



 **UOB**
Heartbeat

 **Fish Kids**

Our 2019 Snapshot



Our Sustainability Approach

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

In our focus on creating sustainable value for our stakeholders, we also align our long-term business strategies with their interests. We believe in sustainable development that meets the needs of the present without compromising the ability of future generations to meet their own needs. This entails respect for the environment, human rights, labour rights, decent work and economic growth, data privacy and business ethics.

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

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



The Guiding Principles of Our Sustainability Approach

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

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.

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.

Sustainability Strategy

The Four Pillars

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

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

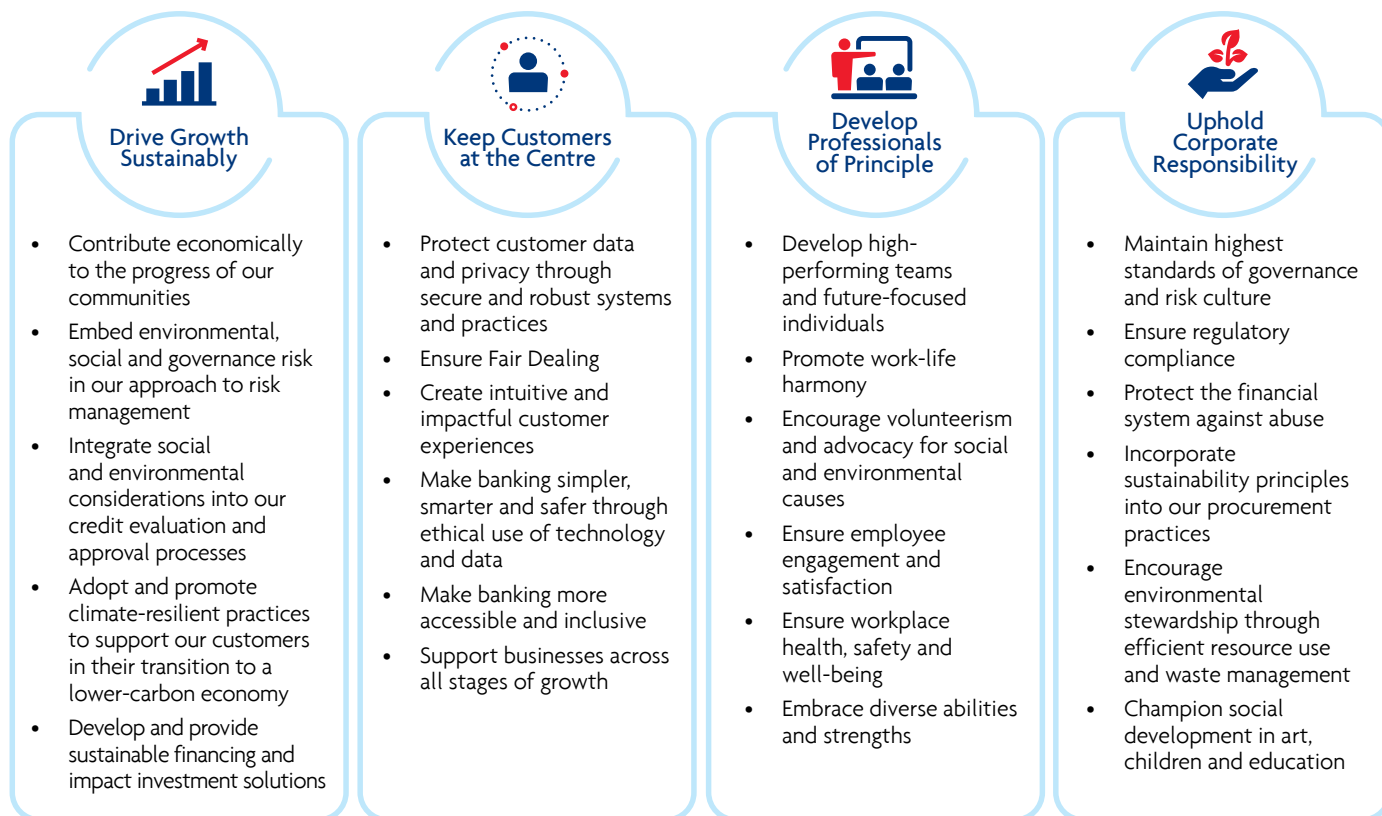
As we focus on doing what is right for customers, we ensure that Fair Dealing principles are entrenched in all aspects of our relationship with them. Keeping their best interests in mind, we harness technology and use data to make banking simpler, smarter, safer and more intuitive for them. By doing so, we aim to make banking more accessible and

inclusive to individuals and businesses in the communities in which we operate. Standing by our customers also means that we must protect their data and privacy by maintaining the security and robustness of our systems and processes.

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

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

Promote United Nations Sustainable Development Goals with Our Stakeholders



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

Balancing growth with stability

Our sustainability strategy mirrors our business approach of balancing growth with stability. It takes into account the influence and impact our decisions and actions may have on our stakeholders and the environment. It also ensures that we remain economically relevant through managing ESG risks and opportunities practically and in line with market realities. To enable our programmes and initiatives to take root and to grow, we have ensured alignment with the ESG-related laws and regulations in each of our key markets. Just as our business strategy hinges on doing what is right for our customers, our sustainability strategy informs our engagement with our stakeholders and how we can help them in their own practices for positive outcomes in the long run.

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 sustainability-related 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.

Alignment 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. In 2019, we aligned our strategy and reporting to all 17 UN SDGs, compared with 11 in 2018. We recognise that while UOB is better placed to contribute directly to a sub-set of the Global Goals, the broadening scope of our sustainable financing and impact investment activities and their corresponding positive impact enable us to align more closely with all the Global Goals. Consequently, we are now aligned with six additional UN SDGs, namely: SDG 1 No Poverty; SDG 2 Zero Hunger; SDG 6 Clean Water and Sanitation; SDG 10 Reduced Inequalities; SDG 14 Life Below Water; and SDG 15 Life on Land.

SUSTAINABLE DEVELOPMENT GOALS



The Global Goals	Global Targets Toward Which We Can Align Our Efforts	Material ESG Factor and Page Reference
1 No Poverty	Global Target 1.4 Equal rights to economic resources, basic services, natural resources, appropriate new technology and financial services, including microfinance	<ul style="list-style-type: none"> Financial Inclusion, page 96
2 Zero Hunger	Global Target 2.3 Increase in agricultural productivity and incomes of small-scale food producers through knowledge and financial services	<ul style="list-style-type: none"> Supporting Customers in Sustainable Development, page 86
3 Good Health and Well-being	Global Target 3.8 Health coverage and access to quality essential healthcare services and access to safe, effective, quality and affordable essential medicines and vaccines for all	<ul style="list-style-type: none"> Workplace Safety, Health and Well-being, page 100
	Global Target 3.C Increase in health financing and the recruitment, development, training and retention of the health workforce in developing countries	<ul style="list-style-type: none"> Supporting Customers in Sustainable Development, page 86
4 Quality Education	Global Target 4.4 Increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship	<ul style="list-style-type: none"> Community Development, page 115
	Global Target 4.6 Build and upgrade inclusive and safe schools	<ul style="list-style-type: none"> Community Development, page 114
	Global Target 4.7 Learners to acquire knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development	<ul style="list-style-type: none"> Community Development, page 117
5 Gender Equality	Global Target 5.5 Full and effective participation and equal opportunities for women at all levels of decision-making in political, economic and public life	<ul style="list-style-type: none"> Diverse and Inclusive Workforce, page 101
6 Clean Water and Sanitation	Global Target 6.3 Improve water quality by reducing pollution, halving the proportion of untreated wastewater and increasing recycling and safe reuse globally	<ul style="list-style-type: none"> Supporting Customers in Sustainable Development, pages 82-83 and page 85
7 Affordable and Clean Energy	Global Target 7.2 Increase share of renewable energy in the global energy mix	<ul style="list-style-type: none"> Supporting Customers in Sustainable Development, pages 82-85
	Global Target 7.3 Global rate of improvement in energy efficiency to double	<ul style="list-style-type: none"> Supporting Customers in Sustainable Development, pages 82-85
	Global Target 7.B Infrastructure expansion and technological upgrade in order to supply modern and sustainable energy services for all in developing countries	<ul style="list-style-type: none"> Supporting Customers in Sustainable Development, pages 82-85
8 Decent Work and Economic Growth	Global Target 8.2 Higher levels of economic productivity achieved through diversification, technological upgrading and innovation	<ul style="list-style-type: none"> Customer Experience, page 92 Innovative Digital Banking Products, page 93
	Global Target 8.3 Development-oriented policies promoted to support productive activities, decent job creation, entrepreneurship, creativity and innovation, and to encourage the formalisation and growth of micro-, small- and medium-sized enterprises, including through access to financial services	<ul style="list-style-type: none"> Financial Inclusion, page 97
	Global Target 8.4 Improvement in global resource efficiency in consumption and production and decoupling of economic growth from environmental degradation	<ul style="list-style-type: none"> Supporting Customers in Sustainable Development, pages 82-83
	Global Target 8.5 Full and productive employment and decent work to be achieved for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value	<ul style="list-style-type: none"> Supporting Customers in Sustainable Development, page 87 Attracting, Developing and Retaining Talent, page 99
	Global Target 8.10 Capacity of domestic financial institutions to be strengthened to encourage and expand access to banking, insurance and financial services for all	<ul style="list-style-type: none"> Financial Inclusion, page 94

The Global Goals	Global Targets Toward Which We Can Align Our Efforts	Material ESG Factor and Page Reference
9 Industry, Innovation and Infrastructure	Global Target 9.1 Quality, reliable, sustainable and resilient infrastructure to support economic development and human well-being	<ul style="list-style-type: none"> Workplace Safety, Health and Well-being, page 100
	Global Target 9.3 Increase in access to small-scale industrial and other enterprises to financial services, including affordable credit, and their integration into value chains and markets	<ul style="list-style-type: none"> Financial Inclusion, page 97
	Global Target 9.4 Upgrade infrastructure to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally-sound technologies and industrial processes	<ul style="list-style-type: none"> Supporting Customers in Sustainable Development, pages 82-85 Managing our Direct Environmental Footprint, pages 107-109
10 Reduced Inequalities	Global Target 10.2 Social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status	<ul style="list-style-type: none"> Supporting Customers in Sustainable Development, page 87 Diverse and Inclusive Workforce, page 101
11 Sustainable Cities and Communities	Global Target 11.4 Strengthen efforts to protect and safeguard cultural and national heritage	<ul style="list-style-type: none"> Community Development, page 113
	Global Target 11.6 Reduced adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management	<ul style="list-style-type: none"> Supporting Customers in Sustainable Development, pages 82-85 Managing our Direct Environmental Footprint, pages 107-109
12 Responsible Consumption and Production	Global Target 12.5 Reduction in waste generation through prevention, reduction, recycling and reuse	<ul style="list-style-type: none"> Managing our Direct Environmental Impact, pages 107-109
	Global Target 12.6 Companies, especially large and transnational companies, encouraged to adopt sustainable practices	<ul style="list-style-type: none"> Supporting Customers in Sustainable Development, pages 82-85
	Global Target 12.7 Promotion of sustainable procurement practices in accordance with national policies and priorities	<ul style="list-style-type: none"> Sustainable Procurement, page 106
13 Climate Action	Global Target 13.2 Integration of climate change measures into policies strategies and planning	<ul style="list-style-type: none"> Climate Change Transition and Opportunities, page 80-81
	Global Target 13.3 Improvements in education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning	<ul style="list-style-type: none"> Supporting Customers in Sustainable Development, page 82 Community Development, page 117
14 Life Below Water	Global Target 14.1 Prevention and reduction of marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution	<ul style="list-style-type: none"> Supporting Customers in Sustainable Development, pages 82-83 and page 85
15 Life on Land	Global Target 15.A Increase in financial resources to conserve and sustainably use biodiversity and ecosystems	<ul style="list-style-type: none"> Supporting Customers in Sustainable Development, page 83 and page 85
16 Peace, Justice and Strong Institutions	Global Target 16.5 Reduction in corruption and bribery in all their forms	<ul style="list-style-type: none"> Preventing Corruption, Fraud and Money Laundering, page 104
17 Partnership for the Goals	Global Target 17.16 Multi-stakeholder partnerships that mobilise and share knowledge, expertise, technology and financial resources, to support the achievement of the sustainable development goals	<ul style="list-style-type: none"> Responsible Financing, page 79 Climate Change Transition and Opportunities, page 81 Supporting Customers in Sustainable Development, page 82 Information Security and Data Privacy, page 88 Financial Inclusion, page 94 Diverse and Inclusive Workforce, page 101 Preventing Corruption, Fraud and Money Laundering, page 104
	Global Target 17.17 Effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships	<ul style="list-style-type: none"> Supporting Customers in Sustainable Development, page 87

How We Engage with Our Stakeholders

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

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

➤➤ Go to pages 70-73 of this report to find out about how we responded to stakeholder expectations in 2019.

Customers

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

Colleagues

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

Governments and Regulators

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

Other Financial Institutions, and Industry and Trade Associations

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

Suppliers

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

Media

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

Community

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

Investors and Analysts

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

NGOs

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

Material ESG Factors

Materiality assessments

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

Materiality assessment exercises help us identify the 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 a holistic overview of stakeholder expectations.

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

How we determine our material ESG factors

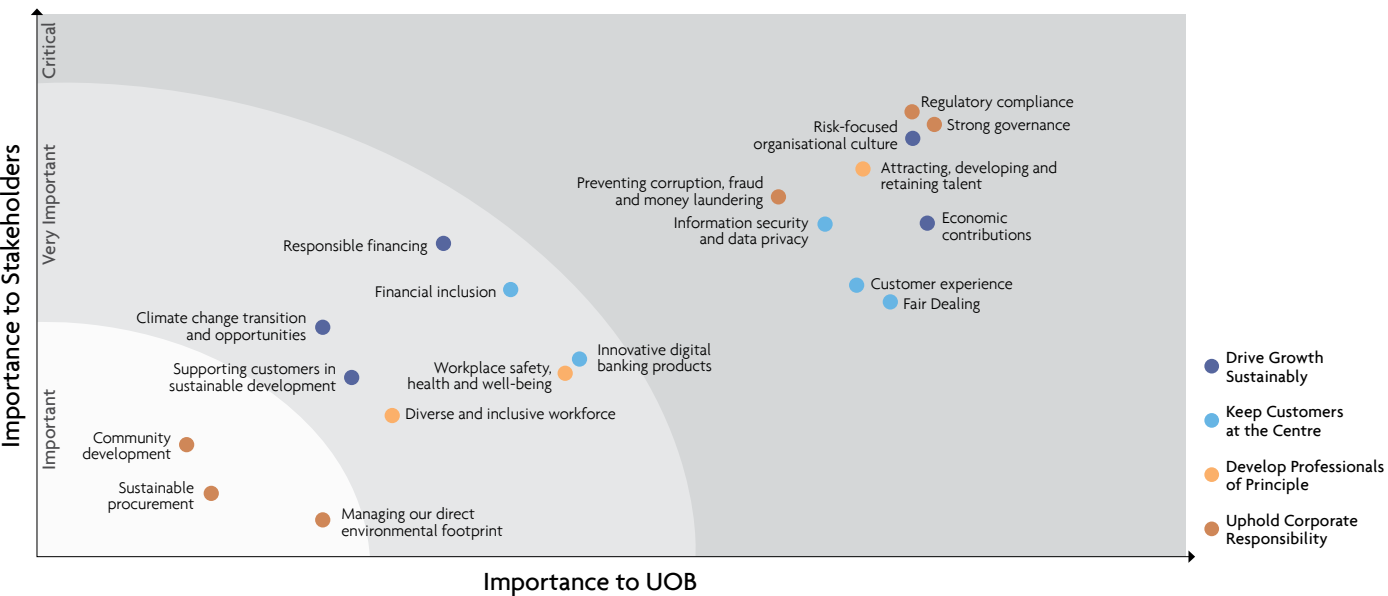
Stage	What We Did
Identify	In our 2018 materiality assessment exercise, we started by conducting surveys with four stakeholder groups including colleagues, investors and analysts, non-governmental organisations and other financial institutions. The participants were asked to rate ESG factors based on 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.
Prioritise	Following the 2018 materiality assessment, we added to, regrouped and refocused our material ESG factors to make our sustainability stance more explicit, industry-aligned and reflective of stakeholder interests.
Validate	Subsequently, the Management Executive Committee and the Board Executive Committee reviewed the material issues, with input from the Group ESG Committee and senior leaders.
Review	In 2019, we reviewed the ESG factors identified in the 2018 materiality assessment based on stakeholder feedback regarding our performance and disclosures, also taking into consideration the context of our operating environment.

As the material ESG factors identified in 2018 continue to reflect the priorities of our organisation and our stakeholders, no changes were made following the 2019 review. Our priorities remain centred on building an ecosystem where enterprise and innovation can thrive, enabling simpler and safer banking for all through the ethical use of technology and data, 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 are also focused on financing and investing more responsibly, as well as supporting our customers in sustainable development.

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, encouraging entrepreneurship and making our financial services accessible to broader sections of society. We support the development of the communities in which we operate and play our part in managing our direct environmental impact.

