per employee	a. Average hours of training that the organization's employees have undertaken during the reporting period, by: i. gender; ii. employee category.	Group
16	404-3 Percentage of employees receiving regular performance and career development reviews	a. Percentage of total employees by gender and by employee category who received a regular performance and career development review during the reporting period.	Group
17	405-1 Diversity of governance bodies and employees	a. Percentage of individuals within the organization's governance bodies in each of the following diversity categories: i. Gender; ii. Age group: under 30 years old, 30-50 years old, over 50 years old; iii. Other indicators of diversity where relevant (such as minority or vulnerable groups). b. Percentage of employees per employee category in each of the following diversity categories: i. Gender; ii. Age group: under 30 years old, 30-50 years old, over 50 years old; iii. Other indicators of diversity where relevant (such as minority or vulnerable groups).	Group

As part of our scope of limited assurance, we have conducted the verification of the GHG emission figures. Our scope of limited assurance did not include the verification for the retirement of Renewable Energy Certificates and offsets via Carbon Credits against the following GRI indicators:

- a. 305-1 Direct (Scope 1) GHG emissions,
- b. 305-2 Energy indirect (Scope 2) GHG emissions, and
- c. 305-3 Other indirect (Scope 3) emissions.

UOB Management's responsibilities

UOB Management is responsible for selecting Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records, and making estimates that are relevant to the preparation of the Subject Matter Information, such that it is free from material misstatement, whether due to fraud or error.

EY's responsibilities

Our responsibility is to express a limited assurance conclusion on the Subject Matter based on the procedures we performed and evidence we obtained.

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 ("ISAE 3000") issued by the International Auditing and Assurance Standards Board, and the terms of reference for this engagement as agreed with UOB on 16 September 2021. Those standards require that we plan and perform our engagement to obtain limited assurance about whether, in all material respects, the Subject Matter is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our independence and quality control

We have maintained our independence and confirm that we have met the requirements of the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

EY also applies Singapore Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.



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Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information, and applying analytical and other appropriate procedures.

Our procedures included:

1. Inquiries with UOB's Sustainability teams to
 - a. Understand principal business operations,
 - b. Appreciate key sustainability issues and developments,
 - c. Map out information flow for sustainability reporting and the relevant controls,
 - d. Identify data providers with their responsibilities, and
 - e. Recognise the likelihood of possible manipulation of sustainability information and data.
2. Virtual meetings with UOB's data stakeholders and management.
3. Process walk-through of systems and processes for data aggregation and reporting, with relevant personnel to understand the quality of checks and control mechanisms, assessing and testing the controls in relation to the Subject Matter in the Report.
4. Interviews with employees and management in UOB (Corporate Sustainability Office, Group Human Resource, Group Technology and Operations, and Group Corporate Real Estate Services) to understand key sustainability issues related to the select indicators and processes for the collection and accurate reporting of performance information.
5. Obtain documentation through sampling methods to verify assumptions, estimations and computations made by management in relation to the Subject Matter in the Report.

6. Checking that data and statements had been correctly transcribed from corporate systems and / or supporting evidence, into the Report.
7. Obtain various certifications, audit reports and financial statement report in relation to the Subject Matter in the Report.
8. Checking that data and statements had been correctly transcribed from corporate systems and / or supporting evidence, into the Report.

We also performed such other procedures as we considered necessary in the circumstances.

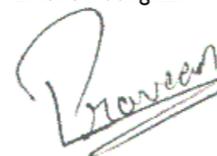
Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the Subject Matter as of 28 March 2022 for the year ended 31 December 2021, in order for it to be in accordance with the Criteria.

Restricted use

This report is intended solely for the information and use of the Management of UOB and is not intended to be and should not be used by anyone other than those specified parties.

Ernst & Young LLP



Signed for Ernst & Young LLP by
Praveen Tekchandani
Partner, Climate Change and Sustainability Services
Singapore
28 March 2022



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United Overseas Bank Limited (“UOB”) 28 March 2022

Independent Limited Assurance Report on UOB’s Greenhouse Gas (“GHG”) Statement

To the Management of UOB

Scope

We have undertaken a ‘limited assurance engagement’ of the accompanying GHG statement of UOB’s Sustainability Report 2021 as set out in the Subject Matter and Criteria section below as of 28 March 2022 for the year ended 31 December 2021 for the period from 1 January 2021 to 31 December 2021 (“FY2021”) (“the Report”).

Subject Matter and Criteria

The criteria (“the Criteria”) for our assurance evaluation are as follows:

- GHG Protocol Corporate Accounting and Reporting Standard for GHG inventories; and
- ISO 14064-3: 2019 Specification with guidance for the validation and verification of GHG assertions.

