

UOB SUSTAINABLE BOND FRAMEWORK

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1. Introduction

1.1 About UOB

United Overseas Bank Limited (UOB) is a leading bank in Asia with a global network of more than 500 branches and offices in 19 countries and territories in Asia Pacific, Europe and North America. In Asia, UOB operates through the head office in Singapore and banking subsidiaries in China, Indonesia, Malaysia, Thailand and Vietnam, as well as branches and offices across the region.

UOB provides a wide range of progressive financial solutions globally through three core business segments – Group Retail, Group Wholesale Banking and Global Markets. UOB offers personal financial services, private banking, business banking, commercial banking, transaction banking, investment banking, and treasury services. Through its subsidiaries, UOB also provides asset management, venture capital management and insurance services.

1.2 UOB's Sustainability Strategy

In forging a sustainable future, UOB is committed to helping businesses advance responsibly, steering wealth to sustainable investments and fostering inclusiveness and environmental well-being. The four pillars of UOB's sustainability strategy are to drive growth sustainably, to keep customers at the centre, to develop professionals of principle and to uphold corporate responsibility. They reflect UOB's expertise, its responsibilities and the role it can play for the long-term benefit of its key stakeholders.

Environmental, social and governance (ESG) principles are embedded in UOB's business strategy. To facilitate its customers' sustainable growth, UOB draws on its established regional network and deep roots, creating and offering end-to-end, progressive solutions and working with ecosystem partners to help shape behaviours in the long run. UOB focuses on sectors and on players which can drive the sustainable development of economic flows within ASEAN and the region's connectivity with Greater China. UOB sees its role as a catalyst and enabler that creates a multiplier effect across Asia.

1.3 UOB Sustainable City Solutions

UOB Sustainable City Solutions, a comprehensive suite of customised financial solutions aimed at creating positive impact for customers, the environment and community, is housed under three sustainable finance umbrella frameworks:

- **UOB Smart City Sustainable Finance Framework**
Launched in November 2020, this was the first dedicated financing framework by a bank in Asia to make sustainable financing more accessible to companies contributing to the creation of smart cities.
- **UOB Real Estate Sustainable Finance Framework**
Launched in June 2019, this framework represents UOB's commitment to providing sustainable solutions to its real estate clients in Asia, where we play a strategic role in financing property development and acquisition.
- **UOB Green Financing for Circular Economy Framework**
Launched in September 2019, this framework was developed with the vision of a circular economy for plastics and other materials with the goal of minimising or managing resource consumption and waste production in the region.

In helping businesses advance responsibly and to forge a sustainable future with its clients, UOB also offers bespoke solutions that leverage the above sustainable finance umbrella frameworks, including:

- The Omega Green Programme, which offers a range of end-to-end bundled solutions, specially tailored for both main and sub-contractors for green projects; and
- The U-Solar Programme, through which the Bank offers financing to solar project developers as well as engineering, procurement and construction contractors. UOB also partners solar power service providers to offer one-stop solutions, from assessment to installation and maintenance of solar power systems, enabling businesses and consumers to switch easily to solar power.

Through its frameworks, UOB offers its clients that seek sustainable financing in one or more of the following benefits:

- streamlined and transparent processing;
- lower cost of access to financing; and
- guidance on impact measurement for small- and medium-sized enterprises.

For more information on sustainability at UOB, please visit www.UOBGroup.com.

1.4 Alignment with the United Nations Sustainable Development Goals (UN SDGs)

The UN SDGs were established in 2015 and set the global agenda for sustainable development by 2030, calling for action by both the public and private sectors. UOB recognises the catalysing role that financial institutions can play in helping businesses and individuals tap the growing opportunities related to sustainable development.

In the development of sustainable financing solutions for its clients, UOB is guided by the UN SDGs in its strategy and decision-making process. UOB's strategy and reporting are aligned with the 17 UN SDGs. In particular, UOB considers climate change to be one of the most complex and defining issues of our time. Studies indicate that Asia is among the most vulnerable regions in the world to global warming. As a leading financial institution in the region, UOB has a vital role in supporting SDG 13 (Climate Action) by financing climate change mitigation and adaptation efforts.

The issuance of green, social or sustainability bonds ("Green, Social or Sustainability Bonds") will support UOB's ability to finance projects and organisations that also contribute to the Global Goals.

2. Our Framework

2.1 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 Green Bond Principles, Social Bond Principles and the Sustainability Bond Guidelines;
- The ASEAN Green Bond Standards, Social Bond Standards and Sustainability Bond Standards.

2.2 The Framework governs the issuance of any debt instruments by UOB and its banking subsidiaries, and includes the following:

- Green bonds to finance and/or to refinance eligible green assets;
- Social bonds to finance and/or to refinance eligible social assets; or
- Sustainability bonds to finance and/or to refinance a mix of eligible green assets and eligible social assets.

