

# Innovating for a Sustainable Tomorrow



# About This Report

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

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

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

## Overview

- 2 Board Statement on Sustainability
- 2 President and CEO Statement on Sustainability

## Our Approach

- 4 Sustainability Strategy
- 8 How We Engage with Our Stakeholders
- 9 Material ESG Factors
- 12 Sustainability Governance

## Drive Growth Sustainably

- 14 Economic Contributions
- 15 Risk-focused Organisational Culture
- 17 Responsible Financing
- 20 Climate Change Risks
- 24 Supporting Businesses' Sustainable Growth
- 28 Facilitating Sustainable and Responsible Investing

## Keep Customers at the Centre

- 31 Data Privacy and Governance
- 32 Fair Dealing
- 33 Customer Experience
- 34 Innovative Digital Banking Products
- 35 Financial Inclusion

## Develop Professionals of Principle

- 38 Attracting, Developing and Retaining Talent
- 40 Workplace Safety, Health and Well-being
- 41 Diverse and Inclusive Workforce

## Uphold Corporate Responsibility

- 43 Strong Governance
- 44 Regulatory Compliance
- 45 Information Security
- 46 Preventing Corruption, Fraud and Money Laundering
- 48 Sustainable Procurement
- 49 Managing Our Direct Environment Impact
- 50 Community Stewardship

## Appendix

- 57 Sustainability in Numbers





## Board Statement on Sustainability

The Board is committed to creating long-term value for all its stakeholders. Integral to the business direction UOB Thailand takes is its sustainability strategy. In formulating this strategy, the Board considered the factors which contribute to the sustainable growth of the Bank.

Together with Management, the Board identified opportunities relevant to the long-term success of the Bank and determined the material ESG risks and opportunities to be addressed. 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 Sustainability Committee comprising senior executives from functions across the organisation.

The Bank's values of Honour, Enterprise, Unity and Commitment underpin UOB Thailand'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 Thailand sustained.



## President and CEO Statement on Sustainability

As we continue to deepen our presence in Thailand, we seek to address the environmental, social and governance (ESG) risks and effects of our operations in a manner consistent with our values of Honour, Enterprise, Unity and Commitment.

Our sustainability strategy mirrors our business approach of balancing growth with stability. It takes into account the influence and impact our decisions and actions might have on our 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 Thailand. Just as our business strategy hinges on doing what is right for our customers, our sustainability strategy informs our engagement with our stakeholders and how we can help them in their own practices for positive outcomes in the long run.

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

In 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. Beyond financing, we are increasing impact investing in our portfolio allocation. For our customers, we help develop and provide sustainable solutions that will assist them in making a difference. We also align our sustainable development efforts with the UN SDGs.

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

We believe that people are of greatest assets. Our colleagues enable us to ensure the best outcome for our customers, our business and our community. We continue to develop professionals of principle – high-performing teams and individuals who are guided by our values. In doing so, we equip our colleagues to take on the challenges of tomorrow even as we care for their welfare and work-life harmony today. We also foster a sense of belonging among our colleagues by encouraging volunteerism and increasing their engagement and satisfaction.

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

**Tan Choon Hin**  
President and CEO  
UOB Thailand



### Overview

#### Board Statement on Sustainability

#### President and CEO Statement on Sustainability

### Our Approach

#### Drive Growth Sustainably

#### Keep Customers at the Centre

#### Develop Professionals of Principle

#### Uphold Corporate Responsibility

### Appendix



# Our Approach

- 4 Sustainability Strategy
- 8 How We Engage with Our Stakeholders
- 9 Material ESG Factors
- 12 Sustainability Governance





# Sustainability Strategy

## The Five Guiding Principles

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

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

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

## Scope of Impact

We are cognisant of the direct environmental and social impact of our own operations and have set objectives and targets toward mitigating this impact. We are also aware that our lending and funding activities have significant potential to affect the environment, society and the economy indirectly, in both positive and negative ways. Therefore, we are constantly enhancing the mechanisms to encourage our customers and suppliers to comply with all applicable 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** Forge a Sustainable Future with Our Customers  
Engage our customers proactively to influence their sustainability practices for greater long-term resilience
- 2** Aligned to Business Strategy and Stakeholder Interests  
Stay economically relevant by pursuing sustainable growth strategies
- 3** Pragmatic and Progressive  
Implement sustainability programmes to manage ESG risks and opportunities sensibly, in line with market and competitive realities
- 4** Regulatory Compliance as the Baseline  
Align our sustainability approach with ESG policies and guidelines of governments in our key markets
- 5** Values-driven  
Based on our longstanding and distinct values



### Overview

#### Our Approach

##### Sustainability Strategy

How We Engage with Our Stakeholders

Material ESG Factors

Sustainability Governance

#### Drive Growth Sustainably

#### Keep Customers at the Centre

#### Develop Professionals of Principle

#### Uphold Corporate Responsibility

#### Appendix



# Sustainability Strategy

## The Four Pillars

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

### Drive Growth Sustainably

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

### Keep Customers at the Centre

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

## Develop Professionals of Principle

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

## Uphold Corporate Responsibility

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

## Balancing Growth with Stability

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

realities. To enable our programmes and initiatives to take root and to grow, we have ensured alignment with the ESG-related laws and regulations. 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.



## Overview

### Our Approach

#### Sustainability Strategy

How We Engage with Our Stakeholders

Material ESG Factors

Sustainability Governance

### Drive Growth Sustainably

### Keep Customers at the Centre

### Develop Professionals of Principle

### Uphold Corporate Responsibility

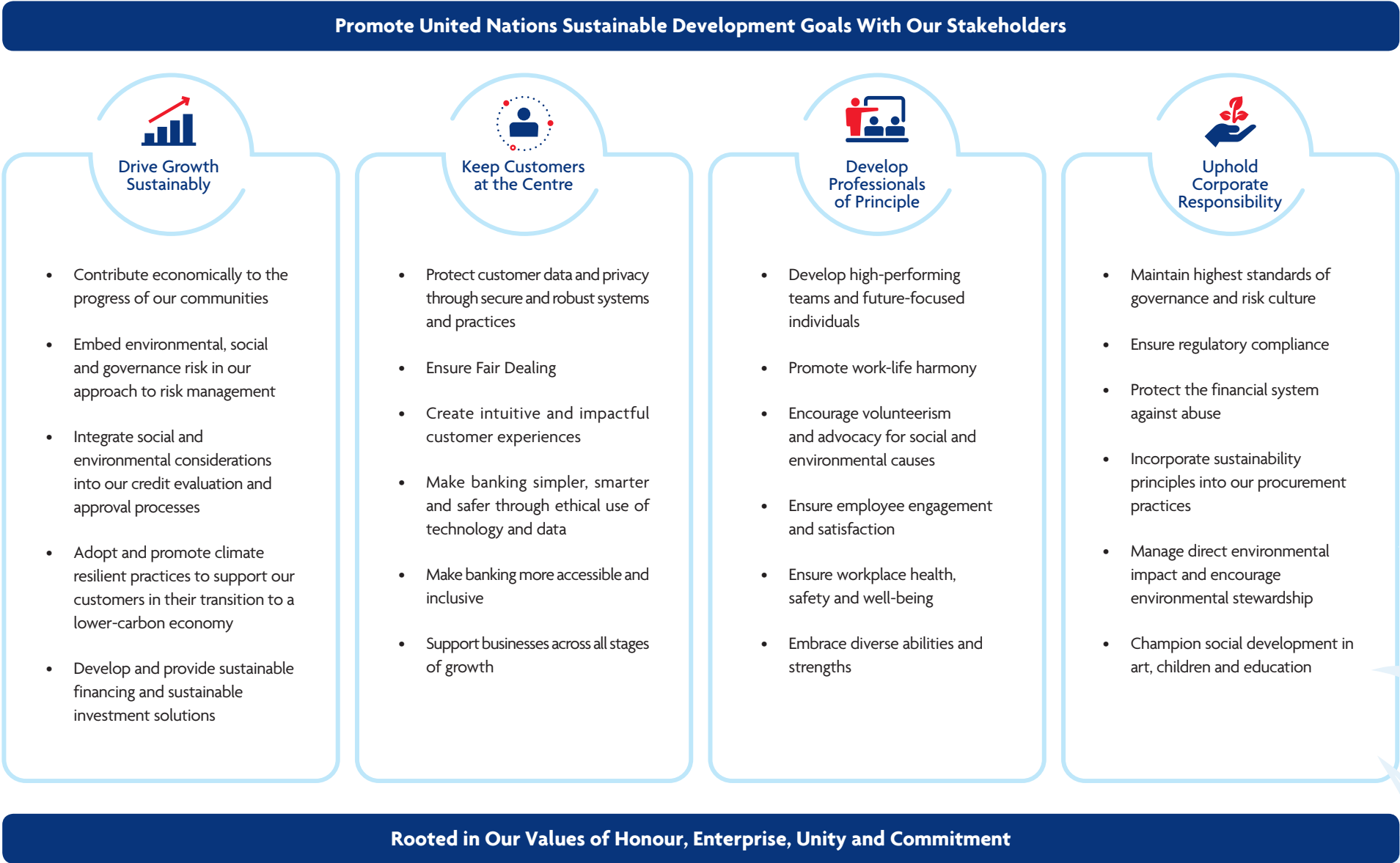
### Appendix





# Sustainability Strategy

## The Four Pillars of Our Sustainability Strategy



Overview

Our Approach

Sustainability Strategy

How We Engage with Our Stakeholders

Material ESG Factors

Sustainability Governance

Drive Growth Sustainably

Keep Customers at the Centre

Develop Professionals of Principle

Uphold Corporate Responsibility

Appendix



# Sustainability Strategy

## Alignment With the United Nations Sustainable Development Goals

The UN SDGs set the global agenda for sustainable development by 2030 and call for action by both the public and private sectors. UOB Thailand's strategy are aligned with the 17 UN SDGs. We recognise that while UOB Thailand is better placed to contribute directly to a subset of the Global Goals, the broadening scope of our sustainable financing, responsible investing and impact investment activities and their corresponding positive impact enable us to align with all the Global Goals.

UOB became a participant of the United Nations Global Compact in 2021. As a Participant-level signatory, we support the Ten Principles of the Global Compact in the areas of human rights, labour, environment and anti-corruption. We are committed to integrating these principles into our culture, business strategy and daily operations.

# SUSTAINABLE DEVELOPMENT GOALS

1NO POVERTY



2ZERO HUNGER



3GOOD HEALTH AND WELL-BEING



4QUALITY EDUCATION



5GENDER EQUALITY



6CLEAN WATER AND SANITATION



7AFFORDABLE AND CLEAN ENERGY



8DECENT WORK AND ECONOMIC GROWTH



9INDUSTRY, INNOVATION AND INFRASTRUCTURE



10REDUCED INEQUALITIES



11SUSTAINABLE CITIES AND COMMUNITIES



12RESPONSIBLE CONSUMPTION AND PRODUCTION



13CLIMATE ACTION



14LIFE BELOW WATER



15LIFE ON LAND



16PEACE, JUSTICE AND STRONG INSTITUTIONS



17PARTNERSHIPS FOR THE GOALS



  
THE GLOBAL GOALS  
For Sustainable Development



Overview

Our Approach

Sustainability Strategy

How We Engage with Our Stakeholders

Material ESG Factors

Sustainability Governance

Drive Growth Sustainably

Keep Customers at the Centre

Develop Professionals of Principle

Uphold Corporate Responsibility

Appendix



# How We Engage With Our Stakeholders

At UOB Thailand, 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 market.

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.



### 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 (as and when appropriate)
- 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 (half-yearly)
- 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)



### 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 (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, and social service organisations (ongoing)
- Art roadshows and outreach programmes (as and when appropriate)
- Education programmes for children (ongoing)
- Financial literacy programmes (ongoing)
- Donations in cash or in-kind for causes related to art, children and education (as and when appropriate)
- Employee volunteerism (ongoing)



### Investors and Analysts

- Financial reporting (half-yearly)
- Periodic meetings with rating agencies (at least once a year)
- General meetings with shareholders (annually)
- Annual reports (annually)



### NGOs

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



## Overview

### Our Approach

Sustainability Strategy

### How We Engage With Our Stakeholders

Material ESG Factors

Sustainability Governance

### Drive Growth Sustainably

### Keep Customers at the Centre

### Develop Professionals of Principle

### Uphold Corporate Responsibility

### Appendix



# Material ESG Factors

## Materiality Assessment

As part of UOB Group, UOB Thailand participates in UOB Group materiality assessment to identify the ESG factors which matter most to our business and to our stakeholders. UOB Group conducts materiality assessments and stakeholder consultations on a continual basis.

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

The materiality assessment process involves identifying relevant factors based on industry mega-trends and stakeholder feedback. UOB Group 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 Group and its stakeholders.

## How We Determine Our Material ESG Factors

In 2020, surveys were conducted with stakeholder groups including colleagues, investors and analysts, clients, non- governmental organisations and regulators. Participants were asked to rate ESG factors based on importance and to provide their recommendations and comments.

In 2021, UOB Group reviewed and updated the ESG factors identified in the 2020 materiality assessment based on stakeholder feedback regarding our performance and disclosures, also taking into consideration the context of our operating environment. In particular, feedback from stakeholders has increasingly placed focus on climate action. To this end we have added to and recategorised ESG factors related to these topics to reflect their increasing importance.



