

Sustainability Approach

As a leading financial institution in Asia, UOB is focused on creating sustainable value for our stakeholders and aligning our long-term business strategies with their interests. 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 is also in line with our commitment to help ensure a safe, secure and trusted banking system.

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. Integral to the business direction UOB takes is its sustainability strategy. In formulating this strategy, the Board considered the factors which contribute to the sustainable growth of the Bank. As part of the process, the Bank undertakes an annual exercise to gather and to assess data and insights from across the organisation and from its external stakeholders.

Together with Management, the Board identified opportunities relevant to the long-term success of the Bank and determined the material ESG risks to be managed. Through its Committees, the Board oversees the management and monitoring of these factors to ensure that the Bank is responding effectively to developments in the market and in view of its stakeholders' expectations. The Board and Management are supported in this regard by the Bank's dedicated ESG Committee comprising senior executives from functions across the organisation.

The framework of UOB's sustainability reporting is in line with the Singapore Exchange (SGX) Sustainability Reporting Guide and the Global Reporting Initiative (GRI) Standards. We are pleased to state that for its disclosure on material topics in its Annual Report 2017, UOB received Special Recognition for Stakeholder Engagement and Materiality at the Singapore Sustainable Business Awards 2018. The report was also a finalist for Asia's Best Sustainability Report within an Annual Report at the Asia Sustainability Reporting Awards 2018.

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.

UOB's approach to sustainability is being pragmatic and progressive in addressing the material risks and opportunities that may have an impact on our customers, colleagues, suppliers, investors and the communities in which we operate. We believe that

as one of Asia's largest banks, we have a duty to contribute to the region's long-term economic, social and environmental well-being. This responsible, long-term approach is central to our business activities.



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Sustainability Governance Structure



In 2018, the Bank set up a dedicated ESG Committee, a senior management committee that reports directly to the Management Executive Committee (MEC) on the Group's sustainability matters. This ensures that ESG factors are given due consideration in all aspects of our operations. The ESG Committee members represent the Bank's business and support units, and through their activities, seek to address the potential risks and effects of our operations in relation to the economy, environment and society. The ESG Committee reviews material ESG topics, identifies risks and opportunities, evaluates emerging issues, collates and assesses relevant data, and monitors the progress of sustainability-related programmes and initiatives.

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

Sustainability Reporting Frameworks and Principles

Our sustainability reporting is in accordance with the 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, which provides the location of material disclosures within this report, is on pages 299 to 303 of this report.

In determining our reporting content, we have applied the GRI Standards (GRI 101: Foundation 2016). To identify the factors most material to our business, in 2018 we conducted a materiality assessment with internal and external stakeholders. The assessment also helped us to understand our stakeholders'

sustainability-related interests, expectations and concerns. In that regard, we considered the broader sustainability context in which our business operates and we reported our relevant performance indicators for the past three years for material ESG factors, unless noted otherwise.

To ensure reporting quality, we have observed the principles of accuracy, balance, clarity, comparability, reliability and timeliness to help our stakeholders assess our overall ESG performance.

Our sustainability reporting complies with the SGX-Securities Trading Limited Listing Rules 711A and 711B, and Practice Note 7.6 Sustainability Reporting issued in June 2016.

The ESG information provided in this report is not externally assured. We relied on internal data monitoring and an internal verification process to ensure accuracy, while our external sustainability consultant reviewed the data and information, verified samples of data and conducted interviews to ascertain accuracy.

Scope of Reporting for GRI Disclosures

The UOB Annual Report 2018 is our third annual report that includes GRI disclosures and provides an overview of the Group's sustainability efforts from January to December 2018. UOB's previous annual report which included sustainability-related disclosures was published in 2018. Unless otherwise stated, the GRI-related sustainability disclosures in this report include all entities and divisions within the Group.

Sustainability Strategy

When making business decisions and developing our products and services, we consider our stakeholders' expectations in appreciation of what is material to them. As part of our commitment to sustainable and responsible growth, we also seek to identify, to assess and to 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.

We refine our sustainability strategy continually through extensive discussions and workshops with teams from across the Bank. In our evaluation and planning, we start with internal factors that are key to the long-term growth of our business. Some of these factors are strong governance, employee health, safety and well-being, diversity and inclusion, as well as attracting, developing and retaining talent. Our deliberations also include wider sustainability trends affecting businesses globally, such as responsible financing, increasing interest in green products and services and a changing regulatory landscape. In addition, we consider our alignment with the United Nations Sustainable Development Goals (UN SDGs) and the Paris Climate Agreement.



Our sustainability strategy mirrors our business approach of balancing growth with stability. It takes into account the influence and impact our decisions and actions might have on our customers, colleagues, investors, community and the environment. It also ensures 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 regulatory policies and guidelines 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.

The pillars of our sustainability strategy arise from our fundamental strengths and are rooted in our values. They reflect the Bank'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.

In sustaining growth responsibly, we incorporate sustainability risk elements in our approach to risk management. This includes integrating ESG considerations into our credit evaluation and approval processes. Beyond financing, we are increasing impact investing in our portfolio allocation. For our customers, we help develop and provide sustainable solutions that will assist them in making a difference. We also align our sustainable development efforts with the UN SDGs.

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 in the communities in which we operate. Standing by our customers also means that we must protect their data and privacy, and maintain the security and robustness of our systems.

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 abilities and strengths 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 increasing their engagement and satisfaction.

We believe that as a responsible financial services provider, we have a role to play in strengthening the fabric of society by supporting the spirit of enterprise across all stages of business growth and protecting the financial system for its full benefits to be felt. We remain steadfast in our commitment to promote the development of art, children and education, and to help protect the environment – all aimed at contributing to a strong and sustainable future for the wider community.

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Alignment of our Sustainability Strategy and Objectives with the United Nations Sustainable Development Goals (UN SDGs)

The UN SDGs set the global agenda for sustainable economic, social and environmental development by 2030 and call for action by both the public and private sectors. Of the 17 UN SDGs, we have identified 11 to which we align our sustainability strategy and objectives, as they are areas that UOB is better-placed to support.

Sustain Growth Responsibly

Incorporate sustainability risk in our approach to risk management



Integrate social and environmental considerations into our credit evaluation and approval processes



Increase impact investing in our portfolio allocation



Develop and provide sustainable solutions that enable our customers to make a difference



Align our focus with the UN SDGs



Keep Customers at the Centre

Ensure Fair Dealing



Harness technology to make banking simpler, smarter and safer



Use data effectively to design intuitive customer experiences



Make banking more accessible and inclusive



Secure our systems and protect customer data and privacy



Develop Professionals of Principle

Develop high-performing teams and individuals guided by UOB's values



Embrace diverse abilities and strengths



Develop skillsets and mindsets for the future



Ensure workplace health and safety



Promote work-life harmony



Encourage employee volunteerism



Increase employee engagement and satisfaction



Strengthen Community Bonds

Protect the financial system against those who try to abuse it



Support businesses across all stages of growth



Support social development in the areas of art, children and education



Encourage sustainable procurement and supply chain



Manage the impact of our environmental footprint



Partner colleagues, customers and vendors to promote the UN SDGs



We Support 11 of the 17 UN SDGs



Asia Sustainable Finance Initiative (ASFI)

UOB collaborates with industry bodies and across industries to ensure that ESG-related best practices are drawn out and implemented for the benefit of our stakeholders. With this aim, the Bank established a collaborative effort with the local banking industry and the ASFI in 2018. From January 2019, the collaboration will explore how material ESG factors can be integrated more efficiently and effectively into business operations.

Through this initiative, we will ensure that our approach to risk continues to keep pace with accelerating changes in the economy, environment and society. We are also aware that the growing sustainability industry opens up business opportunities for our customers and us.

ASFI was established by the World Wide Fund for Nature (WWF) as a multi-stakeholder initiative that aims to harness and to amplify the power of the financial sector to create resilient, climate-smart and resource-efficient economies. Based in Singapore, ASFI brings together academics, industry and science-based resources to develop and to coordinate best practice sustainable finance initiatives across Asia.

Task Force on Climate-related Financial Disclosures (TCFD)

Reducing global greenhouse gas emissions is one of the most complex and defining issues of our time. We acknowledge the importance of contributing to this common goal and seek to manage climate change-related risks while exploring new

opportunities with our clients. We are developing a roadmap toward adopting the recommendations of the TCFD published by the Financial Stability Board to provide guidance for more effective climate-related disclosures. To this end, we will begin by focusing on qualitative reporting on the governance, strategy and risk management components of the TCFD's recommendations.

Material ESG Factors

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

The annual materiality assessment exercise identifies the environmental, social and economic 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 an 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.

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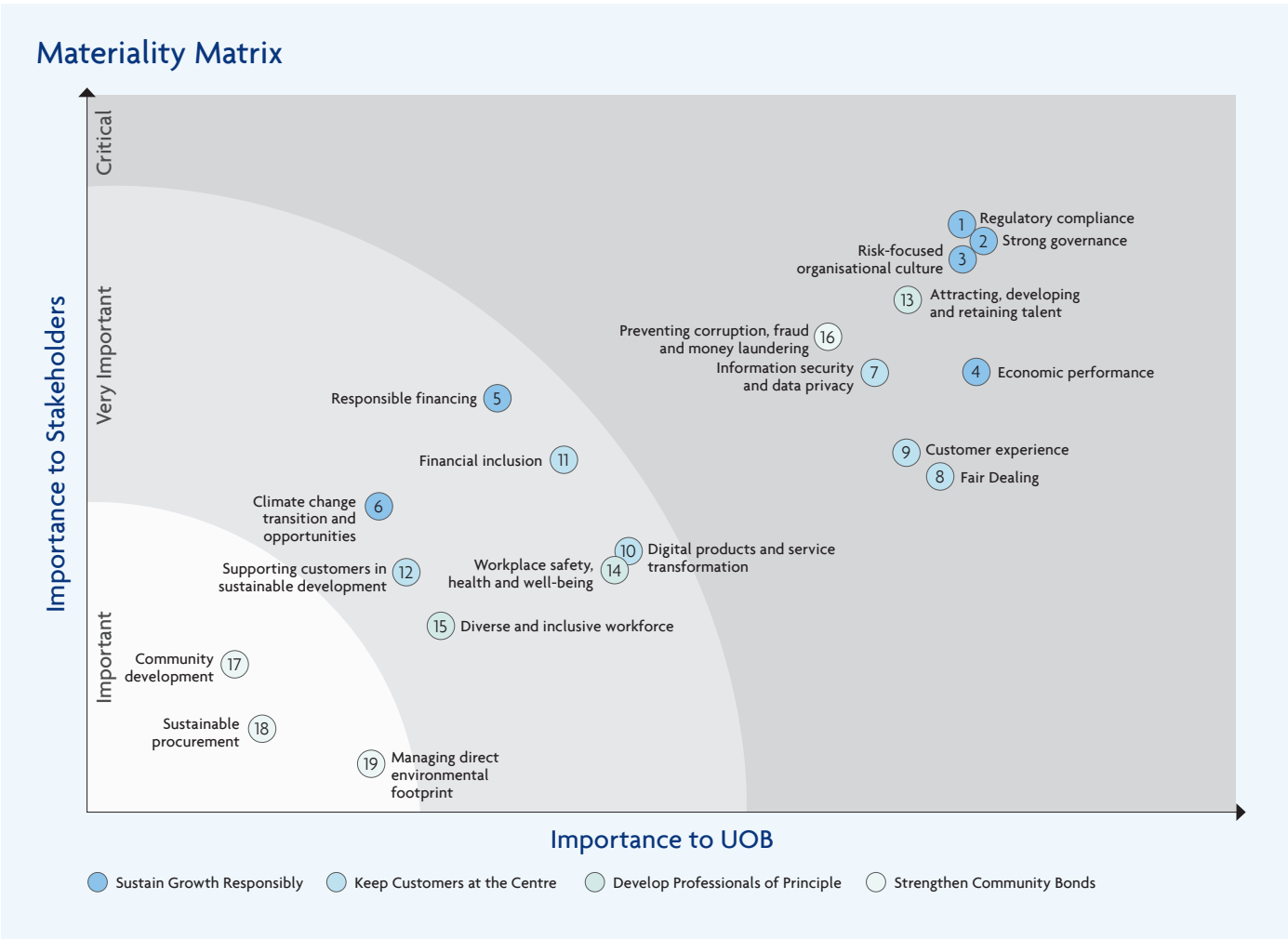
In 2018, surveys were conducted with four stakeholder groups including colleagues, investors and analysts, non-governmental organisations and other financial institutions. Participants were asked to rate ESG factors based on importance and to provide their recommendations and comments. In addition, senior representatives from all business units were invited to score the same factors and to express their opinions.











Following the 2018 materiality assessment, we added to, regrouped and renamed our material ESG factors to make our sustainability stance more explicit, industry-aligned and reflective of investor interests. Nineteen ESG factors were aligned to our sustainability pillars and include new topics such as strong governance, climate change transition and opportunities, Fair Dealing and supporting clients in sustainable development. The 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.

Our priorities remain centred on building an ecosystem where enterprise and innovation can thrive, enabling simpler and safer banking for all through the use of technology, supporting corporate clients in managing their businesses locally and as they expand across borders, and helping retail customers plan, save, spend and invest wisely.

