

Sustainability Approach

As a leading financial institution in Asia, UOB is focused on creating sustainable value for our stakeholders and aligning our long-term business strategies with their interests. As we continue to deepen our presence across the region, we seek to address the environmental, social and governance (ESG) risks and effects of our operations in a manner consistent with our values. This is also in line with our commitment to help ensure a safe, secure and trusted banking system.

Board Statement on Sustainability

The Board is committed to building on the Bank's rich heritage to continue creating long-term value for all its stakeholders. Integral to the business direction UOB takes is its sustainability strategy. In formulating this strategy, the Board considered the factors which contribute to the sustainable growth of the Bank. As part of the process, the Bank undertook detailed gathering and assessment of 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 SGX Sustainability Reporting Guide and the Global Reporting Initiative (GRI) Standards. We are pleased to state that UOB's Annual Report 2016 won the Best Inaugural Sustainability Report (Mainboard) Award at the first Singapore Sustainability Reporting Awards.

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

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 ESG risks, challenges, impact and opportunities.

We stepped up our non-financial reporting to include sustainability reporting in our Annual Report 2016 to give our stakeholders insight into the Bank's approach to sustainability and we continued to build on our efforts in 2017.

During the year, we refined our sustainability strategy after extensive discussions and workshops with teams from across the Bank which were facilitated by an external consultant. Our deliberations considered macro sustainability trends, including responsible banking, the Singapore Exchange's (SGX)



Our Group Chief Financial Officer Mr Lee Wai Fai (centre) receiving from Mr Chan Chun Sing, Minister in the Prime Minister's Office, the Best Inaugural Sustainability Report (Mainboard) Award at The Singapore Sustainability Reporting Awards 2017 organised by the Singapore Institute of Directors. We received the award in recognition of the quality of our sustainability disclosure in our Annual Report 2016.

Sustainability Approach

reporting requirements, the United Nations’ (UN) Sustainable Development Goals (SDGs), the Paris Climate Agreement and the recommendations by the Task Force on Climate-related Financial Disclosures.

Our sustainability strategy mirrors our business approach of balancing growth with stability. It takes into account the influence and impact our decisions and actions might have on the industry, society and the environment. It was also

formulated to ensure we remain economically relevant through managing ESG risks and opportunities practically and in line with market realities. To help our programmes and initiatives take root and gain ground, we have ensured alignment with the ESG regulatory policies and guidelines in each of our key markets. Just as our business strategy hinges on doing what is right for our customers, our sustainability strategy informs our engagement with our stakeholders and how we can help them in their own practices for positive outcomes in the long run.

Pillars



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

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

With customers as our focal point, we ensure that Fair Dealing principles are entrenched in all aspects of our relationship with them. Keeping their best interests in mind, we harness technology and use data to make banking simpler, smarter, safer and more intuitive for them. By doing so, we aim to make banking more accessible and inclusive in the communities in which we operate. Standing by our customers also means that we must protect their data and privacy, and maintain the security and robustness of our systems.

Our colleagues enable us to ensure the best outcome for our customers, our business and our community. Hence we are focused on developing professionals of principle – high-performing teams and individuals who are guided by our values. We embrace diverse abilities and strengths as these enhance our capabilities and enrich our competitiveness. We equip our

colleagues to take on the challenges of tomorrow even as we care for their welfare and work-life harmony today. We also foster a sense of belonging by encouraging employee volunteerism and increasing their engagement and satisfaction.

We believe that as a responsible financial services provider, we have a role to play in strengthening the fabric of society by

supporting the spirit of enterprise across all stages of business growth and protecting the financial system for its full benefits to be felt. We remain steadfast in our commitment to promote the development of art, children and education, and to help protect the environment – all aimed at contributing to a strong and sustainable future for the wider community.

The UN's 17 SDGs set the global agenda for sustainable economic, social and environmental development by 2030 and call for action by the public and private sectors. At UOB, our sustainability objectives are aligned with 11 of the SDGs as follows:

Sustain Growth Responsibly

Incorporate sustainability risk elements in our approach to risk management



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



Increase impact investing in our portfolio allocation



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



Align our focus with Sustainable Development Goals



Keep Customers at the Centre

Ensure Fair Dealing



Harness technology to make banking simpler, smarter and safer



Use data effectively to design intuitive customer experiences



Make banking more accessible and inclusive



Secure our systems and protect customer data and privacy



Develop Professionals of Principle

Build high-performing teams and develop individuals who are guided by our values



Embrace diverse abilities and strengths



Develop skillsets and mindsets for the future



Ensure workplace health and safety



Promote work-life harmony



Encourage employee volunteerism



Increase employee engagement and satisfaction



Strengthen Community Bonds

Protect the financial system against those who try to abuse it



Support businesses across all stages of growth



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



Encourage sustainable procurement and supply chain



Manage the impact of our environmental footprint



Partner colleagues, customers and vendors to promote SDGs



Sustainability Approach

Material ESG Factors

As we focus on creating sustainable value for our stakeholders, we assess the ESG matters relevant to the banking industry, the implications for the Bank and the insights provided by our internal and external stakeholders.

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

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

Our investments are also directed to nurturing our colleagues, embracing diversity and inclusiveness, promoting trade and industry, focusing on responsible financing, encouraging entrepreneurship and making our financial services accessible

to all sections of society. We support the development of the communities in which we operate and play our part in managing our environmental impact.






Keeping in mind the significance of the economic, environmental and social impact of our operations and the influence such impact may have on our stakeholders, in 2017 we considered their feedback and reviewed the 14 material ESG factors first reported in our Annual Report 2016. The following factors were deemed the most significant:

- Risk-focused organisational culture;
- Responsible lending;
- Regulatory compliance;
- Economic value of our contributions;
- Customer experience; and
- Cybersecurity, fraud prevention and anti-money laundering.








In line with our own expectations of strong corporate governance and high ethical standards, we included 'Anti-corruption' as a material ESG factor in 2017.

The 15 factors are aligned with our sustainability pillars. A summary of our material ESG factors and their corresponding GRI Standards topics and boundaries are presented in the following table.

Material ESG Factor	Our Value Creation	Our Goal	GRI Standards Topic	Where the Impact Occurs	Our Involvement with Impact
Sustain Growth Responsibly					
Risk-focused Organisational Culture 	<ul style="list-style-type: none"> • Maintaining high standards of corporate governance and a robust risk management framework to protect the interests of our stakeholders • Remaining nimble to seize business opportunities amid a fast-changing environment 	To achieve stable and sustainable growth through informed risk-based decisions	<ul style="list-style-type: none"> • Employment • Socio-economic compliance 	Group-wide	Direct
Responsible Lending 	<ul style="list-style-type: none"> • Addressing environmental, social and governance issues when making lending decisions 	To be a responsible financial services provider	<ul style="list-style-type: none"> • Product portfolio (G4 Financial Services Sector Disclosure) • Economic performance 	Business units	Indirect
Regulatory Compliance 	<ul style="list-style-type: none"> • Maintaining sound risk management systems • Complying with applicable laws, rules, regulations and standards 	To maintain the highest standards of professional and ethical behaviour	<ul style="list-style-type: none"> • Anti-corruption • Socio-economic compliance 	Group-wide	Direct

Material ESG Factor	Our Value Creation	Our Goal	GRI Standards Topic	Where the Impact Occurs	Our Involvement with Impact
Sustain Growth Responsibly					
Economic Value of Our Contributions 	<ul style="list-style-type: none"> Delivering consistent returns for our investors Contributing to local economies through taxes, job creation, facilitating trade and industries and building the financial resilience of our stakeholders 	To create direct and indirect economic value for our stakeholders	<ul style="list-style-type: none"> Economic performance Indirect economic performance 	Group-wide	Direct
Keep Customers at the Centre					
Customer Experience 	<ul style="list-style-type: none"> Treating customers fairly based on the principles of integrity, trust and respect Creating responsible solutions across our businesses to meet our customers' needs 	To keep the customers' interests at the heart of all that we do	<ul style="list-style-type: none"> Marketing and labelling Customer privacy Local communities 	Group-wide	Direct
Cybersecurity, Fraud Prevention and Anti-money Laundering 	<ul style="list-style-type: none"> Protecting our customers from cyber threats through robust risk management systems and processes Assisting regulators in preventing cyber crime, money laundering, funding of terrorism and dealing with sanctioned persons 	To uphold our role in maintaining a secure and trusted banking environment	<ul style="list-style-type: none"> Customer privacy Socio-economic compliance 	Group-wide	Indirect
Digital Transformation 	<ul style="list-style-type: none"> Making banking simpler, smarter and safer for our customers through innovation and technology 	To ensure that technology enhances our people and service capabilities as we deepen our culture of innovation and enterprise	<ul style="list-style-type: none"> Customer privacy 	Group-wide	Direct
Develop Professionals of Principle					
Attracting, Developing and Retaining Talent 	<ul style="list-style-type: none"> Treating our colleagues with care and respect Investing in training and career development for our colleagues 	To develop valuable and meaningful careers for our colleagues	<ul style="list-style-type: none"> Employment Training and education 	Group-wide	Direct