### Overview

#### Our Approach

- Sustainability Strategy
- How We Engage With Our Stakeholders
- Material ESG Factors**
- Sustainability Governance

#### Drive Growth Sustainably

#### Keep Customers at the Centre

#### Develop Professionals of Principle

#### Uphold Corporate Responsibility

#### Appendix



# Material ESG Factors

Material ESG Factor	Priority	Strategic Objectives
Drive Growth Sustainably		
Economic contributions	Critical	<ul style="list-style-type: none"><li>Contribute economically to the progress of our communities</li></ul>
Risk-focused organisational culture	Critical	<ul style="list-style-type: none"><li>Embed ESG risk in our approach to risk management</li></ul>
Responsible financing	Critical	<ul style="list-style-type: none"><li>Integrate social and environmental considerations into our credit evaluation and approval processes</li></ul>
Climate change risks	Critical	<ul style="list-style-type: none"><li>Support our customers in their transition to a lower-carbon and climate-resilient economy</li></ul>
Supporting businesses' sustainable growth	Critical	<ul style="list-style-type: none"><li>Develop and provide sustainable financing solutions</li></ul>
Enabling sustainable lifestyles	Critical	<ul style="list-style-type: none"><li>Partner ecosystem players to offer holistic and progressive banking solutions for consumers</li></ul>
Facilitating sustainable and responsible investing	Critical	<ul style="list-style-type: none"><li>Develop and provide sustainable and impact investment solutions</li></ul>
Keep Customers at the Centre		
Innovative digital banking products	Critical	<ul style="list-style-type: none"><li>Make banking simpler, smarter and safer through ethical use of technology and data</li></ul>
Financial inclusion	Very Important	<ul style="list-style-type: none"><li>Make banking more accessible and inclusive and support businesses across all stages of growth</li></ul>
Data privacy and governance	Critical	<ul style="list-style-type: none"><li>Protect customer data and privacy through our policies and practices</li></ul>
Fair Dealing	Critical	<ul style="list-style-type: none"><li>Ensure Fair Dealing</li></ul>
Customer experience	Critical	<ul style="list-style-type: none"><li>Create intuitive and impactful customer experiences</li></ul>



## Overview

### Our Approach

Sustainability Strategy  
How We Engage With Our Stakeholders  
**Material ESG Factors**  
Sustainability Governance

### Drive Growth Sustainably

### Keep Customers at the Centre

### Develop Professionals of Principle

### Uphold Corporate Responsibility

### Appendix



# Material ESG Factors

Material ESG Factor	Priority	Strategic Objectives
Develop Professionals of Principle		
Attracting, developing and retaining talent	Critical	<ul style="list-style-type: none"><li>• Develop high-performing teams and future-focused individuals</li><li>• Promote work-life harmony</li><li>• Ensure employee engagement and satisfaction</li></ul>
Workplace safety, health and well-being	Very Important	<ul style="list-style-type: none"><li>• Ensure workplace health, safety and well-being</li></ul>
Diverse and inclusive workforce	Very Important	<ul style="list-style-type: none"><li>• Embrace diverse abilities and strengths</li></ul>
Uphold Corporate Responsibility		
Strong governance	Critical	<ul style="list-style-type: none"><li>• Maintain highest standards of governance and risk culture</li></ul>
Regulatory compliance	Critical	<ul style="list-style-type: none"><li>• Ensure compliance with all laws and regulations in the jurisdictions in which we operate</li></ul>
Information security	Critical	<ul style="list-style-type: none"><li>• Protect data and assets through secure and robust systems and practices</li></ul>
Preventing corruption, fraud and money laundering	Critical	<ul style="list-style-type: none"><li>• Protect the financial system against abuse</li></ul>
Managing our direct environmental impact	Important	<ul style="list-style-type: none"><li>• Manage direct environmental impact and encourage environmental stewardship</li></ul>
Sustainable procurement	Important	<ul style="list-style-type: none"><li>• Incorporate sustainability principles into our procurement practices</li></ul>
Community stewardship	Important	<ul style="list-style-type: none"><li>• Champion social development in art, children and education</li><li>• Encourage volunteerism and advocacy for social and environmental causes</li></ul>



Overview

Our Approach

Sustainability Strategy  
How We Engage With Our Stakeholders  
**Material ESG Factors**  
Sustainability Governance

Drive Growth Sustainably

Keep Customers at the Centre

Develop Professionals of Principle

Uphold Corporate Responsibility

Appendix

# Sustainability Governance

## Board of Directors and Management Committee (MC)

UOB Thailand's Board of Directors, through MC reviews long-term business and organisational goals and provides the strategic direction for the Bank's sustainability practices. It reviews, determines and oversees the Bank's material Environmental, Social and Governance (ESG) factors and their scope, and evaluates relevant key performance indicators.

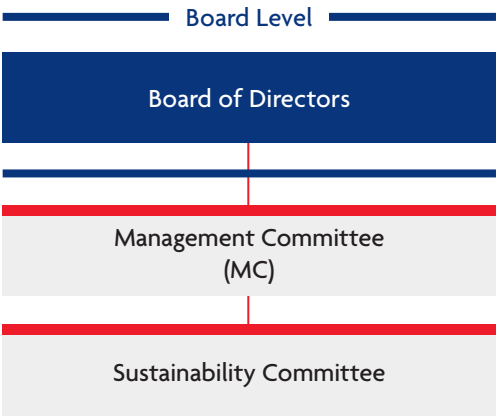
## Sustainability Committee

The Sustainability Committee reports directly to the MC on sustainability matters. This ensures that ESG matters are given due consideration in all aspects of our operations. The Sustainability 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 Sustainability 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.

## Sustainability Framework

The Sustainability Framework was formalised in 2020. Underpinned by policies and guidelines that define our commitment and guide our approach to conducting business, the framework supports UOB Thailand'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 Thailand employees to comply with the Sustainability Framework. The management teams of UOB Thailand are responsible for appraising the relevant sustainability issues in their respective domains and for taking appropriate steps to ensure that customers and suppliers also meet relevant policy requirements, wherever applicable. Sustainability indicators are integrated into the Key Performance Indicators and appraisal process for colleagues from relevant functions.



### Overview

### Our Approach

- Sustainability Strategy
- How We Engage With Our Stakeholders
- Material ESG Factors

### Sustainability Governance

### Drive Growth Sustainably

### Keep Customers at the Centre

### Develop Professionals of Principle

### Uphold Corporate Responsibility

### Appendix





# Drive Growth Sustainably

- 14 Economic Contributions
- 15 Risk-focused Organisational Culture
- 17 Responsible Financing
- 20 Climate Change Risks
- 24 Supporting Businesses' Sustainable Growth
- 28 Facilitating Sustainable and Responsible Investing





# Economic Contributions

With 149 branches, UOB Thailand network spans across country-wide. The manner in which our economic value is distributed has the potential to impact the economy and society at large. Our economic contributions include payments to stakeholders such as our colleagues, suppliers, investors, authorities and local communities.

### 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. 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 driving growth.

### Responsible Tax Management

UOB Thailand is committed to complying with the tax laws and regulations. We file our tax returns accurately and promptly and appropriately fulfil our tax obligations.

### Approach to tax risk management and governance

UOB Thailand 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 promptly, 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 transfer pricing

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

### Relationship with tax authorities

UOB Thailand aims to build constructive relationships with tax authorities. We achieve this by:

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

### Our Targets

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

### Our Performance in 2021

In 2021, we generated a total operating income of Baht 21.3 billion, of which we distributed Baht 6.2 billion in employee compensation and benefits and accrued Baht 1.2 billion in income tax.

There were no material instances of non-compliance regarding tax management.

In Thailand, we created livelihoods for more than 4,392 (no of staff) people, with local employee representation of 99.7 per cent and invested Baht 23.4 million in employee training.

We made monetary contributions of more than Baht 10.3 million to the community. UOB Thailand also supported local businesses and helped create jobs through the goods and services we bought from local suppliers.



## Overview

### Our Approach

#### Drive Growth Sustainably

##### Economic Contributions

Risk-focused Organisational Culture

Responsible Financing

Climate Change Risks

Supporting Businesses' Sustainable Growth

Facilitating Sustainable and Responsible Investing

#### Keep Customers at the Centre

#### Develop Professionals of Principle

#### Uphold Corporate Responsibility

### Appendix



# Risk-focused Organisational Culture

UOB Thailand’s risk culture influences the decisions and actions taken by all employees throughout the organisation. Our robust risk culture productively strives to uphold our core values as we create long-term value for our stakeholders and safeguard our reputation. It promotes the appropriate risk awareness, judgement and behaviours required for risk-taking within UOB Thailand’s risk governance framework.

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

## How We Approach This Topic

UOB Thailand’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 Bank.

Our Board Risk Oversight Committee (BROC) and Risk and Capital Committee (RCC) assist the Board of Directors (the Board) to exercise oversight of risk culture and conduct risk. The governance for The Risk Culture and Conduct Risk Framework ensures that risk-related decisions and initiatives are aligned to this Framework and are managed holistically. This sets a strong Tone from the Top and provides the direction for all people managers to convey the appropriate Tone from Above, which is the signal sent by people managers to their immediate team members. The regular report has been escalated to BROC and the Board quarterly to ensure they are apprised of the status of UOB Thailand’s risk culture and conduct.

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 consistently embedding a sound and robust risk culture across UOB Thailand. The senior management encourages the understanding and practice of risk management across the organisation through an effective open communication such as Townhall, team meetings, group discussion and internal bulletins. It is also the responsibility of all people managers to promote risk-focused behaviour within their teams.

We also ensure that via our Whistleblowing Policy, our fellow colleagues will be able to raise matters of potential concern through an independent channel in a secured manner without fear of reprisal. All reported cases are treated with the utmost confidentiality and swiftly investigated by Internal Audit Function. The status of all whistleblowing cases is closely tracked and reported to the Audit Committee every quarter.

Our risk culture is built on four principles: enforcing robust risk governance; balancing growth with stability; ensuring accountability for all our risk-based decisions and actions; and encouraging awareness, engagement and consistent behaviour in every colleague. These principles are based on UOB Thailand’s distinctive

set of values that guides every action we take. We uphold our commitment to financial safety and soundness; fair outcomes and appropriate support for our customers; sustainable and prudent business approach and performance based on integrity, ethics and discipline.

## UOB’s Risk Culture Framework



## Risk-focused Training

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

- risk culture and the UOB Code of Conduct;
- anti-money laundering;
- countering the financing of terrorism;

- assessing and addressing operational and security risks;
- social media;
- business ethics;
- core ethics for financial advisers;
- Fair Dealing;
- Fraud awareness;
- information security and cyber risk awareness;
- and
- the UK Bribery Act.



## Overview

## Our Approach

## Drive Growth Sustainably

Economic Contributions

## Risk-focused Organisational Culture

Responsible Financing

Climate Change Risks

Supporting Businesses' Sustainable Growth

Facilitating Sustainable and Responsible Investing

## Keep Customers at the Centre

## Develop Professionals of Principle

## Uphold Corporate Responsibility

## Appendix

# Risk-focused Organisational Culture

## Instilling a Risk Culture

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

- an established and formalised Risk Culture and Conduct Risk Framework;
- tools, resources and information that ensure an efficient mechanism and process for risk monitoring and reporting under our organisational “Three Lines Model”;
- risk culture, including a 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;
- risk culture communication plan to promote and facilitate among all employees effective discussions of lessons learnt and best practices via various channels, such as townhalls, team sharing on risk culture subjects, and the bank-wide Risk Culture communication platform on MyUOB intranet;
- senior management committee survey to assess openness and robustness to challenges and how risk is embedded within the decision-making process;
- self-assessment for key business and support units to evaluate the risk culture within each of their units; and
- risk management-related questions in our employee engagement survey to gauge understanding of the prevailing risk culture across UOB Thailand.

## Our Targets

- Maintain a sound and robust risk culture by operationalising the Bank's risk culture framework in line with Bank of Thailand's Risk Culture Guideline.

## Our Performance in 2021

With the established robust foundation to promote sound risk culture, UOB Thailand consistently rolled out the risk culture initiative and activities throughout the year. Our Board and senior management provided regular risk culture communication as “Tone from the Top and Above”, while the Employee Engagement Survey and Speak-Up campaign encouraged the Bank's employees to have open communication, share opinions and highlight risk and control issues as “Echo from the Ground”.

Findings from the Risk Culture Dashboard was shared with senior management, BROCC and the Board to monitor and assess the Bank's Risk culture every quarter. Business and support of the Bank conducted the self-assessment on comprehensive dimensions to evaluate their risk culture and to identify the areas for improvement with action plans.



### Overview

### Our Approach

### Drive Growth Sustainably

Economic Contributions

### Risk-focused Organisational Culture

Responsible Financing

Climate Change Risks

Supporting Businesses' Sustainable Growth

Facilitating Sustainable and Responsible Investing

### Keep Customers at the Centre

### Develop Professionals of Principle

### Uphold Corporate Responsibility

### Appendix





# Responsible Financing

## UOB Thailand’s Responsible Financing Policy

UOB Thailand is committed to responsible financing and as part of UOB Group, UOB Thailand has integrated the principles of The Association of Banks in Singapore (ABS) Guidelines on Responsible Financing into our business model to support sustainable development and mitigate ESG risk in our lending. The Board approves our Responsible Financing Guideline, which is embedded within UOB Thailand’s Credit Policy with clear roles and responsibilities in performing due diligence. This ensures that ESG considerations are integrated into our credit evaluation and approval processes. Management has oversight on ESG related matters which may impact our financing activities. Credit Approval is responsible for ensuring that ESG risks are adequately addressed and, where necessary, borrowers or projects with elevated ESG risk are escalated to relevant credit approval and committees for further review and approval. Our ESG risks are managed through our Three Lines Model control structure.

Our Responsible Financing Policy applies to all borrowing customers within Wholesale Banking and to the Bank’s capital market activities. Under the policy framework, our relationship managers are required to conduct due diligence on all new and existing borrowers during the client onboarding process and annual credit review.

We have also implemented sector-specific guidelines and have ESG checklists in place to help our relationship managers in identifying, assessing and reviewing ESG risks.

Borrowers that fall within the following eight ESG-sensitive industries are subjected 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 risks 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 considering their ability to mitigate the inherent risk through policies and measures. Our Responsible Financing Policy prohibits our financing to the companies:

- where their operations or projects threaten the outstanding universal value or special characteristics of UNESCO World Heritage Sites, Ramsar Wetlands, forests of high conservation value (HCV), or would impact critical natural habitats significantly;
- involved in animal cruelty and the trade of endangered species as defined by the Convention on International Trade in Endangered Species (CITES) of Wild Fauna and Flora;
- without measures in place to manage or to mitigate the risk of air, soil and water pollution which may negatively impact terrestrial or marine ecosystems;

- involved in the exploitation of labour, including forced labour and child labour, taking reference from International Labour Organisation (ILO) standards;
- inviolation of the rights of local or indigenous communities; and
- involved in open burning for land clearance.

These financing prohibitions are cross-cutting commitments applicable to all new and existing customers and which 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 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 pertaining to, for example, proper water and waste management, greenhouse gas emissions mitigation and occupational health and safety management. The policy references international standards and conventions such as the Roundtable on Sustainable Palm Oil, Forest Stewardship Council, World Heritage Convention, and best industry practices provided by the International Finance Corporation (IFC).

## Our Targets

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

## Our Performance in 2021

- We continued to enhance our Responsible Financing Policy and checklists, and further tightened our stance on energy, metal and mining, chemical, agriculture and forestry sector financing. The enhancement also incorporated Equator Principles guidelines into our due diligence process.
- We continued to roll out the e-learning module on responsible financing, developed in collaboration with the ABS and WWF, to help strengthen the Bank’s awareness of key ESG issues and to bolster effective identification and assessment of ESG risks.



CONTRIBUTION TO THE UN SDGs



## Overview

### Our Approach

#### Drive Growth Sustainably

Economic Contributions

Risk-focused Organisational Culture

#### Responsible Financing

Climate Change Risks

Supporting Businesses’ Sustainable Growth

Facilitating Sustainable and Responsible Investing

#### Keep Customers at the Centre

#### Develop Professionals of Principle

#### Uphold Corporate Responsibility

## Appendix


# Responsible Financing

## Sector-specific positions

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


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

## Key enhancements to our sectoral responsible financing positions in 2021




**Thermal Coal Mining**

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



**Coal-fired Power Plants**

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



**Palm Oil Sector**

- Require all mature palm oil plantations and milling operations financed by the Bank to be certified with locally or internationally recognized sustainability programmes.