3. Use of Proceeds

3.1 The proceeds of bonds issued under this Framework will be used to finance or refinance Eligible Assets that fall under one of the Eligible Categories defined below.

3.2 Eligible Assets

The selection of Eligible Assets is subject to compliance with UOB's Responsible Financing Policy and an assessment of environmental and social risks. Eligible Assets may include:

- Loans to businesses and projects for which the use of proceeds meet the Eligibility Criteria;
- Loans to businesses which derive 90 per cent or more of their revenues from activities which meet the Eligibility Criteria; and
- UOB's own operating or capital expenditures for which the use of proceeds meet the Eligibility Criteria, subject to operating expenditures having been disbursed within 36 months prior to the relevant Green, Social or Sustainability Bond's issue date.

3.3 Eligible Categories

Eligible Assets may fall into the following categories:

Eligible Green Categories	Eligible Social Categories
• Renewable Energy • Energy Efficiency • Clean Transportation • Green Buildings • Sustainable Water and Wastewater Management • Pollution Prevention and Control • Circular Economy Adapted Products, Processes and Production Technologies • Climate Change Adaptation and Resilience • Sustainable Management of Living Natural Resources and Land Use	• Access to Essential Services • Affordable Housing • Employment Generation

3.4 Eligibility Criteria

Eligible Green Categories		
Eligible Category	Eligibility Criteria	UN SDGs Alignment
Renewable Energy	• Production, transmission and distribution of renewable energy - wind power, solar photovoltaic power, solar thermal utilisation¹, hydropower below 25 MW capacity, biomass or biogas power (below 100 gCO₂/kWh and excluding feedstock competing with food production²), geothermal energy (below 100 gCO₂/kWh)², ocean energy, and other renewable energy sources	 

¹ Includes construction and operation of facilities that store thermal energy.

² Refers to lifecycle emissions of the project.

	• Transmission infrastructure - design, exploration, site development and construction of transmission networks and base stations • Renewable energy equipment manufacturing - wind turbines, solar panels and battery storage • Research and development related to renewable energy and related battery technologies • Purchase of renewable energy certificates (for UOB and its clients' own use and not for resale)	
Energy Efficiency	• The development and implementation of products or technologies that reduce energy use or recover energy. Examples include: - Buildings - improvements in lighting, air conditioning, waste heat recovery and district cooling - Public utility networks - installation of energy-efficient lighting and improvements in energy efficiency of public utilities (e.g., electricity, telecommunications and water) - Agriculture and aquaculture processes - improvements in energy efficiency of traction, irrigation and other processes in plant-based agriculture, as well as in aquaculture farming and processing - Transmission and distribution systems - improvements to reduce energy use and/or technical losses and smart grid technologies - Energy-efficient transport infrastructure - enhancements to reduce energy use (e.g., lighter train carriage and improved signaling equipment)	  
Clean Transportation	• Development, manufacture and acquisition of low-carbon land transport. Examples include: - Passenger cars and commercial vehicles - zero tailpipe emission vehicles (e.g., hydrogen, fuel cell and electric vehicles) and hybrid vehicles with tailpipe CO₂ emissions below 75 gCO₂ per passenger-kilometre (pkm) - Trains and vehicles for public transport - zero direct emission light rail transit, metro, tram, trolleybus, bus and rail, and other fleets with direct CO₂ emissions below 75 gCO₂/pkm - Retrofitting or replacement of vehicles or trains with technologies including electric or hydrogen fuel cells - Transport of fossil fuels or fossil fuels blended with alternative fuels will not be eligible • Development of infrastructure for low-carbon land transport (private and public) - projects related to capacity or energy efficiency improvement (e.g., station upgrade, improved signaling equipment), electric charging stations, and electricity grid connection upgrade • Infrastructure for zero direct emission water transport - batteries, hydrogen fueling facilities	 