We believe that security is paramount given the rapid development of technology and disruptive business models, and the changing regulatory landscape. There is also growing sophistication of financial crime and cyber threats. In safeguarding the interests of our stakeholders, we maintain the robustness of our systems and processes and uphold our role in ensuring a safe, secure and trusted banking system.

Our investments are also directed to nurturing our colleagues, embracing diversity and inclusiveness, promoting trade and industry, focusing on responsible financing, encouraging entrepreneurship and making our financial services accessible to all sections of society. We support the development of the communities in which we operate and play our part in managing our direct environmental impact.



Material ESG Factors	Our Value Creation	Material Topic Boundary	Priority	Reference (Page Number)
Sustain Growth Responsibly				
① Regulatory compliance 	<ul style="list-style-type: none"> Maintaining sound risk management systems Complying with applicable laws, rules, regulations and standards 	▲	Critical	69, 104-105
② Strong governance 	<ul style="list-style-type: none"> Upholding the highest standard of ethics and corporate governance in our conduct and culture 	▲	Critical	122-140
③ Risk-focused organisational culture 	<ul style="list-style-type: none"> Maintaining a robust risk management framework to protect the interests of our stakeholders Remaining nimble to seize business opportunities amid a fast changing environment 	▲	Critical	69, 104-105
④ Economic performance 	<ul style="list-style-type: none"> Delivering consistent returns for our investors Contributing to local economies through taxes, job creation, facilitating trade and industries and building the financial resilience of our stakeholders 	▲	Critical	22-23, 115, 182-291
⑤ Responsible financing 	<ul style="list-style-type: none"> Addressing environmental, social and governance issues when making lending decisions 	▲	Very Important	33-34
⑥ Climate change transition and opportunities 	<ul style="list-style-type: none"> Ensuring that our approach to risk management adequately addresses climate change risks Supporting new and viable business opportunities in the sustainability industry 	▲	Very Important	29
Keep Customers at the Centre				
⑦ Information security and data privacy 	<ul style="list-style-type: none"> Ensuring the confidentiality and security of our customers' information through extensive policies and processes Protecting our customers from cyber threats through robust risk management systems and processes 	▲	Critical	37, 42
⑧ Fair Dealing 	<ul style="list-style-type: none"> Treating customers fairly based on the principles of integrity, trust and respect 	▲	Critical	36
⑨ Customer experience 	<ul style="list-style-type: none"> Creating responsible solutions across our businesses to meet our customers' needs 	▲	Critical	35-67
⑩ Digital products and service transformation 	<ul style="list-style-type: none"> Making banking simpler, smarter and safer for our customers through innovation and technology 	▲	Very Important	37-41, 46-53, 56, 59-65, 71

▲ Within and outside the organisation ● Within the organisation

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Material ESG Factors	Our Value Creation	Material Topic Boundary	Priority	Reference (Page Number)
Keep Customers at the Centre				
11 Financial inclusion 	<ul style="list-style-type: none"> Making banking services and products accessible and affordable to diverse segments of society to meet their needs and expectations 	▲	Very Important	35-67
12 Supporting customers in sustainable development 	<ul style="list-style-type: none"> Helping customers to identify and to address ESG-related risks and opportunities in their businesses Encouraging innovation and enterprise, and nurturing start-ups and small- and medium-sized enterprises 	▲	Very Important	55-56, 66-67
Develop Professionals of Principle				
13 Attracting, developing and retaining talent 	<ul style="list-style-type: none"> Treating our colleagues with care and respect Investing in training and career development for our colleagues 	●	Critical	71-73, 78
14 Workplace safety, health and well-being 	<ul style="list-style-type: none"> Providing our colleagues with a conducive work environment 	●	Very Important	71
15 Diverse and inclusive workforce 	<ul style="list-style-type: none"> Hiring from diverse cultural backgrounds, age groups, gender and abilities 	●	Very Important	70, 76-77
Strengthen Community Bonds				
16 Preventing corruption, fraud and money laundering 	<ul style="list-style-type: none"> Adopting zero tolerance approach to bribery and corruption, and ensuring transparency and accountability Assisting regulators in preventing cybercrime, money laundering, funding of terrorism and dealing with sanctioned persons 	▲	Critical	69, 104-105
17 Community development 	<ul style="list-style-type: none"> Supporting social development in the areas of art, children and education 	▲	Important	79-99
18 Sustainable procurement 	<ul style="list-style-type: none"> Adopting sustainable procurement practices 	▲	Important	115
19 Managing our direct environmental footprint 	<ul style="list-style-type: none"> Managing energy, water and resource consumption more efficiently, reducing greenhouse gas emissions and minimising waste 	▲	Important	92-97

▲ Within and outside the organisation ● Within the organisation

Responsible Financing

Just as we are prudent in our business practices to ensure financial stability through credit cycles, we are committed to mitigating ESG risks in our operations. We recognise that we have an important role to play through our business practices in helping our customers make responsible decisions and support sustainable development. The Bank has a dedicated ESG team with clear roles and responsibilities to ensure we implement our ESG strategy and comply with related policies.

In the area of responsible financing, we have integrated the principles of The Association of Banks in Singapore (ABS) Guidelines on Responsible Financing into our business model.

The MEC has oversight of ESG matters including climate change risks and opportunities which may impact our financing activities. The Credit Committee approves our Responsible Financing Policy, which is part of the UOB Group's Corporate Credit Policy. This ensures 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, borrowers or projects with elevated ESG risks are escalated to the Credit Committee for further review and approval. Consistent with UOB's overall risk management approach, ESG risks are managed through our three Lines of Defence 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, our account officers are required to conduct due diligence on all new and existing borrowers during the client onboarding process and annual credit review. Borrowers are assessed for material ESG risks as well as their capacity for, commitment to and track record in sustainability. We have also implemented sector-specific Credit Acceptance Guidelines and have ESG checklists in place to help our account officers identify, assess and review ESG risks.

In accordance with the ABS Responsible Financing Guidelines, borrowers are subject to enhanced due diligence with sector-specific guidelines if they fall within the following eight ESG-sensitive industries:

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

In 2018, we enhanced our ESG risk classification to identify, to measure and to manage the ESG risks in our portfolio more effectively. Our borrowers are classified as 'high', 'medium' or 'low' 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 ability to mitigate the inherent risk through policies and measures.

Our Responsible Financing Policy prohibits our financing of companies:

- with operations or projects that threaten the outstanding universal value or special characteristics of UNESCO World Heritage Sites, Ramsar Wetlands, forests of high conservation value or that 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 of Wild Fauna and Flora;
- without measures in place to manage or to mitigate the risk of air, soil and water pollution;
- involved in the exploitation of labour, including forced labour and child labour, based on 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 that apply to all new and existing clients across sectors and help to bolster our efforts in fostering sustainable development through responsible financing.

We notify our borrowers that they need to adhere to our Responsible Financing Policy and seek their representations and warranties to ensure compliance, including with local ESG regulations in the countries in which they operate. We also encourage them to follow established industry standards, to obtain relevant certifications and to adopt best practices for proper water and waste management, the reduction of greenhouse gas emissions and the management of occupational health and safety risks. 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 International Finance Corporation.

We engage with our borrowers proactively and work with them to improve their ESG practices. In addition, we monitor our borrowers on an ongoing basis for any adverse ESG-related news. Any known material ESG-related incident relating to our borrowers will trigger an immediate review with the ESG risks to be addressed and managed appropriately. We require our borrowers to rectify any breach of our policy within a stipulated timeframe with account officers responsible for monitoring

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their progress. However, if we deem our borrowers unable or unwilling to commit to managing the potential adverse impact of their operations adequately, we are prepared to review and to reassess the relationship, or to reject the transaction.

We review our Responsible Financing Policy periodically in consideration of changing societal and stakeholder expectations.

Recognising the threat of climate change and the adverse effect it increasingly has on the environment, businesses and society, we discontinued all new financing of subcritical coal-fired power plant projects in 2018. We now only support higher efficiency, lower emission coal-fired power plants with maximum carbon intensity of 830 grammes of carbon dioxide per kilowatt hour. We have also adopted a more selective stance on the financing of coal mining projects, prohibiting those that are involved in the production of low-energy density coal.

In 2017, we also incorporated into our policy the requirements of the ABS Haze Diagnostics Kit for the financing of the palm oil, and pulp and paper industries. This reflects our commitment to help address transboundary haze pollution in the region resulting from open burning for land clearance.

In light of the health risks to the community, we have stopped financing asbestos mining and new building projects that use asbestos in the construction process.

We review our portfolio's ESG exposure periodically. As at 31 December 2018, all applicable borrowers had undergone the ESG risk assessment with relevant risks adequately managed and mitigated, where possible. In the last quarter of 2018, seven borrowers were placed under heightened monitoring due to ESG concerns, two of which were escalated for further review. The Bank had not had a significant concentration in any of the eight ESG-sensitive sectors, which collectively accounted for approximately 10 per cent of our total loan portfolio.

We maintained a strong focus on our capacity-building efforts across the region in 2018 with more than 80 per cent of our colleagues in relevant roles undergoing training on responsible financing. The training programmes enable them to strengthen their awareness of key ESG issues and developments, to keep abreast of changes to the Bank's Responsible Financing Policy and processes, and to identify and to assess ESG risks more effectively. The ESG Committee, senior management and the Board have also received relevant training and actively participated in sustainability forums and workshops, which enable them to ensure better integration of sustainability considerations into the Bank's overall strategy.

We are committed to doing our part in driving industry developments. Over the past two years, we have supported ABS and the ASEAN Bankers Association in a number of capacity-building workshops in the region. We are also working closely with ABS and the WWF on an industry-wide e-learning portal on responsible financing, aimed at strengthening the ESG capabilities of banks in Singapore.

The portal is expected to be launched in 2019. Through ABS, we also led efforts among the Singapore banks to incorporate ESG requirements in their loan agreements.

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

Promoting ESG Awareness and Tapping Green Opportunities

At UOB, we endeavour to promote ESG awareness among our clients, particularly those in the ESG-sensitive industries, and to support them in improving their ESG practices. We continued our outreach efforts in 2018. In July, we organised a conference in Jakarta, Indonesia for our clients in the construction sector. At the event, they heard from industry experts on health and safety management and best practices in construction. Another forum on solar energy was also held in Jakarta in December where industry leaders shared insights on the current landscape and future for solar energy.



We helped our clients to gain insights into sustainability topics through events, including forums.

In addition, we are committed to supporting our customers' transition to a low carbon economy and are actively capitalising on green opportunities. In October 2018, UOB was appointed the facility agent and one of the mandated lead arrangers for Frasers Tower's \$1.2 billion syndicated secured green loan in Singapore. This was the first syndicated secured green loan in Southeast Asia under the Green Loan Principles. We also support viable renewable energy projects such as solar and mini-hydro energy projects in the region as part of our phased approach to transitioning to a lower carbon energy portfolio.

Colleagues

The decisions we make and the actions we take are guided by our values of Honour, Enterprise, Unity and Commitment. These values are also expressed in our care for the professional and personal growth of our colleagues across the organisation. We are dedicated to building a culture where our colleagues are empowered to make a positive and meaningful difference in what they do for our internal and external stakeholders. We do this by fostering an inclusive, prudent, progressive and high-performing organisation that encourages the best of each individual from our team of principled professionals. We are also committed to looking after our colleagues' well-being because we believe people give their best when they are supported, healthy and happy.



Our team of principled professionals enable our long-term success.

Our Employee Commitments

Our values give us a shared identity and sense of belonging, and our four employee commitments encourage us to keep raising the standards of our behaviour and performance in service of our customers.



Honourable

Do What is Right

We do what is right for all of our stakeholders and make decisions that are in the best interests of our organisation, our colleagues and our customers.



Enterprising

Build Meaningful Careers

We encourage enterprise and ambition at all levels. We believe in bringing out the best in everyone through professional development and empowering our colleagues to take ownership of their career paths.



United

Make a Real Difference

Our unwavering commitment to upholding the UOB values is reflected in how our colleagues serve our customers and our communities with passion. We are here to create impact in shaping our future and adding value to the lives we touch.



Committed

Lead by Positive Example

Our leaders act as role models, guiding individuals and teams to take on challenges and to take ownership of their actions. Together, we focus on enabling the success and advancement of all our colleagues.

2018 Highlights

- Invested \$26 million in training our colleagues across the Group, an increase of 22 per cent over 2017;
- Increased the average number of training hours per person by seven per cent to 46.1 hours;
- Launched a new training centre in Indonesia and revamped the UOB Learning Centre in Singapore;
- Extended our Leadership Right By You programme to China, Hong Kong and Indonesia, bringing the total number trained under the programme to 1,480;
- Rolled out new initiatives incorporating feedback to enhance our training programmes and people management skills Group-wide;
- Increased the number of job rotations to expand the capabilities of our talent and to hone their leadership skills, from 20 per cent to 39 per cent year on year;
- Recognised 15 teams for their achievements in productivity and innovation and celebrated the dedication of 870 long-serving colleagues at the UOB Honours event;
- Awarded 90 individuals and 35 teams from across the Group for being exemplary in fulfilling the UOB Customer Commitments; and
- Received 12 industry awards across the region for our outstanding human resource and workplace practices.