## Our Approach to ESG Risk Management



### Overview

### Our Approach

#### Drive Growth Sustainably

- Economic Contributions
- Risk-focused Organisational Culture
- Responsible Financing**
- Climate Change Risks
- Supporting Businesses' Sustainable Growth
- Facilitating Sustainable and Responsible Investing

#### Keep Customers at the Centre

#### Develop Professionals of Principle

#### Uphold Corporate Responsibility

#### Appendix

# Responsible Financing

## Equator Principles

To strengthen our processes and practices on environmental and social risk management further, UOB Thailand formally adopted the Equator Principles (EP) in 2021. The EP is a risk management framework, adopted by financial institutions, for determining, assessing and managing environmental and social risks in projects and is primarily intended to provide a minimum standard for due diligence and monitoring.

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

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

## Monitoring

UOB Thailand engages with our borrowers proactively 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 with the ESG risks to be addressed and managed appropriately. We require our borrowers to rectify any breaches of our policy within a reasonable timeframe with relationship managers 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 to reassess the relationship, or to reject the transaction.

## Portfolio exposure

We review our portfolio's ESG exposure periodically. All applicable borrowers underwent the ESG risk assessment with relevant risks adequately managed and mitigated. We did not have a significant concentration in any of the eight ESG-sensitive sectors. All colleagues serving in relevant roles are trained on our Responsible Financing Policy and its related processes.

## Stakeholder Engagement

We are committed to doing our part in shaping industry developments and to promoting a more level playing field. We have actively participated in sustainability forums for knowledge exchange and to deepen understanding of ESG best practices. These have helped to ensure better integration of sustainability considerations into the Bank's overall strategy.

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



### Overview

### Our Approach

#### Drive Growth Sustainably

Economic Contributions

Risk-focused Organisational Culture

#### Responsible Financing

Climate Change Risks

Supporting Businesses' Sustainable Growth

Facilitating Sustainable and Responsible Investing

#### Keep Customers at the Centre

#### Develop Professionals of Principle

#### Uphold Corporate Responsibility

### Appendix





# Climate Change Risks

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

## Governance

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

The Management Committee supports the Board in matters related to sustainability, including climate change-related responsibilities. The Management Committee reviews climate change-related issues and provides strategic direction for the Bank’s sustainability practices.

UOB Thailand’s Sustainability Committee is a senior management committee that reports directly to the Management Committee, and supports Management Committee in all matters related to sustainability. The Sustainability 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 Bank. To ensure that the Bank’s ESG principles are integrated across our business, the Sustainability 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 Sustainability Committee convenes once a month and serves as the integration point for internal ESG-related working groups responsible for environmental and social issues. 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 Sustainability Committee, they ensure that we maintain a robust and integrated platform for governing, implementing and monitoring climate change-related targets and strategies.

UOB Thailand’s Sustainability Framework is implemented through relevant policies and guidelines, including the Bank’s Responsible Financing Policy which governs our review and approval of customer transactions in environmentally and/or socially sensitive sectors. UOB Thailand also has financing teams that work with customers to address climate change-related challenges and opportunities, certification bodies and other mutual stakeholders. Internally, to manage our direct environmental impact, our Corporate Real Estate and Services unit has a specialised energy and sustainability team that works to mitigate our environmental footprint and to realise our green building targets. Our Central Procurement Office oversees our indirect impact by ensuring that material suppliers act in compliance with our

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 across our organisation.

## Strategy

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

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

We subsequently partnered an internationally recognised environmental consultancy to undertake climate scenario analysis, focusing on the impact of transition risk scenario analysis.

The climate scenarios used are based on research by the International Energy Agency (IEA) and the Organisation for Economic Co-operation and Development (OECD). Climate scenario assumptions are differentiated by the increase in carbon prices in order to limit temperature rise to 2°C. The climate scenario assumptions explore three pathways:

- a. an orderly transition where early actions are taken to reduce emissions to meet climate targets;
- b. a disorderly transition where delayed and drastic actions are taken to meet climate targets; and
- c. a business-as-usual scenario where no actions are taken.

UOB Thailand had jointly performed the climate scenario exercise with UOB Group and from the identified sectors, we subjected a selected group of 404 borrowers within UOB Group, comprising both large corporates and SMEs for further bottom-up analysis. These borrowers cumulatively made up approximately two-thirds of UOB Group’s total exposures in these sectors. They accounted for approximately four per cent of UOB Group’s total non-bank loan portfolio. We utilised geographical and sectoral emissions as proxies to overcome data availability challenges, particularly for SMEs where carbon emissions data is limited. Borrowers’ carbon emissions were converted to a common “carbon to revenue” metric. We then used to assess the financial impact of transition risk over short-, medium- and long-term horizons.

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



## Overview

### Our Approach

#### Drive Growth Sustainably

Economic Contributions

Risk-focused Organisational Culture

Responsible Financing

#### Climate Change Risks

Supporting Businesses’ Sustainable Growth

Facilitating Sustainable and Responsible Investing

### Keep Customers at the Centre

### Develop Professionals of Principle

### Uphold Corporate Responsibility

## Appendix

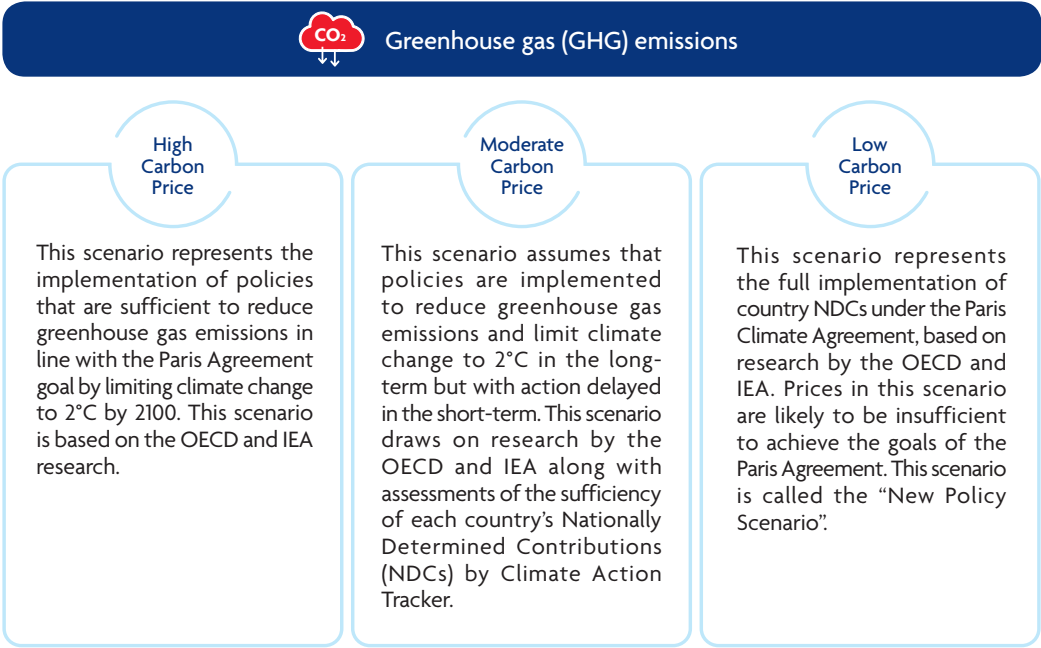
# Climate Change Risks

While this is a positive first step for us in quantifying the impact of transition risk in our portfolio, we acknowledge the limitations of the methodology and data availability challenges in our pilot assessment. Notably, the methodology primarily attempts to quantify the impact of carbon price increase on borrowers’ financials without explicitly factoring in other plausible impacts such as changes in market demand on sales and additional capex required to transition. Nonetheless, the results provide an impetus for further client engagement particularly to support the transition of those companies identified to be

most impacted. In line with our TCFD roadmap, we intend to assess the impact of physical risk next year.

Recognising the common industry challenges associated with climate risk assessment such as data availability and lack of standardised metrics and targets, we will continue to work with regulators, industry associations and climate specialists to progress collectively towards a more robust approach on climate scenario analysis as methodologies and tools evolve and mature.

## Climate change scenarios



## Overview

## Our Approach

### Drive Growth Sustainably

- Economic Contributions
- Risk-focused Organisational Culture
- Responsible Financing
- Climate Change Risks
- Supporting Businesses’ Sustainable Growth
- Facilitating Sustainable and Responsible Investing

## Keep Customers at the Centre

## Develop Professionals of Principle

## Uphold Corporate Responsibility

## Appendix

# Climate Change Risks

Breakdown of sectors with their corresponding weighted carbon intensities

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

## Physical Risks

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

## Transition Risks

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



### Overview

### Our Approach

### Drive Growth Sustainably

- Economic Contributions
- Risk-focused Organisational Culture
- Responsible Financing
- Climate Change Risks
- Supporting Businesses' Sustainable Growth
- Facilitating Sustainable and Responsible Investing

### Keep Customers at the Centre

### Develop Professionals of Principle

### Uphold Corporate Responsibility

### Appendix



# Climate Change Risks

## Risk Management

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

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

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

## Metrics and Targets

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

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

## Supporting Business's Sustainable Growth

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

We offer sustainable trade finance and working capital solution for our clients. The direct and indirect environmental impact resulting from these initiatives include:

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

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

UOB Group have achieved our target of doubling our renewable energy portfolio from 2018 levels, three years earlier than expected. The achievement was led by the many successes of our U-Solar programme, our integrated solar industry ecosystem that provides

financial solutions to promote the development and adoption of solar power, with measurable environmental impacts resulting from our sustainable financing activities. Our renewable energy portfolio is an important component of the more comprehensive UOB Smart City Sustainable Finance Framework.



### Overview

### Our Approach

#### Drive Growth Sustainably

- Economic Contributions
- Risk-focused Organisational Culture
- Responsible Financing
- Climate Change Risks**
- Supporting Businesses' Sustainable Growth
- Facilitating Sustainable and Responsible Investing

### Keep Customers at the Centre

### Develop Professionals of Principle

### Uphold Corporate Responsibility

### Appendix

# Supporting Businesses' Sustainable Growth

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

## How We Approach This Topic

We are committed to playing our role in the nation's transition towards a sustainable and climate-resilient economy. To ensure that our financing decisions result in positive impact as well as to mitigate any potential harm to communities and ecological systems, we tap into UOB Group's lending frameworks and practices which align to internationally-recognised standards, principles and guidelines wherever feasible. In developing sustainable financing solutions for our clients, our strategy and decision-making process are guided by the United Nations Sustainable Development Goals (SDGs). We also aim to provide financing solutions that support Thailand's sustainability agenda and support our clients in their transition to a low carbon future and promote sustainable practices in their own operations and across their supply chains.

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

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

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

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

### 2021 Landmark Sustainable Finance Transactions

- Baht 1 billion social bond issued by Thaifoods Group PCL (as Sole Lead Manager and Bookrunner) –awarded 2021 Thailand Best Social Bond by The Asset Triple A Country Awards.
- Baht 675 million green loan to Asia Capital Real Estate for eco-friendly residential development.

## Financing as the Key Enabler

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

Thailand's National Energy Plan 2022 aims to increase the proportion of renewable energy in new power generation by up to 50 per cent and to increase the domestic electric vehicles production to 30 per cent by 2030. With the government-led policy and initiatives in place, we expect strong demand for green and sustainable financing in infrastructure and low carbon technologies over the next decade.

## Our Performance in 2021

- Extended Baht 2.8 billion in sustainable financing, the amount is more than double year on year.
- Achieved Baht 4.0 billion in our total sustainable financing portfolio.

## Partnership for the Goals

- The Chairman of the UOB Thailand Sustainability Committee spoke on the topic “Towards Sustainable Banking” at Thailand Next EP4 - Sustainability Goal, an event organised by Nation Multimedia Group.
- UOB Thailand published business cases and contributed articles to feature smart and sustainable cities in Thailand's influential media in order to improve public awareness and share good ESG practices.
- More than 250 UOB Thailand colleagues completed the e-learning module on responsible financing which was developed in collaboration with The Association of Banks in Singapore and WWF. This learning module, coupled with other training programmes, has helped strengthen our colleagues' awareness of critical ESG issues as well as effective identification and assessment of ESG risks.
- The Board, Sustainability Committee and senior management have also received relevant training to stay abreast of key developments.
- Conducted regular engagement with customers to improve awareness and promote best ESG practices.
- Conducted a workshop on sustainable financing and client engagement in the area of sustainability for our relationship managers.



## Overview

## Our Approach

### Drive Growth Sustainably

- Economic Contributions
- Risk-focused Organisational Culture
- Responsible Financing
- Climate Change Risks
- Supporting Businesses' Sustainable Growth**
- Facilitating Sustainable and Responsible Investing

## Keep Customers at the Centre

## Develop Professionals of Principle

## Uphold Corporate Responsibility

## Appendix



# Supporting Businesses’ Sustainable Growth

## Continuous Innovation in Sustainable Finance

As the sustainable finance market continues to grow and to mature, UOB is focused on creating more innovative sustainable finance offerings for our clients.

Our solutions include:

- Omega Green Programme, which offers a range of end-to-end bundled solutions for both main and sub-contractors in the green building business; and
- U-Solar, Asia’s first one-stop solar ecosystem financing platform targeted at solar project developers, engineering, procurement and construction contractors and end-users such as businesses and homeowners.

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

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

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

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

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

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

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



### Find Out More

- Learn more about UOB Sustainable Financing Solutions.
- Read about how our Responsible Financing Policy addresses environmental and social risks.

## UOB Sustainable Financing Solutions’ Focus Areas



## Overview

## Our Approach

### Drive Growth Sustainably

- Economic Contributions
- Risk-focused Organisational Culture
- Responsible Financing
- Climate Change Risks
- Supporting Businesses’ Sustainable Growth**
- Facilitating Sustainable and Responsible Investing

## Keep Customers at the Centre

## Develop Professionals of Principle

## Uphold Corporate Responsibility

## Appendix

# Supporting Businesses’ Sustainable Growth

## UOB Sustainable Finance Framework for Green Building Developers and Owners

In 2021, UOB Thailand extended more than Baht 1,200 million in credit facilities under UOB Sustainable Finance Framework for Green Building Developers and Owners

According to the Global Alliance for Buildings and Construction, building construction and operations accounted for 36 per cent of global energy use and 37 per cent of energy-related carbon dioxide emissions in 2020, representing the largest share of any industry.

Based on the Climate Bonds Initiative’s data, up to 70 per cent of a large city’s GHG emissions are related to its buildings.

