



GOING BEYOND, GOING FOR GOLD

About The Cover

Going Beyond, Going for Gold captures UnionBank's pursuit of success beyond financial gain to create a positive impact on employees, customers, and the community. The theme showcases the Bank's dedication to innovation and excellence in the banking sector and beyond, and highlights its contribution to the Aboitiz Groups' Great Transformation toward becoming the Philippines' first techglomerate.

Aboitiz Group businesses weave core values throughout their operations to achieve their goals and fulfill the promise for a better world. Magis, UnionBank's core value meaning "doing more, doing better, doing greater," anchors its vision to drive meaningful social change through inclusion, equity, diversity, and belonging. Bold initiatives highlighted in this report illustrate UnionBank's dedication to cultivating innovative progress. The Bank's operations and programs uplift marginalized communities, promote equal opportunities, and demonstrate its commitment to fostering transformation and sustainability.

Going Beyond, Going for Gold means putting words into action to foster a diverse, equitable, and inclusive society. The benefits of these actions for UnionBank's stakeholders are reflected in the data and inspiring stories within the pages of its report.

About This Report

The Union Bank of the Philippines 2023 Sustainability Report details UnionBank's business performance and sustainability strategy to create a diverse, inclusive, and equitable future for stakeholders. It shows UnionBank's commitment to making meaningful impact extending beyond its primary stakeholders and the banking sector. The report illustrates UnionBank's endeavors to co-create innovations that foster digital transformation and sustained environmental initiatives, and promote inclusion for the greater good.

Reporting Framework:	GRI Standards 2021
Approach to GRI:	In accordance
Reporting Scope:	Parent Bank and subsidiaries CitySavings Bank, UBX, and Union Digital
Reporting Period:	January to December 31, 2023
Reporting Cycle:	Annual
Previous Report:	UnionBank's 2022 Sustainability Report, "Banking to the Top with Innovation," published in April 2023.

UnionBank's interdepartmental Technical Working Group provided updates on environmental, social, and governance performance as part of the governance and data management process to meet regulatory and stakeholder reportorial requirements.

This sixth sustainability report was prepared in accordance with Global Reporting Initiative (GRI) Standards. It follows the Sustainability Reporting Guidelines of the Securities and Exchange Commission (SEC), and refers to applicable guidance from the World Economic Forum's Integrated Reporting Document and the United Nations Sustainable Development Goals metrics.

This report may be downloaded at unionbankph.com/sustainability/full-report.

WHAT'S INSIDE

- 2 Purpose Statement and Bank DNA
- 4 Business Profile
- 6 Geographic Presence
- 8 Economic Contribution
- 10 Joint Message of the Chairman and President & CEO

Sustainability at UnionBank

- 16 Sustainability Policy
- 18 Sustainability Framework
- 20 Scope and Materiality
- 22 Risk Management
- 24 Stakeholder Engagement
- 26 Governance
- 32 ESG Achievements
- 36 Going Beyond, Going for Gold
- 38 Tech Up Pilipinas Highlights

People: Digital Transformation

- 42 People Tech: Internal Initiatives to Enable Growth
- 43 The Workforce
- 45 Diversity, Equal Opportunity, and Inclusion
- 47 Employee Development Programs
- 51 Labor-Management Relations
- 52 Health, Safety, and Well-being
- 53 Labor, Laws, and Human Rights
- 54 Corporate Social Responsibility and Employee Volunteerism

- 60 Customer Relations
- 61 Customer Satisfaction
- 63 Customer Health and Safety
- 63 Marketing and Labeling
- 64 Customer Privacy
- 65 Data Security and Privacy

Planet: Sustainable Finance

- 68 Approach to Environmental Management
- 69 Resource Efficiency in Operations
- 74 Environmental Initiatives

Purpose: Inclusive Prosperity

- 80 Approach to Financial Inclusion
- 81 Investing in Communities to Grow Together
- 82 Innovation and Financial Inclusion in a Digitally Connected World
- 84 Contribution to the UN Sustainable Development Goals
- 88 Sustainability Scorecard
- 97 GRI Index

Annexes

PURPOSE STATEMENT AND BANK DNA

Vision

To become one of the top three universal banks in the Philippines by building a bank of enduring greatness.

Purpose

To co-create innovations for a better world.

Values

As we co-create the future, we remain rooted to our three core values:

Integrity

I do the right thing at all times. I am trustworthy, transparent, and authentic. I treat everyone with respect. I am fair, honest, and accountable for all my actions.

Magis

I am obsessed with the customer. I continuously innovate. I learn fast to build capabilities. I achieve great results with an agile mindset.

Ubuntu

I collaborate. I seek to understand through courageous conversations. I give feedback, real-time, and on-demand. I communicate clearly and openly.

Corporate Brand Idea

Powering the future of banking.

Distinguishing Beliefs

Forward thinking. Innovative.
Open. Agile.

Employer Brand

Own the future. Co-create innovations.

Credo

We are a dynamic bank committed to bringing the future of banking to the present by being forward thinking, innovative, open, and agile.

We seek to provide our customers with the best solutions and experiences. We are committed to driving our customers to success by powering our systems with advanced technology and platforms. We are accelerating their growth by connecting them to a whole new world of opportunities.

We are more than a bank. We seek to transform the lives of Filipinos and make their dreams a reality.

Our goal is to co-create innovations for a better world.



BUSINESS PROFILE

Union Bank of the Philippines, formerly the Union Savings and Mortgage Bank, is a publicly listed universal bank and a pioneer of digital banking and financial technology in the Philippines. Its clientele includes retail, middle-market, and corporate customers, as well as major government institutions. UnionBank was incorporated on August 16, 1968 and was licensed to operate as a commercial bank in 1982. It listed its common shares in the Philippine Stock Exchange a decade later, and was licensed to operate as a universal bank on July 15, 1992. There were two mergers: first with the International Corporate Bank (Interbank) in

1994, and then with International Exchange Bank (iBank) in 2006. UnionBank acquired Citi Philippines' consumer banking assets in August 2022.

For the past 42 years, UnionBank's focus on innovation has continuously elevated customer experience and enabled and empowered the underbanked and unbanked segments of the country.

UnionBank organizes and manages its main operating business according to their distinct products, services, and markets. The Bank's distinct business segments are outlined in the table below.

Business Segments



Consumer Banking

Handles individual customers' deposits and provides consumer-type loans, such as automobiles and mortgage financing, credit card facilities, and funds transfer facilities.



Corporate and Commercial Banking

Manages loans and other credit facilities and deposit and current accounts for corporate, institutional, small and medium enterprises, and middle market customers.



Treasury

Manages UnionBank's liquidity and funding requirements and transactions in financial markets covering foreign exchange, fixed income trading and investments, and derivatives.



Headquarters

Includes corporate management, support, and administrative units not specifically identified with Consumer Banking, Corporate and Commercial Banking, or Treasury.

Mass Market and Financial Inclusion

UnionBank leverages its mass market reach and technology to promote financial inclusion through three subsidiaries.



CitySavings

CitySavings is UnionBank's thrift bank subsidiary and mass market arm. With the belief that "Simple is Good," CitySavings offers clients from underserved markets in rural areas of the Philippines simple, straightforward banking coupled with warm and helpful customer service. It retains a "small bank" personality while growing its network mainly through microfinance loans for teachers, motorcycle drivers, and others. CitySavings makes the financing experience easy and convenient for its niche customers and ensures close engagement at every level of customer interaction.



UB X

UBX, UnionBank's technology arm, launched with innovation and digital transformation in mind. It houses initiatives, platforms, and investments in fintech companies to make banking natural, open, and accessible through embedded banking ecosystems. UBX uses technology to facilitate financial inclusivity and business growth, builds platforms that bring businesses and people together, provides access to needed technology and services, and creates marketplaces that aggregate supply and demand.

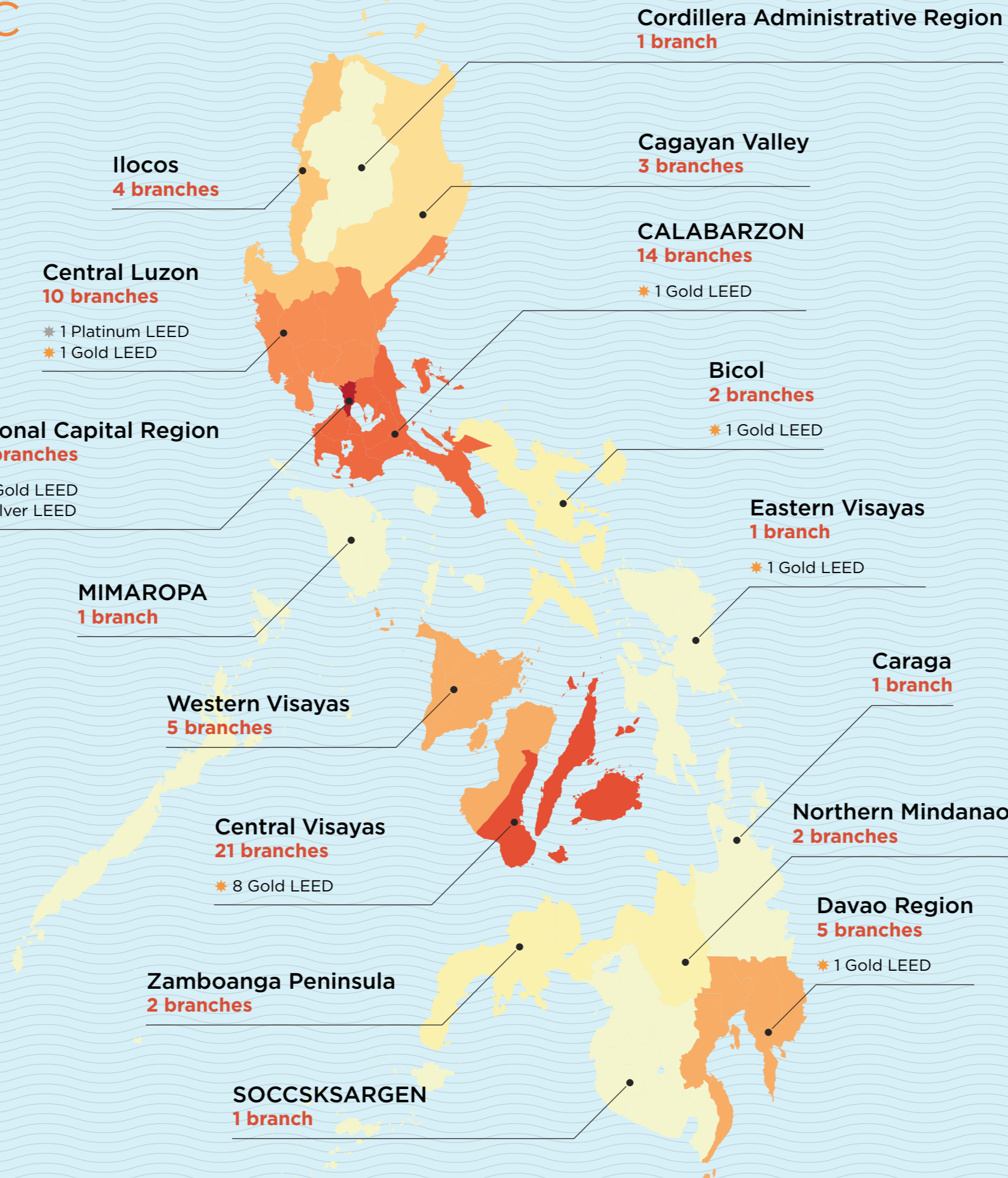


UnionDigital
BANK

UnionDigital (UD) bridges the gap between innovation and regulation to make digital banking and virtual assets safe and accessible to Filipinos. Commercially launched in July 2022, UD capitalized on UnionBank group's ecosystem strategy to achieve profitability. In 2023, the prestigious Asian Banker Awards recognized UD as the "Best Digital-only Bank" for its exceptional achievements. This accolade solidifies UD's position as a frontrunner among digital banks in the Philippines, with only two institutions from the country securing spots in the esteemed Global Top 100 Digital-only Bank Ranking for 2023.

GEOGRAPHIC PRESENCE

Operations by region



198
Total UnionBank Branches

27
Total LEED Certifications

- ★ 1 Platinum
- ★ 23 Gold
- ★ 3 Silver



Leadership in Energy and Environmental Design (LEED)

Leadership in Energy and Environmental Design (LEED) is a widely used green building rating system developed by the US Green Building Council. LEED certification provides a framework for highly efficient and cost-saving green buildings, and it is globally recognized as a symbol of environmental stewardship and energy efficiency. UnionBank aims to incorporate LEED principles in all its branches to reduce carbon emissions and the consumption of electricity, water, and paper. This will improve resource efficiency, help in efforts to combat climate change, and contribute to a greener and more sustainable future.

ECONOMIC CONTRIBUTION

₱1.1 T

Total assets

₱70.78 B

Revenue

₱128.54 B

Market capitalization
(as of March 22, 2024)

₱0.8

Dividends per share

7,852

Total number of employees (includes CitySavings and other subsidiaries)

₱10.59 B

Payments to government

346

Branches nationwide
(includes CitySavings)

₱13.56 B

Payments to employees

>100

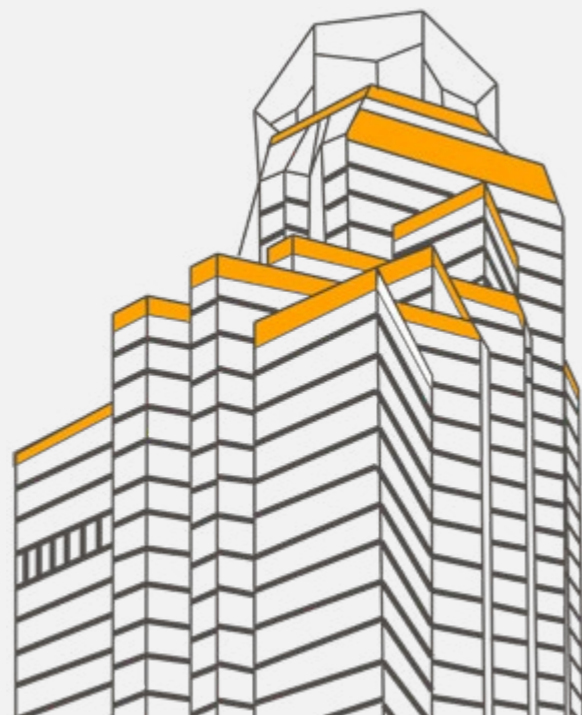
Products and platforms

₱23.35 B

Paid to suppliers

12.79 M

Customers served
(includes CitySavings)



UnionBank achieves strong economic performance through robust risk management practices that mitigate financial risks and comply with regulatory requirements. It monitors credit, market, liquidity, and operational risks, and implements appropriate controls and safeguards. UnionBank also delivers superior customer service and satisfaction to retain and attract customers. It offers innovative and customer-specific products and services and actively monitors feedback to improve offerings.

UnionBank continuously reviews operating expenses to optimize costs. To improve efficiency and profitability, UnionBank streamlines processes, reduces overhead costs, and leverages technology to automate routine tasks. The Bank adopts this holistic approach to effectively manage its economic performance and drive long-term success in a dynamic and competitive market environment.

The Bank's economic performance influences the prosperity and well-being of its stakeholders. Governments rely on economic growth for revenue and stability. Businesses and investors are impacted by market conditions and consumer demand. Workers' wages and job security depend on economic health. Consumers experience changes in purchasing power and affordability. Communities face shifts in employment opportunities, infrastructure investment, and availability of social services. UnionBank provides stability for stakeholders in a world of constant change.

Impact

- **Revenue Generation** through interest income, fees from lending, investment, and banking services
- **Job Creation** through workforce, supply chain, and investments
- **Taxes and Contributions** that support public services and infrastructure development

Risks

- **Market Volatility** through fluctuations in interest rates, foreign exchange rates, and asset prices that affect profitability and financial stability
- **Regulatory Changes** that increase operational costs and constrain business activities
- **Economic Downturns** that lead to higher loan defaults, reduce demand for banking services, and increase credit risk exposure

UnionBank mitigates risk with robust risk management practices, including diversifying the Bank's portfolio, stress testing, and compliance monitoring.

Opportunities

- **Digital Transformation** to enhance customer experience, streamline operations, and expand our market reach
- **Sustainable Finance** investments in environmentally and socially responsible projects and products aligned with customer preferences and regulatory trends
- **Market Expansion** to diversify revenue streams and capture emerging opportunities

UnionBank seizes these opportunities to strengthen its competitive position, enhance resilience, and contribute positively to the economy and society.

JOINT MESSAGE OF THE CHAIRMAN AND PRESIDENT & CEO



Erramon I. Aboitiz
Chairman

Edwin R. Bautista
President & CEO



Dear Stakeholders,

The global banking environment continues to evolve into more agile and innovative ways to make customer experience the heart of the business. Throughout changes brought about by the acquisition of Citibank's consumer business, UnionBank's unwavering dedication to providing top-notch and convenient solutions underscores its position at the forefront of this evolving landscape. 2023 emphasized the need to learn and adapt to changes. It taught us how to pivot and refocus on the fundamentals and what truly matters to the organization.

Beyond this, our steadfastness remains, and our unyielding commitment to introducing pioneering solutions to the communities we serve continues to anchor on our aspiration of becoming the largest and most profitable retail bank in the Philippines within the next three years. As the Bank strategically grows its retail customer base, which includes the strategic acquisition of the Citi consumer business, it also continues to find inclusive ways to create meaningful impact on society by 'Teching Up' the country.

Our sustainability mission has reached greater heights as we find ways to elevate our products and offer services to focus on becoming a leader in sustainability through innovation, sustainable finance, and inclusive prosperity. While we integrate digital solutions into every aspect of banking, we also continue to elevate the lives of our employees, customers, and communities we serve.

Our pillars of reliability and resilience

Our transformation continues to be driven by the unwavering dedication and resilience of our workforce. Through a series of strategic initiatives, UnionBank not only embraced this mission, but also internalized the lessons gleaned from the previous year, propelling the Bank towards even greater accomplishments.

Composed of three pillars - **People** ⇨ [page 40](#), **Planet** ⇨ [page 66](#), and **Purpose** ⇨ [page 78](#) - Tech Up Pilipinas is UnionBank's commitment to continuous evolution by leveraging technology for social good.

Through digital skills and capability building, we can co-create products, services, and programs that contribute to the sustainability of our planet. ‘Going for Gold, Going Beyond’ reflects our drive to power the future of banking, and to achieve greatness through our people.

We are known for being the most modern, digital-ready, and forward-thinking Bank in the country. This is owed to our 5,482-strong workforce that is high-tech and high-touch. For years in a row, the Bank has also been awarded multiple times as “Best Digital Bank” and “Best Retail Bank” by prestigious institutions, and it is also recognized in areas of transformation, people, and culture. All of this wouldn’t be possible without our highly engaged and empowered employees.

With the Bank’s sustainability framework [page 18](#) serving as an anchor and backbone for its environmental and social initiatives, building the workforce’s capabilities—especially in environment, social, and governance (ESG) principles—was inevitable.

Our dual-transformation strategy—Strengthening Today While Creating Tomorrow—is best exemplified by this framework, which guides the Bank in financing initiatives that promote environmental and social sustainable development. The Bank continues to integrate environmental awareness responsibility into every facet of its operations and culture.

Ultimately, the Bank promotes long-term economic growth by increasing the capacity of individuals and organizations in wealth management and empowering small-scale businesses and entrepreneurs. We envision an organization whose employees and stakeholders embrace a culture of future thinking built on sustainable revenue generation and income.

Going for gold, going for enduring greatness

Becoming a bank of enduring greatness equates to a high reliability organization. Whether the Bank transitions entirely to digital and mobile platforms, adopts embedded banking, embraces open finance, or incorporates all these approaches, we continue to be reliable, and our business remains sustainable.

We aspire to become among the top three ESG-driven banks in the Philippines. Sustainable value creation does not happen overnight, but we know that our aspiration to become a great retail bank should also translate into our sustainability performance.

We aim to become a leader in sustainability through innovation, sustainable finance, and inclusive prosperity through three goals:

First, we will embed sustainability in our operations and our culture. 2023 marked the third year of our sustainability transition plan. We successfully rolled out and fully implemented the enhanced Environment and Social (E&S) Risk Management policy, which is another facet of our commitment to becoming a highly reliable organization. We also strengthened policies on operational risk management and business continuity and resiliency to embed the ESG lens. We expanded our E&S risk assessment to our outsourced service providers and suppliers, ensuring their capability to withstand disruptions, quickly resume operations, and continue to provide services to the Bank. This ensures that we include them in the adoption of our sustainability principles in accordance with the Bank’s policies.

Diversity and inclusion were the thrust of our sustainability culture program in 2023. It was through the acquisition of Citi consumer business that we best exemplified this. We learned that the true strength of our organization is embracing the capabilities and uniqueness of each team member. We ensured that equal opportunities were given to team members despite coming from two different organizations. The unwavering dedication and resilience demonstrated by everyone involved in the project played a pivotal role in the integration’s success.

As a testament to UnionBank’s commitment to embracing diversity and inclusion, the first Diversity, Equity, and Inclusion (DEI) Summit was held in 2023. This is a significant milestone in our ongoing efforts to cultivate a workplace that celebrates diversity, equity, and inclusion. We aim to establish a safe space where employees, regardless of their gender, race, or ethnicity, feel heard, valued, and understood.

5,482

UnionBank employees

Best Digital Bank & Best Retail Bank

Awarded by prestigious institutions

1st

Diversity, Equity, and Inclusion (DEI) Summit was held

3,440

MSME loans financed in the Philippines



Lastly, we contribute to our country by creating shared value for the organization through social sustainability and innovation. One example is through ‘Selyado on Wheels,’ a program aligned with our commitment to societal impact through financial literacy and inclusion. We also continue to support professionals from the government sector, our transformation partners, and members of academe through Asian Institute of Digital Transformation (AIDT). These programs have helped drive the Bank’s mission to Tech Up Pilipinas by teaching organizations and leaders how to create meaningful transformations and sustainable development.

Social sustainability and innovation as the building blocks of greatness

Guided by our purpose to co-create innovations for a better world, “Tech Up Pilipinas” is an impactful initiative that inspired UnionBank Leaders and team members to become more intentional in elevating the lives of our customers and stakeholders. In June 2023, we received recognition for this cause as the Bank was given the 2023 Asia Pacific Tambuli Award for Corporate Culture and Leadership. This exemplifies how through our innovations, products, services, and programs, we can contribute to empowering and uplifting the lives of Filipinos, government agencies, and communities we serve.

Our subsidiaries also align with our Tech Up mission. **UBX** continues to support and provide financial access and services to Filipinos. As it has firmly established itself as the Philippines’ leading digital transformation provider and open finance platform, it builds and invests technologies and tailored solutions for MSMEs, large enterprises, and government entities.

Contributing to the Bank’s expansion strategy is the successful acquisition of the Citi consumer business. This monumental deal has surpassed expectations, further propelling UnionBank as one of the

key players in the retail banking space. We owe this success to our digital transformation, as UnionBank is prepared and technologically capable of integrating their business with ours. We continue to reach greater heights as we have climbed from tenth place to third in terms of transaction volume and active cards base. This achievement has accelerated our aspiration to become a great retail bank.

Our subsidiary **CitySavings Bank (CSB)** has proven its commitment to innovative, client-first practices by clinching the title of the Most Customer-Centric Savings Bank in the Philippines for 2023. It continues to lead financial inclusion initiatives such as public school teach loans, public sector salary loans, and motorcycle loans to independent dealerships. CSB’s revolutionary Loan Ranger mobile app is designed to empower public school teachers with a seamless and secure platform for managing savings and loans. True to its vision of leading the mass-market banking sector, CSB reached a notable milestone, achieving PHP 100 billion in loans by the end of 2023.

The Bank’s unwavering dedication to bank the underserved segment is evident in its diverse financial products, cementing CSB’s role as a banking innovator dedicated to simplifying the financial journey for its valued customers. CSB provides capability building not just for its employees, but for educators nationwide.

Most Customer-centric Savings Bank in the Philippines for 2023
Awarded to CitySavings by International Finance

₱100 B
in CitySavings loans by year end



Meanwhile, our subsidiary **Union Digital (UD)** is a frontrunner among digital banks in the Philippines, with only two institutions from the country securing spots in the esteemed Global Top 100 Digital-Only Bank Ranking for 2023. It aims to launch more digital banking products, while underscoring their unwavering commitment to financial inclusion, user-friendly services, and ongoing innovation. UD is actively contributing to the advancement of the digital banking sector and providing every Filipino with access to the latest financial technologies.

Going beyond our Tech Up mission

Over the recent years, “Tech Up Pilipinas” has evolved from being our mission to our north star. This initiative drives us to focus on digital transformation, sustainable finance, and inclusive prosperity. It also represents our commitment to sustainability by integrating innovation and incorporating environment, social, and governance frameworks into the Bank’s overall business and digital transformation journey. By focusing on people, mindset, and culture, we leverage our strength in digital expertise and continuous innovation to promote sustainability.

Empowering and enabling the workforce and fellow Filipinos with digital skills and capabilities, we will continue to capitalize on our expertise, partnerships, and strengths to create products and solutions to improve the businesses and communities we serve. We aim to elevate banking to new heights by maximizing technology and innovating to become a great retail bank.

Going for gold goes beyond revenues as we scale up our retail business. It means heading towards becoming a leader in social sustainability and innovation to continue to tech up our customers, partners, and the nation.