Sustainability Approach

Material ESG Factor	Our Value Creation	Our Goal	GRI Standards Topic	Where the Impact Occurs	Our Involvement with Impact
Develop Professionals of Principle					
Diversity and Inclusion 	<ul style="list-style-type: none"> Hiring from diverse cultural backgrounds, age groups, gender and abilities 	To champion a more inclusive society	<ul style="list-style-type: none"> Employment Diversity and equal opportunity 	Group-wide	Direct
Workplace Safety, Health and Well-being 	<ul style="list-style-type: none"> Providing our colleagues with a conducive work environment 	To ensure the physical, mental and social welfare of our colleagues	<ul style="list-style-type: none"> Occupational health and safety 	Group-wide	Direct
Strengthen Community Bonds					
Social Impact 	<ul style="list-style-type: none"> Supporting social development in the areas of art, children and education Encouraging innovation and enterprise, and nurturing start-ups and small- and medium-sized enterprises 	To strengthen our social fabric through community-building and helping individuals and organisations realise their potential	<ul style="list-style-type: none"> Local communities Indirect economic performance 	Group-wide	Indirect
Access to Financial Services 	<ul style="list-style-type: none"> Making banking services and products accessible to target segments of society to meet their needs and expectations 	To ensure that banking services and products are available through our comprehensive and diverse network of touchpoints	<ul style="list-style-type: none"> Local communities 	Business Units	Indirect
Anti-corruption 	<ul style="list-style-type: none"> Adopting zero-tolerance approach to bribery and corruption, and ensuring transparency and accountability 	To help build a more transparent and accountable global economy	<ul style="list-style-type: none"> Anti-corruption 	Group-wide	Direct
Environmental Footprint 	<ul style="list-style-type: none"> Managing our resources wisely by saving energy, reducing carbon emissions and resource consumption, and minimising waste 	To play our part in reducing climate change	<ul style="list-style-type: none"> Energy Emissions Effluent and waste Water 	Group-wide	Direct
Sustainable Procurement 	<ul style="list-style-type: none"> Adopting sustainable procurement practices 	To purchase from local suppliers where feasible	<ul style="list-style-type: none"> Procurement practices 	Group-wide	Indirect

Sustainability Governance Structure



In 2017, the Bank reviewed and updated our sustainability governance structure to include the Senior Management-level Risk and Capital Committee and the reconstituted ESG Strategy Group to ensure that sustainability factors were considered in all aspects of our operations. The ESG Strategy Group, comprising representatives from various business and support functions, reviewed material ESG factors, collated and assessed data, goals and targets and identified sustainability risks and opportunities with the guidance of the Risk and Capital Committee.

The Management Executive Committee (MEC), which comprises the Group Chief Executive Officer, Group Chief Financial Officer, Group Chief Risk Officer, Head of Group Technology and Operations, Head of Group Retail, Head of Group Wholesale Banking and the Head of Global Markets, reviews and determines the material ESG factors and their scope. The MEC evaluates key performance indicators, reviews long-term business and organisational goals and provides the strategic direction for the Bank's sustainability practices.

Chaired by an independent director, the Strategy Committee has been delegated by the Board of Directors with general oversight of the Board's attention to the sustainability agenda.

* An ESG Committee was set up in early 2018 to replace the ESG Strategy Group. The ESG Committee reports directly to the Management Executive Committee on the Bank's sustainability matters.

Sustainability Reporting Frameworks and Principles

Our sustainability reporting is in accordance with the GRI Standards: Core option and selected indicators from the GRI G4 Financial Services Sector Disclosures paper. It also complies with the SGX-Securities Trading Listing Rules (711A and 711B) and the SGX Sustainability Reporting Guide. The GRI Content Index, which indicates the location of the relevant disclosures, is on pages 267 to 271 of this report.

In defining our reporting content, we have applied the GRI Standards (GRI 101: Foundation 2016). We have also determined the reporting content on the basis of materiality assessment and stakeholders' interests, expectations and concerns. In that regard, we have considered the broader sustainability context in which we operate our business and we have reported our relevant performance for the past three years for the identified material ESG factors unless noted otherwise.

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

The ESG data and information provided have not been verified by an independent third party. We have relied on internal data monitoring and verification to ensure accuracy, while our external sustainability consultant reviewed the data and information, verified samples of data and conducted interviews to ascertain accuracy.

Colleagues

The decisions we make and the actions we take are guided by our values of Honour, Enterprise, Unity and Commitment. This is also expressed in how we care for the professional and personal development of our colleagues across the organisation. We are dedicated to building a culture where our colleagues are empowered to make a positive and meaningful difference in what they do for our internal and external stakeholders. We do this by fostering an inclusive, prudent, progressive and high-performing organisation that encourages the best of each individual from our team of principled professionals.



We are committed to developing among our colleagues a sense of belonging to UOB.

Our Employee Commitments

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



Honourable

Do What is Right

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



Enterprising

Build Meaningful Careers

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



United

Make a Real Difference

Our unwavering commitment to upholding the UOB values is reflected in how our colleagues serve our customers and our communities with passion. We are here to make a real difference to shape our future and to add value to the lives we touch.



Committed

Lead by Positive Example

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

Colleagues

2017 Highlights

- Introduced UOB+you, our distinctive employee value proposition designed to help attract, to engage and to retain people with the right values and mindset;
- Conducted a Group-wide Employee Survey to gather feedback on how well we live up to our values;
- Launched our Leadership Right By You programme to equip managers with the skills to become a distinctive UOB Leader;
- Launched the inaugural UOB Honours Awards where we recognised 15 teams for their achievements in living our values and celebrated the dedication of more than 850 long-serving colleagues across the Group;
- Recognised 85 individual colleagues and 28 teams across the Group for being role models at our UOB Customer Commitments Awards;
- Enhanced flexible work arrangements with the introduction of Flexi2 and Work from Home initiatives across the Group;
- Enhanced paternity and parental leave to improve work-life harmony for employees; and
- Received 10 industry awards across China, Hong Kong, Singapore and Thailand for outstanding human resources and workplace practices.

Doing What is Right

Our Commitment to Fairness

UOB is committed to building a safe, nurturing and inclusive workforce where all colleagues are treated respectfully and professionally and are given equal opportunity based on merit. We promote work-life harmony and a workplace 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. Upon joining, all new colleagues are informed of, and sign up to, their obligations and rights under this code. All existing employees are also required to refresh their knowledge and to renew their commitment to our Code of Conduct through completing an e-learning module every year.

Maintaining a Risk-Focused Organisational Culture

We are steadfast in maintaining the trust our stakeholders have placed in us. We do this through our focus on values-led decision making and behaviour, and ensuring a strong risk-focused organisational culture. Our comprehensive framework of policies, processes, methodologies and tools help us identify, measure, monitor and manage material risks and opportunities faced by the Group. Where applicable, employees' key performance indicators also include risk control metrics.

Ongoing training is an essential part of our efforts to ensure a risk-focused organisation. The topics for our training courses include anti-money laundering, countering the financing of

terrorism, assessing and addressing operational and security risks, business ethics, core ethics for financial advisers, Fair Dealing ethics, global fraud prevention, financial crime prevention, IT security and cyber risk awareness, regulations on short-selling, and the UK Bribery Act. Several of our training programmes are also available online. This provides our colleagues more flexibility to learn and to complete the courses. In 2017, each colleague across the Group spent an average of 13.3 hours on training related to risk management.

Our colleagues also participated in conferences, seminars and workshops to learn more about risk management industry trends and best practices. Some of the events included the Financial Crime Seminar by The Association of Banks in Singapore and the ASEAN Regulatory Summit by Thomson Reuters.

Encouraging Employee Feedback

We value feedback from our people on our workplace culture and on how well we are upholding our values. In 2017, we invited all colleagues to participate in an online employee survey. Close to 70 per cent of our people completed the survey and their input will help to shape our people-focused programmes.

We also ensure our people have the ability to raise matters of potential concern in a secure manner without fear of adverse consequences through our whistleblowing policy. All reported cases are swiftly investigated and resolved. The status of all whistleblowing cases is tracked by Group Audit and reported to the Audit Committee every quarter.