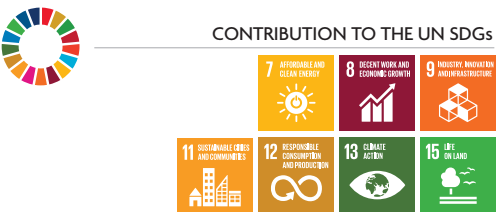
As such, green buildings offer a multitude of benefits to the environment and society, including:

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

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

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

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



## UOB Smart City Sustainable Finance Framework

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

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

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

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



## UOB Green Financing Framework for Circular Economy

In 2021, UOB Thailand extended more than Baht 500 million in credit facilities under UOB Green Financing Framework for Circular Economy

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

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

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

Moody’s ESG Solutions (Vigeo Eiris) provided the Second Party Opinion on the UOB Green Financing Framework for Circular Economy.



### Overview

### Our Approach

### Drive Growth Sustainably

- Economic Contributions
- Risk-focused Organisational Culture
- Responsible Financing
- Climate Change Risks
- Supporting Businesses’ Sustainable Growth
- Facilitating Sustainable and Responsible Investing

### Keep Customers at the Centre

### Develop Professionals of Principle

### Uphold Corporate Responsibility

### Appendix



## Supporting Businesses' Sustainable Growth

### U-Solar

In 2021, UOB Thailand extended more than Baht 700 million in credit facilities under the U-Solar programme, which includes green trade and green project finance facilities for solar rooftop project developers, EPC contractors and end-users.

Our U-Solar programme is Asia's first integrated solar industry ecosystem that supports companies and consumers in the development and adoption of solar power 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 and EPC contractors to end-users across the region. UOB Thailand works with our approved solar EPC contractors, namely, Banpu Next Co., Ltd., Bangkok Solar Power Co., Ltd., Berkeley Energy Commercial Industrial Solutions and KG Solar Company Limited, to ensure quality of service and equipment and maintenance provision to end-users in the commercial, industrial and residential segments.

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

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

- providing end-users with standardised solar financing packages.

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

For the end-users of solar energy – residential, commercial and industrial users – 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.

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

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



**Find Out More**

► [Learn more about U-Solar.](#)



### Overview

### Our Approach

#### Drive Growth Sustainably

Economic Contributions

Risk-focused Organisational Culture

Responsible Financing

Climate Change Risks

#### Supporting Businesses' Sustainable Growth

Facilitating Sustainable and Responsible Investing

### Keep Customers at the Centre

### Develop Professionals of Principle

### Uphold Corporate Responsibility

### Appendix

# Facilitating Sustainable and Responsible Investing

## How We Approach This Topic

The world is evolving at a faster rate than it did following the COVID-19 pandemic, and we are now experience a possible inflection point for structural change. Among the major developments is the adoption of prudent investment practices. It has been thrust into the limelight in recent years. Numerous portfolio managers have adapted quickly and are focusing their efforts on incorporating the concept of responsible investment into portfolio allocation. We strongly believe that responsible investment practices have significant potential in developing more a sustainable financial system for the benefit of all stakeholders and creating a win-win solution for our clients and UOB Thailand.

As part of our fiduciary duty to our customers, we are committed to promoting appropriate investment practices. We believe that the integration of Environmental, Social and Governance (ESG) considerations into our investment processes is important from a risk management perspective of underlying asset and to potentially provide long-term value creation for our clients. In recent years, customers' demand for investment products that explicitly incorporate ESG considerations into their investment processes or have a positive social and environmental impact has increased.

Through active engagement and dialogue, we help investors and portfolio companies:

- to become more aware of the significance of ESG considerations in their investments and to better support the investment decisions;
- 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 sustainable business.

## Steering Wealth onto a More Sustainable Path

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

### Integrating ESG considerations into investment products for consumers

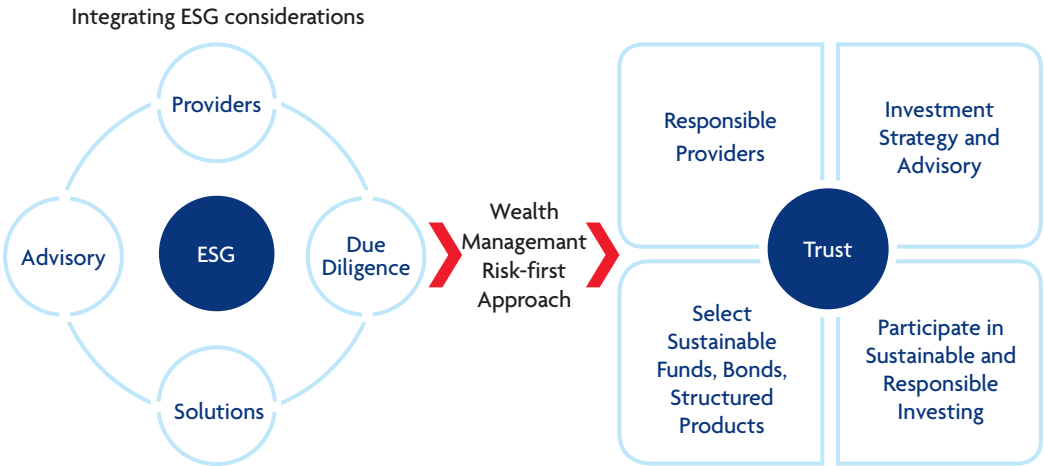
The Personal Financial Services (PFS) division focuses on helping consumers to achieve their financial goals and aspirations through a wide range of products and services. In providing wealth and investment advisory, we offer products such as unit trusts, structured products, and fixed income instruments.

We started to offer ESG-focused products in 2020, using an ESG framework that aligns with UOB Group to assess product providers, provide investment advice, develop investment strategies and conduct product due diligence. Our objective is to create greater awareness among consumers and to provide them with easier access to products that can help them grow their wealth sustainably.

### Building on our Risk-first approach

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

### Risk-First wealth advisory approach



Our Risk-first approach guides us in the selection of sustainable investment solutions that are offered across different asset classes to suit various investor profiles and risk appetites. It is also integrated into the way these investment solutions are offered via our advisory and financial planning conversations with our customers.

We partner reputable product specialists to screen, to score, to provide and to monitor sustainable investment products for our customers. In working with these specialists, we ensure that we incorporate robust and industry-leading criteria and methodologies when identifying sustainable investment options.



## Overview

### Our Approach

#### Drive Growth Sustainably

- Economic Contributions
- Risk-focused Organisational Culture
- Responsible Financing
- Climate Change Risks
- Supporting Businesses' Sustainable Growth

#### Facilitating Sustainable and Responsible Investing

### Keep Customers at the Centre

### Develop Professionals of Principle

### Uphold Corporate Responsibility

### Appendix

# Facilitating Sustainable and Responsible Investing

## ESG product solutions

### Unit trusts

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

- the fund manager’s expertise in managing ESG portfolios;
- the incorporation of ESG factors in the fund’s investment process;
- the reliability of data source used for analyzing the issues in ESG; and
- the ability of the fund manager to perform well against its benchmark and peers in terms of risk-adjusted return.

Based on these selection criteria, we presently offer the feeder funds United Sustainable Credit Income Fund and the United Sustainable Equity Solutions Fund, which invest in the master funds that have demonstrated superior risk-adjusted returns by limiting downside risks through sustainable investing, thus further creating long-term value for investors.

We believe that sustainable investing has emerged as one of the investment industry’s megatrends. This has provided UOB Thailand with a plethora of investment opportunities to pursue the finest strategies for our clients. Under an ESG umbrella, a “green” universe has been on our radar as we believe “green is the new gold”. We see opportunities in green activities and the accompanying value chain, including the companies that support to the green universe. Our focus on green investing is on digitalisation and decarbonisation. We anticipate an exponential growth in the use of smart

technologies and the development of solutions in the sustainability domain, which will result in more efficient use of energy and resources for the businesses worldwide. This will also lead to a shift in global energy mix towards renewables and electrification, which will create significant opportunities for sustainable investment.

Impact funds, which are defined as an Article 9 Fund under Sustainable Finance Disclosure Regulation, are also one of our focused strategies in sustainable investment. We believe the impact funds that take a proactive approach to making a positive impact while keeping a long-term perspective will bring long-term return to investors.

We will continue to broaden our sustainable product portfolio through rigorous assessment and selection to provide fund products that fulfil our criteria for the benefit of our customers.

### Structured products

We offer structured notes linked to the equities of companies with strong ESG ratings. Our structured notes offerings, when supplemented with our award-winning ESG framework and equity selection approach, provide our customers opportunities to gain exposure to a basket of highly-rated ESG companies. This may be in the form of themes that impact the global economy and are often related to the environment or social in nature. Green investing, which focuses on companies that try to help safeguard the environment, for example, by supporting clean energy and resource conservation projects may also be included.

### United Sustainable Credit Income Fund

The United Sustainable Credit Income Fund invests in the RobecoSAM SDG Credit Fund, which is managed by Robeco Institutional Asset Management B.V., an investment specialist in sustainable investing and a subsidiary of ORIX Corporation Europe N.V. (formerly known as Robeco Group N.V.). The RobecoSAM SDG Credit Income Fund invests in bonds whose issuers make a positive contribution to the United Nations Sustainable Development Goals (UN SDGs). Since the UN SDGs were introduced in 2015, investors have been looking for ways to contribute to the realisation of the Global Goals through their investment activities, while also achieving superior investment returns. Driven to find a new approach to investing, Robeco developed a proprietary SDG framework that evaluates and screens companies based on their contribution towards the SDGs in order to define an investible universe. The SDG screening process enhances the risk-return profile by limiting downside risks and avoiding defaults.

### United Sustainable Equity Solutions

The United Sustainable Equity Solutions invests in Allianz Global Sustainability Fund, which is managed by Allianz Global Investors, a pioneer in sustainable investing since their first sustainable investment fund was launched more than 20 years ago. The fund was founded on the belief that superior investment returns can be generated across business cycles by creating a portfolio of securities which is considered best-in-class from both ESG and financial perspectives. The fund invests in a diversified mix of selected global equities that generate long-term outperformance and a positive, measurable impact on society by marrying Sustainable and Responsible Investment (SRI) research with bottom-up, fundamentals-based stock selection. Incepted in 2003, the fund is also one of the longest-running SRI strategies in the industry.



## Overview

### Our Approach

#### Drive Growth Sustainably

- Economic Contributions
- Risk-focused Organisational Culture
- Responsible Financing
- Climate Change Risks
- Supporting Businesses’ Sustainable Growth

#### Facilitating Sustainable and Responsible Investing

### Keep Customers at the Centre

### Develop Professionals of Principle

### Uphold Corporate Responsibility

### Appendix



## Keep Customers at the Centre

- 31 Data Privacy and Governance
- 32 Fair Dealing
- 33 Customer Experience
- 34 Innovative Digital Banking Products
- 35 Financial Inclusion





# Data Privacy and Governance

Protecting our customers’ personal data and privacy is a top priority at UOB Thailand and essential to maintaining their trust in us. We are committed to meeting industry best practices and complying with Singapore and Thailand’s Personal Data Protection Act. Banks such as UOB Thailand 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.

## 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 according to applicable data privacy laws.

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

UOB Thailand’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 our services and in every aspect of our operations.

We respect our customers’ preferences regarding the receipt of marketing information and will seek customer consent for certain marketing activities. 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 at our branches or Contact Centre. Information on our approach to privacy and data protection and contact details for our Data Protection Officer is available on our website. Our UOB Thailand Privacy Notice is also available online and in all branches across UOB Thailand.

## Data Ethics

The drive for the ethical use of data is quickly gaining momentum; thought-leaders, industry experts and data practitioners have produced guidelines and publications addressing and highlighting its importance 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. 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 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 Model to provide a robust challenge as well as assurance in the ethical handling of data and its outcomes.

## Data Quality

Quality data is critical for efficient decision-making at the highest levels. Our regional data quality initiatives not only assure 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 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.

## Data Sharing

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 Group. 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.

## UOB Personal Data Protection Policy Principles

Personal data shall only be collected, used, or disclosed on a lawful basis according to the applicable laws such as contractual, legitimate and legal obligations. Consent from the customer must be obtained for other specific purposes. Consents are required for specific purposes, including consent for certain marketing activities by UOB Thailand, consent for data analytics for personalised marketing, consent for biometric data for authentication, and consent for data disclosure to third party companies for marketing purposes. UOB Thailand will provide full services under contractual, legitimate and legal obligations even if the above consents have not been given. Without the consent given, personalised offers, the use of customer’s biometric data, and data disclosure to to third parties for their marketing purposes are not permitted. Personal data that is no longer required for legal or business purposes must be securely destroyed, per document retention policies.



CONTRIBUTION TO THE UN SDGs



### Overview

### Our Approach

### Drive Growth Sustainably

### Keep Customers at the Centre

#### Data Privacy and Governance

- Fair Dealing
- Customer Experience
- Innovative Digital Banking Products
- Financial Inclusion

### Develop Professionals of Principle

### Uphold Corporate Responsibility

### Appendix

# Fair Dealing

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

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

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

## How We Approach This Topic

Fair Dealing is the responsibility of everyone at UOB Thailand, regardless of our roles. This duty is embodied in our values-based Code of Conduct. Treating customers fairly is UOB Thailand’s way of working. Our value of Honour underpins our commitment to delivering the five Fair Dealing outcomes as set out in the Monetary Authority of Singapore’s (MAS) Guidelines on Fair Dealing, and Bank of Thailand (BOT)’s Market Conduct standard. 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 Market Conduct Committee (MCC), comprising senior management appointed by UOB Thailand’s CEO, is responsible for ensuring Fair Dealing outcomes for our customers and compliance with the Market Conduct requirement. The Board and Management provide oversight through the Operational Risk Management Committee (ORMC), Risk and Capital Committee (RCC), and the Board Risk Oversight Committee (BROC), respectively.

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

- regular ‘Tone from the Top’ communications to reinforce the importance of embracing Fair Dealing and Market Conduct principles in all that we do; and
- UOB Thailand’s Customer Commitments Awards to recognise colleagues who uphold and fulfil our customer commitments.

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

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

## Our Targets

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

## Our Performance in 2021

- We achieved 100 per cent completion of mandatory training on MAS Fair Dealing and BOT Market Conduct by employees.
- We ensured that 100 per cent of customer complaints were addressed within the established processes and timelines.



### Overview

### Our Approach

### Drive Growth Sustainably

### Keep Customers at the Centre

Data Privacy and Governance

### Fair Dealing

Customer Experience

Innovative Digital Banking Products

Financial Inclusion

### Develop Professionals of Principle

### Uphold Corporate Responsibility

### Appendix



# Customer Experience

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

## How We Approach This Topic

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

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

We 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 and findings from our external consultants, we are able to obtain an independent gauge of the level of satisfaction among our customers as well as their changing needs. We use information and

insight from these sources to enhance the customer experience and to develop products and services that enable us to serve our customers better. Our Customer Experience and Advocacy (CEA) function monitors key performance indicators and metrics relating to customer experience at both the strategic and operational level. Regular updates are presented to the senior management as well as relevant committees such as the Brand and Service Committee, the Market Conduct Committee, the Operational Risk Management Committee and the Board Risk Oversight Committee. These updates relate to customers' NPS for Retail Banking, Wholesale Banking and Global Markets, Contact Centre and our branches, as well as customer complaint indicators and end-to-end service measures.

