

# 2024

# SUSTAINABILITY

# REPORT



## About This Report

The Union Bank of the Philippines 2024 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, Sustainability Accounting Standards Board (SASB) Commercial Banks Sustainability Accounting Standard

### Approach to GRI:

In accordance

**Reporting Scope:** Parent Bank and subsidiaries CitySavings Bank, Bangko Kabayan, UBX, and Union Digital

### Reporting Period:

January to December 31, 2024

### Reporting Cycle:

Annual

**Previous Report:** UnionBank's 2023 Sustainability Report, "Going Beyond, Going for Gold" published in April 2024.

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 seventh sustainability report was prepared

in accordance with the 2021 edition of the Global Reporting Initiative (GRI) Standards and Sustainability Accounting Standards Board (SASB) Commercial Banks Sustainability Accounting 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](https://unionbankph.com/sustainability/full-report).



ESG

ENVIRONMENT  
SOCIAL  
GOVERNANCE

AI

AI

AI

85%

23-21-18

23-21-18

# 2024 SUSTAINABILITY REPORT

## Sustainability at UnionBank: Next-Gen Thinking. Long-Term Value.

At UnionBank, sustainability is a core business strategy. It shapes how we manage risk, allocate capital, design products, and define success. It's how we build long-term value for our stakeholders, communities, and the planet.

Sustainability is also a foundation of our Next-Gen Strategy. As we lead digital transformation in banking, we recognize that innovation must be responsible. Sustainability guides how we improve operational efficiency, make future-focused investments, and ensure our growth is inclusive, resilient, and in sync with societal and environmental needs.

Being a Next-Gen bank is not just about offering smart, seamless digital experiences. It's about building a future-ready ecosystem—one that balances innovation with long-term responsibility. As we segment our customer base and refine our services,

we stay mindful that not all users transition to digital at the same pace. Our goal is to meet people where they are while giving them the tools to thrive in a changing world.

To truly lead the next generation of banking, we must design with the future in mind. That means embedding sustainability into every layer of our business—from resource use and financing decisions to how we engage customers, empower communities, and grow with integrity.

### Sustainability Policy 3-3, 2-23, 2-24

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 improve and promote cooperation continuously.
- 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.

Our Sustainability Policy provides clear direction for making responsible decisions across operations, products, and relationships. It sets shared standards for all employees, ensuring we consistently consider

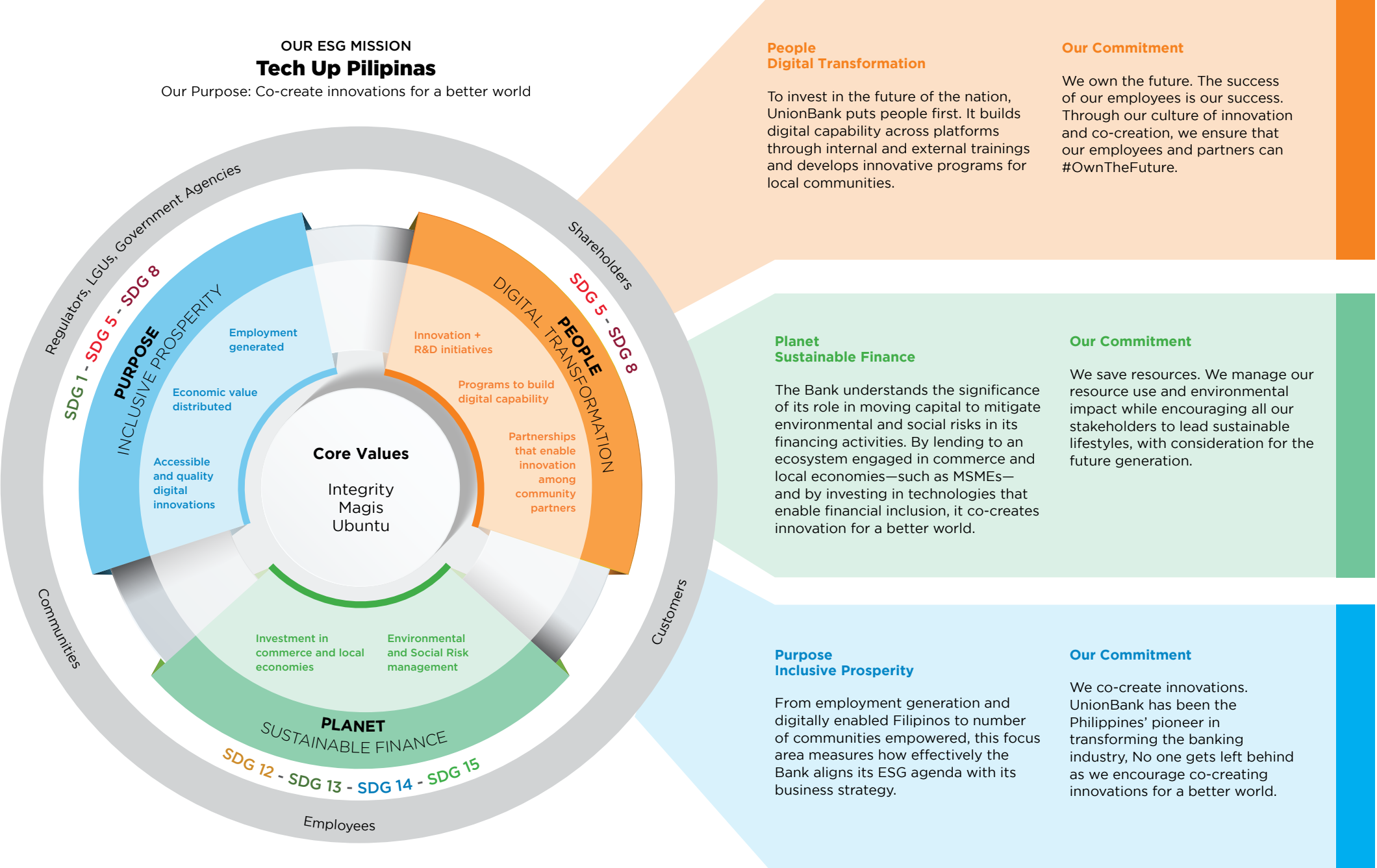
environmental, social, and governance (ESG) impacts in our day-to-day work.

In practice, this means:

- Integrating ESG screening into our credit risk assessment to mitigate exposure and provide risk control mechanisms for activities tagged with high environmental and social (E&S) risks
- Digitizing financial services to expand access for underserved communities, including MSMEs and remote areas.
- Reducing our operational footprint through cloud-based infrastructure, energy efficiency in branches, and waste reduction programs.
- Engaging employees through learning sessions on responsible banking, ethics, and inclusive practices.
- Conducting regular stakeholder consultations to inform policies, product development, and community initiatives.



Sustainability Framework: Connecting Ambition to Action



## 2024 SUSTAINABILITY REPORT



Our Sustainability Framework provides structure and clarity. It translates big-picture goals—like climate action, social equity, and good governance—into policies, targets, and decision-making tools.

Our framework helps us focus on what matters, align with stakeholder expectations, and integrate environmental, social, and governance (ESG) factors into core strategy and operations.

In practical terms, this means:

- Embedding ESG criteria into risk management, lending, and investment decisions
- Aligning digital innovation with inclusive finance and responsible AI use
- Setting targets for operational sustainability, including energy use and emissions
- Driving internal accountability through cross-functional ESG governance
- Linking business unit goals to material sustainability issues

### Stakeholder Engagement: Inputs that Matter

2-25, 2-26

We place a high value on stakeholder input, recognizing it as essential to credible and actionable sustainability reporting.

Throughout 2024, we engaged with key stakeholder groups—customers, employees, investors, regulators, and communities—to better understand their concerns, expectations, and evolving priorities.