Materiality matrix



Material ESG Factor	Boundary	Priority	Our Strategic Objectives	Our Value Creation
Drive Growth Sustainably				
Economic contributions	▲	Critical	<ul style="list-style-type: none"> Contribute economically to the progress of our communities 	<ul style="list-style-type: none"> Paying our fair share of taxes Creating jobs in communities Delivering consistent returns for our investors Facilitating trade and industry, and building the financial resilience of our stakeholders
Risk-focused organisational culture	■	Critical	<ul style="list-style-type: none"> Embed ESG risk in our approach to risk management 	<ul style="list-style-type: none"> Maintaining a robust risk management framework to protect the interests of our stakeholders Ensuring that we remain nimble to seize business opportunities as they arise
Responsible financing	■	Very Important	<ul style="list-style-type: none"> Integrate social and environmental considerations into our credit evaluation and approval processes 	<ul style="list-style-type: none"> Addressing ESG issues when making lending decisions
Climate change transition and opportunities	■	Very Important	<ul style="list-style-type: none"> Support our customers in their transition to a lower-carbon and climate-resilient economy 	<ul style="list-style-type: none"> Managing the risks and opportunities related to climate change and global warming Collaborating with our stakeholders to limit global warming Helping our customers take steps toward becoming more resilient to the expected effects of climate change
Supporting customers in sustainable development	■	Very Important	<ul style="list-style-type: none"> Develop and provide sustainable financing and impact investment solutions 	<ul style="list-style-type: none"> Helping customers to identify and to address sustainability-related risks and opportunities in their businesses Supporting new and viable business opportunities that contribute to one or more of the 17 UN SDGs Connecting customers to investment opportunities that create a positive impact
Keep Customers at the Centre				
Information security and data privacy	■	Critical	<ul style="list-style-type: none"> Protect customer data and privacy through secure and robust systems and practices 	<ul style="list-style-type: none"> Ensuring the confidentiality and security of our customers' information through comprehensive policies and processes Protecting our customers from cyber threats through robust risk management systems and processes
Fair Dealing	▲	Critical	<ul style="list-style-type: none"> Ensure Fair Dealing 	<ul style="list-style-type: none"> Treating customers fairly based on the principles of integrity, trust and respect
Customer experience	▲	Critical	<ul style="list-style-type: none"> Create intuitive and impactful customer experiences 	<ul style="list-style-type: none"> Anticipating our customers' needs and wants and offering them safe, reliable and relevant products to meet their preferences
Innovative digital banking products	■	Very Important	<ul style="list-style-type: none"> Make banking simpler, smarter and safer through ethical use of technology and data 	<ul style="list-style-type: none"> Introducing and transforming digital banking products to meet customers' demand for greater convenience and seamlessness
Financial inclusion	■	Very Important	<ul style="list-style-type: none"> Make banking more accessible and inclusive Support businesses across all stages of growth 	<ul style="list-style-type: none"> Making banking products and services accessible and affordable to diverse segments of society to meet their needs and expectations Encouraging innovation and enterprise, and nurturing start-ups and small- and medium-sized enterprises

▲ Impact Outside the Organisation

■ Impact Within and Outside the Organisation

● Impact Within the Organisation

Interested Stakeholders

How We Responded to Stakeholder Expectations in 2019



- Published a Responsible Tax Management Statement on our Group website
- Created jobs for more people by increasing hiring across the Group by seven per cent in comparison with 2017
- Distributed \$7.6 billion in payments that flowed to our stakeholders including colleagues, suppliers, investors, authorities and local communities. This represented a more than nine per cent increase compared with 2018



- Implemented a Group Risk Culture and Conduct Risk Framework
- Incorporated risk culture into the UOB Code of Conduct mandatory e-learning module



- Discontinued new financing of coal-fired power plant projects and prohibited the project financing of greenfield thermal coal mines
- Discontinued new financing of greenfield palm oil plantations to address the risk of deforestation and loss of biodiversity
- Developed, in collaboration with The Association of Banks in Singapore and the World Wide Fund for Nature (WWF), an industry-wide e-learning module on responsible financing for our colleagues



- Pledged our support for the Taskforce on Climate-related Financial Disclosures (TCFD)
- Conducted qualitative identification and assessment of climate change-related risks in our loan portfolio
- Developed a roadmap towards enhancing our climate change-related disclosures in alignment with the recommendations of the TCFD



- Increased financing for renewable energy, energy efficiency, green transport infrastructure, water and waste management by 94 per cent compared with the previous year
- Launched U-Solar, Asia's first integrated solar energy platform, across Southeast Asia
- Launched The Unlimited to help companies in Singapore identify and hire more persons with disabilities
- UOB Venture Management (UOBVM) became Singapore's first signatory to the International Finance Corporation's Operating Principles for Impact Management



- Deepened our cyber security capabilities and enhanced our operating models to strengthen our cyber defence
- Actively collaborated with the Monetary Authority of Singapore on the Veritas Framework to promote ethical best practices when employing artificial intelligence and data analytics
- Established framework and guidelines to govern cross-border transfers of personal data between UOB Group companies worldwide
- Formed the Enterprise Data Ethics team to ensure responsible use of data



- Recognised colleagues who uphold and fulfil our customer commitments at the UOB Customer Commitments Awards
- Conducted a Fairness, Ethics, Accountability and Transparency (FEAT) and Fair Dealing Workshop for teams from across the region to reinforce the culture of Fair Dealing



- Launched an integrated telephony system and chat service for our Contact Centre to reduce navigation time for and to enhance engagement with customers in Singapore



- Enhanced UOB Mighty with more features, such as Mighty Insights for better customer experience
- Launched TMRW in Thailand, ASEAN's first mobile-only digital bank in Thailand for the digitally-savvy customers in the region



- Conducted digital clinics to help members of the public, particularly the elderly, learn about the benefits of using digital banking services
- Invested in PT Amarta Mikro Fintek, a peer-to-peer lending start-up in Indonesia that seeks to support women micro-entrepreneurs in rural areas
- Tapped our credit underwriting engine to assess and to approve loan applications from SMEs in Vietnam more effectively and efficiently

Material ESG Factor	Boundary	Priority	Our Strategic Objectives	Our Value Creation
Develop Professionals of Principle				
Attracting, developing and retaining talent	●	Critical	<ul style="list-style-type: none"> Develop high-performing teams and future-focused individuals Promote work-life harmony Encourage volunteerism and advocacy for social and environmental causes Ensure employee engagement and satisfaction 	<ul style="list-style-type: none"> Investing in training and career development for our colleagues Treating our colleagues with care and respect Providing our colleagues with the time and opportunity to give back to the community Conducting annual staff engagement surveys and responding to feedback
Workplace safety, health and well-being	●	Very Important	<ul style="list-style-type: none"> Ensure workplace health, safety and well-being 	<ul style="list-style-type: none"> Providing our colleagues with a safe and conducive work environment
Diverse and inclusive workforce	■	Very Important	<ul style="list-style-type: none"> Embrace diverse abilities and strengths 	<ul style="list-style-type: none"> Ensuring equal opportunity across diverse cultural backgrounds, age groups, gender and abilities
Uphold Corporate Responsibility				
Strong governance	■	Critical	<ul style="list-style-type: none"> Maintain highest standards of governance and risk culture 	<ul style="list-style-type: none"> Upholding robust corporate governance policies, processes and practices to safeguard our stakeholders' interests Embedding our risk culture across our franchise to ensure continued financial soundness and business viability
Regulatory compliance	■	Critical	<ul style="list-style-type: none"> Ensure compliance with all laws and regulations in the jurisdictions in which we operate 	<ul style="list-style-type: none"> Observing the letter and spirit of all applicable laws, rules, regulations and standards
Preventing corruption, fraud and money laundering	■	Critical	<ul style="list-style-type: none"> Protect the financial system against abuse 	<ul style="list-style-type: none"> Adopting a zero tolerance approach to bribery and corruption and ensuring transparency and accountability Collaborating with regulators and industry peers in preventing cybercrime, money laundering, funding of terrorism and dealing with sanctioned persons
Sustainable procurement	▲	Important	<ul style="list-style-type: none"> Incorporate sustainability principles into our procurement practices 	<ul style="list-style-type: none"> Engaging with suppliers to ensure that our sustainable procurement principles are upheld
Managing our direct environmental footprint	■	Important	<ul style="list-style-type: none"> Encourage environmental stewardship through efficient resource use and waste management 	<ul style="list-style-type: none"> Managing energy, water and resource consumption more efficiently, reducing greenhouse gas emissions and minimising waste
Community development	▲	Important	<ul style="list-style-type: none"> Champion social development in art, children and education 	<ul style="list-style-type: none"> Helping the young, the underprivileged, those with special needs and budding talent to realise their full potential

▲ Impact Outside the Organisation
 ■ Impact Within and Outside the Organisation
 ● Impact Within the Organisation

Interested Stakeholders

How We Responded to Stakeholder Expectations in 2019



- Invested \$31 million in employee training, a 19 per cent increase year-on-year
- Launched our Group-wide 'Better U' learning and development programme to broaden our colleagues' soft skills, digital and data skills
- Improved the onboarding experience for new colleagues and employed robotic process automation for background screening



- Established the Corporate Real Estate Services (CRES) Office Design Guidelines to promote environmental sustainability and employee wellness at the workplace and at office communal spaces
- Provided \$17 million of HEAL benefits to our colleagues, a close to 10 per cent increase over 2017



- Joined the Financial Women's Association of Singapore as a new corporate member
- Offered re-employment contracts to 166 colleagues eligible for retirement, of whom 96 were women
- Provided 22 additional nursing pods to support women returning to the workplace after their maternity leave
- Continued to employ people with different abilities, including people with autism and deaf employees, at UOB Scan Hub



- Continued to evaluate and to revise our governance approach to ensure that it remains relevant and aligned with best practices and responsive to change



- Continued active monitoring of regulatory and industry developments, and engagement with regulators, policymakers and standards-setting bodies
- Provided regular updates on regulatory trends and developments to the Board and senior management committees



- Launched an updated mandatory online anti-corruption training module for employees
- Updated customer terms and conditions concerning financial crimes to improve anti-bribery and corruption provisions
- Collaborated with a regulatory technology company to enhance our anti-money laundering surveillance abilities



- Launched the Group Supplier Sustainability Principles (GSSP)



- Awarded Green Mark Platinum certification for our two-tower block building, UOB Phetkasem in Bangkok, Thailand



- Established a Group Corporate Social Responsibility Policy to ensure that our philanthropic activities, community partnerships and volunteering are carried out responsibly
- Increased monetary contributions by 6 per cent to \$5.4 million in 2019 to promote social development in art, children and education
- Organised six eco-excursions in 2019 to educate children and colleagues about environmental sustainability
- Offered more opportunities to our colleagues to give back to the community and increased our average volunteer hours per employee by 10 per cent to 2.2 hours in 2019



Customers



Investors and Analysts



Colleagues



Governments and Regulators



Suppliers



NGOs



Community

Sustainability Governance

Board of Directors and Management Executive Committee (MEC)

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

Group ESG Committee

The Group ESG Committee reports directly to the MEC on 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 whose activities have the potential to impact the environment, society and the economy positively and negatively. The Group ESG Committee reviews material ESG topics, identifies risks and opportunities, sets goals and targets, evaluates emerging issues, collates and assesses relevant data, and monitors the progress of sustainability-related programmes and initiatives.

Group ESG Framework

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

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



Sustainability Reporting

Standards and principles

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

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

Our sustainability reporting also complies with the Singapore Exchange Securities Trading Limited Listing Rules 711A and 711B, as well as Practice Note 7.6 Sustainability Reporting issued in June 2016.

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

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

Data and external assurance

The ESG information provided in this report is not externally assured. The appointed content owners in each business or support unit reviewed the data and information to ascertain accuracy. We also relied on internal data monitoring and an internal verification process by relevant subject matter experts to ensure accuracy.

Scope of reporting

The UOB Annual Report 2019 is our fourth annual report to include GRI Standards disclosures and provides an overview of the Group's sustainability-related efforts from January to December 2019. Our sustainability disclosures for 2018 were published in April 2019 in the UOB Annual Report 2018. Unless otherwise stated, the sustainability disclosures in this report include all entities and divisions within the Group.

ESG in Investing

We believe that responsible investment practices have significant potential to contribute to the development of a more sustainable financial system for the benefit of the wider community.

Our investing activities are carried out mainly by UOB Asset Management (UOBAM), UOB Venture Management (UOBVM) and UOB Global Capital (UOBGC), which are the investment management subsidiaries of the Bank and are principally third-party fund management companies.

Through active engagement and dialogue, UOBAM, UOBVM and UOBGC help portfolio companies and investors:

- to become aware of the importance of ESG topics;
- to gain awareness of the ESG-related risks and opportunities in business operations and strategy; and
- to recognise the importance of all stakeholders to the success of a business.

Singapore Stewardship Principles for Responsible Investors

In 2018, UOBAM became a supporter of the Singapore Stewardship Principles for Responsible Investors, a set of principles intended to encourage investors to voluntarily pursue the spirit of stewardship and good governance. The Singapore Stewardship Principles were developed by the members of a Working Group led by Stewardship Asia Centre. Since then, UOBAM has stepped up its responsible investing efforts by incorporating ESG considerations into the investment process for Asia ex-Japan Equities and Asia Fixed Income.

UOBVM has been integrating ESG considerations into its investment process since 2004 and has also been a supporter of the Singapore Stewardship Principles for Responsible Investors since 2018.

United Nations-supported Principles for Responsible Investment (PRI)

UOBAM, UOBVM and UOBGC submitted a joint application to the PRI in December 2019 and became official signatories in early 2020, a testament to UOB's commitment to responsible investing and to developing sustainable investment solutions for customers.

Responsible investment practices are part of our fiduciary duty to our clients and we believe that the integration of ESG considerations into our investment processes is important not only from a risk management perspective, but is also key to ensuring long-term returns. In recent years, there has been an observable increase in client demand for investment products that are either screened against ESG criteria and/or result in positive impact.

Integrating ESG factors into UOBAM's investment process

In 2019, UOBAM established an ESG sub-committee within the Local Investment Committee to oversee the governance and implementation of ESG-related investment policies and initiatives and to develop ESG-related products. UOBAM's efforts in responsible investing started with the integration of ESG evaluation into the investment process for Asian ex-Japan equities and Asian fixed income. We interact with

our portfolio companies through face-to-face meetings or conference calls to discuss ESG topics. To facilitate such interactions, we also send ESG questionnaires to all the companies on our Asia ex-Japan Equities Approved List and perform annual monitoring and follow-up on the outcome of our interactions.

The objective of active engagement is to understand and to examine investees' views and approaches on ESG, and their intention and capability to manage ESG risks and opportunities. We believe that such interactions will enable us to help them gain a deeper understanding of the importance of properly managing ESG topics. In the event of any adverse corporate development or controversy attributed to a company in our portfolio, our procedure is to check promptly for related information and request clarification from the company in order to assess the need to review and adjust our investment views.



Principles for Responsible Investment (PRI)

The goal of the PRI is to understand the implications of sustainability for investors and to support signatories in incorporating these issues into their investment decision-making and ownership practices.

The signatories to the PRI are an international network of investors working together to put the following six principles¹ into practice:



Principle 1

We will incorporate ESG issues into investment analysis and decision-making processes.



Principle 2

We will be active owners and incorporate ESG issues into our ownership policies and practices.



Principle 3

We will seek appropriate disclosure on ESG issues by the entities in which we invest.



Principle 4

We will promote acceptance and implementation of the Principles within the investment industry.



Principle 5

We will work together to enhance our effectiveness in implementing the Principles.



Principle 6

We will each report on our activities and progress towards implementing the Principles.

In implementing the PRI, signatories contribute to the development of a more sustainable global financial system.

¹ Principles for Responsible Investment: <https://www.unpri.org/about> (accessed February 25, 2020)



Economic Contributions

Why this topic matters to UOB

UOB has a network of branches and offices that extends across 19 countries and territories. The manner in which our economic value is distributed has significant impact on the economy and society. Our economic contributions include payments to stakeholders such as our colleagues, suppliers, investors, authorities and local communities. In 2019, we distributed \$7.6 billion in payments that flowed to these stakeholders.

How we approach this topic

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

Our targets

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

Our performance in 2019

In 2019, we generated total income of \$10 billion, of which we distributed \$2.7 billion in employee compensation and benefits and accrued \$813 million in income tax to governments. There were no material instances of non-compliance with regard to tax management.

From profit after tax of \$4 billion, we distributed dividends of \$2 billion to shareholders.

Across our network spanning 19 countries and territories, we created livelihoods for more than 26,000 people, with local employee representation of 94.6 per cent, and invested \$31.1 million in employee training.

We made monetary contributions of more than \$5.4 million to the community. UOB also supported local businesses and helped create jobs through the goods and services we bought from more than 10,000 suppliers in our seven key markets, of which local suppliers accounted for 93.8 per cent of our total purchases of more than \$1.8 billion.



How we approach tax management

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

Approach to tax risk management and governance

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

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

Approach to Base Erosion and Profit Shifting

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

UOB supports the BEPS principle that profits should be taxed where substantive economic activities generating the profits are performed and where value is created. UOB has adopted the internationally-agreed arm's length principle for the determination of prices for transactions between related parties.

Risk-focused Organisational Culture

Why this topic matters to UOB

UOB's risk culture influences the decisions and actions taken by all employees throughout the organisation. Our robust risk culture mitigates conduct risk and safeguards our reputation as we create long-term value for our stakeholders. It promotes the appropriate risk awareness, judgement and behaviours required for risk-taking within UOB's risk governance framework. Having a sound risk culture is also the foundation for effective risk management and ensures that emerging risks are identified, assessed, escalated and addressed in a timely manner.

How we approach this topic

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

Our Board Risk Management Committee (BRMC) is the designated Board level committee that oversees risk culture matters, including approval of the Group Risk Culture and Conduct Risk Framework. This sets a strong Tone from the Top and provides the direction for all people managers to convey the appropriate "Tone from Above" which are the signals sent by people managers to their immediate staff. In 2019, we established a risk culture dashboard to provide regular risk culture updates to senior management and the BRMC. This ensures that senior management and the Board are apprised of the state of risk culture across the Group.

To ensure the Tone from the Top is effectively translated into the Tone from Above, we have adopted a coordinated and consistent Bank-wide communication approach to embed a sound and robust risk culture consistently across the Group. 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 promote risk-focused behaviour within their teams. Ongoing training reinforces the risk-focused conduct that enables us to earn the trust of our stakeholders over generations. Colleagues across the Group received risk management training, which included the following topics:

- risk culture and the Code of Conduct;
- 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.



Singapore Corporate Awards 2019

In recognition of our efforts, UOB received a Silver Award for Best Risk Management at the Singapore Corporate Awards 2019 in the category for companies with \$1 billion and above in market capitalisation.

We also ensure that through our whistle-blowing policy, 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 target

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

Our performance in 2019

The Group Risk Culture and Conduct Risk Framework was approved by the BRMC and put in place in October 2019.

Instilling a risk culture

To inculcate and to promote awareness and understanding of the Group's desired risk culture and risk culture framework, we have implemented across the Group the following:

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

Responsible Financing

Why this topic matters to UOB

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. Through our financing practices, we recognise that we can play a positive role in shaping the actions of our customers and supporting long-term sustainable development.

How we approach this topic

We are committed to responsible financing and have integrated the principles of The Association of Banks in Singapore (ABS) Guidelines on Responsible Financing into our business model. The Bank has in place a dedicated ESG team with clear roles and responsibilities to ensure the effective implementation of our ESG policies and strategy.

The Credit Committee approves our Responsible Financing Policy, which is embedded within UOB Group's Corporate Credit Policy. This ensures that ESG considerations are integrated into our credit evaluation and approval processes. The Management has oversight on ESG matters including climate change risks and opportunities which may impact our financing activities. Group Credit is responsible for ensuring that ESG risks are adequately addressed and, where necessary, borrowers or projects with elevated ESG risk 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 framework, 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, commitment 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 in identifying, assessing and reviewing ESG risks.

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

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

As part of our ESG risk classification approach to identify, to measure and to manage better the ESG risk in our portfolio, borrowers are classified as either high, medium or low ESG risk. This is based on the level of ESG risk inherent in their business operations, and the residual ESG risk after taking into consideration their ability to mitigate the inherent risk through policies and measures.

Our Responsible Financing Policy prohibits our financing of companies:

- where their operations or projects threaten the outstanding universal value or special characteristics of UNESCO World Heritage Sites, Ramsar Wetlands, forests of high conservation value (HCV) or may impact critical natural habitats significantly;
- involved in animal cruelty and the trade of endangered species as defined by the Convention on International Trade in Endangered Species (CITES) of Wild Fauna and Flora;



2019 WWF Sustainable Banking Assessment

On the back of our efforts to improve our responsible financing practices and disclosures, we have continued to make progress in the latest WWF Sustainable Banking Assessment (WWF SUSBA). The Singapore banks were ranked ahead of peers in the region.

- without measures in place to manage or mitigate the risk of air, soil and water pollution which may negatively impact terrestrial or marine ecosystems;
- involved in the exploitation of labour, including forced labour and child labour, taking reference from International Labour Organisation (ILO) standards;
- in violation of the rights of local or indigenous communities; and
- involved in open burning for land clearance.

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

We notify our borrowers of their 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, mitigation 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 industry best practices provided by the International Finance Corporation (IFC).

We engage with our borrowers proactively and continually work with them to improve their ESG practices. In addition, we monitor our borrowers on an ongoing basis for any adverse ESG-related news. Borrowers with any known material ESG-related incidents will trigger an immediate review so ESG risks can be addressed and managed appropriately. We require our borrowers to rectify any breaches of our policy within a reasonable timeframe with account officers responsible for monitoring their progress. However, if we deem our borrowers unable or unwilling to commit to managing the potential adverse impact of their operations adequately, we are prepared to review and reassess the relationship, or to reject the transaction.

We review our Responsible Financing Policy periodically amid evolving societal and stakeholder expectations. In 2019, in recognition of the increasing threat of climate change, we discontinued new financing of coal-fired power plant projects and prohibited the project financing of greenfield thermal coal mines. Within the thermal coal sector, our financing is limited to mines that have calorific values corresponding to sub-bituminous or higher grade coal. UOB will continue to engage with and to support our clients in their transition to lower carbon energy sources. In addition to incorporating the ABS Haze Diagnostic Kit for the financing of palm oil, and pulp and paper industries, we have also discontinued new financing of greenfield palm oil plantations to address the risk of deforestation and loss of biodiversity.