## Gaining Better Insights Through Market Research

We continue to understand customers' needs and insights in order to deliver better customer experience, wherever customer may be in any journey by doing Top Down NPS, Bottom-Up NPS and customer insight studies through focus groups and surveys.

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

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

## 2021 Quality Leader and Share Leader Awards

- Bronze Award for Best Work Flow at Thai Center Trade Association Event 2021 (TCCTA)
- Winner of the Most Innovative Branch Offering award at the Retail Banker International Asia Trailblazers Awards 2021
- Highly Commended for Excellence in Service Innovation at the Retail Banker International Asia Trailblazers Awards 2021

## Our Targets

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

## Our Performance in 2021

- Outperformed customer issue resolution target with 99 per cent of complaints resolved within five business days.
- Achieved mean CX score of 8.6 for Wholesale Banking and Global Markets.
- Achieved mean CX score of 9.2 and achieved NPS of above 60 per cent for Retail Banking.



### Overview

### Our Approach

### Drive Growth Sustainably

### Keep Customers at the Centre

Data Privacy and Governance

Fair Dealing

### Customer Experience

Innovative Digital Banking Products

Financial Inclusion

### Develop Professionals of Principle

### Uphold Corporate Responsibility

### Appendix

# Innovative Digital Banking Products

With the rapid progress of mobile technology in recent years, there is a growing need for digital banking. Consumers expect speedier and more convenient products and services that are easily accessible online. As populations become more technologically sophisticated, innovative digital solutions are making finance more inclusive by giving previously underserved people with access to banking products and services.

## How We Approach This Topic

Through our omni-channel approach, UOB Thailand provides our customers with options for how they want to bank with us. We continue to invest in our technology capabilities, ranging from artificial intelligence (AI), data analytics, and robotic process automation to cloud computing, in order to make banking more frictionless, easier, smarter, and safer for our customers.

With more consumers relying on mobile devices for daily transactions, we provide a suite of modern digital banking products, including mobile banking apps, to attract and serve our customers in novel ways. Among these solutions are:

- UOB Mighty: our all-in-one mobile banking; and
- TMRW: ASEAN's first mobile-only digital bank for the region's digital generation.

## UOB Mighty: Combining Banking, Payment and Lifestyle Services Into One Mobile App

UOB Mighty, launched in Thailand in 2017, is our all-in-one mobile app that combines banking services, contactless payments, eating, and rewards. UOB Mighty also incorporates PromptPay, Thailand's national e-payment system, to make cashless payments more convenient for our customers.

We enhanced UOB Mighty in 2021 with the addition of Mighty Insights, a first-of-its-kind AI-powered digital banking service that uses powerful data analytics, machine learning, and pattern recognition algorithms to present customers with -personalised insights into their savings and expenses.

The integration of Mighty Insights enables our consumers to stay on top of their finances in a simpler, smarter, and safer manner. Mighty Insights is yet another example of how UOB Thailand is leveraging technology to improve our customers' banking experience.

Along with delivering tailored insights into customers' financial behaviour, Mighty Insights anticipates their requirements, allowing them to focus on other elements of their lives other than banking. For example, Mighty Insights include reminders to customers to pay their bills on time and notifications on any unexpected activity on their UOB Thailand accounts.

With the addition of the digital unsecured loan booking feature (call-for-cash and instalment payment plan conversion), UOB Mighty provides seamless customer experience with straight-through booking and immediate disbursement.

## TMRW: Serving ASEAN's Mobile-first, Mobile-only Consumers



TMRW, ASEAN's first mobile-only digital bank, was launched in Thailand in 2019. TMRW aspires to make banking easier, more transparent, and more interesting for our digitally-savvy customers by personalising the banking experience for each individual, from account opening to day-to-day needs. TMRW's data-centric operating strategy turns transactional data into actionable Smart Insights that make banking more engaging and fun for customers while also enabling them to be smarter about saving and spending. As customers spend more time using TMRW, the digital bank will become more acquainted with their needs and preferences, allowing it to better serve each customer.

TMRW also includes PromptPay payment options to ensure that our customers have access to their preferred payment networks. Through the unified UOB TMRW platform, we can tap economies of scale to accelerate innovation especially in the area of personalised digital banking experiences and speed to market. One service that is available through UOB TMRW is fund transfers between Singapore and Thailand via PayNow-PromptPay, which are the national fast payment systems in the two countries. Our customers can enjoy the convenience of making

instant, secure cross-border fund transfers using just their mobile phone and the recipient's mobile number.

In addition, customers can access TMRW CashPlus, a one-stop digital credit solution that customers can apply for and use through the Bank's mobile app, launched in 2021.

TMRW CashPlus allows customers who are experiencing a short-term cash crunch to obtain a credit account. Once approved, TMRW customers can transfer money from their TMRW CashPlus account to their TMRW Everyday Account to use the line of credit.

## Recognition for TMRW

- The Digital Banker 2021
- Highly Acclaimed: Outstanding Transformation in Digital CX during COVID-19
  - Outstanding Digital CX Strategy – Overall
  - Best Digital Bank for CX
- 2021 Global Retail Banking Innovation Awards
- Best Bank in Southeast Asia – TMRW
  - Best Digital Bank for Millenials – TMRW
- Finovate Awards
- Best Customer Experience Solution
- 2021 International Finance – Banking Award
- Best Digital Bank
- The Asset Triple A Digital Awards 2021
- Best Mobile Banking Application in Thailand



CONTRIBUTION TO THE UN SDGs



## Overview

## Our Approach

## Drive Growth Sustainably

## Keep Customers at the Centre

- Data Privacy and Governance
- Fair Dealing
- Customer Experience

## Innovative Digital Banking Products

- Financial Inclusion

## Develop Professionals of Principle

## Uphold Corporate Responsibility

## Appendix

# Financial Inclusion

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

## How We Approach This Topic

UOB Thailand is committed to making banking services and products accessible and affordable to various 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. Across the Bank, our branch colleagues are also increasingly equipped with the skills and knowledge to cater to the needs of a diverse customer base.

## Digital Financial Inclusion

Digital technology is an integral part of our society. As the digitalisation of financial services continues, it is important that no one is excluded in their day-to-day lives from the benefits and opportunities provided by technology. However, the fast pace of technological advancement has resulted in some people being left behind. They may distrust new technologies or simply be overwhelmed by the sheer volume of available solutions.

We see it as our duty to actively reach out to our customers and the wider community to help them understand that digital products and services can make their lives more convenient. As such, the Bank has embarked on programmes and initiatives to support digital financial inclusion.

We use technology to provide borderless, reliable and efficient services, and are committed to protecting our data and assets, including customer data, from cyber security threats. We continue to deepen our digital capabilities to create distinctive and inclusive banking experiences for our customers. We harness technologies such as artificial intelligence, machine learning and data analytics to draw insights from transaction data, enhancing our understanding of our customers and our ability to recommend the most appropriate product and service at the right time.

## Supporting Small Entrepreneurs

For many small businesses, the lack of proper or audited financial records makes it difficult for banks to assess their creditworthiness accurately. This often results in a lengthy credit evaluation process and a significantly higher cost of financing for SMEs.

In late 2021, given the continued pandemic and realising that more businesses required support for growth and continuity, we launched a short tenor cash advance loan or a longer tenor working capital loan for small- and medium-sized enterprises (SMEs), targeting companies with low sales turnover.

We also developed a platform for SMEs to digitally submit their loan application and documents to the Bank, accelerating the credit assessment and approval process.

## UOB BizMerchant: Data-driven Financing for SMEs

Recognising the rapid growth of e-commerce in Thailand, we enable more online retailers to seize opportunities for business growth through the UOB BizMerchant programme, launched in Thailand in 2019. Through UOB BizMerchant, we offer small-ticket financing to online businesses operating on marketplaces such as Lazada and Shopee. Our data analytics-powered credit underwriting engine enhances customer experience through a more frictionless loan application process. We apply analytics to new pools of data, such as those relating to the business's day-to-day operations, to gain deeper insights into the credit behaviour of small businesses. This, in turn, enables us to process small business loan requests with greater speed and accuracy, resulting in a faster turnaround time for our SME customers. Once the loan is approved, it enables us to offer other banking services such as a banking account, ATM card, mobile banking and internet banking services.

Under the UOB BizMerchant programme, we can process merchant loan applications remotely, reducing the turnaround time from one to two weeks typically taken for conventional loans to fewer than five working days. In 2021, 49 businesses in Thailand received financing totalling THB 16 million.

The scalable nature of our digital credit engine ensures that we can serve new customers in different operating environments. In addition, we provide our SME customers access to an ecosystem of business solutions through which they can enjoy exclusive benefits from our partners who serve the e-commerce community.

## Omni-channel SMEs engagement

We have conducted more than 50 workshops led by experts in different fields to enhance SMEs' knowledge and capabilities for long-term business growth. These offline and online events spanned various industries, from garment and consumer goods to the healthcare and chemical sectors, and covered both business-to-consumer (B2C) and business-to-business (B2B) companies.

## Smart Business Transformation Programme

Since 2019, UOB Thailand and The FinLab, UOB's innovation accelerator, have helped more than 580 Thai SMEs in their digital transformation journey through the Smart Business Transformation Programme (SBTP). The SBTP aims to help SMEs maximise their business opportunities by understanding economic landscape, changing consumer preferences and behaviours, and how to utilise suitable digital tools.

UOB Thailand and The Finlab also launched The FinLab Online, a regional digital platform to help SMEs implement digital solutions to transform their businesses. This enabled more companies across the country to participate in the programme in real-time or at their own time without physical barriers. During the COVID-19 lockdown, The FinLab Online proved to be essential in the continuation of the programme to help SMEs.



### Overview

### Our Approach

### Drive Growth Sustainably

### Keep Customers at the Centre

Data Privacy and Governance

Fair Dealing

Customer Experience

Innovative Digital Banking Products

### Financial Inclusion

### Develop Professionals of Principle

### Uphold Corporate Responsibility

### Appendix



# Financial Inclusion

## Tech Matching

As a follow-up step to the workshops, UOB Thailand and The FinLab provide SMEs and technology solution providers opportunities to work together on the digitalisation journey. We helped connect SMEs to a vast network with various digital solution providers in areas such as marketing, creative content creation, website development, customer relationship management and enterprise resource planning.

## Tech for Sustainability



Perfect Paper, one of the participants of SBTP, is a company that collects, sorts and compresses used paper before being distributed it to its customers as raw materials for recycling and upcycling. Through the SBTP, Perfect Paper adopted tech solutions for its logistics and marketing, which helped the company achieve 15 per cent cost savings and a twofold rise in revenue. The company can also focus its resources on making the world a greener place.

## Customer Testimonials

*“The Smart Business Transformation Programme enabled me to have this agility. I learnt about the change management framework that emphasised the importance of aligning and preparing our people for what may lie ahead when the only certainty is uncertainty. I believe consumer behaviour will change after COVID-19 ends and what used to work in the past may become obsolete in the future. To survive and to succeed, especially in challenging times, it is critical to show strong business leadership. Businesses must also be flexible and pay more attention to employees’ training so that they too will be ready for the new norm.”*



Mr Wisan Wanasakrsisakul,  
Chief Executive Officer of Warrix, a sportswear brand and the main sponsor for Thailand’s national football team

*“We have to thank the Smart Business Transformation Programme for the confidence and peace of mind, my team and I gained in moving into e-commerce. At first, we were unsure of moving our business online and how to get started. Through the programmes’s structured learning journey, I was introduced to online marketing tools that enabled my company to reach more market segments and to implement an e-commerce logistics solution that has helped us to save goods transport costs by 30 per cent.”*

Mrs Narisa Israngkura Na Ayudhya,  
Managing Director of Little Lullaby Co., Ltd, the manufacturer and distributor of the “Nappi Baby” brand of baby products made from bamboo musli



CONTRIBUTION TO THE UN SDGs



Overview

Our Approach

Drive Growth Sustainably

Keep Customers at the Centre

Data Privacy and Governance

Fair Dealing

Customer Experience

Innovative Digital Banking Products

Financial Inclusion

Develop Professionals of Principle

Uphold Corporate Responsibility

Appendix



## Develop Professionals of Principle

- 38 Attracting, Developing and Retaining Talent
- 40 Workplace Safety, Health and Well-being
- 41 Diverse and Inclusive Workforce





# Attracting, Developing and Retaining Talent

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 technical and personal development as well as professional conversion programmes, we ensure that they are equipped with the skillsets and mindsets to remain relevant, competitive and fulfilled.

## How We Approach This Topic

It is a strategic priority for UOB Thailand to attract, to develop and to retain talent. This helps us to enhance our service standards and to ensure sustainable business growth. We believe that every one of our colleagues is able to contribute meaningfully to the organisation. Hence, we adopt a holistic approach to building and to strengthening our people's capabilities proactively and continually.

We are dedicated to maintaining a culture where our colleagues are empowered to make a positive difference. We do this by fostering an inclusive, prudent, progressive and performance-based organisation that encourages the best of each individual.

Offering internal career opportunities and access to continual development 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 be ready for the future.

UOB Thailand is an equal opportunity employer. We aim to attract and to retain talent 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 as well as recruitment platforms for outbound sourcing. During our recruitment process, we also use technology to improve the candidate experience through the following initiatives:

- deploying an applicant tracking system which provides interested candidates the opportunity to view current job postings across our network and to apply directly for the role online; and
- improving candidate conversion for Personal Bankers by using an online gamified assessment (Pymetrics Test) to minimise unconscious bias.

## Our Targets

- Achieve an average of 6.6 training days.

## Our Performance in 2021

- 100 per cent of eligible colleagues completed the five foundational modules of the Better U learning and development programme.
- We invested about Baht 23.4 million in training our people at UOB Thailand. On average, each colleague completed 10.0 training days. We successfully virtualised 100 per cent of our core training programmes to ensure continuity of learning and development for our employees during the pandemic.



CONTRIBUTION TO THE UN SDGs



Overview

Our Approach

Drive Growth Sustainably

Keep Customers at the Centre

Develop Professionals of Principle

Attracting, Developing and Retaining Talent

Workplace Safety, Health and Well-being  
Diverse and Inclusive Workforce

Uphold Corporate Responsibility

Appendix





# Attracting, Developing and Retaining Talent

## Our Commitment to Fairness

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

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

## Upholding Human Rights

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

## Managing Employee Performance

UOB Thailand is committed to fostering a meritocratic, performance excellence culture at the workplace. Our integrated performance management framework comprises four stages, namely Plan, Engage, Appraise and Keep Track (PEAK). The framework 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 UOB's core values.