The Subject Matter is set out in the table below:

Greenhouse Gas Emissions Disclosures

No	Greenhouse Gas Emissions	Sub-indicators under “Shall” requirements (referenced as per GRI Standards)	Scope
1	Direct (Scope 1) GHG emissions	<ul style="list-style-type: none"> • Direct emissions from sources owned or controlled by UOB (e.g. stationary combustion emissions, fugitive emissions, mobile combustion emissions); • Generation of Scope 1 emissions: 4.33 thousand tCO₂e¹ 	Group ²
2	Energy indirect (Scope 2) GHG emissions excluding Scope 2 emissions for UOB-owned spaces that are leased to tenants (downstream assets)	<ul style="list-style-type: none"> • Generation of Scope 2 emissions (location-based): 66.63 thousand tCO₂e • Generation of Scope 2 emissions (market-based)³: 1.02 thousand tCO₂e 	Group
3	Other indirect (Scope 3) emissions ⁴	<ul style="list-style-type: none"> • Domestic and international air travel undertaken by employees for business purposes from, to or within Singapore, Indonesia, Malaysia, Thailand, Greater China and Vietnam • Generation of Scope 3 emissions: 0.63 thousand tCO₂e 	Group
4	Total GHG emissions	<ul style="list-style-type: none"> • Total Scope 1, Scope 2 (location-based), Scope 3 emissions: 71.59 thousand tCO₂e • Total Scope 1, Scope 2 (market-based), Scope 3 emissions: 5.98 thousand tCO₂e 	Group

1 Thousand tCO₂e refers to thousand tons of carbon dioxide equivalent. Carbon dioxide equivalent is a standard unit for calculating GHG such as carbon dioxide, methane in a common unit.
 2 “Group” under Audit scope comprises Singapore, Malaysia, Thailand, Indonesia, Greater China (including the Mainland and Hong Kong), Vietnam, and all overseas branches (UK, Australia, etc.).
 3 Scope 2 emissions (market-based) are residual emissions not offset by Renewable Energy Certificates. For 2021, this primarily arose from overseas branches’ Scope 2 GHG emissions.
 4 The assurance scope for other indirect (Scope 3) emissions only covers domestic and international air travel by employees. It does not include other categories of Scope 3.

As part of our scope of limited assurance, we have conducted the verification of the GHG emission figures stated above. Our scope of limited assurance did not include the verification for the retirement of Renewable Energy Certificates and offsets via Carbon Credits.

UOB Management’s responsibilities

UOB Management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the GHG statement, such that it is free from material misstatement, whether due to fraud or error.

EY’s responsibilities

Our responsibility is to express a limited assurance conclusion on the Subject Matter based on the procedures we performed and evidence we obtained.

We conducted our limited assurance engagement in accordance with International Standard for Assurance Engagements on Greenhouse Gas Statements (“ISAE 3410”), and the terms of reference for this engagement as agreed with UOB on 16 September 2021. Those standards require that we plan and perform our engagement to obtain limited assurance about whether, in all material respects, the Subject Matter is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Our independence and quality control

We have maintained our independence and confirm that we have met the requirements of the Accounting and Corporate Regulatory Authority (“ACRA”) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (“ACRA Code”), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

EY also applies Singapore Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.



Overview

Our Approach

Drive Growth Sustainably

Keep Customers at the Centre

Develop Professionals of Principle

Uphold Corporate Responsibility

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External Assurance

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

The Greenhouse Gas quantification process is subject to scientific uncertainty, which arises because of incomplete scientific knowledge about the measurement of GHGs. Additionally, GHG procedures are subject to estimation (or measurement) uncertainty resulting from the measurement and calculation processes used to quantify emissions within the bounds of existing scientific knowledge.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information, and applying analytical and other appropriate procedures.

Our procedures included:

1. Inquiries with UOB's Sustainability teams to
 - a. Understand principal business operations,
 - b. Appreciate key sustainability issues and developments,
 - c. Map out information flow for sustainability reporting and the relevant controls,
 - d. Identify data providers with their responsibilities, and
 - e. Recognise the likelihood of possible manipulation of sustainability information and data.
2. Virtual meetings with UOB's data stakeholders and management.
3. Process walk-through of systems and processes for data aggregation and reporting, with relevant personnel to understand the quality of checks and control mechanisms, assessing and testing the controls in relation to the Subject Matter in the Report.

4. Interviews with employees and management in UOB (Corporate Sustainability Office, Group Human Resource, Group Technology and Operations, and Group Corporate Real Estate Services) to understand key sustainability issues related to the select indicators and processes for the collection and accurate reporting of performance information.
5. Obtain documentation through sampling methods to verify assumptions, estimations and computations made by management in relation to the Subject Matter in the Report.
6. Checking that data and statements had been correctly transcribed from corporate systems and/or supporting evidence, into the Report.
7. Obtain various certifications, audit reports and financial statement report in relation to the Subject Matter in the Report.
8. Checking that data and statements had been correctly transcribed from corporate systems and/or supporting evidence, into the Report.

We also performed such other procedures as we considered necessary in the circumstances.

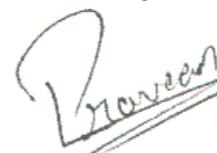
Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the Subject Matter as of 28 March 2022 for the year ended 31 December 2021, in order for it to be in accordance with the Criteria.

Restricted use

This report is intended solely for the information and use of the Management of UOB and is not intended to be and should not be used by anyone other than those specified parties.

Ernst & Young LLP



Signed for Ernst & Young LLP by
Praveen Tekchandani
Partner, Climate Change and Sustainability Services
Singapore
28 March 2022



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External Assurance



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