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

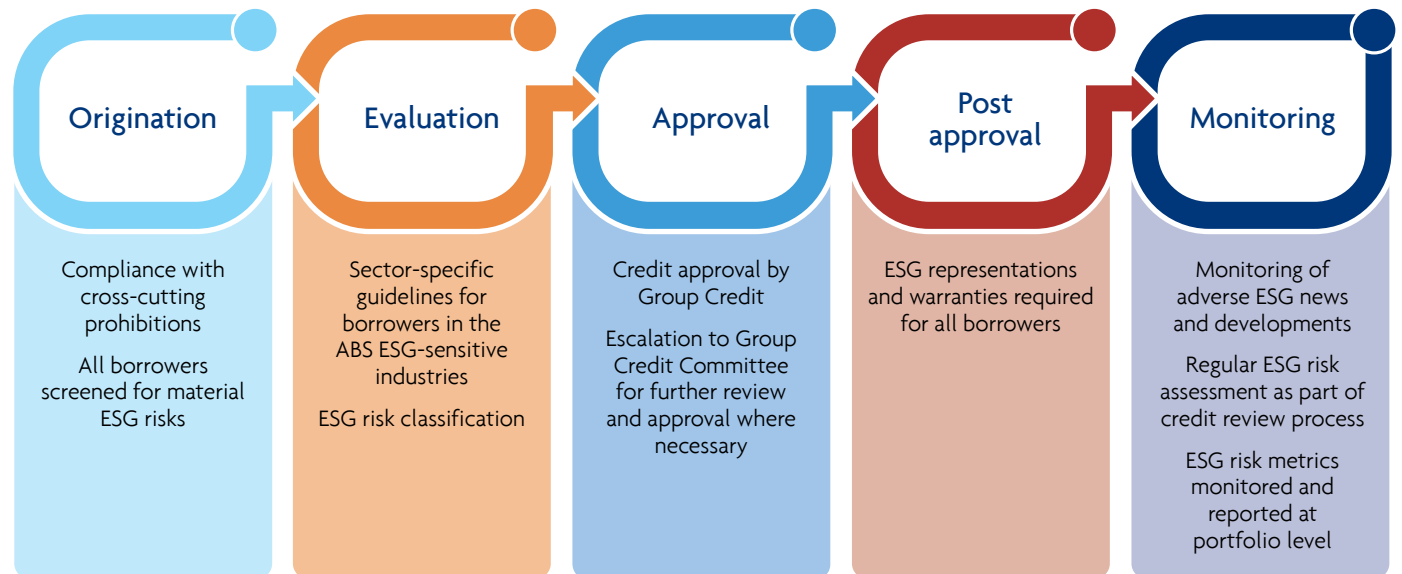
We review our portfolio's ESG exposure periodically. As at 31 December 2019, all applicable borrowers had undergone the ESG risk assessment with relevant risks adequately managed and mitigated. In 2019, a total of 23 borrowers were included under heightened monitoring due to ESG concerns, of which 11 were escalated. These accounted for less than one per cent of our total loan portfolio. The Bank did not have a significant concentration in any of the eight ESG-sensitive sectors, which collectively accounted for approximately nine per cent of our total loan portfolio.

All colleagues serving in relevant roles are trained on our Responsible Financing Policy and its related processes. We continue to maintain a strong focus on capacity-building across the region. In 2019, we rolled out the industry-wide e-learning module on responsible financing which was developed in collaboration with the ABS and the WWF. More than 700 colleagues in Singapore across relevant roles, including senior management and members of the ESG Committee, have completed

the module. This, coupled with other training programmes, has helped strengthen awareness of key ESG issues as well as bolstered effective identification and assessment of ESG risks. We aim to achieve a 100 per cent completion rate for training on responsible financing across all our regional subsidiaries and branches in 2020.

We are committed to doing our part in shaping industry developments and to promoting a more level playing field. Over the past three years, we have supported the ABS and the ASEAN Bankers Association in a number of capacity-building workshops in the region. In addition, the Bank has actively participated in sustainability forums and collaboration platforms, such as the Asia Sustainable Finance Initiative, to exchange knowledge and to deepen understanding of ESG best practices. This helps to ensure better integration of sustainability considerations into the Bank's overall strategy. We will continue to engage with regulators as we collectively shape the path towards a more sustainable financial system. We will also continue to engage with other key stakeholders, including customers, colleagues, investors, communities and NGOs to ensure we meet evolving expectations and remain abreast of industry developments.

Our approach to ESG risk management



Our targets

- Enhance our environmental and social policies, practices and disclosures continually.
- Strengthen capacity-building and ensure all relevant colleagues are trained in responsible financing principles, policies and procedures. [2020]

Our performance in 2019

- In 2019, UOB discontinued new financing of coal-fired power plant projects and prohibited the project financing of greenfield thermal coal mines. Within the thermal coal sector, our financing is limited to mines that have calorific values corresponding to sub-bituminous or higher grade coal.
- We also discontinued new financing of greenfield palm oil plantations to address the risk of deforestation and loss of biodiversity.

- More than 700 colleagues in Singapore across relevant roles, including senior management and members of the ESG Committee have completed the industry-wide e-learning module on responsible financing, which was developed in collaboration with the ABS and the World Wide Fund for Nature (WWF).

Partnership for the Goals

- Participant in the MAS Environmental Risk Management Guidelines Working Group
- Collaborator in the Asia Sustainable Finance Initiative



CONTRIBUTION TO THE UN SDGs



Climate Change Transition and Opportunities

Why this topic matters to UOB

We recognise climate change as being one of the most complex and defining issues of our time. Studies indicate that Asia is among the most vulnerable regions in the world to global warming. Climate change poses a risk to our environment and a challenge for society and the economy. It is also increasingly a concern for financial regulators. As a leading financial institution in the region, UOB has a vital role in supporting efforts toward climate change mitigation and adaptation.

How we approach this topic

Role of the Board in overseeing climate change-related issues

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

The Executive Committee of the Board oversees the Group's material ESG factors, including climate change transition and opportunities. In 2019, climate change was a key consideration in the updates from the ESG Committee to the Executive Committee on the Bank's sustainability strategy which addressed our roadmap to adopting the recommendations of the TCFD, efforts to support our clients in sustainable development and enhancements to our Responsible Financing Policy.

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

The UOB Board and relevant Board Committees consider climate change risks and opportunities in the context of the Bank's Guiding Principles for Sustainability and the Four Pillars of our Sustainability Strategy.

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

- reviewing and guiding strategy;
- reviewing and guiding major plans of action;
- reviewing and guiding risk management policies;
- monitoring implementation and performance of objectives;
- monitoring and overseeing progress against goals and targets for addressing climate change-related issues; and
- reviewing and approving the climate change-related disclosures in our Annual Report.



The Task Force On Climate-related Financial Disclosures

The Task Force on Climate-related Financial Disclosures (TCFD) was established by the Financial Stability Board in December 2015 with the goal of developing a set of voluntary climate change-related financial risk disclosures which could be adopted by corporations so that their investors and other stakeholders could make informed decisions based on those risks.

TCFD is tasked with considering "the physical, liability and transition risks associated with climate change and what constitutes effective financial disclosures across industries," per the organisation's mission statement.

The recommendations of the TCFD were published in June 2017 and consist of 11 disclosure recommendations across four pillars: governance, strategy, risk management, and metrics and targets.

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

The MEC reviews climate change-related issues and provides strategic direction for the Bank's sustainability practices. The MEC is responsible for:

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

The MEC supports the Executive Committee of UOB's Board in matters related to sustainability, including climate change-related responsibilities.

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

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

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

Risks

Taking reference from the Sustainability Accounting Standards Board's (SASB) Materiality Map® and Moody's Environmental Risks Global Heatmap, we conducted qualitative identification and assessment of climate change-related risks in our loan portfolio. High level considerations of transition and physical risks were used to understand the potential financial impact of climate change on different sectors over short-, medium- and long-term horizons, which range from within the next three years to beyond seven years.

In the short to medium term, specific carbon-intensive segments within the metals and mining, energy, transportation, chemicals and building materials sectors were considered most likely to be impacted by climate change. These segments accounted for less than ten per cent of UOB's total loan portfolio. As part of our roadmap, we will explore quantitative climate scenario analysis for these affected segments, starting with transition risk, to better inform our approach to climate risk management. We will also engage industry associations, regulators and climate specialists to develop methodologies for climate scenario analysis and to address collectively the challenges of data availability.

We recognise that climate risk can translate into known financial risk types for banks including credit risk, market risk, operational risk and liquidity risk, of which we consider the potential credit risk impact to be the most material.

Opportunities

We have also assessed the potential market opportunities in support of the UN SDGs, in particular SDG 13: Climate Action. Within countries and territories where we operate, we have identified opportunities relating to climate change mitigation such as energy efficiency, renewable energy and clean transportation. We will progressively roll out initiatives to support our clients in these targeted sectors. As at December 2019, renewable energy projects account for approximately 24 per cent of our total power generation portfolio.

 Go to pages 82-87 of this report to find out more about how we support customers in sustainable development.



Transition risk

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

Physical risk

Physical risks can be acute or chronic. Acute physical risk is caused by extreme weather events such as cyclones and wildfires. Chronic physical risk arises from longer-term shifts in climate patterns such as rising sea levels with time horizon typically spanning decades. Physical risk can result in financial losses due to direct damage to assets and indirect impact from supply chain disruption.

Our target

- Engage with stakeholders to develop and to implement a roadmap towards adopting the Recommendations of the TCFD in order to assess, to measure and to manage our climate change-related risk.

Our performance in 2019

- We officially endorsed the recommendations of the TCFD and developed a roadmap towards enhancing our climate change-related disclosures in alignment with those recommendations.
- We conducted qualitative identification and assessment of climate-related risks in our loan portfolio. High level considerations of transition and physical risks were used to understand the potential financial impact of climate change on different sectors over short-, medium- and long-term horizons, which range from within the next three years to beyond seven years.

Partnership for the Goals

- Supporter of the TCFD
- Participant in the MAS Environmental Risk Management Guidelines Working Group



CONTRIBUTION TO THE UN SDGs



Supporting Customers in Sustainable Development

Why this topic matters to UOB

It is imperative that UOB closely supports its customers to capture the growing global and regional opportunities in sustainability. According to a study by the Business and Sustainable Commission in 2017, achieving the Global Goals for Sustainable Development will open up US\$12 trillion of market opportunities by 2030. In developing and emerging countries in Asia, the market opportunities are estimated to be worth US\$3.3 trillion, of which 70 per cent is estimated to be derived from the development of smart cities as well as energy and materials efficiency technology.

How we approach this topic

In developing sustainability solutions for our customers, our strategy and decision-making are guided by the UN SDGs. To ensure that our financing and investing activities make positive impact as well as to mitigate any potential harm to communities and ecological systems, we align our frameworks and practices to internationally-recognised standards, principles and guidelines wherever feasible.

In terms of green financing, we prioritise eight sectoral opportunities where UOB can play a role. These sectoral opportunities are:

- energy-efficient buildings;
- expansion of renewables;
- mass public transport;
- electric and hybrid vehicles and associated charging infrastructure;
- waste recycling;
- energy efficiency in energy intensive sectors;
- reducing food and packaging waste; and
- end-use steel efficiency.

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

- reductions in carbon emission;
- increase asset utilisation and resource savings;
- better water and waste management practices;
- reductions in the amount of waste generated via more efficient processes; and
- value creation from waste streams via promotion of circularity in product cycles.

Social impact can also result indirectly from green financing initiatives through better resource usage and enhancements to the living environment of local communities, which are important stakeholders for our customers.

Our targets

- Double our renewable energy, energy efficiency, green transport infrastructure, water and waste management portfolio. [2023]
- Implement targeted programmes to support the growth of emerging 3R (Reduce, Reuse, Recycle) businesses. [2020]
- Launch the second Asia Impact Investment Fund (AIIF) to continue making impact and/or responsible investments in companies across Southeast Asia and China. [2020]
- Help foster a more inclusive society by engaging 200 companies in Singapore and encouraging them to create meaningful employment opportunities for persons with disabilities through The Unlimited programme. [2021]



The Asset Triple A Country Awards 2019

Best Sustainability Linked Loan: US\$650 million sustainability linked syndicated revolving credit facility to Louis Dreyfus Company Asia

Best Bilateral Green Loan: \$42.75 million senior secured term loan facility for Sunseap Leasing's portfolio of solar assets

The Asset Best ESG Initiative Award 2019

The Asset created a pinnacle award in 2019 to accord UOB with a special recognition: Best of the Best Initiative among their ESG Corporate Awards recipients. UOB's The Unlimited was judged as unique and outstanding in the way the programme brings together the private, public and people sectors to address both business and societal needs.

Enabling Employers Awards 2019

Leader in Innovation Award for The Unlimited.

Our performance in 2019

- We increased financing for renewable energy, energy efficiency, green transport infrastructure, water and waste management by 94 per cent in 2019. As a result, renewable energy now forms 24 per cent of our power-related portfolio from 11 per cent in 2018.
- During the year, we also rolled out the Plastics Recyclers Ecosystem Financing programme to support plastics converters that are using recycled resin to manufacture PET bottles as well as buyers of these recycled plastics. The initiative helps to close one of the gaps that needs to be addressed in order to create a more circular plastic economy in the region.
- More than \$1 billion in UOB Venture Management (UOBVM)'s assets under management was related to its ESG-linked and impact investing funds.
- As at December 2019, we had engaged 162 companies among whom half were our clients through The Unlimited in order to generate awareness for the benefits of inclusive hiring.

Partnership for the Goals

- Member of the MAS Financial Centre Advisory Panel (FCAP), Green Finance Working Group
- Signatory to the IFC Operating Principles for Impact Management – UOBVM
- Member of the Asian Venture Philanthropy Network – UOBVM
- Private sector catalyst in a tripartite collaboration with SG Enable, Autism Resource Centre (ARC), Movement for the Intellectually Disabled of Singapore (MINDS) and SPD
- Joint organiser of solar energy workshops alongside the Malaysian Investment Development Authority (MIDA) and U-Solar partners in Malaysia, to promote sustainability awareness among small- and medium-sized enterprises by connecting them directly with credible solar engineering, procurement, construction (EPC) contractors, as well as to provide green financing to enable commercial and retail customers to actively contribute to the Global Goals.



CONTRIBUTION TO THE UN SDGs



Green financing frameworks

Investing in sustainable buildings is key to achieving the Paris Agreement goals. Building construction and operations accounted for 36 per cent of global final energy use and nearly 40 per cent of energy-related carbon dioxide emissions in 2017, representing the largest share of any industry². Up to 70 per cent of a large city's greenhouse gas emissions are related to its buildings³.

Sustainable buildings offer a multitude of benefits to the environment and society including job creation; increased infrastructure and urban resilience; enhanced health and well-being; reductions in air pollution, greenhouse gas emissions and waste generation; improved energy access; and reduced impacts on biodiversity. Recognising these benefits, UOB developed the UOB Real Estate Sustainable Finance Framework⁴ to support customers operating in this segment.

The construction and infrastructure sector is also a key focus for the Bank, as it is one of the most important drivers for economic growth in the region. Green infrastructure encompasses renewable energy, including solar, wind, hydro and geothermal; waste and water management and treatment; sustainable public transportation; and energy efficiency.

In our view, support for these industries is crucial to drive growth more sustainably, as well as to realise the global sustainable development agenda. We co-developed the UOB Green Infrastructure Financing Framework with Sustainalytics⁵, to provide sustainable solutions for our clients in the infrastructure sector. The framework covers companies that operate across the infrastructure sector, including owners, developers, contractors, suppliers and end users.

Together, the UOB Real Estate Sustainable Finance Framework and the UOB Green Infrastructure Financing Framework guide the development of the following sustainable finance products:

- green bilateral loans;
- green syndicated or club loans;
- green trade finance facilities;
- green deposits; and
- green retail products.



CONTRIBUTION TO THE UN SDGs



UOB Real Estate Sustainable Finance Framework*

Objectives



Provide Property Classification for Green and Sustainability Linked Loans



Green Loans for Green Buildings
Reduces frictional costs and provides greater convenience



Green Loans for Specific Improvement Projects
Improves client's sustainability profile while upgrading assets



Sustainability Linked Loans (SLL)
Offers incentives on general corporate financing tied to company's sustainability performance

UOB Real Estate Sustainable Finance Framework, supports sustainable financing in any of these asset classes:



Data Centres



Hotels



Industrial



Offices



Residential



Restaurants



Retail



* In alignment to Loan Market Association/Asia Pacific Loan Market Association (LMA/APLMA) Green Loan Principles and Sustainability Linked Loan Principles.

² Global Alliance for Buildings and Construction, 2018 Global Status Report, 2018

³ Climate Bonds Initiative, Low Carbon Buildings Criteria, <https://www.climatebonds.net/standard/buildings>

⁴ Advised by KPMG Singapore

⁵ Reviewed by Sustainalytics as being credible and impactful

Supporting Customers in Sustainable Development



U-Solar

Offered in Indonesia, Malaysia, Singapore and Thailand, our U-Solar programme is Asia's first integrated solar industry ecosystem that supports companies and consumers in the development and use of solar energy through the provision of financing solutions. Through U-Solar, we aim to help address the pain points faced by the solar energy industry value chain, from solar project developers, engineering, procurement, construction (EPC) contractors to end users across the region.

U-Solar is part of our value chain financing strategy that combines the expertise of various wholesale and retail banking teams across the Bank with the common goal of helping retail and corporate customers transition seamlessly to solar power.

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

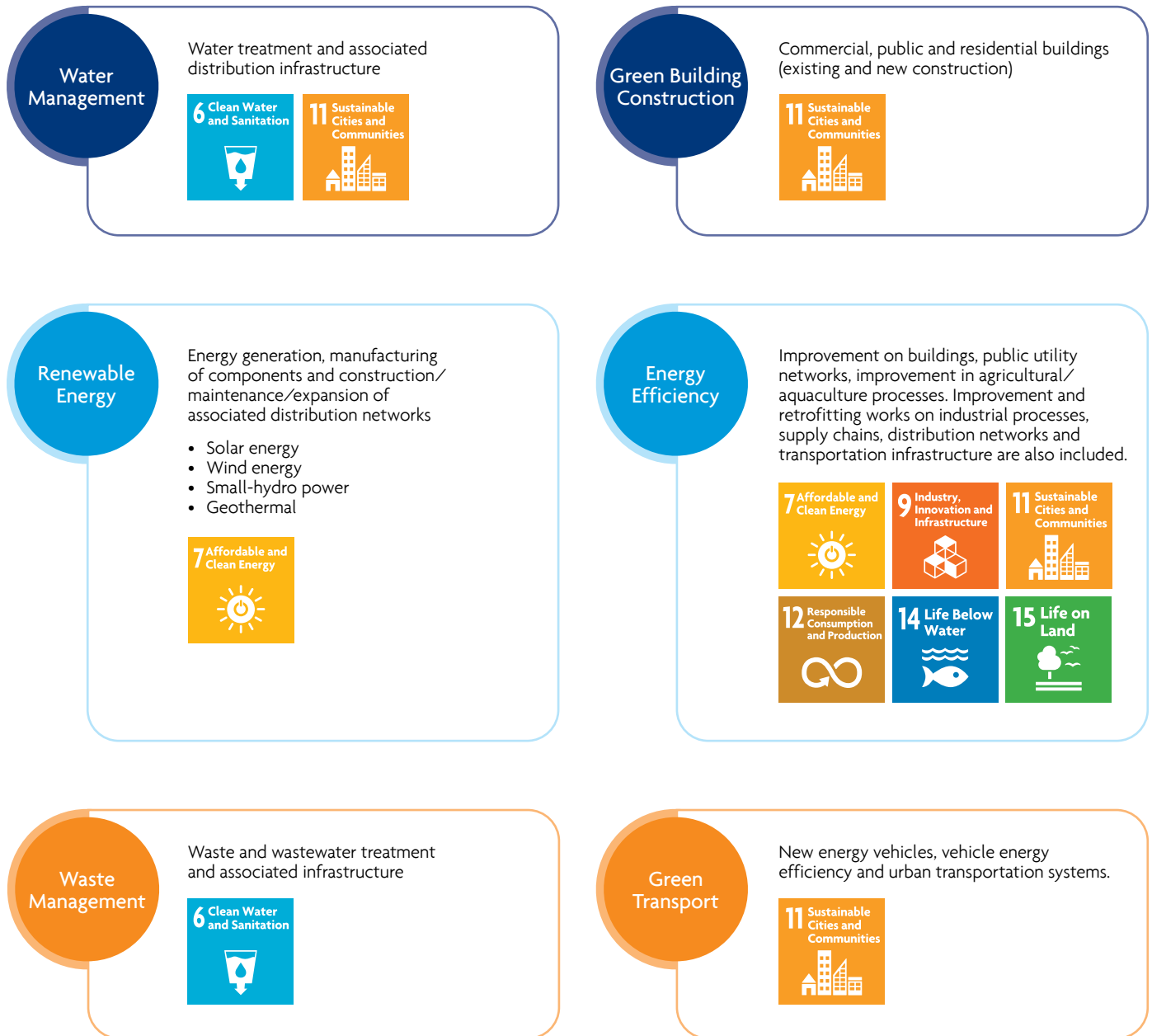
- supporting local solar contractors with end-to-end financing from procurement to construction, to operation and maintenance of the solar power system;
- promoting awareness among companies, both commercial and industrial, as well as residential users of the benefits and savings that can be achieved by installing their own solar power system;
- enabling customers to play an active role in helping their countries meet their Nationally Determined Contribution (NDC) or climate pledge commitments as part of the Paris Agreement; and
- providing end users with standardised solar financing packages.