## Leadership Development and Succession Planning

Leadership development is a key focus for UOB Thailand. Our Performance and Development Council, chaired by Country CEO, continues to drive and to strengthen the process of identifying future talents for the Bank and ensuring meaningful development opportunities are available to them. In addition, dedicated support in the form of career advisory and coaching provide identified talents with clarity on their career trajectory.

Succession planning is an integral part of our leadership continuity strategy and we have succession plans in place for key positions across the UOB Thailand. Successors to critical roles are provided opportunities in various working committees to broaden their exposure and learning. Function Heads have responsibility for their respective talent pools, whereas the Performance and Development Council also manages UOB Thailand's collective talent pool.

## Grooming Young Talent

Our 18-month UOB Management Associate (MA) programme aims to attract high-calibre, early-career talents from across the region to take on leadership roles in UOB. In 2021, we received more than 3 thousand applications, of which 4 fresh graduates were chosen. Selected MAs are rotated through various units within the Bank to gain exposure, given training to develop their technical skills, assigned regional projects whereby our senior leaders personally mentor and impart knowledge to the MAs, and sent on overseas assignments so they gain regional experience.

## LEAD Programme for Channels

LEAD Program Journey  
4 August 2021



The LEAD programme was launched in 2021 to upskill our Branch leaders for readiness to execute the upcoming branch transformation plan. The programme features lectures and training sessions from the leading academic minds of the prestigious Mahidol University International College and the South East Asia Center. The programme helps both our young and senior branch talents sharpen their understanding and approach on topics such as customer services and strategic thinking.

The Channels LEAD programme is the latest addition to our customised learning programmes design for specific functions. Other programmes include Wholesale Banking Academy and HR academy.



### Overview

### Our Approach

### Drive Growth Sustainably

### Keep Customers at the Centre

### Develop Professionals of Principle

### Attracting, Developing and Retaining Talent

Workplace Safety, Health and Well-being  
Diverse and Inclusive Workforce

### Uphold Corporate Responsibility

### Appendix



# Workplace Safety, Health and Well-being

## How We Approach This Topic

As a responsible employer, we are committed to providing a safe and healthy work environment where our colleagues can perform at their best. We believe that taking care of their well-being also helps improve our overall productivity and drives our performance.

## Employee Wellness

Health and wellness is a primary component of UOB Thailand’s employee value proposition. We provide health insurance and annual health checkups for all permanent employees. We also provide discounted prices for annual vaccines for all permanent employees, including special prices to employee family members. In addition, we provide wellness opportunities to our colleagues through our Fitness Centre at our Phetkasem Office and through the activities of our social clubs, which include aerobics, cycling, and badminton.

Colleagues who feel unwell during work can visit the nurse’s office at our Phetkasem and Sathon Offices. Each office is equipped with a nurse and has a doctor on standby one hour per day. A breast pumping station for new mothers is also available at our Phetkasem nurse’s office.

## Employee Wellness Taskforce

Our Employee Wellness Taskforce (EWTF), set up in 2019, plans and implements health and safety initiatives. The Taskforce comprises representatives from different business and support units. Together, they take the necessary measures to address any identified health and safety risks.

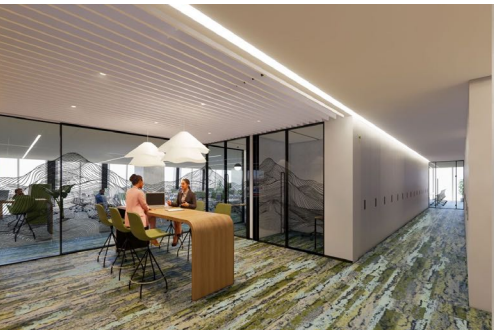
The COVID-19 pandemic has posed unprecedented health and safety challenges to organisations around the world. In order to enhance business resilience and agility, we have adopted a holistic approach focused on prevention, preparedness, resilience, and recovery. Among other measures, we have taken steps to enhance indoor air quality, to improve cleaning protocol standards for employees to work in everyday life. During the pandemic, we provide special care to our on-site staff, including giving each of them a 30-day supply of masks each month. We also helped 3,500 permanent employees and non-staff procure COVID-19 vaccination appointments and secured alternative vaccination bookings for employee and their families.

## High Performance Workplaces

By providing high-performance work settings focused on ergonomics and comfort, we create workplaces that enable collaboration, innovation, productivity and personal well-being for our people.

In 2020, UOB Thailand set up the Change Management Workstream to transform our offices to high performance workplaces and our employees to become a high performance workforce. Since then, we have set up top-down communication via a Senior Management Workshop, Middle Management Workshops for Department and Division Heads, and Change Champion Workshops. These workshops aim to prepare our employees for change and to help them achieve higher productivity once we move to the new building, UOB Plaza Bangkok, in 2022.

## UOB Plaza Bangkok



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



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



CONTRIBUTION TO THE UN SDGs



Overview

Our Approach

Drive Growth Sustainably

Keep Customers at the Centre

Develop Professionals of Principle

Attracting, Developing and Retaining Talent  
**Workplace Safety, Health and Well-being**  
Diverse and Inclusive Workforce

Uphold Corporate Responsibility

Appendix

# Diverse and Inclusive Workforce

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

We draw upon the diverse strengths, experiences, and capabilities of our colleagues from different nationalities and demographic groups. This helps to enrich our knowledge and appreciation of one another. This approach also enables us to be sensitive to the needs of our customers and to serve them more effectively.

## How We Approach This Topic

UOB Thailand is an equal opportunity employer. We aim to attract and to retain professionals of principle with the passion and commitment to doing what is always right. Our Recruitment Policy guides our hiring process and decisions. Under the policy, we practice non-discriminatory hiring and all hiring decisions are 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, socio-economic status or any other legally-protected characteristic. All employment decisions at UOB Thailand are based on business needs, job requirements and qualifications. Employees are encouraged to raise their concerns without fear of reprisal through the Group's whistle-blowing mechanism.



## Our Targets

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

## Our Performance in 2021

### Women in the workforce

Women accounted for 70 per cent of our permanent employees as at the end of 2021. Women also held 58 per cent of senior and middle management roles. They accounted for 47 per cent of Function Heads who are senior management reporting directly to the Country CEO.

### Silver workforce

We offered re-employment opportunities to 19 colleagues in Thailand who were eligible for retirement, 12 of whom were women. We value the depth of knowledge and experience that older colleagues bring to the workplace and provide support to help them continue their employment beyond the statutory retirement age.

### Special needs workforce

Our diverse workforce extends beyond age and gender. We partner with the Association for Professional Development for the Blind in Thailand (APDBT) to help develop the careers of the visually impaired in Thailand through the hiring of massage therapists. We also support the salaries of people with disabilities that work with the Thai Red Cross.

## Partnership for the Goals

- Thai Banker's Association (TBA)
- Bank of Thailand (BOT)
- The Association for Professional Development for the Blind in Thailand (APDBT)



CONTRIBUTION TO THE UN SDGs



Overview

Our Approach

Drive Growth Sustainably

Keep Customers at the Centre

Develop Professionals of Principle

Attracting, Developing and Retaining Talent

Workplace Safety, Health and Well-being

Diverse and Inclusive Workforce

Uphold Corporate Responsibility

Appendix



## Uphold Corporate Responsibility

- 43 Strong Governance
- 44 Regulatory Compliance
- 45 Information Security
- 46 Preventing Corruption, Fraud and Money Laundering
- 48 Sustainable Procurement
- 49 Managing Our Direct Environment Impact
- 50 Community Stewardship



# Strong Governance

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

## How We Approach This Topic

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

## Our Corporate Governance Framework



### Find Out More

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

## Board Leadership

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

The Board delegates some of its duties to four Board Committees, namely the Audit Committee (AC), Board Risk Oversight Committee (BROC), Executive Committee (EXCO), Nominating and Compensation Committee (NCC). Comprising a majority of independent and non-executive directors, the Board collectively has skillsets, expertise and experience across industries, professions, backgrounds and cultures, providing diversity in thought and opinion. Annually, each Director is assessed on his/her 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, through the AC, works closely with the internal and external auditors and management to ensure a strong Third Line. The AC meets internal auditors and external auditors separately in the absence of management 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:

- Risk and Capital Committee: oversees the management of risks and capital of UOB Thailand;
- Management Committee: oversees the overall performance of UOB Thailand, country corporate functions and business segments, including strategic direction and business activities as well as capital and resource allocation;
- Asset and Liability Committee: oversees the effectiveness of our market and liquidity risk management;
- Credit Committee: oversees credit and country risk management;
- Sustainability Committee: sets UOB Thailand sustainability strategy and roadmap;
- Information and Technology Committee: provides strategic oversight of investment in technology, data and productivity;
- Operational Risk Management Committee: oversees operational risk management, including approval of frameworks, policies, risk models and methodologies relating to operational and reputational risks; and

- Brand and Service Committee: oversees the appropriate management on brand and service related issues/matters.



## Overview

## Our Approach

## Drive Growth Sustainably

## Keep Customers at the Centre

## Develop Professionals of Principle

## Uphold Corporate Responsibility

### Strong Governance

- Regulatory Compliance
- Information Security
- Preventing Corruption, Fraud and Money Laundering
- Sustainable Procurement
- Managing Our Direct Environment Impact
- Community Stewardship

## Appendix



# Regulatory Compliance

Banks play an integral role in ensuring the stability and security of the financial system. As the custodian of our customers’ assets, we are accountable for upholding the highest standards of ethics and integrity. This contributes to UOB Thailand’s continued role as a source of stability, security, and strength for our stakeholders.

## How We Approach This Topic

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

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

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

In maintaining our values-based compliance culture, we 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.

## Prohibiting Insider Trading

Employees of UOB Thailand are expected to act honestly and with integrity, including with regard to information obtained during the course of their work. Everyone must follow the UOB Group Policy on Personal Trading in Securities, which governs the prohibition of insider trading and establishes the framework for managing insider trading risks. They must also complete an online learning module on insider trading and market misconduct once a year.

UOB Thailand has in place a Pre-Trade Clearance System that requires employees, who may reasonably be expected to have access to inside information, to make declarations and to seek approval before executing their trades on the stock exchanges. In addition, our Compliance team 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 Thailand, have intergovernmental agreements with the US to facilitate the reporting required under FATCA.

We are committed to complying with the provisions of FATCA and to ensuring that UOB Thailand meets all applicable FATCA requirements. In addition, our governance framework ensures that UOB Thailand continues to comply with FATCA requirements on a day-to-day basis.

## Our Targets

- Keep the number of material issues raised by regulators to a minimum.

## Our Performance in 2021

- We adhered to the laws and regulations governing environmental, social, and economic impact, product and service information and labelling, and marketing communications, which include advertising, promotion, and sponsorship.
- In 2021, no significant fine, penalty, or sanction was imposed on the Bank for non-compliance in relation to any of the above.
- There were no material losses as a result of legal proceedings in 2021.



### Overview

### Our Approach

### Drive Growth Sustainably

### Keep Customers at the Centre

### Develop Professionals of Principle

### Uphold Corporate Responsibility

Strong Governance

Regulatory Compliance

Information Security

Preventing Corruption, Fraud and Money Laundering

Sustainable Procurement

Managing Our Direct Environment Impact

Community Stewardship

### Appendix



# Information Security

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

## Information security

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 consistently 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 continually upgrade our security capabilities to respond to the evolving threat landscape by partnering with 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. 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. We 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 their online banking experience security.

## 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 2021

We continued to develop our cybersecurity capabilities and to enhance our operating models, strengthening our defences and keeping pace with the dynamic threat landscape. Through these efforts, we contributed to the financial system's security and stability and helped build trust in the banking environment. As we advance our digital capabilities, we remain committed to increasing our cyber resilience and security investments.



CONTRIBUTION TO THE UN SDGs



Overview

Our Approach

Drive Growth Sustainably

Keep Customers at the Centre

Develop Professionals of Principle

**Uphold Corporate Responsibility**

Strong Governance

Regulatory Compliance

**Information Security**

Preventing Corruption, Fraud and Money Laundering

Sustainable Procurement

Managing Our Direct Environment Impact

Community Stewardship

Appendix

# Preventing Corruption, Fraud and Money Laundering

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

## How We Approach This Topic

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

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

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

### The five pillars of our fraud prevention framework

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

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

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

## Preventing Fraud Governance

At UOB Thailand, we take a proactive stance in managing fraud risks. There is a governance framework and security measures in place to address risks across our internet banking, mobile banking and branch channels. The Integrated Fraud Management (IFM) unit was established in 2017 to enhance the Bank's management of fraud risk across geographies and to drive collaboration across functions for a more integrated anti-fraud approach. In addition, we have in place 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 in place a Fraud Risk Management Framework and a Fraud Risk Management Policy. The corporate governance oversight of fraud risk is provided by the Audit Committee at the Board level, and primarily by the Risk Capital Committee at the management level.

## Monitoring

We have implemented internal fraud monitoring measures in frontline functions to prevent fraud and we enhance our services continually as fraud trends evolve. We also invest continually in our fraud monitoring and detection systems.

Fraud risks are also assessed as part of our Key Risk Control Self-Assessment (KRCSA) annual exercise which applies across the Bank.

## Zero tolerance policy

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

## Rising risks

One of the major concerns in 2021 was data leakage. We reviewed our current processes to identify gaps and rectify them in order to secure customers' data. The industry also witnessed a considerable increase in reported scams during the COVID-19 pandemic. More people fell prey to online shopping, technical support and loan-related scams during this period. We collaborated closely with the law enforcement entities and peer banks in the recovery of scammed monies.

## Customer education on awareness

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

## Our Targets

- 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 2021

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



CONTRIBUTION TO THE UN SDGs



## Overview

## Our Approach

## Drive Growth Sustainably

## Keep Customers at the Centre

## Develop Professionals of Principle

## Uphold Corporate Responsibility

Strong Governance

Regulatory Compliance

Information Security

Preventing Corruption, Fraud and Money Laundering

Sustainable Procurement

Managing Our Direct Environment Impact

Community Stewardship

## Appendix

# Preventing Corruption, Fraud and Money Laundering

## What We Do to Protect You Online



### Mighty Secure

A personalised digital token replaces the need for one-time passwords. Mighty Secure enables customers to securely log into both UOB Personal Internet Banking and UOB Mighty. It can be configured on a mobile device and only the customer has access to it.



### UniAlerts

Keeps customers informed of their transactions. UOB customers may avoid late payment of credit card bills by signing up for UniAlerts, which provides real-time information and instant update on their account activity.



### Unique Login Credentials

Customers can log in to their internet banking account using a unique username and password that no one else can use.



### Automatic Logout Feature

When our system detects inactive internet banking sessions, customers are automatically logged out to ensure their account information is not compromised.