Doing What is Right

Our Commitment to Fairness

UOB is committed to building a safe, nurturing and inclusive workplace where all colleagues are treated respectfully and professionally and are given equal opportunity based on merit. We promote work-life harmony and an environment free from discrimination, bullying or harassment.

Our expectations of our people and the policies we expect them to abide by are stated in the 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 required to refresh their knowledge and to renew their commitment to our Code through completing an e-learning module every year. We also help deepen understanding and embed the practice of our Code through frequent and interactive communications across the organisation.

Maintaining a Risk-Focused Organisational Culture

Our values drive our conduct and form the bedrock of our risk culture. They are the foundation for the four principles that guide our approach: enforcing robust risk governance; balancing growth with stability; ensuring accountability for all our risk-based decisions and actions; and encouraging awareness, engagement and consistent behaviour in every colleague.

Our comprehensive framework of policies, processes, methodologies and tools helps us identify, measure, monitor and manage material risks and opportunities faced by the Group. Where applicable, an individual's key performance indicators (KPIs) also include risk control metrics.

Ongoing training reinforces the risk-focused conduct that enables us to earn the trust of our stakeholders over generations. Many of the training programmes are also available online to enable our colleagues to learn and to complete them at their own pace. On average, each colleague across the Group spent 16.1 hours on risk management training. The training topics include:

- anti-money laundering;
- assessing and addressing operational and security risks;
- business ethics;
- core ethics for financial advisers;
- countering the financing of terrorism;
- Fair Dealing;
- financial crime prevention;
- global fraud prevention;
- IT security and cyber risk awareness;
- regulations on short-selling; and
- UK Bribery Act.

The 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 set the tone and to promote risk-focused behaviour within their teams.

Colleagues

Our colleagues also participated in conferences, seminars and workshops to keep abreast of industry trends and to share best practices in risk management. For example, the Group Audit team learnt new approaches to address changing risks profiles of business and support units, through a workshop on Enhanced Risk Assessment by PricewaterhouseCoopers in 2018.

We also ensure through our whistle-blowing policy that our colleagues have the ability to 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.



Our Group Audit colleagues discussed how audit methodologies can be improved at the Enhanced Risk Assessment workshop.

Encouraging Feedback

We value the opinions of our colleagues and encourage them to share their thinking on what matters to them. Every article that is posted on MyUOB, the Group's intranet, seeks their views which can be given openly or privately.

In 2018, we acted on the feedback provided in a Group-wide Employee Survey conducted the year before. We analysed the survey results and our Group Human Resources team partnered function heads to develop and to roll out initiatives to address key improvement areas. Among these was a Manager Index report aimed at helping our people managers to improve their managerial skills and effectiveness to strengthen employee engagement.

Embracing Diversity and Inclusivity

We draw upon the diverse strengths, experiences and capabilities of our colleagues from 38 nationalities and different age groups. This helps to enrich our knowledge and appreciation of each other and the markets in which we operate. It also enables us to be sensitive to the needs of our customers and to serve them more effectively.

Ensuring Gender Diversity

Women accounted for 61.4 per cent of our permanent colleagues as at the end of 2018 and 57.1 per cent of all the hires in 2018. Women held 34.5 per cent and 51.8 per cent of senior and middle management roles respectively. They also accounted for 45 per cent of department heads, who are senior management reporting directly to the Group CEO or a Country CEO.

Our efforts in ensuring gender diversity and transparency in gender reporting in 2018 were recognised by Bloomberg, which listed UOB as one of only four companies in Singapore and 230 companies worldwide in its 2019 Bloomberg Gender-Equality Index.

Offering Re-employment to the Silver Workforce

We recognise the depth of knowledge and experience that colleagues who are beyond the statutory retirement age can contribute to the organisation. In Singapore, we offered re-employment opportunities to 158 colleagues who were eligible for retirement, 89 of whom were women. Since we started the re-employment of older workers in 2011, ahead of the legal requirement to do so in 2012, we have rehired 888 employees including 417 women.

Developing an Inclusive Workplace

Our diverse workforce extends beyond a mix of age and gender to include those with special abilities. The UOB Scan Hub – our nerve centre for digitising and archiving of customer documents – employs people with autism or deaf persons for their special abilities such as having a fine eye for detail, high levels of concentration and who are strong at methodical work processes. These specific skills are very suitable for a number of the functions at the UOB Scan Hub.

In 2018, we increased to 33 per cent the number of our UOB Scan Hub colleagues who have special abilities. With the Autism Resource Centre and the SPD in Singapore, we train people with special abilities to work at UOB Scan Hub and help ensure the work processes and the office environment are adjusted to accommodate their needs.



People with special abilities are valued for their contributions at the UOB Scan Hub.

Upholding Human Rights

We are committed to supporting internationally-accepted human rights principles, including those relating to non-discrimination, child labour, forced labour and freedom of association and collective bargaining.

Ensuring 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 unions. We hold regular

meetings with union representatives in markets across our network to understand and to address their concerns and expectations. In Singapore, these include the Singapore Bank Officers' Association, Singapore Bank Employees' Union and The Singapore Manual and Mercantile Workers' Union in Singapore.

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.

As at the end of 2018, the proportion of unionised to non-unionised employees in Indonesia, Malaysia and Singapore was 23.7 per cent, 86.7 per cent and 29.9 per cent respectively.

Advancing Workplace Safety and Health

Creating a healthy, safe and harmonious workplace is important to us and we have established a set of workplace safety guidelines to identify and to address health and safety risks. In Singapore, our Workplace Safety and Health (WSH) Workgroup plans and implements various health and safety initiatives. The Workgroup includes representatives from different business and support units. Each department has its nominated WSH leaders, assistant leaders, managers and assistant managers and we take the necessary measures to eliminate health and safety risks. The representatives attend the bizSAFE course on risk management accredited by SkillsFuture Singapore, a statutory board under Singapore's Ministry of Education.

Building Meaningful Careers

Offering a Distinctive Employee Value Proposition

We focus on developing our colleagues' capabilities to prepare them for the future. We create an environment where they can perform to their best. We also care for their well-being. Our approach is upheld through our employee value proposition, UOB+you, which is supported by a wide range of programmes that covers flexible work arrangements, training and development courses, health and wellness, welfare benefits and recognition programmes.

Developing Our Colleagues for the Future

Setting rewarding career paths, offering educational opportunities and coaching are essential components of our approach to creating a dynamic and engaged workforce. We run numerous training and development programmes to equip our colleagues with the right skillsets to realise their own potential and to serve our customers better.

To remain relevant and to anticipate the needs of a new generation of increasingly digitally-savvy customers, we have enhanced our training programmes to include digital skills. In Singapore, we continued with the Professional Conversion Programme (PCP) that we launched in 2017 to strengthen our colleagues' digital capabilities and to prepare them for future roles in the financial sector. The PCP was developed in collaboration with Workforce Singapore, the Monetary Authority of Singapore and The Institute of Banking and Finance. Each course under the PCP ranges from three to 12 months and is conducted through classroom learning, workshops and on-the-job training. In 2018, 440 branch colleagues completed the PCP and have since been progressively taking on expanded roles in the Bank.

We also continued our UOB SUMMIT (Social, Unity, Motivation, Mastery, Innovation, Technology) programme in Singapore to offer our colleagues more opportunities to upgrade their skills for the future. Under the initiative, we re-invest the grants received under the Singapore Government's Wage Credit Scheme into career and personal development courses for our people. Colleagues can also use the training credits for courses under the national SkillsFuture programme. A total of 3,567 colleagues attended 306 courses under the UOB SUMMIT programme in 2018.

To provide stronger support to small businesses in Vietnam, 31 of our business bankers in Vietnam graduated with the requisite skills through the UOB-Foreign Trade University Banker's Executive Certificate Programme in 2018. In Thailand, we upgraded the UOB-Thammasat Business School Banker's Executive Certification Programme to include digital skills for our Thai colleagues, so they can be better equipped to help our customers remain competitive in the digital economy.



Our colleagues in Vietnam deepened their knowledge of banking and gained new insights to serve our customers better through the UOB-Foreign Trade University Banker's Executive Certificate Programme.

Colleagues

In Malaysia, we continued our partnership with the Asian Banking School with our second cohort of participants attending the Wealth Advisory Certification Programme.

We also conducted internal training programmes for specific roles. In 2018, more than 80 per cent of our colleagues in relevant roles were trained on responsible financing to strengthen their awareness of key environmental, social and governance (ESG) issues and to enable them to assess ESG risks more effectively. The remaining 20 percent of those colleagues will undergo the training in 2019. Our Group Credit and Risk Management function also launched two leadership skills programmes that will complement the technical skills of their teams.

In 2018, we invested \$26 million in training our colleagues across the Group. Our colleagues completed an average of 46.1 training hours per person in 2018, which equated to an increase of 6.5 per cent over 2017.

Improved Training Facilities for Our Colleagues

In 2018, we upgraded the UOB Learning Centre in Singapore as part of our efforts to foster a continuous learning culture. The classrooms are equipped with wireless technology to enable participants to learn on their laptops or smartphones. Five “Private Huddle Rooms” are used to facilitate coaching sessions. There is also a “Connectivity Café” and an open area for collaboration and interaction across teams and functions.

In Indonesia, we set up a new training centre in UOB Plaza in Jakarta to enhance our colleagues’ training experience. Among other facilities, the centre has dedicated rooms for e-learning, a simulation room and a multi-function hall for training purposes. Our colleagues also use the hall to promote well-being through activities such as yoga, Zumba and choir practice.

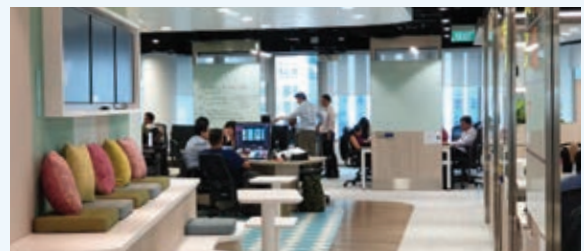


Our colleagues holding their discussions in a relaxed environment at the “Connectivity Café”.

New Office Environment for Agile Working Styles

We designed and constructed our offices at the SGX Centre 1 and Far Eastern Bank buildings in Singapore to promote mobility and collaboration among our colleagues. To suit their activity needs they now have a choice of seven types of work settings:

- **Individual spaces:** Individual desks for daily work. The desks are clustered to enable colleagues to move around easily and for ease of group discussions;
- **Focus rooms:** Enclosed rooms for two or three colleagues to hold longer and private discussions;
- **Huddle rooms:** Enclosed rooms that are equipped with wireless internet and intranet access which can be used for groups of four to eight colleagues to hold their project presentations;
- **Meeting rooms:** Larger meeting rooms for up to 10 colleagues which are also equipped with audio and video conferencing capabilities to facilitate discussions with colleagues in other offices and other countries;
- **Touch-Down spots:** High benches and perch tables located at open areas across the offices, suitable for temporary use between meetings;
- **Communal spaces:** Open workspaces for informal discussions and social activities;
- **Work-Bistro:** Relaxed setting equipped with drinks and snacks for breaks and chats or even as short-term work spaces;



We designed new office spaces based on work activity needs.

Leadership Development and Succession Planning

Leadership development is a key focus area. As part of our continual efforts to build our bench strength, the Human Resources Committee manages the Group Organisation and People Review (OPR) programme to identify and to plan for talent development at middle and senior management levels.

Opening up opportunities for our talents to undergo job rotation where they can learn more about the Bank's various functions has been an important part of our leadership development strategy. In 2018, 39 per cent of our leadership talents who have been in their roles for three years or more took on different roles in the Bank to expand their capabilities and skills.

Succession planning is also integral to our OPR programme, especially for key positions across the Group. In 2018, the succession planning framework was enhanced to include detailed role requirement profiles to capture current and future role requirements for all our senior leadership positions more effectively. Our succession planning programme is regularly reviewed by the Board's Nominating Committee and by the Remuneration and Human Capital Committee.

Strengthening the Leadership Capabilities of Our Colleagues

We expanded our Leadership Right By You (LRBY) programme to China, Hong Kong and Indonesia in 2018. It was launched in Malaysia, Singapore and Thailand the year before. LRBY nurtures first line managers into UOB leaders who uphold our values, demonstrate care for colleagues and act with courage in difficult situations. The programme is based on our UOB Leadership SEED (Strategise, Engage, Execute, Develop) Competency Model.

We also increased the scope for our LRBY programme in Singapore to engage colleagues in individual contributor roles and to encourage them to take the lead in developing their careers. Called the Leading Self Programme, this 12-week course is conducted in a classroom setting and also online. Participants download a mobile app to receive career advice through multi-media formats. They can also converse with trainers via video conferencing.

Close to 1,200 colleagues across the Group participated in the various LRBY programmes in 2018. This is a 290 per cent increase from 2017.

We also continued to strengthen the coaching capabilities of our leadership team in 2018. Nine leaders underwent the International Corporate Coaching programme for executive directors and managing directors. They will be coaching graduates of the LRBY programme as part of the graduands' continuous leadership development journey in UOB.

Grooming Young Talent

Our long-established UOB Management Associate (MA) programme aims to attract high-calibre, early-career talents from across the region to take on roles in UOB. In 2018, we received almost 25,000 applications across the region – 15 per cent more than the year before. Of these, 46 fresh graduates from top universities in China, Hong Kong, Indonesia, Malaysia, Singapore, Taiwan and



Our colleagues in China and Indonesia learnt through the Leadership Right by You programme that a balance of care and courage is distinctive to UOB leaders.