This feedback loop informs our policies, operations, and sustainability focus areas. To keep the dialogue open and timely, we use in-person and digital channels, including surveys, virtual forums, and customer service platforms.

| Stakeholder Group                                                                                                                  | Top Concern                                                                                                | Material Topic                                                                                                                                                                                                                                                                                | Engagement Channels                                                                                                                                                                                                                                        | Frequency of Engagement                                                                                                                     | UnionBank Response                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Customers</b><br>                              | Access to customer service, product-related inquiries                                                      | <ul style="list-style-type: none"> <li>Usability and Accessibility</li> <li>Customer Experience</li> <li>Data Privacy and Integrity</li> <li>Cybersecurity and Resilience</li> <li>Information Security</li> <li>Innovation</li> <li>Digital Inclusion</li> <li>Digital Capability</li> </ul> | <ul style="list-style-type: none"> <li>Online channels (Facebook, e-mail, X [formerly Twitter], Instagram, LinkedIn, Glassdoor, corporate pages)</li> <li>Customer service hotline</li> <li>Consumer complaints are reported at the Board level</li> </ul> | Daily                                                                                                                                       | <ul style="list-style-type: none"> <li>24-hour customer support center handles product inquiries, relationship management, and customer care</li> <li>Rafa, a 24/7 customer service chatbot, is accessible through Facebook messenger</li> <li>Through our Net Promoter Score (NPS) program, the Bank surveyed more than 901,200 customers with 6,877 respondents and 3,398 promoters.</li> </ul>                                                                                                        |
| <b>Employees</b><br>                              | Health and medical benefits, loans, and government-mandated benefits; inclusive health and safety coverage | <ul style="list-style-type: none"> <li>Labor Standards and Human Rights</li> <li>Employee Experience</li> <li>Employment</li> <li>Total Well-being</li> <li>Employee Volunteerism</li> <li>Diversity and Inclusion</li> </ul>                                                                 | HR Helpdesk                                                                                                                                                                                                                                                | <ul style="list-style-type: none"> <li>Daily (Human Resource Services)</li> <li>Every two weeks (Employee Relations Initiatives)</li> </ul> | <ul style="list-style-type: none"> <li>Health and medical assistance (beyond PhilHealth) for employees</li> <li>Safety audits, emergency response training</li> <li>In-house clinics and accredited hospitals</li> <li>Health and mental wellness programs, annual physical exams</li> <li>Health management policies (including flu, tuberculosis, hepatitis A and B)</li> <li>Diversity, Equity, and Inclusion network (UMatter), DEI Summit with SOGIE 101 and related awareness workshops</li> </ul> |
| <b>Communities</b><br>                           | Relevant and continuing community development projects                                                     | <ul style="list-style-type: none"> <li>Business Ethics</li> <li>Labor Standards and Human Rights</li> <li>Diversity and Inclusion</li> <li>Local Enterprise and Workforce Development</li> <li>Community Engagement</li> <li>Employee Volunteerism</li> </ul>                                 | <ul style="list-style-type: none"> <li>Assigned account managers per area</li> <li>Website</li> </ul>                                                                                                                                                      | Immediate feedback (e.g., after a Go Beyond Communities activity is completed)                                                              | <ul style="list-style-type: none"> <li>GoBeyond Communities</li> <li>UBPXcellerator</li> <li>SSS UMID, Pag-IBIG, GlobalLinker</li> </ul>                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Regulators, LGUs Government Agencies</b><br> | Labor issues, occupational health, and safety                                                              | <ul style="list-style-type: none"> <li>Risk Management</li> <li>Sustainable Finance</li> <li>Climate Change Issues</li> <li>Risk Management for Sustainability Management</li> <li>Environmental Compliance</li> <li>Socioeconomic Compliance</li> </ul>                                      | Reportorial submissions                                                                                                                                                                                                                                    | Annual, or as needed                                                                                                                        | <ul style="list-style-type: none"> <li>Sustainability Report</li> <li>Self-Monitoring Report (for Department of Environment and Natural Resources)</li> <li>Department of Labor and Employment (DOLE) workplace inspections</li> </ul>                                                                                                                                                                                                                                                                   |
| <b>Shareholders</b><br>                         | Risk mitigation and effectiveness of approach                                                              | <ul style="list-style-type: none"> <li>Business Ethics</li> <li>Financial Performance</li> <li>Indirect Economic Performance</li> </ul>                                                                                                                                                       | <ul style="list-style-type: none"> <li>Board and Committee Meetings</li> <li>Financial results briefings</li> </ul>                                                                                                                                        | <ul style="list-style-type: none"> <li>Annual (stockholders' meeting)</li> <li>Quarterly (financial results briefings)</li> </ul>           | <ul style="list-style-type: none"> <li>Investor Relations briefs</li> <li>Sustainability Report</li> <li>Corporate Website (including the sustainability microsite)</li> </ul>                                                                                                                                                                                                                                                                                                                           |

# 2024 SUSTAINABILITY REPORT

## Scope and Materiality: Issues that Matter

Our sustainability reporting is informed by ongoing stakeholder engagement and guided by a focused, forward-looking approach that identifies what truly matters—topics that influence long-term strategy, enterprise risk, and value creation.

This report covers UnionBank’s sustainability performance, with relevant data from CitySavings, Bangko Kabayan, UnionDigital, and UBX. It follows the GRI Reporting Principles and emphasizes stakeholder inclusiveness, materiality, and sustainability context.

The CSR and Sustainability Unit coordinates the reporting process with a cross-functional Technical Working Group (TWG). This group includes representatives from risk, compliance, corporate governance, treasury, operations, private banking, IT, facilities, and business services. Together, the team contributes data, flags emerging risks and opportunities, and helps determine which topics to prioritize—guided by stakeholder input and aligned with the Bank’s strategic direction.

Sustainability reporting is a live process, not a static output. Every report begins with internal monitoring across departments, paired with stakeholder engagement to surface issues with material impact. The process doesn’t end with publication. Each report feeds into the next, helping us refine priorities, track progress more effectively, and evolve our disclosures in step with shifting expectations and risks.

### PEOPLE Digital Transformation

- 1. Usability and Accessibility
- 2. Customer Experience
- 3. Data Privacy and Integrity
- 4. Cybersecurity and Resilience
- 5. Information Security
- 6. Innovation
- 7. Digital Inclusion
- 8. Digital Capability



### PLANET Sustainable Finance

- 9. Risk Management
- 10. Climate Change Issues
- 11. Sustainable Finance
- 12. Risk Management for Sustainability Management



### PURPOSE Inclusive Prosperity

- 13. Business Ethics
- 14. Financial Performance
- 15. Labor Standards and Human Rights
- 16. Environmental Compliance
- 17. Socioeconomic Compliance
- 18. Employee Experience
- 19. Employment
- 20. Total Well-being (Compensation and Benefits)
- 21. Employee Volunteerism
- 22. Community Engagement
- 23. Indirect Economic Performance
- 24. Local Enterprise and Workforce Development
- 25. Diversity and Inclusion
- 26. Anti-Corruption Practices
- 27. Procurement Practices



### STAKEHOLDERS

Regulators, LGUs, Government Agencies, Shareholders, Customers, Employees, Communities

## Environmental and Social Risk Management: Next-Gen Resilience

3-3, 2-24

### Overview of UnionBank's Environmental and Social Management Risk System (ESMRS)

We recognize that environmental and social (E&S) risks—whether arising from our operations or our clients—can materially affect credit exposure and business continuity. In response, we've strengthened our risk management approach to ensure resilience, regulatory compliance, and sustainable value creation.

Guided by regulatory standards and a next-generation mindset, our Environmental and Social Risk Management System (ESRMS) is designed to protect stakeholder interests, manage evolving threats, and enable inclusive, long-term growth.