Erramon I. Aboitiz
 Chairman

Edwin R. Bautista
 President & CEO

SUSTAINABILITY AT UNIONBANK

UnionBank co-creates innovations for a better world by fostering sustainability beyond bank and finance industry stakeholders. The Tech Up Pilipinas sustainability strategy—which focuses on digital transformation—sustainable finance, and inclusive prosperity, promotes equality, inclusion, and growth, and respect for the natural environment. The Bank’s policy frameworks ensure compliance with laws and regulations and embed environmental, social, and governance awareness in its culture.

SUSTAINABILITY POLICY

UnionBank pursues digital transformation, invests in relevant social and environmental programs, and promotes equality and financial inclusion to power the future of banking. Throughout the banking group, employees commit to:

- Uphold, protect, and respect the environment, human rights, and labor standards.
- Contribute to enhancing positive social and environmental impacts.
- Provide products and services that contribute to the well-being of people, the environment, and the economy; reduce or avoid unsustainable practices; and demonstrate positive impacts on the most important issues of the business.
- Implement inclusive business programs and initiatives.
- Engage internal and external stakeholders to continuously improve and promote cooperation
- Foster the development of in-house learning, management capacity, and leadership on sustainability issues.
- Comply with all national laws and regulations.
- Communicate transparently on sustainability performance.

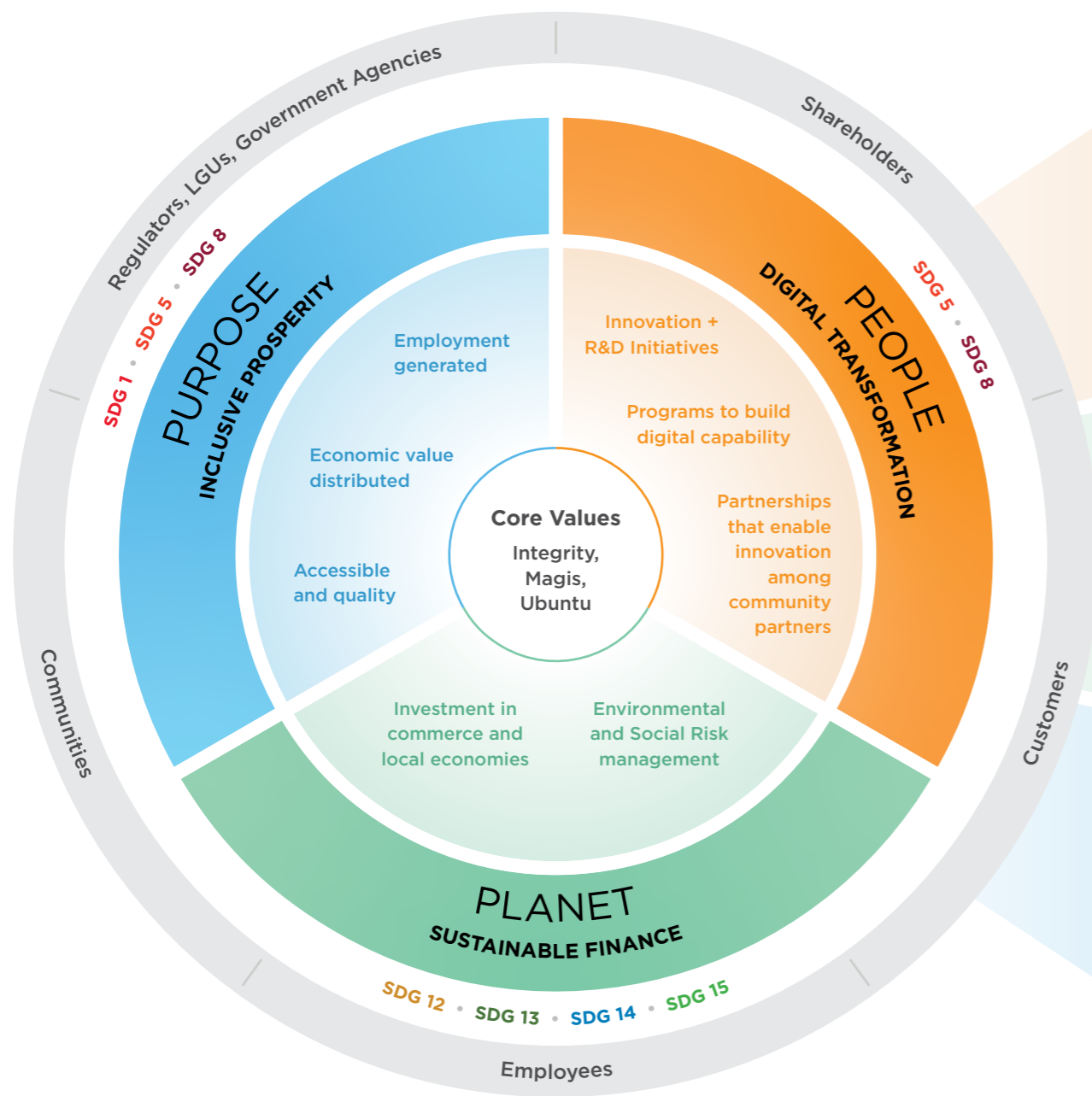


SUSTAINABILITY FRAMEWORK

OUR ESG MISSION

Tech Up Pilipinas

Our Purpose: Co-create innovations for a better world



The UnionBank Sustainability Framework guides the development and implementation of programs and initiatives that enhance sustainability performance. The three-pillar framework of People, Planet, and Purpose, is designed to align with UnionBank’s Tech Up Pilipinas sustainability strategy. Tech Up Pilipinas features three commitment areas—Digital Transformation, Sustainable Finance, and Inclusive Prosperity—to maximize innovation and improve lives.

People

Digital Transformation

To invest in the future of the nation, UnionBank puts people first. It builds digital capability across platforms through internal and external trainings and develops innovative programs for local communities.

Our Commitment

We own the future. The success of our employees is our success. Through our culture of innovation and co-creation, we ensure that our employees and partners can #OwnTheFuture.

Read more on [page 40](#)

Planet

Sustainable Finance

The Bank understands the significance of its role in moving capital to mitigate environmental and social risks in its financing activities. By lending to an ecosystem engaged in commerce and local economies—such as MSMEs—and by investing in technologies that enable financial inclusion, it co creates innovation for a better world.

Our Commitment

We save resources. We manage our resource use and environmental impact while encouraging all our stakeholders to lead sustainable lifestyles, with consideration for the future generation.

Read more on [page 66](#)

Purpose

Inclusive Prosperity

From employment generation and digitally enabled Filipinos to number of communities empowered, this focus area measures how effectively the Bank aligns its ESG agenda with its business strategy.

Our Commitment

We co-create innovations. UnionBank has been the Philippines’ pioneer in transforming the banking industry. No one gets left behind as we encourage co-creating innovations for a better world.

Read more on [page 78](#)

SCOPE AND MATERIALITY

In preparation for its sustainability reports, the Bank conducts extensive internal monitoring of topics relevant to strategy, reputation, and value creation. This report primarily pertains to UnionBank's sustainability performance, with some additional data from CitySavings. It follows GRI Reporting Principles for stakeholder inclusiveness, sustainability context, materiality, completeness, accuracy, balance, clarity, comparability, reliability, and timeliness.

The Corporate Social Responsibility (CSR) and Sustainability Unit under the Human Resources

Group stewards the report, leading the bank-wide Technical Working Group composed of members from units in risk management, compliance and corporate governance, treasury, operations, private banking, information technology, facilities management, and business services.

UnionBank's sustainability reporting process (see the table below) promotes stakeholder engagement and refines material topics to inform the Bank's strategy and drive performance.

Reporting Process

1 Prioritize material topics 2 Validate and review

Application of GRI process and principles

- Engage key stakeholder groups in the materiality of topics to be disclosed; revise the sustainability policy, framework, and environmental, social, and governance metrics.
- Develop the sustainable finance roadmap in compliance with Bangko Sentral ng Pilipinas. File reports and disclosures according to industry best practices and applicable standards of global sustainability raters.
- Rank materiality topics based on perceived scale of impact with the reasonable interests of UnionBank and its stakeholders.
- The Sustainability Advisory Council and Senior Management review the sustainability framework, material topics, and key performance indicators for strategic interests of UnionBank and its units.
- Conduct internal review and assessment.

Activities

- Conduct kick-off meeting and sustainability learning and working sessions.
- Conduct stakeholder engagement exercise (primarily internal stakeholders).
- Review stakeholder concerns (through external stakeholder engagement channels).
- Consult with the Chair & CEO, members of the Reputation Council, Unit Heads, and data owners.
- Hold story conference and one-on-one interviews with business unit heads and subject matter experts.

Materiality Assessment

In 2021, UnionBank revisited its material topics in a materiality exercise facilitated by Business for Sustainable Development. Using multiple frameworks, the exercise surfaced issues material to the company based on impacts, risks, and opportunities. The process also included sustainability topics from the Sustainability Reporting Guidelines for Publicly Listed Companies from the Security and Exchange Commission (SEC).

Material sustainability issues were grouped into themes to identify the Bank's strategic areas of action, and societal issues were organized according to their ratings in the materiality exercise. Material topics were further assessed in consideration of the extent of UnionBank's potential to mitigate negative social impacts, their capability to effect meaningful change, and their anticipated impact on the Bank's value creation. Employee and customer feedback helped update and prioritize material topics based on their impact to UnionBank and their importance to stakeholders.

Material Topics

People Digital Transformation	Planet Sustainable Finance	Purpose Inclusive Prosperity	
1 Usability and Accessibility	9 Risk Management	13 Business Ethics	21 Employee Volunteerism
2 Customer Experience	10 Climate Change Issues	14 Financial Performance	22 Community Engagement
3 Data Privacy and Integrity	11 Sustainable Finance	15 Labor Standards and Human Rights	23 Indirect Economic Performance
4 Cybersecurity and Resilience	12 Risk Management for Sustainability Management	16 Environmental Compliance	24 Local Enterprise and Workforce Development
5 Information Security		17 Socioeconomic Compliance	25 Diversity and Inclusion
6 Innovation		18 Employee Experience	26 Anti-Corruption Practices
7 Digital Inclusion		19 Employment	27 Procurement Practices
8 Digital Capability		20 Total Well-being (Compensation and Benefits)	
SDG 5 • SDG 8	SDG 12 • SDG 13 SDG 14 • SDG 15	SDG 1 • SDG 5 • SDG 8	
STAKEHOLDERS			
Regulators, LGUs, Government Agencies Shareholders Customers Employees Communities			

RISK MANAGEMENT

UnionBank implements a robust environmental and social (E&S) risk policy to manage risks and identify opportunities.

The E&S policy is based on a two-pronged strategy. First, it mobilizes finance for sustainable development by promoting financial inclusion, provisioning capital for infrastructure, and providing finance for innovation and digital transformation. Second, it develops a sustainable finance practice by promoting market integrity, assessing risks and proposing mitigation programs to address those risks, analyzing trade-offs, and building sustainable programs and transition plans to help clients. In so doing, UnionBank aligns with AmBisyon Natin 2040, the anchor for national development planning under the National Economic Development Authority, and the Philippine Sustainable Finance Roadmap to transition to a more circular economy.

The following steps guide the Bank's risk management approach:

- Understand E&S risks and their direct and indirect impacts on clients and the Bank;
- Use a science-based approach to determine the risk severity scale to capture the magnitude and frequency of risks;
- Set practical and actionable risk controls to assess clients; and
- Develop a due diligence tool that facilitates effective assessment and management of the risks without significantly affecting the transaction costs of the Bank.

Overview of the Environmental and Social Risk Management System (ESRMS)

The ESRMS Framework is anchored to the Bank's philosophy and is based on BSP Circulars 1085 and 1128, and BSP Memo 2022-042. UnionBank utilized a sector- and geographic-specific risk approach to comply with BSP requirements and identify and characterize direct and indirect E&S risks that could pose financial threats to the Bank when E&S issues impact clients' creditworthiness.

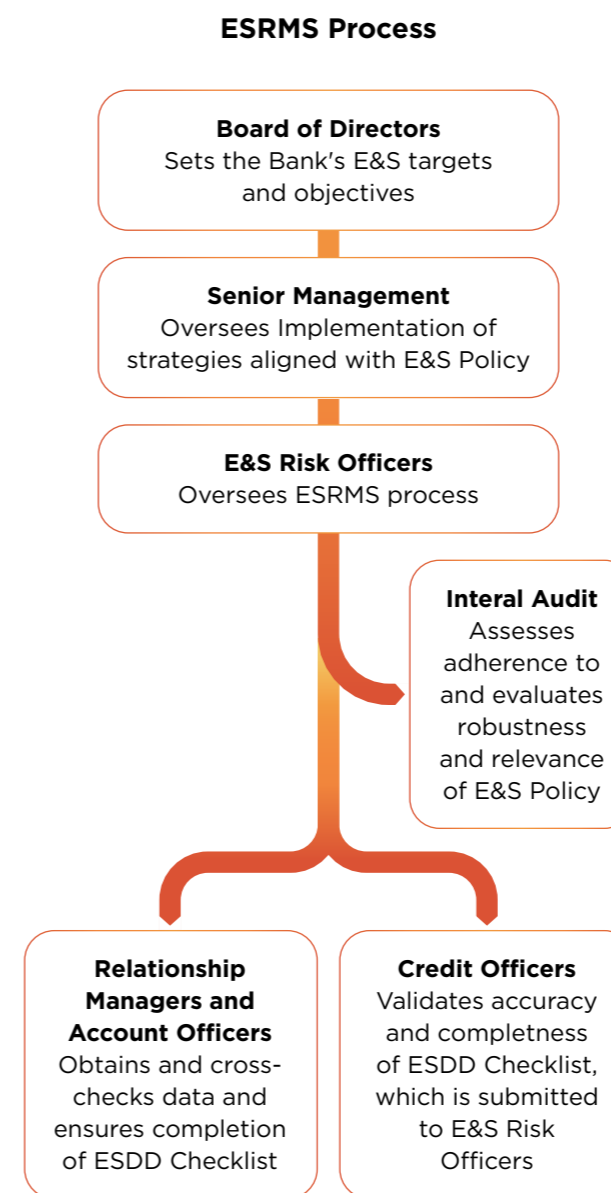
The enhanced E&S Risk Management Policy and the integration of E&S risk parameters with the Bank's Internal Credit Risk Rating System (ICRRS) were rolled out in April and May 2023, respectively, and are fully implemented.

The submission of the E&S due diligence (ESDD) tool is regularly monitored, and non-submission is a documentary deficiency subject to the guidelines of Credit and Operations Risk Control. The E&S assessment identifies and documents E&S issues in clients' business operations and suggests timebound actions to bridge gaps or mitigate E&S risks. E&S Risk Officers monitor action plan progress and report quarterly to the Risk Management Committee.

The Operational Risk Management (ORM) manual was updated to include and assess E&S operational risks. The ORM includes general risk statements for units directly involved in E&S activities for the Risk & Control Risk Assessment. Key Risk Indicators are being created to monitor risk exposures. Incident Reports and Risk Treatment Action Plan are in place. The ORM unit continues to enhance capacities by attending E&S-focused events and training Unit Risk and Compliance Officers (URCOs) during quarterly URCO meetings.

Implementation and progress of sustainability initiatives

After the completion of the E&S Risk Management Policy enhancement in the first quarter of 2023, a new engagement with a third-party consultant is being considered to further align with Philippine Sustainable Finance Taxonomy Guidelines.



Breakdown of the Bank's E&S Risk Exposures by Industry

Based on the E&S review, top industries in terms of outstanding balance are telecommunications, gaming and leisure, and roads and bridges.

INDUSTRY	O/S in P'MM	% O/S
Telecommunications	20,210.0	19.3%
Gaming and Leisure	14,304.8	13.7%
Roads and Bridges	13,849.0	13.2%
Real Estate	13,399.6	12.8%
Energy*	11,766.3	11.2%
Manufacturing	8,699.1	8.3%
Water Services	7,427.1	7.1%
Financing/Insurance Activities	5,789.2	5.5%
Transportation and Storage	4,456.2	4.3%
Construction	1,663.7	1.6%
Wholesale and Retail Trade	1,473.9	1.4%
Mining	884.3	0.8%
Aquaculture	428.5	0.4%
Restaurant	220.0	0.2%
Information and Technology	125.0	0.1%
Memorial Services	10.0	0.0%
Education	-	0.0%
TOTAL	104,706.6	100.0%

* Companies involved in the oil and gas industry are considered under Energy.

Existing and Emerging E&S Risks and Their Impact on the Bank






In 2023, no critical E&S risks assessed from the existing pool of clients were left unmitigated, hence, there was no impact on the Bank. Similarly, no E&S operational risks emerged in 2023.

STAKEHOLDER ENGAGEMENT

The integrity of UnionBank’s sustainability reporting depends in part on a careful review of stakeholder concerns. Their feedback allows UnionBank to implement operational changes that meet stakeholder needs in responsive and dynamic ways, thus paving the way for innovation. In 2023, the following stakeholders were consulted on a regular basis using multiple modes of engagement. The Bank maintains several virtual engagement pathways to facilitate timely and convenient communication.

LEGEND

- **People: Digital Transformation**
- **Planet: Sustainable Finance**
- **Purpose: Inclusive Prosperity**

Stakeholder Group	Top Concern	Material Topic	Engagement Channels	Frequency of Engagement	UnionBank Response
 Customers	Access to customer service, product-related inquiries	<ul style="list-style-type: none"> ● Usability and Accessibility ● Customer Experience ● Data Privacy and Integrity ● Cybersecurity and Resilience ● Information Security ● Innovation ● Digital Inclusion ● Digital Capability 	<ul style="list-style-type: none"> ● Online channels (Facebook, e-mail, X [formerly Twitter], Instagram, LinkedIn, Glassdoor, corporate pages) ● Customer service hotline ● Consumer complaints are reported at the Board level 	Daily	<ul style="list-style-type: none"> ● 24-hour customer support center handles product inquiries, relationship management, and customer care ● Rafa, a 24/7 customer service chatbot, is accessible through Facebook messenger ● UnionBank branches were evaluated using the Net Promoter Score, and scored 91.40% from January to December 2023 ● CitySavings branches were evaluated based on customer satisfaction and scored 96.54%
 Employees	Health and medical benefits; health and safety; loans and government-mandated benefits; inclusion (for example, health and safety includes workers in UnionBank-controlled workplaces)	<ul style="list-style-type: none"> ● Labor Standards and Human Rights ● Employee Experience ● Employment ● Total Well-being ● Employee Volunteerism ● Diversity and Inclusion 	HR Helpdesk	<ul style="list-style-type: none"> ● Daily (Human Resource Services), ● Bi-weekly (Employee Relations initiatives) 	<ul style="list-style-type: none"> ● Health and medical assistance (beyond PhilHealth) for employees ● Safety audits, emergency response training ● In-house clinics and accredited hospitals ● Health and mental wellness programs, annual physical exams ● Health management policies (including flu, tuberculosis, hepatitis A and B) ● 17 employees are members of the Health and Safety Committee ● Diversity, Equity, and Inclusion network (UMatter), DEI Summit with SOGIE 101 and related awareness workshops
 Communities	Relevant and continuing community development projects	<ul style="list-style-type: none"> ● Business Ethics ● Labor Standards and Human Rights ● Diversity and Inclusion ● Local Enterprise and Workforce Development ● Community Engagement ● Employee Volunteerism 	<ul style="list-style-type: none"> ● Assigned account managers per area ● Website 	Immediate feedback (e.g., after a Go Beyond Communities activity is completed)	<ul style="list-style-type: none"> ● GoBeyond Communities ● UBPXcellerator ● SSS UMID, Pag-IBIG, GlobalLinker
 Regulators, LGUs, Government Agencies	Labor issues, occupational health, and safety	<ul style="list-style-type: none"> ● Risk Management ● Sustainable Finance ● Climate Change Issues ● Risk Management for Sustainability Management ● Environmental Compliance ● Socioeconomic Compliance 	Reportorial submissions	Annual, or as needed	<ul style="list-style-type: none"> ● Sustainability Report ● Self-Monitoring Report (for Department of Environment and Natural Resources) ● Department of Labor and Employment (DOLE) workplace inspections
 Shareholders	Risk mitigation and effectiveness of approach	<ul style="list-style-type: none"> ● Business Ethics ● Financial Performance ● Indirect Economic Performance 	<ul style="list-style-type: none"> ● Board and Committee Meetings ● Financial results briefings 	<ul style="list-style-type: none"> ● Annual (stockholders’ meeting) ● Quarterly (financial results briefings) 	<ul style="list-style-type: none"> ● Investor Relations briefs ● Sustainability Report ● Corporate Website (including the sustainability microsite)

GOVERNANCE

UnionBank adheres to international governance standards to ensure transparency and integrity in operations, equality and diversity in leadership and staffing, and accountability to all stakeholders. The Chairman and CEO leads all UnionBankers in upholding the Sustainability Policy. The Board Committee on Corporate Governance oversees all sustainability matters. The CSR and Sustainability Unit, under Human Resources, monitors all sustainability programs and reports to the ESG Technical Working Group and Management Committee for support and guidance.



The **ESG Technical Working Group** monitors and manages UnionBank's sustainability-related risks and opportunities. Its members represent the following units:

1. CSR and Sustainability
2. Corporate Governance and Compliance
3. Treasury
4. Risk
5. Resiliency
6. Corporate Banking
7. Commercial Banking
8. Private Banking
9. Business Services Group

The Bank implements the following policies to oversee sustainability matters and enhance ESG performance:

1. Sustainability Policy [⇨ page 16](#)
2. Wholesale Credit Risk Policy
3. Operational Risk Management System Manual
4. Third Party Due Diligence Form
5. Business Continuity Management System Manual
6. Code of Conduct
7. Investment Policy Guidelines

Internal Audit

- Incorporates in Audit and Compliance programs the assessment of adherence to policies related to the management of E&S risks
- Reviews the Bank's adherence to international sustainability standards and principles, laws, and regulations

ESG Technical Working Group

- HR - Sustainability • Corporate Governance and Compliance • Treasury • Risk • IT Services and Operations • Resiliency • Corporate Planning • Private Banking • Commercial Banking • Corporate Banking • Business Services Group •
- Operationalizes approved direction and strategies
- Develops and implement tactical plans through the multi-disciplinary group

UnionBank Full Board

Determines the overall ESG direction, implementation, and strategy

Corporate Governance Board

Adopts and monitors implementation of ESG principles and policies

Management Committee

- Recommends direction and strategy
- Assesses relevance of ESG policies considering developments in the business environment
- Provides guidance and oversight to Technical Working Group
- Facilitates the identification, assessment, monitoring, and mitigation of E&S Risks

Board Diversity

Diversity offers agility, adaptability, and innovation in an increasingly complex financial landscape by granting access to a wide range of skills and experiences. Embracing diversity allows UnionBank to think differently, solve problems more creatively, raise challenging questions, and make more accurate decisions. The Bank does not discriminate based on age, gender, religion, socio-political affiliation, status, and nationality; encourages variety in expertise and background among employees; and promotes the same principles of diversity for the Board of Directors. Diversity in the composition of the Board is upheld on an annual basis in alignment with relevant regulations, including the fit and proper rule of the Bangko Sentral ng Pilipinas and Securities and Exchange Commission. The following measures are used to implement the Board Diversity Policy in compliance with the standards espoused by the ASEAN Corporate Governance Scorecard:

- At least two female directors or 10% of the total Board membership, whichever is higher.
- At least 50% of the Board members have background or experience in banking and financial services.
- At least 50% of the Board members have attended a training on anti-money laundering.

Taken together, UnionBank Board members possess a wide range of core competencies. Individual members are purposefully selected to complement the Board's existing body of skills and experiences. The Board demonstrates integrity and adherence to the principles of good governance and accountability to ensure a high standard of oversight. Given the Bank's focus on digital transformation, the Board ensures the security and privacy of stakeholders' information in compliance with the law and best practices in governance.

Codes of Conduct

UnionBank's Codes of Conduct uphold its core values of integrity, respect for the customer, and communication and collaboration; mitigate risks to the Bank and its stakeholders; and contribute to sustainability goals. The Bank's Codes of Conduct address the following topics:

- Corruption and Bribery
- Confidentiality of Information
- Conflicts of Interest
- Anti-Money Laundering
- Sustainability (Environment, Health, and Safety)
- Whistleblowing

Codes of Conduct are implemented through the following mechanisms:

- Systematically defined responsibilities, accountabilities, and reporting lines throughout divisions and groups.
- Dedicated help desks, focal points, ombudsman, and hotlines.
- Employee performance appraisal systems with integrated compliance and codes of conduct.
- Disciplinary actions in case of breach.

Supply Chain Development

In 2023, a sustainability assessment was embedded in the Bank's outsourcing assessment in compliance with BSP Circular 1128 to ensure the capability of Third-party Service Providers (TPSP) to withstand disruptions, quickly resume operations, and continue to provide services to the Bank.

Third-party relationships present a significant risk due to the varying levels of awareness of the Bank's policies, regulatory requirements, and service quality standards. An unsuitable TPSP may lead to customer service concerns, result in operational errors, and jeopardize business opportunities. To manage risks, the Bank performs a risk assessment of any

non-inherent functions or activities and evaluates the implications of outsourcing by checking the potential impact on the Bank's operations, financial condition, reputation, and ability to achieve its objectives and implement strategies and plans.

All third-party vendors undergo a thorough accreditation process—including assessment—due diligence, and selection, to ensure compliance with regulatory requirements and prudent use of funds on the purchase of quality goods and services. TPSPs for information technology requirements require accreditation, due diligence, onboarding, monitoring, and performance evaluation, vulnerability and penetration tests, and remediation for vulnerabilities prior to their engagement. Business continuity plan (BCP) testing is undertaken for critical service providers to ensure that clients are not affected by any service failures of the TPSP.