Thailand were selected. They were given overseas assignments to gain regional experience. Since the 18-month long programme started in 2004, we have hired 575 MAs. Two in five are still with the Group, many of whom are progressing well in their careers.

We consistently seek to improve our selection process to ensure that we bring in the best talent to build up our leadership pipeline. In 2018, we updated the selection criteria for the MA programme with the development of a new MA Success Profile – a set of key competencies developed with inputs from senior leaders and high-performing MA alumni. These key competencies listed in the MA Success Profile are aligned to our UOB Leadership SEED Competency Model and are used to assess the suitability of each potential candidate.

As millennials relate to creative and interactive concepts, we added game elements to our online MA selection assessment for candidates applying for the 2019 programme.



Close to 25,000 people applied for our UOB MA programme in 2018.

Colleagues

Sharing Technology Insights with Our Colleagues

We organised various talks and forums for our colleagues to gain a better understanding of the developments shaping the banking industry.

In Singapore, the UOB Technology Forum that was started in 2017 continued into 2018 with speakers from leading technology companies and global trendsetters such as Amazon and Google. This forum for our senior leaders encourages robust discussions on the role of technology in the finance industry. Highlights from the forums were shared with all colleagues through MyUOB. In Hong Kong, we launched a UOB Learn4Future Café talk series on topics such as the adoption of financial technology. In Indonesia, our Shared Infrastructure Services team held weekly Tech Talks for all colleagues to hear from experts from renowned technology companies.

Managing Employee Performance

UOB's performance management framework is the foundation of our strong performance culture. Under this framework, the performance management process is called PEAK, which stands for Plan, Engage, Appraise and Keep Track. It is a meritocratic and values-based approach to assess and to reward performance, and to support career development.

To enhance our performance management process, we added 360-degree feedback as an additional lens to the SEED competencies and Values measures which we use to assess performance. In 2018, all managing directors in the Group underwent the 360-degree feedback process to have a clearer view of their strengths and weaknesses for self improvement. The 360-degree feedback will be extended to other cohorts in 2019.

We also established a Performance and Development Committee (PDC) for greater transparency and objectivity in assessing our managing directors' performance. Besides assessing if the managing directors have fulfilled their KPIs, the feedback from their Manager Index report and from their 360-feedback will also be factored in their development plans. The PDC framework will be extended progressively to the rest of our colleagues in the next two years.

Making a Real Difference

Caring for Our Colleagues

In caring for the well-being of our colleagues, we offer a range of benefits to encourage them to achieve better work-life harmony. These benefits include annual leave, parental leave, staff loans, special allowances and reimbursements, healthcare, social security-equivalent contributions, life insurance and accident insurance.

Providing Greater Work Flexibility

Since 2017, we have been rolling out flexible work options to help our colleagues in China, Hong Kong, Indonesia, Malaysia, Singapore and Thailand to balance their work and personal commitments.

Examples of our flexible work options are:

- part-time work arrangements supporting colleagues with multiple responsibilities, such as mothers, part-time students and those caring for elderly parents, to continue working with us;
- staggered work hours giving colleagues greater flexibility in managing their daily work schedule;
- two hours of paid time off (Flexi2) every month for full-time permanent colleagues to attend to personal matters; and
- work from home option of up to 10 days a year to help colleagues manage their personal needs while fulfilling work responsibilities.

Fostering a Family-Friendly Culture

We provide dual-use nursing rooms at various office locations in Singapore and our overseas subsidiaries to support return-to-work mothers. The dual-use function serves as a practical way for us to optimise the use of our private meeting rooms while giving new mothers privacy and convenience whenever they need it.

We also give all fathers of new born infants in Singapore two weeks of paid paternity leave which we had increased from one to two weeks in 2015. This is in addition to the shared parental leave we offer, which enables working mothers to share up to four weeks of their maternity leave or adoption leave entitlement with their husbands. In 2018, 116 of our male colleagues utilised their paternity leave and about 80 per cent of our female colleagues remained in employment for at least 12 months after returning from maternity leave.

To demonstrate further our support for colleagues with families, we organised a "Bring Your Family to Work Day" in Singapore in 2018. More than 130 children experienced a day in the work life of their parents through guided tours and activities in the office. More than 260 colleagues and their families also took part in Families for Life Council's "My Family Weekend Fun Day" by the Singapore River.

Understanding that many caregivers often fail to take care of themselves in their focus on their frail or ill dependents, we organised a talk by non-profit organisation Caregivers Alliance for our colleagues to learn more about caregiving and self-care. More than 80 colleagues attended the talk and we subsequently offered a 12-week Caregivers-to-Caregivers Education Programme by Caregivers Alliance for our people.



Our Group Credit and Risk Management colleagues and their families during the "Bring Your Family to Work Day" event.



Our colleagues and their families with the Singapore Minister for Social and Family Development, Mr Desmond Lee, during the "My Family Weekend Fun Day" event organised by Families for Life Council.

Encouraging Healthier Lifestyles

We provide health and wellness programmes for colleagues across all markets. In Singapore and China, our Healthy Employees, Active Lifestyles (HEAL) programme offers comprehensive medical and healthcare coverage, as well as flexible wellness benefits for all eligible employees in Singapore and China.

Under the HEAL programme, colleagues receive HEAL dollars to spend on a wide range of health and wellness benefits for themselves and their dependents. The benefits include health screening, vaccinations, dental and optical treatments, gym memberships and dependent care. In 2018, our colleagues received \$16.9 million worth of HEAL benefits. We have reimbursed \$63.5 million worth of HEAL benefits since the launch of the programme in 2013.

Supporting Fitness and Wellness

To help our colleagues to stay fit and healthy, we partner wellness companies and organisations to conduct health talks and yoga classes at our office premises. The settings make it convenient for our colleagues to participate in the activities. We also encourage them to participate in various sports such as badminton, bowling, dragon boat racing, netball and softball. These sessions also helped to build camaraderie among them.

In Thailand, we opened an Employee Fitness Centre in our new office building in Bangkok in 2018 to promote good health among our Thai colleagues. We engaged fitness consultants to design the facilities and the centre includes a massage room where treatment is provided by visually-impaired therapists every Friday.

Through our UOB Heartbeat Run/Walk programme, we encourage our colleagues to keep active with their families. The annual event is also held to raise funds for underprivileged and special needs children. A record of more than 17,000 of our customers, colleagues and their families participated in the event across the region on 8 July 2018.

More information on our UOB Heartbeat Run/Walk programme can be found in the Community section of the report.



Our Thai colleagues can keep fit while at work with the opening of the Employee Fitness Centre in our office building in Bangkok.

Encouraging Employee Networking

We started our UOB+you networking programme in 2017 to foster a sense of belonging and to help our colleagues connect with one another outside of the usual work environment. In 2018, we bonded over activities such as virtual reality games and a Lunar New Year celebration. Since its launch, more than 1,000 colleagues have joined the networking sessions organised by Group Human Resources.

Providing Exclusive Lifestyle and Wellness Benefits

As part of our commitment of care, in 2018 we partnered service providers and merchants to provide exclusive UOB promotions for our people to help them stretch their dollar. The site we launched on MyUOB featuring these promotions was visited more than 100,000 times by colleagues who wanted to take advantage of the special deals on healthcare, fitness, dining and travel.

Leading by Positive Example

Recognising Our Colleagues' Achievements

As a values-based organisation where Honour, Enterprise, Unity and Commitment guide our daily working lives, we take time to recognise those among us who best demonstrate living our values. We run two Group-wide recognition programmes – the UOB Honours and the UOB Customer Commitments Awards (CCA). Our winners inspire us to greater heights.

Colleagues

UOB Honours

We held our second UOB Honours awards ceremony to recognise teams across functions and geographies who collaborated to deliver innovative solutions, who increased productivity or who demonstrated long-term commitment to the Bank. In 2018, we recognised 15 teams across the Group for their outstanding contributions and celebrated the loyalty of 870 long-serving colleagues across the region through the Dedication Awards.

UOB Customer Commitments Awards

In 2018, we completed the third season of the CCA programme. The Group-wide campaign, competition and ceremony seek to encourage and to inspire our colleagues to act always in the best interests of our customers. At the 2018 UOB CCA ceremony, we recognised 90 individuals and 35 teams for being role models of our customer commitments in their daily decisions and actions. They were selected from 6,552 entries – an increase of 74 per cent over 2017. The winners included colleagues from Canada, China, Hong Kong, India, Indonesia, South Korea, Malaysia, Singapore, Thailand, the US and Vietnam.

Receiving Industry Recognition

Our efforts in implementing positive workplace practices have been recognised internationally. Some of the awards that we have received for our people initiatives include:

China

- Best HR Centre of Excellence in Greater China (by HRoot)
- Excellence in HR Management Strategy (by Employer Excellence China 2018)
- Top Graduate Employers China (by 51job.com)

Hong Kong

- Special Mention for Family-Friendly Employers Award Scheme – Awards For Breastfeeding Support (by Home Affairs Bureau and Family Council)
- Good Mandatory Provident Fund (MPF) Employer – E-Contribution Award (by the MPF Schemes Authority)
- Good MPF Employer – Support for MPF Management Award (by the MPF Schemes Authority)

Indonesia

- Rating A for Learning and Development (by SWA Magazine, in collaboration with Management Institute for the Economics Faculty, University of Indonesia)
- Rating A for HR Technology (by SWA Magazine, in collaboration with Management Institute for the Economics Faculty, University of Indonesia)
- Rating BB for HR Transformation (by SWA Magazine, in collaboration with Management Institute for the Economics Faculty, University of Indonesia)
- Silver for Employer of The Year (by *Asian Banking & Finance*)

Malaysia

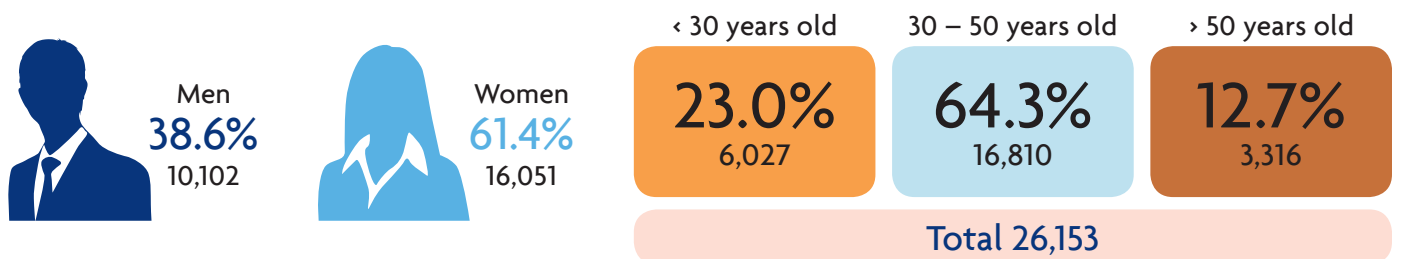
- Bronze for Excellence in Innovative Use of HR Tech (by *Human Resources Magazine*)

Singapore

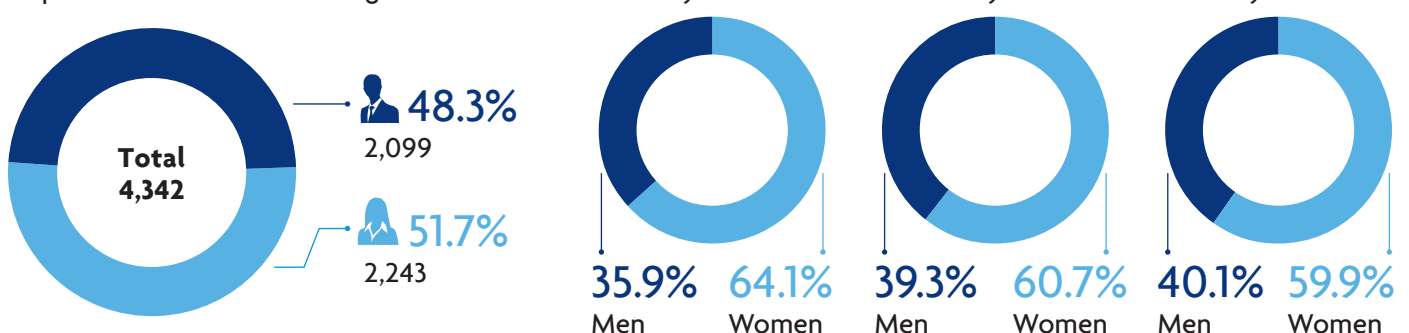
- SkillsFuture Employer Awards (Non-SME) 2018 (by SkillsFuture)

Diversity of Our People

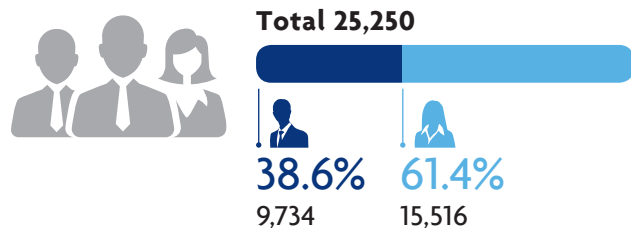
(as at 31 December 2018)