Our ESRMS Framework is grounded in our sustainability philosophy and complies with BSP Circulars 1085 and 1128, as well as Memo 2022-042. In line with these expectations, we've adopted a sector- and geography-specific risk approach to better identify and assess both direct and indirect E&S risks—particularly those that may affect client creditworthiness and, by extension, our financial exposure.



## Credit Risk

### Threats:

Earthquakes, flooding, and compliance with environmental laws.

### Description:

The top three emerging risks based on E&S due diligence done on existing clients are earthquakes, flooding, and compliance to environmental laws.

These risks were identified using residual risk scores, specifically those classified as having both medium to high severity and vulnerability.

Severity refers to the potential magnitude and frequency of a risk assessed within each client's sectoral and geographic context. Vulnerability measures how effectively a client can manage or mitigate those risks based on the strength of existing controls and safeguards.



## Operational Risk

### Threats:

Epidemic or pandemic, typhoon, earthquake, flooding, fire, IT failure, network failure, power outage, cyberattacks, data loss

### Description:

The top existing threats are based on the Threats and Hazards Impact Assessment (THIA).

THIA is a tool used by the Bank's business units to assess the potential impact of threats and hazards specific to their operations

These identified threats represent risks that could disrupt business continuity. The list was further refined through consultations with the Occupational Safety and Health Division (OSHD) and the CSR and Sustainability Unit.

# 2024 SUSTAINABILITY REPORT

## Implementation and Progress of E&S Risk Management Initiatives

We continue to strengthen our ESRMS through enhanced implementation across key risk areas. The following updates outline our progress in embedding ESG considerations into operational and credit risk processes.

### Operational Risk Management

We integrate environmental, social, and governance (ESG) factors into the Bank's operational risk review process. Our risk teams identify, assess, monitor, control, and mitigate threats across business units.

The Operational Risk Management (ORM) Framework and Manual guide the use of core tools—Risk and Control Self-Assessment (RCSA), Key Risk Indicators (KRIs), incident reports, and issue management—to drive ESG compliance.

The ORM successfully included general risk statements related to ESG compliance in the RCSA for the impacted units. Additionally, the current institutional KRIs for ESG require modification to align with BSP Circular 1149. Lastly, ESG factors have been integrated into the Risk Events in GRC to address any incidents or issues that may arise.

### Credit Risk

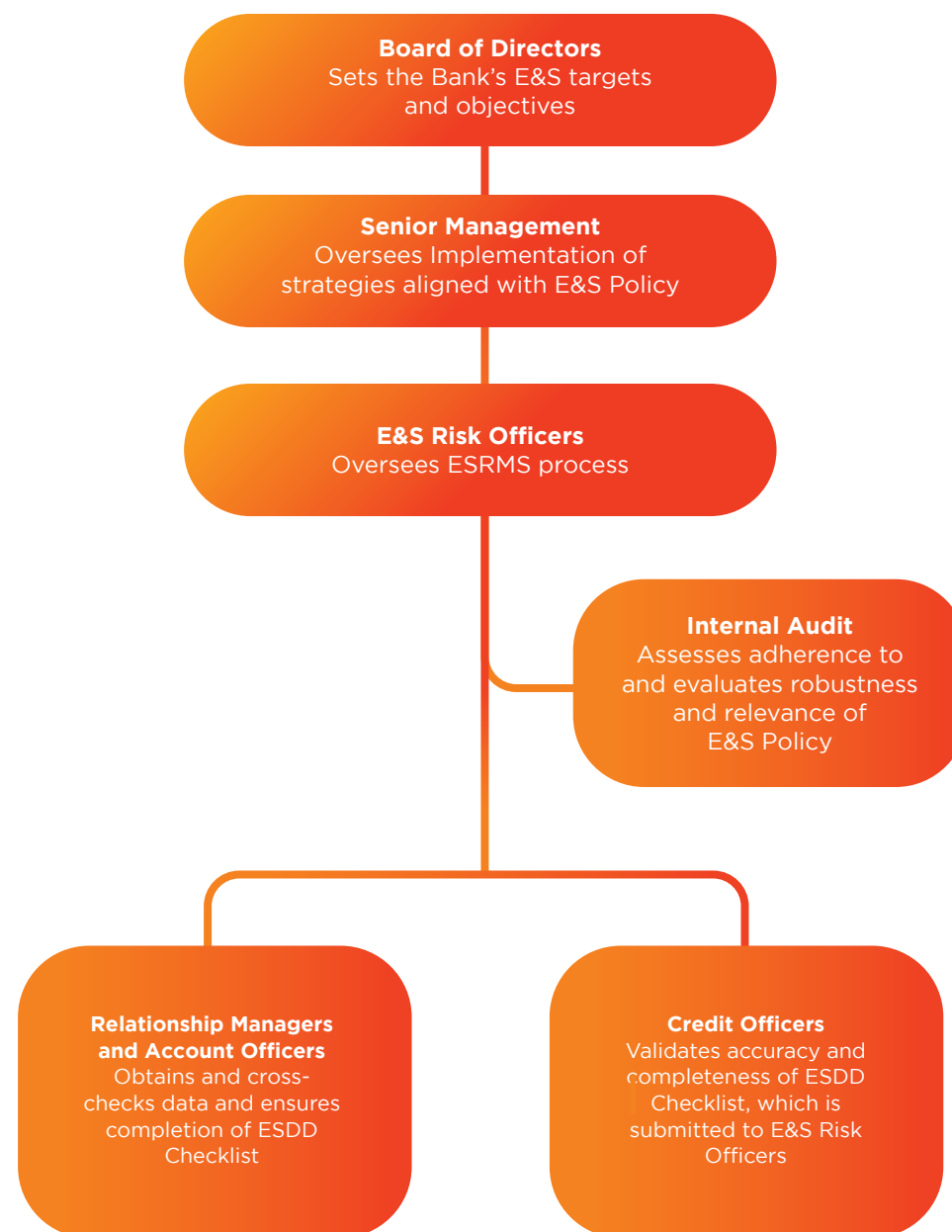
We apply ESG risk screening in our wholesale credit process to strengthen resilience and ensure responsible lending. By incorporating environmental and social (E&S) factors into credit assessment, we proactively manage risks that may affect clients' financial health and the Bank's exposure.

Clients are required to submit an Environmental and Social Due Diligence (ESDD) tool as part of their documentation. We treat non-submission as a documentary deficiency, flagged under the Credit and Operations Risk Control guidelines. These assessments identify risks within client operations—such as exposure to climate hazards or non-compliance with environmental laws—and recommend time-bound actions to bridge gaps or reduce risk.

Our E&S Risk Officers monitor these action plans and report progress to the Risk Management Committee every quarter. Since we enhanced our E&S Risk Management Policy in March 2023, we've consistently rolled out E&S due diligence tools and scorecards across our wholesale lending portfolio.

To strengthen resilience and long-term value creation, we've also begun integrating E&S risk stress-testing into our Internal Capital Adequacy Assessment Process (ICAAP). This measure ensures that sustainability-related exposures are factored into capital planning and are managed as part of the Bank's broader risk appetite.