Contracts, which include confidentiality and privacy clauses in compliance with the Data Privacy Act and Consumer Protection laws, are thoroughly reviewed for compliance with outsourcing regulatory requirements. Contract review also sets TPSP performance metrics with clear definitions of appraisal criteria. Ensuring TPSP compliance with relevant national laws and regulations of the Bank helps increase customer satisfaction, ensures efficiency in operations, and contributes to the sustainability of the Bank's delivery of quality goods and services.

Third-party Services Providers Process

Accreditation



Performance monitoring and appraisal



Third-party premises inspection



Re-accreditation

2

Female Directors on the Board as of December 31, 2023

100%

- » Code of Conduct coverage, written acknowledgement, and training for regular and seconded employees in UnionBank and its subsidiaries
- » Coverage and written acknowledgement of Whistleblowing for Contractors/Suppliers/Service Providers (as part of bid process)

100%

Employees, management, and Directors who received information and training on anti-corruption policies and procedures

0

- » Incidents for dismissal of employees or Directors due to corruption
- » Incidents of contract termination due to corruption



Procurement Practices

UnionBank aligns procurement practices and priorities with strategic goals, objectives, and business requirements. These practices address risks and opportunities to enhance sustainability performance and create long-term values for clients. The Bank evaluates potential suppliers based on criteria such as reputation, financial stability, compliance, and past performance to mitigate risks, maximize opportunities, and strengthen the integrity of the supply chain. A rigorous supplier selection process ensures reliability, quality, and cost-effectiveness.

The Bank holds high standards for integrity and transparency in its communication with suppliers. Contracts delineate the terms and conditions of its relationships with suppliers, but they also define measurable targets for performance. Regular contract reviews provide an opportunity to confer with suppliers and maintain high standards for compliance.

As part of its risk management strategy, UnionBank identifies and mitigates procurement risks such as supply chain disruptions, supplier failure, and compliance issues. UnionBank creates contingency plans and diversifies the supplier base to minimize risk exposure. This management approach allows UnionBank to optimize procurement practices, enhance logistics, and drive operational efficiency.

Stakeholders



Risks

- **Compliance issues** can result in fines, penalties, and legal action
- **Supply chain disruptions** can affect continuity of operations
- **Unethical sourcing** can lead to reputational damage and legal liabilities

Opportunities

- **Risk management** processes such as supplier assessment, monitoring, and contingency planning can enhance resilience and safeguard business continuity
- **Cost savings** can be generated through procurement strategies such as bulk purchasing, contract negotiation, and supplier consolidation
- **Supplier diversity** and engaging small and minority-owned businesses promote economic inclusion, foster innovation, and reduce reliance on a single supply source
- **Collaborative partnerships** based on trust, transparency, and shared values foster innovation, drive efficiency, and create value along the supply chain

Anti-corruption

The Bank is committed to conducting business activities in a fair, honest, and ethical manner. UnionBank has zero tolerance for bribery and corruption and strives to apply the highest standards of corporate ethics and professionalism in the conduct of its business. This zero-tolerance approach also means the Bank is committed to the mitigation, deterrence, and detection of bribery, corruption, and other unethical practices.

100%

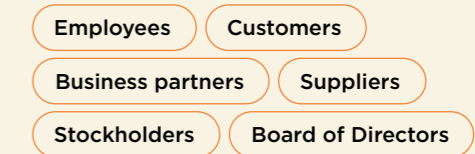
Employees, management, and directors who received information and training on anti-corruption policies and procedures

0

- » Incidents for dismissal of employees or directors due to corruption
- » Incidents of contract termination due to corruption

UnionBank complies with the Philippines' anti-bribery and corruption laws and implements anti-corruption measures such as its Whistleblowing Policy and Fair Securities Dealing Policy to achieve transparency. The Anti-Money Laundering Policy intends to reduce the risk of making transactions that may be exploited and result in incidences of bribery or fraud. The Board of Directors is responsible for the Bank's Anti-Bribery and Corruption Compliance Program, which prohibits the receipt of gifts, entertainment, and benefits; and oversees vendor management, whistleblowing, and other related activities.

Stakeholders



Risks

Incidences of corruption and bribery may disrupt operations and create reputational risks that may affect relations with stakeholders and the Bank's financial performance.

Opportunities

Conduct a strong and consistent awareness campaign among employees, suppliers, and contractors, and other stakeholders to guarantee compliance with the Bank's Anti-Bribery and Corruption Policy.

ESG ACHIEVEMENTS

From Compliance to Culture

The FOCUS 2030 Digital Transformation Strategy was developed to fulfill the mission of becoming a bank of enduring greatness. The Bank strengthens its commitment through REFOCUS, which aims to double efforts towards achieving the 'Go for Gold' aspiration and become a Great Retail Bank by 2025.

Tech Up Pilipinas continues to define UnionBank's sustainability strategy and embed ESG matters in the overall business strategy as an integral part of the Bank's digital transformation journey. The Tech Up Pilipinas roadmap aligns with the overall business goal of "teching up" employees and fellow Filipinos to co-create innovations for a better world, and it aims take sustainability from compliance to culture.

The plan includes compliance with BSP Memorandum Circular 1085 by defining the roles and responsibilities of the Board of Directors and integrating ESG in the organizational structure as the initial, yet vital, step. This is followed by cascading the roadmap, updating policies, and building ESG capabilities throughout the Bank.

Key imperatives of the FOCUS 2030 Digital Transformation Strategy

- Financial Value
- Operational Excellence
- Customer Franchise
- UnionBank Brand/Experience
- Superior Innovation

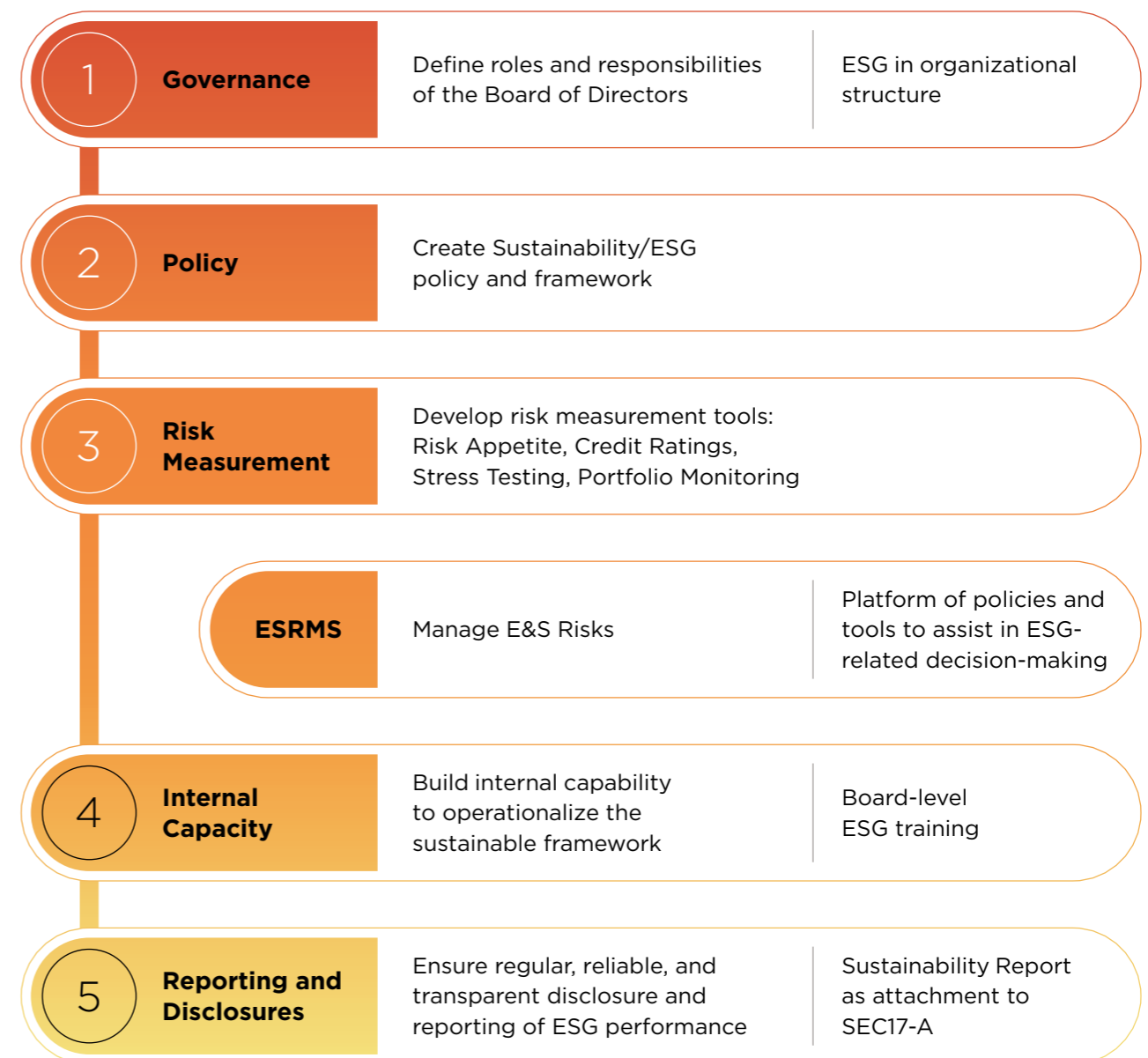
ESG Roadmap



Transition Plan Progress

Established in May 2020, the ESG Technical Working Group consulted with the Board of Directors, Management Committee, Center Group Heads and Leaders, and ESG consultants to develop and implement UnionBank's Sustainable Finance Framework to comply with BSP Memorandum Circular 1085.

The BSP circular guides banks to integrate ESG topics into strategic pursuits consistent with their size, risk profile, and complexity of operations. The following diagram outlines the circular's key requirements that must be established within a three-year transitory period.



UnionBank is embedding sustainability in its DNA, policies, programs, and processes. The ESG TWG's sustainability initiatives include:

<p>Corporate Governance and Compliance Institutionalize the adoption of sustainability principles.</p>	<p>Environmental and Social (E&S) Risk Management System Develop an E&S risk management system and manual and embed E&S risk in existing documents. This covers both credit and operational risk management.</p>	<p>Building Capabilities for Stakeholders Promote a culture that fosters environmentally and socially responsible business decisions. In 2023, UnionBank conducted training events to increase knowledge of sustainability principles among team members.</p>
<p>Sustainable Finance Develop financial products and services that integrate ESG into business decisions.</p>	<p>Communication Plan Ensure transparent, updated, and comprehensive disclosure of ESG performance in reports and news articles.</p>	<p>Audit and Alignment Audit and assess adherence to international sustainability standards and requirements of BSP, SEC, and other regulatory agencies.</p>

Other initiatives to promote adherence to internationally recognized sustainability standards and practices

UnionBank continuously reviews disclosures in the Annual and Sustainability Reports to verify that ESG elements and metrics are communicated in a timely manner. It assesses the relevance and effectiveness of ESG reporting standards, such as the frameworks of the Global Reporting Initiative (GRI), International Integrated Reporting Council (IIRC), Sustainability Accounting Standards Board (SASB), Task Force on Climate-related Disclosures (TCFD), and World Economic Forum (WEF).

UnionBank uses past ESG performance to manage environmental and social risks and show international ESG Raters how it adapts to changes in the regulatory landscape.

As ESG Raters develop proprietary methodologies based on best ESG practices, various international ESG standards, and legislations, UnionBank aims to improve its ESG ratings by measuring and monitoring its sustainability performance.

Sustainability learning and appreciation courses

UnionBank uses bank-wide learning and development programs to deepen employees' knowledge of ESG and sustainable finance topics. Topics include ESG 101, Introduction to Sustainable Finance, and targeted learning sessions for relevant units that will implement ESRMS-related products and processes. Trainings are scheduled according to regulatory compliance, operation, and relevance to developments in the market.

2023 Social Bond Allocation and Impact Report

On July 23, 2021, UnionBank issued a seven-year, USD 150 million (PHP 7.55 billion) Social Bond with the International Finance Corporation (IFC) as sole investor. The proceeds of the Social Bond will be allocated exclusively to qualified micro, small and medium enterprise (MSME) loans, screened against the IFC eligibility criteria and exclusion list. As of December 31, 2023, the Social Bond Use of Proceeds Registry amounted to PHP 7.563 billion, representing 100.177% allocation to the gross proceeds of the Social Bond.

SyCip Gorres Velayo & Co. performed a limited assurance engagement on the Use of Proceeds of the Social Bond as of and for the year ended December 31, 2023.



GOING BEYOND, GOING FOR GOLD

UnionBank continues to pursue financial success while achieving maximum positive impact for all its stakeholders. Going for Gold, Going Beyond showcases the Bank's commitment to innovation and excellence beyond the banking industry, armed with the Aboitiz Group core values, to build a better world.

UnionBank's core value of Magis, which means 'doing more, doing better, doing greater,' drives the Bank's bold initiatives to cultivate innovative progress and meaningful change and foster transformation and sustainability. The Bank is committed to promoting a diverse, equitable, and inclusive society, which is evident in its programs and achievements across focus areas on Digital Transformation, Sustainable Finance, and Inclusive Prosperity.

In its Digital Transformation efforts, UnionBank continues to make its products and services more accessible to clients. It invested heavily in employee development and training, and offered self-development and learning programs for employees and other stakeholders. It facilitated volunteer programs that benefited more communities and helped drive meaningful change. Sustainable Finance initiatives facilitated loans to beneficiaries such as teachers and motorcycle drivers. Environmental projects also helped reduce and manage waste and contribute to the restoration of habitats. Inclusive Prosperity measures helped generate employment across the supply chain, produced programs for underserved banking communities, and reinvested in the Bank's corporate social responsibility program to implement initiatives for inclusive growth.

The Bank will continue its commitment of Going for Gold, Going Beyond with targets to build partnerships and projects to raise financial performance; improve customer satisfaction, climate risk management, resource efficiency, and sustainability reporting; enhance diversity, equity, and inclusion; and expand corporate social responsibility programs.

UnionBank's accolades demonstrate its commitment to stakeholders and sustainability

The Bank has received numerous awards showcasing its commitment to excellence in products and services, workplace environment and practices, and banking amenities for small-scale business and the underserved. In 2023, the Bank received a Bronze Stevie® for Employer of the Year in Banking, and the HR Thought Leader of the Year award for Chief Human Resource Officer Michelle E. Rubio. UnionBank also remains the only Philippine bank with a Great Place to Work® Certification.

The Bank's dedication to fostering a conducive and inclusive workplace was recognized with the esteemed Award on Productivity, Quality, and Innovation at the 2023 Kapatiran sa Industriya (KAPATID) Awards by the Employers Confederation of the Philippines (ECOP).

These recognitions highlight the Bank's exceptional practices in industrial relations, quality, productivity, and innovation, along with its commitment to ethical conduct, resilience, and fostering harmonious management-employee relationships. Some of the Bank's awards are as follows:

BIAN Transformation Awards 2022 Transformation Champion

The Digital Banker - Global SME Banking Awards 2023

- » **Best SME Beyond Banking Service Initiative**
UnionBank GlobalLinker
- » **Outstanding SME Supply Chain Finance Solution**
UnionBank Supply Chain Financing
- » **Best SME Business Current Account/Transaction Account**
UnionBank BizStarter Account

The Asian Banker Global Excellence in Retail Finance Awards 2023

- » **Best Retail Bank in the Philippines**
- » **Most Recommended Retail Bank in the Philippines**
Bank Quality Consumer Survey on Retail Banks 2023

Asia Private Banking Awards 2023, Asiamoney Best for Philanthropic Services in the Philippines

IFC Social Bond, Bronze Stevie® Award, Asia-Pacific Stevie® Awards 2023 Innovative Achievement in Corporate Social Responsibility

Philippines for MSME Banking, Asian Banking & Finance Retail Banking Awards Digital Business Banking Initiative of the Year

Philippines for UPAY for MSMEs, Asian Banking & Finance Retail Banking Awards Mobile Banking & Payment Initiative of the Year

2023 Asiamoney Best Bank Awards Best Bank For SMEs in the Philippines

The Digital Banker: Global Retail Banking Innovation Awards 2023 Best Smart Payments Solution by an SME Bank

The Kapatiran sa Industriya (KAPATID) Awards 2023, Employers Confederation of the Philippines (ECOP) Award on Productivity, Quality, and Innovation

Asia Pacific Tambuli Awards Award for Corporate Culture and Leadership, *Silver*

HR Asia HR Asia Best Companies to Work For (Philippines)

Stevie® Awards for Great Employers

- » **Employer of the Year - Banking**
HR Asia Best Companies to
Work For (Philippines), *Bronze*
- » **Achievement in Extended**
Enterprise Learning
Programs, *Bronze*
- » **Achievement in New Employee**
Onboarding, *Silver*

IDC Future Enterprise Awards Philippines HR Asia Best in Future of Work

TECH UP PILIPINAS HIGHLIGHTS

Digital Transformation

⇒ page 40

154.23 M
Transactions
▲ from 69.96 M in 2021
» 127.23 M UB Online
» 27 M SME app

318
Communities served
▼ from 427 in 2021

7.27 M
UB Online registrations

677
Programs on digital learning
▲ from 177 in 2021

₱34.4 M
Investment in employee development and training
▲ from ₱20.66 M in 2021

142,998
Beneficiaries
▲ from 6,404 in 2021

142
Modules offered to the public
▲ from 123 in 2021

13,852
Volunteer hours
▲ from 2,507 in 2021

9.45 M
Paperless transactions
▲ from 8.17 M in 2021
» 70.89% of branch transactions

Sustainable Finance

⇒ page 66

₱100.50 B
Loans disbursed through CitySavings
▲ from ₱53.1 B in 2020
» ₱87.69 B for teachers' loans
» ₱3.01 B for motorcycle loans

₱30 B
Loans processed through online lending platform SeekCap

Inclusive Prosperity

⇒ page 78

₱74.12 B
Economic value reinvested in society
▲ from ₱33.24 B in 2021

₱36.07 M
Investment in CSR

186,000
Users of the Loan Ranger mobile app

> 250,000
B2B customers in UBX's Open Finance Platform

Nearly ₱35 B
In transactions on BUX payment gateway

Combined total of 42,000
Clients in The Portal and the UB Negosyante App
▲ 27% increase from 2022

7,852
Employees (includes UBX, CSB, and UD for 2023)

2,056
Third-party Service Providers
▲ from 1,577 in 2021

25,909
Filipinos in the UBPXcellerator program
▲ from 9,558 in 2021

Targets

- Training in environmental accounting and sustainability reporting
- Capability building in Climate Risk Management
- **85%** Net Promoter Score
- Roll-out of DEI and sustainability programs
- **5% increase** in volunteer hours and beneficiaries for GoBeyondCommunities
- GBC training sessions and modules on financial literacy, information security and data privacy, and climate resiliency
- **5% reduction** in power, water, fuel consumption
- Sustainable partnerships and projects that add to the organization's aspiration of becoming a Great Retail Bank

Going Beyond

- Embed sustainability in operations and culture
- Offer products and solutions that contribute to sustainable development
- Create shared value for the organization through innovation and sustainability

PEOPLE

DIGITAL TRANSFORMATION

We own the future. The success of our employees is our success. Through our culture of innovation and co-creation, we ensure that our employees and partners can #OwnTheFuture.



BIAN Transformation Awards
2022 Transformation
Champion

**IFC Social Bond, Asia-Pacific
Stevie® Awards 2023, Bronze**
Innovative Achievement
in Corporate Social
Responsibility

**The Kapatiran sa Industriya
(KAPATID) Award of the
Employers Confederation
of the Philippines (ECOP)**
Award on Productivity,
Quality, and Innovation

Asia Pacific Tambuli Awards
Award for Corporate Culture
and Leadership, Silver

HR Asia
Best Companies to Work
for (Philippines) 2022

**Stevie® Awards for
Great Employers**

- » Employer of the Year
– Banking, Bronze
- » Achievement in Extended
Enterprise Learning
Programs, Bronze
- » Achievement in
New Employee
Onboarding, Silver

In this section

- People Tech: Internal Initiatives to Enable Growth
- The Workforce
- Diversity, Equal Opportunity, and Inclusion
- Employee Development Programs
- Labor-Management Relations
- Health, Safety, and Well-being
- Labor, Laws, and Human Rights
- Corporate Social Responsibility and Employee Volunteerism
- Customer Relations
- Customer Satisfaction
- Customer Health and Safety
- Marketing and Labeling
- Customer Privacy
- Data Security and Privacy



UnionBank’s comprehensive human capital development program identifies skill gaps, measures human capital management, and develops company-wide knowledge-sharing systems aligned with industry trends. Employees receive the right tools and training to excel in their positions and prepare for leadership roles. UnionBank’s programs democratize learning and promote multi-specialization and talent mobility. Its approach increases employee productivity, performance, and competitiveness, thereby upholding the Bank’s financial standing and allowing it to grow to achieve its sustainability goals.

People Tech: Internal Initiatives to Enable Growth

UnionBank provides opportunities for employees and other stakeholders to expand talent, develop potential, and build a new generation of skills in preparation for the many “futures of work.” Employees are encouraged to grow beyond their departments, cultivate a holistic skillset, and enhance competencies in emerging technologies. The Bank operationalizes its People Tech mission through the following programs:

Student Mentoring Program (SMP) is a pre-hire initiative to give top students from universities and other institutions training, mentoring, and an opportunity to experience UnionBank’s agile and collaborative culture.

Leadership Accelerated Development (LEAD) Management Trainee Program targets the top 5% of the graduating classes of partner universities. It places trainees (LEADS) in various units at UnionBank to create solutions, build new products, or improve organizational processes.

Technical Lead Program (Tech LEAD) is a 12-month, fast-tracked, technical development program designed to capitalize on emerging technologies and promote leadership. Participants gain business acumen and develop leadership skills through blended learning interventions.

13 Tech LEADS

Seeded in UnionBank in Data Science, Information Security, Customer Experience, Enterprise Architecture, Solutions Delivery, Infrastructure and Service Management, and Digital Delivery

UnionBank University offers employees self-paced or instructor-led courses to strengthen core capabilities, upskill for a potential career-shift and co-create innovations for local communities. Cross-functional teams create products, services, and solutions that are commercialized or institutionalized internally and externally. Through training programs and immersion labs, leaders experience growing startups and use design thinking and the business-model canvas to create human-centric solutions for complex problems.

Learning Pathways features a curated set of learning resources to complement the modules of One UnionBanker Hub (1UHub) and support the shift from competency-based to capability-based learning philosophy. 1UHub is the Bank’s comprehensive internal Human Resources Services platform.

Cloud Cadetship is a multi-cloud program developed by UnionBank, Amazon Web Services (AWS), and Microsoft that offers free AWS and Microsoft Azure training and certification vouchers and mentorship from UBP Cloud Experts.

Centers of Excellence and Communities of Practice serve as platforms for employees to upskill by leading projects to improve products, services, and processes. Employees experiment and learn through the Cloud Center of Excellence, Open Finance and Digital Services Center of Excellence, and Metaverse Center of Excellence.

Tech hUB podcast raises awareness of emerging technology trends and of the realities of working in the digital age to attract talent to careers in the tech/ fintech industry.

The Workforce

The Bank’s dynamic, healthy and supportive work environment reflects its understanding that its employees are the driving force behind its growth. The UnionBank signature workplace is agile, collaborative, empowering, and inclusive. Policies and programs attract and retain talent and enhance their overall well-being, productivity, recognition, and potential for innovation.

UnionBank sustains a strong employee culture and a highly engaged workforce. In 2023, the Bank had an attrition rate of 16.41%.

UnionBank is proud of its Great Place to Work® certifications in 2021, 2022, and 2023. The Bank was recognized for its workforce engagement, retention and capacity-building programs that enable employees to #OwnTheFuture.