## Preventing Corruption

Our UOB Code of Conduct, Anti-bribery and Anti-corruption Policy and procedures explicitly prohibit engaging in bribery or corruption in any form. Our anti- bribery and anti-corruption policy and procedures are in line with the practices of Private Sector Collective Action Coalition Against corruption by the Thai Institute of Directors and Thailand's anti-corruption law which include measures and guidance to assess risks, to understand relevant laws and to report concerns. Appropriate training is implemented for all new employees and yearly refresher courses are mandatory for existing employees.

We require our employees, contractors, vendors, third parties and other stakeholders to be aware of our anti-bribery and anti-corruption provisions. They are encouraged to speak up, and to raise any question or concern which they may have if they see anything that they feel is unethical or runs counter to our anti-bribery and corruption provisions.

There were no confirmed cases of bribery and corruption reported for the year ended 31 December 2021.

## AML/CFT and Sanctions Governance

The Anti-Money Laundering Committee (AMLC), comprising senior management, oversees the management of 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 Group's 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.

### Our programme

We established the AML/CFT and Sanctions Programme to ensure that UOB Thailand's identified money laundering, terrorist financing, and sanctions risks are adequately mitigated. It entails risk assessment, customer due diligence, controls and monitoring, as well as investigating and reporting potential suspicious activity to the appropriate regulatory bodies. A Country Money Laundering Reporting Officer is appointed as part of the programme. The AML/CFT and Sanctions Programme is subject to independent audits on a regular basis.

We started a multi-year journey in 2021 to strategically improve our AML/CFT control effectiveness through strong governance, stringent risk surveillance, and

effective controls execution. Implementing roadmaps to target significant ML/TF risk areas and sanctions evasion, such as the use of shell and front companies and trade-based money laundering, would also be included. The Bank also embarked on a forward-thinking initiative that uses data analytics in established control processes to detect and mitigate such risks in a timely manner.



CONTRIBUTION TO THE UN SDGs



## Overview

## Our Approach

## Drive Growth Sustainably

## Keep Customers at the Centre

## Develop Professionals of Principle

## Uphold Corporate Responsibility

- Strong Governance
- Regulatory Compliance
- Information Security
- Preventing Corruption, Fraud and Money Laundering**
- Sustainable Procurement
- Managing Our Direct Environment Impact
- Community Stewardship

## Appendix



# Sustainable Procurement

As we continue to deepen our presence in Thailand, 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, including 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 where 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. These include risks related to modern slavery and human trafficking within our supply chain. The majority of our purchases from suppliers are related

to corporate services, real estate, information systems and workforce management.

We understand that there are ESG risks associated with our suppliers' activities, and that the risks will vary depending on their sector, size and location. As such, we expect our suppliers' practices to comply with our GSSP.

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

### Our Targets

- We aim to have 90 per cent of our material suppliers in Thailand acknowledge our GSSP.

### Our Performance in 2021

- We continued to source the products through suppliers on sustainability principles and to drive the tenets of the GSSP within UOB Thailand.



CONTRIBUTION TO THE UN SDGs



## 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.



### Overview

### Our Approach

### Drive Growth Sustainably

### Keep Customers at the Centre

### Develop Professionals of Principle

### Uphold Corporate Responsibility

- Strong Governance
- Regulatory Compliance
- Information Security
- Preventing Corruption, Fraud and Money Laundering
- Sustainable Procurement**
- Managing Our Direct Environment Impact
- Community Stewardship

### Appendix

# Managing Our Direct Environmental Impact

We are dedicated to environmental resources conservation for the benefit of our stakeholders and future generations. Thailand’s economy is growing rapidly, and as our business expands, we must ensure that the environmental impact of our vast operations in Thailand is appropriately mitigated. We are conscious of the direct environmental impact of our branch network and offices in Thailand and have taken steps to develop a more energy- and resource-efficient real estate portfolio and to encourage environmental stewardship at work.

## How We Approach This Topic

Our direct impact on 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.

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 practises 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.

## Our Focus Areas



### Energy and Resource Management

We work actively to achieve measurable reductions in energy and resource consumption. These efforts result in corresponding reductions in emissions and waste, which yield cost savings.



### Green Building Certifications

We adopt best practices that are aligned with the BCA Green Mark standards and aim to achieve green building certification for all wholly-owned UOB buildings.



### Digitalisation and Workflow Automation

We adopt innovative solutions to enhance operational efficiency by leveraging technology.

## Our Environmental Performance in 2021

In 2021, our energy consumption was 19.0 gigawatt-hours (GWh), a decrease of 6.6 per cent compared with 2020. Energy use intensity, measured in kWh per m2 of floor space, including data centres, decreased 4.3 per cent. Excluding data centres, the energy use intensity of our offices and branches decreased 5.2 per cent over the same period.

Greenhouse gas (GHG) emissions was 10.7 thousand tonnes CO2-equivalent (tCO2e), a decrease of 7.0 per cent compared with 2020. GHG emissions intensity, measured in kg of CO2-equivalent per m2 of floor space, including data centres, decreased 4.9 per cent. Excluding data centers, the GHG emissions intensity of our offices and branches decreased 7.9 per cent over the same period.

Our water consumption in 2021 was 93.5 thousand cubic metres (m3), 17.9 per cent lower compared with 2020. Water usage intensity, measured in m3 per m2 of floor space, decreased 22.4 per cent over the same period. The decrease was due to readjustment of the valves at Goodwood Building 2021 following the Green Mark recommendation from Phetkasem Building.

We used office printing paper for brochures, printing materials, letterheads and envelopes. The usage was 210.3 tonnes in 2021, 18.6 per cent lower compared with 2020.

In 2021, our recycling of paper and board materials totalled 346.2 tonnes, similar to 2020 level.

The total amount of waste was 333.1 tonnes, an increase of 23.4 per cent compared with 2020. Waste disposal intensity, measured in kg of waste per m2 of floor space decreased 21.2 per cent over the same period.

## Our Targets

- To achieve green building certification for UOB Plaza Bangkok by the end of 2022.

## Our Performance in 2021

- We achieved 6.6 percent overall reduction in electricity usage compared with 2020. Our greenhouse gas emissions decreased 7.0 per cent over the same period.



CONTRIBUTION TO THE UN SDGs



## Overview

## Our Approach

## Drive Growth Sustainably

## Keep Customers at the Centre

## Develop Professionals of Principle

## Uphold Corporate Responsibility

- Strong Governance
- Regulatory Compliance
- Information Security
- Preventing Corruption, Fraud and Money Laundering
- Sustainable Procurement
- Managing Our Direct Environment Impact**
- Community Stewardship

## Appendix

# Community Stewardship

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

## How We Approach This Topic

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

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

## How We Give Back



### Philanthropy

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



### Partnerships

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



### Participation

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

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



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



### Education

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



## Overview

## Our Approach

## Drive Growth Sustainably

## Keep Customers at the Centre

## Develop Professionals of Principle

## Uphold Corporate Responsibility

- Strong Governance
- Regulatory Compliance
- Information Security
- Preventing Corruption, Fraud and Money Laundering
- Sustainable Procurement
- Managing Our Direct Environment Impact

## Community Stewardship

## Appendix



# Community Stewardship

## Heartbeat for Our Community in 2021



► **Baht 10 million**  
in monetary contribution  
to the community



**8,150 individuals and 8 hospitals**  
received financial assistance through  
#UnitedForYou COVID-19 Relief Programme



A record of  
**6,365 hours**  
volunteered by our colleagues  
in Thailand to serve the community



**1,021**  
**employees and families**  
united to raise funds for pandemic-  
hit communities in Thailand



**783**  
**merging artists**  
inspired by  
UOB Virtual Art Roadshow

### Our Targets

- Encouraging employee volunteerism
- Championing visual art and artists by supporting the development of the arts scene across Asia
- Opening hearts and minds of the young through education

### Our Performance in 2021

The COVID-19 resulted in tremendous uncertainty and disruption in many facets of daily life, including physical activity, socialisation opportunities and access to art and culture. As countries around the world struggled with the pandemic, we remained steadfast in our efforts to assist vulnerable communities through various initiatives under the #UnitedForYou COVID-19 Relief programme.

- Clocked 6,365 hours of volunteer work, averaging 1.4 hours per employee, in Thailand.
- Contributed close to Baht 8.4 million to support the social development of art in Thailand.
- Championed Southeast Asian visual art through the 12th UOB Painting of the Year (POY) competition and outreach initiatives and partnerships
- Contributed Baht 10.3 million in monetary and in-kind contributions to the community in Thailand.
- Launched UOB Money 101: Teen Edition under UOB My Digital Space to provide financial literacy skills to underprivileged young adults in Thailand.



### Overview

### Our Approach

### Drive Growth Sustainably

### Keep Customers at the Centre

### Develop Professionals of Principle

### Uphold Corporate Responsibility

- Strong Governance
- Regulatory Compliance
- Information Security
- Preventing Corruption, Fraud and Money Laundering
- Sustainable Procurement
- Managing Our Direct Environment Impact

### Community Stewardship

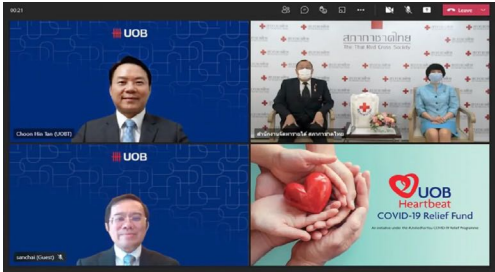
### Appendix

# Community Stewardship

## Supporting Community in the Trying Times

### UOB Heartbeat COVID-19 Relief Fund

UOB Thailand colleagues and customers united to raise funds through UOB Heartbeat COVID-19 Relief Fund in combating the pandemic. More than Baht five million were donated to The Thai Red Cross Society to purchase relief kits and daily necessities for the less fortunate, helping a total of 7,700 individuals who were required to undergo a 14-day quarantine without receiving any compensation.



## Maintaining an active lifestyle for a good purpose

The 2021 UOB Global Heartbeat Programme empowered colleagues and their family members to care for vulnerable communities, the environment as well as their personal wellness for a more sustainable future. In Thailand, more than a thousand of UOB Thailand employees and families participated in the UOB Global Heartbeat Virtual Run/Walk, contributing a total of 6,244 hours. These active hours culminated in Baht 500,000 in monetary donations. The funds were given to two organisations, namely the Emergency Medical Foundation of Thailand (EMFT) to cover the costs of COVID-19 patient transport and to Bangrak Vaccination and Health Centre to assist in the vaccination distribution to Thai people.



## Caring for the healthcare professionals during the COVID-19 pandemic



UOB Thailand provided 2,000 protective coveralls to health practitioners as part of the UOB Group's #UnitedForYou COVID-19 Relief Programme, in recognition of their persistent efforts to save the lives of COVID-19 patients. The 2,000 protective coveralls were donated to Siriraj Hospital and Thammasat University Field Hospital, two of the city's major medical institutions that observed a spike in COVID-19 patients.

## Providing hygiene supplies to protect vulnerable children and families



In 2021, UOB Thailand Commercial Banking raised funds of Baht 82,500 during its annual Lunar New Year Fundraising in Thailand to provide children from low-income households with hygiene supplies. Through a partnership with Community Children Foundation (CCF), more than 200 hygiene kits including soaps, towels, hand gels, and face masks were distributed to affected communities in the north-eastern region to keep children and families healthy as Thailand grappled with the third wave of COVID-19.

## Uniting to support organisations providing COVID-19 reliefs



Colleagues from UOB Thailand Business Banking reconnected and generously contributed their favourite plants to auctions. Nearly Baht 438,000 was raised from 69 bidders, which was then donated to organisations providing COVID-19 assistance. Police Hospital, Chulalongkorn Hospital, Thammasat Hospital, Udon Thani Hospital, Children Hospital, and Taejai were among the six beneficiaries of the COVID-19 Fund.



### Overview

### Our Approach

### Drive Growth Sustainably

### Keep Customers at the Centre

### Develop Professionals of Principle

### Uphold Corporate Responsibility

- Strong Governance
- Regulatory Compliance
- Information Security
- Preventing Corruption, Fraud and Money Laundering
- Sustainable Procurement
- Managing Our Direct Environment Impact

### Community Stewardship

### Appendix



# Community Stewardship

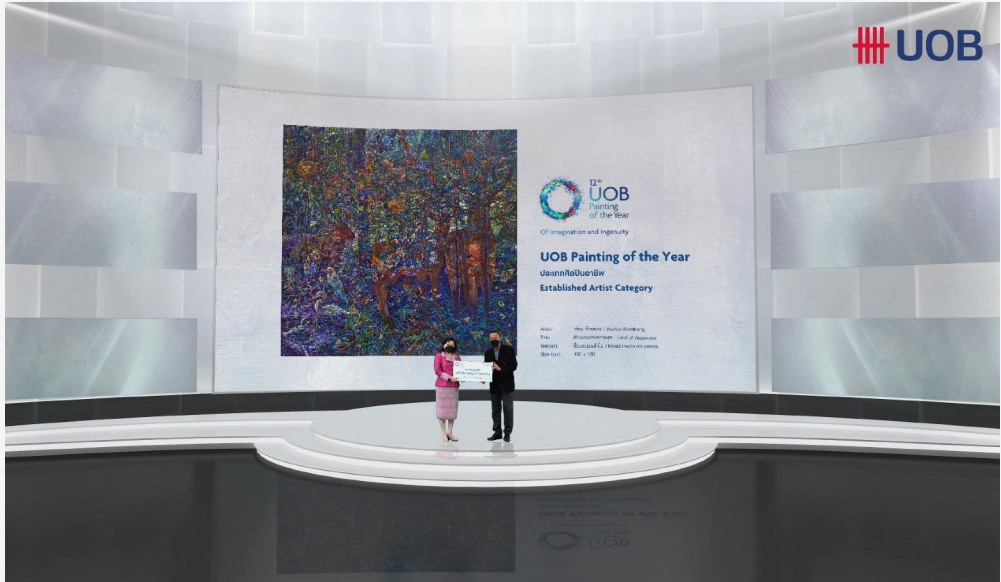
## Championing Southeast Asian Art

As the leading patron of art in Asia, UOB believes that art plays an important role in fostering social inclusiveness. It connects people and communities, celebrates cultures and enriches lives. For close to four decades, we have been supporting the creative pursuits of established and emerging artists across Asia.

## Uncovering artistic talent through competition

UOB champions Southeast Asian art through our flagship UOB POY competition, which began in 1982. Held in Indonesia, Malaysia, Singapore and Thailand, the UOB POY competition is the longest running art competition in Singapore and one of the most prestigious in Southeast Asia.

In 2021, we continued to offer online platforms through which participants from across the region can conveniently and securely submit their artwork entries. Vachira Kornthong won the top award in UOB Thailand's 12th UOB Painting of the Year competition for his artwork, Land of Happiness, in the Established Artist Category, while Jeanjira Khodchawat won the top award in the Emerging Artist Category for her artwork, Standpoint No. 2. Ms Yupha Taweewattanakitborvon, Permanent Secretary for Culture, presided over the awards ceremony, which was streamed live to over a hundred viewers via UOB Facebook.