	• Infrastructure and systems to manage transport demand that lead to reduced greenhouse gas (GHG) emissions (e.g., electronic road pricing³)	
Green Buildings	• Construction, acquisition and refurbishment of green buildings that have or will receive regional, national or international certifications including: - Singapore Green Mark: Gold or above - US Leadership in Energy and Environmental Design (LEED): Gold or above - Building Research Establishment Environmental Assessment Method (BREEAM): Excellent or above - China Green Building Evaluation Standard: Three Star or above - Hong Kong BEAM Plus: Gold or above - Other comparable green building certifications • Suppliers and contractors involved in the construction of new and existing buildings utilising highly efficient building technologies, based on compliance with recognised building certifications	
Sustainable Water and Wastewater Management	• Upgrades of water infrastructure that improve water efficiency or reduce water losses • Development and deployment of technologies that increase the efficiency of water use • Wastewater collection, treatment plants, related distribution networks and sewage networks • Development and deployment of technology for treatment that improve quality and reliability of water supply • Desalination technologies that demonstrate no net GHG emissions (e.g., through use of renewable energy sources)	
Pollution Prevention and Control	• Air pollution and greenhouse gas mitigation equipment (e.g., flue gas desulfurisation, selective catalytic reduction, fabric filters, carbon capture⁴) • Facilities, systems and equipment that divert waste from landfills or improve the efficiency of waste processing • Collection, treatment or remediation of hazardous waste or contaminated soil	 
Circular Economy Adapted Products, Processes and Production Technologies	• Material and resource recovery - collectors and aggregators of waste materials that are part of a circular economy system • Circular inputs - substitution of virgin materials with secondary materials originating from the recovery of materials and resources • Circular design - reduction of waste, elimination of hazardous inputs, modular design • Product lifetime extension - through reuse, refurbishment, or remanufacturing	  

³ Excludes road construction

⁴ Activities related to the cement and steel industries or the promotion of fossil fuel usage will be excluded

	• Product as a service - ownership structures where the asset is owned and maintained by the supplier and costs and benefits are borne by partners in the value chain • Facilitators and enablers - technology development such as setting up of marketplace for used materials, managing data repositories for used materials; knowledge gathering and/or sharing; reverse logistics	
Climate Change Adaptation and Resilience	• Climate change adaptation infrastructure - flood defense, climate observation and early warning systems • Activities that increase the resilience of natural and urban eco-systems - integrated watershed management, public health, food security, drainage, network infrastructure	
Sustainable Management of Living Natural Resources and Land Use	• Climate-smart farm inputs - biological crop protection, drip-irrigation or closed-loop agricultural techniques • Environmentally sustainable fishery with certification to Marine Stewardship Council (MSC) or equivalent labels, and aquaculture with Best Aquaculture Practices (BAP) or Aquaculture Stewardship Council (ASC) equivalent certification; • Environmentally-sustainable forestry with certification to Forest Stewardship Council (FSC), Programme for the Endorsement of Forest Certification (PEFC) or equivalent, including afforestation or reforestation, and preservation or restoration of natural landscapes	 

Eligible Social Assets		
Eligible Category	Eligibility Criteria	UN SDGs Alignment
Access to Essential Services	• Construction and operation of, or supply of equipment to, public hospitals and healthcare facilities • Construction and operation of, or supply of equipment to, public education facilities (e.g., schools, universities, teaching and vocational centres), and related infrastructure (e.g., student housing)	 
Affordable Housing	• Corporate loans to public agencies for development and construction of public housing • Corporate loans used for the development and construction of housing mandated for low income individuals or households	 
Employment Generation	• Loans to Small- and Medium-sized Enterprises (SMEs) - SMEs as defined by the Singapore Ministry of Trade and Industry (i.e., entities with annual turnover of <S\$100 million or which employ less than 200 workers), or equivalent in other jurisdictions	

3.5 Exclusionary Criteria

Proceeds will not knowingly be allocated to finance projects or activities that have been assessed by UOB as being any of the following:

- Large-scale hydropower projects (>25 MW capacity)
- Electricity transmission infrastructure / systems where 25 per cent or more of electricity transmitted to the grid is generated using fossil fuels
- Extraction, refining or transportation of fossil fuels
- Nuclear energy
- Agricultural or afforestation operations on land designated as primary forest, high conservation value areas, or legally preserved areas
- Production and refining of palm oil
- Payday loans and predatory lending activities
- Adult entertainment
- Alcohol / alcoholic beverages
- Tobacco products
- Gambling
- Weapons and small arms.

4. **Process for Asset Evaluation and Selection**

- 4.1 UOB's business units will be responsible for the screening and selection of potential Eligible Assets as part of credit evaluation. UOB's Corporate Credit Policy requires compliance with UOB's Responsible Financing Policy which ensures that ESG considerations are integrated into every credit evaluation and approval process. Borrowers in ESG sensitive sectors are subject to enhanced due diligence with sector-specific guidelines. To identify, measure and manage better the ESG risks in the Bank's portfolio, borrowers are classified according to their ESG risk profile.
- 4.2 A working group ("Working Group") within UOB's Environmental, Social and Governance Committee will evaluate and select potential Eligible Assets to be added to a register ("Register"). The net environmental and/or social benefits of each potential Eligible Asset will be considered as part of evaluation.
- 4.3 The Working Group approves the allocation of Eligible Assets earmarked to each Green, Social or Sustainability Bond and also monitors these assets to determine continued eligibility.
- 4.4 The Working Group will monitor the drawn value of Eligible Assets and the composition of the Eligible Assets in the Register ("Portfolio"), as well as track the proceeds of Green, Social or Sustainability Bonds using UOB's internal accounting and information systems.
- 4.5 The Working Group comprises representatives from relevant business units responsible for originating the Eligible Assets as well as UOB's Corporate Sustainability Office, Central Treasury Unit and Credit and Country Risk Management.

