

A photograph of a large array of solar panels in the foreground, with a city skyline in the background. The skyline includes several skyscrapers and the Marina Bay Sands hotel. The sky is blue with some light clouds and a bright sun.

UOB Sustainability Bond Allocation and Impact Report

August 2024

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About UOB

United Overseas Bank Limited (UOB) is a leading bank in Asia. Operating through our head office in Singapore and banking subsidiaries in China, Indonesia, Malaysia, Thailand and Vietnam, we have a global network of around 500 branches and offices in 19 countries and territories in Asia Pacific, Europe and North America.

UOB provides a wide range of financial services globally through our three core business segments - Group Retail, Group Wholesale Banking and Group Global Markets. Our range of services cover our customers' needs across consumer banking, private banking, business banking, commercial banking, corporate banking and institutional banking. Through our subsidiaries, we also provide asset management, private equity fund management and insurance services, among others.



Our Sustainability Strategy

As one of Asia's largest banks, UOB has a duty to contribute to the region's long-term economic, social and environmental well-being. We believe in sustainable development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

Our 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 in which we operate.

We also recognise that good corporate governance is essential for embedding sustainable business practices across the Group. This long-term, responsible approach is our heritage and is central to our business strategy and activities.

Our sustainability strategy mirrors our business approach of balancing growth with responsibility and is aligned with the United Nations Sustainable Development Goals (UN SDGs). The four pillars of our sustainability strategy reflect our expertise, responsibilities and the role we can play for the long-term benefit of our key stakeholders.

They are:

- **Drive Growth Sustainably**
- **Keep Customers at the Centre**
- **Develop Professionals of Principle**
- **Uphold Corporate Responsibility**

Our Guiding Principles

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 environmental, social and governance (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



UOB Sustainable Bond Framework

The [UOB Sustainable Bond Framework](#) (Framework) was developed with the objective of reinforcing UOB's capabilities in financing green and social projects, which contribute to the UN SDGs. Through this Framework, UOB aims to mobilise investors to contribute capital towards the realisation of the UN SDGs. The Framework is in line with:

- the International Capital Market Association's Green Bond Principles, Social Bond Principles and the Sustainability Bond Guidelines; and
- the ASEAN Green Bond Standards, Social Bond Standards and Sustainability Bond Standards.

UOB obtained a Second Party Opinion from Sustainalytics to confirm the alignment of the Framework with the applicable market standards.

About This Report

This UOB Sustainability Bond Allocation and Impact Report (Report) provides details of UOB's US\$1.5 billion sustainability bond issued in April 2021 and outstanding as at 31 March 2024.

Ernst & Young LLP is the independent third-party assurance provider of this Report. Their review report is available at the end of this Report.

Allocation of Proceeds

100% allocated as at 31 March 2024¹

S\$2.4 billion of assets meeting the Eligibility Criteria for Use of Proceeds as set out in the Framework

59.4% in new financing and 40.6% in refinancing

Summary of Sustainability Bond Asset Portfolio

As at 31 March 2024

Small- and medium-sized enterprises (SMEs) are the backbone of regional economies. UOB sees ourselves as an enabler, with a market-leading Southeast Asian SME franchise to raise awareness of and promote sustainable SME lending.