Embracing Diversity and Inclusivity

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

Ensuring Gender Diversity

Women accounted for 61.9 per cent of our permanent employees as at the end of 2017 and 57.9 per cent of all the hires in 2017.



Ms Susan Hwee, our Head of Group Technology and Operations, speaking at the Singapore FinTech Festival in November 2017. Women form 40 per cent of our department heads.

Women held 36.4 per cent and 51.6 per cent of senior and middle management roles respectively. They also accounted for 40 per cent of department heads, who are Senior Management reporting directly to the Group CEO or a Country CEO.

Offering Re-employment to the Silver Workforce

Recognising the depth of knowledge and experience that older colleagues bring to the workplace, we enable them to continue working beyond the statutory retirement age. In Singapore, we offered re-employment opportunities to 147 colleagues who were eligible for retirement, 74 of whom were women.

Developing an Inclusive Workplace

Our diverse workforce extends beyond a mix of age and gender. The UOB Scan Hub – our nerve centre for checking, digitising and archiving of customer documents – employs people with autism or with hearing impairment, 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 very suitable for some of the functions at the UOB Scan Hub.

In 2017, we increased by 30 per cent to 23, the number of our UOB Scan Hub colleagues with special needs. We continue to partner the Autism Resource Centre and the SPD in Singapore on

a structured training programme for people with special needs to work at UOB Scan Hub and to ensure the work processes and the office environment are suited for their needs.

Upholding Human Rights

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

Ensuring Freedom of Association

We respect our 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 Singapore Bank Officers' Association, 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 the end of 2017, the proportion of unionised to non-unionised employees in Singapore, Malaysia and Indonesia was 33.4 per cent, 87.4 per cent and 29.2 per cent respectively.

Advancing Workplace Safety and Health

Creating a healthy, safe and harmonious workplace is important to us and we have established a Group-wide workplace safety policy and guidelines to identify and to address health and safety risks. In Singapore, UOB is certified as BizSAFE Level 2 by the Workplace Safety and Health (WSH) Council. Our WSH Workgroup plans and implements various health and safety initiatives. The workgroup includes representatives from different business units and functions. Each department has its nominated WSH leaders, assistant leaders, managers and assistant managers and we aim to take the necessary measures to eliminate health and safety risks. The representatives attend the risk management course approved by Singapore's Ministry of Manpower.

Building Meaningful Careers

Offering a Distinctive Employee Value Proposition

With people critical to the success of our long-term business strategy, in 2017 we launched UOB+you, an integrated approach to attracting, to engaging and to retaining the best talent. Our distinctive employee value proposition is built upon our values of being Honourable, Enterprising,

Colleagues



Our first batch of financial advisers in Malaysia to undergo the UOB-ABS Wealth Advisory Certification Programme. This is one of our many training and development programmes.

United and Committed. UOB+you captures the essence of UOB's employment experience and is supported by a wide range of programmes that cover flexible work arrangements, health and wellness, employee welfare benefits, training and development courses and recognition programmes.

Developing Our Colleagues

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 serve our customers and to realise our own full potential.



Participants at the 2017 UOB Leadership Academy with our senior leaders.

In 2017, we invested \$21.3 million in training our people across the Group. Our people completed an average of 43 training hours per person in 2017, which equates to about 1,090,000 hours Group-wide, an increase of 19.7 per cent over 2016.

Leadership Development and Succession Planning

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

management levels. Individual Development Plans are created for each of our identified talents and are updated on an annual basis. In 2017, we moved the OPR process online to enable the Committee and business leaders to plan and to track development activities more efficiently.

Succession planning is an integral part of our OPR 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. The Human Resources Committee manages the Group's collective talent pool.

Strengthening the Leadership Capabilities of Our Line Managers

Our new Leadership Right By You initiative is a suite of four development programmes to equip newly-promoted or hired leaders with the required skills based on our UOB Leadership SEED (Strategise, Engage, Execute, Develop) Competency Model. Almost 300 managers completed the programme as at the end of 2017.



Eighty-eight new First Line Managers from various functions across the Bank at the launch of the Leadership Right By You initiative in 2017.



Our UOB Thailand colleagues at their Leadership Right by You training session.



The 32 Management Associates chosen from almost 22,000 applicants, with our senior leaders at the 2017 induction ceremony.

Strengthening the coaching capabilities of our leadership team was also a focus of 2017 and as such we launched the inaugural International Corporate Coaching programme for Executive Directors and Managing Directors. Twelve leaders have completed the certificate programme, of which four have gone on to complete the prestigious Worldwide Association of Business Coaches' Registered Corporate Coach certification.

Grooming Young Talent

Our increasingly-popular 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 2017, we received almost 22,000 applications for our programme from which 32 fresh graduates from top universities in China, Hong Kong, Indonesia, Malaysia, Singapore and Thailand were selected for this programme. The number of applications was an increase of 16 per cent over 2016. Selected Management Associates are given overseas assignments to gain regional experience. Since the programme started in 2004, we have hired 529 Management Associates and nearly half of them are still with the UOB Group, with many having progressed well in their careers.

Building Capabilities for the Future

As we anticipate the needs of a new generation of increasingly tech-savvy customers, we have also sharpened our digital skills training programmes.



The launch of our PCP in Singapore was attended by Ms Indranee Rajah, Senior Minister of State for Law and Finance, and Mrs Josephine Teo, Minister in the Prime Minister's Office and Second Minister for Home Affairs and Manpower, and our senior leaders.



Our people at a design thinking workshop as part of the PCP.

In 2017, we launched a Professional Conversion Programme (PCP) for our employees in Singapore to strengthen their digital capabilities and to prepare them for future roles in the financial sector. The PCP, developed in collaboration with Workforce Singapore, the Monetary Authority of Singapore and The Institute of Banking and Finance, adds to our existing training programmes that prepare 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. About 900 branch colleagues will undergo the PCP over the new two years.

As an organisation focused on keeping the customer 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 equip them with the skills to develop creative solutions that meet and exceed business and customer needs.

Colleagues



Our HR colleagues attending a design thinking workshop as part of the UOB HR Academy.

We continued our UOB SUMMIT (Social, Unity, Motivation, Mastery, Innovation, Technology) programme in Singapore to offer more opportunities for employees to update and to upgrade their skills to be future-ready. Under the initiative, we re-invest the grants received under the Singapore Government's Wage Credit Scheme into career and personal development courses for our people. Colleagues can also use the training credits for courses under the national SkillsFuture programme. A total of 3,078 colleagues attended 492 programmes under UOB Summit in 2017.

Deepening Our Human Resource Capabilities

In 2017, we upgraded the skills of our Human Resources (HR) team through design thinking workshops as well as the creation of the UOB HR Academy to strengthen our HR capabilities. We also piloted an HR Analytics Workshop for our HR business partners to help them to be more adept at using data and drawing insights from it in order to make fact-based workforce decisions.

Managing Employee Performance

UOB is committed to fostering a meritocratic, performance excellence culture in 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 for the weaker performers. Managers are encouraged to hold discussions with their team members throughout the year to review their progress and to address their challenges.

At the end of the 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 UOB values.

Making a Real Difference

Caring for Our Colleagues

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

Providing Greater Work Flexibility

In 2017, we introduced new flexible work options to help our colleagues balance their work and personal commitments. These programmes have been launched in China, Hong Kong, Indonesia, Malaysia, Singapore and Thailand, and will be implemented in phases across the rest of the Group during 2018.

Examples of our flexible work options are:

- Staggered work hours giving employees greater flexibility in managing their daily work schedule;
- Two hours of paid time off (Flexi2) every month for full-time permanent employees to attend to personal matters; and
- Work from home option of up to 10 days a year to help employees manage their personal needs while fulfilling work responsibilities.

Utilisation Rate of Flexible Work Options for Employees in Singapore

Flexible Work Arrangements	Utilisation rate (%)
Staggered Work Hours	30
Flexi2	72
Work from Home	14

Based on a survey of employees in Singapore conducted in 2017.

Family-Friendly Policies

In 2017, we introduced dual-use nursing rooms at various office locations in Singapore to support return-to-work mothers. The dual-use places serve as a practical way to maximise the use of limited office space while catering to the mothers' need for privacy and convenience.



Our colleagues Ms Brittany Cheng and Ms June Loh are appreciative of the privacy and thoughtful convenience the nursing rooms provide.