## ESRMS Process



## Breakdown of E&S Risk Exposures of the Bank per Industry

FN-CB-410a.2

Our Environmental and Social (E&S) review identifies the Bank's top industry exposures based on outstanding balances. As of 2024, the highest exposures are concentrated in the real estate, gaming and leisure, and telecommunications sectors.

| INDUSTRY                       | O/S in PHP Millions | % O/S       |
|--------------------------------|---------------------|-------------|
| Real Estate                    | 30,403.00           | 21.00%      |
| Gaming and Leisure             | 29,664.50           | 20.50%      |
| Telecommunications             | 18,640.00           | 12.90%      |
| Energy*                        | 18,425.30           | 12.70%      |
| Water Services                 | 10,266.40           | 7.10%       |
| Roads and Bridges              | 9,648.50            | 6.70%       |
| Manufacturing                  | 9,213.30            | 6.40%       |
| Transportation and Storage     | 4,519.30            | 3.10%       |
| Wholesale and Retail Trade     | 3,861.40            | 2.70%       |
| Financing/Insurance Activities | 3,385.70            | 2.30%       |
| Mining                         | 2,726.20            | 1.90%       |
| Construction                   | 1,711.50            | 1.20%       |
| Information and Technology     | 699.5               | 0.50%       |
| Medical Services               | 432.9               | 0.30%       |
| Education                      | 408.8               | 0.30%       |
| Restaurant                     | 354                 | 0.20%       |
| Fishing and aquaculture        | 177.4               | 0.10%       |
| Shipyard                       | 25                  | 0.00%       |
| Memorial Services              | 10                  | 0.00%       |
| Hotel Operations               | -                   | 0.00%       |
| <b>TOTALS</b>                  | <b>144,572.70</b>   | <b>100%</b> |

\*26.97% of Outstanding Balance (OS Bal) under the energy industry is comprised of renewable energy

## Sustainable Finance Taxonomy Disclosure

In line with BSP Circular 1187—the Philippine Sustainable Finance Taxonomy Guidelines (SFTG)—we have started surveying our wholesale loan portfolio to identify borrowers whose activities align with SFTG criteria and may qualify for future green financing incentives.

As of December 2024, we have reviewed 42.5% of our wholesale loan portfolio and classified these as either Green or Amber under the BSP's Sustainable Finance Taxonomy. The remaining 57.5% are accounts that either fall outside the Taxonomy's covered sectors or do not meet its criteria. Less than 3% of the portfolio still needs to be reviewed, showing that the Bank is close to completing the assessment

| Classification | O/S Bal (in PHP Millions) | % O/S        | Count     | % Count      |
|----------------|---------------------------|--------------|-----------|--------------|
| Green          | 69,660.37                 | 35.5%        | 81        | 9.6%         |
| Amber          | 13,613.92                 | 6.9%         | 13        | 1.5%         |
| <b>TOTAL</b>   | <b>83,274.29</b>          | <b>42.5%</b> | <b>94</b> | <b>11.1%</b> |

## Existing and emerging E&S risks and their impact on the Bank

We continue to sharpen our understanding of environmental and social (E&S) risks through structured assessments that account for both current and future exposures.

Currently, we integrate environmental, social, and governance (ESG) factors into our Threats and Hazards Impact Assessment (THIA) to identify, evaluate, and prioritize risks that could affect our Business Units, Branches, and Cash Centers.

The THIA process includes:

- Identifying threats and hazards that may disrupt operations
- Assessing the frequency or likelihood of each risk
- Evaluating the impact on business units if these risks materialize

Through this process, the Bank ensures that each critical threat or hazard has a documented response plan aligned with and supports our Business Continuity Management System (BCMS) objectives.

In addition to these operational risks, we assess credit-related E&S exposures based on residual risk scoring. Key emerging risks affecting our wholesale credit portfolio include extreme weather events such as flooding and earthquakes, which can weaken a borrower's financial health and increase the probability of loan defaults, and regulatory non-compliance, especially with environmental laws, which can impact both asset quality and the Bank's reputation.

We also see a growing need to manage transition risks. These include new sustainability regulations, pressure from climate-aligned investor expectations, and shifts in market demand toward green finance.

# 2024 SUSTAINABILITY REPORT

## Types of Emerging E&S Risks

To contextualize the Bank’s exposure to emerging risks, we mapped them across four main categories—Credit, Operational, Reputational, and Market Risk—as shown below:



### Credit Risk

**Physical Risk:**  
Extreme weather events such as flooding and earthquakes can impact a borrower’s financial health, leading to increased loan defaults and a decline in asset quality.

**Transition Risk:**  
Certain borrowers may struggle with compliance with environmental laws, resulting in potential loan defaults and a decline in asset value brought by stricter ESG regulations and policy changes.



### Operational Risk

**Physical Risk:**  
Climate-related risks can threaten the Bank’s operations by disrupting business activities, damaging critical infrastructure, and compromising employee safety across branches, data centers, and supply chains.

**Transition Risk:**  
Compliance with sustainability regulations often requires additional investments in carbon reduction initiatives, ESG audits, and reporting measures.



### Reputational Risk

**Physical Risk:**  
Public criticism may arise from insufficient support for disaster-affected communities or from minimal investments in environmentally vulnerable or high-risk areas.

**Transition Risk:**  
Continued financing of high-carbon industries may trigger negative public perception, especially amid increasingly strict climate policies.



### Market Risk

**Physical Risk:**  
Climate-related damage, such as environmental hazards affecting properties, can lead to declining asset values.

**Transition Risk:**  
Growing demand for green finance and sustainability-linked investments from clients, investors, and stakeholders is reshaping market expectations.

We will launch the next THIA cycle in April 2025, with enterprise-wide completion targeted for November 2025. The results will further inform our ESG integration roadmap and provide more actionable insights for business units, especially as climate-related risks and sustainability expectations evolve.

## Governance Structure

### Sustainability Governance

2-9, 2-13, 2-14, 2-18

We follow international governance standards to promote transparency, integrity, and inclusivity across our operations. Our Chairman and CEO lead by example, reinforcing our commitment to our Sustainability Policy. Oversight of sustainability matters rests with our Board Committee on Corporate Governance.

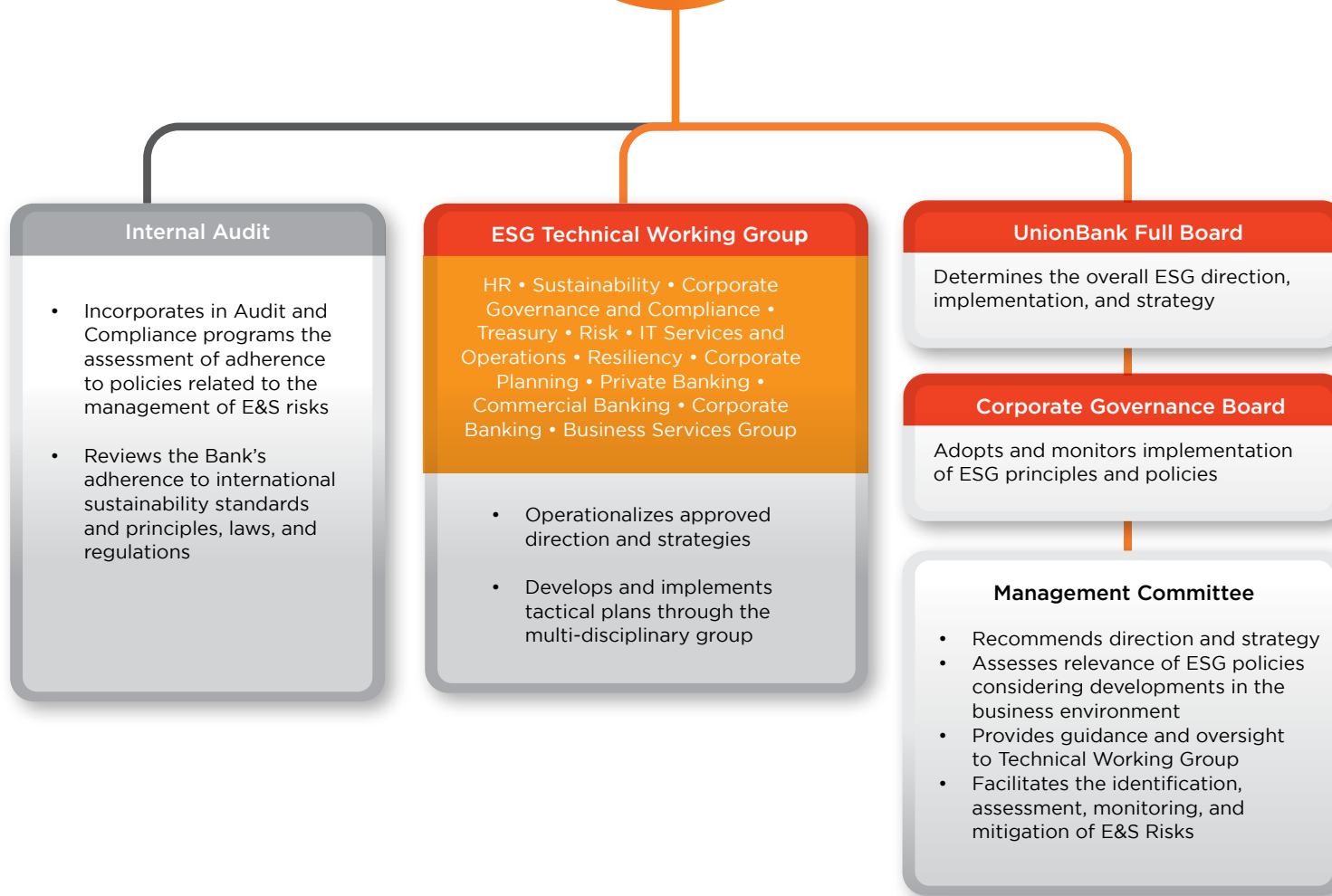
Our ESG Technical Working Group monitors and manages UnionBank's sustainability-related risks and opportunities. Its members represent the following units:

