

## News Release

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## UOB enhances Sustainable Financing Frameworks, deepening support for SMEs' decarbonisation efforts

*SMEs in sectoral value chains can gain easier access to sustainable financing with incorporation of the Singapore-Asia Taxonomy*

**Singapore, 15 April 2025** – UOB announced today that it is deepening support for small- and medium-sized enterprises (SMEs) in sectoral value chains, helping them gain easier access to sustainable financing with the incorporation of the Singapore-Asia Taxonomy into its Sustainable Financing Frameworks. SMEs can now save time and resources while aligning its practices with global best practices tailored to the region's needs.

UOB is the only Singapore bank to incorporate the Monetary Authority of Singapore's (MAS) Technical Screening Criteria (TSCs) of the Singapore-Asia Taxonomy (SAT) into all of its six sector-focused Sustainable Financing Frameworks. These frameworks are also independently validated by an independent consultant, ERM, to ensure credibility.

The six frameworks are Circular Economy, Green Buildings, Sustainable Cities, Sustainable Food and Agribusiness, Sustainable Trade, and Transition Finance.

This initiative reinforces UOB's leading position in sustainable financing and strengthens its commitment to supporting SMEs and other businesses across ASEAN in their transition to a low-carbon, climate-resilient economy.

The Bank has also taken a nuanced approach to ensure that sustainable financing continues to remain accessible while supporting the green transition when incorporating the TSCs into its Sustainable Financing Frameworks. It includes:

1. **Ensuring SMEs are not left behind** – UOB is committed to ensuring that SMEs are not left behind in the green transition, and sustainable financing remains inclusive and accessible. Our enhanced frameworks now explicitly include companies in the industry



value chain that provide important goods and services in sustainable assets, activities, projects, and products.

2. **A risk-based, differentiated approach for greater accountability and accessibility** – UOB applies a differentiated assessment model. Entities directly involved in the economic activities, such as project owners and main contractors, that are seeking financing above a specific threshold will need to provide evidence of their compliance with specific criteria. Other entities, such as those assessed with lower risk profiles, will follow an attestation-based approach with mandatory representations and warranties.
3. **Expanding transition finance** – UOB has broadened its Transition Finance Framework to cover not only the SAT ‘Amber’ TSCs, but also specific measures for a just and orderly transition in the oil, gas and chemicals sector, with defined sunset dates established. This gives companies the time and support needed to pivot their business models, enhance operational efficiencies, and shift towards lower-carbon solutions.
4. **Referencing global best practices** – In areas where the SAT provides scope for broader alignment, UOB will draw on globally recognised frameworks, including the EU Taxonomy, Australia’s Sustainable Finance Taxonomy (in-consultation), and the Climate Bonds Initiative Taxonomy, ensuring a comprehensive and forward-thinking approach.

Ms Lim Lay Wah, Group Head of Sector Solutions and Global Financial Institutions Group, UOB, said, “UOB’s long-term vision is to balance environmental integrity with practical economic considerations, ensuring SMEs can decarbonise while maintaining business growth. By enhancing our Sustainable Financing Frameworks with MAS’ Singapore-Asia Taxonomy and adopting the Technical Screening Criteria, we have strengthened our sectoral financing frameworks to offer SMEs clear, credible and actionable solutions. Through these enhanced frameworks, we deepen our impact, fostering a just transition where no business is left behind. Sustainable finance is pivotal to accelerating ASEAN’s decarbonisation efforts, presenting both an environmental imperative and a significant economic opportunity. Supporting decarbonisation across the entire value chain is critical for achieving meaningful emissions reductions. We remain committed in delivering innovative and strategic financing solutions, empowering businesses across the region to thrive in a sustainable, low-carbon economy.”



With S\$58 billion in sustainable financing provided in 2024, UOB has played a leading role in advancing ASEAN's green economy. The Bank has supported 580 SMEs in their sustainability journey, financed over 175 green buildings, enabled the development of 20 green data centres, and facilitated S\$7 billion in sustainable trade financing for agri-commodities and responsible supply chains. Through these efforts, UOB takes a proactive approach in helping businesses transition towards more sustainable practices.

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#### **About UOB**

UOB is a leading bank in Asia. Operating through its head office in Singapore and banking subsidiaries in China, Indonesia, Malaysia, Thailand and Vietnam, UOB has a global network of around 500 offices in 19 countries and territories in Asia Pacific, Europe and North America. Since its incorporation in 1935, UOB has grown organically and through a series of strategic acquisitions. Today, UOB is rated among the world's top banks: Aa1 by Moody's Investors Service and AA- by both S&P Global Ratings and Fitch Ratings.

For nearly nine decades, UOB has adopted a customer-centric approach to create long-term value by staying relevant through its enterprising spirit and doing right by its customers. UOB is focused on building the future of ASEAN – for the people and businesses within, and connecting with, ASEAN.

The Bank connects businesses to opportunities in the region with its unparalleled regional footprint and leverages data and insights to innovate and create personalised banking experiences and solutions catering to each customer's unique needs and evolving preferences. UOB is also committed to help businesses forge a sustainable future, by fostering social inclusiveness, creating positive environmental impact and pursuing economic progress. UOB believes in being a responsible financial services provider and is steadfast in its support of art, social development of children and education, doing right by its communities and stakeholders.

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