Overview

Our Approach

Drive Growth Sustainably

Keep Customers at the Centre

Develop Professionals of Principle

**Uphold Corporate Responsibility**

- Strong Governance
- Regulatory Compliance
- Information Security
- Preventing Corruption, Fraud and Money Laundering
- Sustainable Procurement
- Managing Our Direct Environment Impact

**Community Stewardship**

Appendix



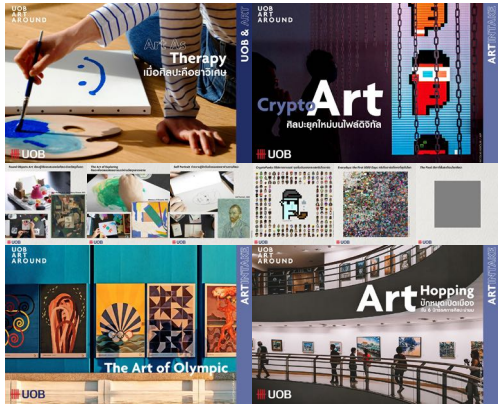
# Community Stewardship

## Transforming to Bring Art Closer to All



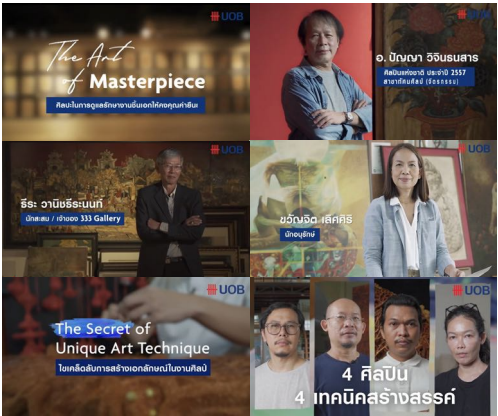
### Promoting mental well-being

Against the backdrop of uncertainty and social isolation endured by many during the pandemic lockdowns, we introduced UOB Art Explorer, an online visual arts platform that promotes mental well-being and makes art accessible to all. Individuals are encouraged to participate in the program through its various initiatives, which include Art As Therapy, Art At Home, Art In Colour, Art In Story, and Art Virtually, among others.



### Incorporating art into everyday life

UOB Art Around was designed to provide the pleasures of art to people around the world. This is a sustained programme to connect people in the community through art in various contexts, including art history, art happenings, art trends, and art resources.



### Passing on the excellence

Two online lessons were produced in 2021 by UOB Thailand to assist art enthusiasts in extracting the wisdom of successful artists. This campaign is part of the Bank's ongoing efforts to foster art appreciation. The first tutorial, titled "The Art of Masterpiece," encapsulates the essence of how to make and sustainably conserve rare artworks. "The Secret of Unique Art Techniques" is the second tutorial in this series. It depicts the life of four artists and their unique art techniques that have made them highly recognised. The public can access these online tutorials at [www.uob.co.th/uobandart](http://www.uob.co.th/uobandart).



### Inspiring young artists to succeed

Lockdowns and school closures have had a direct impact on children's education, care arrangements, and participation in school-sponsored and other organisation-sponsored activities. Recognising the critical role of art and culture for building the social fabric, the UOB Art Roadshow was recast in a virtual version to continue connecting with art students. UOB POY winners, curators, and gallery owners shared their real-life experiences to inspire, support and educate aspiring artists on how to pursue a career as a professional artist in four live sessions. The session benefitted more than 780 individuals from 23 art universities.



## Overview

## Our Approach

## Drive Growth Sustainably

## Keep Customers at the Centre

## Develop Professionals of Principle

## Uphold Corporate Responsibility

- Strong Governance
- Regulatory Compliance
- Information Security
- Preventing Corruption, Fraud and Money Laundering
- Sustainable Procurement
- Managing Our Direct Environment Impact

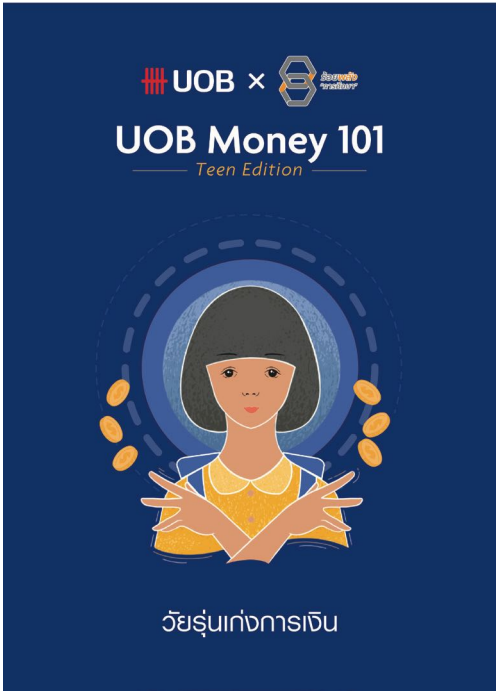
## Community Stewardship

## Appendix

# Community Stewardship

## Developing the Young to Their Potential

We believe that education has the ability to change lives for the better by laying a strong foundation for the future. UOB supports programmes that develop the minds of children from disadvantaged backgrounds and supports those with special needs. By enhancing the well-being of children and developing them to their full potential, we help to build inclusive communities.



### Helping youth in achieving financial literacy

In collaboration with the Thailand Collaboration for Education (TCFE), UOB Thailand launched UOB Money 101: Teen Edition, an online financial literacy programme aimed at equipping underprivileged students across the country with financial knowledge and skills to prepare them for the future. This initiative is part of UOB My Digital Space, a multi-year education programme aimed at closing the digital divide for students from low-income backgrounds across the region and connecting them to a world of digital learning opportunities.



## Spreading the joy of giving

UOB Thailand, in collaboration with Community Children Foundation (CCF), a non-profit organisation dedicated to helping impoverished children nationwide, launched the UOB Gift for Good campaign throughout the Christmas and New Year festivals. Our colleagues, customers, and business partners purchased gifts for young recipients through the Programme's dedicated online gift registry. We raised a total of Baht 177,328 from employees through the campaign including monetary matching of Baht 600,000 by UOB Thailand.

## Providing care for the elderly

UOB Thailand Legal and Secretariat provided family laws expertise to elders Tharanukroa Foundation Nursing Home. More than Baht 25,000 was raised to provide the elderly with basic necessities.



Overview

Our Approach

Drive Growth Sustainably

Keep Customers at the Centre

Develop Professionals of Principle

**Uphold Corporate Responsibility**

- Strong Governance
- Regulatory Compliance
- Information Security
- Preventing Corruption, Fraud and Money Laundering
- Sustainable Procurement
- Managing Our Direct Environment Impact

**Community Stewardship**

Appendix



# Community Stewardship

## Promoting Environmental Stewardship

In support of environmental sustainability, UOB launched a range of initiatives to cultivate awareness for the environment among our colleagues and the wider community. Through our efforts, we help to promote the adoption of more sustainable practices and to encourage mindset change and action.



### Upcycling Lunar New Year red packets

Through our Lunar New Year Upcycling Programme in 2021, we encouraged customers to repurpose their old and used red packets in an environmentally-friendly manner. Around 2,500 units or around 11 kg of discarded red packets were gathered from UOB branches in Chinatown area. These were upcycled into 140 sets of plantable card for customers to take home during the Songkran holiday.



### Recycling cardboard boxes into hospital beds

All major hospitals in Thailand reached their bed capacity during the second wave of COVID-19 pandemic in Thailand, necessitating the establishment of a makeshift field hospitals to accommodate the rapidly increasing number of patients. As a way to help the field hospitals, UOB Thailand employees gathered to contribute cardboard paper to SCG Packaging (SCGP). A total of 200 paper beds were made from 3,000 kg of cardboard to support 74 field hospitals around the country.



### Raising awareness of waste management

UOB Thailand is committed to the responsible consumption and promotion of sustainable waste management. As such, we launched the Waste to Wonder campaign to encourage colleagues located at the UOB Sathon and Phetkasem buildings to focus on waste segregation practices with recycling in mind. Colleagues are encouraged to sort their waste into six categories: general waste, e-waste, plastic bottles, cardboard, general plastic and toxic waste. These waste materials can then be managed and recycled appropriately. We also continue partnership with Advanced Info Service (AIS) to collect and manage electronic waste.



Overview

Our Approach

Drive Growth Sustainably

Keep Customers at the Centre

Develop Professionals of Principle

Uphold Corporate Responsibility

- Strong Governance
- Regulatory Compliance
- Information Security
- Preventing Corruption, Fraud and Money Laundering
- Sustainable Procurement
- Managing Our Direct Environment Impact

Community Stewardship

Appendix



## Sustainability in Numbers

	2019	2020	2021
<b>Customers</b>			
<b>Access to financial services</b>			
Number of branches	155	152	149
Number of ATMs	460	411	386
<b>Digital transformation</b>			
Digitally registered retail customers (% of individual customer base)	36%	52%	62%
Digitally active retail customers (% of individual customer base)	17%	22%	24%
<b>Customer experience and advocacy</b>			
Number of customer compliments	4,751	6,195	6,200
Complaints relating to sale of investment and insurance products (%)	5.0%	4.7%	4.2%
<b>Lending profile (THB billion)</b>			
Loans to small businesses	47	49	49
Loans to medium businesses	81	80	86
Loans to large businesses	55	69	105
Loans to individuals	233	237	251
<b>Sustainable financing (THB million)</b>			
Total sustainable financing portfolio	64	1,325	4,087
Sustainable financing extended	65	1,260	2,762
Sustainable financing extended under U-Solar program	65	1,260	845
Sustainable financing extended under Smart City framework	-	-	1,363
Sustainable financing extended under Circular Economy framework	-	-	555
<b>Retail banking activity metrics</b>			
Value of mortgage loans – residential and commercial (THB billion)	192	198	216
Weighted average loan-to-value ratio of mortgage loans (%)	70.2%	68.8%	67.9%
Percentage of unique customers with active credit card accounts (%)	55%	57%	55%
Percentage of unique customers with active debit card accounts (%)	6%	9%	7%
<b>ESG-focused investment products for consumers</b>			
ESG-focused transaction volume (THB million)	-	1,810	5,750
ESG-focused assets under management (AUM) (THB million)	-	1,662	3,435



Overview

Our Approach

Drive Growth Sustainably

Keep Customers at the Centre

Develop Professionals of Principle

Uphold Corporate Responsibility

Appendix

Sustainability in Numbers

# Sustainability in Numbers

	2019	2020	2021
Community Stewardship			
Monetary contributions (THB million)	5.8	6.1	10.3
Average volunteer hours per employee	2.4	0.8	1.4
Economic Value of Our Contributions (THB million)			
Total operating income	20,431	20,629	21,282
Employee compensation and benefits	6,241	6,095	6,161
Profit before tax	5,734	2,023	5,793
Profit after tax	4,636	1,650	4,641
Income tax	1,099	373	1,152
Income tax as percentage of profit before tax (%)	19%	18%	20%
Suppliers			
Total purchase (THB million)	224.0	107.5	114.0
Purchase from local suppliers (%)	99%	99%	99%
Preventing Fraud			
External fraud net loss (THB million)	0.2	0.5	0.1
Net operational risk loss (THB million)	0.5	0.5	0.5
Direct Environmental Impact			
Purchased grid electricity (GWh)	21.9	20.4	19.0
Energy use intensity (kWh per m2 of floor space)			
Energy use intensity excluding data centres	169.5	157.5	150.8
Energy use intensity including data centres	207.4	193.8	187.1
Scope 2 greenhouse gas emissions (thousand tCO2e)	12.3	11.5	10.7
Scope 2 greenhouse gas emissions intensity (kg CO2e per m2 of floor space)			
Scope 2 GHG emissions intensity excluding data centres	95.1	88.4	84.6
Scope 2 GHG emissions intensity including data centres	116.3	108.7	104.9



Overview

Our Approach

Drive Growth Sustainably

Keep Customers at the Centre

Develop Professionals of Principle

Uphold Corporate Responsibility

Appendix

Sustainability in Numbers

## Sustainability in Numbers

	2019	2020	2021
Water usage (thousand cbm)	129.6	113.9	93.6
Water Usage intensity (cbm of water per sqm of floor space)	1.2	1.1	0.9
Disposed waste (tonnes)			
Waste landfilled	281.0	269.9	307.2
Waste-to-energy incineration	-	-	-
Total disposed waste	281.0	269.9	307.2
Waste disposal intensity (kg of disposed waste per m2 of floor space)			
Overall waste disposal intensity	2.7	2.6	3.0
<b>Our People</b>			
Number of employees			
Male	1,502	1,396	1,301
Female	3,404	3,196	3,091
Total	4,906	4,592	4,392
Number of employees by employment contract and gender			
Permanent male employees	1,499	1,394	1,298
Permanent female employees	3,383	3,180	3,082
Contract male employees	3	2	3
Contract female employees	21	16	9
Temporary male employees	30	30	47
Number of employees by employment type and gender			
Full-time male employees	1,502	1,396	1,301
Full-time female employees	3,404	3,196	3,091
Female employees by age group			
Average age of female employees	38.5	39.5	40.1
<30 years (%)	17.7%	13.3%	11.1%
30-50 years (%)	70.2%	72.5%	72.6%
>50 years (%)	12.1%	14.2%	16.3%



Overview

Our Approach

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Uphold Corporate Responsibility

Appendix

Sustainability in Numbers



## Sustainability in Numbers

	2019	2020	2021
<b>Female employees by grade (%)</b>			
Senior management (MD - ED)	0.9%	0.9%	1.0%
Middle management (SVP – VP)	12.8%	14.4%	14.6%
Executive (AVP – SO)	44.2%	44.9%	45.4%
Administrative (below SO)	42.1%	39.9%	39.0%
<b>Employment from local population (%)</b>			
Local staff representation	99.7%	99.7%	99.7%
<b>Number of management employees by gender</b>			
Male supervisors or managers	278	292	283
Female supervisors or managers	446	456	463
Male heads of department (CEO Direct report)	8	8	8
Female heads of department (CEO Direct report)	7	7	7
<b>Workplace safety</b>			
Number of recordable work-related injuries	-	-	-
Rate of recordable work-related injuries	-	-	-
<b>Training spend</b>			
Total training investment (THB million)	43.9	28.3	23.4
Total training investment per employee (THB)	8,948	6,162	5,327
<b>Average training hours per employee</b>			
Senior management (MD - ED)	2.4	3.7	4.6
Middle management (SVP – VP)	2.8	4.4	8.4
Executive (AVP – SO)	5.1	8.9	10.6
Administrative (below SO)	6.5	9.3	11.3
<b>Parental leave</b>			
Number of employees who took maternity leave	95	71	60
One-year retention rate of returning mothers (%)	87.4 %	88.7%	88.3%



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RIGHT BY YOU

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