- CSR and Sustainability
- Corporate Governance and Compliance
- Treasury
- Risk
- Resiliency
- Corporate Banking
- Commercial Banking
- Private Banking
- Business Services Group

We implement the following policies to oversee sustainability matters and enhance ESG performance:

- Sustainability Policy
- Wholesale Credit Risk Policy
- Operational Risk Management System Manual
- Third Party Due Diligence Form
- Business Continuity Management System Manual
- Code of Conduct
- Investment Policy Guidelines

Our CSR and Sustainability Unit, previously under the Human Resources Group, now operates under the Enterprise Risk Management (ERM) Group. This governance refinement reflects a deeper integration of sustainability into enterprise strategy and risk oversight, aligning with global best practices. By housing the unit within ERM, we recognize sustainability not just as a values-driven commitment but as a material business risk and opportunity. The team tracks programs and reports to the ESG Technical Working Group and Management Committee, ensuring ESG factors are considered in both enterprise-level decisions and day-to-day operations.



# 2024 SUSTAINABILITY REPORT

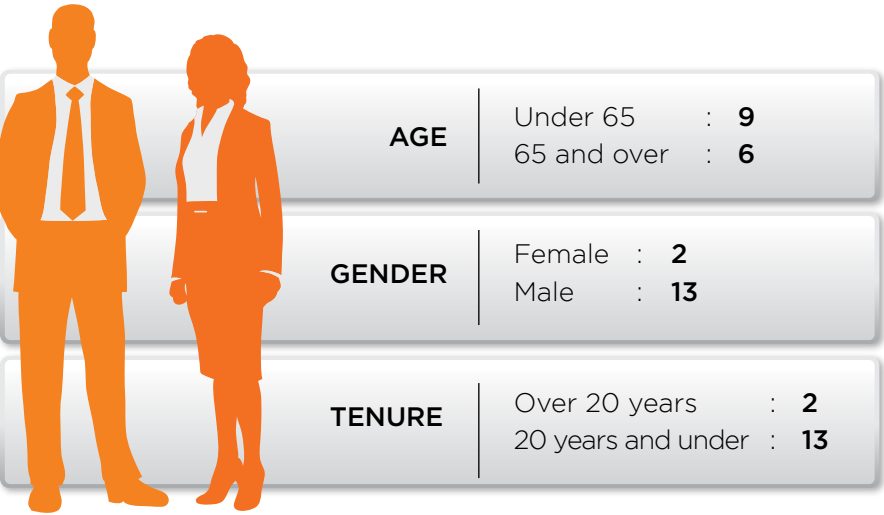
## Board Diversity

3-3, 406-1

UnionBank values board diversity and promotes it through a non-discrimination policy based on age, gender, religion, socio-political affiliation, or status.

The Bank follows governance guidelines prioritizing a balanced mix of age, expertise, and knowledge to ensure a well-rounded and effective Board. Each year, we review and uphold this policy to maintain alignment with the fit and proper standards set by the Bangko Sentral ng Pilipinas (BSP) and the Securities and Exchange Commission (SEC).

## Board Demographics



## Codes of Conduct

2-27

UnionBank’s Whistleblower Policy empowers individuals to report malpractice and ensures full protection for whistleblowers. We treat all concerns seriously, handle them with appropriate action, and maintain the highest level of confidentiality.

Reportable incidents include unlawful activity, fraud, corruption, and violations of Bank policies, agreements, or the Code of Conduct.

“We maintain a dedicated hotline to ensure anonymity and confidentiality. An independent investigating body evaluates each report and, when necessary, escalates it to the Discipline Committee for appropriate resolution.”

2024: 100%

Percentage of regular and seconded employees in UnionBank and its subsidiaries covered by the Code of Conduct, with written acknowledgment and completed training

2024: 100%

Percentage of contractors, suppliers, and service providers covered by and with written acknowledgment of the Whistleblowing Policy (as part of the bidding process)

## Supply Chain Development

### Responsible Supply Chain Management: Managing Risk, Ensuring Resilience

204-1

We treat our supply chain as an extension of our business and values. That means holding third-party service providers (TPSPs) to the same high standards of performance, regulatory compliance, and sustainability that guide our internal operations.

To manage supply chain risk and ensure operational continuity, we conduct due diligence before engaging with any third-party vendor. Every TPSP undergoes performance monitoring, site inspections, legal compliance reviews, and periodic reaccreditation. This process is especially rigorous for IT-related services, which require additional layers of scrutiny, including vulnerability assessments, penetration testing, and remediation protocols before onboarding.

In 2023, we enhanced our outsourcing process by embedding a sustainability assessment aligned with BSP Circular 1128. In 2024, we took it further by integrating Environmental and Social Risk Management (ESRM) criteria—ensuring our partners can manage disruptions, sustain service delivery, and support UnionBank’s long-term sustainability objectives. This shift makes ESG performance a core requirement across our partner ecosystem.

We also test the business continuity plans (BCP) of all critical service providers. Such evaluations help us prepare for service disruptions and protect customer experience. Every TPSP contract includes performance metrics and privacy and confidentiality clauses aligned with the Data Privacy Act and applicable laws.

### Procurement Practices

We build relationships the same way we build our business—locally and responsibly. Across UnionBank, we prioritize local enterprises and invest in homegrown supply chains. We work with vendors that uphold our standards and contribute to our shared growth.

CitySavings and Bangko Kabayan follow the same philosophy. Their branches are community-centered by design, promoting financial inclusion and directly supporting neighborhood suppliers.

Each year, Bangko Kabayan conducts performance reviews of its vendors using a standardized monitoring tool. The review covers reputation, timeliness and responsiveness, quality of services or products, and compliance with government regulatory requirements.

**Supplier Corrective and Preventive Action Report (SCPAR)**  
 3-3, 308-1, 308-2, 414-1, 414-2

We hold our suppliers and outsourced service providers (OSPs) to high standards of performance and accountability. When service gaps or issues arise, we activate the Supplier Corrective and Preventive Action Report (SCPAR) process to ensure swift, structured resolution.