In 2017, we doubled the paternity leave days we offer fathers in Singapore. This is in addition to the shared parental leave we already offer, which allows fathers to share one week of leave with their wife's maternity leave entitlement. In 2017, the number of our male colleagues who utilised their paternity leave was 137. About 80 per cent of the female colleagues remained in employment for at least 12 months after they returned from their maternity leave.

Encouraging Healthier Lifestyles

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

Under the programme, colleagues receive HEAL dollars to spend on a wide range of health and wellness benefits for themselves and their dependents. The benefits include health screening, vaccinations, dental and optical treatments, gym memberships and health-related workshops. In 2017, employees received \$15.5 million worth of HEAL benefits and we reimbursed \$48.5 million worth of HEAL benefits since the launch of the programme in 2013. In 2017, we launched a mobile app in Singapore to make it even easier for our employees to submit their HEAL dollar claims.

Under the HEAL programme is CARE, an integrated wellness programme that gives our people greater choice and flexibility through a range of healthcare prevention, protection, wellness and treatment options. In 2017, we enhanced the CARE programme to include claims for eldercare and childcare expenses using HEAL dollars. To help our people to stretch their HEAL dollars, we have partnered NTUC Health in Singapore to offer our people and their immediate family members various nursing home services, including home care, at preferential rates.

Supporting Fitness and Wellness

As part of UOB+you, we have partnered wellness companies to conduct health talks, yoga classes and mass fitness workouts since October 2017. The activities are held at our office premises, such as the mass fitness workouts at the UOB Plaza Atrium every Thursday evening. We also encourage our people to participate in and to form sports groups such as badminton, bowling, dragon boat racing, netball and softball. Besides improving the health and well-being of our people, these sessions also help to build a greater sense of belonging among our employees.



Fitness classes such as Zumba and yoga are conducted after office hours and during lunchtime.



Our dragon boat team comprises colleagues from many departments and offices.

Encouraging Employee Networking

We introduced a UOB+you networking programme in September 2017 to help our colleagues connect with one another outside of the usual work environment. Under this programme, networking events are organised every second and last Wednesday of the month in Singapore. Since its launch, 870 colleagues have joined the sessions, including the Group CEO and several members of our Senior Management team.

Colleagues



The winners of the UOB Customer Commitments Awards (CCA) Individual Top Awards.

Leading by Positive Example

Recognising Our People's Achievements

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

UOB Honours

We launched the UOB Honours programme in 2017 to recognise teams across functions and geographies who collaborated to deliver innovative solutions, who increased productivity or who demonstrated long-term commitment to the Bank. The first UOB Honours awards ceremony recognised 15 teams across the Group and celebrated 170 long-serving colleagues in Singapore and more than 700 colleagues in other markets through the Dedication Awards. During the event held in Singapore, we recognised the significant contributions of Mr Francis Lee, Head of Group Retail, through our first UOB Lifetime Achievement Award. Mr Lee joined the Bank in 1980. Among his many achievements was spearheading the Bank's expansion in the region between 2003 and 2008 which resulted in our acquisitions in Indonesia and Thailand.



One of the winning teams at our inaugural UOB Honours awards ceremony.

UOB Customer Commitments Awards

In 2017, we ran the second UOB CCA programme across the Group. The UOB CCA campaign, competition and ceremony seek to encourage and to inspire our people to act always in the best interests of our customers. At the UOB CCA ceremony, we recognised 85 individual colleagues and 28 teams for being role models who have best demonstrated our customer commitments in their daily decisions and actions. They were selected from more than 3,750 entries and the winners included colleagues from China, Hong Kong, Indonesia, London, Malaysia, Mumbai, New York, Seoul, Singapore, Thailand and Yangon.

Bridging Differences Across Industries

In demonstrating our commitment to diversity, we partnered the Embassy of the Kingdom of the Netherlands and organised a "Women in FinTech" networking and panel discussion at the Singapore FinTech Festival 2017. The session enabled 20 women leaders from the finance industry, FinTech start-ups and government agencies to connect with one another and to share their thoughts on diversity in the workplace. Panel speakers shared their experience in being a female leader in their company and industry.



Queen Maxima of the Netherlands and a UOB senior leader sharing their thoughts on diversity with participants at the networking session.

Promoting a More Inclusive Society

In Thailand, we supported a project by the Thai Bankers' Association, Social Innovation Foundation and the Thai Red Cross to provide employment opportunities at non-profit organisations for people with disabilities. Through our support, 38 people were contracted for administrative work and general services at the Thai Red Cross and local government hospitals. We also engaged five people with disabilities to help us with our employee engagement activities such as blood donation drives and Happy Friday under our UOB+you programme.

Receiving Industry Recognition

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

Singapore

- Excellence in CSR Strategy – Silver at the HR Excellence Awards 2017
- Excellence in Workplace Culture – Gold at the HR Excellence Awards 2017

China

- Best Enterprise and Best Value Project (by *Training Magazine*)
- 100 Excellence Employer of China Award (by 51job.com)
- Top 100 China Best Employer Award (by Zhilian.com)

Hong Kong

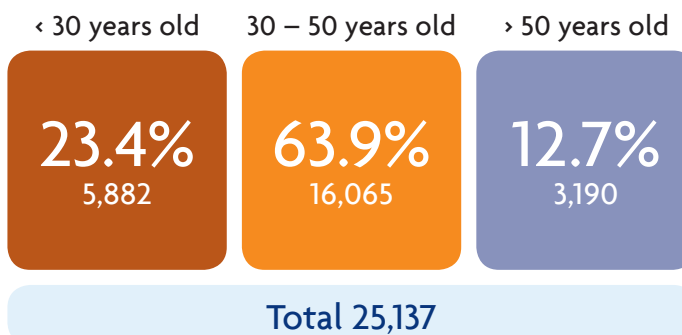
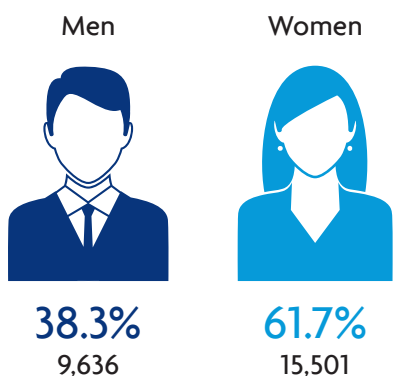
- Best Companies To Work For In Asia 2017 (by *HR Asia*)
- Best Management Associate Programme – Silver (by *Human Resources Magazine*)
- Caring Company (by Hong Kong Council of Social Service, HKSAR Government)
- Good MPF Employer 2016-2017 (by HK Mandatory Provident Fund Scheme Authority)
- Practicing Organisation in Work-Life Balance Week 2017 (by Community Business)

Thailand

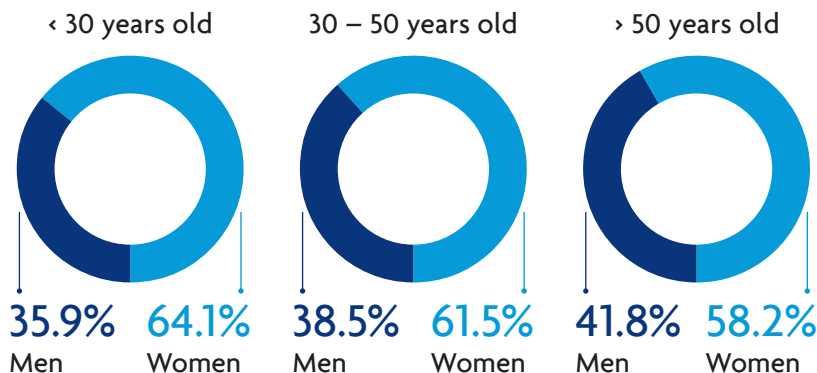
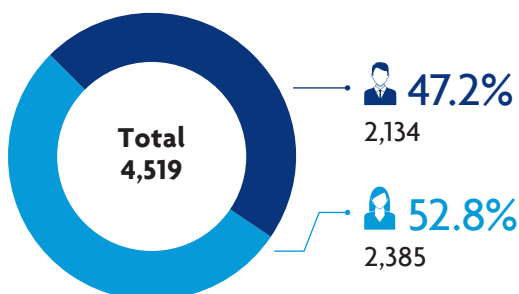
- Recognition certificates from the Association for the Mentally Ill of Thailand and the Thai Bankers' Association for encouraging inclusivity in the community

Diversity of Our People

(as at 31 December 2017)