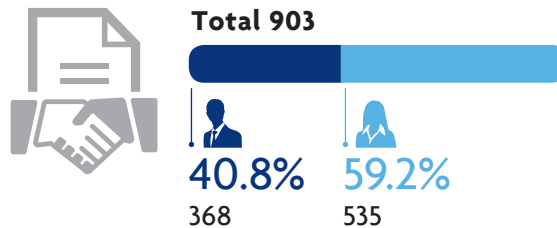
Department Heads and Managers



Permanent

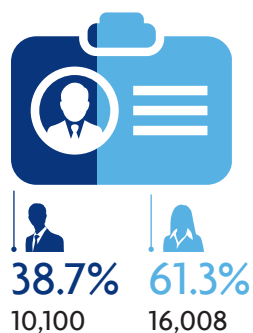


Contract



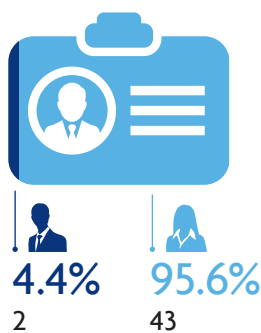
Full Time

Total 26,108

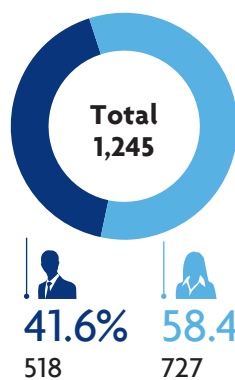


Part Time

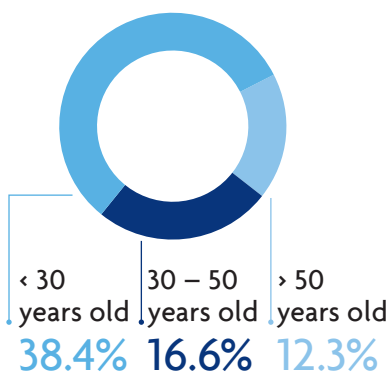
Total 45



Temporary



Turnover Rate



Total Number of Colleagues

Locals (Citizens/Permanent Residents)	24,824	94.9%
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Foreigners	1,329	5.1%
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Total	26,153
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	Senior Management	Middle Management	Executive	Administrative
	355 (65.5%)	3,115 (48.2%)	4,865 (37.3%)	1,767 (28.9%)
	187 (34.5%)	3,343 (51.8%)	8,167 (62.7%)	4,354 (71.1%)
Total	542	6,458	13,032	6,121

New Hires	Total	< 30 years old	30 – 50 years old	> 50 years old
	3,099 (42.9%)	1,470 (39.2%)	1,472 (47.2%)	157 (45.1%)
	4,121 (57.1%)	2,282 (60.8%)	1,648 (52.8%)	191 (54.9%)
Total	7,220	3,752	3,120	348









Turnover Rate	2018	2017	2016
Overall	21.0%	20.9%	20.6%
	22.5%	23.0%	24.1%
	20.0%	19.6%	18.4%

Colleagues

Average Training Hours Per Colleague

	2018	2017	2016
	46.3	43.4	38.4
	46.1	43.1	32.7
Overall	46.1	43.3	35.2

Training Hours by Employment Category

	2018	2017	2016
Senior Management			
	32.3	34.3	33.9
	35.6	37.6	29.7
Middle Management			
	39.0	37.6	35.5
	39.5	40.3	31.9
Executive			
	51.5	49.9	46.9
	46.2	43.0	34.9
Administrative			
	47.4	37.3	25.1
	51.3	45.4	30.1

Total Training Expenditure (\$ million)

	2018	2017	2016
	26.0	21.3	19.6

Average Training Expenditure Per Headcount (\$)

	2018	2017	2016
	992.3	845.5	788.9

Community

Enriching lives and strengthening societal bonds in our communities are fundamental to our business philosophy. Guided by our values of Honour, Enterprise, Unity and Commitment, we draw together our colleagues, customers and business partners to make a positive difference through philanthropy, partnerships and participation. We are focused and inclusive in our commitment to support the development of the communities in which we operate through art, children and education. Our efforts have enabled us to help the young, the underprivileged and budding talent across the region over many decades.



Mr Wee Ee Cheong, UOB Deputy Chairman and CEO, and Ms Jenny Wong, Group Head of Human Resources, led more than 8,200 colleagues, their families and customers to volunteer and to raise funds at the 2018 UOB Heartbeat Run/Walk in Singapore.

2018 Highlights

- Championed Southeast Asian visual art and artists through the 37th UOB Painting of the Year (POY) competition, international art fairs, outreach initiatives and partnerships;
- Opened UOB Art Galleries in China and Malaysia to raise awareness and appreciation of Southeast Asian art, and to give UOB POY artists international exposure;
- Partnered Indonesia's Museum of Modern and Contemporary Art in Nusantara (Museum MACAN) to promote art education and to make art accessible to the local community;
- Contributed more than \$5.1 million to communities in Asia through the UOB Heartbeat Corporate Social Responsibility (CSR) programme, with our colleagues, customers and business partners;

Community

2018 Highlights (continued)

- Recorded highest participation of close to 18,000 colleagues, their families and customers at the 2018 UOB Heartbeat Run/Walk and fundraising day across seven markets;
- Clocked more than 51,000 hours in volunteer work across the region – 16 per cent more than in 2017;
- Integrated innovation into corporate giving to raise funds through new mobile payment channels such as PayNow, SGQR and WeChat; and
- Received 11 industry awards and accolades, including for our UOB Heartbeat Run/Walk programme.

Keeping the Good Going Through UOB Heartbeat

The UOB Heartbeat CSR programme demonstrates our long-term commitment to enriching lives, to opening minds and to strengthening bonds in the communities where we operate. We aim to create sustainable good for more caring and inclusive societies through our efforts in corporate philanthropy, stakeholder partnerships and employee participation.



Philanthropy

We are committed to helping improve lives and strengthen the 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 and institutions, and UOB POY artists.



Participation

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

We focus on three areas which we believe are essential for the quality and progress of society: art, children and education.



Art

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



Children

Developing the Young to Their Potential
Children are the future so we must care for them today. Our efforts focus on helping them have a strong head start in life, giving them opportunities to express themselves fully and encouraging them to uncover and to cultivate their individual talent.



Education

Laying the Foundation For the Future
Education is essential for the progress of a country, its economy and its people. We open up and support learning opportunities for young minds and we help develop leaders of tomorrow.

Championing Southeast Asian Art

We believe that art transcends language, culture, geographies and time. Its history gives people a sense of identity and perspective, it informs with the present and it creates a future for the imagination. It builds relationships and unites people. As such and given our longstanding presence in the region, we have been behind Southeast Asian art for more than four decades.

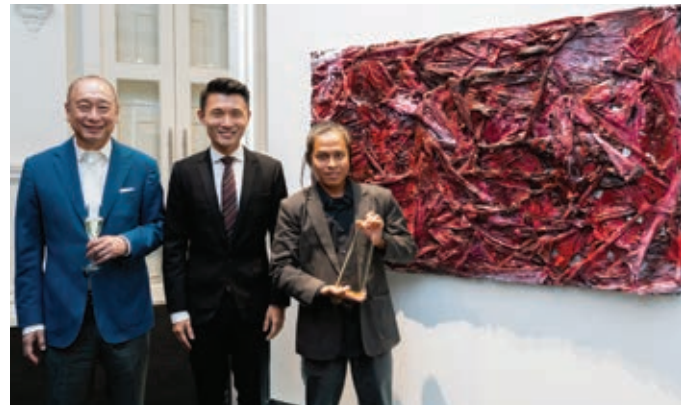
In recognition of our long-term commitment to art, we were presented with the National Arts Council's Distinguished Patron of the Arts Award for the 14th consecutive year in Singapore.

Drawing Out Talent Through Competitions

UOB champions Southeast Asian art through our flagship UOB POY competition which began in 1982. It is the longest-running art competition in Singapore and one of the most recognised in Southeast Asia. Through the UOB POY competition, we aim to uncover and to nurture the next generation of great Southeast Asian artists in the region. The competition is held at the national level in Indonesia, Malaysia, Singapore and Thailand. The most outstanding artwork among the country winners is presented the UOB Southeast Asian Painting of the Year Award. 2018 marked the competition's 37th anniversary. A total of 39 artists received accolades with the top award given to Mr Suvi Wahyudianto from Indonesia for his artwork, *Angs't (ANGST)*. His mixed media piece is a personal narrative

of his experience and depicts the collective consciousness of conflict and the unifying force of empathy.

In Hong Kong, the annual UOB Art in Ink Awards aim to drive greater awareness of and appreciation for the traditional form of ink art in a contemporary context. Nineteen local artists were recognised at the 2018 competition ceremony.



Mr Wee and Singapore's Senior Parliamentary Secretary, Ministry of Culture, Community and Youth, and Ministry of Transport, Mr Baey Yam Keng with the 2018 UOB Southeast Asian Painting of the Year winner, Mr Suvi Wahyudianto, from Indonesia.



Presenting the Southeast Asian winners of the 2018 UOB Painting of the Year competition.

Community

Opening the Doors to Art

We promote Southeast Asian art and the works of UOB POY winning artists at the UOB Art Gallery in Singapore. The Gallery, located at the heart of the Central Business District, is designed to draw people in to absorb the artworks on display.

In 2018, we presented more than 100 artworks through seven solo and group exhibitions at the Gallery. The pieces were curated from winning artworks from the UOB POY competition and our four-decade-old UOB Art Collection. Today, the UOB Art Collection holds more than 2,500 artworks, mainly comprising paintings by established and emerging Southeast Asian artists.

In China, we opened the UOB Art Gallery at UOB Plaza in Shanghai in conjunction with the official opening of our China headquarters building in 2018. Our inaugural exhibition, themed *UOB and Art: The Annual Report Series*, featured 17 artworks from the UOB Art Collection reflecting our distinctive approach to sustainable growth.



A sight for sore eyes – the ageless appeal of the artwork of Mr Abu Jalal bin Sarimon, UOB POY artist.



Studiously taking in the richness of Southeast Asian art at Art Stage Singapore 2018.

To encourage multicultural exchange of ideas and expressions, we launched an Artist-in-Residence programme in 2018 in China. Mr Chok Yue Zan, winner of the 2017 UOB POY (Malaysia) competition was the first resident artist.

Earlier in the year, we opened the UOB POY Gallery in Malaysia at the new UOB Bangsar Branch, reaffirming our commitment to uncover and to nurture artistic talent in the country. The winning paintings from the UOB POY (Malaysia) competition were displayed at the branch to deepen art appreciation among our customers and colleagues.

Putting Artists in the International Spotlight

We promoted artistic talent across the region by opening up opportunities for UOB POY winning artists to present their artworks at international art fairs. At Art Stage Singapore 2018, we displayed 38 paintings by 11 UOB POY artists through the *Stories of Southeast Asia* exhibition and curated pieces from the UOB Art Collection for *The March of Technology*.

Since 2016, we have been promoting the artworks of Indonesian UOB POY artists through Art Jakarta. In 2018, we also held our first art exhibition at the National Gallery of Indonesia, featuring 50 artworks from the year's competition winners and finalists. The two-week exhibition attracted more than 4,200 visitors.

In Hong Kong, we showcased winning artworks from the UOB Art in Ink competition at Art Central 2018 to raise awareness of ink art and as part of our community outreach initiatives.

In Malaysia, UOB sponsored the *Teh Tarik with a Flag* exhibition, which was held at the historic National Art Gallery of Malaysia to commemorate 60 years of Malaysia's independence.



Malaysian artists interpret their country's independence celebrations.

Extending Our Reach Through Partnerships

UOB is a founding partner of the National Gallery Singapore where the UOB Southeast Asia Gallery continues to hold the world's largest collection of modern Southeast Asian art on permanent display.

In Indonesia, we partnered the new Museum MACAN to promote art education and to make art accessible to the local community. As the Major Education Partner of Museum MACAN, we support the educational activities and forums organised by the international museum. We sponsor school visits that draw more than 1,000 students to Museum MACAN every year. In 2018, the UOB Museum MACAN Children's Art Space welcomed more than 100,000 visitors who experienced inspiring and interactive art installations including *Kotak Utak-Atik (The Tinkering Box)* by Gatot Indrajati, the 2016 UOB Southeast Asian POY winner.



Children at Museum MACAN with their interest in art now piqued.

Inspiring the Next Generation of Artists

To inspire art students to pursue their passion, we started a series of art dialogue sessions in 2017 for UOB POY artists to share their personal experiences with them. Called Artist's Conversation, the series aims to open the eyes of students to the creative possibilities of art.

In 2018, we extended our outreach to more than 1,000 students in Singapore from the Enhanced Art Programme, Art Elective Programme and tertiary art institutions. In Thailand, we ran art roadshows at 27 universities and colleges where more than 1,500 students exchanged their perspectives on Southeast Asian art with UOB POY artists and local curators.

All year round, UOB organises art workshops across our key markets in Asia for underprivileged children and those with special needs. Our colleagues volunteer their time to organise and to run the sessions for the children to learn art techniques from art professionals and award-winning artists.



Students and UOB POY artists taking art out of the classroom.



A child casting new light on UOB POY artist Gatot Indrajati's art installation.