Requesting units issue an SCPAR for incidents such as:

- Customer complaints
- Breaches of Service Level Agreements (SLA)
- Repeated service issues of a similar nature within a six-month period

Suppliers are required to submit corrective and preventive actions, which the requesting unit evaluates for adequacy and effectiveness. If controls are in place and working, the incident is closed. If not, further improvements are required.

Our General Services (GS) team monitors SCPAR progress and provides regular updates to ensure supplier issues are resolved and performance is continuously improved.

| Required Disclosure                                                                  | Input | Reference                                                     |
|--------------------------------------------------------------------------------------|-------|---------------------------------------------------------------|
| Proportion of spending on local suppliers (% of total)                               | 60%   | Percentage of total payments made to local suppliers in 2024. |
| New suppliers screened using an environmental criterion (quantity)                   | 23    | OSP/IT Due Diligence Review for the year 2024                 |
| Negative environmental impacts identified in the supply chain and actions (quantity) | 0     |                                                               |
| New suppliers screened using a social criterion (quantity)                           | 23    | OSP/IT Due Diligence Review for the year 2024                 |
| Negative social impacts identified in the supply chain and actions (quantity)        | 0     |                                                               |

*\*Pertains to UnionBank (parent) only.*

**Risk, Opportunities, Stakeholders**



**Stakeholders**

|                   |                    |
|-------------------|--------------------|
| Employees         | Suppliers          |
| Customers         | Stockholders       |
| Business partners | Board of Directors |



**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.

# 2024 SUSTAINABILITY REPORT

## Anti-Corruption

3-3, 205-1, 205-2, 205-3

We conduct business with integrity and maintain a strict zero-tolerance policy toward bribery, fraud, and corruption.

To safeguard our operations and reputation, we comply with all applicable anti-bribery and corruption laws in the Philippines. Our governance framework includes key policies such as the Whistleblowing Policy, Fair Securities Dealing Policy, and Anti-Money Laundering (AML) Policy, which help detect, deter, and mitigate unethical practices.

The Board of Directors oversees the Bank’s Anti-Bribery and Corruption Compliance Program and ensures it is enforced across all levels. This includes clear prohibitions on soliciting or accepting gifts, entertainment, or personal benefits, along with controls on ethical vendor management and whistleblower protection.

In alignment with the Bangko Sentral ng Pilipinas’ expectations and our fiduciary duty as a bank, UnionBank emphasizes extraordinary care in all transactions, ensuring no hint of impropriety. We instill this standard in both our employees and our external partners. Business partners are encouraged to exercise restraint in offering gifts to UnionBankers—permitted only for nominal, company-branded items—and to immediately report any solicitation or misconduct violating the Bank’s anti-corruption policies.

Suppliers and service providers must also adhere to relevant provisions of UnionBank’s Code of Conduct. We do not use our position as a client to impose unfair conditions or breach contracts in bad faith. Purchasing decisions are based on objective criteria such as reliability, integrity, and long-term relationship value. As a general rule, UnionBank employees are prohibited from accepting gifts, services, or favors of any value from vendors.

In 2024, UnionBank ensured that 100% of employees, management, Directors, and business partners received information and training on anti-corruption policies and procedures consistent with updated SEC standards. There were no monetary losses from legal proceedings related to corruption or financial misconduct, and the Bank recorded zero dismissals or contract terminations due to corruption-related offenses.

Any reports of bribery or corruption are subject to thorough investigation. Disciplinary action—including administrative measures, termination of contracts, or legal proceedings—is taken as warranted under the Bank’s Code of Conduct and related governance policies.

| Required Disclosure                                                                                                                                                             | 2024                                                                                                                                                                                                                                        |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Total Percentage of employees, management, and Directors who received information and training on anti-corruption policies and procedures                                       | 100%                                                                                                                                                                                                                                        |
| Total monetary losses from legal proceedings related to fraud, insider trading, antitrust, anticompetitive behavior market manipulation, or other financial industry violations | None                                                                                                                                                                                                                                        |
| Number of Incidents for dismissal of employees or Directors due to corruption                                                                                                   | 0                                                                                                                                                                                                                                           |
| Number of Incidents of contract termination due to corruption                                                                                                                   | 0                                                                                                                                                                                                                                           |
| Actions taken and Management Approach for reported Incidents                                                                                                                    | The Bank will investigate all reports of alleged bribery or corruption thoroughly and take appropriate action, which may include administrative measures in line with the Bank’s Code of Conduct, termination of contract, or legal action. |

## Risk, Opportunities, Stakeholders



### Stakeholders

|              |                     |
|--------------|---------------------|
| Suppliers    | Investors           |
| Customers    | Regulators          |
| Shareholders | Government Agencies |
|              | Local Communities   |



### 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

## Environmental, Social and Governance (ESG) Highlights/Tech Up Pilipinas

UnionBank advances sustainability by designing digital solutions that deliver real-world impact. Our tech-enabled strategy goes beyond traditional banking models—connecting with underbanked, rural, and next-generation markets to foster inclusion, resilience, and economic empowerment.

Tech Up Pilipinas, our sustainability framework designed to power long-term value across People, Planet, and Purpose is at the heart of this approach. It advances progress through three core commitments: Inclusive Prosperity, Digital Transformation, and Sustainable Finance.

(For a detailed discussion of our Sustainability Framework, please see pages 134.)

As customer expectations shift toward speed, personalization, and always-on service, Tech Up Pilipinas positions UnionBank to lead. It aligns with our NextGen Strategy, where we combine advanced technology, data-driven delivery, and a human touch to redefine the banking experience.

## Transition Plan Progress: UB's Sustainable Finance Framework (SFF)

UnionBank's sustainability strategy is fully aligned with national priorities and regulatory expectations. In compliance with Bangko Sentral ng Pilipinas (BSP) Circular No. 1085, we continue to integrate sustainability principles into our governance structures, risk frameworks, and strategic objectives.

Issued on April 29, 2020, the BSP's Sustainable Finance Framework requires all banks to embed environmental, social, and governance (ESG) factors into their operations in a manner appropriate to their size, risk profile, and complexity. It also mandates the development of board-approved transition plans that define how sustainability will be systematically adopted across the institution.

Banks were given a three-year window to operationalize this shift. During that time, they were expected to prepare clear, time-bound strategies to align with the framework's requirements. These transition plans must be submitted to the BSP upon request, starting six months after the circular's effectivity.

# 2024 SUSTAINABILITY REPORT

The diagram below outlines the BSP's requirements:



In direct response to BSP Circular 1085, UnionBank established its Environmental, Social, and Governance (ESG) Technical Working Group (TWG) in May 2020 to guide the development and implementation of its transition plan.

The TWG is a cross-functional team that drives UnionBank's sustainability strategy through dedicated workstreams. Meeting quarterly, the group aligns ESG initiatives with business objectives and ensures integration across operations, risk management, and governance. It also facilitates internal learning sessions to build ESG literacy and stay ahead of regulatory developments and emerging best practices.

TWG members represent key departments including Risk, Finance, Strategy, Operations, Sustainability, and Corporate Social Responsibility.

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



Through the TWG, UnionBank formally launched its Sustainable Finance Framework (SFF) in 2021. The SFF guided our approach to financing projects that create measurable environmental and social value. The SFF was independently reviewed by Sustainability, which issued a Second-Party Opinion (SPO) confirming alignment with global sustainability principles and standards.