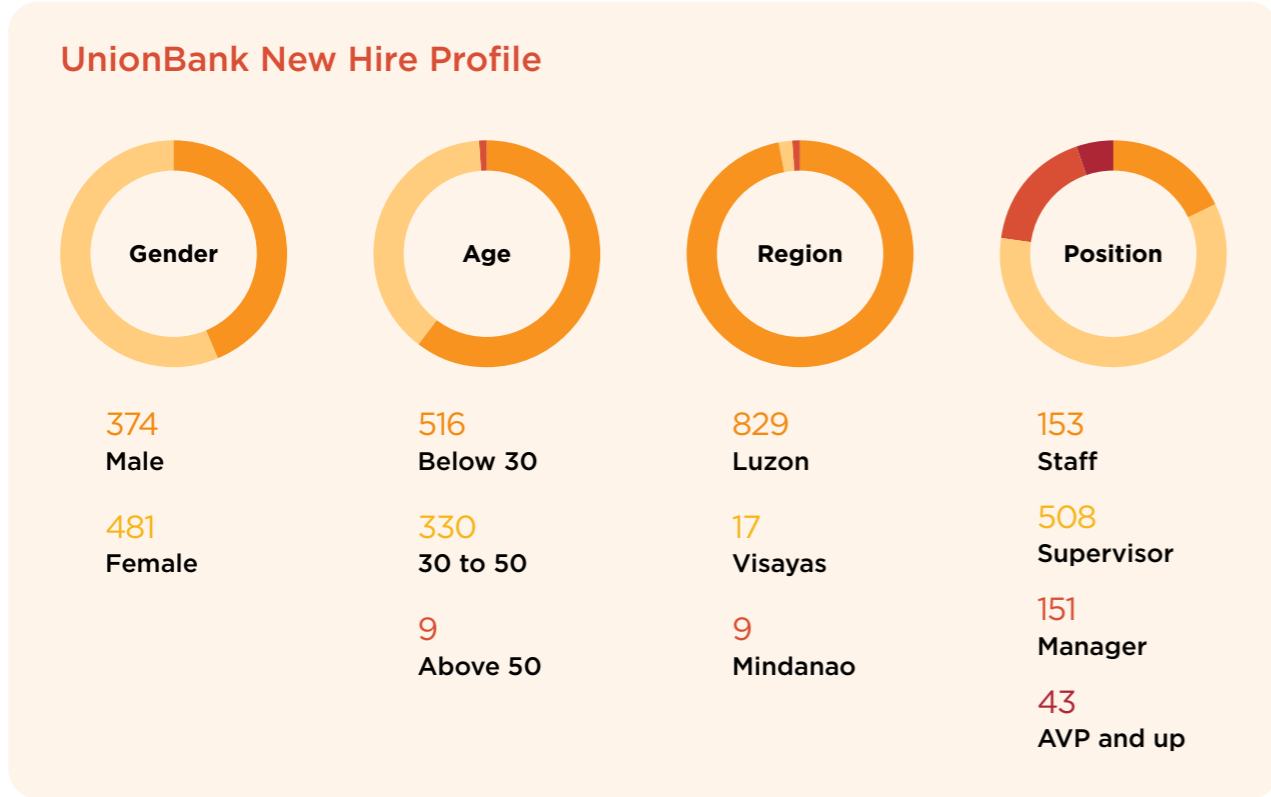
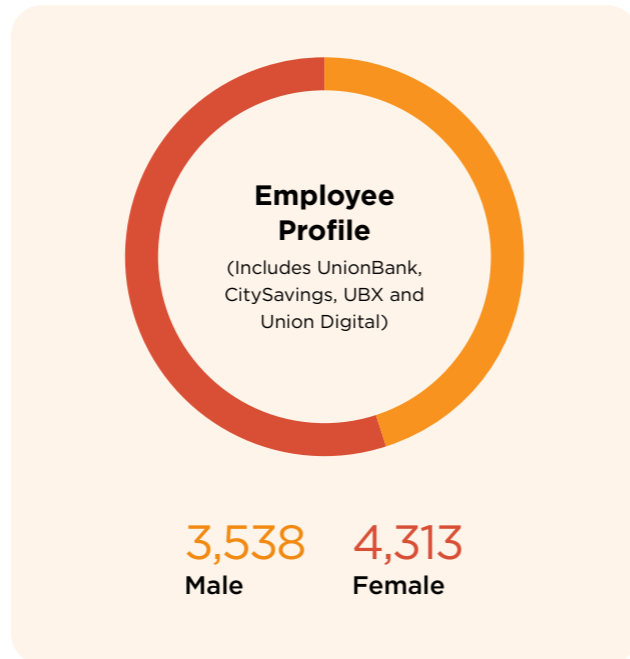
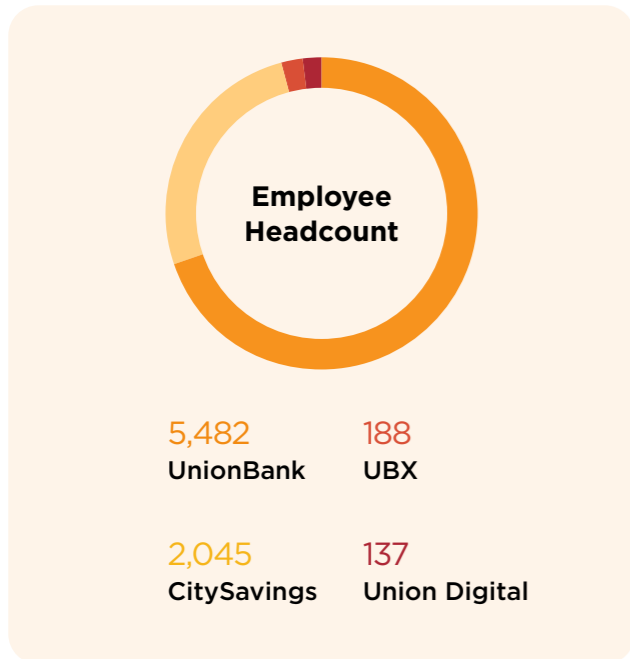
4.34/5
Overall UnionBank employee engagement score

4.35/5
Overall UnionBank employee satisfaction score

4.47/5
Proud UnionBanker score

56.27
UnionBank employer Net Promoter Score





See complete breakdown of employee demographics on [page 88](#)

EMPLOYEE BENEFITS

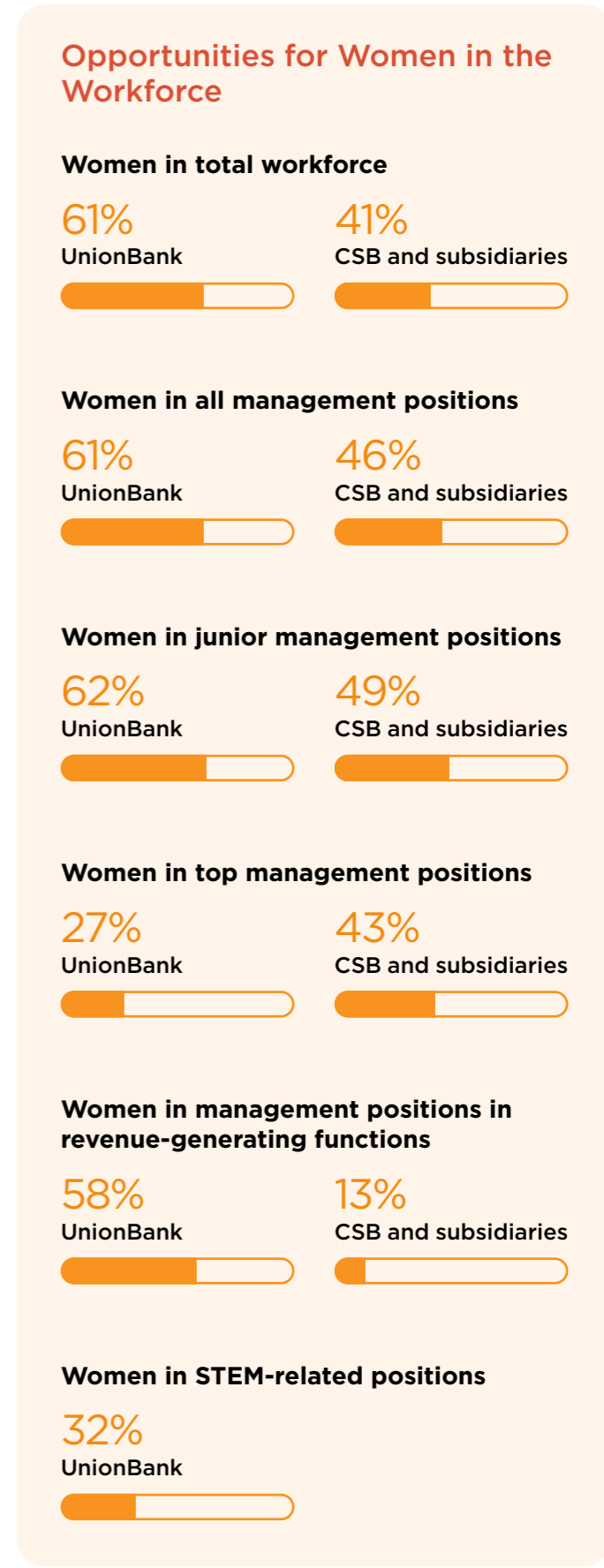
UnionBank provides benefits for its employees as required by law, and it offers additional benefits that give it a competitive edge in hiring and retaining talent. This includes additional leaves, bonuses, and flexible work arrangements.

Diversity, Equal Opportunity, and Inclusion

Diversity, Equity and Inclusion (DEI) is a force for progress and resilience. A diverse workforce possesses a range of backgrounds, experiences, and skill sets with the agility and adaptability to thrive and drive innovation in a dynamic banking landscape. The Bank recognizes the importance of a workplace that values and respects every individual. UnionBank provides a fair and non-discriminatory workplace for a future-ready interdisciplinary workforce. It is committed to enhancing DEI, and goes beyond compliance with national regulations to facilitate creative thinking and innovation, promote an inclusive environment, and gain a competitive advantage.

The Bank's programs foster a sense of belonging, create pathways for continuous learning, and promote holistic growth. Noteworthy initiatives, such as the Employee Assistance Program (known as CHAT - Connect, Heal, Assist, Talk), support mental health and provide access to professional counseling and therapy.

The Bank introduced dedicated groups, such as UMatter (supporting the LGBTQ+ community) and Future Forward Females (promoting women in tech and leadership), to augment its DEI efforts. Furthermore, the Bank extends health insurance benefits to domestic and same-sex partners, provides retirement planning, and conducts informative offboarding sessions to help retiring employees grow and safeguard their retirement funds post-employment. The Bank funds employee clubs and interest groups to cultivate a sense of community among UnionBankers.



Celebrating inclusivity through the first Diversity, Equity, and Inclusion Summit

Through U Matter, an umbrella program that encompasses DEI initiatives, the Bank creates an environment that empowers, encourages, and engages all employees. It aims to establish a safe space where employees—regardless of gender, race, or ethnicity—are heard, valued, and understood.

UnionBank conducted its First DEI Summit on June 26–27, 2023, which served as a powerful platform to promote genuine involvement, engagement, and acceptance. UnionBank leaders used their voices and influence to promote DEI. The Summit celebrated diversity through communication and community-building activities. The U Matter Bazaar provided a venue for small business and young artists, and it promoted pride and women’s empowerment. In an inquiry session, U Matter Champions discussed the current state and the future of DEI at UnionBank.

Extending healthcare to LGBTQ+ and common-law partners

UnionBank offers employees with a legal civil status of “single” the option to list their LGBTQ+ or common-law partners as dependents under the company’s health insurance policy.



DEI MISSION
 To drive innovation through and with diversity

DEI VISION
 To be the FIRST out and proud local bank

FUTURE FORWARD FEMALE NETWORK VISION STATEMENT
 To be the Bank of choice for women

500
 Sign-ups from employees for U Matter merchandise

₱87,000
 In sales and in-kind contributions for the Golden Gays Foundation



Employee Development Programs

UnionBank upskills employees to adjust to rapid changes in technology, develop innovative products and services, and enhance productivity to rise above the competition.

Some of the employee development programs implemented in 2023 include the following:

UnionBank rolls out GT2025 Initiative: A+10 to contribute to the Aboitiz Group

The Bank rolled out the A+10 Behaviors Coaching for Leaders to contribute to the Aboitiz Group’s Great Transformation aspiration to become the country’s first techglomerate - transforming a massive, 100-year old conglomerate into one that moves with the intelligence, agility, foresight, and culture of a start-up. The program aims to help leaders adopt the 11 traits of a ‘Transformed’ team member, and eventually influence their people to embrace the same.

Magis 2.0 builds future leaders

In November 2023, UnionBank launched Magis 2.0 for Tier 2 leaders and successors to build entrepreneurial, human-centric, and transformational skills through 70-20-10 development principles. The program will help align employees’ career aspirations with the Bank’s present and future leadership needs.



Datus Data Literacy Program equips UnionBankers with data literacy skills

Banking is a data-driven industry. Datus was thus designed by the Bank’s AI and Data Governance Policy Unit and the Learning and Development Unit to build data literacy skills and establish a data-driven, decision-making culture. Employees attended a series of internal training programs designed to supplement data-related learning and skills development. Data-literate UnionBankers will help the Bank make better decisions in its operations, including customer service, risk management, compliance, product development, and marketing.

180
 Employee leaders in Magis 2.0

5
 Datus Data Literacy Program modules

338
 Datus program graduates

Aboitiz Group Data Science Bootcamp hones employees' data literacy

A collaboration between Aboitiz Group and UnionBank, the Data Science Bootcamp was designed to equip staff with the tools and insights to extract, correlate, and derive value from amassed data. It aimed to cultivate a profound understanding of how data can reveal trends and facilitate informed decision-making across diverse business domains. The Bootcamp challenged participants to excel in a range of disciplines, such as programming, statistics, machine learning, and data visualization. They sharpened their problem-solving abilities and honed their capacity for effective teamwork collaboration using real-world case studies. Projects completed during the Bootcamp included:

- Optimizing power supply to achieve the lowest Generation Charge and surpass the efficiency of the current optimization system, which was developed by a third-party vendor. The objective aligns with Aboitiz Power Distribution Utility's mission to provide cost-effective solutions for customer satisfaction.

25

Data Science Bootcamp participants

- Accelerating the electrification and decarbonization of commercial and multi-family buildings.
- Using machine learning to address power quality issues, particularly unbalanced current, and enhance phase balancing of feeder lines to predict future unbalanced loading and associated power loss.
- Providing three-month sales forecasts across 10 stores for 50 items in a supermarket chain to enhance decision-making, resource allocation, and overall sales performance.
- Creating a model to aid decision-making during the pre-qualification stage up to bidding and tender submission to develop a dynamic, data-driven decision support system for bid selection and project profitability assessment.

Kwentong CitySavings highlight best practices in Employee Engagement

Kwentong CitySavings highlighted success stories in employee engagement to recognize groups with high EE scores and inspire fellow CitySavings Bankers. Employee engagement contributes to employee satisfaction and productivity, which helps drive financial performance and sustainability.

15

Kwentong CitySavings employee engagement stories in the CSB Bulletin and at Facebook group



UnionDigital develops programs to harness employees' fullest potential

Under UnionDigital's Strategic Human Resource Management Framework, the "Develop Right" initiative designs and facilitates development programs that build capabilities and empower employees to generate excellent performance. UnionDigital steadily established the foundations of "UDiversity," which organized and conducted programs under Compliance and Governance, Functional and Technical, and Leadership, Cultural, and Behavioral.

UnionDigital Development Programs

Compliance and Governance

- Financial Consumer Protection
- Anti-Money Laundering, Countering the Financing of Terrorism, and Countering Proliferation Finance e-Learning Course
- Corporate Governance Webinar (through UnionBank University)

Functional and Technical

- Agile Coaching
- Generative AI
- Lending Credit Strategy on Digital Community Loans

Leadership, Cultural and Behavioral

- Safe Spaces
- Codes of Conduct
- Leadership and Coaching
- Positive Mindset
- Patience and Passion
- Mental Health Strengthening
- Professional Friendships

Union Digital Training Hours

27

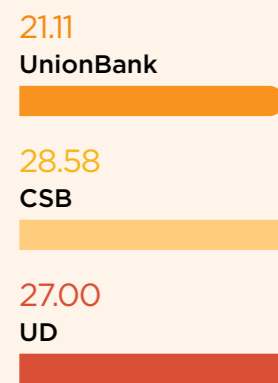
Average training hours per employee

- 6 hours Compliance and Governance
- 6 hours Functional and Technical
- 15 hours Leadership, Cultural, and Behavioral

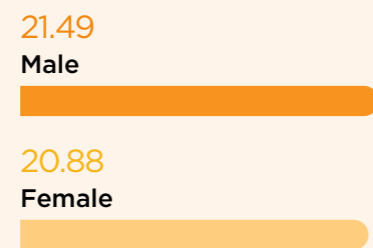


Average Training Hours

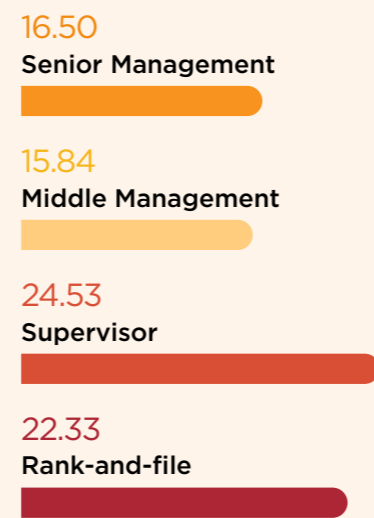
Overall average by company



Gender (UnionBank only)

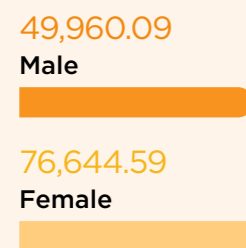


Position (UnionBank only)

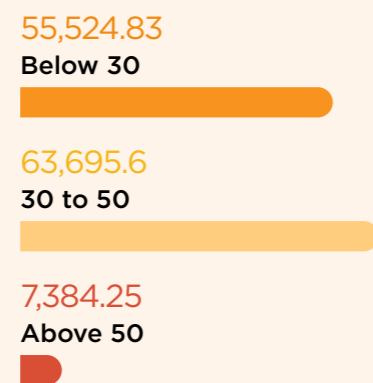


UnionBank Total Training Hours

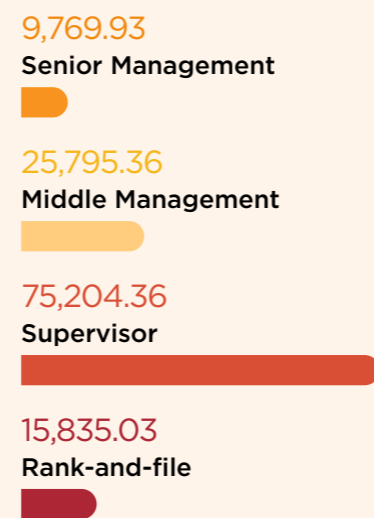
Gender



Age



Position



See complete breakdown on [page 40](#)

Labor-Management Relations

The Bank maintains a positive relationship with its employees and continues to build trust and strengthen relations with the union. In the middle of the global crisis brought by the pandemic in 2020, UnionBank sealed a new five-year agreement with UnionBank Employee Association (UBEA), assuring them that “no one gets left behind.” Discussions regarding the political and economic terms of the collective bargaining agreement with employees for the period from 2021 to 2025 ensued, and the negotiation process for its terms was successfully completed in July 2023.

663

Employees covered by the collective bargaining agreement (UnionBank)

The Employers Confederation of the Philippines (ECOP) gave UnionBank the **2023 Award on Productivity, Quality, and Innovation** at The Kapatiran sa Industriya (KAPATID) Awards. The recognition celebrates the Bank’s outstanding business practices and commitment to productivity, quality, innovation, and people-centric processes.



Health, Safety, and Well-being

A dedicated Occupational Health and Safety Office (OHS) ensures regulatory compliance with environmental standards, Bangko Sentral ng Pilipinas requirements, and local government unit laws and ordinances. The OHS coordinates their status with various branches and monitors their concerns through the bank-wide committee on safety and occupational health with members that include the employee union. Branches can check pending OHS concerns through a web-based tracking and monitoring system.

Workplace wellness holds prominence among UnionBank's priorities, as demonstrated in its welfare policies and programs. Employees across all levels participate in the Bank's responsive and purposeful well-being initiatives.

Maintaining a perfect safety record

In 2023, the Safety Organization of the Philippines, Inc. awarded the Occupational Safety and Health Department the Certificate of Perfect Safety Record for over 24 million safe man-hours without lost time since 2020.

28.1M
Safe man-hours

0
Cases work-related injuries, fatalities, or ill health instances

4
Safety drills

Prioritizing employee health and safety

In 2023, the Bank implemented the following initiatives to maintain the health and well-being of its workforce:

The **Smoke/Vape Free Workplace Policy** complies with Executive Order Nos. 26 and 106 to create a smoke- and vape-free environment, and designates smoking areas near the workplace to improve health and safety.

UnionBank's **emergency and disaster response program** conducts monthly EOSH Committee Meetings, Emergency Evacuation Drills, Basic Life Support and First Aid Trainings, and provides medical assistance. An Online Hazardous Waste Management Training was conducted on January 23 and 24, 2023 and a bank-wide Chemical Release & Spill Drill was held January 30–February 2, 2023. **Evacuation plans and safety signage** were created to aid employees in the event of an emergency.



To prioritize the mental health of its workforce, UnionBank established a **Mindfulness Program** to support employee reliability and prevent burnout. The program's myriad workshops addressed topics ranging from mental health, exercise, and mindful eating and nutrition, to emotional health and stress reduction. Its holistic approach was designed to help employees overcome challenges, improve fitness, and effectively manage emotions. To further spotlight the need for emotional wellness, UnionBank also joined the **World Mental Health Celebration** in October 2023. The event featured a discussion led by Dr. Joan Rifareal on developing resilience and improving overall mental well-being.

The Bank's **Safety Week Celebration**, held May 15–19, 2023, featured an online safety webinar, blood drive, health and wellness caravan, photo contest, and online games meant to heighten employee engagement and augment their wellness awareness.



Labor, Laws, and Human Rights

UnionBank does not tolerate harassment, unlawful discrimination, or decision-making on job assignments, hiring, employment opportunities, and promotions on the basis of race, color, religion, age, ideology, disability or sex, including gender identity, sexual orientation, and pregnancy.

In 2023, the Bank updated its Code of Conduct to add human rights and non-discrimination provisions to emphasize the need to respect employees' humanity. It guarantees adherence to internationally recognized human rights and reflects the Bank's commitment to maintaining a diverse and inclusive workplace free from discrimination and harassment. The Code of Conduct was also updated to cover gender-based sexual harassment in the workplace as defined under Article IV of Republic Act No. 11313, also known as the Safe Spaces Act, which states that violations will be subject to investigation and due process.



Corporate Social Responsibility and Employee Volunteerism

Corporate Social Responsibility Programs (CSR) align with the Bank’s sustainability framework by centering on People Tech, Planet Stewardship, and Inspiring Purpose.

PeopleTech

The Bank fosters growth and advancement for all and supports learning initiatives, particularly in the areas of innovation, emerging technologies, and financial and digital literacy. These programs promote greater economic opportunities and inclusive prosperity.

Planet Stewardship

UnionBank facilitates activities that promote environmental responsibility, contribute to a more sustainable environment, and minimize environmental impact. These include tree planting and nurturing activities, awareness raising, and investing in and supporting other environmental initiatives.

Inspiring Purpose

The Bank heeds its higher purpose beyond profit and supports programs that encourage creativity, collaboration, and innovation for social good. These include platforms that enable co-creating innovations for a better world.

Long-term CSR programs include the UnionBank Xcellerator Program (UBPXcellerator), AIDT, and GoBeyond Communities.

UnionBank Xcellerator Program: An incubator for tomorrow’s technology experts

There is growing demand for talent who possess the hard skills of the future—Data Science, Artificial Intelligence, Cloud Computing, API Technology, Coding, UI/UX Design, and Blockchain—as more businesses shift to digital and contactless business models. As such, UBPXcellerator was created in 2018 to future-proof UnionBank talent and create a pool of technology experts. The program offers on-demand learning content and pathways for learners, educators, and career-shifters to gain basic, intermediate, and advanced knowledge in Blockchain, Data Science, Artificial Intelligences, Robotics, and other emerging technologies.

UBPXcellerator provides employees and other interested learners with the opportunity to work on cases related to their fields of interest. Around 30% of the best performers in the group are hired by the Bank, while the rest are deployed to partners and subsidiaries. Free programs on Business Communication, Presentation Skills, and Python 101 were offered in 2023, increasing enrollment by 39% and the number of unique learners by 37% compared to 2022. UBPXcellerator completed six programs and eight Gamechanger episodes in partnership with universities and government agencies.



UnionBankers support hackathons to create innovative solutions

UnionBankers use their innovative, forward-thinking training to promote the belief that anyone—from students to concerned citizens—can create solutions for a better world. The Bank supports participation in hackathons such as the Pasig City Climathon, which aims to provide waste energy management and renewable energy solutions.

Asian Institute of Digital Transformation (AIDT) provides skill-building opportunities to respond to rapid growth of exponential and transformative technologies

AIDT is a UnionBank CSR education initiative established in 2020 in collaboration with the Global Learning Solutions of Singapore to facilitate cutting-edge digital transformation education and practice in the Philippines. Companies and government organizations that fail to leverage technologies such as artificial intelligence, machine learning, robotic process automation, Internet of Things, blockchain and Web 3.0, may struggle to remain competitive in the evolving marketplace. AIDT works with companies and government organizations to reskill and upskill employees and transition into new roles that align with the fast-changing digital landscape. AIDT facilitates an Executive MasterClass in Digital Transformation, which includes coursework and application practice. Graduates form teams to develop a Capstone Digital Innovation Project, which is defended for review. Successful teams are awarded a Certificate of Distinction and conferred the title of “AIDT Digirati.”

UnionBank goes above and beyond with GoBeyond Communities

GoBeyond Communities (GBC), the Bank’s main CSR intervention, is an engagement program that allows employees to promote personal advocacies by conceptualizing, developing, and implementing community-enriching programs with UnionBank funding.

In 2023, GBC focused on the sustainability mission of Tech Up Pilipinas as it leveraged the success of UnionBank’s innovation and digital transformation to help build strong and resilient communities.

249

AIDT graduates from 38 companies and government agencies

12

Digirati awards

13,852

GBC volunteer hours served

318

Communities served by GBC

142,998

GBC beneficiaries

GBC's 2023 activities included the following:

UnionBank volunteers hold "Todo Toda ang Pasko": A gesture of support for tricycle drivers and operators

On December 2, 2023, UnionBank volunteers from the Cavite branches conducted "Todo Toda ang Pasko Kasama ang UnionBank," an initiative to support the members of the Binakayan Congbalay Legaspi Pulborista Tricycle Operators and Driver's Association (BCLPTODA). BCLPTODA requires members to wear shoes or sandals on duty, but does not supply these materials to drivers. UnionBank volunteers donated some essential items such as shirts with their name and the BCLPTODA logo and socks to support them in their work.



Volunteers donate sports equipment to promote a healthy lifestyle

On November 11, 2023, UnionBank Iligan Branch volunteers donated soccer sports equipment for the children of Kolambugan Central School. The initiative aimed to engage children in sports and steer them away from negative influences. The activity is part of UnionBank's mission to create positive changes in local communities.