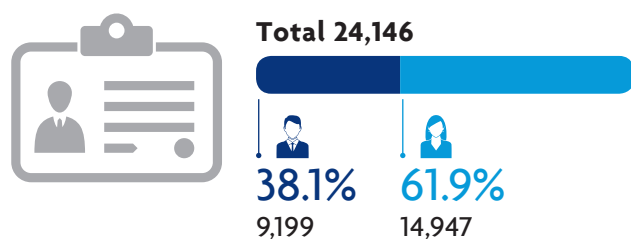


Department Heads and Managers

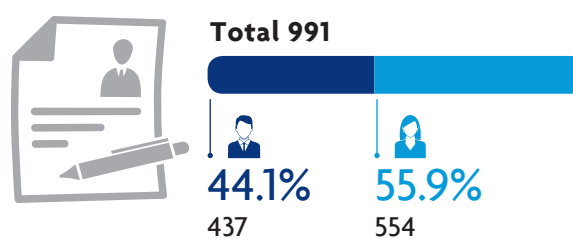


Colleagues

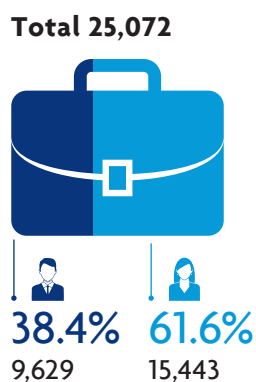
Permanent



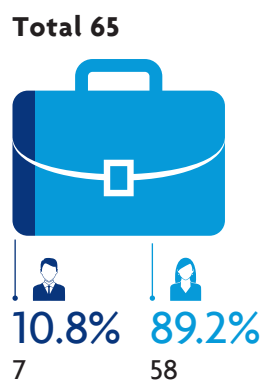
Contract



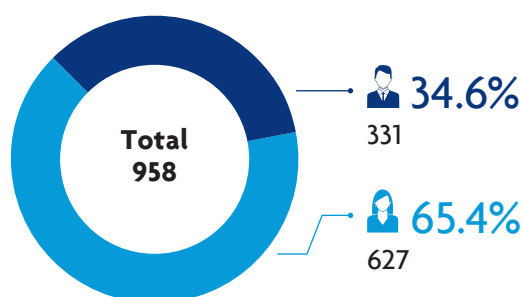
Full Time



Part Time



Temporary



Total Number of Colleagues



Locals (Citizens/Permanent Residents)	23,999	95.5%
Foreigners	1,138	4.5%
Total	25,137	

	Senior Management	Middle Management	Executive	Administrative
	311 (63.6%)	2,795 (48.4%)	4,685 (37.3%)	1,845 (29.2%)
	178 (36.4%)	2,984 (51.6%)	7,876 (62.7%)	4,463 (70.8%)
Total	489	5,779	12,561	6,308









New Hires	Total	< 30 years old	30 – 50 years old	> 50 years old
	2,609 (42.1%)	1,227 (39.3%)	1,226 (45.1%)	156 (44.2%)
	3,586 (57.9%)	1,896 (60.7%)	1,493 (54.9%)	197 (55.8%)
Total	6,195	3,123	2,719	353

Turnover Rate	2017	2016	2015
Overall	20.9%	20.6%	19.8%
	23.0%	24.1%	21.1%
	19.6%	18.4%	19.0%

Average Training Hours Per Colleague

	2017	2016	2015
	43.4	38.4	38.9
	43.1	32.7	36.3
Overall	43.3	35.2	37.9

Training Hours by Employment Category

	2017	2016	2015
Senior Management			
	34.3	33.9	28.8
	37.6	29.7	32.6
Middle Management			
	37.6	35.5	37.6
	40.3	31.9	33.1
Executive			
	49.9	46.9	49.7
	43.0	34.9	39.9
Administrative			
	37.3	25.1	22.6
	45.4	30.1	33.0

Total Training Expenditure (\$ million)

	2017	2016	2015
	21.3	19.6	20.9

Average Training Expenditure per Headcount (\$)

	2017	2016	2015
	845.5	788.9	835.9

Community

Giving back to the communities in which we operate is fundamental to us. Our deep understanding of the markets in which we operate enables us to appreciate the interests of the local communities and we are steadfast in our support of their social and economic development. Guided by our values of being Honourable, Enterprising, United and Committed, we contribute to these communities holistically through philanthropy, partnerships and employee participation, and by being inclusive. Our programmes connect people, strengthen bonds and enrich lives through art, children and education.



Mr Wee Ee Cheong, UOB Deputy Chairman and CEO and Ms Jenny Wong, Group Head of Human Resources, with more than 7,000 colleagues, their families and customers at the 2017 UOB Heartbeat Run/Walk in Singapore to raise funds for our beneficiaries.

2017 Highlights

- More than 61,000 hours volunteered by our colleagues for our UOB Heartbeat Corporate Social Responsibility Programme across our key markets of China, Hong Kong, Indonesia, Malaysia, Singapore and Thailand – an increase of 23 per cent over 2016;
- More than 14,500 of our customers, colleagues and their families participated in the UOB Heartbeat Run/Walk fundraising event held simultaneously across the region;
- Championed Southeast Asian art and artists through the 36th UOB Painting of the Year competition and international art fairs, drawing people across the region closer together as one community;

2017 Highlights (continued)

- Launched art outreach initiatives for award-winning artists to share their experiences with and inspire more than 2,400 students studying art in Indonesia, Singapore and Thailand;
- Trained 330 colleagues and business partners in Thailand on art theories, so they could serve as volunteers for a 10-week art workshop for the visually-impaired under the UOB Please Touch art programme;
- Developed young minds through education and financial literacy programmes across the region;
- Recognised as the Champion of Good 2017 (inaugural awards) from the National Volunteer and Philanthropy Centre for being a catalyst of change for corporate giving; and
- Facilitated funding for, and invested in, companies in the region and encouraged them to improve their environmental, social and governance considerations.

Ensuring Sustainable Economic Growth

As a leading bank in Asia, we are committed to supporting sustainable business investment and long-term economic growth in the markets in which we operate.

In the course of conducting our business, we create direct and indirect economic value for our stakeholders. In 2017, we provided livelihoods for more than 25,000 people across our network spanning 19 countries and territories. We continued to support local businesses and helped to create jobs through the goods and services we bought from more than 9,900 suppliers in our six main markets. More than \$2.2 billion of our total income was distributed to our people as employee compensation and benefits, which in turn contributed to spending within local economies. We also accrued \$800 million in income tax to various governments.

Encouraging Long-Term Strategic Investments

As part of our approach to ensuring sustainable business growth, we support investment which facilitates economic development, empowers local communities and improves lives.

- In Thailand, UOB Asset Management launched the United Thai Equity Corporate Governance Fund as part of the Association of Investment Management Companies' sustainable investing campaign. The campaign aims to encourage Thai-listed companies to improve their corporate governance and social responsibility;
- UOB Venture Management (UOBVM) funds promising companies in the region through the ASEAN China Investment Fund and encourages them to adopt sustainable practices. We also provide the companies with advice on enhancing their environmental, social and governance considerations;

- UOBVM collaborates with Credit Suisse to manage the Asia Impact Investment Fund which invests in socially-responsible high-growth companies that help to improve the living standards of low income communities in Southeast Asia and China;
- In Indonesia, UOBVM led the funding for Indonesian education technology start-up, Ruangguru, which offers affordable digital-based educational content to educators and students countrywide, especially those from lower-income families; and
- In Singapore, we provided a \$15 million loan to sustainable energy provider Sunseap Group, for a series of long-term solar power projects that will help reduce the carbon footprint of companies in the country. This series includes the largest rooftop solar power project in a single site in Singapore.

More information can be found in the Investment Management section of this report.

Keeping the Good Going Through UOB Heartbeat

The UOB Heartbeat Corporate Social Responsibility Programme connects our customers, our partners and our colleagues across the Group to harness the power of the collective for the benefit of our communities. Through partnership, philanthropy and participation initiatives, the UOB Heartbeat programme demonstrates our long-term commitment to these communities. We focus on three areas which we believe are essential for the quality and progress of society: art, children and education.

Connecting Communities Through Art

Drawing Out Talent Through Art Competitions

We believe that art transcends the boundaries of geographies, economies and time to draw people together through a deeper understanding and appreciation of our common roots and linkages.

With our deep roots in Southeast Asia, we are steadfast in supporting the development of art in the region and our annual UOB Painting of the Year (POY) competition underscores this commitment. Started in 1982, the POY is the longest-running

Community



The regional and country winners of the 36th UOB POY competition against a backdrop inspired by the winning regional painting from the year before.

art competition in Singapore and one of the most recognised in Southeast Asia. To nurture and to encourage aspiring and established artists in the region, we hold the competition in Singapore, Indonesia, Malaysia and Thailand, with the most outstanding artwork chosen for the UOB Southeast Asian Painting of the Year Award. The recipient of the 2017 award was Mr Sukit Choosri from Thailand for his work, *One Life*, which depicted the transience of life.