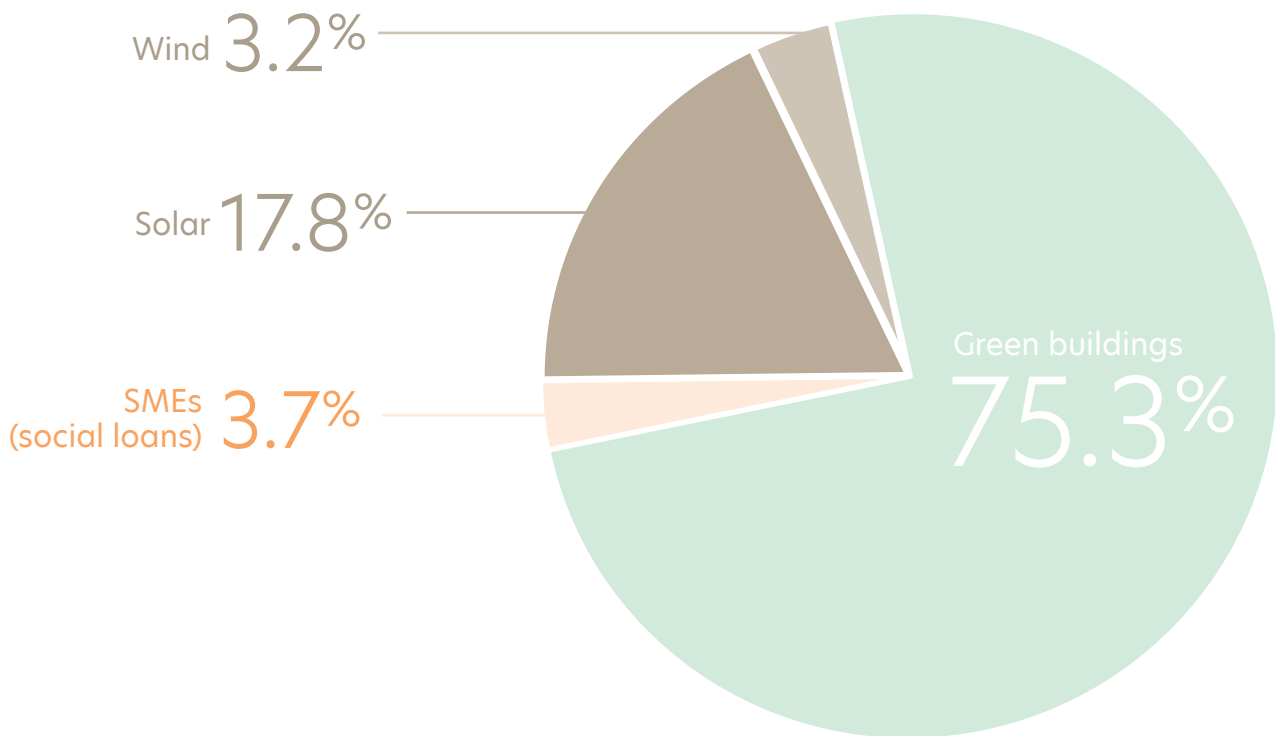
Distribution by geography²






¹ Based on 120 per cent of the bond issuance amount to create a buffer for foreign exchange fluctuations, early repayments or redemptions, and other factors that may cause the eligible loan amount to decrease unexpectedly.

² Based on allocated amount

Distribution by sector³



Eligible Project Category	Number of Projects Financed	Amount Allocated (\$ million)	Geographical Distribution (Singapore / Rest of Southeast Asia ⁴)	Greenhouse Gas (GHG) Emissions Avoided (tCO ₂ e/year) ⁵	Total Installed Renewable Energy Capacity (Megawatt-peak) (UOB's Share) ⁵
 Green Buildings	16	1806.0	93.8% / 6.2%	7,388	—
 Renewable Energy					
• Solar	59	426.5	58.8% / 41.2%	142,309	311.6
• Wind	2	77.7	0.0% / 100.0%	28,823	45.0
 Employment Generation	284	87.5	100.0% / 0.0%	—	—
Total	361	2397.7	84.9% / 15.1%	178,520	—

³ Based on allocated amount

⁴ Includes Malaysia, Thailand and Vietnam.

⁵ Only includes projects that are operational.

Impact

Green Buildings



Five BCA⁶ Green Mark Platinum buildings, six BCA Green Mark Gold^{PLUS} buildings, three EDGE⁷-certified buildings, one GreenRE Platinum building and one LEED⁸ Gold-certified building

7,388 tCO₂e of GHG emissions avoided per year



Renewable Energy



319,156 megawatt-hours (MWh) of solar energy generated per year

136,500 MWh of wind energy generated per year

171,132 tCO₂e of GHG emissions avoided per year

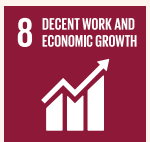


Employment Generation



S\$87.5 million in loans to SMEs

284 businesses supported⁹



⁶ Singapore's Building and Construction Authority

⁷ Excellence in Design for Greater Efficiencies

⁸ Leadership in Energy and Environmental Design

⁹ In February 2022, the Ministry of Finance Singapore published [a report](#) which detailed the impact of the Temporary Bridging Loan (TBL) Programme.



Green Loan Impact Reporting Methodology

In preparing this impact report, we developed the following impact reporting methodology on avoided GHG emissions for renewable energy projects and real estate projects:

For renewable energy projects, we have two different types of assets: solar and wind. Our approach includes collecting total annual renewable energy generation where data is available, or estimating based on the installed capacity financed by the Bank as at 31 March 2024. For all wind projects, we have obtained data on annual renewable energy generation. For a few solar projects where data is not available, the estimated renewable energy output is calculated multiplying the completed capacity by an assumption of 3.5 sun hours per day and a performance ratio of

80 per cent. This figure is then multiplied by 365 days to calculate the estimated annual renewable energy output. Both actual and estimated renewable energy generation are then multiplied by the latest country-specific grid emissions factors¹⁰ to obtain the avoided GHG emissions.

