

UOB launches its Smart City Sustainable Finance Framework, the first by a bank in Asia to help more companies advance responsibly

The new framework is another step in UOB forging a sustainable future with clients

Singapore, 24 November 2020 – UOB today launched the UOB Smart City Sustainable Finance Framework (UOBSCSFF), the first dedicated financing framework by a bank in Asia to make sustainable financing more accessible to companies contributing to the creation of smart cities¹. Aligned with the United Nations (UN) Sustainable Development Goals (SDGs)², UOB’s framework is supported through the Monetary Authority of Singapore’s Green and Sustainability-Linked Loan Grant Scheme.

UOB’s framework sets out the criteria the Bank’s corporate and institutional clients must meet when accessing a range of products, from green or sustainability-linked loans and trade finance facilities to other sustainable banking products. These criteria include requiring the company to have a clear sustainability strategy and objectives, to achieve their sustainability performance targets and to use the proceeds to further their sustainability agenda.

Under the framework, business must also be able to demonstrate how their activities promote a better quality of life for residents through the use of renewable energy, green building construction, improved energy efficiency, green transportation, sustainable water and waste management and/or climate change adaptation. UOB will monitor the company’s management of loan proceeds and the environmental and social impact of its business activities on an annual basis.

¹ A smart city integrates physical infrastructure and digital spaces, through the use of technology, into human habits and behaviours to enable a more environmentally-sustainable city and provides a higher quality of life for all residents.

² The UOBSCSFF is aligned with the following SDGs: Goal 3: Good health and well-being; Goal 6: Clean water and sanitation; Goal 7: Affordable and clean energy; Goal 9: Industry, innovation and infrastructure; Goal 11: Sustainable cities and communities; Goal 13: Climate action; Goal 14: Life below water; Goal 15: Life on land. Please refer to www.undp.org/content/undp/en/home/sustainable-development-goals.html for more information on the SDGs.

With the UOBSCSFF, companies committed to building sustainable and smart cities can apply for sustainable financing without having to develop their own financing framework which can take time and resources. This means that they can focus their resources on contributing to a better environment for all.

Mr Frederick Chin, Head of Group Wholesale Banking and Markets, UOB, said, “The United Nations estimates that US\$2.5 trillion is required annually for developing countries to bridge the financing gap in achieving the SDGs by 2030³. Financial institutions can and must play a part, together with governments and businesses, to help channel more funds to sustainable development. Such efforts will go a long way in making the cities of Asia more sustainable and liveable.

“At UOB, we are committed to balancing opportunity with responsibility and helping businesses across the region advance responsibly through sustainable financing. Under our UOBSCSFF, we will be able to support the sustainability efforts of more companies from various sectors, working with them closely for the development of sustainable and smart cities.”

The Carbon Trust, a leading consultancy specialising in climate and environment-related advisory and assurance services, provided a Second Party Opinion on the Bank’s UOBSCSFF in accordance with the Green Loan Principles and the Sustainability Linked Loan Principles issued by the Loan Market Association.

Ms Lau Xin Yi, Green Finance Lead, South East Asia, Carbon Trust, said, “Smart cities are essential to help municipalities and countries manage and rebound from the COVID-19 pandemic. Digital technologies will play a growing role in delivering key public services and supporting economic activities while promoting environmentally-friendly practices. The UOB Smart City

³ Source: *World Investment Report 2014*, United Nations Conference on Trade and Development, https://unctad.org/system/files/official-document/wir2014_en.pdf

Sustainable Finance Framework is a timely and strategic initiative that recognises the multi-faceted needs within smart cities while responding to different financing needs of stakeholders in the form of green loans and sustainability-linked loans.”

The UOB Smart City Sustainable Finance Framework is an expansion of the UOB Green Infrastructure Financing Framework, which the Bank launched in 2019 to provide sustainable financing to companies in the infrastructure sector. The Bank also has the UOB Real Estate Sustainable Finance Framework that guides the financing that it provides to its clients in support of sustainable buildings. The UOB Real Estate Sustainable Finance Framework was the first lending framework for the sector by a Singapore bank when it was launched in October 2019⁴.

To find out how UOB is helping businesses across industries advance responsibly, please visit the [UOB Sustainable City Solutions website](#) for more information on UOB’s sustainable financing solutions.

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About United Overseas Bank

United Overseas Bank Limited (UOB) is a leading bank in Asia with a global network of more than 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. 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. In Asia, UOB operates through its head office in Singapore and banking subsidiaries in China, Indonesia, Malaysia, Thailand and Vietnam, as well as branches and representative offices across the region.

Over more than eight decades, generations of UOB employees have carried through the entrepreneurial spirit, the focus on long-term value creation and an unwavering commitment to do what is right for our customers and our colleagues.

We believe in being a responsible financial services provider and we are committed to making a difference in the lives of our stakeholders and in the communities in which we operate. Just as we are dedicated to helping our customers manage their finances

⁴ Please see UOB news release: [UOB extends first three green loans to SMEs under its new Real Estate Sustainable Finance Framework](#), 31 October 2019.



wisely and to grow their businesses, UOB is steadfast in our support of social development, particularly in the areas of art, children and education.

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