The U-Solar programme is designed to operate with UOB-approved solar EPC contractors in each country to ensure quality of service, and equipment and maintenance provision to our end-user customers in the commercial, industrial and residential segments.

For developers and contractors, the U-Solar programme provides them with access to green loans to help them overcome working capital challenges.

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

UOB Green Infrastructure Financing Framework*



* The Framework has been reviewed by Sustainalytics and all eligible activities has been considered to be “credible and impactful”.

Supporting Customers in Sustainable Development

Asia Impact Investment Fund (AIIF)

In 2015, UOBVM launched the first series of the AIIF to invest in growth companies in Southeast Asia and China that improve lives of lower income communities at the base of the economic pyramid. Through AIIF, UOBVM offers institutional and high-net-worth investors a strong value proposition to support sustainable growth businesses with impact-driven business models. AIIF has a double bottom line focus, valuing both financial return and social impact. Healthcare, financial inclusion and education are among the sectors that we focus on. As at December 2019, more than 16 million low-income individuals have benefitted from the efforts of AIIF's portfolio companies.

Being a responsible fund manager and responsible investor is an ongoing commitment for UOBVM. Our team of experienced investment professionals in Singapore, China, Vietnam and Indonesia are focused on responding to progressive investment opportunities, exercising discipline in their selection process, and creating long-term value for our investors.

As a fiduciary, UOBVM is committed to responsible investing and is a signatory to the PRI. It was Singapore's first signatory to the International Finance Corporation's Operating Principles for Impact Management in 2019.

Investing in healthcare

In 2019, UOBVM deployed capital into several healthcare technology companies in Southeast Asia and China, including Halodoc in Indonesia.

While demand for healthcare in Southeast Asia continues to grow at a rapid pace, the healthcare systems in a number of emerging countries are straining to meet the evolving needs of their growing populations.

Healthcare resources and infrastructure in countries such as Indonesia and the Philippines are unevenly distributed. Hence, affordable access to healthcare services is often lacking, particularly in lower income communities and rural households.

Through the introduction of new business models and effective use of technology, a number of UOBVM's investee companies have enabled the delivery of quality healthcare to their local communities that is both cost effective and convenient.



CONTRIBUTION TO THE UN SDGs



Case Study: Halodoc

Indonesia has a population of 267 million and similar to many fast-growing developing countries, providing affordable and quality healthcare at scale remains a significant challenge. Based on World Bank data, in Indonesia, there are only four doctors per 10,000 individuals in the population, compared with the OECD average of 34 doctors per 10,000 individuals.

Owing to the skewed distribution of medical personnel, gaining access to a doctor is not always easy especially for communities located outside of major cities. A visit to a doctor in Indonesia often involves long waiting time culminating in a brief consultation.

Halodoc aims to simplify access to healthcare services through its platform, by integrating online and offline components of the healthcare ecosystem. Leveraging technology, Halodoc's app and website now enable patients in Indonesia to gain access to doctors, including specialists, within a minute through online consultations, and to have their medication delivered to them within 45 minutes. This significantly improves the patient experience.



"We are delighted to have UOBVM onboard, their sustainable and impact investing DNA is something we appreciate and resonate with. Halodoc is committed to simplifying and improving healthcare access in Indonesia, and values the support of like-minded partners and investors."

Jonathan Sudharta,
Founder & CEO of Halodoc

The impact of AIIF



Agriculture

36,000+

farmers reached through introduction of higher-value crops, inputs and technology.



Access to Finance

700,000+

micro-entrepreneurs in Indonesia and Myanmar have gained access to finance, helping them to build or invest further in their business or agriculture endeavours.



Healthcare

3,000,000+

individuals including 2.1 million infants in poverty-stricken countries have gained access to nutritional supplements, reducing anaemia, and malnutrition. More than 1 million patients in less developed parts in Indonesia and the Philippines gained healthcare access.



Education

10,000,000+

youths from low-income households have gained access to quality educational content, improving individual learning outcomes and national education outcomes.

The Unlimited: Creating job opportunities for persons with disabilities

Following a study⁶ conducted with 220 business leaders across various industries in Singapore to find out corporate willingness to hire persons with disabilities, we launched The Unlimited, a first-of-its-kind tripartite collaboration among the private, public and people sectors. Through our collaboration with SG Enable, Autism Resource Centre (ARC), Movement for the Intellectually Disabled of Singapore (MINDS) and SPD, we guide companies through the inclusive hiring process to make it easier for them to hire persons with disabilities (PWDs).

Under The Unlimited, UOB acts as the private sector catalyst for inclusive hiring, engaging companies to raise their awareness and to generate interest in the hiring of persons with disabilities. SG Enable provides advisory services, training resources and knowledge-sharing workshops, while ARC, MINDS and SPD provide the domain expertise and experience to identify potential employees from their client pool and to provide them with both pre- and post-employment support.

Since the July 2019 launch of The Unlimited, which was witnessed by the Singapore Minister for Social and Family Development Desmond Lee and attended by 174 corporate leaders in Singapore, we engaged 162 companies, of which 22 companies indicated their interest in employing persons with disabilities.

In addition to The Unlimited, UOB frequently engages companies to help share insights into inclusive hiring as a business advantage. For example, we co-organised with Pan Pacific Hotels Group and SG Enable the Inclusion Seminar 2019: Moving from Corporate Social Responsibility to Corporate Strategy. With support from the Ministry of Manpower

and Ministry of Social and Family Development, the event centred on inclusive hiring strategies that contribute to company performance and improved employee engagement.

Further, we continue to host companies at the UOB Scan Hub to share our experience in inclusive hiring. We also work with SG Enable and tertiary institutions to offer UOB summer internships to students with disabilities, in order to provide them with the opportunity to receive on-the-job training and mentorship, which prepares them for eventual employment.

Integrating persons with disabilities into the work environment, and recognising their capabilities, help to create a more caring and inclusive society. UOB will continue to share the positive outcomes from its own experience of working with persons with disabilities, with its business and client network through The Unlimited.



Senior leaders from UOB and our partners at the launch of The Unlimited.

Making it easier to hire persons with disabilities



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⁶ UOB commissioned independent research agency, InsightzClub, to conduct the study in July 2019.

Information Security and Data Privacy

Why this topic matters to UOB

Protecting our customers' personal data and privacy is a top priority at UOB and essential to maintaining their trust in us. We are committed to meeting industry best practices and complying with the Personal Data Protection Act of Singapore. Banks such as UOB and other financial institutions host important and sensitive information about customers and trust in such institutions can be quickly eroded in the event of a breach. In addition, with the behavioural shift toward digital channels, it is imperative to have robust security controls in place.

How we approach this topic

Data privacy

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

Line data protection officers at functional and business levels in Singapore and locally appointed officers at overseas locations ensure that personal data is safeguarded. These officers report to the Franchise Data Protection Officers in Singapore, who in turn report to the Group Operational Risk Management Committee. Our line data protection officers ensure compliance with local regulations and Group requirements, assisting in the investigation of alleged breaches as and when required. Group Operational Risk Management and the Data Protection Office review any incidents and corresponding action plans are developed by the business and support units. Significant incidents are escalated to relevant senior management committees.

UOB's Enterprise Data Governance and Data Quality team governs the data life cycle from creation, transformation, consumption to eventual deletion. This function brings together subject-matter experts from across UOB to focus on the continuous improvement of data health, powered by innovations in processes and technology.

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

We respect our customers' preferences regarding the receipt of marketing information and will seek customer consent to receive telemarketing calls. Customers may also withdraw their consent at any time. We facilitate our customers' requests to access and to correct their personal data through various channels such as mail, email or at our branches.

Information on our approach to privacy and data protection and contact details for our Data Protection Officers are available on our website. Our UOB Privacy Notice is also available online and at all branches in Singapore.

Information security

We use technology to provide a borderless, reliable and efficient service, and are committed to protecting our customers' and the Bank's data and assets from cybersecurity threats.

The Group Technology Risk Management Framework and IT Security Management Policy outline our cybersecurity policies, guidelines and tools to protect our data and assets. These ensure that cybersecurity risks are identified and managed in a consistent way across the Group.

The Group Technology Risk Management Framework also incorporates comprehensive control requirements set out by key regulators in the Asia Pacific.

Our dedicated Security Operations Centre specialists monitor, detect and respond to potential cybersecurity risks and threats. We also continually upgrade our security capabilities to respond to the evolving threat landscape by partnering leading cybersecurity providers and enhancing our security technology.

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

Our targets

- Protect and secure the Bank's and customers' information by continually deepening our cyber security capabilities to counter threats and to address an evolving security landscape.
- Create strong cyber and information security awareness with a "security is everyone's responsibility" mindset and maintain 100 per cent completion rate for employee security training.

Our performance in 2019

In 2019, there were no legal proceedings taken against UOB in respect of any data privacy breach, nor any fine or other sanction imposed on the Bank by the Singapore Personal Data Protection Commission (PDPC). We worked with the PDPC to address concerns about use of personal data raised by our customers. During the year, 11 incidents were referred to us by the PDPC, of which one valid complaint was identified, which was addressed and resolved.

We continue to develop our cybersecurity capabilities and to enhance our operating models to strengthen our defences and to keep pace with the dynamic threat landscape. Through these efforts, we contribute to the security and stability of the financial system and trust in the banking environment. As we advance our digital capabilities, we remain committed to increasing our investments in our cyber resilience and security. In 2019, the Group had no material security incidents to report and 100 per cent of employees completed the security training module.

Partnership for the Goals

UOB, in collaboration with MAS and other financial industry partners, has been an active contributor to create a framework known as Veritas with the aim to promote responsible adoption of ethical best practices when employing artificial intelligence and data analytics. Further, UOB is one of two banks in Singapore that is working in conjunction with the MAS and an established global artificial intelligence service provider to develop end-to-end methodologies and operating processes around the Veritas framework.

On the information security front, UOB collaborates with ABS and participates in the Financial Services Information Sharing and Analysis Center (FS-ISAC) to strengthen the industry's collective defence against cyber attacks by sharing information on potential threats and best practices with our industry peers.



CONTRIBUTION TO THE UN SDGs



Ethical use of data

The drive for the ethical use of data is quickly gaining momentum; thought-leaders, industry experts and data practitioners have produced guidelines and publications addressing and highlighting its importance of late. With the advent of artificial intelligence and data analytics, UOB has embarked on its own journey of responsible and ethical use of data across its businesses. In 2019, a new Enterprise Data Ethics team was formed to ensure the responsible use of data in line with UOB's values, with advisory and technical support from our customer advocates, data governance specialists, legal officers and data scientists to drive ethical behaviour across our data community.

The principles of Fairness, Ethics, Accountability and Transparency (FEAT) as envisioned by MAS – coupled with UOB's values and Code of Conduct – are embedded in our modelling and analytics processes. We have developed a balanced operating model and operationalised it across the Three Lines of Defence to provide robust challenge as well as assurance in the ethical handling of data and its outcomes.

The importance of data quality for data security

Quality data is critical for efficient decision-making at the highest levels. Our regional data quality initiatives not only provide assurance to the regulators, senior management and risk professionals; they also ensure that accurate and timely data can be obtained for analysis and reporting. Our Data Quality Centre of Excellence, which was formalised in 2019, actively pursues enterprise data quality concerns; deep dives into the associated data management and technical processes; determines the root cause of data quality gaps and collaboratively drives long term, preventive resolutions across our complex data management landscape.

Secure cross-border data sharing

In 2019, a framework and guidelines were put in place to govern cross-border transfers of personal data between UOB Group companies worldwide. Enabling responsible and secure cross-border data sharing is of key importance to UOB. Our cross-functional group comprising experts from across the data, risk and business domains has developed guidelines, procedures and processes to guide all data users in responsible cross-border data sharing. This has significantly improved the communications and assignment of responsibilities in cross-border data sharing practices, taking into account the complex regional regulatory and data privacy landscape, as well as internal business confidentiality aspects.

Promoting awareness of information security

We keep our people informed of developments and share best practices with them through our intranet. We also conduct activities such as anti-phishing exercises, password strength assessments and internal cyber-security training to raise awareness and to test our employees' vigilance and understanding. In 2020, we will broaden our security awareness initiatives to include tailored role-based training programmes for selected high-risk employee groups.

To raise our customers' awareness of cybersecurity so they can also help protect themselves from cyber attacks, we provide them with regular updates on cybersecurity tips and threats via our website, social media channels, electronic mailers, text messages and mobile apps. In addition, our UOB BIBPlus customers can download security software to improve the security of their online banking experience.



Preventative actions we have taken against phishing

- Enhanced monitoring for suspicious access patterns
- End-user browser updates to warn of phishing sites
- Monitoring of re-directed traffic back to our Personal Internet Banking (PIB) website for potential fraudulent sites
- Intelligence gathering and coordination to detect and shut down phishing sites and to block fraudulent transactions
- Bolstering e-mail authentication to reduce ability of spammers to impersonate the Bank



UOB Personal Data Protection Policy Principles

- Personal data must only be collected and used for purposes for which the customer has been notified and has consented to, or are permitted by law
- Personal data is used responsibly in accordance with our ethical standards and corporate values
- Access and disclosure are strictly on a need to know basis
- Integrity and security of personal data are paramount
- Personal data that is no longer required for legal or business purposes must be securely destroyed, in accordance with document retention policies

Fair Dealing

Why this topic matters to UOB

At UOB, we have put our customers first for more than 80 years and it is on this foundation that we developed our business and will continue to grow. What is not right for our customers is not right for us.

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

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

How we approach this topic

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

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

The Group Fair Dealing Guidelines Committee (FDGC), comprising senior management appointed by the Group CEO, is responsible for ensuring Fair Dealing outcomes for our customers. The Board and Management provide oversight through the Board Risk Management Committee and the Risk and Capital Committee respectively.

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

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

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

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

Our targets

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

Our performance in 2019

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

Promoting free and fair competition

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

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

Annual Fairness, Ethics, Accountability and Transparency (FEAT) and Fair Dealing Workshop

UOB's Group Customer Experience and Advocacy (GCEA) team organised a Fairness, Ethics, Accountability and Transparency (FEAT) and Fair Dealing Workshop in Singapore on 18 November 2019, chaired by our Group Chief Financial Officer, Mr Lee Wai Fai.

The annual workshop is part of our commitment to maintaining a culture of fair dealing. In 2019, the scope was expanded to incorporate FEAT principles that were introduced by the Monetary Authority of Singapore to promote them in how we provide products and services and in how we use artificial intelligence and data analytics.

The 12 participating teams from China, Indonesia, Malaysia, Singapore and Thailand shared key insights from their root-cause analyses of customer complaints and surveys to identify possible pain points, service gaps and areas for improvement. They also shared 150 initiatives, many of which were aimed at:

- simplifying our processes for greater efficiency, incorporating digital solutions into our workflows;
- upgrading our systems to be more customer-friendly; and
- enhancing employee training.

Some of these improvements included enhancing the processes for credit/debit card transaction disputes, crediting of inward fund transfers and shortening turnaround time for account opening.

UOB's focus on Fair Dealing and continual improvement efforts contributed to the 42 per cent year-on-year increase in customer compliments and a 12 per cent year-on-year drop in complaints.

Mr Lee encouraged everyone to continue:

- maintaining high standards of ethics and professionalism;
- considering what is the right and fair for both our customers and the Bank; and
- sharing and applying best practices across the Group to enhance continuously our FEAT and Fair Dealing practices.



How the FEAT and Fair Dealing Workshop helped our colleagues

"Incorporating Wholesale Banking into the FEAT and Fair Dealing Workshop is another important step in raising the awareness of and focus on the importance of FEAT and Fair Dealing across the Bank. We have been working with various partners to increase the channels for customer feedback and it was a great experience to join colleagues from different teams to understand the many ways UOB Group is driving FEAT and Fair Dealing disciplines."

Mr. Richard David Maloney Jr,
Managing Director, Group Wholesale Banking and Markets

"The open sharing by businesses across the Bank on customer insights and areas for improvement has helped me to apply best practices in my market. The introduction to FEAT was also insightful to set in context what can we expect as a Bank moving forward."

Ms. Annie Mammen,
Executive Director, UOB Malaysia

"The workshop demonstrated how UOB always focuses on our customers. What most interested me was how we could tap and scale ongoing Group-level initiatives in the local markets."

Ms. Amelia Ragamulu,
First Vice President, UOB Indonesia



More than 50 colleagues from across the Bank and regional subsidiaries came together for the seventh annual FEAT and Fair Dealing Workshop in Singapore.

Customer Experience

Why this topic matters to UOB

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

How we approach this topic

We employ various methods to understand better our customers' needs and preferences and how they use our products and services. UOB's Art of Service Recovery programme equips our colleagues with the skills to resolve customer complaints and to turn challenging situations into positive outcomes. In 2019, we conducted 55 workshops for 1,386 colleagues from China, Indonesia, Malaysia, Singapore and Thailand.

When we receive feedback from customers, we conduct a review and root-cause analysis for each customer feedback with the respective business or support unit to address the concerns of our customers and to identify areas of improvement.

We have cross-functional teams in place to develop, to refine and to implement improvement initiatives using the consolidated customer insights drawn from internal and external sources. Our continuous improvement is also guided by the Net Promoter Score (NPS) and Customer Satisfaction Score (CSS), which are tracked throughout the year. Through industry surveys such as the Customer Satisfaction Index of Singapore (CSISG) and findings from our external consultant, Greenwich Associates, we are able to obtain an independent gauge of the level of satisfaction among our customers as well as their changing needs. We derive information and insight from these sources which are used to enhance the customer experience and to develop products and services that enable us to serve our customers better.

We demonstrate our commitment to treating customers fairly by:

- offering products and services which are suitable for our customers;
- ensuring our colleagues are competent in providing quality advice and appropriate recommendations;
- providing clear, relevant and timely information so that our customers can make informed financial decisions; and
- dealing with customer complaints independently, effectively and promptly.

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

Our targets

- Maintain mean customer satisfaction score (CSS) and mean NPS for Group Retail, Group Wholesale Banking and Markets at above 7.0 based on a zero to 10-point scale.
- Customer issue resolution turnaround: 90 per cent of general complaints resolved within five business days across the Group.



ABS Excellent Service Award

In 2019, 1,434 UOB colleagues in Singapore were recognised for their service excellence at the ABS Excellent Service Award (EXSA). Among our winners, 872 received the Star Award, the highest tier of the awards. This was the 13th consecutive year in which our colleagues were recognised at the EXSA awards.