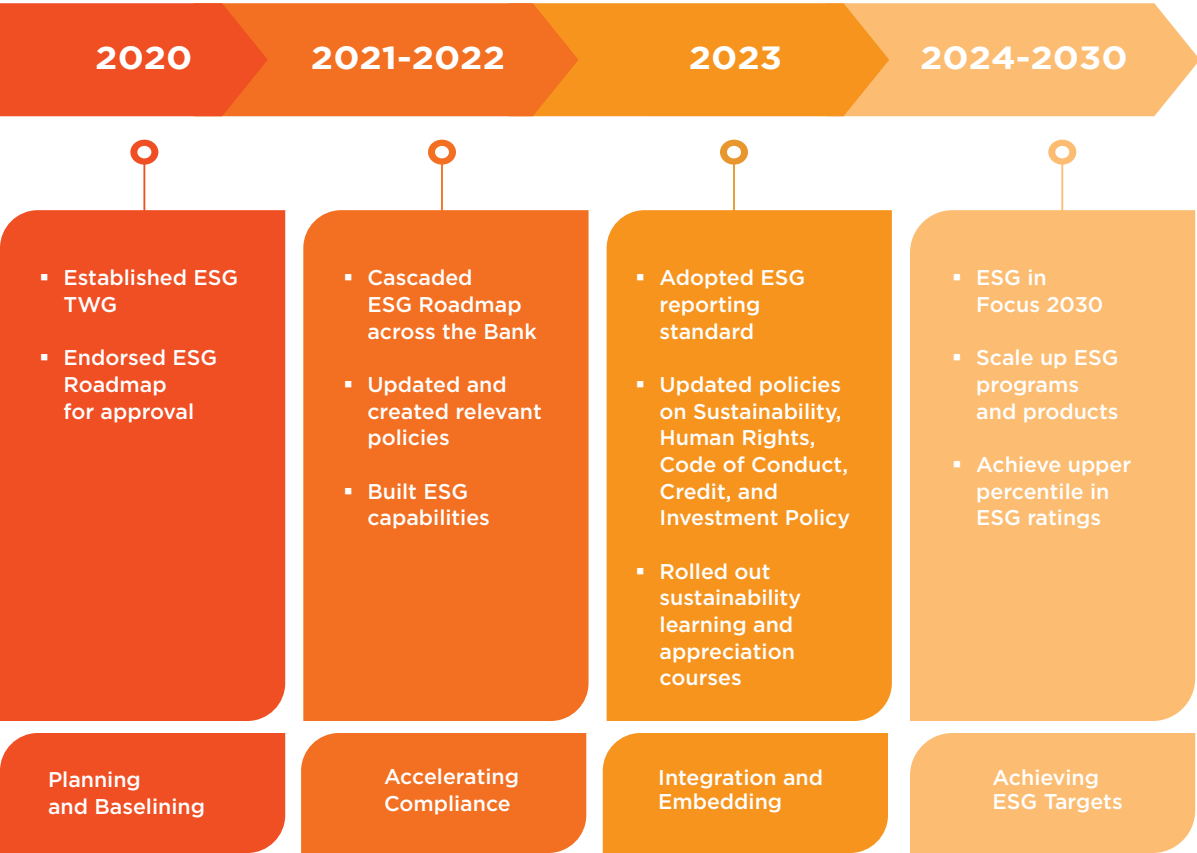
That same year, UnionBank issued its first social bond under the SFF, backed by a seven-year USD 150 million (PHP 7.55 billion) investment from the International Finance Corporation (IFC). Proceeds from the bond were allocated exclusively to qualified micro, small, and medium enterprise (MSME) loans, which were screened against IFC's eligibility criteria and exclusion list.

By August 31, 2021, the Social Bond was 100.26% allocated, with total MSME loans reaching PHP 7.57 billion. As of December 31, 2021, the Bank's Use of Proceeds Registry recorded an allocation of PHP 7.793 billion, representing 103.225% of the gross proceeds.

In 2023, UnionBank revised its Sustainable Finance Framework to further strengthen our sustainable financing strategy and reflect our maturing commitment to best-in-class ESG practices. Following the update, Sustainalytics issued a new SPO, reaffirming the SFF's alignment with the Green Bond Principles and Social Bond Principles and reinforcing the Bank's credibility as a sustainable issuer.

### ESG Roadmap

UnionBank achieved the milestones set in our ESG Roadmap for 2020 to 2023. For 2025 and beyond, we will build on lessons learned to shape our future direction through 2030 and beyond.



### Activating Our Commitment: UnionBank's Sustainability Framework 2-24

UnionBank's Sustainability Framework lays the groundwork for embedding environmental, social, and governance (ESG) principles into business operations.

While we continue to strengthen this integration, the framework serves as a guide to institutionalizing sustainability—anchoring it in governance, risk management, capability building, responsible finance, transparent reporting, and regulatory alignment. Each component contributes to building a culture of shared accountability across the organization.

As we move forward, this evolving framework helps translate our sustainability ambitions into practical steps—supporting regulatory compliance, better risk awareness, and long-term value creation.



# 2024 SUSTAINABILITY REPORT

## UnionBank's Sustainability Framework

**Corporate Governance and Compliance:** Institutionalize sustainability principles across policies and practices.

**Environmental and Social Risk Management System (ESRMS):** Develop and maintain the ESRMS; integrate E&S risks into existing policies and documentation.

**Capability Building:** Foster a culture of responsible decision-making through training, workshops, and ESG engagement initiatives.

**Sustainable Finance:** Develop financial products and services incorporating ESG considerations into business decisions.

**Communications:** Provide clear, timely, and accurate disclosures of ESG performance.

**Audit and Alignment:** Monitor compliance with international frameworks and regulatory requirements through regular audits and reviews.

## Climate Strategy

UnionBank's climate strategy aims to make our operations and financial services more sustainable. We do this by:

- Tracking and monitoring our carbon footprint to improve energy use and efficiency.
- Following sustainable finance guidelines to support responsible investments.
- Strengthening our ability to adapt to climate challenges.

Climate risk is no longer a compliance issue—it's a strategic priority. To reinforce climate resilience, we follow key sustainability guidelines such as the Environmental and Social Risk Management System (ESRMS), the Sustainable Finance Framework (SFF), and the Sustainable Finance Taxonomy Guidelines (SFTG) issued by the Bangko Sentral ng Pilipinas. These standards help ensure our financial decisions are aligned with responsible growth and long-term impact.