Essential supplies donated to Tagumpay Elementary School students

On November 4, 2023, a UnionBank GBC initiative named "Simulan ang Tagumpay sa Tagumpay Elementary School," visited Palawan's rural landscapes with a mission to educate and nurture creativity among students of Tagumpay Elementary School. The activity provided school supplies, promoted healthy eating habits, and exposed children to musical arts in collaboration with the Palawan Sound Organization. With the support of UnionBankers from the Branch Channel Management South Luzon Puerto Princesa Branch, students received grade-level specific educational materials, ate chicken and vegetable soup, and enjoyed collaborative musical performances. The initiative highlights UnionBank's unwavering commitment to empowering communities and fostering inclusive growth.



Lending a hand for healthier children

On October 14, 2023, a GBC initiative with volunteers from BCM Sto. Domingo Branch and West Avenue Baler Branch responded to educational, nutritional, medical, and healthcare needs of the children of Caingin Bayanihan Elementary School. Volunteers distributed gardening tools and seedlings to teach students about sustainable food sources. Essential food items and cooking utensils were supplied for the feeding program. Families received medicines for common illnesses such as flu and cough, and students learned about disease prevention when they were given hygiene kits including reusable water bottles. This event reaffirms UnionBank's responsibility to address fundamental needs and foster a spirit of community, and make a meaningful difference in the lives of those it serves.



Empowering agriculture with seeds of hope

UnionBank provided seeds and fertilizers to 12 farmers and their families in Brgy. Coliat, Ibaan, Batangas. With farms covering 28 hectares of land, the families' chief crop was corn. In recent years, the farmers saw a noticeable decline in their corn output and sought support from the barangay for seeds and fertilizer, which they could not afford. However, the barangay did not provide assistance due to budget constraints. UnionBank addressed this immediate need, reflecting a dedication to creating meaningful change in local communities.



Volunteers bridge the gap to support underserved families

On July 22, 2023, UnionBank volunteers journeyed to Datu Salumay, a remote and foggy part of Marilog, Davao, located on the outskirts of Davao City and bordering Bukidnon Province. The outreach brought school bags and school supplies for the benefit of 150 students and parents. The initiative emphasized UnionBank's commitment to education, particularly for children in underserved communities.



UnionBankers bring love to animal rescues

On June 3, 2023, UnionBank volunteers from Makati Central Business District Region participated in the GoBeyond Communities "No Paws Left Behind" event that benefited the Philippine Animal Welfare Society (PAWS). The participants toured the facilities, learned about the rescue missions, spay and neuter programs, and individualized care for the animals, and learned the significance of spreading animal rights awareness. Donations from UnionBank volunteers benefited nearly 300 rescued cats and dogs. This event served as a reminder of the transformative impact that compassionate actions can have on both animals and humans.



CitySavings Project Pink raises breast cancer awareness and provides healthcare services for communities in need

In 2023, Project Pink partnered with the Ramon Aboitiz Foundation Inc.-Eduardo J. Aboitiz Cancer Center (RAFI-EJACC), a non-profit organization committed to providing healthcare services to underserved communities, to conduct two medical missions in the cities of Danao and Carcar in Cebu.

The medical mission for the Department of Education (DepEd) Division of Danao City included lectures, testimonies from breast cancer survivors, free breast check-ups, and pap smear screenings. The medical mission for DepEd Carcar City benefited more than 600 teaching and non-teaching personnel, and featured talks on cancer risk factors, primary and secondary prevention approaches, and advances in detection and treatment. By providing access to healthcare services and conducting awareness campaigns, CitySavings demonstrates its commitment to caring for the communities it serves in partnership with like-minded organizations such as RAFI-EJACC.

UnionDigital's CSR activities foster camaraderie and community outreach

UnionDigital used special events to celebrate employees, women's empowerment, the labor force, and diversity to foster fellowship among employees. UDCares, UnionDigital's community outreach program, conducted a number of activities, including feeding programs and school supply distribution for children in Brgy. Kaylaway, Nasugbu, Batangas and Itogon, Benguet, and financial literacy and online entrepreneurship talk for women in Brgy. San Antonio, San Pedro, Laguna.

24

Project Pink sessions

3,000

Project Pink participants



Customer Relations

With Magis at the core of its values, UnionBank ensures that customers are at the center of everything it does. The Board and Senior Management are responsible for developing the Bank's consumer protection strategy and establishing an effective oversight over consumer protection programs. The Board approves and oversees the implementation of the Bank's Consumer Protection Risk Management System (CPRMS), while Senior Management verifies that the Bank's practices are aligned with CPRMS and evident across all business units that deal directly with consumers.

UnionBank's consumer assistance management system features policies and procedures in addition to a corporate structure for handling complaints.

The Consumer Affairs Group (CAG) monitors and oversees the Bank's Customer Experience in compliance with BSP Circulars 857 and 1048 on Financial Consumer Protection. They ensure that the consumer assistance management process is updated, conforms to the internal control framework of the Bank, and is applied by all affected units.

The Public Relations unit monitors feedback from traditional and social media to identify customer concerns, conduct customer research, align with Consumer Protection, and assess reputational risk.

The Bank's structures facilitate the delivery of quality goods and services to its clients. Programs and initiatives like these infuse a customer-centric approach in the Bank's operations and culture.

Teams hone customer-centric approach through Customer Experience Center of Excellence (CX COE)

The Bank launched CX COE to facilitate workshops and training programs for teams to sharpen customer relations, enhance service delivery, and elevate client satisfaction. CX COE monitors the closures made by each team and features Client Obsession Closure stories to inspire all employees to "do more, do better, and do greater."

Client Obsession Week celebrates the customer

UnionBank dedicates a special week to highlight outstanding customer service and inspire employees to apply a customer-centric approach to their work. The Bank's philosophy dictates that clients deserve nothing less than the best service, and Client Obsession Week provides momentum to sustain this principle.



Customer Satisfaction

The Bank continuously improves its products and services and satisfies customers by reviewing complaints, suggestions, and feedback from clients. Digital platforms are enhanced and updated to fit the current and immediate needs of UnionBank customers.

The risk assessment strategies of the Consumer Assistance Policy and Procedure (CAPP) provide a system of analysis of complaints and requests to determine their causes, effects on other products and services, and the costs and resources to implement necessary corrective actions.

The Bank uses the data to determine if there is a systemic issue that may affect the operations, performance, and sustainability.

The CAG identifies, analyzes, and monitors trends in customer feedback and the nature of the complaints. When needed, the CAG recommends and monitors solutions to avoid recurrence of issues or to improve processes to deliver standout Customer Experience. When persistent complaints against the Bank or its staff are received, these issues, along with analyses and recommended action plans, are reported to Senior Management or the Operational Risk Management Committee.

11,704,111

UnionBank customers with active or open deposit and/or loan accounts

91.4%

UnionBank Net Promoter Score (exceeded 85% target)

61,119

UnionBank survey respondents

96.54%

Customer satisfaction with CitySavings products and services

202,292

CitySavings survey respondents

Stakeholders



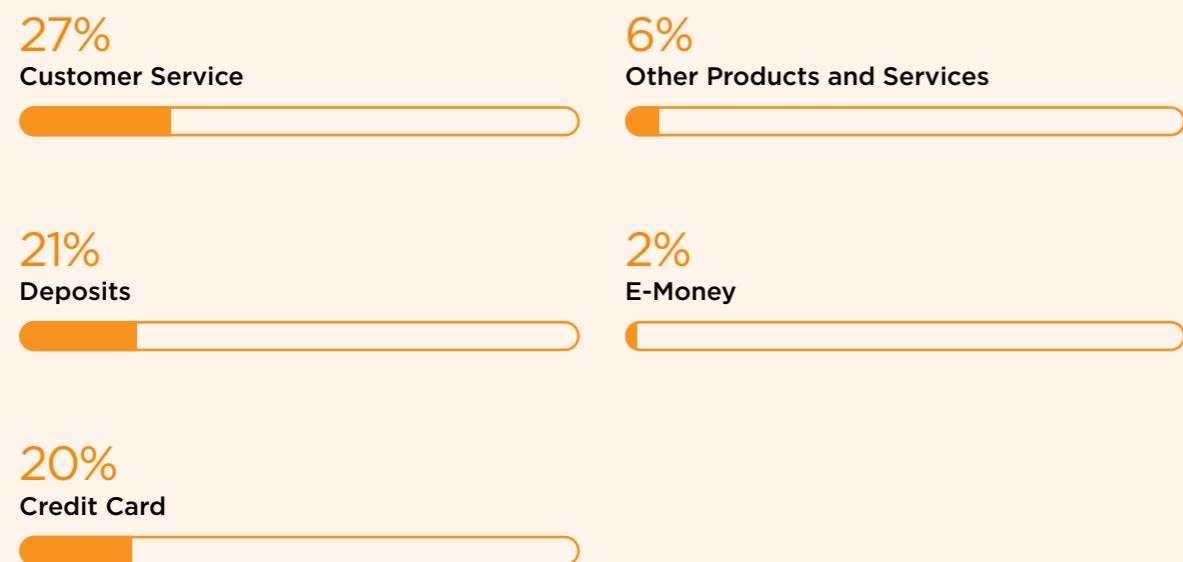
Risks

Reputation Risk: Unsatisfied customers with unresolved issues can provide negative feedback and generate negative public opinion. These can be shared over social media and circulated by the general public.

Opportunities

Higher customer satisfaction translates to trust and customer loyalty, attracts potential new customers, and increases sales and revenue for the Bank.

Summary of Customer Concerns



Customer Health and Safety

As part of its ESG strategy, the Bank’s Environmental and Social Risk Management System requires a review of all environmental and social risks inherent in or through its relationships, products, and services.

When customer concerns arise, they are coursed through the Bank’s formal communication channels. A Consumer Assistance Officer (CAO) receives and acknowledges a customer’s complaint, request, or inquiry in person or through a web-portal, letter, e-mail, or telephone. The CAO performs the initial investigation to identify relevant units charged with resolving the matter, which is logged into the Bank’s central repository system. The client receives email notifications explaining the the resolution of the case.

The Quality Assurance Officer (QAO) monitors the progress of the investigation to ensure a thorough resolution. The Resolving Consumer Assistance Officer assesses and investigates the concern, completes the investigation in a timely manner, and communicates the resolution to the customer.

Stakeholders

- Customers
- Investors
- Regulators

Risks

No risks likely. UnionBank’s financial products and services do not directly cause risks to the health and safety of its customers.

Opportunities

Innovative updates and approaches to marketing and labeling can result in better customer satisfaction ratings.

Consumer Affairs Group (CAG)



Stakeholders

- Customers
- Investors
- Regulators

Risks

Non-compliance with national regulations on labeling and information can lead to regulatory penalties.

Opportunities

Innovative updates and approaches to marketing and labeling can result in better customer satisfaction ratings.

Marketing and Labeling

The Bank assesses all marketing campaigns, materials, and digital platforms (including the mobile app and website) to guarantee customers transparency, accuracy and access to information. The Bank provides information on the effects of subscribing to its products and services, including any economic, environmental, or social impact.

79

Marketing and labeling complaints raised and addressed

Customer Privacy

The Bank's Privacy Policy protects personal information with organizational, physical, and technical measures for data protection, including policies to evaluate, monitor, and review operations and security risks. The Bank complies with the Data Privacy Act (DPA) of 2012, issuances made by the National Privacy Commission, and global data protection standards and regulations.

UnionBank informs all data processors of its Privacy Policy and notifies customers on how their personal data is processed. Clients are informed of updates in corporate policies regarding the collection, use, storage, disclosure, and disposal of personal information received and collected from those who use the Bank's services.

The Bank conducts training and awareness campaigns for employees, management, and subcontractors to update them on customer privacy regulations, market changes, and risks. Protecting customer privacy mitigates risks, generates trust with stakeholders, attracts new clients, and therefore drives revenues.

1

Customer privacy complaint raised and addressed

100%

Customers, users, and account holders whose information is used for secondary purposes

Stakeholders

Customers Investors Regulators

Risk

Breaches in customer privacy and loss of customer data can lead to regulatory penalties and reputational risks.

Opportunities

Improvement of the Bank's customer privacy processes and measures can promote customer satisfaction.

Data Security and Privacy

UnionBank places a high value on the security of clients' data, information, and assets and ensures its integrity, reliability, and security across the organization. The Bank maintains continuous protection of data and personal information. Customers are informed of changes in corporate policies on the collection, use, storage, disclosure, and disposal of personal information. They are also accorded the rights indicated in the Data Privacy Act of 2012.

Data security measures implemented in the Bank include:

- Information security policy
- Education and awareness campaigns to strengthen employee awareness on information security
- Identity and access management process, including review and clean-up access to systems
- Layered security controls from the network, application, and endpoint such as firewall, encryption mechanism, and database monitoring solution
- Vulnerability assessments, compliance reviews, and red teaming exercises to uncover vulnerabilities, issues, or lapses
- 24/7 incident response capabilities to monitor, detect and respond to cybersecurity attacks

0

Breaches, leaks, thefts, or losses

Stakeholders

Customers Investors Regulators

Risks

Cybersecurity breaches, including customer data leakage or theft, may compromise data, erode customer and public trust, and affect the Bank's financial performance and sustainability.

Opportunities

Constant improvement of information and cybersecurity measures demonstrate the Bank's commitment in providing a secured and future forward banking experience that can lead to better customer satisfaction and ultimately, better revenues for the Bank.

PLANET

SUSTAINABLE FINANCE

We save resources. We manage our resource use and environmental impact while encouraging all our stakeholders to lead sustainable lifestyles, with consideration for the future generation.



Award for Innovative Achievement in Corporate Social Responsibility

IFC Social Bond, Asia Pacific Stevie® Awards 2023, Bronze

In this section

- Approach to Environmental Management
- Resource Efficiency in Operations
- Environmental Initiatives



All businesses share a responsibility to reduce their impact on the environment by minimizing waste, pollution, and emissions. Measures such as streamlining operations; minimizing waste, pollution, and emissions along the value chain; and improving resource efficiency contribute to sustainability. Corporate initiatives have the power to increase environmental awareness and conserve biodiversity. UnionBank knows the financial sector plays a key role in enhancing sustainability by making investment and operational decisions that take the environment into account. As a result, the Bank’s environmental programs take sure and steady steps toward a more sustainable future.

Approach to Environmental Management

As a mover of capital, UnionBank directly affects economic development and is in a position to inspire clients to adopt sustainable business practices and protect ecosystems. The Bank demonstrates its commitment to the environment by monitoring resource consumption, enhancing resource efficiency in operations, and supporting and conducting environmental initiatives.

UnionBank studies its potential environmental impacts on ecosystems, biodiversity, air pollutants, and effluents to assess risks to the organization and prospective clients. This report outlines the Bank’s efforts to develop the environment and social risk monitoring system.

The Occupational Safety and Health Division monitors compliance with regulations and policies issued by the Department of Environment and Natural Resources and other relevant government agencies. The Bank conducts monthly meetings with the Environmental, Occupational Safety and Health Committee and monitors greenhouse gas (GHG) emissions and waste management as part of environmental risk management.

UnionBank continually refines its energy efficiency to mitigate the environmental impact of its operations. Company-wide process and service updates improve resource management and reduce its carbon footprint. The Bank aims to adopt Leadership in Energy and Environmental Design principles in all its branches to reduce carbon emissions and the consumption of water, electricity, and paper.

Aboitiz Equity Ventures, UnionBank’s parent company, establishes shared guidelines that inform the Bank’s GHG tracking program. Waste management data, such as the volume of waste generated, are reflected in the quarterly self-monitoring report submitted to the Environmental Management Bureau. UnionBank delineates guidelines, procedures, and training on proper waste management with relevant units so that waste management measures are applied consistently across operations.

Resource Efficiency in Operations

Sustainability depends on the careful management of finite resources and the reduction of waste. Resource efficiency is a practical, inexpensive, and fast way to optimize the use of water, electricity, and paper resources. This sense of responsibility is crucial to all businesses, including those in the banking industry, and it benefits the environment and profitability in the short, medium, and long terms.

UnionBank minimizes its carbon footprint by greening workspaces and its network of branches. In 2017, the headquarters at UnionBank Plaza was the first high-rise financial center in the Philippines to operate using a fully renewable energy source. In 2023, the Bank sourced 827.5 MW of renewable power.

Energy Management

Twenty-seven branches have been LEED-certified to effectively manage energy consumption. Training and awareness campaigns promote a culture of sustainability among employees, including the adoption of energy-saving practices. Regular monitoring and analysis of energy usage data allow management to track progress in energy consumption and serve as the basis for responsive, effective interventions.

Stakeholders

- Shareholders
- Investors
- Employees
- Clients
- Regulatory Authorities

Risks

- **Financial risks:** increased operating costs, reduced profitability, exposure to volatile energy prices
- **Operational risks:** disruptions in energy supply and banking operations
- **Reputational risks:** negative publicity, loss of customers, regulatory scrutiny

Opportunities

- Efficient lighting
- Energy-efficient appliances
- Renewable energy sources to offset energy consumption and reduce carbon footprint
- Smart building technology to optimize energy usage
- Employee awareness and engagement to encourage conservation

Waste Management

UnionBank implements an effective waste management program as resource use in operations influences the Bank's environmental footprint, operational costs, and reputation. Implementing sustainable waste practices minimizes waste generation and reduces disposal expenses and regulatory compliance costs. Inadequate waste management can lead to increased expenses, legal liabilities, and reputational damage due to pollution or non-compliance fines. UnionBank aims to prioritize waste reduction, recycling, and responsible disposal practices to mitigate operational risks and enact environmental stewardship.

In 2023, the Bank implemented health and safety programs such as an online Hazardous Waste Management Training and a Bank-wide Chemical Release & Spill Drill to address the dangers of hazardous waste. For more information on these programs, see [page 52](#).

On December 11, 2023, UnionBank launched its E-waste Zero Project in collaboration with Globe Telecom to properly dispose of e-waste, including broken smartphones, laptops, chargers, and unused cables. UnionBankers are encouraged to participate in this initiative to mitigate the improper disposal of e-waste.



Water Resource Management

The Bank aims to manage water consumption using a multifaceted approach. It plans to conduct a thorough audit to identify areas of high water usage and implement efficient fixtures and technologies where feasible. Employees will learn about the importance of water conservation and be encouraged to adopt simple practices to save water. Regular monitoring and benchmarking of water usage will track progress and identify areas for improvement. The goal is to minimize water waste while maintaining effective and productive operations.

Stakeholders

- Individuals or businesses who use the Bank's services and facilities
- Regulatory agencies
- Investors and shareholders who may consider water usage and sustainability in investment

Risks

- Operational disruptions
- Damage to infrastructure
- Costly repairs
- Potential financial losses

Opportunities

- Financial products or services for water-efficient appliances and technologies, such as low-flow toilets, efficient irrigation systems, and water-saving fixtures
- Water conservation bonds or green loans for projects to improve water efficiency and conservation

GHG Emissions

GHG emissions contribute to climate change, leading to more frequent and severe natural disasters that disrupt operations, increase insurance costs, and affect the value of assets held by the Bank. There is a growing awareness among investors and consumers about the environmental impact of businesses, and banks with high GHG emissions may face reputational damage and lose customers or investors who prioritize sustainability. Increasingly, investors and consumers consider the environmental impact of the businesses they support.

UnionBank plans to manage GHG emissions by setting reduction targets aligned with climate goals and integrating environmental criteria into lending and investment decisions. Additionally, UnionBank promotes awareness of energy and water consumption through employee engagement programs on sustainability.

Stakeholders

- Shareholders
- Customers
- Regulators

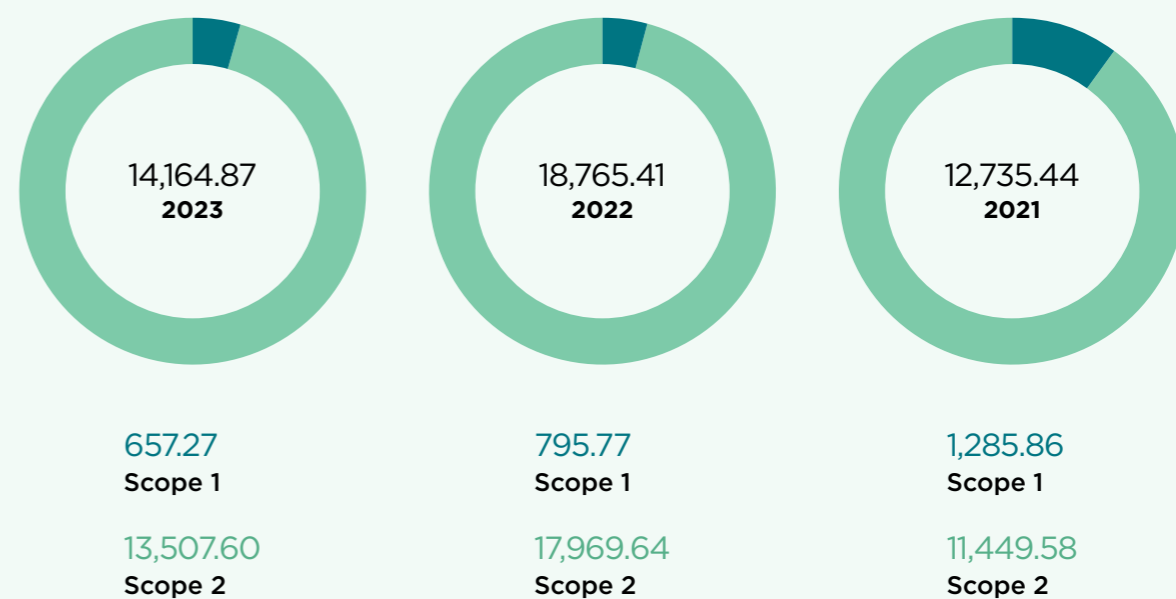
Risks

- **Physical risks:** damage to assets due to extreme weather events
- **Regulatory risks:** pressure on financial institutions to disclose and mitigate carbon footprint, compliance costs and penalties
- **Reputational risks:** loss of customers and investors