5. Management of Proceeds

- 5.1 The Portfolio will be managed with a view to ensuring that the amount of Eligible Assets allocated will be equal to or exceed the balance of the net proceeds of outstanding Green, Social or Sustainable Bonds issued over time.
- 5.2 To the extent that any proceeds of a Green, Social or Sustainability Bond have not been allocated to Eligible Assets at issuance or, during the life of the bond, those proceeds may be invested in accordance with UOB's liquidity management policy. Any unallocated proceeds will be disclosed as part of UOB's post-issuance reporting.
- 5.3 During the life of the issued Green, Social or Sustainability Bonds, if any of the Eligible Assets cease to meet the Eligibility Criteria or has been repaid or divested, UOB will re-allocate the proceeds to other Eligible Assets as soon as reasonably practicable.

6. Reporting

- 6.1 UOB intends to make and to keep readily available Green, Social and/or Sustainability Bond reporting within a year of issuance, and update investors upon any material changes affecting the Portfolio annually and until the maturity of the relevant Green, Social or Sustainability Bonds. The Green, Social and/or Sustainability Bond reporting will be made publicly available on UOB's website, www.UOBGroup.com, and will cover allocation and impact reporting as listed below.

6.2 Allocation Reporting

UOB's allocation reporting will include:

- Confirmation that Eligible Assets included in the Portfolio comply with the Framework
- Total amount of Eligible Assets
- List of Green, Social or Sustainability Bonds issued with their outstanding amount
- Breakdown of Eligible Assets by Eligible Category
- Breakdown of Eligible Assets by geographic location
- Share of new financing and refinancing
- Balance of unallocated proceeds at the reporting end-period
- Where feasible, case studies of projects financed⁵.

⁵ Subject to confidentiality constraints

6.3 Impact Reporting

UOB's impact reporting will cover (where feasible):

Eligible Category	Potential Quantitative Performance Measures ⁶
Green Eligible Assets	
Renewable Energy	- Energy generated per year (MWh) - GHG emissions avoided per year, reported in tonnes CO₂-equivalent (tCO₂e)
Energy Efficiency	- Energy saved per year (MWh) - GHG emissions reduced/avoided per year (tCO₂e)
Clean Transportation	- GHG emissions avoided per year (tCO₂e) - New clean transportation infrastructure built (km) - Number of electric or low emission land and water transport vehicles produced
Green Buildings	- Building assets by type and green building certification level - Energy savings per year (MWh) - GHG emissions avoided per year (tCO₂e)
Sustainable Water and Wastewater Management	- Water reduced, reused or purified per year (m³) - Wastewater treated per year (m³)
Pollution Prevention and Control	- Waste diverted from landfill per year (tonnes) - GHG emissions or pollutants reduced/avoided per year (tCO₂e)
Circular Economy Adapted Products, Processes and Production Technologies	Material reused, recycled, refurbished, manufactured per year (tonnes)
Climate Change Adaptation and Resilience	Number and type of adaptation and resilience measures installed
Sustainable Management of Living Natural Resources and Land Use	Area covered by sustainable agricultural land management practices (hectares)
Social Eligible Assets	
Access to Essential Services	- Number of buildings/infrastructure/units built or upgraded - Number of people served
Affordable Housing	- Number of housing units built or refurbished - Amount of housing loans disbursed to qualifying borrowers
Employment Generation	- Amount of loans to SMEs and / or microenterprises - Number of employees, businesses and communities supported

⁶ For other categories, UOB may provide impact indicators wherever practicable

7. External Review and Assurance

UOB has obtained a Second-Party Opinion from Sustainalytics to confirm the alignment of the Framework with the applicable market standards. The Second-Party Opinion will be published on UOB's website, www.UOBGroup.com. UOB may engage an external auditor to provide independent verification and assurance on its reporting and management of proceeds in accordance with the Framework.

Disclaimer: This material contains general background information about United Overseas Bank Limited's Sustainable Bond Framework ("Framework") and is non-exhaustive. It is information given in summary form and does not purport to be complete. It is not to be relied upon as advice or recommendation to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. This material should be considered with professional advice when deciding if an investment is appropriate. United Overseas Bank Limited ("UOB") accepts no liability whatsoever with respect to the use of the material or contents herein. UOB reserves all rights including the right to amend the Framework at any time without notice. All information contained herein shall not be copied or disseminated for whatever purpose.