Art tickling the fancy of some while making others pause for thought.

Community



Budding artists displaying their handiwork at one of the 24 ink art workshops at Art Central Hong Kong in 2018.



For students in Indonesia, Critical Thinking skills are taught through art.



Children learning the art of lantern painting at the hand of Mr Tan Rui Rong, UOB POY artist.

Developing the Young to Their Potential

In helping to build sustainable and inclusive communities for the long term, we believe in starting with the young. To help them develop to their full potential, we focus our efforts on their well-being and education.

Building Confidence Through Care

We support a number of programmes that are designed to help children progress in their physical and emotional development. Since 2016, we have sponsored art therapy services for children through The Red Pencil, a non-profit organisation that helps children with traumatic experiences heal and grow through

the arts. In 2018, we also worked with New Life Stories to fund reading programmes for underprivileged children whose parents are serving time. These sessions help improve the child's social confidence and language skills as they often do not have the opportunity to interact with others outside of their own families.

In Vietnam, we partnered the Saigon Children's Charity to raise more than \$11,000 to purchase bicycles for underprivileged children from Tien Giang province. With the bicycles, the children can ride instead of walk to school and have more time and energy to focus on their studies.



Riding on the importance of education, we aim to build better lives for underprivileged children in Vietnam.

Encouraging Self Expression

We believe that children need to be recognised and appreciated for their unique abilities. In Thailand, we worked with art professors and handicraft specialists to develop a five-week training programme for the visually impaired. Through the programme, the children acquired skills in various art techniques and were encouraged to express themselves. It helped build their confidence which was reinforced when they were also able to help others by selling their own artworks to raise funds for charity.

Levelling the Playing Field

We volunteer our time, skills and service to help children overcome barriers to education and learning. The UOB Life Skills for Phra Dabos Project is a special collaboration between

UOB Thailand and Phra Dabos School – a vocational school for underprivileged students. More than 120 students benefitted from this project in 2018. The courses in subjects such as English language, sport and music appreciation were organised and run by our colleagues in Thailand.

Since 2015 in Thailand, we have championed the UOB Please Touch programme, an outreach initiative for visually impaired children. The programme also aims to help youth who aspire to be artists by equipping them with art and craft skills to help them carve out a career in art. In Singapore, UOB is a long-time sponsor of the Little Arts Academy's Mini Monet, an advanced visual arts programme to nurture and to support talented young visual artists from financially-disadvantaged families.



Show me the Monet – young artists paint their world.



Our colleagues leading on-the-ground training in the UOB Life Skills for Phra Dabos Project.



Kindling a child's passion for art is UOB POY artist Mr Chok Yue Zan.

Community

Laying the Foundation for the Future

We believe that education has the ability to change lives and communities for the better as it prepares us to seize opportunities, to overcome challenges and to experience life fully. Therefore, UOB supports education programmes and initiatives that develop young minds, especially those of children from underprivileged backgrounds or who have special needs.

Taking Care of the Essentials

UOB China provided financial support for the education of underprivileged children from Shunhe Yi Minority Village School in Ya'an City of Sichuan Province. To help the children and their families, our volunteers also donated books, uniforms, shoes and household essentials.



100 students from Shunhe Yi Minority Village School all kitted out for class.



Seeing is believing – children from Hougang Sheng Hong Student Care Centre receive first-hand experience of the workings of a bank branch.

Essential to life skills is basic money management. In 2018, UOB ran several financial literacy programmes for children across the region. In Singapore, 30 children from Hougang Sheng Hong Student Care Centre participated in the UOB Heartbeat Education Workshop where they were also taken on a guided tour of the UOB main branch to experience elements of banking.

In Malaysia, we worked with industry partners such as Bank Negara Malaysia, the Financial Industry Collective Outreach and Teach For Malaysia to raise financial literacy standards of the young through workshops and talks. Our colleagues also participated in mentoring programmes across schools in Sabah and Sarawak to teach students about the importance of saving and spending responsibly.



Students from Sichuan Province figuring out the fake from the real notes in a money management lesson.



Training Tomorrow's Leaders

Every year, students from low-income families are given scholarships as part of the Wee Cho Yaw Future Leaders Award. In 2018, 13 students received the award. The \$50 million programme which was launched in 2015, is in partnership with the Nanyang Technological University and the National University of Singapore. Through it, UOB aims to develop future leaders by providing tertiary education opportunities to underprivileged students.

UOB also launched a postgraduate scholarship programme with the Singapore Management University to deepen the data skillsets of Singapore's pipeline of talent. This is to prepare them for the increasingly significant role that data plays in driving informed business decisions and strategies for organisations. Under UOB's programme, two students received a full Masters of Science scholarship in 2018 to study Data and Analytics.



Two scholars on the way to their Masters degree in data and analytics.



Piecing together a vision for her future.



Guided by our colleagues, children read from books with embossed words and illustrations - the work of their own hands.



Community

Exercising Our Right to Do Good for Others

Every year, our colleagues, their families, customers and business partners from across the region unite to participate in the UOB Heartbeat Run/Walk – our flagship regional fundraising event. In 2018, our colleagues in Vietnam joined those from China, Hong Kong, Indonesia, Malaysia, Singapore and Thailand to host the single-day event.

We rallied a record number of almost 18,000 participants to run and to walk for charity and raised more than \$1.3 million for underprivileged children and those with special needs in Asia.

Compared with 2017, 23 per cent more people participated in 2018. The UOB Heartbeat Run/Walk demonstrates our holistic approach to corporate giving through philanthropy, partnership and participation. It was awarded Gold in the Excellence in the CSR category at the Marketing Excellence Awards 2018 by *Marketing Magazine*.



Keeping the good going across the region at our annual UOB Heartbeat Run/Walk.

Campaigning for Good Causes

Underpinning the UOB Heartbeat CSR programme is our commitment to helping to build inclusive communities.

In 2018, more than 330 of our colleagues in Singapore came together to show their strong support for inclusive communities at The Purple Parade. UOB's was one of the largest contingents at the event. The Purple Parade is the largest movement in Singapore that promotes awareness of those with special needs and celebrates their abilities.



Our colleagues celebrating National Day in Singapore with students from Rainbow Centre.

In celebration of Singapore's National Day in 2018, our colleagues supported the "18 Days of Giving, A Lifetime of Caring" national initiative by taking 50 students with special needs from Rainbow Centre (Margaret Drive) to the National Gallery Singapore on a learning excursion.

During the year-end festive season, we also supported the works of people with special needs by hosting a UOB Heartbeat Charity Bazaar in Singapore. There, our colleagues bought gifts for their family and friends. The money raised from the Bazaar went to supporting our beneficiaries' educational programmes.



Our colleagues marching as one at The Purple Parade 2018.



Bringing joy to the festive season are our beneficiaries.

Community

Lending a Hand to Those in Need

Every Lunar New Year, the UOB Commercial Banking teams join hands with our clients across the region to help the community.

In Singapore, Mr Wee led close to 200 UOB volunteers and clients in Singapore in organising and sponsoring a festive grocery shopping trip for people with disabilities. We then raised more than \$1.6 million for local charities at the 2018 UOB Commercial Banking Lunar New Year dinner. The funds raised for *The Straits Times* School Pocket Money Fund, *The Business Times* Budding Artists Fund, SPD and The Red Pencil, support visual art, art therapy and educational programmes for underprivileged children.

In Malaysia, close to 50 colleagues and clients came together for their annual Lunar New Year outreach activity. They brought festive cheer and gifts to more than 100 children from Persatuan Kanak-Kanak Istimewa Ampang and Yayasan Sunbeams Home.

In China, colleagues across the cities celebrated the Lunar New Year with children from underprivileged backgrounds by organising sports and art activities as well as donating school supplies and daily necessities.

Believing that children with dyslexia can be helped to overcome their learning difficulties, the UOB Business Banking team from Singapore adopted the Dyslexia Association of Singapore (DAS) as their beneficiary in 2018. The team supported the “Dare to Dream” fundraising campaign during the World Dyslexia Awareness Week 2018 by hosting an exhibition at the UOB Plaza Atrium to increase awareness on dyslexia. To help students with dyslexia who come from low-income families, our colleagues also raised \$73,000 for the DAS Bursary Fund.

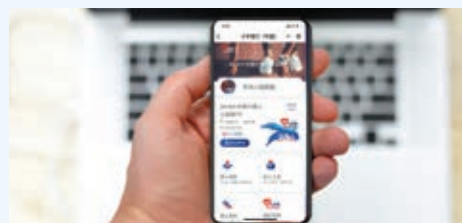


Our Commercial Banking and Business Banking colleagues giving back to the community.

Integrating Innovation into Giving

In 2018, UOB initiated the “Scan and Donate for a Mighty Cause” campaign as part of the National Giving Week in Singapore to raise funds for underprivileged children with parents who are serving time. We facilitated donations by enabling the scanning of a fundraising QR code at all UOB branches. More than \$12,000 was raised to provide 260 reading sessions for children.

During the 2018 UOB Heartbeat Run/Walk fundraising campaign, we introduced the use of PayNow through the UOB Mighty app for colleagues and customers to donate in Singapore. In China, we introduced a UOB Heartbeat Run/Walk programme on WeChat, where our colleagues and WeChat fans could track the number of steps they took every day. We donated RMB1 for every 2,500 steps they took. Within three weeks, our WeChat fans clocked 500 million steps via the programme and raised RMB180,000 for charity.



Our fundraising campaigns in 2018 went mobile.

Receiving Recognition

Across the region, our colleagues have contributed more than 51,000 hours of their time and service through UOB Heartbeat CSR programmes in 2018, an increase of 16 per cent over 2017. We contributed more than \$5.1 million to communities through sponsorships, donations, scholarships and funds raised by our colleagues, customers and partners.

Our heartfelt efforts were recognised in 2018 with awards including:

- Champion of Good from the National Volunteer and Philanthropy Centre in Singapore;
- Distinguished Patron of the Arts Award for the 14th consecutive year from the National Arts Council in Singapore;
- Charity Platinum Award 2018 at the Community Chest Awards Ceremony 2018 in Singapore;
- Excellence in Corporate Social Responsibility – Gold at *Marketing Magazine's* 2018 Marketing Excellence Awards in Singapore;
- Excellence in Corporate Social Responsibility Strategy – Silver at the 2018 HR Excellence Awards in Singapore;
- Community Partnership Merit Award at the People's Association Community Spirit Awards 2018 in Singapore; and
- Best Charitable Contribution Award at the Lujiazui Annual Charity Awards 2018 in China.



We received the Charity Platinum Award from Singapore's President Halimah Yacob at the Community Chest Awards Ceremony 2018.



Environment

We are committed to conserving environmental resources for the well-being of our stakeholders and future generations. We are cognisant of the direct environmental impact resulting from our operations across our network of offices and branches, and have initiatives in place to advocate environmental stewardship at the workplace and to maintain an energy- and water-efficient real estate portfolio. We also mitigate the indirect impact from our business through policies and processes on responsible financing and investing.

2018 Highlights

- Retrofitted more than 14,000 square metres (m²) of workspace with more energy- and water-efficient features;
- Introduced Managed Print Services (MPS) across offices in Singapore, which enabled us to save 5,600 reams of paper, equivalent to 12 tonnes of paper or 330 trees;
- Achieved annual savings exceeding 442,000 kilowatt hours (kWh) by installing more energy-efficient light emitting diode (LED) lighting at our Thailand headquarters building in Bangkok;
- Achieved annual reductions of almost 140,000 kWh through the use of natural lighting in restrooms at our Indonesia headquarters building in Jakarta;
- Generated annual savings of about 55,000 kWh by installing smart day-night lighting controls at the carpark of our China headquarters building in Shanghai; and
- Stopped the purchase of plastic cups in Singapore to reduce consumption of single-use plastics.

Managing Our Direct Environmental Footprint

Our approach to managing our direct environmental impact centres on the principles of the three Rs: Reduce, Reuse and Recycle. Our direct impact to the environment results primarily from the consumption of resources including energy, water, paper and other supplies. The waste products resulting from the extraction, production, transport, consumption and disposal of the resources we use include greenhouse gas (GHG) emissions, wastewater and office waste.

As such, we focus our efforts on optimising energy use, conserving water, reducing paper consumption and diverting office waste to recycling options. With operations at our office buildings and branches accounting for the majority of our direct environmental footprint, we have implemented a range of programmes throughout our diverse workspaces to conserve resources and to manage waste effectively.

Globally, approximately a third of energy-related carbon emissions comes from buildings. This is why we are committed to managing our own premises in an efficient manner that meets the best practices recognised by green building standards. Green-certified buildings are also more cost-effective to operate.

To benchmark our progress, we use the Green Mark criteria developed by the Singapore Building and Construction Authority (BCA) for newly-acquired or retrofitted buildings and office spaces, wherever applicable. The BCA Green Mark is a green building certification scheme that evaluates the environmental performance of buildings and the practices of its occupants. Among other aspects, it takes into account the design, construction and operation of each space. The criteria for a Green Mark rating include energy, water and waste efficiency, environmental protection, indoor environmental quality and green innovations.

We first adopted the BCA Green Mark Existing Non-Residential Building Standards in 2013. Since then, we have achieved and maintained Green Mark Gold^{Plus} certifications for our main office buildings in Singapore – UOB Plaza 1, UOB Plaza 2 and UOB Tower Block.