Opportunities

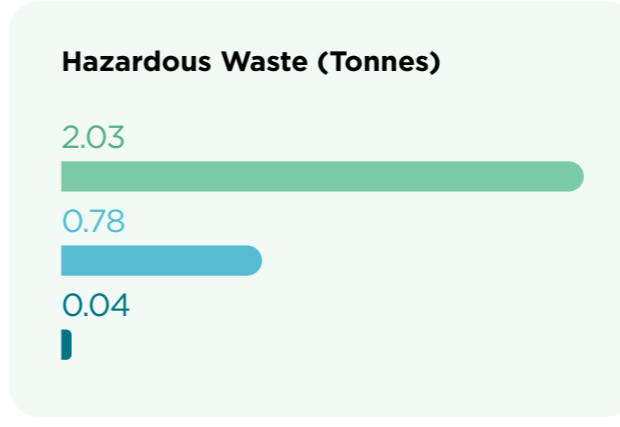
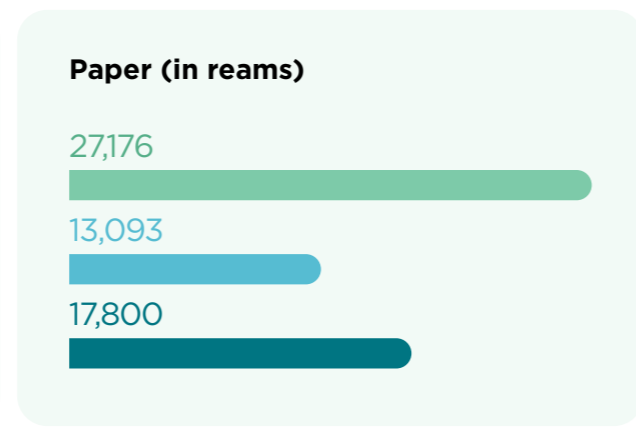
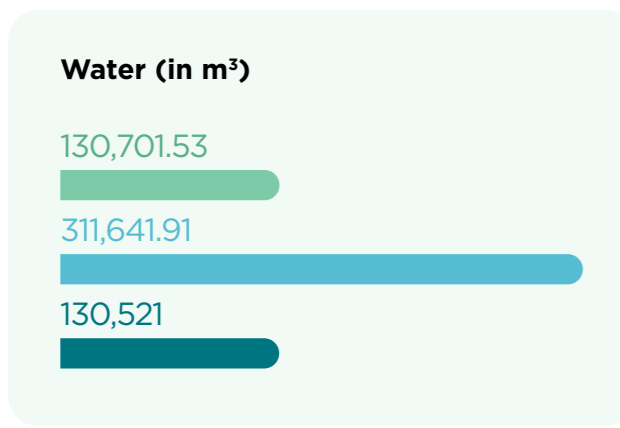
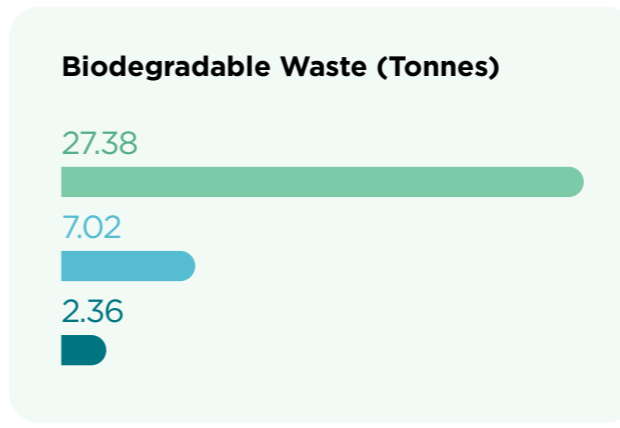
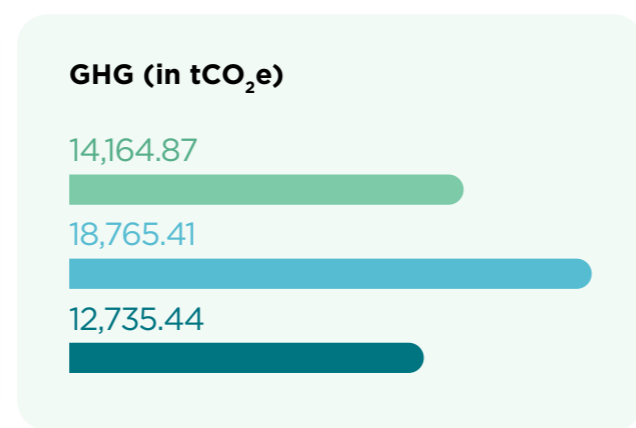
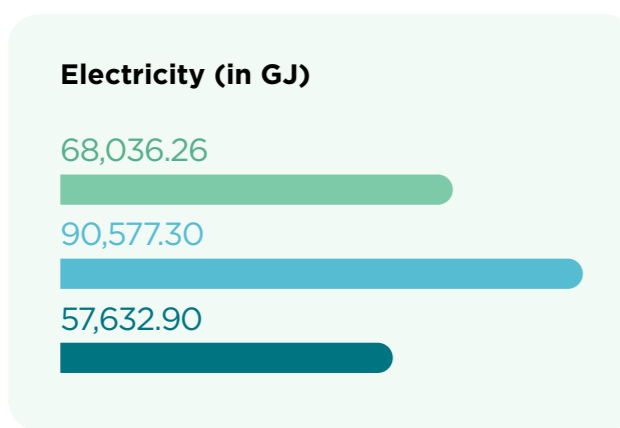
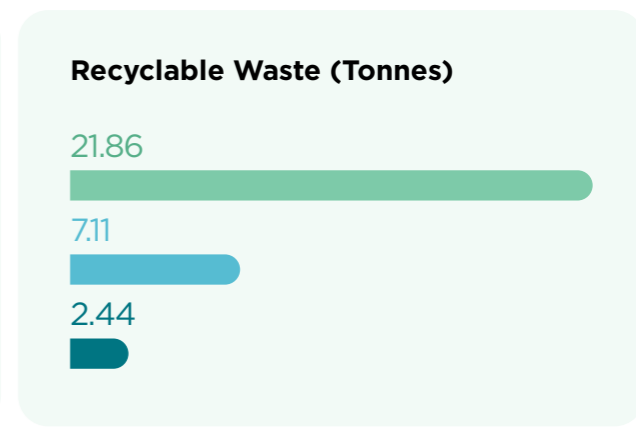
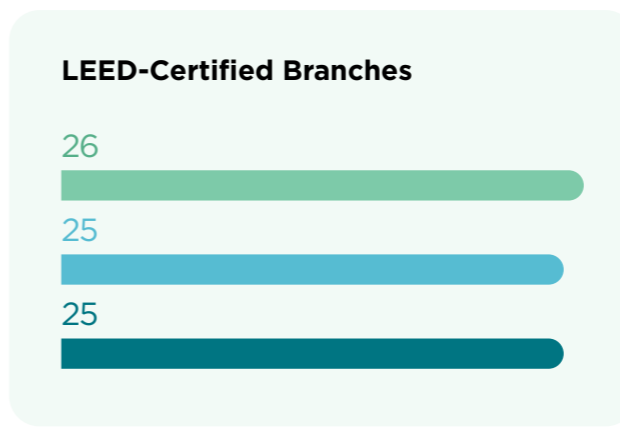
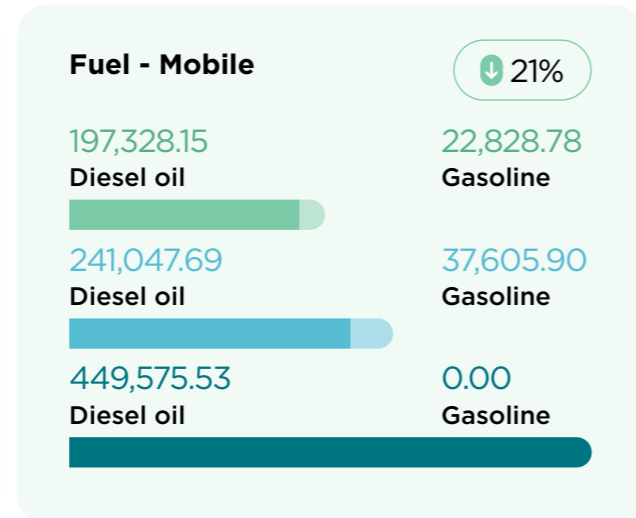
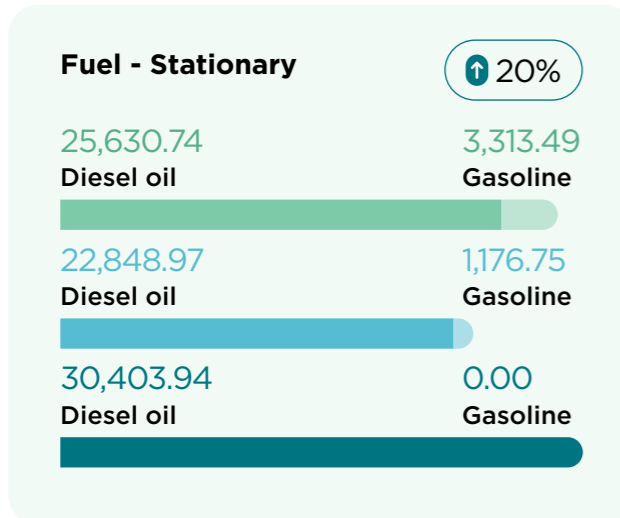
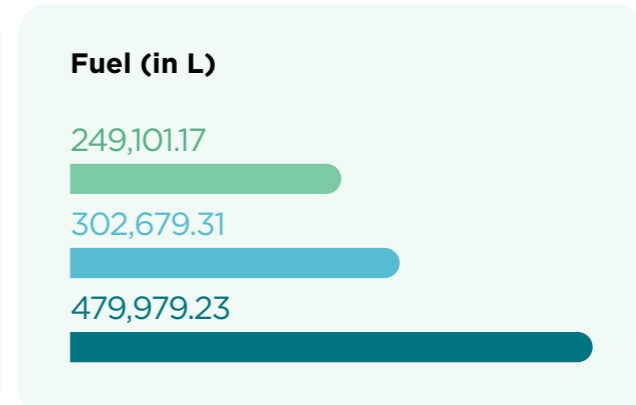
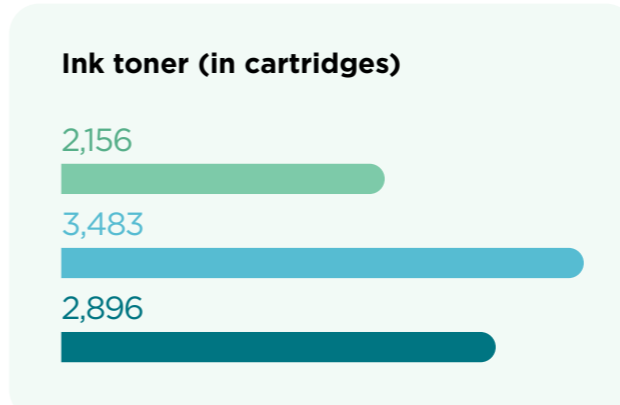
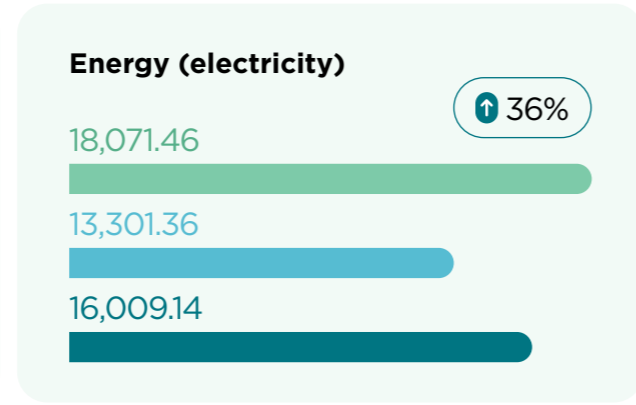
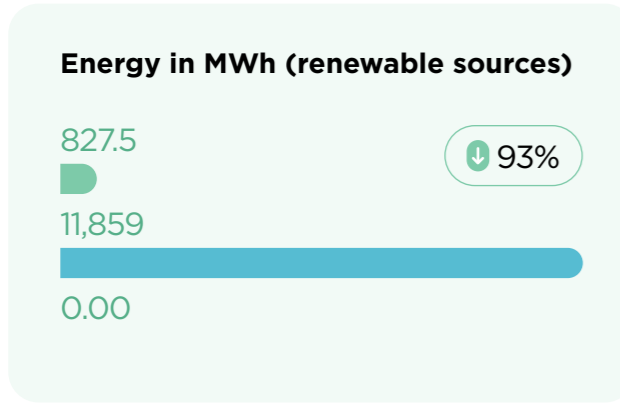
- Financial products and services that incentivize investments in low-carbon technologies and sustainable projects
- Lending practices that integrate environmental risk assessments

GHG Emissions in tCO₂e



LEGEND ● 2023 ● 2022 ● 2021

See complete breakdown on [page 95](#)



Environmental Initiatives

Some of the activities implemented in 2023 include the following:

E-waste Zero Project promotes proper electronic waste disposal

On December 11, 2023, UnionBank launched its E-waste Zero Project in collaboration with Globe Telecom to properly dispose of e-waste, including broken smartphones, laptops, chargers, and unused cables.

UnionBankers plant and nurture trees at the Masungi Georeserve

On September 16, 2023, UnionBank participated in a special reforestation and tree nurturing activity as part of their Legacy Trail experience at the Masungi Georeserve. They planted seedlings of the endemic yakal tree (*Shorea astylosa*), which were positioned into a “UB” shape, and cared for native narra (*Pterocarpus indicus*) and calumpit (*Terminalia microcarpa*) by watering the soil and clearing debris. UnionBank made the experience more special by donating children’s toys to Masungi Georeserve’s partner communities.

UnionBank helps strengthen the La Mesa Nature Reserve

On September 20, 2023, the Green Army Brigade of UnionBank supported the Million Trees Foundation, Inc. by contributing and planting narra and bitaog saplings in the La Mesa watershed. As the only major watershed in Metro Manila, La Mesa contains the last remaining rainforest of its size in the region, and it is the primary source of potable drinking water for metropolitan residents.

60

Tree planting and nurturing participants

21

Yakal seedlings planted

73

Narra and calumpit seedlings nurtured



60

Narra and bitaog saplings planted



Partnership lights up Zambales community

UnionBank partnered with One Million Lights Philippines to provide solar lamps to families in Brgy. Gordon Heights, Zambales, which has no electricity. The project aims to improve the quality of life of these families by reducing their reliance on kerosene lamps, which are harmful to both the environment and human health.

UnionBank also conducted a financial literacy workshop for the residents to teach them how to manage money and save for the future. This will help residents make the most of the savings they will realize from using solar lamps.

110

Solar lamps donated



CitySavings No Impact Challenge empowers employees to adopt sustainable practices

The program engages employees in daily activities that reduce carbon emissions. The challenges promote health and well-being and align with conservation, resource management, and sustainability goals. Challenges focused on wellness (eating healthy and less processed food and avoiding food waste); energy (conserving fuel and energy); water (conserving and reusing water); and waste (reducing use of paper, single-use plastics, and excess food packaging). The program encourages participants to become sustainability advocates in their professional and personal lives and promote environmental awareness within their social circles to create a broader cultural shift toward sustainability.

32,000 kg of CO₂

Emissions avoided by 19 teams and 230 CitySavings Bankers—roughly equivalent to planting 1,478 trees



CitySavings goes beyond banking to promote coastal conservation and green growth

CitySavings, the thrift arm of UnionBank, integrates a sustainability-driven approach in its CSR initiatives by spearheading Coastal Clean-up, Mangrove, and Tree Planting programs focused on the conservation of coastal and marine life and fight against climate change.

CitySavings reinforced its commitment to environmental protection by participating in simultaneous International Coastal Clean-Up events on September 16, 2023 in Lemery, Batangas and Dumanquillas Bay Protected Landscape and Seascape in Pagadian City, Zamboanga del Sur. The initiative fostered collaboration among employees, volunteers, and local communities to eliminate waste and debris from coastal areas.

CitySavings also rolled out two Project SustainabiliTree Programs in Pasuquin, Ilocos Norte and Medellin, Cebu. CitySavings planted narra and agoo trees in Ilocos Norte, and collaborated with the Ramon Aboitiz Foundation, Inc. (RAFI) and the Fourth Marine Brigade to plant mangrove trees in Cebu. Project SustainabiliTree aims to battle deforestation, amplify carbon sequestration, and nurtures green spaces within communities.



50 kg
Trash collected from coastal areas by CitySavings' clean-up initiative



500
Narra and agoo trees planted through CitySavings Project SustainabiliTree

1,000
Mangrove trees planted in Medellin, Cebu



Good housekeeping projects Joint 8S and X-Trash Challenge Project engage employees in solid waste management

2023, Bangko Kabayan, Inc., a subsidiary of UnionBank, launched the Joint 8S and X-trash Challenge Project to implement the 8S of Good Housekeeping and participate in the third X-Trash Challenge of the Philippine Business for Social Progress (PBSP). The 8S of Good Housekeeping (Sort, Set in Order, Shine, Standardize, Sustain, Safety, Security, and Satisfaction) aims to optimize the physical workspace, maintain orderliness and cleanliness, and ensure the safety of employees. Bangko Kabayan in all editions of PBSP's X-Trash Challenge to promote responsible solid waste management at work, at home, and in the greater community.

386.92 kg
Trash donated by Bangko Kabayan, Inc. in X-Trash Challenge

Most Number of Employees Engaged Award
X-Trash Challenge



Eco-bricks Garden project promotes recycling, nutrition, and nature appreciation in school

Bangko Kabayan promoted sustainable living at Gloria Umali Integrated National High School, Tiaong, Quezon. The project used eco-bricks for garden fences, provided garden sets, nurtured plants and vegetables. It cultivated a space for students to relax, connect with others, enjoy nature, plant vegetables, and consider healthier food choices.

PURPOSE

INCLUSIVE PROSPERITY

We co-create innovations. UnionBank has been the country's pioneer in transforming the banking industry. No one gets left behind as we encourage co-creating innovations for a better world.



Best SME Beyond Banking Service Initiative

The Digital Banker - Global SME Banking Awards 2023 (UnionBank GlobalLinker)

Outstanding SME Supply Chain Finance Solution

The Digital Banker - Global SME Banking Awards 2023 (UnionBank Supply Chain Financing)

Most Recommended Retail Bank in the Philippines

Bank Quality Consumer Survey on Retail Banks 2023, The Asian Banker Global Excellence in Retail Finance Awards 2023

Best for Philanthropic Services in the Philippines

Asia Private Banking Awards 2023, Asiamoney

In this section:

- Approach to Financial Inclusion
- Investing in Communities to Grow Together
- Innovation and Financial Inclusion in a Digitally Connected World



As an industry disruptor, UnionBank leverages sustainability principles and digital transformation to revolutionize banking and financial services and make them accessible to people from across the social spectrum. UnionBank’s unique blend of financial expertise, innovation, and technology and digital transformation steers it on its path to becoming a bank of enduring greatness that benefits people, communities, and businesses.

Approach to Financial Inclusion

UnionBank targets economic growth that empowers people and businesses, creates new opportunities, reduces social inequalities, and leads to a more sustainable future. Processes that integrate ESG into the Bank’s operations and culture help achieve meaningful growth for those who share its mission to Tech Up customers and stakeholders.

Innovative and responsive services and banking solutions provide clients and communities with the tools to strengthen their financial foundations. In so doing, UnionBank moves the Philippines toward a future of inclusive financial prosperity.

The Bank aims to:

Provide greater access to financial products

Investments in technological infrastructure put products and services within reach of all possible end-users at reasonable costs. Ensuring access to financial products and services in modern rural hubs and remote rural locations increases the possibilities for meaningful financial outcomes for all clients.

Bring financial services to rural areas

Most Filipinos remain unbanked, which is an obstacle to overcoming poverty. Financial inclusion means improving accessibility to banking and financial services particularly for those who live in remote areas.

Reach out to the unbanked and underbanked

The Bank makes it easier for the unbanked and underbanked to use its products and services, including financial inclusion assistance from subsidiaries such as UnionDigital, UBX, and CitySavings.

Investing in Communities to Grow Together

To realize the goal of inclusive prosperity, businesses must focus on financial inclusion and wealth distribution, in addition to wealth generation. Income generated by the Bank returns to society through incomes and benefits for employees, payments to government, initiatives for and donations to communities, and expansion of operations, products, and services that further generate resources for all stakeholders.

₱83.32 B
Economic value generated



₱74.12 B
Economic value distributed



₱13.56 B
Payments to employees



₱23.35 B
Payments to suppliers



₱26.59 B
Payments to capital providers



₱10.59 B
Payments to governments



₱0.03 B
Payments to communities



₱9.20 B
Economic value retained



See complete breakdown on [page 96](#)

Innovation and Financial Inclusion in a Digitally Connected World

UnionBank’s innovations generate game-changing financial products and services that benefit entrepreneurs and clients from all walks of life. In 2023, the Bank’s robust digital strategy, level of preparation, and goal of creating a shared sustainable future drove solid financial outcomes for all stakeholders.

UnionBank champions financial literacy with AB Capital partnership

Through UnionBank GlobalLinker, the Bank teamed with AB Capital & Investment Corporation to promote financial literacy for MSMEs. This partnership gives Filipino MSMEs access to various resources to equip them with knowledge on initial public offerings (IPOs) and other topics related to becoming a publicly listed company. Activities that highlighted the advantages of public listing helped demystify misconceptions about IPOs. This guidance has the potential to help MSMEs transition from medium- to large-scale companies, and it aligns with UnionBank’s goal to promote inclusive prosperity.

CitySavings brings banking services closer through Bank-on-Wheels

CitySavings collaborated with UnionBank on the groundbreaking Bank-on-Wheels (BOW) mobile kiosk in 2023. The BOW brings banking to underserved regions in Visayas, Mindanao, and designated areas in Metro Manila. The BOW mobile kiosks use batteries to power automatic teller machines, thereby enhancing their accessibility. The initiative thus augments financial inclusion and sustainability among underserved communities.

Bangko Kabayan named Best MSME’s Development Bank in PH at 2023 International Finance Awards

Bangko Kabayan, a UnionBank subsidiary, was named the Best MSMEs Development Bank at the 2023 International Finance Awards for its commitment to supporting the growth and development of MSMEs. Bangko Kabayan recognizes the significant role MSMEs play in the economy, and has prioritized their financial growth and stability by tailoring a range of products and services featuring financing, technical assistance and training to their unique needs.

First-of-its-kind AI solution detects mule accounts

In July 2023, UnionBank launched the Money Mules Detection AI Solution, the first of its kind in the Philippines. Mule accounts knowingly or unknowingly transfer illegally acquired funds and are paid with a small amount of the money transferred. The AI solution detects possible mule accounts based on patterns observed from confirmed mule accounts. Flagged accounts are then proactively investigated and mitigated. The AI solution detected mule accounts ten times more efficiently than the previous process. It protects the Bank from fraud, money laundering, reputational risk, and financial loss due to regulatory penalties. AI Solution supports the government’s fight against money laundering and fraud and sets a new standard of vigilance among financial institutions in the Philippines. The program reinforces UnionBank’s brand as a trailblazer in the application of AI while enhancing public trust as a security-focused institution.

New tools power the future of business

In 2023, UnionBank launched the UB Negosyante SME Business Banking app to empower SMEs and support their potential for growth. SMEs can use the app to pay for taxes, internet, and electricity, to accept payments for products and services, and to pay suppliers. UnionBank developed the app to expand opportunities for SMEs and support their pursuit of success.

112,000

Users of UB Negosyante SME Business Banking app

200%

UB Negosyante SME Business Banking app usage (from 2022)

Selyado on Wheels empowers Filipinos to safeguard data privacy

UnionBank held the fifth iteration of its Selyado on Wheels series, which focuses on teaching data privacy and security strategies. It conducted “Selyado on Wheels: School Edition,” a symposium designed for Grade 10 students held in partnership with Pasig City Science High School. During the symposium, Privacy Compliance Officers demonstrated practical techniques for safeguarding personal information, and DevSecOps engineers taught youth about cybersecurity fundamentals, including identifying phishing and scams and securing accounts and sensitive data. The program aligns with the Bank’s commitment to create societal impact through financial literacy and inclusion.



CONTRIBUTION TO THE UN SUSTAINABLE DEVELOPMENT GOALS

Current initiatives at UnionBank and its subsidiaries support the national sustainability agenda and contribute to the achievement of the United Nations Sustainable Development Goals (UN SDGs). The Bank promotes long-term economic growth by increasing the demand for its products and services, improving work conditions, and empowering small-scale businesses and entrepreneurs. Measures that promote resource efficiency, improve waste management, and enhance biodiversity conservation help protect the planet. Bringing banking and financial services closer to underserved sectors of society facilitates inclusive growth. Taken together, measures like these pave the way to a sustainable future for all.

1 NO POVERTY

2 ZERO HUNGER

₱1.5 B In outstanding loans supports food manufacturing, wholesale/retail food selling, and other food-related activities

3 GOOD HEALTH AND WELL-BEING

₱265.83 M
Outstanding loans for medical trading

- » 9 sessions
- » 990 individual beneficiaries

CitySavings' Project Better Me

Certificate of Perfect Safety Record

Awarded by Safety Organization of the Philippines, Inc.

↳ [page 52](#)

Employee programs

- » Benefits
- » CHAT program
- » Mindfulness Program
- » Safety Week

» 23 sessions

» 3,205 individual beneficiaries

CitySavings' Project Pink

↳ [page 59](#)

Smoke/Vape Free Workplace Policy

↳ [page 52](#)

4 QUALITY EDUCATION

197
Schools reached

122,785
School-based beneficiaries reached through concrete washing at schools, donation of supplies

25,909
Filipinos educated through Xcellerator

↳ [page 54](#)

149
GBC projects to benefit students

» 567 schools

» 310 teachers/educators

Beneficiaries of CitySavings programs: Brigada Eskwela, Learning and Teaching Support, Brigada Pagbasa, Education Forum, Online Tutors Project

5 GENDER EQUALITY

2 females
Out of 15 members of the Board of Directors

61%
Share of women in total workforce

61%
Share of women in all management positions, including junior, middle and top management

58%
Share of women in management positions in revenue-generating functions

32%
Share of women in STEM-related positions

U Matter
UnionBank's DEI program

100%
Eligibility for common-law or LGBTQ+ partners of employees to obtain health insurance under UnionBank's policy

1st
Diversity, Equity, and Inclusion Summit for employees

₱87,000
Donated to the Golden Gays Foundation through the UnionBank DEI Summit


6 CLEAN WATER AND SANITATION



₱567.06 M

Outstanding loans to support water collection and supply, and waste treatment

7 AFFORDABLE AND CLEAN ENERGY



₱11.12 B

Outstanding loans to support power generation

827.5 MW

Renewable power sourced by UnionBank

27

LEED-certified branches

→ [page 6](#)

8 DECENT WORK AND ECONOMIC GROWTH



₱83.32 B

Direct economic value generated


₱13.56 B

Employee wages and benefits

Great Place to Work®

Certifications in 2021, 2022, and 2023

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



₱40.18 B

Outstanding loans to support toll roads, telecommunications, construction, and logistics

3,440

Loans for MSMEs amounting to ₱7.56B from IFC Social Bond

→ [page 35](#)

Financial literacy program

For MSMEs

→ [page 82](#)

Best MSME's Development Bank in the Philippines

Given to Bangko Kabayan at the 2023 International Finance Awards

Bank-on-Wheels

By CitySavings

→ [page 82](#)

UB Negosyante SME Business Banking app

→ [page 83](#)

11 SUSTAINABLE CITIES AND COMMUNITIES



» **73 organizations**

» **2,200 individuals**

Beneficiaries from CitySavings' and their partners' asset donations

» **Dinapigue, Isabela**

» **Caramoran, Catanduanes**

CitySavings Disaster Relief and Resiliency 2.0 beneficiaries

16 school divisions

Benefited from CitySavings Disaster Relief and Resiliency 101

6 schools

Benefited from CitySavings Calamity-related Relief Operations

667

CitySavings Project SustainabiliTree volunteers

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



361

Accredited vendors/suppliers and third-party service providers

25 KG

Collected through E-waste Zero Project


→ [page 74](#)

386.92 KG

Trash collected by Bangko Kabayan in PBSP X-Trash Challenge

→ [page 77](#)

13 CLIMATE ACTION



CitySavings Programs

- » Calamity-Related Relief Operations
- » Disaster Relief and Resiliency 101
- » Project SustainabiliTree
- » Coastal Clean-up

1,000

Mangrove trees planted through Project SustainabiliTree

→ [page 76](#)

16

Environmental GoBeyond Communities projects

110

Donated solar lamps

→ [page 75](#)

73

Trees nurtured


→ [page 74](#)

81

Trees planted

→ [page 74](#)

14 LIFE BELOW WATER



50 kg

Trash collected through International Coastal Clean-up

→ [page 76](#)

SUSTAINABILITY SCORECARD

People | Digital Transformation

Employee Demographics

Employee Headcount

	2021	2022	2023
UnionBank	3,879	5,468	5,482
Head office	2,261	3,904	3,975
Branch network	1,618	1,564	1,507
CitySavings	1,874	1,936	2,045
Head office	418	440	504
Branch network	1,456	1,496	1,541
UBX	-	-	188
Union Digital	-	-	137
TOTAL			7,852