For real estate projects, our approach is to calculate the avoided GHG emissions as the difference between post-certification emissions and baseline emissions. Post-certification carbon emissions are calculated by multiplying the buildings' gross floor area (GFA) by the estimated energy use intensity based on the green building certification standard¹¹ and building type, and the respective country's grid emissions factors. The GFA data is sourced from published information or direct submissions by clients. Baseline GHG emissions are conservatively estimated by assuming that certified green buildings have 20 to 25 per cent higher energy savings, based on the requirements of green building certifications.

Both the avoided emissions of renewable energy and green building projects are adjusted by the percentage share financed by UOB. This is calculated by taking the outstanding loan amount and dividing it by UOB's approved amount if it is a bilateral loan, or by the total deal size if the facility is a syndicated or club loan. To ensure accuracy, projects under construction are excluded from annual avoided emissions calculations.

¹⁰ The grid emission factors are sourced from the International Energy Agency (IEA) Emissions Factors 2023 data package.

¹¹ For details on green building certification standards and minimum qualifications, please refer to our [Framework](#).

Social Loan Programme

Understanding the distinct challenges that SMEs would face when navigating the disruptions caused by the COVID-19 pandemic, UOB acted swiftly at the onset of the pandemic to provide them with financial support. In February 2020, UOB announced a S\$3 billion relief assistance programme for our SME clients. UOB was also the first in setting up a dedicated restructuring task force that has been actively engaging clients to understand their challenges and provide support in reworking their financial needs.

For many SMEs, access to credit is a critical lifeline to tide them through COVID-19. In April 2020, to help more SMEs manage their immediate cash flow needs, the Monetary Authority of Singapore (MAS), in partnership with Enterprise Singapore, launched financing schemes, including the Temporary Bridging Loan (TBL) Programme to support lending to SMEs. UOB is a participating bank in the TBL Programme, supporting the policy intent to ensure that businesses continue to have access to financing so that they can upgrade their operations, build new business capabilities, pivot to new business models and grow sustainably.



In February 2022, the Ministry of Finance Singapore published the [Assessment of the Impact of Key COVID-19 Budget Measures](#), a report that detailed the impact of the TBL Programme:

“Results from an MTI¹³ study on the financing schemes that are focused on providing working capital loans (i.e., TBL and EFS-WCL¹⁴) showed that the schemes supported firms during the pandemic. In particular, the TBL, which is the main financing scheme, helped to alleviate financial distress across firms of all sizes and supported employment in smaller firms with 50 or fewer employees.”

- Page 40, Paragraph 5.6

In addition to relief support, we made a significant push to grow our digital solutions to support businesses, especially with the launch of the UOB SME app in August 2022. The UOB SME app is an industry-first, all-in-one digital banking platform to meet the banking needs of SMEs. With our wide range of digital offerings such as UOB Infinity, UOB BizSmart, UOB eBusiness Account and PayNow Corporate, we partner companies to accelerate their digitalisation efforts. UOB BizSmart offers a curated suite of digital solutions that enables SMEs to automate their key operating processes, from accounting and inventory management to online sales and marketing. As at the end of 2023, more than 46,000 SMEs in Indonesia, Malaysia, Singapore and Thailand have benefitted from UOB BizSmart since its launch in 2016.

In recognition of our deep regional connectivity, expertise and continued support of SMEs to enable post-pandemic recovery and growth, UOB was named the Asia’s Best Bank for SMEs at the *Euromoney* Global Awards for Excellence 2021 and 2023. Our accolades also include Best SME Bank in the World, Asia Pacific and Singapore at the *Global Finance* Best SME Bank Awards 2022, as well as Best SME Bank in Asia Pacific and Singapore at *The Asian Banker* Excellence in Retail Financial Services International Awards 2023.

¹² Ministry of Trade and Industry Singapore

¹³ Enhanced Enterprise Financing Scheme - Working Capital Loan

Case Studies



Green Loan to Marina One

In 2020, UOB and the other Singapore banks provided M+S Pte Ltd with a S\$1.95 billion green loan for its sustainable asset Marina One. The proceeds of the green loan was used to partially refinance the office and retail components of Marina One, which are valued at approximately S\$5 billion. The building is LEED Platinum-certified and has achieved the BCA Green Mark Platinum rating, the highest in the scheme. In 2023, the green loan was refinanced for another three years.