We also promote artistic talent across the region by raising the profiles of the UOB POY winning artists and by providing them with opportunities to showcase their works. Since 2007, we have been exhibiting collections of their paintings at our UOB Art Gallery at UOB Plaza in Singapore. In 2017, we presented more than 50 artworks of the 15 UOB POY alumni from across the region at Art Stage Singapore, giving them another stage to interact with art collectors and curators. We promoted the works of Indonesian UOB POY artists through an exhibition we organised at Art Jakarta 2017.



Mr Wee Ee Cheong, UOB Deputy Chairman and CEO, with UOB Southeast Asian POY winner Mr Sukit Choosri from Thailand and Singapore's Minister for Education (Higher Education and Skills) and Second Minister for Defence, Mr Ong Ye Kung.

Inspiring Art Students to Pursue Their Passion

To inspire art students to pursue their passion, we held art dialogue sessions at schools across the region. In 2017, we launched the Artist's Conversations series in Singapore where our UOB POY alumni artists shared their experiences with more than 600 students from schools with the Art Elective Programme. In Indonesia, we arranged for local artists and the Executive Director of Japan's Fukuoka Asian Art Museum to share their thoughts on Asian contemporary art with students at the Bandung Institute of Technology and at the Indonesian Institute of the Arts Yogyakarta.



Visitors absorbing the richness of Southeast Asian art at our UOB Art Space at Art Stage Singapore 2017.



More than 400 art students from Nanyang Girls' High School in conversation with award-winning artists in Singapore.

In Thailand, we conducted roadshows at 26 art universities and colleges nationwide as part of our new Art is All Around campaign. More than 1,600 students had the opportunity to exchange their perspectives on Southeast Asian art with the 2016 UOB Most Promising Artist of the Year (Thailand), Mr Ketsakda Wimolsong.

Enabling Children to Express Themselves Through Art

As part of our art outreach efforts, in 2017 we conducted seven UOB Heartbeat art workshops in Singapore for more than 250 underprivileged children and those with special needs. We aimed to help them express themselves more confidently through art. The workshops led by our UOB POY artists included acrylic and watercolour painting sessions and a special food art workshop by popular bento artist, Little Miss Bento. We also brought children to the National Gallery Singapore to experience the Children's Biennale and the Yayoi Kusuma: Life is the Heart of a Rainbow exhibition.

Since 2015, we have been championing the UOB Please Touch programme in Thailand, an initiative to help people with visual impairment to experience and to enjoy art. In 2017, we partnered an art professor and handicraft experts to train 330 of our colleagues and business partners as volunteers at the UOB Please Touch

workshops. Together, they helped to bring art to more than 335 visually-impaired people through a 10-week programme.

Our team in Hong Kong arranged for the organisers of the Art Central fair to take teenage students from less privileged backgrounds on a guided exhibition tour. The visit culminated in an onsite art workshop where an art tutor shared sketching tips with the students. Our colleagues also worked with the Hong Kong Christian Service to organise an outdoor mural painting session for 21 underprivileged children. The completed mural was displayed at Art Central.

Championing Regional Art at the UOB Southeast Asia Gallery

UOB's support of art began in the 1970s and deepened as the Bank's network grew, reflecting its commitment to communities in Southeast Asia. The UOB Art Collection today holds more than 2,300 artworks, mainly comprising paintings by emerging and established Southeast Asian artists. These provide powerful, visual commentary of the region's growth and diversity. A number of the paintings are on permanent display at the UOB Southeast Asia Gallery at the National Gallery Singapore of which the Bank is a founding partner. To raise awareness of the richness of Southeast Asian art, in 2017, we gave out 700 gallery tickets to the community and our colleagues.



A family's consuming passion for art at our art bento workshop in Singapore.



Reframing the perception of art at a UOB Please Touch workshop in Thailand.



An uplifting experience for children from our beneficiaries who were on an excursion to the National Gallery Singapore with our UOB volunteers.



Children with art in the palm of their hands at Art Central in Hong Kong.

Community

Nurturing Curious Minds and Creative Expressions

Through our wide range of art and education outreach programmes, we nurture young minds and encourage their exploration of creativity to help them develop to their full potential.



Reaching out to children and students both inside and outside of the classroom.

Uniting As One to Help Children in Need

Maintaining the Momentum with UOB Heartbeat Run/Walk
The UOB Heartbeat Run/Walk is our annual flagship event to raise funds to improve the lives of children in the region who are underprivileged or have special needs. On a selected day every year, our families, friends and customers come together for this purpose. We have seen avid participation since the first UOB Heartbeat Run/Walk was held in Singapore in 2007.

Building on the momentum, we expanded this activity across Asia with Malaysia in 2008, Indonesia and Thailand in 2011, China in 2012 and Hong Kong in 2014.

In 2017, more than 14,500 participants raised \$1.42 million for their local beneficiaries through the UOB Heartbeat Run/Walk event held simultaneously across the region.



Keeping the good going across the region at our 2017 Heartbeat Run/Walk.

Community

Developing Young Minds for the Future

We believe that education gives good grounding and a head start in life to children, especially those from less privileged backgrounds. To help our beneficiaries develop to their full potential, we partner with other organisations to develop programmes and to conduct financial literacy workshops for them.

In 2017, our team in China collaborated with the Yicai Foundation to launch the UOB Brings The World To Me programme for 800 children from primary schools in the remote mountainous areas of Yunnan province. This programme exposes the children to the world beyond their rural community by giving them access to online courses on a range of subjects such as science, culture and basic financial knowledge. To overcome geographic barriers, the students study through live and pre-recorded sessions conducted by volunteer teachers. These sessions are projected onto television screens donated to their schools through the Yicai Foundation. More than 600 volunteers in China, including our colleagues, signed up as volunteer teachers for this programme. Our colleagues also distributed daily necessities and school supplies to the students.



The children at Central Primary School in Pian Ma Yi Minority Village are spurred to put their best foot forward in the new academic year upon receiving gifts of new shoes from the UOB China team.

As part of UOB Malaysia's effort to educate the younger generation on financial management, the team held Money Wise Street Smart seminars at the Tunku Abdul Rahman University College and at the Monash University Malaysia in 2017. About 700 students attended the seminars. Our Bank was also among 70 financial service providers that participated in Bank Negara Malaysia's Karnival Kewangan (Financial Carnival). Our people organised a four-hour educational programme to teach children how to spend and to save wisely through interactive board games and scavenger hunts. The team also took 30 children from UOB Heartbeat beneficiary, Dignity for Children Foundation, to participate in the event.

In Indonesia, more than 70 of our colleagues visited the Madrasah Ibtidaiyah Rabbani in Bekasi and ran a fun financial literacy workshop for 70 students between 10 and 12 years old. Through the games, our volunteers taught the children the value of saving and the importance of adopting good investment habits at a young age. They also rolled up their sleeves to repaint the school's facilities and prepared healthy meals for the students.

As part of our commitment to the long-term development of Myanmar, we partnered the University of Yangon and Yangon University of Economics to introduce the UOB University Scholarship Programme. The three-year programme which started in 2015 aims to nurture a pool of banking and finance talents in Myanmar and the scholars could also apply for internship positions with us to gain first-hand experience in the banking and finance industry. Between 2015 and 2017, a total of 45 students received financial assistance from us to complete their university courses.



Children and university students in Malaysia are learning how to manage their own finances through fun and games.

Festive Fundraising by Commercial Banking Colleagues

Every Lunar New Year, the UOB Commercial Banking teams across the region team up with our clients to help the community. In 2017, our Deputy Chairman and CEO Mr Wee Ee Cheong led 100 UOB volunteers and clients in Singapore to spruce up the flats of 16 financially-stretched families under the UOB Heartbeat Lunar New Year Outreach initiative by Group Commercial Banking. In collaboration with Fei Yue Community Services, the volunteers painted the homes and set up new furniture donated by the Bank's clients for the families to usher in the Lunar New Year. Our clients also sponsored goodie bags for 360 families living in the vicinity, as well as school supplies for 70 children from the Fei Yue Student Care Centre.

In Singapore, more than \$1.2 million was raised for local charities by the more than 1,000 local and regional business leaders at the annual UOB Commercial Banking Lunar New Year dinner.