Our performance in 2019

- Group Retail: Achieved 7.9 in mean CSS and improved NPS from 16.2 to 23.6.
- Group Wholesale Banking and Markets: Achieved 7.7 in mean NPS and received the Greenwich Large Corporate Trade Finance Share Leader award in recognition of our leading position in Singapore.
- Outperformed customer issue resolution targets with 98 per cent of complaints resolved within five business days in Singapore.
- Customer Satisfaction Index of Singapore (CSISG) improved from 72.4 to 72.6 with top satisfaction rating for branch services at 8.04 and best complaint handling rating at 8.50.

Gaining better insights through market research

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

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

Enhancing the contact centre experience

In 2019, the UOB Contact Centre launched an integrated telephony system for customers in Singapore, replacing the Interactive Voice Response system with a new Voice Portal. This reduced the navigation time for customers from 330 seconds to 120 seconds. With the new Voice Portal, our customers also benefit from simplicity and ease of navigation, resulting in a 20 per cent increase in the self-service rate. We also launched our chat service last year and since then, we have observed a four-point increase in our NPS.

The Contact Centre has seen an overall improvement in customer interaction quality, with the NPS increasing by seven points; complaints falling by 38 per cent; and compliments increasing by 57 per cent compared with the year before. We are attending to customers more quickly, reducing our average query handling time by 17 seconds while maintaining operational efficiency.



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Innovative Digital Banking Products

Why this topic matters to UOB

With the rapid advancement of technology in recent years, people are expecting faster and more convenient products and services that can be accessed easily online. The successful introduction and transformation of digital banking products help create a seamless banking experience for customers. Through greater use of technology, banks will also be able to offer underserved segments in the community access to digital banking products and services such as deposit accounts, loans and credit cards.

How we approach this topic

At UOB, our digital strategy is focused on the customer – offering them products, services and solutions that are smarter, safer and simpler in the manner they prefer, whether at the branch or through their mobile devices. Enabling this is technology, from artificial intelligence (AI), data analytics, robotic process automation to cloud computing.

For example, with more customers relying on their mobile devices for daily transactions, such as payments for transport, shopping and dining, our mobile banking apps are an important channel through which we serve them.

- UOB Mighty – an all-in-one mobile banking app available in Malaysia, Singapore, Thailand and Vietnam;
- TMRW – ASEAN's first mobile-only digital bank for the region's digital generation, with its first launch in Thailand in 2019.

For businesses, we offer them digital solutions such as UOB BizSmart, an integrated suite of business solutions that help them to automate their day-to-day business processes for better productivity. Our data analytics-powered credit underwriting engine also enables us to assess more data sets to determine the creditworthiness of small businesses. This helps us make financing decisions with greater certainty and speed.

Our target

- Raise PFS digital registration and digital activity rate among consumers in Southeast Asia to 65 per cent and 35 per cent respectively. [2020]

Our performance in 2019

- Increased the number of digital registrations and monthly digital active users to 63.5 per cent and 28.9 per cent respectively, representing an increase of 14 per cent and 29 per cent compared with the previous year.
- On track to meeting the 2020 target.

UOB Mighty: Combining banking, payment and lifestyle services into one mobile app

First launched in Singapore in 2015, UOB Mighty was the industry's first all-in-one mobile app that combines banking services, contactless payments, dining and rewards in a single app.

In 2019, we launched Mighty Insights in Singapore, again an industry-first AI-based digital banking service which anticipates and provides insights to customers on their saving and spending habits. Mighty Insights uses advanced data analytics, machine learning and pattern recognition algorithms to provide relevant financial solutions and meaningful guidance to customers who are at different life stages and have different financial and lifestyle priorities. We will launch Mighty Insights across the region progressively, starting with Malaysia.



Euromoney Awards for Excellence 2019

Asia's Best Bank Transformation Award

Global Finance Best Digital Bank Award 2019

Asia's Most Innovative Digital Bank

Asiamoney Best Bank Awards 2019

Best Digital Bank, Singapore

Best Digital Bank, Thailand

International Finance Banking Awards 2019

Best New Digital Bank, Thailand – TMRW

Best New Mobile Banking App, Thailand – TMRW

Global Retail Banking Innovation Awards 2019

Winner: Excellence in Digital Wealth Management

Winner: Best Automated Advisory Service

Winner: Best Bank for Millennials – TMRW

Winner: Best Customer Centric Business Model – TMRW

Winner: Outstanding Client Onboarding and Account Opening – TMRW

In Malaysia, Singapore and Thailand, we have also integrated national e-payment initiatives, namely DuitNow, PayNow and PromptPay into UOB Mighty to make cashless payments more convenient for our customers.

TMRW: Serving the mobile-first and mobile-only consumers

In 2019, we created TMRW, ASEAN's first mobile-only digital bank, with consumers in Thailand the first to experience it. TMRW aims to make banking simpler, more transparent and more engaging for our digitally-savvy customers by personalising the banking experience for each and every individual.

TMRW makes banking simpler, more transparent and more engaging for customers, from account opening through to their day-to-day needs. With a data-centric operating model, TMRW translates transactional data into actionable insights that make the banking experience for customers interesting and fun while enabling them to be smarter at saving and spending. As customers spend more time using TMRW, the digital bank will become even more familiar with their needs and preferences and will be able to serve each customer better.



Go to page 48 of this report to find out more about how we are engaging the region's digital generation.



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Financial Inclusion

Why this topic matters to UOB

Asia, where we operate, is a diverse and fast-growing region benefitting from inter- and intra-regional trade flows, a young and dynamic population and growing affluence. Even as income levels and standards of education continue to rise in Asia, we recognise the need to keep pace with the underserved individuals and businesses who may lack access to useful and affordable financial products and services. To achieve sustainable financial inclusion, it is also crucial that banking products and services continue to meet the needs of people from different economic backgrounds or at different stages of life.

How we approach this topic

UOB is committed to making banking services and products accessible and affordable to diverse segments of society to meet their needs and expectations. We aim to be holistic in our approach to financial inclusion, taking into consideration the unique socio-economic factors in each of our markets. For example, in Singapore, we actively engage senior citizens to help them learn about and use digital banking solutions. In Malaysia, we offer Islamic banking services to address the local demand for Shariah-compliant financial services. Through their investments in companies in China and ASEAN, UOB Venture Management supports micro-entrepreneurs through private equity financing.

Our targets

- Ensure 100 per cent of branch colleagues in Singapore are trained to help senior citizens adopt mobile banking services in accordance with the InfoComm Media Development Authority (IMDA) Digital Participation Pledge. [2020]
- Ensure 100 per cent of branch colleagues in Singapore have completed the Cultivating a Diverse & Service Inclusive Workplace course. [2020]
- Ensure 100 per cent of branch colleagues in Singapore have completed the Managing a Diverse Service Environment course. [2020]

Our performance in 2019

As at December 2019, more than 80 per cent of our front line staff have completed the three training programmes and we are on track to achieve all three targets by 2020.

Partnership for the Goals

Signatory of the IMDA Digital Participation Pledge



Financial inclusion

Financial inclusion is achieved by providing individuals and businesses with access to useful and affordable financial products and services that meet their needs, delivered in a responsible and sustainable way.

Access to a transaction account is usually the first step toward broader financial inclusion because it enables individuals to store money safely and to send and receive payments.

With a transaction account, customers are also better placed to access other financial products and services such as credit, insurance, loans to begin and to expand a business, to invest in further education and to manage risks that can impact the quality of their lives.

Islamic banking

We launched the Islamic Banking Window in Malaysia in 2016 to offer comprehensive and customised Shariah-compliant banking solutions to our customers that meet their business and personal financial needs.

Islamic banking activities are guided by the virtues of Shariah that promotes ethical, communal and socially responsible values. UOB Malaysia is a supporter of Bank Negara Malaysia's vision for Value-based Intermediation (VBI), which promotes good banking practices and encourages sustainable consumer behaviours.

We conduct financial literacy talks for consumers and facilitate access to MyKNP (Khidmat Nasihat Perniagaan) financial advisory services provided by the Credit Guarantee Corporation Malaysia Berhad (CGC) to SMEs and small businesses, playing our part in boosting awareness of Islamic banking products and services in the country.

At its core, Islamic banking believes in generating equitable, fair returns. Available to Muslims and non-Muslims, Islamic banking products and services are a viable alternative to conventional banking.



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Digital financial inclusion

Digital technology has become an integral part of our society. As we become increasingly connected through technology, it is important that no one is excluded from the benefits and opportunities of digitalisation in their day-to-day lives. With each new technological advancement, there will be groups of potential and existing customers at risk of being left behind. We aim to help these groups realise that technology can help them stay connected and make their banking activities more convenient.

Our journey in driving digital readiness began with collaboration with the IMDA to educate the community and to promote e-payments usage in Singapore. UOB is a signatory to the IMDA Digital Participation Pledge, which aims to help Singapore become digitally ready so that everyone can tap on opportunities to use technology actively, meaningfully and safely in their daily lives and to achieve a better quality of life.

How UOB supports the four basic principles of the IMDA Digital Participation Pledge

1 Equip employees with digital skills

We equip our branch colleagues in Singapore with digital skills through curated workshops and training programmes under UOB's Professional Conversion Programme (PCP). More than 80 per cent of our colleagues are now trained to be multi-skilled.

In addition, more than 3,500 colleagues in Singapore have benefitted from the 300 courses on offer through UOB SUMMIT (Social, Unity, Motivation, Mastery, Innovation, Technology), which is a series of programmes designed for employee development.

2 Educate customers on how to use digital services

A team of 30 Digital Advocates are deployed at selected branches in Singapore to educate customers on how to use self-service machines and our mobile app, UOB Mighty, for convenient banking services. This initiative led to 20 per cent lower demand for over-the-counter transactions.

UOB also partnered IMDA in providing opportunities to the elderly at our branches to put their digital skills to practice. To help senior citizens, we have deployed 14 Senior Digital Advocates to branches to teach them how to use other touchpoints for their daily banking needs.

3 Offer and design digital services to be inclusive and safe

We use technology to provide borderless, reliable and efficient services, and are committed to protecting our customers' and the Bank's data and assets from cybersecurity threats.

We continue to deepen our digital capabilities to create distinctive banking experiences for our customers. We harness technologies such as AI, machine learning and data analytics to draw insights from transaction data, enhancing our understanding of customers and our ability to recommend the most appropriate product and service at the right time.

4 Volunteer or give resources for digital readiness efforts

We conduct digital clinics for members of the public at our branches in Singapore. In 2019, we organised four sessions and helped over 400 people become more familiar with digital solutions.

Our colleagues also volunteer at community events organised by IMDA to guide consumers across all age groups on how to use electronic payments when they shop, play, dine and bank. These events include the Silver Infocomm Roadshow, TECH4Community Festival and Digital Inclusion Festival.

Financial Inclusion

Investing in microfinance

UOBVM's Asia Impact Investment Fund (AIIF) invests in growth companies in Southeast Asia and China that help people at the bottom of the economic pyramid. Inclusive finance is one of the key sector focuses for AIIF, as it seeks investees that can help to improve the livelihoods and income resiliency of low-income individuals. AIIF's investments in micro-loan providers help to facilitate better access to finance for underserved micro-entrepreneurs who usually lack adequate credit history, business documentation or collaterals that are required for traditional bank loans.

In 2019, AIIF invested into PT Amartho Mikro Fintek (Amartha), a peer-to-peer (P2P) financial technology lending platform in Indonesia that connects retail and institutional lenders to women micro-entrepreneurs online under a group lending model. Amartho has extended loans to more than 350,000 women across Java, Sumatra and Sulawesi through its network of more than 300 branches.

In Myanmar, AIIF supported the growth of Alliance for Microfinance in Myanmar Limited (Alliance), an existing investee, through additional equity financing in 2019. Alliance is a leading microfinance institution in Myanmar that is headquartered in Mandalay.

In selecting potential investee companies, client protection and responsible lending practices are key areas of focus for AIIF. For example, in addition to granting productive loans to borrowers for their micro-businesses or agriculture activities, both Alliance and Amartho provide financial education to improve borrowers' financial literacy as part of the lending process. Given the low levels of financial literacy, borrowers are taught in a practical and illustrative manner about topics such as cash flow management, basic budgeting and how to avoid over-indebtedness.



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Case Study: Pt Amartho Mikro Fintek

Founded in 2010, Amartho is one of the earliest financial technology lenders in Indonesia to receive a lending licence from the Indonesian Financial Services Authority (OJK) in 2019. The investment by UOBVM's AIIF, as part of Amartho's Series B financing round, has helped strengthen Amartho's capital base, enabling it to expand its area of operations and branch network rapidly to other rural regions of Indonesia.

As part of its business model, Amartho measures the direct and indirect impact it creates. In particular, it focuses on the relationship between the provision of access to working capital for women micro-entrepreneurs in rural villages and the effectiveness of their mentoring, supervision and intervention programmes to improving income and living conditions.

Amartho aims to promote inclusiveness among the poor and the uneducated and to help them to have the opportunity to prosper. Responses to a joint survey conducted in 2019 by Amartho and the University of Gadjah Mada's Centre for Digital Society showed that:

- 96.6 per cent of borrowers saw improvements in their income since receiving a loan from Amartho;
- 94.3 per cent of borrowers felt that since joining Amartho, their living conditions and/or well-being had improved, including gaining better access to market, higher incomes or greater optimism towards the future; and
- 86.6 per cent of borrowers reported feeling more empowered to play a decision-making role within their families since they started earning their own incomes with assistance from loans through Amartho.



"I used to walk three kilometres to get clean water. After I received a loan from Amartho, I started earning more money from farming. I used the extra income to build a toilet and a well at home."

Ibu Junengsih,
Bogor, Indonesia

Data-driven strategy to finance SMEs in Vietnam

Access to financing continues to be a challenge for many SMEs in Asia. For many small businesses, their lack of proper or audited financial records could also make it difficult for banks to assess their creditworthiness accurately. This could lead to lengthy credit evaluation processes and a significantly higher cost of financing.

With the rapid growth of e-commerce in Vietnam, we recognise that more online SME retailers are looking to seize opportunities for business growth. To support them, we launched UOB BizMerchant, a financing programme that uses our data analytics-powered credit underwriting engine to analyse datasets such as e-commerce sales records to gain deeper insights into SMEs' credit behaviour and creditworthiness. This in turn enables us to process loan applications more quickly and accurately, resulting in faster turnaround time for customers.

Aimed at helping online businesses operating on e-commerce platforms such as Lazada, Shopee and Sendo, the UOB BizMerchant programme also enables them to apply for loans digitally, offering more frictionless experience. Once a loan is approved, we also offer the customer other solutions such as a banking account, ATM card, internet and mobile banking services. In 2019, more than 300 SMEs in Vietnam received loans that totaled VND90 billion through UOB BizMerchant.

In view of its scalability, our digital credit underwriting engine can also be rolled out in other markets to serve the needs of more SMEs.

In addition, we also provide SMEs access to our e-commerce partner ecosystem from which they can tap business solutions or enjoy exclusive benefits.

Advantages of data-driven financing for SMEs

1 By supporting financing needs and simplifying credit requirements we are better able:

- to review credit potential without requiring traditional financial documentation, so businesses need not provide collaterals and submit complex business plans for their loan applications;
- to assess customers' business viability via their online sales performance; and
- to provide unsecured working capital financing facility to help support customers' business productivity and growth.

2 By simplifying and creating a seamless online banking application, we can:

- increase the efficiency of our credit reviews by using our digital credit underwriting engine to analyse customers' sales records and to derive their creditworthiness; and
- drive our own productivity as we are able to provide in-principle loan approvals within 24 hours.



Best Financial Inclusion Project The Asian Banker, Vietnam Awards 2020

For helping SMEs in Vietnam gain access to financial services, we were awarded the Best Financial Inclusion Project by *The Asian Banker* which runs international and county-level awards programmes focusing on retail financial services and financial technology.

Top Performance Award and a Special Appreciation Award Syarikat Jaminan Pembiayaan Perniagaan Bhd (SJPP)

In recognition of our commitment to supporting the development and progress of Malaysia's SMEs by providing flexible financing solutions, we received a Top Performance Award and a Special Appreciation Award by SJPP. The awards were conferred for our efforts in actively promoting and providing the highest amount of financing to SMEs under the government-guaranteed financing schemes.

Providing access to additional financing for SMEs in Malaysia

Through a collaboration with Syarikat Jaminan Pembiayaan Perniagaan Bhd (SJPP), a government agency under the stewardship of the Ministry of Finance Malaysia, we offer SMEs in Malaysia collateral-free loans of up to RM1 million as part of our UOB BizMoney solution. We provide flexible repayment tenures of 18, 24, 36, 48 or 60 months, with SJPP providing guarantees of up to 70 per cent of the loan through its Working Capital Guarantee and Automation Process Guarantee schemes.

In 2019, UOB Malaysia and SJPP held a nine month-long roadshow across all 14 states in Malaysia to raise SMEs' awareness of and to promote business and financial solutions, including government-guaranteed lending schemes. In 2019, more than 1,600 SMEs received RM1.5 billion in aggregate loans.



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Attracting, Developing and Retaining Talent

Why this topic matters to UOB

It is a strategic priority for UOB to attract, to develop and to retain talent so as to keep raising the standards of our service and ensuring sustainable business growth. We believe that every one of our colleagues is able to contribute strongly for the good of our stakeholders and the whole organisation. Hence, we adopt an holistic approach to building and to strengthening our people capabilities proactively and continually as we recognise that a dynamic and engaged workforce is essential to the continued success of our organisation. In sharpening the knowledge and expertise of our people through professional and personal development programmes, we ensure that they are equipped with the skillsets and mindsets to remain relevant, competitive and fulfilled.

How we approach this topic

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 performance-based organisation that encourages the best of each individual.

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 full potential and to serve our customers better. Our colleagues are also encouraged to explore and to learn new skills in order to stay relevant and ready for the future.

UOB is an equal opportunity employer and aims to attract and to retain talent of principle, who have the passion and commitment to do what is right always. To secure the best talent, we continue to broaden our outreach to different talent groups globally through collaborations with recruitment marketplaces for inbound sourcing and recruitment platforms for outbound sourcing. During our recruitment process, we also use technology to improve the candidate experience through the following initiatives:

- Deploying a global applicant tracking system which provides interested candidates the opportunity to view current job postings across the Group's network and to apply directly for the role online;
- Improving candidate conversion for Personal Bankers by using a chatbot for screening online job applications and online gamified assessment to minimise unconscious bias; and
- Improving the employee onboarding process, such as using robotic process automation for background screening and providing e-sign offer and e-submit documents via the recruitment portal.

Our targets

- Increase average training hours per employee across the Group each year.
- 100 per cent of colleagues across the Group to undergo the five compulsory modules of the Better U learning and development over the next three years. [2022]

Our performance in 2019

- We invested \$31 million in training our people across the organisation. On average, each colleague completed 52.5 training hours, equivalent to about 1.4 million hours across UOB in aggregate, an increase of 17 per cent over 2018.
- We launched the regional Better U learning and development programme first in Singapore and subsequently in mainland China, Indonesia, Malaysia, Thailand and Vietnam.

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.

Managing employee performance

UOB is committed to fostering a meritocratic, performance excellence culture at the workplace. Our integrated performance management framework, which comprises four stages namely Plan, Engage, Appraise and Keep Track (PEAK), is designed to assess and to reward performance in an objective and fair manner and to support career development.

Using the PEAK framework, colleagues establish their business and personal development goals at the start of the year in consultation with their managers. Performance Improvement Plans are also developed to help colleagues in need of additional guidance. Managers hold discussions with their team members throughout the year to review their progress and to address their challenges.

At the end of each year, all eligible permanent employees are assessed through performance appraisals against agreed key performance indicators and job-related competencies. The performance assessment structure also includes a values component to reinforce the importance of upholding our values.