Employee Profile

2023	Male	Female
UnionBank	2,137	3,345
CitySavings	1,201	844
UBX	122	66
UnionDigital	78	59
TOTAL	3,538	4,314

Attrition Rate

	Voluntary attrition		Involuntary attrition	
	No. of separated TM's	Attrition rate	No. of separated TM's	Attrition rate
UnionBank	832	16.41%	65	1%
FUFAI	2	33%	0	0%
FUP	0	0%	0	0%
UPI	0	0%	0	0%
UFSI	3	6%	0	0%
UBX	109	57.98%	1	0.53%
UnionDigital	55	27%	0	0%
CitySavings	249	12.18%	10	0.49%

New Hire Profile

	2022		2023	
UnionBank				
Male	1,006	41%	374	44%
Female	1,444	59%	481	56%
Below 30	1,009	41%	516	60%
30 to 50	1,377	56%	330	39%
Above 50	64	3%	9	1%
Luzon	2,396	98%	829	97%
Visayas	18	1%	17	2%
Mindanao	36	1%	9	1%
Staff	176	7%	153	18%
Supervisor	1,332	54%	508	59%
Manager	676	28%	151	18%
AVP* and up	266	11%	43	5%
CitySavings Bank				
Male	180	57%	158	43%
Female	137	43%	210	57%
Below 30	187	59%	209	57%
30 to 50	128	40%	155	42%
Above 50	2	1%	4	1%
Luzon	235	74%	286	78%
Visayas	38	12%	35	10%
Mindanao	44	14%	47	13%
Staff	211	67%	230	63%
Supervisor	49	15%	51	14%
Manager	46	15%	72	20%
AVP* and up	11	3%	15	4%

*Assistant Vice-President

Total Workforce by Gender and Job Level

	Female	Male	TOTAL
Staff	423	240	663
Supervisors	1,722	1,048	2,770
Managers	879	614	1,493
AVP and Up	321	235	556
TOTAL	3,345	2,137	5,482

Headcount by Region

	Female	Male
Luzon	3,089	1,994
Visayas	80	61
Mindanao	176	81
Singapore		1
TOTAL	3,345	2,137

Headcount by Job Level and Age Group

	<30		30-50		>50		TOTAL
	Female	Male	Female	Male	Female	Male	
Staff	264	79	126	124	33	37	663
Supervisors	699	410	963	589	60	49	2,770
Managers	84	70	657	478	138	66	1,493
AVP and Up	4	1	227	172	90	62	556
TOTAL	1,051	560	1,973	1363	321	214	5,482

Headcount by Tenure Group

UnionBank								
	<1 year	1-5 years	6-10 years	11-15 years	16-20 years	21-25 years	>25 years	TOTAL
Female	481	1,610	480	219	287	76	192	5,482
Male	376	1,026	279	141	153	56	106	

Headcount by Job Level and Nationality/Race

	Female	Male
Asian	3,345	2,132
Black or African American	0	5
Hispanic or Latino	0	0
White	0	0
Indigenous	0	0
TOTAL	3,345	2,137

Training and Development

Average Training Hours

	2021		2022		2023		
	UBP	CSB	UBP	CSB	UBP	CSB	UD
Overall average	27.57	61.54	16.69	26.76	21.11	28.58	27.00
By gender							
Male	24.18	26.90	14.52	21.94	21.49	27.21	-
Female	20.61	83.37	18.04	31.14	20.88	30.48	-
By position							
Senior management	24.85	41.04	14.29	43.46	16.50	56.23	-
Middle management	26.34	108.83	15.56	32.75	15.84	32.43	-
Supervisor	29.57	36.26	17.91	33.34	24.53	31.33	-
Rank-and-file	24.38	78.81	16.11	19.66	22.33	24.72	-

UnionDigital Training Hours

A total of 27 hours on average were spent for training per employee under the following training program pillars:

- Compliance and Governance: 6 hours
- Functional and Technical: 6 hours
- Leadership, Cultural, and Behavioral: 15 hours

Total Training Hours by Gender and Age

	<30		30-50		>50		TOTAL
	Female	Male	Female	Male	Female	Male	
UnionBank	32,977.91	22,546.92	39,141.45	24,554.15	4,525.23	2,859.02	126,604.68
CitySavings	8,844.85	8,062.37	16,246.33	22,910.85	601.28	1,739.05	58,404.73
UBX	-	-	-	-	-	-	-
UnionDigital	-	-	-	-	-	-	3,942
TOTAL							188,951.41

Total Training Hours by Gender and Employment

	Rank & File		Supervisor		Middle Management		Senior Management		TOTAL
	Female	Male	Female	Male	Female	Male	Female	Male	
UnionBank	11,612.80	4,222.23	42,131.18	33,073.18	16,964.77	8,830.59	5,935.84	3,834.09	126,604.68
CitySavings	8,855.22	18,363.57	9,716.52	8,514.75	3,626.87	6,460.20	893.85	1,973.75	58,404.73
UBX	-	-	-	-	-	-	-	-	-
UnionDigital	-	-	-	-	-	-	-	-	3,942.00
TOTAL	-	-	-	-	-	-	-	-	188,951.41

Training and Development Inputs

	2021		2022		2023	
	UB	CSB	UB	CSB	UB	CSB
Average hours per FTE of training and development	27.57	61.54	16.69	26.76	21.11	28.58
Average amount spent per FTE on training and development (in PHP)	4,102.11	2,981.51	4,222.69	5,065.51	5,736.51	4,386.88

Health, Safety, and Well-being

Workplace conditions, labor standards, and human rights

Disclosure	2021	2022	2023
Safe man-hours	9,072,255	17,564,023	28,155,463
Number of work-related injuries	0	0	0
Number of work-related fatalities	0	0	0
Number of work-related ill health	40	0	0
Number of safety drills	4	4	4

Work Safety

Injury Pyramid	2021	2022	2023
Restricted Work Case (RWC)	0	0	544
Medical Treatment Case (MTC)	87	0	1,166
First Aid Case	2	8	718
Total number of employees	3,695	5,570	5,482
Number of employees who are members of the Health & Safety Committee	15	17	22
Percentage of employees under Health & Safety Committee	0.40%	0.31%	0.36%
Total number of complaints (related to health and safety)	-	-	-
Total work hours	7,027,088	8,491,768	10,577,608
Total lost days	0	0	0

Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities

Injuries	2021		2022		2023	
	No. of reported cases	No. of lost days	No. of reported cases	No. of lost days	No. of reported cases	No. of lost days
Minor wounds			4	0	224	0
(+) confluent abrasion right arm and forearm sec. to VA; fracture intertrochanter - subtrochanter left hip femur; fracture distal radius right wrist due to vehicular accident	0	0	0	0	0	0
Occupational diseases						
Hypersensitivity reaction	4	0	3	0	72	0
Musculoskeletal strain	8	0	8	0	54	0
Tension headaches	21	0	1	0	765	0
COVID-19 confirmed cases	745	5,740	297	2,079	282	1,410
Hypertension	14	0	10	0	111	0
Fatalities						
Work-related fatalities	0	0	0	0	0	0

Lost Time Injury Frequency Rate (LTIFR)

Employees	2021	2022	2023
No. of LTI	0	0	0
Total hours worked	7,027,088	8,491,768	10,577,608
Number of employees (in this report)	3,695	5,570	5,482
Number of employees (expected)	3,695	5,570	5,482
Data coverage (as % employees)	100%	100%	100%
Contractors			
No. of LTI	0	0	0
Total hours worked	4,764,000	4,414,820	3,827,506
Number of contractors (in this report)	1,588	1,881	2,056
Number of contractors (expected)	1,588	1,881	2,056
Data coverage (as % contractors)	100%	100%	100%

Occupational Illness Frequency Rate (OIFR)

Employees	2021	2022	2023
Number of occupational illnesses	-	841	1,774
Total hours worked	7,027,088	8,491,768	10,577,608
Number of employees (in this report)	3,695	5,570	5,804
Number of employees (expected)	3,695	5,570	5,804
Data coverage (as % employees)	100%	100%	100%

Rates

	2021	2022	2023
Injury rate	0	0	0
Occupational disease rate	0.63	-	-
Lost day rate	0	0	0

Note: Rates were computed by multiplying applicable data (i.e., number of reported cases of injuries, lost days, and occupational diseases) and comparing them to the International Labor Organization's base figure (200,000) relative to the total hours worked. The "Formulae on the Computation of the Equivalent Monthly Minimum Wage Rates" of the National Wages and Productivity Commission of the Department of Labor and Employment was used to estimate total man-hours.

Women in the Workforce

	UBP only, subs excluded	CSB including subs
Share of women in total workforce (as % of total workforce*)	61%	41%
Share of women in all management positions, including junior, middle, and top management (as % of total management positions)	61%	46%
Share of women in junior management positions, i.e. first level of management (as % of total junior management positions)	62%	49%
Share of women in top management positions, i.e. maximum two levels away from the Chief Executive Officer or comparable positions (as % of total top management positions) Note: Rank from the Executive Vice President	27%	43%
Share of women in management positions in revenue-generating functions (e.g. sales) as % of all such managers	58%	13%
Share of women in STEM-related positions (as % of total STEM positions)	32%	No data

Planet | Sustainable Finance

Resource Consumption

	2021	2022	2023
Electricity (in GJ)	57,632.90*	90,577.30 (restated)	68,036.26
GHG (in tCO ₂ e)	12,735.44 (restated)	18,765.41 (restated)	14,164.87
Water (in m ³)	130,521*	311,641.91**	130,701.53
Paper (in reams)	17,800	13,093	27,176
Ink toner (in cartridges)	2,896	3,483	2,156
Fuel (in L)	479,979.23*	302,679.31	249,101.17
LEED-Certified branches	25	25	27
Recyclable waste (tonnes)	2.44	7.11 (restated)**	21.86
Biodegradable waste (tonnes)	2.36	7.02 (restated)**	27.38
Residual waste (tonnes)	2.63	7.5 (restated)**	32.97
Hazardous waste (tonnes)	0.04	0.78**	2.03

Note: The Bank mostly sources its water from a local water utility. The Bank does not recycle or reuse wastewater.

*In 2021, data collection was improved to cover more branches nationwide. Increased electricity and water consumption for 2021 was due to branches' return normal operations after the pandemic. Electricity consumption for 2021 was restated with a 21% increase due to clearer reassessment.

**The increase in 2022 consumption was due to the change from remote working to hybrid operations for units in the head office.

***Greater diesel oil consumption in 2021 was due to increased usage by motorcycle and other sales teams of CitySavings tasked with client visits to process loans during the pandemic. For 2022, diesel accounted for 263,644.50 L and gasoline for 40,261.08 L

Carbon Footprint

Total GHG (in tCO ₂ e)	2021	2022 (adjusted)	2023
Scope 1	1,285.86	795.77	657.27
Scope 2	11,449.58	17,969.64	13,507.60
TOTAL	12,735.44	18,765.41	14,164.87

Energy Consumption

	2021	2022	2023
Energy in MWh (renewable sources)	0.00	11,859	827.5
Energy (electricity)	16,009.14	13,301.36	18,071.46
Fuel - stationary			
Diesel oil	30,403.94	22,848.97	25,630.74
Gasoline	0.00	1,176.75	3,313.49
Fuel - mobile			
Diesel oil	449,575.53	241,047.69	197,328.15
Gasoline	0.00	37,605.90	22,828.78

GRI INDEX

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	REQUIREMENT(S) OMITTED	REASON AND EXPLANATION
General disclosures				
GRI 2: General Disclosures 2021	2-1 Organizational details	<ul style="list-style-type: none"> About This Report p.1 Business Profile pp. 4-5 Geographic Presence p.6-7 Ownership and Legal Form p.115 		
	2-2 Entities included in the organization's sustainability reporting	About this Report p.1		
	2-3 Reporting period, frequency and contact point	<ul style="list-style-type: none"> About this Report p.1 The Team Behind this Report p.121 		
	2-4 Restatements of information	Power consumption, GHG emissions under Planet and Carbon footprint p.95		
	2-5 External assurance	The sustainability office, under the Chief Human Resources Officer, presided over its creation. External assurance will be considered for the 2024 Sustainability Report.		
	2-6 Activities, value chain and other business relationships	<p>Union Bank of the Philippines is part of the financial sector of the Philippines.</p> <p>UnionBank supports local enterprises and local populations to honor the mutually beneficial relationship it has with its host community. UnionBank's branch network is designed to encourage banking locally. UnionBank also does its part by investing in the local market, through its suppliers, and championship of small and medium enterprises (SMEs).</p> <p>Customers and number of customers (including CitySavings)- p.8</p> <p>Total number of UnionBank customers with active or open deposit and/or loan accounts as of Dec 31, 2023) - p.61</p>		
	2-7 Employees	Sustainability Scorecard - People Tables p.88		
	2-8 Workers who are not employees	Lost Time Injury Frequency Rate (LTIFR) p.93	<p>a. Report the total number of workers who are not employees and whose work is controlled by the organization and describe:</p> <p>i. The most common types of worker and their contractual relationship with the organization</p> <p>ii. The type of work they perform.</p>	Information unavailable / Incomplete Data for the type of work that contractors do is not readily available, but will be included in future reports.

Resource Reduction (vs. previous year)	2021	2022	2023
Energy in MWh (renewable sources)	NA	NA	-93.02%
Energy (electricity)	44.16%	-16.91%	35.86%
Fuel - stationary			
Diesel oil	116.55%	-24.85%	12.17%
Gasoline	NA	NA	181.58%
Fuel - mobile			
Diesel oil	207.21%	-46.38%	-18.14%
Gasoline	NA	NA	-39.29%

Note: In 2023, UnionBank and subsidiaries mandated the workforce to return to office.

Purpose | Inclusive Prosperity

Summary Based on Group Figures (PHP B)	2021	2022	2023
Economic value generated	45.82	59.75	83.32
Economic value distributed	33.24	47.01	74.12
Payments to employees	8.65	10.03	13.56
Salaries and employee benefits	8.65	10.03	13.56
Payments to suppliers	11.25	15.37	23.35
Occupancy	0.89	1.03	1.16
Depreciation and amortization	1.62	1.86	2.67
Miscellaneous (others)	8.73	12.48	19.52
Payments to capital providers	6.51	11.62	26.59
Deposit liabilities	2.97	6.02	15.79
Bills payable and other liabilities	3.54	5.60	10.80
Payments to governments	6.81	9.97	10.59
Taxes and licenses	2.88	4.11	5.94
PDIC + supervision fees	1.52	1.82	2.01
Tax expense	2.41	4.04	2.64
Payments to communities	0.02	0.04	0.03
Donations	0.02	0.04	0.03
Economic value retained	12.58	12.74	9.20

Supply Chain Disclosures

Proportion of spending on local suppliers	77.56%
New suppliers that were screened using an ESG criteria	15
Negative ESG impacts in the supply chain and actions	0

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	REQUIREMENT(S) OMITTED	REASON AND EXPLANATION
	2-9 Governance structure and composition	Governance Structure - https://www.unionbankph.com/about-us/who-we-are/structure Key executive officers - https://www.unionbankph.com/about-us/who-we-are/key-executive-officers Board of Directors - https://www.unionbankph.com/about-us/who-we-are/board-of-directors		
	2-10 Nomination and selection of the highest governance body	Corporate governance selection process for Board of Directors and Senior Management found in Manual on Good Corporate Governance https://www.unionbankph.com/about-us/corporate-governance/good-governance-standard		
	2-11 Chair of the highest governance body	Chairman, Erwin Isidro M. Aboitiz is not a senior executive in UnionBank. https://www.unionbankph.com/about-us/who-we-are/board-of-directors		
	2-12 Role of the highest governance body in overseeing the management of impacts	Roles can be found in Manual on Good Governance - https://www.unionbankph.com/about-us/corporate-governance/good-governance-standard		
	2-13 Delegation of responsibility for managing impacts	Governance Structure p. 26-27		
	2-14 Role of the highest governance body in sustainability reporting	Governance Structure p. 26-27		
	2-15 Conflicts of interest	Policy on Conflict of Interest under Government Policies: https://www.unionbankph.com/about-us/corporate-governance/good-governance-standard?report=4&acc=4350 Also listed in UnionBank's RPT Policy: https://www.unionbankph.com/about-us/corporate-governance/good-governance-standard?report=5		
	2-16 Communication of critical concerns	Stakeholder Relations - https://www.unionbankph.com/about-us/corporate-governance/good-governance-standard?report=1&acc=4218		
	2-17 Collective knowledge of the highest governance body	Sustainability Learning and Appreciation Courses - p. 34 ESG Training of the Board - p. 33		
	2-18 Evaluation of the performance of the highest governance body	Governance Evaluation Mechanisms - p. 117 Because these issues are integrated into UnionBank's business model, there is no separate formal process for evaluating the performance of the Board of Directors in these respects.		

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	REQUIREMENT(S) OMITTED	REASON AND EXPLANATION
	2-19 Remuneration policies	Remuneration Policy under Government Policies: https://www.unionbankph.com/about-us/corporate-governance/good-governance-standard?report=4&acc=4357		
	2-20 Process to determine remuneration	Process to determine remuneration is included in the annual report: https://www.unionbankph.com/company-disclosure/annual-reports		
	2-21 Annual total compensation ratio		2-21 Annual total compensation ratio	Confidentiality constraints Local laws do not require disclosures on annual total compensation ratio.
	2-22 Statement on sustainable development strategy	Joint Message of the Chairman and President & CEO p. 10-15		
	2-23 Policy commitments	Sustainability Policy (Sustainability at UnionBank: Policy, p. 16-19)		
	2-24 Embedding policy commitments	<ul style="list-style-type: none"> Sustainability Policy (Sustainability at UnionBank: Policy, p. 16) ESG Risk Monitoring System until Overview of Environmental and Social Risk Management System (ESRMS) (Sustainability at UnionBank, p. 22-23) Sustainability Learning and Appreciation Courses (Sustainability at UnionBank, p. 34) 		
	2-25 Processes to remediate negative impacts	Stakeholder Consultation (Sustainability at UnionBank, p. 24-25)		
	2-26 Mechanisms for seeking advice and raising concerns	<ul style="list-style-type: none"> Stakeholder Consultation (Sustainability at UnionBank, p. 24-25) The Team Behind this Report (p. 121) 		

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	REQUIREMENT(S) OMITTED	REASON AND EXPLANATION
	2-27 Compliance with laws and regulations	<p>The Bank has governance policies and mechanisms in place to help fulfill its responsibilities to its stakeholders. They are subject to periodic review in order to ensure that they remain consistent with applicable regulations and industry best practice.</p> <p>The Bank's ethical standards are institutionalized through its Code of Conduct, which ensures the placement of clear mandates for its employees to observe responsible business banking in the performance of their functions.</p> <p>Aside from ensuring compliance to its Code of Conduct, the Bank, as a whole, upholds a high standard in disclosure and transparency in order to assure the investing public an authentic and comprehensive perspective to its financial condition. The Bank complies with the required reportorial submissions under applicable laws and regulations and makes full, fair, accurate and timely public disclosures on material facts or events that may reasonably be expected to affect investor's decisions.</p> <p>Ethical Standards and Governance Policies- https://www.unionbankph.com/about-us/corporate-governance/good-governance-standard?report=0</p>		
	2-28 Membership associations		2-28 Membership associations	<p>Information unavailable / Incomplete</p> <p>This data is currently unavailable, but UnionBank will include this in the report for 2023.</p>
	2-29 Approach to stakeholder engagement	Scope and Materiality (Sustainability at UnionBank, p. 20-21)		
	2-30 Collective bargaining agreements	Under Labor-Management Relations - Collective bargaining agreements (p. 51)		
Material topics				
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Scope and Materiality (Sustainability at UnionBank, p. 20-21)		
	3-2 List of material topics	Under Scope and Materiality (Material Topics) p. 21		
Usability and Accessibility				
GRI 3 Material Topics 2021	3-3 Management of material topics	<ul style="list-style-type: none"> • People - Corporate Social Responsibility and Employee Volunteerism p. 54-59 • Purpose and Contribution to UN Sustainable Development Goals p. 84-87 		
UnionBank's Approach to Financial Inclusion	Bring financial services to the rural areas	Purpose and Contribution to UN Sustainable Development Goals p. 84-87		

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	REQUIREMENT(S) OMITTED	REASON AND EXPLANATION
	Make financial products accessible to more people	Purpose and Contribution to UN Sustainable Development Goals p. 84-87		
	Reach out to the unbanked and underbanked	Purpose and Contribution to UN Sustainable Development Goals p. 84-87		
Customer Experience				
GRI 3 Material Topics 2021	3-3 Management of material topics	<ul style="list-style-type: none"> • Stakeholder Engagement - Customers, p. 24-25 • Purpose - Approach to financial inclusion until Innovation and financial inclusion in a digitally connected world p. 78-83 		
UnionBank's Approach to Financial Inclusion	Bring financial services to the rural areas	Purpose and Contribution to UN Sustainable Development Goals p. 84-87		
	Make financial products accessible to more people	Purpose and Contribution to UN Sustainable Development Goals p. 84-87		
	Reach out to the unbanked and underbanked	Purpose and Contribution to UN Sustainable Development Goals p. 84-87		
Data Privacy and Integrity				
GRI 3 Material Topics 2021	3-3 Management of material topics	<ul style="list-style-type: none"> • People - Customer Privacy p. 64 • People - Data Security p. 65 		
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	People - Data Security p. 65		
SASB Customer Privacy for Consumer Finance	Number of account holders whose information is used for secondary purposes	People - Customer Privacy p. 64		
	Total amount of monetary losses as a result of legal proceedings associated with customer privacy	There are no cases on this. UnionBank has not had any data breaches that would lead to any legal proceedings.		
Information Security, Cybersecurity and Resilience				
GRI 3 Material Topics 2021	3-3 Management of material topics	People - Data Security p. 65		
SASB Data Security for Commercial Banks	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of account holders affected	People - Data Security p. 65		
	Description of approach to identifying and addressing data security risks	People - Data Security p. 65		
Innovation				
GRI 3 Material Topics 2021	3-3 Management of material topics	People - p. 42-43		

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	REQUIREMENT(S) OMITTED	REASON AND EXPLANATION
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	People - People Tech: Internal Initiatives to Enable Growth p. 42-43		
UnionBank's Approach to Financial Inclusion	Bring financial services to the rural areas	Purpose - p. 81-83		
	Make financial products accessible to more people	Purpose - p. 81-83		
	Reach out to the unbanked and underbanked	Purpose - p. 81-83		
Digital Inclusion				
GRI 3 Material Topics 2021	3-3 Management of material topics	• People - p. 42-43 • Purpose - p. 80-81		
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	People - People Tech: Internal Initiatives to Enable Growth p. 42-43		
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	People - Corporate Social Responsibility and Employee Volunteerism p. 54-59		
SASB Financial Inclusion & Capacity Building for Commercial Banks	(1) Number and (2) amount of loans outstanding qualified to programs designed to promote small business and community development	Tech Up Metrics - CSB Bonds p. 38-39		
	(1) Number and (2) amount of past due and nonaccrual loans qualified to programs designed to promote small business and community development	Tech Up Metrics - CSB Bonds p. 38-39		
	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	Tech Up Metrics - Inclusive Prosperity p. 39		
UnionBank's Approach to Financial Inclusion	Bring financial services to the rural areas	Purpose - p. 80-81		
	Make financial products accessible to more people	Purpose - p. 80-81		
	Reach out to the unbanked and underbanked	Purpose - p. 80-81		

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	REQUIREMENT(S) OMITTED	REASON AND EXPLANATION
Digital Capability				
GRI 3 Material Topics 2021	3-3 Management of material topics	People - p. 42-43 Purpose - p. 80-81		
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	People - People Tech: Internal Initiatives to Enable Growth p. 42-43		
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	People - Corporate Social Responsibility and Employee Volunteerism p. 54-59		
Risk Management				
GRI 3 Material Topics 2021	3-3 Management of material topics	Risk Management, p. 22-23		
SASB Incorporation of Environmental, Social, and Governance Factors in Credit Analysis for Commercial Banks	Commercial and industrial credit exposure, by industry	Breakdown of E&S Risk Exposure of the Bank per Industry p. 23		
	Description of approach to incorporation of environmental, social, and governance (ESG) factors in credit analysis	ESG Risk Monitoring System p. 22		
Climate Change Issues				
GRI 3 Material Topics 2021	3-3 Management of material topics	Planet - Introduction and approach to environmental management p. 68-73		
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Sustainability Scorecard - Resource Consumption p. 95		
	301-2 Recycled input materials used		a. Percentage of recycled input materials used to manufacture the organization's primary products and services.	Information unavailable / Incomplete UnionBank's products are currently not using recyclable materials. Recyclable materials will be considered for future product improvements.
	301-3 Reclaimed products and their packaging materials		a. Percentage of reclaimed products and their packaging materials for each product category. b. How the data for this disclosure have been collected.	Not applicable UnionBank's products and services are not products that can be reclaimed.
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Sustainability Scorecard - Energy Consumption p. 95		
	302-2 Energy consumption outside the organization		302-2 Energy consumption outside the organization	Information unavailable / Incomplete

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	REQUIREMENT(S) OMITTED	REASON AND EXPLANATION
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Water withdrawn, consumed, and discharged is indicated in p. 95 of resource consumption in operations. Water withdrawn and discharged is handled by third-party water providers for respective building or branch locations. No water-related impacts were identified in 2023.		
	303-2 Management of water discharge-related impacts		a. A description of any minimum standards set for the quality of effluent discharge, and how these minimum standards were determined, including: <ul style="list-style-type: none"> i. How standards for facilities operating in locations with no local discharge requirements were determined ii. Any internally developed water quality standards or guidelines iii. Any sector-specific standards considered iv. Whether the profile of the receiving waterbody was considered. 	Not applicable This was not identified as a material topic for the Bank.
	303-3 Water withdrawal	Water withdrawn is freshwater. Amount is indicated in p. 95 of resource consumption in operations.	a. Total water withdrawal from all areas with water stress in megaliters, and a breakdown of this total by the following sources, if applicable: <ul style="list-style-type: none"> i. Surface water ii. Groundwater iii. Seawater iv. Produced water v. Third-party water, and a breakdown of this total by the withdrawal sources listed in i-iv.v. 	Information unavailable / Incomplete Water withdrawal is handled by a third-party water provider. Locations of water sources vary and are not included in data provided.
	303-4 Water discharge	Water discharged is indicated in [p. 95 of resource consumption in operations].	a. A breakdown of total water discharge to all areas in megaliters by the following categories: <ul style="list-style-type: none"> i. Freshwater (≤1,000 mg/L Total Dissolved Solids) ii. Other water (>1,000 mg/L Total Dissolved Solids). b. Total water discharge to all areas with water stress in megaliters, and a breakdown of this total by the following categories: <ul style="list-style-type: none"> i. Freshwater (≤1,000 mg/L Total Dissolved Solids) ii. Other water (>1,000 mg/L Total Dissolved Solids). 	Information unavailable / Incomplete Water discharge is handled by a third-party water provider. Locations of water sources vary and are not included in data provided.