Enhancing Our Offices to Create Energy-Efficient Workspaces

In 2018, UOB retrofitted more than 14,000 m² of workspace in Singapore to meet the diverse requirements of our colleagues.

Throughout the design process, we aimed to locate built-up areas, such as enclosed spaces and meeting rooms, toward the centre of the buildings and installed lower panels wherever feasible. These help to ensure that the open office spaces are exposed to maximum natural lighting during daytime, thereby minimising our use of artificial lighting. Further, by opting for LED lights, we have observed a 40 per cent reduction in lighting-related energy consumption at these spaces.

The retrofitted workspaces also included plants to enhance office occupants' exposure to natural elements. Indoor plants have been shown to help improve office air quality by reducing levels of carbon dioxide and volatile organic compounds.

In the restrooms, we installed water closets with the best rating of three ticks under Singapore's Water Efficiency Labelling Scheme. These enable us to consume 43 per cent less water than average.



We designed our workspace to maximise natural lighting and to reduce our dependence on artificial lighting.

Optimising Energy Use

Across our three main buildings in Singapore, our energy optimisation initiatives have yielded annual reductions of about 9.3 million kWh since 2016. This is equivalent to cost savings of close to \$2.3 million a year. In China and Malaysia, we have been upgrading the heating ventilation and air conditioning systems and chillers in our buildings since 2016. These efforts have also yielded annual reductions of more than 1.6 million kWh, the equivalent of more than \$230,000 in savings.

Within the offices and common spaces of our buildings, we have installed energy-efficient LED lighting wherever feasible. We also actively promote the use of natural lighting during day hours to reduce the need for artificial lighting.

In Thailand, for example, we installed more energy-efficient LED lighting at our headquarters building in Bangkok and achieved annual savings exceeding 442,000 kWh, equivalent to more than \$60,000. In Indonesia, our use of natural lighting in restrooms yielded annual reductions of almost 140,000 kWh and more than \$19,000 in cost savings. The installation of smart day-night lighting controls at the carpark of our China headquarters building in Shanghai also enabled us to reduce energy consumption by about 55,000 kWh per year and to save approximately \$5,700 annually.

We are also conscious of the higher energy demand from our data centres and server rooms as we continued to invest in our technology infrastructure. Despite this, the power usage effectiveness (PUE) of our data centres in Singapore has improved by 18 per cent since 2013 to the current value of 1.78, which is lower than the global industry average of about 2.0.

Minimising Paper Use and Printing

We encourage our people to minimise paper consumption. In 2018, we implemented Managed Print Services (MPS) at our offices in Singapore to help our colleagues be more conscious of the way we print and use paper. For example, the secure print feature of centralised printers helps us to minimise paper waste created by uncollected printouts or abandoned print jobs. This enabled us to save 5,600 reams of paper, equivalent to 12 tonnes or 330 trees, in 2018. With MPS, we also optimised our fleet of printers by cutting the total number by 50 per cent. This lowered power consumption and reduced the overall physical footprint occupied by our print devices by close to 280 m².

We also continued to print on Forest Stewardship Council (FSC)-certified paper our red packets, which are distributed annually to colleagues and customers across our network in celebration of the Lunar New Year. In addition, we stopped providing the UOB Annual Report on CD-ROMs in 2017 and have reduced the printing of hard copies. We provide a print copy, which is on FSC-certified paper, only when requested.

Environment

How do Managed Print Services Promote Sustainability?

A typical office environment can be equipped with a mix of printers, copiers, fax machines and other single-purpose devices. In adopting MPS, we are able to assess and to provide the appropriate device for each location.

To reduce energy and paper consumption, devices with MPS are equipped with the following:

- **Auto-off feature**, which switches off a device that is not in use;
- **Multiple functions**, which consolidate the uses of different hardware into fewer, more energy-efficient devices;
- **Smart print management**, which information technology managers can use to control sleep and wake-up modes across all printers centrally; and
- **Responsible print settings**, which enable secure and double-sided printing.

Conserving Water

We are mindful that in the countries where we operate, some face high levels of water stress. For example, according to the World Resources Institute (WRI), Singapore could experience extremely high water stress and face intense competition for and potential depletion of surface water by 2040.

At UOB, we conserve water through the use of water-efficient fittings in our buildings. Our main office buildings in Singapore, UOB Plaza 1, UOB Plaza 2 and UOB Tower Block, have all received the Water Efficiency Building Award from the Singapore Public Utilities Board in recognition of our water conservation efforts.

Managing Waste

The waste we generate comes mainly from paper, general waste and decommissioned office equipment which we dispose of or recycle through licensed waste management contractors. For example, we shred and recycle waste paper through reliable and licensed contractors.

In Singapore, where UOB's head office is, all general, non-recycled waste is processed by waste-to-energy (WTE) incineration plants, where the volume of solid waste is reduced by about 90 per cent. This approach has also helped the country to reduce its reliance on landfills, contributing to more sustainable waste management.

As part of our MPS, we have placed printer toner recycling bins at selected office and branch locations in Singapore to enable our colleagues to dispose of used toners properly for recycling. Since we implemented MPS in April 2018, we have collected about 800 printer toners for recycling.

In China, we implemented a light bulb recycling programme at our headquarters building in Shanghai in August 2017. Since then, we have collected 131 kilogrammes (kg) of fluorescent lightbulbs that would otherwise have been sent for disposal.

As all fluorescent light bulbs contain a small amount of mercury, recycling them prevents the release of hazardous mercury vapour into the environment.

Raising Environmental Awareness

To raise environmental awareness among the users of our buildings – colleagues, customers, tenants and visitors – we organise a range of programmes and initiatives each year. For example, we participate in the annual global Earth Hour campaign by turning off the lights at our buildings and encourage changes in workplace behaviour among our colleagues and building tenants. Among our tenants in Singapore, we also promote and encourage the adoption of the BCA Green Mark Office Interior certification.

Methodology and Adjustments

The consumption and waste data with regard to UOB's business operations are based on invoices or data supplied by our providers. For GHG conversion factors, we rely on sources such as local environment agencies, the International Energy Agency (IEA) and the United Kingdom Department for Environment, Food and Rural Affairs (DEFRA). Our Scope 2 and Scope 3 emissions are derived in accordance with the most recent directives of the GHG Protocol Corporate Standard, developed by the WRI and the World Business Council for Sustainable Development. Global Warming Potentials (GWPs) are sourced from the GHG Protocol guidelines.

Scope 2 emissions are the main component of our emissions profile. Our Scope 2 emissions, in turn, result primarily from our purchase of grid electricity. We also report Scope 3 emissions derived from air travel undertaken by our colleagues for business purposes. At present, Scope 1 emissions resulting from the use of vehicular fuels and stationary combustion fuels, which comprise a comparatively insignificant proportion of our overall energy consumption and emissions, are excluded from our reporting.

In 2018, we retrospectively adjusted our emission figures to reflect revisions in the grid electricity emission factors and to account for all branch locations and data centres. As the majority of our real estate is in Asia, our current data includes only Singapore, where our head office is, and our other key markets – China, Hong Kong, Indonesia, Malaysia and Thailand.

Our methodology now excludes from Scope 2 accounting UOB-owned spaces that are leased to tenants, known as downstream leased assets.

Further, when the Bank acquires any property with GHG emissions which if counted, would alter the country baseline by more than one per cent, we now include the full-year emissions of that property back to the year in which it came into existence or first came into operation. Similarly, when the Bank divests any property with GHG emissions which if discounted, would alter the country baseline by more than one per cent, we now deduct the full-year emissions of that property back to the year in which it first came into existence or operation. This is done in accordance with the GHG Protocol Corporate Standard and to maintain consistency over time.

Our Environmental Performance

As a result of a net increase in occupied floor space, our total energy consumption across the region increased 3.2 per cent since 2016 to a total of 129.4 gigawatt hours (GWh) in 2018. Overall energy intensity (measured in kWh per m² of floor space) reduced by 0.7 per cent. However, excluding data centres, the energy intensity of our office and branch locations improved significantly with a reduction of 3.6 per cent over the two-year period.

Similar to our energy performance, overall GHG emissions (Scope 2) increased 3.3 per cent since 2016 to 70.1 thousand tonnes CO₂-equivalent (tCO₂e). Our overall emissions intensity (measured in kg of CO₂-equivalent per m² of floor space) decreased 0.5 per cent. However, excluding data centres, the emissions intensity of our office and branch locations was 3.0 per cent lower than in 2016.

Our overall water consumption increased one per cent, compared with 2016, to 849,000 cubic metres (m³). However, water consumption intensity (measured in m³ per m² of floor space) declined 6.3 per cent in that same period. This indicates that, although we occupy more floor space than we did in 2016, our locations across the region are on average more water-efficient.

We purchased 1,209 tonnes of office printing paper in 2018, 3.2 per cent more than in the previous reporting year. FSC-certified paper (including both FSC 100% and FSC Mix) made up 14 per cent of the purchased printing paper. Our consumption of letters and envelopes remained relatively stable, with FSC Mix paper making up approximately 10 per cent of letters and envelopes used in the region.

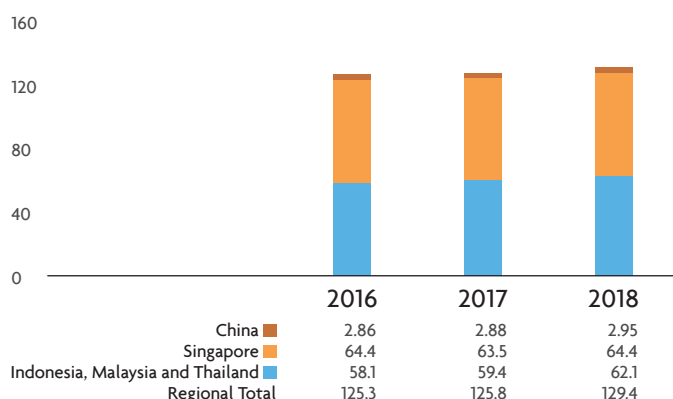
Although we purchased more paper in 2018, the recycling of paper and board material also increased 5.2 per cent to 441 tonnes, compared with the previous year. Altogether, paper and board recycling made up about 90 per cent of overall recycling, primarily because the vast majority of our waste paper is recycled after the shredding process.

The amount of waste sent for disposal remained relatively steady. In 2018, we generated 1,366 tonnes of unrecycled waste. About 50 per cent of that waste was processed at WTE incineration plants. However, waste disposal intensity (measured in kg of waste per m² of floor space) was reduced by 6.8 per cent compared with 2016. Further, total recycling increased 7.3 per cent to a total of about 493 tonnes.

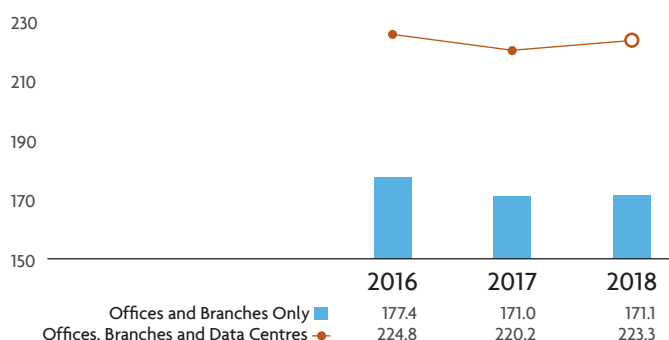
Environment

Direct Environmental Impact^{1,2,3}

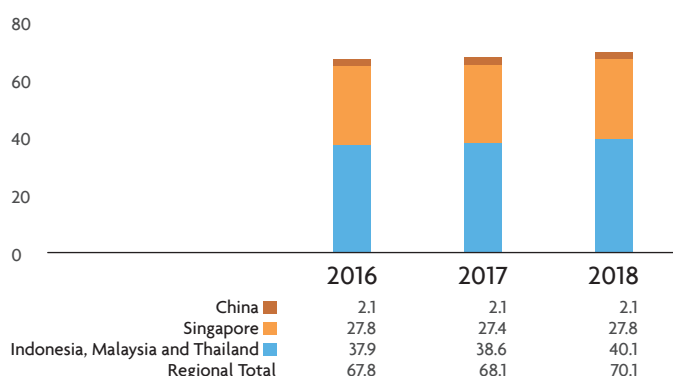
Purchased Grid Electricity (GWh)



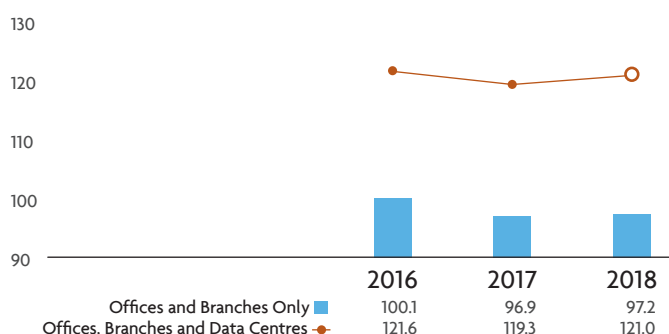
Average Energy Intensity (kWh grid electricity per m² of floor space)