Leadership development and succession planning

Leadership development is a key focus for UOB. As part of our continual efforts to build our bench strength, the Human Resources Committee established a Development Council to drive and to strengthen the process of identifying and planning for leadership development at all levels of the organisation. Individual Development Plans are created for each of our identified talents and are updated on an annual basis.

Succession planning is an integral part of our leadership continuity strategy and we have succession plans in place for key positions across the Group. Successors to critical roles are provided opportunities in various working committees across the Group to broaden their exposure and learning. The Board of Directors regularly reviews our succession plans through the Nominating Committee. The segment and function heads have the responsibility for their respective talent pools, whereas the Human Resources Committee manages the Group's collective talent pool.

Building capabilities for the future

In 2019, we launched Better U, an holistic learning and development programme to support our colleagues in their development journey and to help them build successful careers in the digital age. With the banking sector undergoing rapid transformation and roles increasingly redefined by emerging and new technologies, the Better U programme equips our colleagues with five core competencies essential to remain relevant in the future. Through the 12-week foundation course, colleagues attend a face-to-face workshop and complete online modules aimed at encouraging a growth mindset, developing complex problem solving skills, as well as skills in the areas of digital innovation, human-centred design and data storytelling. The Better U programme is the first such training initiative to receive accreditation by The Institute of Banking and Finance Singapore. About 340 colleagues from various functions have attended the Better U programme in Singapore since its launch in October. The programme is also available for our colleagues in mainland China, Indonesia, Malaysia, Thailand and Vietnam.

The UOB SUMMIT (Social, Unity, Motivation, Mastery, Innovation, Technology) programme continued to run in Singapore in 2019, offering additional opportunities for our colleagues to upgrade their skills. Under the initiative, we re-invest the grants received via the Singapore Government's Wage Credit Scheme into personal and professional development courses for our people. In 2019, we expanded the selection of programmes to include digital skills such as artificial intelligence, blockchain and cloud computing. A total of about 2,900 colleagues benefitted from UOB SUMMIT programmes in 2019.

In anticipation of the needs of a new generation of digitally-savvy customers, we continue to sharpen our digital skills training programmes. Our Professional Conversion Programme (PCP), developed in 2017 in collaboration with Workforce Singapore, the Monetary Authority of Singapore and The Institute of Banking and Finance, enables our branch colleagues in Singapore to strengthen their digital capabilities and to prepare them for future roles in the financial sector. The PCP adds to our existing suite of training programmes aimed at preparing our people for the future. In the first phase of the PCP, our customer-facing colleagues from service associates to assistant branch managers underwent a series of training programmes covering areas such as design thinking, customer journey design, channel management and scenario analysis and planning. Each course, ranging from three to 12 months, was conducted through classroom learning, workshops and on-the-job training. As at end-2019, 86 per cent of our nearly 900 eligible branch colleagues had completed the PCP.

As an organisation focused on keeping customers at the centre of all that we do, we have been upgrading the design thinking and human-centred design skills of our people. About 1,200 employees from various functions have attended design thinking workshops to pick up skills in developing creative solutions that meet and exceed corporate and consumer needs.

Grooming young talent

Our 18-month UOB Management Associate programme aims to attract high-calibre, early-career talents from across the region to take on roles in UOB. In 2019, we received more than 35,000 applications, from which 48 fresh graduates from top universities mainly in mainland China, Hong Kong, Indonesia, Malaysia, Singapore and Thailand were chosen. Selected Management Associates are given overseas assignments so they gain regional experience. Since the programme was launched in 2004, we have hired 577 Management Associates, most of whom have progressed well in their careers.

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.

Freedom of association

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

In Singapore, we engage three unions, namely The Banking and Financial Services Union, Singapore Bank Employees' Union and the Singapore Manual and Mercantile Workers Union. We engage four unions in Malaysia and one in Indonesia.

The collective bargaining agreements we have with the unions cover wages and working conditions such as working hours, retirement age and re-employment, shift work, allowances, transport reimbursement, leave benefits, medical benefits, insurance benefits and grievance procedures.

As at end-2019, the proportion of unionised to non-unionised employees in Singapore, Malaysia and Indonesia was 31.5 per cent, 87.5 per cent and 22.7 per cent respectively.



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Workplace Safety, Health and Well-being

Why this topic matters to UOB

As a responsible employer, we are committed to providing a safe and healthy work environment where our colleagues can perform at their best. Our people are our most important resource and we believe that taking care of their well-being can improve our overall productivity and drive our performance.

How we approach this topic

We have established a set of workplace safety guidelines to identify and to address health and safety risks.

Our Workplace Safety and Health (WSH) Workgroup plans and implements health and safety initiatives throughout the year. The Workgroup comprises representatives from different business and support units. The business and support units nominate their WSH leaders, assistant leaders, managers and assistant managers. Together, they take the necessary measures to address any identified health and safety risks.

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

Our target

Green Mark Healthier Workplaces certification for all new and renovated commercial offices. [2025]

Our performance in 2019

We established the CRES Office Design Guidelines for UOB's interior workplaces and communal spaces to focus on design elements that will promote environmental sustainability and employee wellness. The Green Mark Healthier Workplaces scheme also serves as an external framework to steer our planning parameters.

High performance workplaces

By designing and providing high performance work settings focused on ergonomics and comfort, we create workplaces that enable collaboration, innovation, productivity and personal well-being for our people. New or newly-renovated workplaces at UOB are increasingly designed to meet the needs of a diverse workforce. To support women returning to the workplace following their maternity leave, in 2019 we added 22 nursing pods in Singapore, making up a total of more than 50 nursing pods across our offices in the country. Restorative spaces are also increasingly being introduced to our office spaces, enabling our colleagues to rest and to rejuvenate themselves during the work day.

Encouraging healthier lifestyles and employee wellness

We provide health and wellness programmes for colleagues across all markets.

In Singapore and mainland China, our Healthy Employees, Active Lifestyles (HEAL) programme offers comprehensive medical and healthcare coverage, as well as flexible wellness benefits for all eligible employees. Under the HEAL programme, colleagues receive HEAL dollars to spend on a wide range of health and wellness benefits for themselves and their dependants. In 2019, our colleagues received \$17 million worth of HEAL benefits in areas such as health screening, vaccinations, dental and optical treatments, gym memberships and dependant care.

In Singapore, other than providing personal accident insurance coverage for its employees, we also offer employees the option to top up their Group Term Life coverage for themselves and their dependants beyond what is provided by the Bank. We also encourage our employees to take up medical insurance for their dependants and help to subsidise them in doing so.

We continue to provide our employees with free annual health screening and flu vaccination. In addition, we are an active participant of the National Corporate Challenge in Singapore to promote wellness activities among our employees.



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Diverse and Inclusive Workforce

Why this topic matters to UOB

We believe in providing a diverse, inclusive and collaborative work culture, as well as a workplace environment that values differences. Diversity provides different perspectives and fosters innovative thinking to solve business challenges. It is an important element in our strategy to attract, to develop and to retain talent for the Group.

We draw upon the diverse strengths, experiences and capabilities of our colleagues from 47 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.

How we approach this topic

UOB is an equal opportunity employer and aims to attract and to retain professionals of principle with the passion and commitment to do what is right always. Our Recruitment Policy guides our hiring process and decisions. Under the policy, we practice non-discriminatory hiring and all hiring decisions are made based on each individual's merit and suitability for the role.

The UOB Code of Conduct prohibits any kind of discrimination, bullying or harassment, whether based on a person's race, ethnicity, gender, gender identity or expression, colour, creed, religion, national origin, nationality, citizenship, age, disability, marital status, sexual orientation, culture, ancestry, veteran status, socioeconomic status or any other legally-protected characteristic. All employment decisions at UOB are based on business needs, job requirements and qualifications. Employees are encouraged to raise their concerns without fear of retaliation through the Group's whistle-blowing mechanism.

Our target

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

Our performance in 2019

Women in the Workforce

Women accounted for 61.1 per cent of our permanent employees as at end-2019 and 56.8 per cent of all the hires in 2019. Women also held 35.1 per cent and 51.4 per cent of senior and middle management roles respectively. They accounted for 40 per cent of department heads who are senior management reporting directly to the Group CEO.

Silver Workforce

We offered re-employment opportunities to 166 colleagues in Singapore who were eligible for retirement, 96 of whom were women. Since the start of the programme in 2014, we have rehired 824 retiring employees in total, including 428 women. We recognise the depth of knowledge and experience that older colleagues bring to the workplace and so enable them to continue working beyond the statutory retirement age.



Bloomberg Gender-Equality Index (GEI)

For the second consecutive year, UOB has been included in the Bloomberg GEI in recognition of our diverse and inclusive workplace practices. We are one of five Singapore companies to be included in 2020, based on disclosures provided in 2019. The index recognises public companies that demonstrate commitment to advancing gender equality in the workplace through policy development, representation and transparency.

Partnership for the Goals

- Corporate Member of Financial Women's Association Singapore
- Employer partner of Autism Resource Centre (ARC) in Singapore
- Employer partner of SPD⁷ in Singapore

UOB Scan Hub

Our diverse workforce extends beyond a mix of age and gender. We continue to partner the ARC and SPD in Singapore in a structured training programme for persons with special needs to work at UOB Scan Hub and to ensure the work processes and the office environment are suited for their needs.

The UOB Scan Hub is our nerve centre for checking, digitising and archiving of customer documents. It employs persons with autism and deaf employees for their special abilities such as a sharp eye for detail, high levels of concentration and the ability to work methodically. These are specific skills which are uniquely suited for some of the job roles at the UOB Scan Hub. Today, 30 per cent of the department comprises persons with different abilities – 22 employees with autism and two deaf employees.



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7 Formerly known as the Society for the Physically Disabled



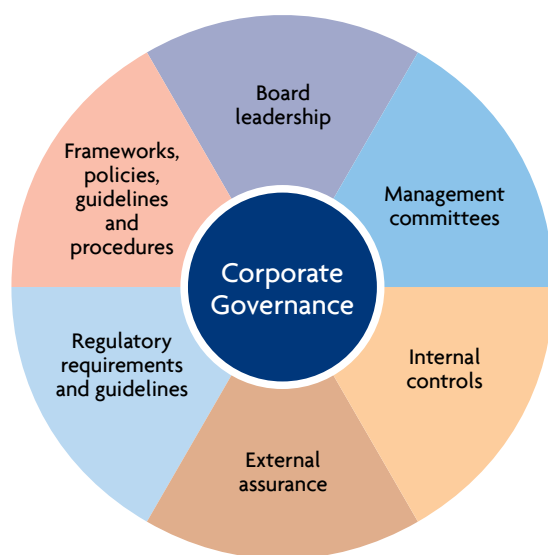
Strong Governance

Why this topic matters to UOB

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

How we approach this topic

Our corporate governance is based on a partnership between our Board and Management, supported by a system of frameworks, policies, guidelines and procedures by which we operate, make decisions and ensure accountability. We also regularly evaluate and revise our governance approach to ensure that it is relevant and aligned with best practices, and to respond to changes. Where there is the need, we do not hesitate to implement new policies and practices.



Board leadership

The Board provides strategic direction and leadership in promoting corporate governance, with the support of the Management. Among its roles, the Board sets the tone from the top and the desired organisational culture and values of the Bank, and inculcates an appropriate risk culture. It also considers sustainability issues and material ESG factors in formulating the Bank's strategies.

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

Comprising a majority of independent and non-executive Directors, the Board collectively has skillsets, expertise and experience across industries, professions, backgrounds and culture, providing diversity in thought and opinion. Succession planning is conducted for board renewal on an ongoing basis. Besides identifying new directors with complementary expertise and experience, the Board is guided by our Board Diversity Policy, which promotes diversity in various attributes

including background, professional and industry experience, tenure, age and gender. Annually, each director is assessed on their independence, fitness and propriety to hold office and performance.

Directors receive regular training on topics ranging from the Bank's initiatives, industry developments and trends to regulatory updates. Training sessions may be conducted by internal personnel or external specialists. Newly-appointed Directors are briefed by key senior management on the Bank's business, risk management approach and other relevant topics. New Directors appointed to Board Committees receive additional specialised training depending on their roles.

The Board, assisted by the AC, works closely with the internal and external auditors and Management to ensure a strong Third Line of Defence. The AC meets internal auditor and external auditor separately in the absence of Management at least once every quarter.

Management

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

- Asset and Liability Committee: oversees the effectiveness of the Group's market and liquidity risk management;
- Credit Committee: oversees the Group's credit and country risk management;
- ESG Committee: sets the Group's ESG strategy and roadmap;
- Human Resources Committee: oversees the Group's human resources strategy in support of business objectives and growth;
- Information and Technology Committee: provides strategic oversight of the Group's investment in technology, data and productivity;
- Investment Committee: oversees the Group's investment activities;
- Management Committee: oversees the overall performance of the Group, country corporate functions and business segments;
- Management Executive Committee: oversees the overall management of the Group, including the Group's strategic direction and business activities as well as capital and resource allocation;
- Operational Risk Management Committee: oversees the Group's operational risk management, including approval of frameworks, policies, risk models and methodologies relating to operational and reputational risks; and
- Risk and Capital Committee: oversees the management of risks and capital of the Group.



Go to pages 134 - 150 to see our Corporate Governance Report.

Our target

Increase total director training time by 10 per cent. [2020]

Our performance in 2019

The Board received 87 hours of training in 2019.

Regulatory Compliance

Why this topic matters to UOB

Banks play an integral role in ensuring the stability and security of the financial system. At UOB, regulatory compliance is a top priority. We are respectful of the local laws and regulatory standards in the jurisdictions in which we operate and are mindful of the nuances in each. Led by our values, we are committed to safeguarding the interests of our stakeholders, including regulators, and to maintaining the trust that they place in us. As the custodian of our customers' assets, we are accountable for upholding the highest standards of ethics and integrity. This helps to ensure that UOB remains a source of stability, security and strength for our stakeholders.

How we approach this topic

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

In tandem with increasing regulatory emphasis on the outcomes driven by these reforms, financial institutions are continually assessing and adjusting their policies and processes to ensure compliance and best practices are in place. As a trusted financial institution, UOB is committed to complying with the laws and regulations in the countries and territories in which we operate. The Bank has robust protocols and processes in place to address the regulatory requirements which include identifying, assessing, monitoring and managing regulatory compliance risks.

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

Our target

Maintain zero material issues raised by regulators.

Our performance in 2019

We respect the laws and regulations pertaining to environmental, social and economic impact, product and service information and labelling, and marketing communications which includes advertising, promotion and sponsorship. In 2019, no material fine, penalty or sanction was imposed on the Bank for non-compliance in relation to any of the above.

Prohibiting insider trading

All UOB employees are expected to act honestly and with integrity, including with regard to the information that they obtain in the course of their work. All are required to adhere to the UOB Group Policy on Personal Trading in Securities, which governs the prohibition of insider trading and sets the framework for the management of insider trading risks. They are also required to complete annually an online learning module on insider trading and market misconduct.

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

Foreign Account Tax Compliance Act (FATCA)

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

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

Common Reporting Standard (CRS)

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

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



Preventing Corruption, Fraud and Money Laundering

Why this topic matters to UOB

Financial crimes undermine fair competition, impede innovation, raise costs and pose serious legal and reputational consequences. Such threats, if not anticipated and addressed, could severely undermine both the integrity and trust of the financial system. UOB is committed to helping to protect the integrity of the financial system and its users. We do this by continually strengthening our ability to mitigate risks of financial crime and investing in the necessary expertise and systems to do so.

How we approach this topic

UOB is committed to fighting and preventing corruption, fraud and money laundering by providing the leadership and resources necessary to achieve these objectives. Our approach is predicated upon a strong Tone from the Top and a Group-wide culture committed to acting with honour. The UOB Code of Conduct lays down the principles of personal and professional conduct and the requirement for all employees to uphold the highest standards. All new employees are required to complete an online learning module and assessment on Anti-Money Laundering/Countering the Financing of Terrorism (AML/CFT) and Sanctions, the UOB Code of Conduct, UK Bribery Act 2010, and Fraud Awareness. Subsequently, all employees are required to complete a refresher course on these topics annually. Our Whistle-blowing Policy provides an avenue for employees to report concerns of suspected or actual wrongdoing.

Our target

Maintain 100 per cent completion of mandatory employee e-learning on AML/CFT and Sanctions, fraud awareness, anti-bribery and anti-corruption.

Our performance in 2019

Achieved 100 per cent completion rate for mandatory employee e-learning on AML/CFT and Sanctions, fraud awareness, anti-bribery and anti-corruption.

Partnership for the Goals

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



Commendation from the Singapore Police Force

In 2019, our Integrated Fraud Management team was commended by the Singapore Police Force, Deputy Director of Criminal Investigation Department for our cooperation in combating scams and crime prevention efforts.

UOB Group Compliance was also commended for their role in alerting the Commercial Affairs Department of Singapore Police Force of suspicious accounts via the filing of suspicious transaction reports. As a result of the Bank's prompt action and vigilance, the police recovered more than \$22 million and the funds were returned to the country of origin.

Alliance of Public Private Cybercrime Stakeholders (APPACT)

For assisting with the arrest of a scammer, a plaque was presented to the Bank and certificates of appreciation to our colleagues at the annual APPACT ceremony in August 2019.

Preventing corruption

We have zero tolerance of corruption. All UOB employees are educated via the Code of Conduct and mandatory online training on what would constitute corrupt practices, having reference to the UK Bribery Act 2010 amongst others. The Group's contracts with customers, service providers, agents and business partners will contain provisions prohibiting corrupt practices.

No legal proceedings or regulatory inquiries addressing issues of corruption were commenced during the reporting period. No employment contracts were terminated during the reporting period as a result of an employee being found to have paid or solicited a bribe. No confirmed cases of bribery and corruption were recorded during the reporting period.



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Preventing fraud

UOB takes a proactive stance in managing fraud risks and has a governance framework and security measures in place to address risks across our internet banking, mobile banking and branch channels. The Integrated Fraud Management (IFM) unit was established in 2017 to enhance UOB Group’s management of fraud risk across geographies and to drive collaboration across functions for a more integrated anti-fraud approach. IFM works closely with business and support units to strengthen their anti-fraud practices across the five pillars:

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

UOB has a fraud management strategy and framework in place for these five pillars. The framework covers the roles and responsibilities of the First Line of Defence with integrated oversight by the Second Line of Defence and audit assurance by the Third Line of Defence. In addition there are dedicated IFM teams in our overseas subsidiaries. All First Line business and support units receive structured training on fraud awareness to strengthen capabilities in detecting internal and external fraud.

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

In 2019, the banking industry saw an increase in phishing scam attempts against bank customers. Scammers created deceptive emails, phone calls, SMS or websites to trick the victims into providing their online banking credentials and then used the information to perform unauthorised transactions in the name of the victims. To combat this, UOB undertook various preventive actions such as placing fraud advisories on banking platforms and running educational videos on social media. Further, we enhanced our monitoring of malicious URLs and internet banking traffic from suspicious websites, increased our intelligence gathering and coordinated with the Singapore Anti-Scam Centre and bank counterparts to assist in recovering victims’ money.

Three ex-employees who were under investigation for fraud were convicted in 2019. When UOB became aware of these cases, the individuals were promptly investigated by the Bank for misappropriation of funds, reported to the authorities and dismissed from the Bank. UOB adopts a zero-tolerance policy to fraud and breach of the UOB Code of Conduct. All employees are informed that the Bank will not hesitate to investigate and to report internal fraud to the appropriate authorities.

Anti-money laundering


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

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


In 2019, we also embarked on forward-looking risk mitigation by collaborating with a regulatory technology company to enhance our AML surveillance abilities, using an integrated solution that enables us to target illicit conduct with greater sophistication and precision. The solution has been applied to our name screening and transaction monitoring processes.