The UOB Malaysia Commercial Banking team also organised an appreciation dinner for some 1,000 customers during the Lunar New Year period. Chinese paintings depicting the Year of the Rooster by local speed painter Ms Haze Long were auctioned and the proceeds were donated to four charity homes around the Klang Valley.

In China, our Commercial Banking colleagues from our Shanghai branch and China headquarters celebrated the Lunar New Year with the elderly at Shanghai Jiyanghong Nursing Home. They decorated the nursing home, played games with the residents and performed for them. Apart from the festive celebrations, the team also made a donation to a fund used by the nursing home to celebrate the birthdays of the elderly.



UOB Singapore and Malaysia raised funds through the Commercial Banking teams' Lunar New Year dinner for local charities.



Our Deputy Chairman and CEO Mr Wee Ee Cheong, UOB employees and clients across the region helping the beneficiaries prepare for and celebrate the Lunar New Year.

Community

Enabling Inclusiveness

In championing a more inclusive society, 200 of our colleagues in Singapore participated in The Purple Parade 2017, a movement that supports inclusivity and celebrates the abilities of persons with special needs.



Supporting an inclusive society by participating in The Purple Parade 2017.

More information on our efforts to develop an inclusive workplace can be found in the Colleagues section of this report.

Standing Tall to Help Others

In Singapore, UOB was a proud supporter of the Central Singapore Community Development Council's month-long campaign, the Giraffes Singapore movement. Our people volunteered at the celebration event held at the atrium of UOB Plaza, where they encouraged others to become Giraffes – to stick their necks out for others and for the public good.



We kept the good going by taking part in the Giraffes Singapore movement led by Ms Denise Phua, Mayor of Central Singapore District.

PayNow for a Cause

In 2017, we became the first and only bank in Singapore to enable customers to use a peer-to-peer funds transfer service called PayNow to donate to charity. The service is made available through our UOB Mighty app. More than \$120,000 was raised from our PayNow for a Cause campaign to support SPD's early intervention programmes for infants and children with special needs. The SPD is a voluntary welfare organisation serving people with disabilities.



Our fundraising campaign PayNow for a Cause was launched during the Giving Week in Singapore.

Receiving Recognition From the Community

Our colleagues across the region volunteered more than 61,000 hours of their time at UOB Heartbeat programmes in 2017, an increase of 23 per cent over 2016. We also contributed \$4.54 million to the communities in which we operate through sponsorships, donations, scholarships and funds raised by our colleagues, customers and partners.

Our approach and efforts to strengthen the bonds of society have been recognised across the region. In Singapore, we received the inaugural Champion of Good award from the National Volunteer and Philanthropy Centre for our corporate giving efforts and for constantly engaging our partners and stakeholders on a collaborative giving journey. Among the other awards that we received in 2017 were:

- Corporate Social Responsibility award at the Philanthropy Innovation Summit 2017 in China, organised by charitable organisations including China Charity Alliance, Amity Foundation and Rende Foundation;
- Distinguished Patron of the Arts Award for the 13th consecutive year from the National Arts Council;
- Outstanding Social Caring Investment Excellence Award 2017 in Hong Kong, by the Social Enterprise Research Institute
- Silver award at the HR Excellence Awards 2017 by *Human Resources* magazine for Excellence in CSR Strategy; and
- Special Events Platinum Award at the Community Chest Awards Ceremony 2017 organised by Community Chest in Singapore.



We received the Champion of Good award in Singapore from Mr Heng Swee Keat, Minister of Finance at the inaugural 2017 Champions of Good awards ceremony.



We received the 2017 Distinguished Patron of the Arts Award in Singapore from Ms Grace Fu, Minister for Culture, Community and Youth in recognition of our significant contributions to the local art scene.

Environment

We are committed to protecting the environment for the well-being of our colleagues, our customers and the wider community. Our approach is to manage our environmental footprint by focusing on energy efficiency, waste management and resource conservation in our operations across the Group. We are also committed to responsible financing to support sustainable development and to ensuring environmental, social and governance considerations are incorporated in our financing activities.

UOB's Climate Action Pledge

2017 Highlights

- Received renewed Green Mark Gold^{Plus} certification for UOB Plaza 1 and UOB Tower Block from the Building and Construction Authority (BCA), Singapore;
- Expanded the monitoring of our paper consumption and recycling efforts to our regional markets for better resource management across the Group; and
- Installed energy-efficient LED lighting in our new office building in Bangkok, Thailand and began retrofitting the lights at UOB Tampines Centre in Singapore.

Managing Our Environmental Footprint

With the operations at our office buildings and branches accounting for the majority of our direct environmental impact, we have implemented a range of programmes to improve energy efficiency, to conserve resources and to manage waste effectively.

We maintained the Green Mark Gold^{Plus} certification for our UOB Plaza 1, UOB Plaza 2 and UOB Tower Block buildings in Singapore. In 2017, the certification for UOB Plaza 1 and UOB Tower Block, which we first received in 2013 and 2014 respectively, was renewed by the BCA. We received the certification for UOB Plaza 2 in 2016. Such certifications are awarded by the BCA for the Existing Non-residential Building category after thorough assessment of the buildings' features on energy and water efficiency, environment protection, indoor environmental quality and other green features such as those on infrastructure and building interiors. With the certification, our buildings are assessed to be energy-effective, resource-efficient and have healthier indoor environments for our colleagues, customers, tenants and visitors.



Our certified energy-effective and resource-efficient buildings, UOB Plazas 1 and 2.

Our offices and the common areas at UOB Plaza 1, UOB Plaza 2 and UOB Tower Block are equipped with energy-saving LED lighting. To help reduce greenhouse gas emissions from our electricity consumption further, we carried on with our initiative to replace conventional lighting in all our offices with energy-efficient LED lighting. During the year, we installed LED lighting in our new office building in Bangkok, Thailand and began retrofitting the lights for UOB Tampines Centre in Singapore.

We measure and report the carbon dioxide (CO₂) gas emissions from our purchased electricity (Scope 2 emissions) in accordance with the Greenhouse Gas Protocol guidelines and we apply the grid emission factors to calculate our carbon footprint. In 2017, we adjusted our CO₂ emission figures for Singapore for 2015 and 2016 to reflect the slight revision in the grid emission factors. Overall, we lowered the intensity of our CO₂ emissions across our six key markets for the year.

In 2017, we also started measuring and reporting the CO₂ emissions (Scope 3 emissions) from our business air travel.

Managing Our Resources Responsibly

Paper

We encourage our people to minimise paper consumption. In 2017, we started implementing resource efficiency systems in our regional markets to track paper consumption and recycling efforts for better resource management across the Group. In 2017, we used 1,082 tonnes of office paper and recycled 530 tonnes of paper across our key markets.

We also print our annual red packets, which are distributed to our colleagues and customers across our network in celebration of Lunar New Year, and our annual report on environmentally-friendly paper.

Water

In addition to promoting the awareness of water conservation among our colleagues, we also conserve water through the use of water-efficient fittings at our buildings. Our three office buildings – UOB Plaza 1, UOB Plaza 2 and UOB Tower Block – in Singapore have received the Water Efficiency Building Award from the Singapore Public Utilities Board in recognition of our efforts to save water. In 2017, we reduced water consumption by 14.2 per cent year on year.

Waste Management

The waste we generate comes mainly from paper and decommissioned office equipment. We dispose or recycle this waste through licensed waste management contractors. In 2017, we reduced the waste we generated by 17.4 per cent year on year and recycled 9,693 kg of decommissioned office equipment in Singapore.

Promoting Environmental Awareness

To increase environmental awareness among our stakeholders including our building tenants, we organise a range of programmes and initiatives that aim to promote efforts in protecting the environment. For example, we continue to participate in the annual global Earth Hour campaign by turning off the lights in our buildings to raise awareness about climate change.

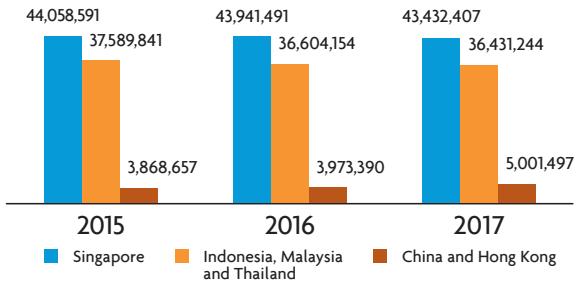
We have also stopped providing the UOB Annual Report on CD-ROMs and only provide a printed copy if one is requested. We encourage our shareholders and investors to share in our environmental efforts by reading the electronic version of the UOB Annual Report 2017.

More information on our efforts to support sustainable development can be found in the Sustainability Approach and Customer sections of this report.