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	REQUIREMENT(S) OMITTED	REASON AND EXPLANATION
			Priority substances of concern for which discharges are treated, including: <ul style="list-style-type: none"> i. How priority substances of concern were defined, and any international standard, authoritative list, or criteria used ii. The approach for setting discharge limits for priority substances of concern iii. Number of incidents of non-compliance with discharge limits. 	Not applicable This is not considered material for the Bank.
	303-5 Water consumption	Water consumed was 130.701 ML. (p. 95 of resource consumption in our operations)	Total water consumption from all areas with water stress in megaliters.	Information unavailable / Incomplete Water withdrawal is handled by a third-party water provider. Locations of water sources vary and are not included in data provided.
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Carbon Footprint p. 95 GWP rate used for CO2 was 1 based on the values of the IPCC 6th report. Methods followed were based on the World Business Council for Sustainable Development GHG protocols.		
	305-2 Energy indirect (Scope 2) GHG emissions	Carbon Footprint p. 95 GWP rate used for CO2 was 1 based on the values of the IPCC 6th report. Methods followed were based on the World Business Council for Sustainable Development GHG protocols.		
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Resource Consumption - p. 95		
	306-2 Management of significant waste-related impacts	Data on waste is collected using a Microsoft Office Form on a quarterly basis. Each Branch Manager must complete a form detailing their quarterly waste generation in kilograms, which is then converted to metric tonnes (standard unit) by Microsoft Excel. The Occupational Safety and Health Division monitors the collected data using Microsoft Excel and OneDrive.		
	306-3 Waste generated	Total waste generated for 2023 was 84.24 tonnes. Breakdown by waste type can be found in Planet Scorecard, p. 95.		

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	REQUIREMENT(S) OMITTED	REASON AND EXPLANATION
	306-4 Waste diverted from disposal	Planet Scorecard until Closing the Loop (p.68-73)	Total weight of hazardous waste diverted from disposal in metric tons, and a breakdown of this total by the following recovery operations: i. Preparation for reuse ii. Recycling iii. Other recovery operations.	Information unavailable / Incomplete Following the regulations by the Department of Environment and Natural Resources - Environmental Management Bureau for hazardous waste, UnionBank strictly abides by its waste hauling, treatment, storage and disposal requirements. Treatment, storage and disposal is done in an accredited facility and once the process is complete, a certificate of treatment is provided to the Bank.
	306-5 Waste directed to disposal		306-5 Waste directed to disposal	Information unavailable / Incomplete Waste is collected by a hauler. Disposal method is not made known. Waste destination will be discussed with hauler for identification.
Sustainable Finance				
GRI 3 Material Topics 2021	3-3 Management of material topics	UnionBank's Sustainable Finance Framework 2023: https://www.unionbankph.com/sustainability/sustainable-finance		
	301-2 Recycled input materials used			
	301-3 Reclaimed products and their packaging materials			
GRI 302: Energy 2016	302-1 Energy consumption within the organization			
	302-2 Energy consumption outside the organization			
	302-3 Energy intensity			
	302-4 Reduction of energy consumption			
	302-5 Reductions in energy requirements of products and services			
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource			
	303-2 Management of water discharge-related impacts			
	303-3 Water withdrawal			
	303-4 Water discharge			

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	REQUIREMENT(S) OMITTED	REASON AND EXPLANATION
	303-5 Water consumption	UnionBank's Sustainable Finance Framework 2023: https://www.unionbankph.com/sustainability/sustainable-finance		
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions			
	305-2 Energy indirect (Scope 2) GHG emissions			
	305-3 Other indirect (Scope 3) GHG emissions			
	305-4 GHG emissions intensity			
	305-5 Reduction of GHG emissions			
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts			
	306-2 Management of significant waste-related impacts			
	306-3 Waste generated			
	306-4 Waste diverted from disposal			
	306-5 Waste directed to disposal			
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs			
Risk Management for Sustainability Management				
GRI 3 Material Topics 2021	3-3 Management of material topics	ESRMS, p. 22		
SASB Incorporation of Environmental, Social, and Governance Factors in Credit Analysis for Commercial Banks	Commercial and industrial credit exposure, by industry	Breakdown of E&S Risk Exposure of the Bank per Industry p.23		
	Description of approach to incorporation of environmental, social, and governance (ESG) factors in credit analysis	ESRMS, p. 22		
Business Ethics				
GRI 3 Material Topics 2021	3-3 Management of material topics	The Compliance function is independent of the business activities of the Bank. The Compliance Office ensures that the Bank, its branches, and subsidiaries comply with all Philippine banking and corporate laws and regulations, internal policies, corporate governance, ethical standards, and other best practices in the implementation of its business operations.		

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	REQUIREMENT(S) OMITTED	REASON AND EXPLANATION
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	UnionBank does not participate in any forms of child labor. UnionBank strictly abides by Republic Act No. 9231, Republic Act No. 10361, and International Labor Organization Convention No. 182 to avoid any form of child labor in the Bank.		
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	UnionBank does not participate in any forms of forced or compulsory labor. UnionBank strictly abides by Republic Act No. 10364, International Labor Organization Convention No. 29 and Article 300 of the Philippine Labor Code to prevent any forms of forced or compulsory labor in the Bank.		
Financial Performance				
GRI 3 Material Topics 2021	3-3 Management of material topics	Joint Message of the Chairman and President & CEO p.10-15		
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Purpose Scorecard - p.96		
	201-2 Financial implications and other risks and opportunities due to climate change		201-2 Financial implications and other risks and opportunities due to climate change	Information unavailable / Incomplete Aligned with the environmental and social risk management system, the model to compute financial implications of climate risks is currently being developed.
	201-3 Defined benefit plan obligations and other retirement plans			
	201-4 Financial assistance received from government	SEC 17-A Report found in https://www.unionbankph.com/company-disclosure/sec-reports		
Labor Standards and Human Rights				
GRI 3 Material Topics 2021	3-3 Management of material topics	<ul style="list-style-type: none"> Sustainability Policy (Sustainability at UnionBank: Policy, p.16) People - Labor, Laws, and Human Rights p.53 		
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes		402-1 Minimum notice periods regarding operational changes	Confidentiality constraints UnionBank does not disclose any policies that discuss operational changes and how it executes this.
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	UnionBank does not participate in any forms of child labor. UnionBank strictly abides by Republic Act No. 9231, Republic Act No. 10361, and International Labor Organization Convention No. 182 to avoid any form of child labor in the Bank.		

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	REQUIREMENT(S) OMITTED	REASON AND EXPLANATION
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	People - Marketing and Labeling p.63		
	417-2 Incidents of non-compliance concerning product and service information and labeling	People - Marketing and Labeling p.63		
	417-3 Incidents of non-compliance concerning marketing communications	Annexes - Marketing and Labeling p.63		
Environmental Compliance				
GRI 3 Material Topics 2021	3-3 Management of material topics	Planet - Approach to environmental management p.69		
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Resource Consumption - p.95		
	306-2 Management of significant waste-related impacts	Data on waste is collected using a Microsoft Office Form on a quarterly basis. Each Branch Manager must complete a form detailing their quarterly waste generation in kilograms, which is then converted to metric tonnes (standard unit) by Microsoft Excel. The Occupational Safety and Health Division monitors the collected data using Microsoft Excel and OneDrive.		
	306-3 Waste generated	Total waste generated for 2023 was 84.24 tonnes. Breakdown by waste type can be found in Planet Scorecard, p.95 .		
	306-4 Waste diverted from disposal	Resource Consumption - p.95	Total weight of hazardous waste diverted from disposal in metric tons, and a breakdown of this total by the following recovery operations: i. Preparation for reuse ii. Recycling iii. Other recovery operations.	Information unavailable / incomplete Following the regulations by the Department of Environment and Natural Resources - Environmental Management Bureau for hazardous waste, UnionBank strictly abides by its waste hauling, treatment, storage and disposal requirements. Treatment, storage and disposal is done in an accredited facility and once the process is complete, a certificate of treatment is provided to the Bank.
	306-5 Waste directed to disposal		306-5 Waste directed to disposal	Information unavailable / Incomplete Waste is collected by a hauler. Disposal method is not made known. Waste destination will be discussed with hauler for identification.

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	REQUIREMENT(S) OMITTED	REASON AND EXPLANATION
Socioeconomic Compliance				
GRI 3 Material Topics 2021	3-3 Management of material topics	The Bank's risks are managed enterprise-wide by all units of the Bank as it adopted the Three Lines of Defense Model in Enterprise Risk Management (ERM). The processes, systems, compliance risks and controls are identified by the Business Units (1st line). The controls to mitigate the risk are assessed based on design and effectiveness by Enterprise Risk Management, Information Security and Compliance (2nd line). The assessments are validated by Internal Audit (3rd line). Tying all this up is an active oversight function by the Board of Directors. The Bank maintains transparent dealings with both external auditors and regulators in relation to the business, vision, plans and strategies.		
GRI 419: Socioeconomic Compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area	There were no incidents of non-compliance with laws and regulations in the social and economic area.		
Employee Experience				
GRI 3 Material Topics 2021	3-3 Management of material topics	People - p. 42-54		
GRI 401: Employment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	People - Employee Benefits p. 44		
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	People - Health, safety, and well-being p. 52		
	403-2 Hazard identification, risk assessment, and incident investigation	UnionBank established a primary prevention of occupational risks, protection, and promotion of health at work, work-related social determinants of health, and improving the performance of health and safety management system. UnionBank's Occupational Safety and Health Division is conducting the following initiatives to further enhance management of identified risks: 1. Regular environmental compliance collaboration or coordination meeting with concerned units such as Branch Channel Management and Facility Management Group. 2. Monthly Environmental, Occupational Safety and Health (EOSH) Meeting with the EOSH Committee Meeting.		

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	REQUIREMENT(S) OMITTED	REASON AND EXPLANATION
	403-3 Occupational health services	All regular UnionBank employees are provided with a Health Maintenance Organization (HMO) through Insular Health Care, Inc. Employees may avail of the applicable services including annual check-ups and out-patient exams as necessary.		
	403-4 Worker participation, consultation, and communication on occupational health and safety		403-4 Worker participation, consultation, and communication on occupational health and safety	Confidentiality constraints UnionBank does not currently disclose the internal processes regarding the development of and execution of the occupational health and safety management system .
	403-5 Worker training on occupational health and safety	Relevant trainings as required by the Department of Labor and Employment are implemented for all relevant employees.		
	403-6 Promotion of worker health	All regular UnionBank employees are provided with a Health Maintenance Organization (HMO) through Insular Health Care, Inc. Employees may avail of the applicable services including annual check-ups and out-patient exams as necessary.		
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	UnionBank has health and safety protocols that cover prevention and mitigation of health risks spreading within the Bank. These protocols were updated to cover the prevention of COVID-19 and are updated as necessary with new regulations.		
	403-8 Workers covered by an occupational health and safety management system	Health, Safety and Well-being Tables p. 92-94		
	403-9 Work-related injuries	Health, Safety and Well-being Tables p. 92-94		
	403-10 Work-related ill health	Health, Safety and Well-being Tables p. 92-94		
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Sustainability Scorecard - Training and Development p. 92		
	404-2 Programs for upgrading employee skills and transition assistance programs	People - People Tech: Internal Initiatives to Enable Growth p. 42-43		
	404-3 Percentage of employees receiving regular performance and career development reviews	Codes of Conduct- p. 28		
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	People - Labor-Management Relations, p. 51		

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	REQUIREMENT(S) OMITTED	REASON AND EXPLANATION
Employment				
GRI 3 Material Topics 2021	3-3 Management of material topics	People p. 42		
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Sustainability Scorecard - New Hire Profile p. 89		
Total Well-being (Compensation and Benefits)				
GRI 3 Material Topics 2021	3-3 Management of material topics	People p. 42		
GRI 401: Employment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees		401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Confidentiality constraints UnionBank's compensation and benefits package for all regular employees is confidential and not disclosed outside of the organization.
	401-3 Parental leave		401-3 Parental leave	Information unavailable / Incomplete UnionBank is currently not tracking this data, but will consider tracking this for future reports.
Employee Volunteerism				
GRI 3 Material Topics 2021	3-3 Management of material topics	People - Volunteerism and CSR initiatives p. 54-59		
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments and development programs	People - Volunteerism and CSR initiatives p. 54-59		
Community Engagement				
GRI 3 Material Topics 2021	3-3 Management of material topics	People - p. 42 People Volunteerism and CSR initiatives p. 54-59		
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments and development programs	People - Volunteerism and CSR initiatives p. 54-59		
	413-2 Operations with significant actual and potential negative impacts on local communities	UnionBank's Corporate Social Responsibility Program, the GoBeyond Communities (GBC) is a bottom-up approach that enables employees to create and implement projects that support the communities they are in. This approach minimizes negative impacts to communities.		
Indirect Economic Performance				
GRI 3 Material Topics 2021	3-3 Management of material topics	People - p. 42 Tech Up Highlights p. 38-39		

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	REQUIREMENT(S) OMITTED	REASON AND EXPLANATION
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	People - p. 42		
	203-2 Significant indirect economic impacts	People - p. 42		
Local Enterprise and Workforce Development				
GRI 3 Material Topics 2021	3-3 Management of material topics	People - p. 42 Tech Up Highlights p. 38-39		
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	People - People Tech: Internal Initiatives to Enable Growth p. 42-43		
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments and development programs	People - Volunteerism and CSR initiatives p. 54-59		
Diversity and Inclusion				
GRI 3 Material Topics 2021	3-3 Management of material topics	People - Diversity, Equal Opportunities and Inclusion p. 45-46		
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Annexes - p. 28		
	405-2 Ratio of basic salary and remuneration of women to men		405-2 Ratio of basic salary and remuneration of women to men	Confidentiality constraints Local laws do not require disclosures on salaries.
Anti-Corruption Practices				
GRI 3 Material Topics 2021	3-3 Management of material topics	Governance - Anti-Corruption p. 31		
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Governance - Anti-Corruption p. 31		
	205-2 Communication and training about anti-corruption policies and procedures	Governance - Anti-Corruption p. 31		
	205-3 Confirmed incidents of corruption and actions taken	Governance - Anti-Corruption p. 31		
Procurement Practices				
GRI 3 Material Topics 2021	3-3 Management of material topics	The Bank has a centralized approach to procurement for the management of resources and related expenses. This is spearheaded by the General Services - Procurement Services Team, led by the Bank's Procurement Officer. UnionBank complies with regulatory requirements and adheres to internal policies, such as the Procurement Guidelines, Outsourced Services Manual, Guidelines on Accreditation of Supplier and Service Providers and all related procedures.		

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	REQUIREMENT(S) OMITTED	REASON AND EXPLANATION
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Sustainability Scorecard - Purpose p. 96 77.56% of UnionBank's procurement budget for all of its branches and facilities was spent on suppliers located in the Philippines.		
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Sustainability Scorecard - Purpose p. 96		
	308-2 Negative environmental impacts in the supply chain and actions	Sustainability Scorecard - Purpose p. 96		
GRI 414: Supplier Social Assessment	414-1 New suppliers that were screened using social criteria	Sustainability Scorecard - Purpose p. 96		
	414-2 Negative social impacts in the supply chain and actions taken	Sustainability Scorecard - Purpose p. 96		

ANNEXES

Ownership and Legal Form

As of December 31, 2023, UnionBank's major shareholders are:

27.17%

Aboitiz Equity Ventures, Inc.

8.56%

The Insular Life Assurance Co., Ltd

9.90%

Social Security System (SSS)

48.21%

PCD Nominee Corporation

- Cards
- Financial Supply Chain
- Liquidity Management

→ UnionBank Online - Easily transfer funds and pay bills, including sending money to partner remittance centers: Palawan Express, Cebuana Lhuillier, LBC and PeraHub

- **Loan products**
- **SME Banking Solutions**
- **Trade Services and Products**
- **Credit Cards**
- **Debit Cards**
- **Visa Prepaid Cards**
- **Private Banking**
- **Investment Banking Services**
- **Deposit Products**

- Savings Account, Checking Account, Investment Accounts

→ **Investment and Trading Platforms**

- **Bonds.Ph:** A fully digital bond distribution platform that allows clients to create an account, cash in from any bank, debit card or electronic wallets like GCash or Paymaya. Bonds.PH allows clients to invest in various bonds issued by the Bureau of the Treasury or BTr during the public offer period, without the need for a bank account. The Bonds.PH mobile app is available 24/7, and allows investors residing abroad to participate in a featured BTr issuance. As allowed by the terms and conditions of certain issuances, clients can also sell their investments purchased from Bonds.PH.

Products and Services

→ **Cash Management Services**

- The Portal by UnionBank (Business Banking) - The Portal by UnionBank is an online cash management platform for corporate and business users to facilitate all their banking activities: initiate fund transfers, pay bills, monitor balances, approve transactions with a single sign-on and many more. Accessible via web or the mobile app (iOS and Android).
- Disbursements
- Collections
- Payroll
- Government Payments

- **U.FX:** A web-based foreign exchange (FX) dealing platform with live executable rates for the branches and mobile app. The platform allows for straight through processing of FX transactions with competitive and live rates not only for US Dollar to Philippines Peso, but also for most major currencies. The U.FX on the mobile application allows our clients to transact their FX needs anytime, anywhere.

- Trust Services

- **Fintech Business Group (UnionBank API Developer Portal)** - It is a channel that enables fintechs and corporate clients to tap into UnionBank’s banking services and other functionalities. Available since 2017, the portal acts as the interface between the Bank’s full suite of APIs and its developers community. It allows external entities to easily sign up on it, choose from a catalogue of services, and integrate them to their own platforms. It permits a system-to-system communication between the core client’s platform and the Bank’s core systems, enabling customers to reach a wider audience and growth.
- **Bux** - An end-to-end payment platform catering to businesses of all sizes, from individual and casual sellers to sole proprietors and large organizations. Bux accepts all forms of payment whether it be over the counter, credit and debit card payments, e-wallet, online banking, and pay later options.
- **SeekCap** - SeekCap is the Philippines’ first same-day approval lending marketplace for Filipino entrepreneurs. It allows businesses to get access to financing through an end-to-end digital experience. Online platforms can also

easily plug into the platform to offer loans to their customers and provide a seamless, embedded experience. . This was developed in partnership with OneConnect Financial Technology Co. Ltd., a leading technology-as-a-service platform for financial institutions.

- **I2i** - i2i connects financial institutions of all sizes and community-based non-banking financial service providers to each other and the national retail payment system. Digital services provisioned through the platform help digitally transform these financial service providers. A full suite of ready-to-use tools are available - from core banking, agency banking, mobile ATM, alternative credit scoring, money transfers, bills payments, and more.
- **Qlabs** - Qlabs provides capabilities to help customers of the UnionBank group digitally transform their businesses. Qlabs delivers secure and reliable systems powered by modern technologies through software development services and dedicated teams to support our clients’ digital transformation
- **Sentro** - Sentro is a Retail Operating System complete with everything an SME needs to jumpstart, run and grow their business. Sentro includes an end-to-end ecommerce platform that comes built-in with an easy-to-use online store builder, inventory management system, and pre-integrated payments and logistics.
- **Electronic Banking Services**
- **Priority Banking**
- **Pre-Need First Union Plans**
- **Real Property Management (UnionBank Investments Corp)**

Corporate Governance

Good Governance Principles

The Bank has established strict laws and policies within the organization to ensure ethical business operations. All employees, management, suppliers, and representatives of the Bank are guided by our principles and norms of behavior. The Bank also undergoes regular self-assessment based on the ASEAN Corporate Governance Scorecard and submits an Integrated Annual Corporate Governance Report (I-ACGR).

UnionBank also aligns itself with the local and international standards for best practices. These include the guidelines provided by the Code of Corporate Governance issued by the Securities

and Exchange Commission, the Bangko Sentral ng Pilipinas Circular No. 969 or the Enhanced Corporate Governance Guidelines for BSP-Supervised Financial Institutions, and the internationally recognized Organization for Economic Cooperation and Development (OECD) principles.

UnionBank Manuals, Government Codes, Governance Evaluation Mechanisms

Revised Manual on Good Corporate Governance, Philippine Financial Reporting Standards 9 (FPRS 9) by the Bangko Sentral ng Pilipinas. Internal Audit investigates in aid of administrative or criminal proceedings, and External Audit checks on whether financial statements are fairly presented in accordance with financial reporting standards.

UnionBank Manuals	Government Codes	Governance Evaluation Mechanisms
Revised Manual on Good Corporate Governance	Philippine Financial Reporting Standards 9 (FPRS 9) by the Bangko Sentral ng Pilipinas	Internal Audit - investigates in aid of administrative or criminal proceedings External Audit - checks on whether financial statements are fairly presented in accordance with financial reporting standards
Code of Conduct	Sustainability Reporting Guidelines for Publicly Listed Companies by the Securities and Exchange Commission	Privacy Impact Assessment - manages confidentiality of client information
Ethical Standards and Governance Policies		Information Security, Risk, and Legal Assessments - safeguards and secures customer transactions



SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines
Tel: (632) 8891 0307
Fax: (632) 8819 0872
ey.com/ph

Independent Limited Assurance Report

The Stockholders and Board of Directors
Union Bank of the Philippines
Meralco Avenue corner Onyx Street
Ortigas Center, Pasig City

Scope

We have been engaged by the Union Bank of the Philippines (UBP) to perform a 'limited assurance engagement', as defined by the Philippines Standards on Assurance Engagements (PSAE) 3000 (Revised), *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, to report on UBP's Social Bond Use of Proceeds, as described in the Operational Procedures for International Finance Corporation (IFC) Social Bond Use of Proceeds and in its Sustainable Finance Framework (the "Subject Matter"), as of and for the year ended December 31, 2023.

Criteria applied by UBP

In issuing the Social Bond, UBP applied the International Capital Market Association's (ICMA) Social Bond Principles (SBP) requirements on Use of Proceeds. As a result, the subject matter information may not be suitable for another purpose.

UBP's responsibilities

UBP's management is responsible for selecting the 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, such that it is free from material misstatement, whether due to fraud or error.

SGV's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with PSAE 3000 (Revised), and the terms of reference for this engagement as agreed with UBP on March 04, 2024. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an 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 Professional Regulation Commission and have the required competencies and experience to conduct this assurance engagement.

SGV also applies Philippine Standard on Quality Management 1 (Previously Philippine Standard on Quality Control 1), *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or 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:

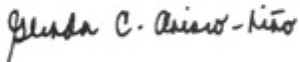
1. Obtained policies and procedures established by UBP related to the issuance of the Social Bond and checked alignment to the requirements of SBP.
2. Checked eligibility of assets for inclusion in UBP's Social Bond against the criteria as described in the Operational Procedures for IFC Social Bond Use of Proceeds and in its SFF.
3. Obtained list of loans granted to Micro, Small and Medium Enterprises (MSMEs) in which proceeds of the Social Bond were allocated and screened against the IFC eligibility criteria.
4. Checked the breakdown of obtained MSMEs loans based on industry, and total amount per loan to ensure compliance with the IFC criteria.
5. Checked the mathematical accuracy of calculations performed within the schedule of MSME loans and obtained evidence as to the mathematical accuracy and completeness of the MSME loans schedule.
6. Performed inquiries and analytical procedures to test if the eligibility criteria were met.

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

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the Subject Matter as of and for the year ended December 31, 2023, in order for it to be in accordance with the Criteria.

SYCIP GORRES VELAYO & CO.


Glenda C Anisco-Niño
Partner

March 13, 2024

TEAM BEHIND THE REPORT

Sustainability Office

Michelle E. Rubio
Chief Human Resources Officer

Angelica Marie J. Ozaeta
CSR and Sustainability Head

Japhet Luistro
CSR and Sustainability Officer

Sustainability Technical Working Group and Sustainability Data Stewards

Data Privacy Office

Branch Channel Management

SME Group

Compliance and Corporate Governance
Office Corporate Planning

Corporate Product Management

Customer Experience Group

Customer Segment Management

Facilities Management

Financial Reporting and Accounting
Standards Human Resource Group

Environmental and Occupational Safety and
Health Information Security Office

Legal Division

Operations Group

Private Banking

Procurement

Resiliency

Risk

Treasury

Editorial, Layout, and Creatives
Ampersand Design Think Lab



For your inquiries, you may reach us at:

14F, UnionBank Plaza Meralco Avenue,
Ortigas Center, Pasig City

sustainability@unionbankph.com