In collaboration with Deloitte, UOB also developed two whitepapers on the topic of financial crime:

- *The case of artificial intelligence in combating money laundering and terrorist financing – A deep dive into the application of machine learning technology (November 2018)*
- *The future of financial crime compliance – A compelling use of innovation in a converging digital and physical world (November 2019)*



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Sustainable Procurement

Why this topic matters to UOB

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

How we approach this topic

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

The GSSP sets out the requirements we have of our suppliers in order to reduce the environmental and social risks and impact associated with our sourcing activities. The majority of our purchases from suppliers

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

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

Our target

We aim to have 90 per cent of our material suppliers in Singapore to acknowledge our GSSP. [2021]

Our performance in 2019

We established a Group Sustainable Procurement Working Group to develop and to drive the tenets of the GSSP.

Group Supplier Sustainability Principles



Corporate Governance and Compliance

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



Labour and Human Rights

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



Environment, Health and Safety

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



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Managing our Direct Environmental Impact

Why this topic matters to UOB

We are committed to conserving environmental resources for the well-being of our stakeholders and future generations. Asia is seeing rapid economic growth and as our business keeps pace with that growth, we also need to ensure that the environmental footprint arising from our extensive operations across the region is sufficiently mitigated. We are cognisant of the direct environmental impact resulting from our network of offices and branches and have initiatives in place to build a more energy- and resource-efficient real estate portfolio and to encourage environmental stewardship at the workplace.

How we approach this topic

Our approach to managing our direct environmental impact centres on the principles of the three Rs, namely to Reduce, to Reuse and to Recycle. We manage our environmental footprint by focusing on energy efficiency, waste management and resource conservation in our operations across the Group.

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 emissions, wastewater and office waste. As such, we focus our efforts on energy optimisation, water conservation, 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 one 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 GoldPlus certifications for our main office buildings in Singapore – UOB Plaza 1, UOB Plaza 2 and UOB Tower Block (Alexandra Building). In 2019, we achieved Green Mark Platinum certification (excluding data centre facilities) for UOB Phetkasem in Bangkok, Thailand.



Green Mark Platinum Award for UOB Phetkasem Building

Both Tower A and B of the UOB Phetkasem Building in Bangkok, Thailand were awarded the highest rating in 2019 by the Singapore Building and Construction Authority (BCA): Green Mark Platinum. The building features:

- energy-efficient chillers;
- thermal efficient glass windows;
- LED lighting systems;
- on-site water treatment plant for irrigation purposes to reduce water usage;
- extensive vertical greenery along the east and west facing façade of the car park floors;
- occupied spaces designed to maximise the use of natural lighting; and
- car parks, chiller plant room, staircases and toilets designed to enable natural air ventilation.

In addition to the BCA Green Mark Award, both towers in Phetkasem also received the Energy Efficiency Building Design Award at the Thailand Building Energy Code (BEC) Awards 2019. The BEC is the benchmark for energy efficiency for buildings regulated by the Ministry of Energy in Thailand.

Tower A met the BEC regulation at the “Good” level while Tower B has met the BEC regulation at the “Excellent” level. The design of the towers has helped UOB save up to 60 per cent in energy compared with the average conventional building’s energy consumption levels. Through a combination of LED lighting and thermal efficient glass panels for windows, which prevent unwanted heating of interiors, the building’s energy-efficient features yield annual savings of about \$175,300 for the Bank.

The UOB Phetkasem Building also met the standards set by the Department of Alternative Energy Development and Efficiency (DEDE) in 2019 to support a cleaner environment in Bangkok.



Managing our Direct Environmental Impact

Our targets

- Achieve green building certification for all UOB wholly-owned key buildings. [2030]
- Electricity use intensity: 14 per cent reduction by 2030, with baseline year of 2018. [2030]
- Greenhouse gas emissions intensity (Scope 2 only): 6 per cent reduction by 2030, with baseline year of 2018. [2030]

Our performance in 2019

- Four of our 12 wholly-owned buildings are certified with BCA Green Mark.
- We achieved a 0.7 per cent overall reduction in electricity use intensity compared to 2018.
- Greenhouse gas emissions intensity showed a corresponding decrease of 0.7 per cent over the same period.

Energy efficiency initiatives in 2019

Across our three main buildings in Singapore, our energy efficiency initiatives have yielded reductions in annual energy consumption of approximately 9.3 million kilowatt-hours (kWh). This is equivalent to cost savings of close to \$2.3 million each year. In Bangkok, our BCA Green Mark Platinum certified Phetkasem building yields annual energy savings of more than 137,000 kWh, equivalent to cost savings of about \$175,300 each year.

Water conservation

In the commercial buildings where our offices and urban branches are located, the water we consume comes from the main utilities provider in the area. In our key markets, we are mindful that Singapore is classified by the World Resources Institute (WRI) as a country that is under ‘extremely high water stress’, while Indonesia is listed as being under ‘high water stress’. We do our part to conserve water by installing water-efficient fittings in our buildings and encouraging water-saving behaviour among our colleagues. 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 efforts to conserve water.

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 use licensed contractors to ensure that office paper waste is shredded in secure facilities before being recycled.

In Singapore, all general, non-recycled waste is processed in Waste-to-Energy (WTE) incineration plants, where the volume of solid waste is reduced by more than 90 per cent. This approach has also helped land-scarce Singapore to reduce the country’s reliance on landfills, hence contributing to a more sustainable waste management framework.

Key energy efficiency initiatives implemented in UOB Singapore

Building	BCA Green Mark Award	Initiatives	Estimated annual energy reductions	Estimated annual cost savings
UOB Plaza 1	Gold Plus Award, 2013	<ul style="list-style-type: none">• Chiller plant optimisation of 0.65 kW/ton• Variable Speed Drives (VSD) for pumps and cooling towers• Heat recovery systems for Precision Air Handling Units (PAHUs)• Energy efficient LED lighting for carpark• Carbon monoxide sensors for mechanical ventilation in the carpark	6,253 MWh	\$1,546,000
UOB Plaza 2	Gold Plus Award, 2016	<ul style="list-style-type: none">• Chiller plant optimisation of 0.63 kW/ton during office hours• Energy efficient LED lighting for common areas and carpark• Carbon dioxide sensors for Air Handling	2,033 MWh	\$503,000
Alexandra Building	Gold Plus Award, 2014	<ul style="list-style-type: none">• Chiller plant optimisation of 0.59 kW/ton• High Efficiency AHUs with VSDs• Energy efficient LED lighting for common areas and carpark	1,015 MWh	\$251,000



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As part of our Managed Print Services, we have placed printer toner recycling bins at selected office and branch locations in Singapore to enable our colleagues to dispose used toners properly for recycling. Since we implemented Managed Print Services in April 2018, we have collected more than 3,600 printer toners for recycling.

In Greater China, we implemented a light bulb recycling programme at our headquarters building in Shanghai in August 2017. Since then, we have collected 282 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.

Our environmental performance in 2019

In 2019, our energy consumption across the region decreased by 0.7 per cent compared to the previous year, totaling to 131.7 gigawatt-hours (GWh). Overall energy intensity, measured in kWh per square metre (m²) of floor space, increased slightly by 0.7 per cent. However, excluding data centres, the energy intensity of our office and branch locations improved significantly with a reduction of 3.5 per cent over a one-year period.

Similar to our energy performance, overall greenhouse gas emissions (Scope 2) decreased 0.7 per cent to 71.4 thousand tonnes CO₂-equivalent (tCO₂e) compared to the previous year. Our overall emissions intensity (measured in kg of CO₂-equivalent per m² of floor space) decreased 0.7 per cent. However, excluding data centres, the emissions intensity of our office and branch locations was 2.9 per cent lower than in the previous year.

Our overall water consumption decreased 4.2 per cent, compared with 2018, to 770.2 thousand cubic meters (m³). Water consumption intensity (measured in m³ per m² of floor space) declined 4.2 per cent in that same period. This indicates that our locations across the region were on average more efficient in their water usage in 2019.

We purchased 1,198 tonnes of office printing paper in 2019, almost one per cent less than in the previous reporting year. Forest Stewardship Council (FSC) certified paper (including both FSC 100 per cent and FSC Mix) made up 14.7 per cent of our purchased printing paper.

Our recycling of paper and board material increased 2.7 per cent to 453 tonnes, compared with the previous year. Altogether, paper and board recycling made up about 89 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 2019, we generated 1,373 tonnes of unrecycled waste. About 54 per cent of that waste was processed at WTE incineration plants. Overall, waste disposal intensity (measured in kg of waste per m² of floor space) remained relatively constant. However, total recycling increased 3.4 per cent to a total of 510 tonnes.

➤ Go to pages 123-124 of this report for the full set of our environmental performance figures.

Methodology and adjustments

The consumption and waste data with regard to UOB's business operations is based on invoices or data obtained from our providers. For greenhouse gas 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 Greenhouse Gas Protocol Corporate Standard, developed by the WRI and the World Business Council for Sustainable Development. Global Warming Potentials (GWPs) are sourced from the Greenhouse Gas 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. For this report, all Scope 2 emissions are calculated based on the location-based method as currently we do not have any contractual instruments for separate emissions data under the market-based method. We also report Scope 3 emissions derived from air travel undertaken by employees for business purposes. At present, Scope 1 emissions 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 reporting.

As the vast majority of our real estate is in Asia, our current data includes only locations in Singapore, where we are headquartered, and our four largest subsidiaries – Malaysia, Thailand, Indonesia and Greater China. Unless otherwise stated, reported figures include our office locations, branch locations and data centres. Our methodology excludes UOB-owned spaces that are leased to tenants, known as downstream leased assets, from Scope 2 accounting.

Further, when the Bank acquires any property with greenhouse gas 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 greenhouse gas 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 Greenhouse Gas Protocol Corporate Standard and to maintain consistency over time.



Managing our Direct Environmental Impact



Case Study: UOB Heartbeat Run/Walk Sustainable Event Management

In support of environmental sustainability, we ensure our events are run conscientiously through sustainable procurement, employee engagement and partnerships with government agencies and social enterprises. We also embed sustainable event management practices in our community programmes. For example, in 2019 we stepped up on our 'Go Green' efforts for the annual UOB Heartbeat Run/Walk, our flagship regional volunteer and fundraising event, to reduce the environmental impact while doing good for the community.



Our 'Go Green' initiatives for the event, held across seven markets in Asia on the same day in July 2019, included:

- digitalising our processes to cut down on printed materials, saving more than 130 kg of paper;
- eliminating single-use plastics in all eco-friendly race packs across the region, with a reduction of more than 100 kg of plastics used in Singapore;
- replacing more than 20,000 plastic cups with biodegradable corn starch cups and encouraging all participants to bring their own water bottles on the event day;
- installing 10 sets of recycling bins across the event site to encourage recycling of all plastic water bottles, metal cans and general waste;
- collecting more than 30 kg of banana peels for composting into organic fertilisers; and
- donating more than 150 bento sets to Food Bank Singapore to reduce food waste.

Eco-Events Certification



Through our collective efforts to reduce, to reuse and to recycle, the 2019 UOB Heartbeat Run/Walk was awarded the Eco-Events Certification by the Singapore Environment Council.

The event is the first charity run in Singapore to achieve this accolade and the fourth in Singapore to obtain this certification since its inception in 2019.

We will continue to undertake eco-friendly initiatives that will positively impact the environment and our communities.

Community Development



Why this is material to us

Enriching lives and strengthening societal bonds in our communities are fundamental to our business philosophy. We are committed to supporting the development of the communities in which we operate through art, children and education. We believe these are essential for the quality and progress of society. Our efforts have helped the young, the untapped talent, those with special needs and the underprivileged across the region over many decades.

How we approach this topic

All our corporate social responsibility (CSR) efforts from across the Group come together in the UOB Heartbeat CSR programme. The programme aims to create sustainable good for more caring and inclusive societies through corporate philanthropy, stakeholder partnerships and employee participation. Guided by our values of Honour, Enterprise, Unity and Commitment, we draw together our colleagues, customers and business partners to make a positive difference to our communities.



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 Painting of the Year artists.



Participation

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

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

As children are the future, our efforts focus on helping them have a strong headstart in life, inspiring them to express themselves and nurturing their talent as individuals.



Education

Laying the Foundation For the Future

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



Community Development

Our targets

- **Encourage Employee Volunteerism:** Maintain average volunteer hours per employee per year across the Group at two hours. [2020]
- **Championing visual art and artists:** Contribute at least \$1.5 million to support the development of the arts scene across Asia. [2020]
- **Opening hearts and minds of the young through education:** Develop the digital literacy skills of at least 1,000 children. [2020]

Our performance in 2019

- Achieved an average of 2.2 volunteer hours per colleague;
- Clocked a record of close to 60,000 hours in volunteer work across the region, 15 per cent more than in 2018;
- Saw highest participation of more than 18,800 colleagues, their families and customers at the 2019 UOB Heartbeat Run/Walk and fundraising day across seven markets;
- Championed Southeast Asian visual art through the 38th UOB Painting of the Year (POY) competition, international art fairs, outreach initiatives and partnerships;
- Contributed more than \$1.7 million to support the development of the arts scene across Asia;
- Helped equip 1,000 disadvantaged students in Singapore with digital skills through a new educational initiative, My Digital Bootcamp;
- Championed environmental sustainability through the new UOB Eco-excursion series and Go Green measures to reduce, to reuse and to recycle; and
- Received eight industry awards and accolades including the Pinnacle Award, the highest honour by Community Chest Singapore, recognising UOB as a role model for holistic corporate giving.

Heartbeat for our community 2019 Overview



>\$5.4 million
in monetary contribution to the
community



A record of more than
>18,800
regional participants at the
2019 UOB Heartbeat Run/Walk
to raise funds for disadvantaged
children across Asia



54
artists recognised for their
excellence in Asia through our
two annual art competitions



A record of close to
60,000 hours
of our colleagues serving the
community



2.2 hours
average volunteer hours
per colleague



20
underprivileged students
received the
Wee Cho Yaw Future Leaders
Award, a \$50 million scholarship
programme established in 2015

Transcending boundaries through art

Championing Southeast Asian art

UOB has been supporting Southeast Asian art for more than four decades. We believe that art plays a fundamental role in enriching lives, opening minds and strengthening societal bonds in our communities, connecting people and cultures across language, geography and time.

In recognition of our long-term commitment to art, we were presented the Singapore National Arts Council's Distinguished Patron of the Arts Award for the 15th consecutive year.



Presenting the Southeast Asian winners of the 2019 UOB Painting of the Year competition.

Uncovering artistic talent through competitions

UOB champions Southeast Asian art through our flagship UOB POY competition, which began in 1982. Held at the national level in Indonesia, Malaysia, Singapore and Thailand, the UOB POY competition is the longest-running art competition in Singapore and one of the most recognised in Southeast Asia. In 2019, the competition recognised 36 artists with the top award given to Mr Anagard from Indonesia for his artwork, *Welcome Peace, Goodbye Hostility*.

In Hong Kong, the annual UOB Art in Ink Awards aims to raise awareness of and appreciation for traditional ink art through contemporary expressions. In 2019, the competition recognised 18 local artists with the top award given to Mr Leung Chi Wing, Louis for his artwork, *Between:-*.

The UOB Art Programme aims to draw out, to nurture and to inspire artistic talent across the region.



Making art accessible to everyone
Held **90 art workshops** for disadvantaged children and children with special needs across the region to inspire them and to help them better express themselves.



Opening the doors to art
Attracted more than **20,000 visitors** to the UOB Art Gallery in Singapore and Shanghai, China in 2019.

Extending our reach through partnerships



UOB partners National Gallery Singapore
More than **374,000 people** visited the UOB Southeast Asia Gallery in 2019. Since 2015, UOB has been a founding partner of the National Gallery Singapore which holds the world's largest collection of modern Southeast Asian art on permanent display.



UOB partners Museum of Modern and Contemporary Art in Nusantara (MACAN), Jakarta, Indonesia
More than **1,500 students** in Jakarta went on field trips to the Museum through our support in 2019. Since 2018, UOB has been a Major Education Partner of Museum MACAN.



CONTRIBUTION TO THE UN SDGs





Community Development

Developing the young to their potential

In building inclusive communities, we focus on enhancing the well-being of children and developing them to their full potential.



Students from Malie Village Central School, Hanyuan County in Sichuan, China in their new school attire donated by UOB. They were among the **3,900 students** from 14 schools in the remote mountainous areas of West China supported by UOB's initiatives.



Building conducive learning environments

Schools and study spaces were refurbished for more than **200 disadvantaged students** in 2019. UOB colleagues in Singapore and Indonesia volunteered more than 320 hours in 2019 in this effort.



Levelling the playing field

These Vietnamese students were given books, computer equipment and school supplies as part of our outreach programme in the country.



CONTRIBUTION TO THE UN SDGs



Preparing for the future through education

We believe that education has the ability to change lives for the better as it lays the foundation for the future. Therefore, UOB supports programmes that develop young minds, especially those of children from disadvantaged backgrounds or with special needs.



In 2019, more than **120 children and youth** benefitted from the UOB Please Touch programme in Thailand. Since 2015, this initiative has been helping the visually-impaired by equipping them with art and craft skills.



Counting on a firm foundation

In 2019, more than **530 children** acquired basic money management and banking skills through our financial literacy workshops in Singapore and China.



Equipping the young with life skills

In 2019, we helped **120 students** from Phra Dabos School, a vocational school for the disadvantaged in Thailand. Apart from monetary contributions, our employee volunteers also taught them subjects such as financial literacy, English and Marketing.



Developing leaders of tomorrow

In 2019, UOB contributed **₫100 million** in scholarships to 50 high-performing students from disadvantaged backgrounds in Vietnam. This was part of the official launch of UOB Hanoi branch.



CONTRIBUTION TO THE UN SDGs





Community Development

Bridging the digital divide

UOB promotes a digitally inclusive society through educational initiatives that bridge the digital divide and enable people from all walks of life to have access to digital tools for their daily needs and for education.



100 disadvantaged students from Townsville Primary School and Pathlight School participated in the first My Digital Bootcamp session to learn digital making skills. The new initiative is in support of Singapore's Smart Nation vision.



Helping others make the switch

UOB employee volunteers supported **12 national digital clinics and roadshows** to promote the adoption of financial technology to the wider community.



Making digital learning accessible

We contributed **\$500,000** to equip **1,000** disadvantaged primary school students in the Central Singapore District with digital making skills, through a two-day workshop and a take-home tool kit.



Opening eyes to the wider world

The UOB Brings the World to Me programme in China provided education resources and online courses to **two schools** in the remote mountainous areas of Yunnan to help students learn more about the world beyond their community.



CONTRIBUTION TO THE UN SDGs





Caring for the environment

In supporting environmental sustainability, UOB launched several initiatives to cultivate awareness of environmental protection among the young. Our green efforts also extended to employee volunteerism activities, encouraging colleagues and children beneficiaries to reduce, to reuse and to recycle. We also eliminated single-use plastics where possible and replaced them with environmentally-friendly alternatives.



Reaching out to conserve nature

Close to **280 children** participated in six UOB Eco-Excursions organised in Singapore and Malaysia that aimed to raise awareness on environmental sustainability among the young.



Hands-on learning of waste management

In 2019, **38 children** from WheelCanopus Student Care Centre were guided by UOB employee volunteers on an educational visit to the National Museum of Singapore where they learnt about the effects that packaging has on the environment.



Promoting sustainability through art

UOB sponsored **three sustainability-themed art workshops** at Malaysia's Ipoh International Art Festival 2019. One of which was conducted by 2019 UOB Painting of the Year Malaysia top winner Ms Cheng Yen Pheng, who showed how to make paper out of mulberry pulp.



Reducing food waste meaningfully

In 2019, **13,000 nutritious meals** for the disadvantaged were prepared from edible surplus food by UOB in partnership with various food rescue charities in Hong Kong.



CONTRIBUTION TO THE UN SDGs





Community Development



Running for a good cause



Uniting our hearts through UOB Heartbeat Run/Walk

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 volunteering and fundraising event.

In 2019, we rallied a record of more than 18,800 participants across Singapore, China, Hong Kong, Indonesia, Malaysia, Thailand and Vietnam to run or to walk for a good cause on the same day. We also stepped up our efforts to minimise the environmental impact of the annual event.