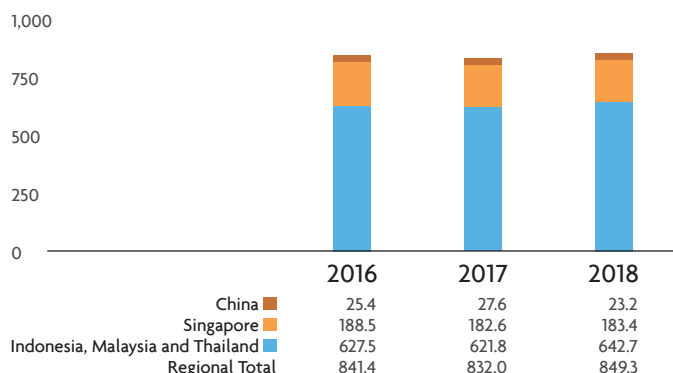
Greenhouse Gas Emissions⁴, Scope 2 (thousand tonnes CO₂-equivalent)



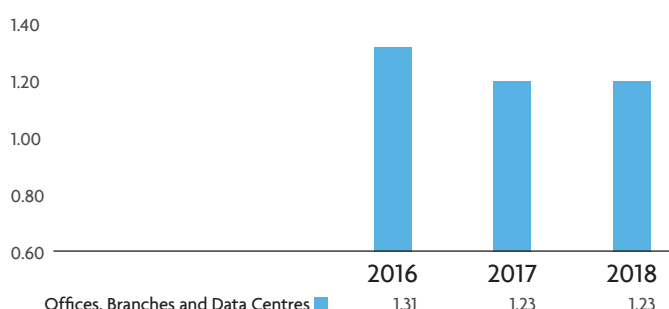
Greenhouse Gas Emissions Intensity, Scope 2 (kg CO₂-equivalent per m² of floor space)



Water Consumption (thousand m³ of water)

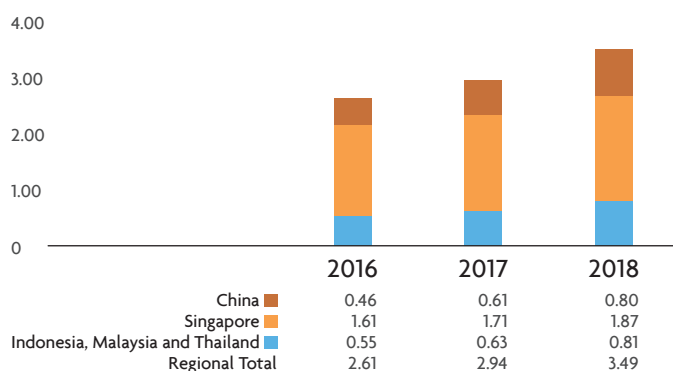


Average Water Consumption Intensity (m³ of water per m² of floor space)

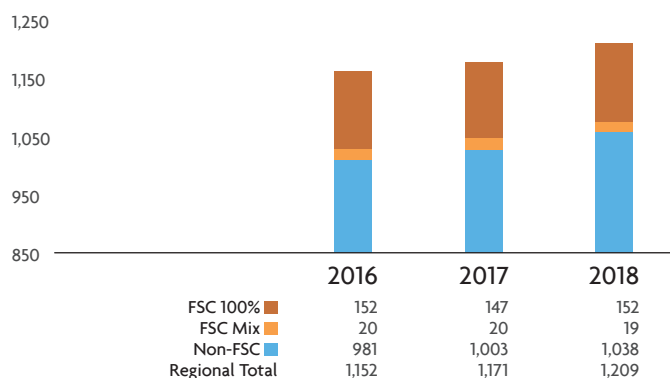


- 1 Previous year figures for resource consumption, emissions and waste have been retrospectively adjusted to account for the impact of branch locations and data centres, i.e. in addition to existing data pertaining to office spaces.
- 2 Previous year figures for resource consumption, emissions and waste have been retrospectively adjusted to exclude UOB-owned spaces that are leased to tenants.
- 3 All resource consumption intensity, emissions intensity and waste disposal intensity figures comprise data from our key markets, namely Singapore, Indonesia, Malaysia, Thailand and China (including the Mainland and Hong Kong).
- 4 In accordance with the GHG Protocol guidelines, emissions figures have been retrospectively adjusted to account for acquisitions or divestments of real estate assets, by including or deducting the full-year emissions of each asset back to the year in which they came into existence or operation.

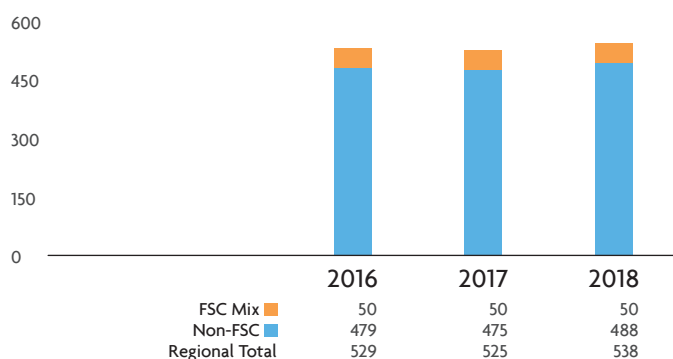
GHG Emissions From Business Air Travel⁵ (thousand tonnes CO₂-equivalent)



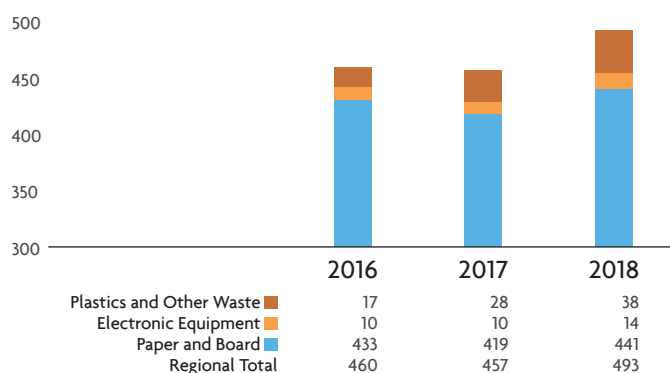
Office Paper Purchased (tonnes)



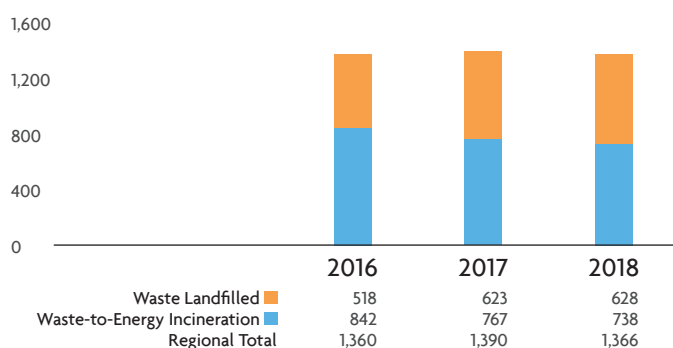
Letters and Envelopes (tonnes)



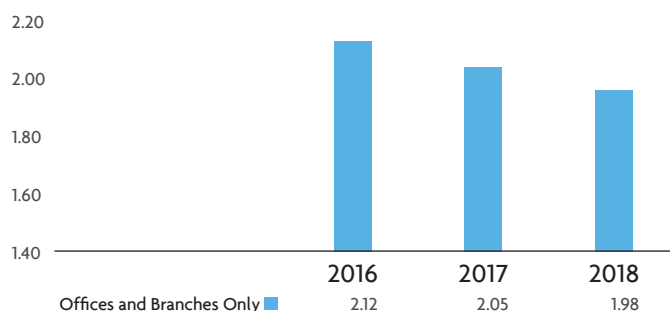
Recycled Waste (tonnes)



Disposed Waste (tonnes)



Waste Disposal Intensity (kg of disposed waste per m² of floor space)



⁵ 2016 and 2017 air travel emissions for Malaysia and China have been restated as more comprehensive data became available.

Sustainability Scorecard

Performance Indicators	2018	2017	2016
Customers			
Number of customers ¹ – (millions)	4.88	4.84	4.65
Access to Financial Services			
Number of branches	469	467	470
Number of branches – Singapore only	59	58	62
Number of ATMs	1,669	1,668	1,661
Number of ATMs – Singapore only	758	766	754
Number of contactless ATMs – Singapore only	382	270	38
Number of Ability ATMs ² – Singapore only	20	20	20
Digital Transformation			
Online penetration rate for retail customers (%)	63	54	51
Online penetration rate for retail customers – Singapore only (%)	89	82	81
Mobile banking users as a percentage of active online banking users (retail customers) (%)	59	54	45
Online penetration rate for corporate/SME clients (%)	69	60	52
Number of contactless point-of-sale merchant terminals – Singapore only	16,712	10,432	5,723
Customer Experience and Advocacy			
Customer compliments – Singapore only	36,985	22,687	15,486
Complaints relating to sale of investment and insurance products – Singapore only (%)	0.20	0.37	0.52
Lending Profile (\$ billion)			
Loans to small businesses	10.0	9.7	9.4
Loans to medium businesses	46.0	41.0	40.1
Loans to large businesses	107.6	91.4	88.0
Loans to individuals	98.1	93.9	88.1
Colleagues³			
Permanent	25,250	24,146	23,904
Permanent – Singapore only	8,714	8,349	8,642
Local (%)	94.9	95.5	95.9
New hires	7,220	6,195	5,715
Female (%)	61.4	61.7	61.5
Female senior management (%)	34.5	36.4	35.9
Female middle management (%)	51.8	51.6	52.1
Female department heads (%)	45.0	40.0	47.4
Female supervisors or managers (%)	51.7	52.8	53.5
Average training hours per headcount	46.1	43.3	36.6
Training expenditure per headcount (\$)	992.3	845.5	788.9
Employee attrition rate (%)	21.0	20.9	20.6
Community			
Monetary contributions (\$ million)	5.1	4.5	4.5

Performance Indicators	2018	2017	2016
Environment^{4,5,6}			
Electricity consumption (GWh)	129.39	125.78	125.33
Average energy intensity excluding data centres (kWh per m ² of floor space)	171.07	170.98	177.44
Average energy intensity including data centres (kWh per m ² of floor space)	223.29	220.16	224.79
Scope 2 GHG emissions ^{7,8} (thousand tCO ₂ e)	70.07	68.12	67.81
Scope 2 GHG emissions excluding data centres (kg CO ₂ e per m ² of floor space)	97.15	96.91	100.10
Scope 2 GHG emissions including data centres (kg CO ₂ e per m ² of floor space)	120.98	119.30	121.62
Scope 3 Air Travel Emissions ⁹ (thousand tCO ₂ e)	3.49	2.94	2.61
Water consumption (thousand m ³)	849.27	832.00	841.38
Water consumption intensity (m ³ of water per m ² of floor space)	1.23	1.23	1.31
Office paper purchased (tonnes)	1,208.84	1,171.26	1,152.45
Waste recycled (tonnes)	493.30	457.06	459.77
Waste landfilled (tonnes)	627.50	623.05	517.62
Waste-to-energy incineration (tonnes)	738.32	767.25	842.44
Waste disposal intensity ¹⁰ (kg of disposed waste per m ² of floor space)	1.98	2.05	2.12
Economic Value of Contributions (\$ million)			
Total operating income ¹¹	9,116	8,563	7,790
Profit after tax ¹²	4,008	3,390	3,096
Dividends to shareholders	2,052	1,254	1,232
Employee compensation and benefits	2,447	2,224	2,050
Income tax to governments	805	800	669
Suppliers⁶			
Total purchase (\$ million)	1,639	1,386	1,324
Purchase from local suppliers (%)	93.5	92.3	93.1

1 Includes customers of Group Retail, Group Wholesale Banking and UOB Asset Management only.

2 Ability ATMs are designed to provide visually impaired customers with audio assistance.

3 Applies to UOB Group and includes permanent and contract employees unless stated otherwise.

4 The previous year figures for resource consumption, emissions and waste have been retrospectively adjusted to account for the impact of branch locations and data centres, i.e. in addition to existing data pertaining to office spaces.

5 The previous year figures for resource consumption, emissions and waste have been retrospectively adjusted to exclude UOB-owned spaces that are leased to tenants.

6 All resource consumption intensity, emissions intensity and waste disposal intensity figures comprise of data from our six key markets in Singapore, Indonesia, Malaysia, Thailand and China (including the Mainland and Hong Kong).

7 tCO₂e: tonnes of carbon dioxide-equivalent.

8 In accordance with the Greenhouse Gas Protocol guidelines, emissions figures have been retrospectively adjusted to account for acquisitions or divestments of real estate assets, by including or deducting the full-year emissions of each asset back to the year in which they came into existence or operation.

9 The 2016 and 2017 emissions for Malaysia and China have been restated as more comprehensive data became available.

10 Includes both landfilled and incinerated waste.

11 With effect from 1 January 2018, total operating income is presented net of fee and commission expense. The comparative figures have been restated to conform with the current period's presentation.

12 Relates to the amount attributable to equity holders of the Bank.

Notes:

- The above data, extracted from internal systems and records, covers the period from 1 January 2016 to 31 December 2018, and includes UOB's subsidiaries unless stated otherwise.
- Internationally accepted measurement units have been used in presenting the information. The basis for data calculation is discussed in the relevant sections within this report.

Feedback

Your views are important to us. Please send your comments, questions or suggestions to sustainability@UOBgroup.com