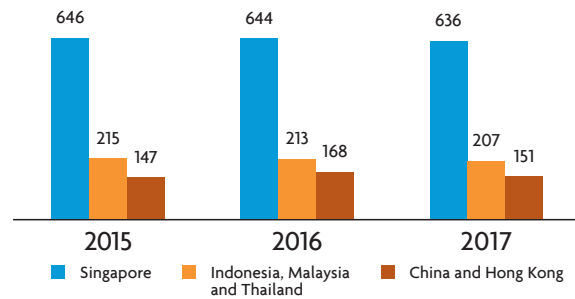
Environment

Our Environmental Performance

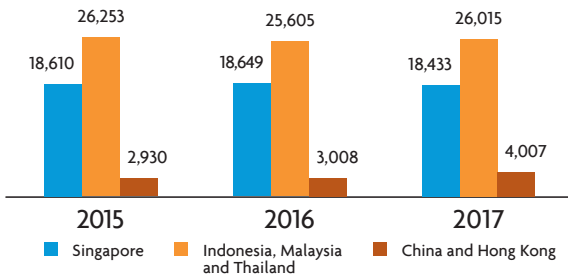
Electricity Use (kWh)



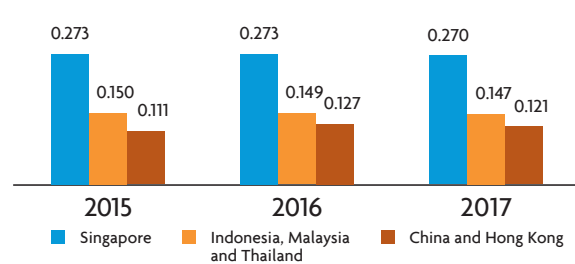
Energy Intensity from Electricity Use (kWh/m²)



Carbon Dioxide Emissions from Electricity Use (tCO₂)

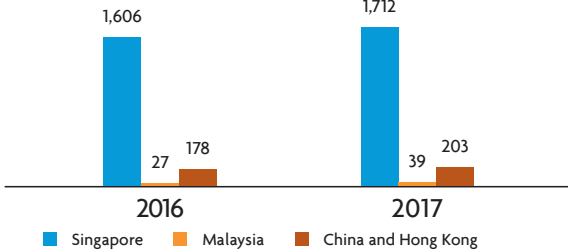


Carbon Dioxide Emission Intensity from Electricity Use (tCO₂/m²)

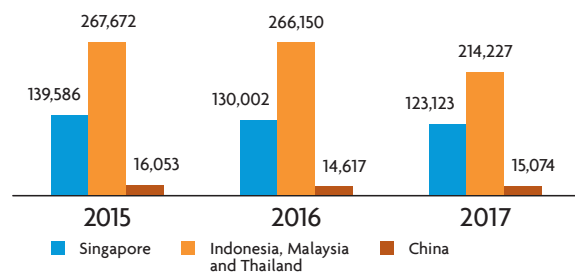


We adjusted our CO₂ emission figures for Singapore for 2015 and 2016 to reflect the slight revision in the grid emission factors.

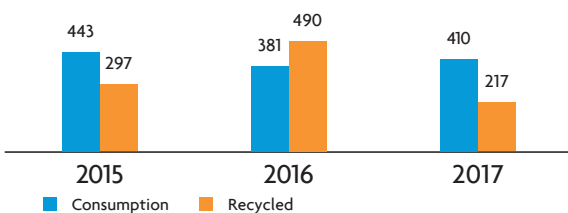
Carbon Dioxide Emissions from Business Air Travel (tCO₂)



Water Consumption (m³)

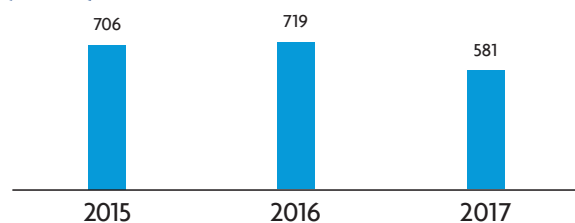


Office Paper Consumption and Paper Recycled (Singapore) (Tonne)



We started to collate the data on office paper consumption and paper recycled across our regional markets in 2017.

General Waste Generated (Singapore Office Buildings) (Tonne)



Sustainability Scorecard

Performance Indicators	2017	2016	2015
Customers			
Number of customers ¹ – Group	4,837,334	4,654,210	4,457,670
Access to Financial Services			
Number of branches – Group	467	470	484
Number of branches – Singapore	58	62	63
Number of ATMs – Group	1,668	1,661	1,724
Number of ATMs – Singapore	766	754	780
Number of contactless ATMs – Singapore	270	38	0
Number of Ability ² ATMs – Singapore	20	20	0
Digital Transformation			
Online penetration rate for retail customers – Group ³ (%)	54	51	50
Online penetration rate for retail customers – Singapore ⁴ (%)	82	81	77
Mobile banking users as a percentage of active online banking users (retail customers) – Group (%)	54	45	45
Online penetration rate for corporate/SME clients – Group (%)	60	52	44
Number of contactless point-of-sale merchant terminals – Singapore	10,432	5,723	1,331
Customer Experience and Advocacy			
Customer compliments – Singapore	22,687	15,486	12,775
Complaints relating to sale of investment and insurance products – Singapore (%)	0.37	0.52	0.45
Lending Profile – Group (\$ billion)			
Loans to small businesses	9.7	9.4	8.8
Loans to medium businesses	41.0	40.1	39.6
Loans to large businesses	91.4	88.0	77.0
Loans to individuals	93.9	88.1	82.0
Colleagues⁵			
Permanent	24,146	23,904	24,092
Permanent – Singapore	8,349	8,642	8,443
Local (%)	95.5	95.9	96.1
New hires	6,195	5,715	6,633
Female (%)	61.7	61.5	61.1
Female senior management (%)	36.4	35.9	36.1
Female middle management (%)	51.6	52.1	51.9
Female department heads (%)	40.0	47.4	36.4
Female supervisors or managers (%)	52.8	53.5	54.4
Average training hours per headcount	43.3	36.6	39.0
Training expenditure per headcount (\$)	845.5	788.9	835.9
Employee attrition rate (%)	20.9	20.6	19.8

Sustainability Scorecard

Performance Indicators	2017	2016	2015
Community			
Monetary contributions (\$ million)	4.5	4.5	4.3 ⁶
Environment⁷			
Office paper consumption in offices – Singapore (tonne)	410	381	443
Office paper consumption per full-time employee – Singapore (kg)	49	44	52
Paper recycled – Singapore (tonne)	217	490	297
Electricity used (kWh)	84,865,148	84,519,035	85,517,090
Electricity use intensity (kWh/m ²)	306	321	318
Carbon emissions ⁸ (tCO ₂)	48,455	47,262	47,793
Carbon emission intensity ⁸ (tCO ₂ /m ²)	0.175	0.179	0.178
Water consumption – Singapore, Malaysia, Thailand, Indonesia and China (m ³)	352,424	410,769	423,311
General waste – Singapore office buildings only (tonne)	581	719	706
Economic Value of Contributions (\$ million)			
Total operating income	8,851	8,061	8,048
Profit after tax ⁹	3,390	3,096	3,209
Dividends to shareholders	1,254	1,232	1,873
Employee compensation and benefits	2,224	2,050	2,064
Income tax to governments	800	669	649
Suppliers⁷			
Total purchase (\$ million)	1,386	1,324	1,181
Purchase from local suppliers (%)	92.3	93.1	93.8

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

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

3 Changes in the data for 2015 and 2016 due to the retrospective rebasing of the number of retail customers in Thailand and the number of registered online banking retail customers in Singapore.

4 Changes in the data for 2015 and 2016 due to the rebasing of registered online banking retail customers in Singapore.

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

6 Excludes UOB80-related community contributions of \$38.6 million.

7 Applies to UOB's six key markets of Singapore, China, Hong Kong, Indonesia, Malaysia and Thailand unless indicated otherwise.

8 We adjusted our CO₂ emission figures for Singapore for 2015 and 2016 to reflect the slight revision in the grid emissions factors.

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

Notes:

- The above data, extracted from internal systems and records, covers the period from 1 January 2015 to 31 December 2017, and includes UOB's subsidiaries unless stated otherwise.
- Internationally accepted measurement units have been used in presenting the information. The basis for data calculation is discussed in the relevant sections within this report.

Feedback

Your views are important to us. Please send your comments, questions or suggestions to:

Mr Stephen Lin

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sustainability@UOBgroup.com