Raised

>\$1.7 million

for disadvantaged children and children with special needs in Asia.



Eliminated all single-use plastics in our race packs across all seven markets.



The 2019 UOB Heartbeat Run/Walk in Singapore achieved the Eco-Events Certification by the Singapore Environment Council.



Making a difference through active volunteerism



In 2019, our colleagues volunteered in a wide range of activities in support of art, children and education as well as environmental protection. We achieved a record of more than **60,000 volunteer hours** across the region in 2019, 15 per cent more than in 2018.



Recognising our colleagues who committed time and service to improve lives

As part of International Volunteer Day in December, we celebrated the spirit of volunteerism in Singapore, with more than 180 colleagues who served the community in 2019. The inaugural UOB Heartbeat Employee Volunteer of the Year and the Most Promising Volunteer of the Year were Mr Jetno Tsai and Ms Shu Min respectively.



Uniting to support inclusivity

UOB has been a proud supporter of The Purple Parade since 2015. The Purple Parade is Singapore's largest movement to advocate for inclusive societies by celebrating the abilities of persons with special needs. In 2019, more than **300 employee volunteers and their family members** formed the largest UOB Purple Contingent to-date to march for inclusiveness.



Celebrating the season of giving

Our colleagues raised **more than \$38,000** during Singapore's National Giving Week in 2019. Through our online 'Gift for Good' campaign, we bought Christmas gifts of toys, books and vouchers for **240 children** from needy homes. With 12 charities, we also set up 'Shop for Good' bazaars across our offices where our colleagues did their festive shopping.

Sustainability in Numbers

	2019	2018	2017
Customers			
Number of customers ⁸ (millions)	5.25	5.05	4.90
Access to financial services			
Number of branches – Group	476	469	467
Number of branches – Singapore	63	59	58
Number of ATMs – Group	1,653	1,669	1,668
Number of ATMs – Singapore	772	758	766
Number of contactless ATMs – Singapore	509	382	270
Number of Ability ATMs – Singapore ⁹	20	20	20
Digital transformation			
Online penetration rate for retail customers – Group (%)	64	63	54
Online penetration rate for retail customers – Singapore (%)	86	89	82
Mobile banking users as a percentage of active online banking users (retail customers) – Group (%)	62	59	54
Online penetration rate for corporate/SME clients – Group (%)	66	60	53
Number of contactless point-of-sale merchant terminals – Singapore	21,420	16,712	10,432
Customer experience and advocacy			
Number of customer compliments – Group	82,967	58,426	30,720
Number of customer compliments – Singapore	59,431	36,985	22,687
Complaints relating to sale of investment and insurance products – Singapore (%)	0.22	0.20	0.37
Lending profile – Group (\$ billion)			
Loans to small businesses	10.4	10.0	9.7
Loans to medium businesses	50.6	46.0	41.0
Loans to large businesses	109.0	107.6	91.4
Loans to individuals	98.6	98.1	93.9
Community			
Monetary contributions (\$ million)	5.4	5.1	4.5
Average volunteer hours per employee	2.2	2.0	1.8
Economic value of our contributions (\$ million)			
Total operating income ¹⁰	10,030	9,116	8,563
Profit after tax ¹¹	4,343	4,008	3,390
Dividends to shareholders	2,180	2,052	1,254
Employee compensation and benefits	2,716	2,447	2,224
Income tax to governments	813	805	800

8 Includes customers of Group Retail, Group Wholesale Banking and UOB Asset Management only. Figures for 2017 and 2018 have been rebased to include PFS Direct Banking customers in China.

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

10 With effect from 1 January 2018, total operating income is presented net of fee and commission expense. 2017 comparative figures have been restated to conform to this presentation.

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

	2019	2018	2017
Suppliers¹²			
Total purchase (\$ million)	1,888	1,645	1,386
Purchase from local suppliers (%)	93.8	93.5	92.3
Impact investing			
AUM of committed capital that incorporate ESG and/or social impact assessment in the investment process (\$ million) ¹³	1,043	953	662
Number of low-income individuals reached through investee companies ¹⁴ (million)	16	13	10
ESG engagement by UOBAM			
Proportion of companies in portfolio that were engaged on ESG topics (%)	10.4	–	–
Direct environmental impact¹⁵			
Purchased grid electricity (GWh)			
Singapore	63.6	64.4	63.5
Indonesia	22.4	22.6 ¹⁶	22.9
Thailand	23.5	23.2 ¹⁶	28.1
Malaysia	19.3	19.4	19.5
Greater China	2.9	3.0	2.9
Regional total	131.7	132.6	136.9
Energy use intensity (kWh per m² of floor space)			
Energy use intensity excluding data centres	176.3	182.6	196.7
Energy use intensity including data centres	230.5	229.0	239.6
Scope 2 greenhouse gas emissions (thousand tCO₂e)			
Singapore	27.0	27.3	26.9
Indonesia	17.0	17.2	17.4
Thailand	12.0	11.8	14.3
Malaysia	13.3	13.3	13.4
Greater China	2.1	2.1	2.1
Regional total	71.4	71.7	74.1
Scope 2 greenhouse gas emissions intensity (kg CO₂e per m² of floor space)			
Scope 2 greenhouse gas emissions intensity excluding data centres	101.6	104.6	112.1
Scope 2 greenhouse gas emissions intensity including data centres	123.2	124.1	129.9
Scope 3 greenhouse gas emissions¹⁷ (thousand tCO₂e)			
Total air travel emissions	11.33	9.13	8.74

12 Supplier figures comprise data from our seven key markets in Singapore, Indonesia, Malaysia, Thailand, China (including the Mainland and Hong Kong) and Vietnam. Comparatives have been restated as in prior years Vietnam was not included.

13 Figure comprises the Asia Impact Investment Fund (AIIF) and the ASEAN China Investment Fund (ACIF).

14 Social impact metric from business activities of the investee companies of the Asia Impact Investment Fund (AIIF).

15 All electricity consumption intensity, water usage intensity, emissions intensity and waste disposal intensity figures comprise data from our operations in Singapore, Malaysia, Thailand, Indonesia and Greater China (including the Mainland and Hong Kong).

16 Where more complete data has been made available, figures have been retrospectively adjusted.

17 Method used takes into account the impact of radiative forcing, as well as well-to-tank emissions resulting from the production and transportation of fuels.

Sustainability in Numbers

	2019	2018	2017
Water usage (thousand m³)			
Singapore	224.4	219.2 ¹⁸	182.6
Indonesia	112.2	89.4	90.9
Thailand	344.8	406.5 ¹⁸	494.9
Malaysia	77.0	75.9	74.3 ¹⁸
Greater China	11.8	12.7 ¹⁸	13.0 ¹⁸
Regional total	770.2	803.7	855.7
Water usage intensity (m³ of water per m² of floor space)			
Overall water usage intensity	1.1	1.2	1.3
Purchased office paper (tonnes)			
FSC 100% mix office paper	159	152	147
FSC mix office paper	17	19	20
Non-FSC office paper	1,022	1,038	1,003
Total office paper purchased	1,198	1,209	1,170
Recycled waste (tonnes)			
Plastics and other waste	40	38	28
Electronic equipment	17	14	10
Paper and board	453	441	419
Total waste recycled	510	493	457
Disposed waste (tonnes)			
Total waste landfilled	632	628	623
Total waste-to-energy incineration	741	738	767
Waste disposal intensity¹⁹ (kg of disposed waste per m² of floor space)			
Overall waste disposal intensity	2.0	2.0	2.1
Our People			
Number of employees²⁰			
Male	10,510	10,102	9,636
Female	16,362	16,051	15,501
Total	26,872	26,153	25,137
Number of employees by employment contract and gender			
Permanent male employees	10,129	9,734	9,199
Permanent female employees	15,886	15,516	14,947
Contract male employees	381	368	437
Contract female employees	476	535	554
Temporary male employees	417	518	331
Temporary female employees	854	727	627

¹⁸ Where more complete data has been made available, figures have been retrospectively adjusted.

¹⁹ Includes both landfilled and incinerated waste.

²⁰ Includes permanent employees, part-time employees and fixed-term contract employees.

	2019	2018	2017
Number of employees by employment type and gender			
Full-time male employees	10,508	10,100	9,629
Full-time female employees	16,319	16,008	15,443
Part-time male employees	2	2	7
Part-time female employees	43	43	58
Female employees by country (%)			
Singapore	57	58	59
Malaysia	64	65	65
Thailand	69	69	69
Indonesia	54	54	54
China	71	71	71
Hong Kong	48	48	47
Vietnam	60	58	55
Overseas branches	53	50	46
Female employees by age group			
Average age of female employees	38.0	37.9	37.7
< 30 years (%)	63.4	64.1	64.1
30-50 years (%)	60.1	60.7	61.5
> 50 years (%)	60.6	59.9	58.2
Female employees by grade²¹ (%)			
Senior management	35.1	34.5	36.4
Middle management	51.4	51.8	51.6
Executive	62.5	62.7	62.7
Administrative	71.2	71.1	70.8
Employment from local population²² (%)			
Local staff representation	94.6	94.9	95.5
Number of management employees by gender²³			
Male supervisors or managers	2,438	2,432	2,451
Female supervisors or managers	2,718	2,743	2,851
Male heads of department	9	11	12
Female heads of department	6	9	8
Number of new employee hires by gender			
Male	2,657	3,099	2,609
Female	3,489	4,121	3,586
Total	6,146	7,220	6,195

21 Senior management includes Managing Directors and Executive Directors; middle management includes Senior Vice Presidents, First Vice Presidents and Vice Presidents; executives include Assistant Vice Presidents, Managers and Senior Officers.

22 Local employees are citizens or permanent residents of the country in which they are employed.

23 The Heads of Department report directly to the CEO.

Sustainability in Numbers

	2019	2018	2017
New employee hires that were female by age group (% of total new hires)			
<30 years old	58.9	60.8	60.7
30 - 50 years old	54.3	52.8	54.9
>50 years old	57.8	54.9	55.8
All age groups	56.8	57.1	57.9
Employee attrition rate by age group²⁴ (%)			
<30 years old	33.8	38.4	37.8
30 - 50 years old	14.1	16.6	16.9
>50 years old	9.9	12.3	10.1
All age groups	17.8	21.0	20.9
Employee attrition rate by age group and gender (%)			
<30 years old			
Male	37.1	40.0	42.5
Female	31.9	37.4	35.2
30 - 50 years old			
Male	14.7	18.4	18.9
Female	13.8	15.5	15.6
>50 years old			
Male	12.6	15.3	10.9
Female	8.2	10.4	9.5
All age groups			
Male	18.9	22.5	23.0
Female	17.2	20.0	19.6
Training spend			
Total training investment (\$ million) ²⁵	31.1	26.0	21.3
Total training investment per employee (\$)	1,157.8	992.3	845.5
Total training investment per trainee (\$)	1,111.0	916.0	931.0
Average training hours per employee			
Senior management	35.5	33.4	35.5
Middle management	48.5	39.3	38.9
Executive	58.8	48.2	45.6
Administrative	44.5	50.2	43.1

24 Attrition rates include all voluntary and involuntary attrition among permanent employees only.

25 Includes total training costs as well as any subsidies or grants given.

	2019	2018	2017
Average training hours per employee by grade and gender²⁶			
Senior management			
Male	34.7	32.3	34.3
Female	36.9	35.6	37.6
Middle management			
Male	50.3	39.0	37.6
Female	46.8	39.5	40.3
Executive			
Male	64.8	51.5	49.9
Female	55.1	46.2	43.0
Administrative			
Male	43.0	47.4	37.3
Female	45.1	51.3	45.4
All grades combined			
Male	55.5	46.3	43.4
Female	50.5	46.1	43.1
Parental leave			
Number of employees who took maternity leave – Singapore only	148	93	171
Number of employees who took maternity leave – Group	509	–	–
Number of employees who took paternity leave – Singapore only	147	116	138
Number of employees who took paternity leave – Group	206	–	–
One-year retention rate of returning mothers – Singapore only ²⁷ (%)	79	80	80
One-year retention rate of returning mothers – Group (%)	85	–	–
Workplace safety			
Number of recordable work-related injuries	9	10	6
Rate of recordable work-related injuries ²⁸	0.03	0.03	0.02

26 Training hours include classroom training, e-learning, webinars, on-the-job training, sponsorship, town halls and teambuilding

27 Percentage of employees who remained in the organisation at least one year after returning from maternity leave

28 Injury rates represent the number of reportable injuries per 100 full-time workers and were calculated as: $(N / H) \times 200,000$ where, N=number of injuries, H=total hours worked by all employees in the year

Glossary

Carbon dioxide equivalent (CO₂e)

The common metric used to compare emissions from the various types of greenhouse gases. Different greenhouse gases have different potentials for global warming; by converting all greenhouse gases to the common measure of tonnes of CO₂e, companies are able to be consistent in their measurement and comparison. For example, one tonne of methane would be equal to about 25 tonnes of CO₂e, because it has a global warming potential that is approximately 25 times that of one tonne of carbon dioxide.

Climate change and global warming

The increase in the average temperature of the Earth's climate system, apparent from the mid- to late-20th century onwards. Climate change is attributed primarily to the higher amounts of greenhouse gases in the atmosphere resulting from the burning of fossil fuel, the production of industrial products, livestock farming, crop fertilisation and deforestation. The gases trap heat in the atmosphere and are expected to have a variety of effects on the planet, including sea level rise, droughts and severe weather events.

Community development

The Bank's long-term involvement in and support of inclusive community programmes to further social good and create a positive impact on the community through corporate philanthropy, community partnerships and employee volunteerism.

Customer Satisfaction Score (CSS)

Refers to the measurement that determines how satisfied customers are with our products and services and their overall satisfaction based on recent interaction with the Bank, on a scale of zero to 10.

Dollars or \$

Singapore Dollars unless specified otherwise.

Financial inclusion

Programmes and initiatives that help individuals and businesses access useful, appropriate and affordable financial products and services that meet their needs (for example transactions, payments, savings, credit and insurance) delivered in a responsible and sustainable way.

Global Reporting Initiative (GRI) Standards

A set of internationally recognised standards that helps businesses, governments and other organisations communicate and report their risks and impacts for environmental, social and economic topics.

Global warming potential

A measure of the amount of heat a greenhouse gas is able to trap in the atmosphere relative to carbon dioxide gas.

Green loan

Any type of loan instrument made exclusively to finance or to re-finance, in whole or in part, new and/or existing Green Projects that are deemed eligible under UOB Umbrella Frameworks or borrowers' frameworks and which are aligned to the Loan Market Association /Asia Pacific Loan Market Association (LMA/APLMA) Green Loan Principles.

Greenhouse gas emissions

Gaseous pollutants that absorb infrared radiation and trap heat in the atmosphere. The primary greenhouse gases are carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride.

Impact investing

The deployment of capital in companies with the deliberate intention of generating positive social and/or environmental benefits alongside, and as a means of, achieving positive financial returns.

Islamic banking

A system of banking that complies with Islamic law (Shariah). The underlying principles that govern Islamic banking are mutual risk between parties, assurance of justice and fairness (al-'adl wal Ihsan). In generating profit, Islamic banking transactions are based on an underlying activity or asset.

Materiality

Material sustainability issues include the environmental, economic, social and governance risks and opportunities that can act as potential barriers or enablers to achieving business goals in the short, medium and long term.

Material Environmental, Social and Governance (ESG) factors

Environmental, social and governance, as well as economic, factors can impact the risk and return profile of our financing and investment decisions as well as our internal operations. Such factors are considered by investors and other stakeholders in assessing and measuring the sustainability of a company and its business activities. The same factors are considered, in turn, by the Bank to ensure that our stakeholders abide by our values and principles.

Materiality assessment

The methodology by which we identify and assess the material ESG factors that have an impact on our business and influence stakeholder decision-making.

Material supplier

A material supplier is a new, existing or re-contracted supplier that performs a material outsourcing activity which, if disrupted, has the potential to impact our business operations significantly or our ability to manage risks effectively. Material suppliers also include those that supply goods and/or services to the Bank with an annual spend of \$2,000,000 or more.

Microfinancing

The provision of financial services to individuals, households and micro-enterprises that are normally excluded from conventional banking services.

Net Promoter Score (NPS)

A metric used to measure the likelihood of a customer recommending a company's brand, product or service to others. The NPS is an established worldwide metric used to measure customer loyalty and to predict business growth.

Responsible financing

The integration of ESG factors into our credit and risk evaluation process for financing activities.

Scope 1 greenhouse gas emissions

Direct emissions that originate from operations or assets which are owned or controlled by the organisation including on-site generation of electricity, steam or heat in equipment, travel in cars and other vehicles owned or controlled by the company and hydrofluorocarbons emitted from refrigeration or air-conditioning equipment.

Scope 2 greenhouse gas emissions

Indirect emissions resulting from the generation of grid electricity, heat or steam by an outside organisation, such as an electricity provider, but which is utilised by the reporting organisation.

Scope 3 greenhouse gas emissions

All other indirect emissions which occur at sources the organisation neither owns nor controls. Scope 3 emissions can result from business travel in non-company vehicles, especially commercial planes; employees commuting in non-company vehicles, as well as the activities of suppliers, customers and contractors.

Employee volunteering

The time provided by UOB to allow our colleagues to volunteer in approved volunteerism activities either during working or non-working hours as per the UOB Group CSR Policy.

Sustainable development

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

Sustainability linked loans

Any type of loan instrument and/or contingent facility (such as bonding lines, guarantee lines or letters of credit) which incentivise the borrower to achieve pre-determined sustainability performance objectives. The borrower's sustainability performance is measured using sustainability performance targets, which can include key performance indicators, external ESG ratings or equivalent metrics which measure improvements in the borrower's sustainability profile.

Task Force on Climate-related Financial Disclosures (TCFD)

Industry-led initiative established by the Financial Stability Board in 2015 at the request of G20 to develop a set of voluntary climate-related financial risk disclosures which can be adopted by companies so that those companies can inform investors and other members of the public about the risks they face related to climate change. The Recommendations of the TCFD are organised around four pillars, namely governance and management, strategy, management of climate change-related risks and metrics and targets in place to address the impacts.

United Nations-supported Principles for Responsible Investment (PRI)

The PRI sets out six principles that serve as a global standard for responsible investing. They also provide guidance to financial institutions on the integration of ESG factors in the investment process and active ownership.

United Nations Sustainable Development Goals (UN SDGs)

The 17 UN SDGs, also known as the Global Goals, were adopted by the United Nation Member States in 2015 and form the core of the 2030 Agenda, a universal call to action for governments, businesses and civil society to end poverty, to protect the planet and to ensure peace and prosperity for all people by 2030.

GRI Standards Content Index

GRI Standard		Disclosure Information or Location
GRI 102: General Disclosures 2016		
Organisational Profile		
GRI 102-1	Name of the organisation	United Overseas Bank Limited
GRI 102-2	Activities, brands, products, and services	4
GRI 102-3	Location of headquarters	4
GRI 102-4	Location of operations	5
GRI 102-5	Ownership and legal form	Public limited company listed on the Singapore Exchange
GRI 102-6	Markets served	4-5, 24-25, 34-52
GRI 102-7	Scale of the organisation	3-5, 29, 120-125, 197
GRI 102-8	Information on employees and other workers	122-123
GRI 102-9	Supply chain	106
GRI 102-10	Significant changes to the organisation and its supply chain	Unless otherwise stated, our reporting also includes our banking subsidiary in Vietnam
GRI 102-11	Precautionary Principle or approach	64, 75-90, 102-105
GRI 102-12	External initiatives	79, 81, 82, 88, 94, 101, 104
GRI 102-13	Membership of associations	79, 81, 82, 88, 94, 101, 104
Strategy		
GRI 102-14	Statement from senior decision-maker	20-23
GRI 102-15	Key impacts, risks, and opportunities	20-23, 63, 77-91, 94-97, 102-105, 155-170
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