Green Loan to Marina One

The loan was approved under the UOB Sustainable Finance Framework for Green Building Developers and Owners, which is the first lending framework by a Singapore bank dedicated to supporting sustainability-related projects in Asia's real estate sector.

Located in the new financial hub of Marina Bay, the Marina One East and West Towers consist of 1.9 million square feet of Grade A office space, including two high-density floors that are cantilevered across both towers. Marina One is home to industry leaders and multinationals such as PwC, Mitsubishi UFJ Financial Group (MUFG), Julius Baer, Rajah and Tann and Netflix. Marina One's retail podium, known as The Heart, covers more than 140,000 square feet across four floors with diverse retail, lifestyle and dining offerings.

Marina One was conceived with sustainability at the heart of its architecture and operation. Every facet of Marina One's architecture serves to create environmental benefits - from building orientation to meandering louvres on its façade that provide each level with direct shade from the sun to reduce heat and cooling needs.

A multitude of technologies is also used to conserve energy and boost efficiency. Innovative measures include the regenerative lift braking system that captures waste energy, rainwater harvesting for irrigation purposes, energy-saving building management systems, high-performance solar glazing and horizontal louvers to minimize solar heat gain, and the use of sustainable and energy-efficient fittings and materials throughout the development.

Marina One has achieved numerous international accolades for its sustainable design and was crowned the global winner of the sustainable development category at the prestigious 2020 FIABCI World Prix d'Excellence Awards.



Financing to Large-Scale Solar Projects

One of UOB's clients is JAKS Solar Power Sdn Bhd, a subsidiary of JAKS Resources Bhd. The company has been a longstanding customer of UOB, which assisted JAKS in its large-scale solar (LSS) bidding process.

As part of JAKS' core bank group, UOB jointly led a RM200 million syndicated green project financing facility for the development of a 50MW photovoltaic (PV) plant under the fourth LSS programme (LSS4) in Nibong Tebal, Penang in Malaysia. The financing received the Best Project Finance Deal of the Year 2022 from *Alpha Southeast Asia*, and Renewable Energy Deal of the Year 2023 at *The Asset Triple A Sustainable Infrastructure Awards*.

The 50MW PV plant can generate 63.15 Gigawatt-hours (GWh) of energy, which is equal to 62,960 tonnes of CO₂-equivalent avoided. This translates to more than 14,900 passenger vehicles off the road in one year or more than one million tree seedlings grown for 10 years.

Mr Lim Tiong Jin, Chief Financial Officer of JAKS Solar Nibong Tebal, said they chose to work with UOB because the Bank understands the needs of renewable energy developers.

"From our experience, key challenges faced by LSS4 developers were the rising material cost for solar panels, interruption in the global supply of solar panels and fluctuations in interest rates and currency," said Mr Lim.

"It helps if financial institutions have a strong commitment to ESG and are able to structure the financing that is viable and meets the developers' requirements."

Going forward, JAKS hopes to undertake more renewables projects and help Malaysia achieve its goal to have 40 per cent of its energy mix from renewable energy sources by 2035.



Solar Financing to Enmax Group

UOB provided financing to Enmax Group (as a Mandated Lead Arranger and Senior Lender) for the development, operations and maintenance of its portfolio of commercial and industrial rooftop solar PV power projects across Thailand. The solar loan facility is classified as a green loan under the UOB Smart City Sustainable Finance Framework. When fully completed, the portfolio of rooftop projects is expected to reach a total generation capacity of 34 Megawatt-peak, and is able to produce 46 GWh of green energy per annum, equivalent to more than 20,000 tonnes of CO₂-equivalent avoided annually.

The solar loan facility is in line with UOB's target and commitment to reduce the financed emissions of our lending portfolio, while supporting clients in achieving their decarbonisation commitments. In addition, the project's solar PV installations is a supporting pillar of Thailand's roadmap towards reducing the country's carbon emissions and achieving carbon neutrality with renewable energy accounting for part of the energy mix.



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United Overseas Bank Limited (“UOB”)

2 August 2024

Independent Limited Assurance Report to the Management of Corporate Sustainability Office of United Overseas Bank Limited (“UOB”)

To the Management of UOB

Scope

In connection with our Engagement Letter dated 15 December 2022 and associated addendum dated 11 December 2023, we have been engaged by UOB to perform a ‘limited assurance engagement’, as defined by International Standards on Assurance Engagements, here after referred to as “the engagement”, to report on the Subject Matter and Criteria detailed below for the financial year(s) ending 31 March 2024 (“the Report”).

Subject Matter and Criteria

The Subject Matter and associated Criteria for this limited assurance engagement are set out in the table below:

Subject matter	Criteria
<p>Post-issuance process for UOB’s Sustainability Bond (issued in April 2021), as described in UOB’s Sustainable Bond Framework launched in March 2021, and the relevant documentation, that sets out policies and procedures relating to the:</p> <ul style="list-style-type: none">• Management of proceeds• Reporting on the use of proceeds (allocation reporting) and the performance of the following eligible green and social assets (impact reporting). <p><i>Refer to Appendix A for the list of eligible assets and identified quantitative performance measures</i></p>	<ul style="list-style-type: none">• UOB Sustainable Bond Framework• ICMA Principles<ul style="list-style-type: none">○ Green Bond Principles○ Social Bond Principles○ Sustainability Bond Guidelines

UOB Management’s responsibilities

UOB Management is responsible for selecting Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records, and making estimates that are relevant to the preparation of the Subject Matter information, such that it is free from material misstatement, whether due to fraud or error.

EY's responsibilities

Our responsibility is to express a limited assurance conclusion on the Subject Matter based on the evidence we obtained.

We conducted our limited assurance engagement in accordance with International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ("ISAE 3000") issued by the International Auditing and Assurance Standards Board, and the terms of reference for this engagement as agreed with UOB on 15 December 2022 and associated addendum dated 11 December 2023. Those standards require that we plan and perform our engagement to obtain limited assurance about whether, in all material respects, the Subject Matter is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our independence and quality control

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Management 1, *Quality Management for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information, and applying analytical and other appropriate procedures.

Our procedures included:

1. Reviewed UOB's Sustainable Bond Framework to understand policies and procedures, and in assessing alignment with requirements of the ICMA Green Bond Principles, Social Bond Principles and Sustainable Bond Guidelines.
2. Conducted virtual meetings with UOB's data stakeholders and management.
3. Conducted process walk-through of systems and processes for data aggregation and reporting, with relevant personnel to understand the quality of checks and control mechanisms in relation to the Subject Matter in the Report.
4. Interviewed employees and management in UOB (Group Corporate Sustainability Office, Central Treasury Unit, Group Finance and Group Wholesale Banking) to understand key Sustainability Bond issues related to the select eligible assets and processes for the collection and accurate reporting of impact information.
5. Obtained documentation through sampling methods to verify computations made with regards to assumptions and estimations by management in relation to the Subject Matter in the Report.
6. Checked that data and statements had been correctly transcribed from corporate systems and / or supporting evidence, into the Report.
7. Obtained various certifications, facility agreements and financial statement report in relation to the Subject Matter in the Report.

We also performed such other procedures as we considered necessary in the circumstances.

Conclusion

Based on our limited assurance procedures, as described in this statement as of 2 August 2024, we are not aware of any material modifications that need to be made to the management of proceeds, reporting on the use of proceeds, allocation and eligible green and social project performance in relation to UOB's Sustainability Bond issuance does not meet the criteria outlined in the UOB Sustainable Bond Framework (March 2021) and requirements of the ICMA Green Bond Principles, Social Bond Principles and Sustainable Bond Guidelines.



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Restricted use

This report is intended solely for the information and use of the Management of UOB and is not intended to be and should not be used by anyone other than those specified parties.

Ernst & young LLP

**Ernst & Young LLP
Singapore
2 August 2024**

Appendix A – List of Eligible Assets

Eligible Assets	Potential Quantitative Performance Measures
Green Eligible Assets	
Renewable Energy	<ul style="list-style-type: none"> • Energy generated per year (MWh) • GHG emissions avoided per year, reported in tonnes CO₂-equivalent (tCO₂e)
Green Buildings	<ul style="list-style-type: none"> • Building asset by type and green building certification level • Energy savings per year (MWh) • GHG emissions avoided per year (tCO₂e)
Social Eligible Assets	
Employment Generation*	<ul style="list-style-type: none"> • Amount of loans to SMEs and / or microenterprises • Number of employees, businesses and communities supported

*For output only as suggested by ICMA Harmonised Framework for Impact Reporting for Social Bonds (June 2022)



Right By You

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