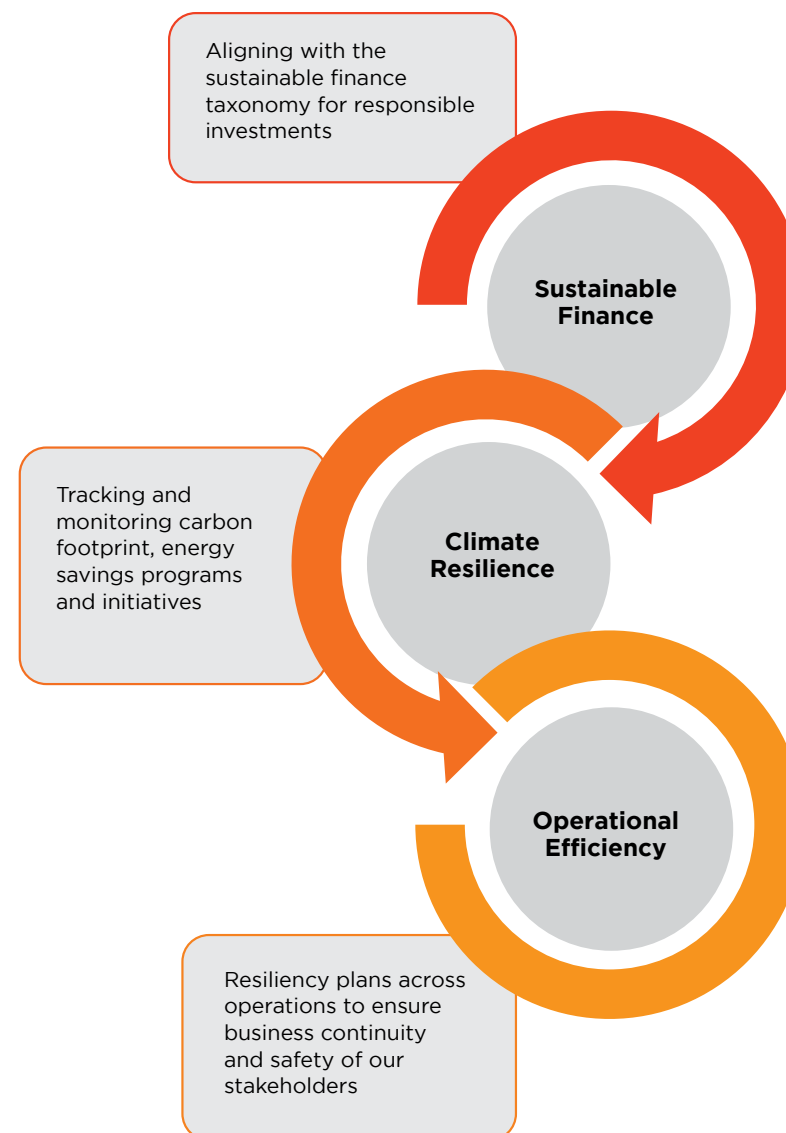
At UnionBank, we see regulatory compliance as a strategic enabler rather than a constraint in managing climate risks. As the regulatory landscape evolves with frameworks like BSP Circulars 1128 (on E&S Risk Management) and 1187 (on sustainable taxonomy), our approach ensures climate risk is embedded into business strategy—not just to meet compliance requirements, but to strengthen long-term resilience and profitability.

The reality is that climate risks are financial risks. Failing to integrate them into our decision-making exposes us to asset devaluation, credit losses, and operational disruptions. By leveraging digital tools and data-driven risk assessment models, we enhance our ability to quantify these risks, optimize capital allocation, and protect our balance sheet.

UnionBank's Resiliency Group developed response plans for severe weather events to strengthen climate resilience across operations. These plans enable seamless resumption strategies in various loss scenarios, from facility downtime and public transport disruption to reduced workforce availability. Our Incident Response Team (IRT), a cross-functional unit, is activated during climate disasters to ensure continuity across critical operations.

For extreme typhoon scenarios, we deploy Bank On Wheels to bring essential banking services—including access to cash—directly to affected communities. This was successfully implemented during Typhoon Odette, when extended power outages in Cebu left customers unable to access traditional banking channels.

Striking the right balance between compliance, profitability, and innovation is critical. We do this by aligning climate risk with our broader enterprise risk management framework—ensuring that our financial strategies support growth and long-term sustainability.



### Other Initiatives: Staying Aligned with Global ESG Standards

UnionBank continues to strengthen its ESG performance by aligning with leading global frameworks, including the Global Reporting Initiative (GRI), International Integrated Reporting Council (IIRC), Sustainability Accounting Standards Board (SASB), Task Force on Climate-related Financial Disclosures (TCFD), and the World Economic Forum.

In 2024, we deepened ESG integration across the organization. We launched targeted ESG learning sessions for key teams and hosted Eco-awareness Week to promote sustainable habits and everyday climate action among employees.

On the environmental front, we advanced our Environmental Management System (EMS) and introduced Small Steps Matter—a data-driven initiative that empowers branches to monitor and reduce their resource consumption. We continued our shift toward low-carbon operations by processing 75.81% of transactions through digital channels, considerably reducing paper use across the Bank.

### Sustainability Learning and Appreciation Courses: Building Capacity for Sustainable Finance

2-24, 404-1

In 2024, UnionBank implemented targeted training programs across multiple employee levels and functions to strengthen our organizational capacity for sustainable finance. These initiatives support compliance with regulatory requirements—particularly BSP Circular 1187 on Sustainable Finance Taxonomy Guidelines (SFTG)—and ensure sustainability is integrated into daily operations and decision-making.

The Bank conducted SFTG-focused training sessions for key business units and the Wholesale Credit Group, with 87 participants completing sessions on assessing client activities against BSP criteria. The sessions included technical guidance on completing the SFTG assessment template and identifying qualifying green economic activities for financing consideration. A separate bankwide SFTG session reached 206 participants, reinforcing the importance of sustainable finance awareness across the organization.

In total, UnionBank recorded 1,033 training hours dedicated to sustainability in 2024. The breakdown is as follows:

| Training Program                                                                                                                  | Participants | Total Hours |
|-----------------------------------------------------------------------------------------------------------------------------------|--------------|-------------|
| SFTG Training Session for Wholesale Credit Group and Business Units (BSP Circular 1187 - Sustainable Finance Taxonomy Guidelines) | 87           | 5           |
| Bankwide SFTG Training Session                                                                                                    | 206          | 2           |
| GHG Accounting and Management                                                                                                     | 4            | 20          |
| Learn2Lead Course                                                                                                                 | 2            | 30          |
| Intro to ESG and Sustainable Finance (online course)                                                                              | 138          | 20 mins.    |
| Total Sustainability Training Hours                                                                                               | 1,033        |             |

To embed sustainability principles into employee learning journeys, all new hires must complete the Introduction to ESG and Sustainable Finance course via the UnionBank University Portal. Additionally, self-paced Environmental and Social Risk Management (ESRM) modules are accessible to all employees through the same platform.

For teams directly involved in ESG implementation, the ESG Technical Working Group (TWG) receives advanced training through external partners. Programs include the Learn2Lead Sustainability Training Program—a 10-week course on sustainability leadership—and Climate Action Practitioner, which focuses on greenhouse gas (GHG) accounting and emissions reporting.

For senior leaders and management, a third-party consultant facilitated in-depth discussions on the SFTG to support management's understanding, implementation, and alignment with BSP Circular 1187.



# 2024 SUSTAINABILITY REPORT

## Our SDG Contributions

Throughout this report, we've outlined how UnionBank integrates sustainability into strategy, risk, operations, and culture. These efforts also align with the United Nations Sustainable Development Goals (UN SDGs)—a shared global agenda for inclusive growth and a healthier planet.

The contributions below reflect how our work supports specific SDGs through real actions, partnerships, and outcomes across the Bank.

| UN SDG                                                                                                                                                                                                                                   | Targets                                                                                                                                                                                                                                                                                                                                                                                        | Sustainable Efforts                                                                                                                                                                                                                                                               |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <div><p>1 NO POVERTY</p></div> <div>End poverty in all its forms everywhere</div>                                                                       | <b>Target 1.4</b><br>By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology, and financial services, including microfinance                                  | "Economic Empowerment Program" in Makati City<br>UnionBank Senior Ambassadors helped 50 utility and security personnel by boosting their incomes through a livelihood program in local food production                                                                            |
| <div><p>2 ZERO HUNGER</p></div> <div>End hunger, achieve food security and improved nutrition and promote sustainable agriculture</div>                 | <b>Target 2.3</b><br>By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment | PHP 177.4M in Outstanding Loans support fishing and aquaculture                                                                                                                                                                                                                   |
| <div><p>3 GOOD HEALTH AND WELL-BEING</p></div> <div>Ensure healthy lives and promote well-being for all at all ages</div>                             | <b>Target 3.4</b><br>By 2030, reduce by one-third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being                                                                                                                                                                                                                 | UnionBank Policy and Program on Cancer Prevention and Control, in compliance with DOLE Labor Advisory No. 20, series of 23                                                                                                                                                        |
|                                                                                                                                                                                                                                          | <b>Target 3.8</b><br>Achieve universal health coverage, including financial risk protection, access to quality essential healthcare services, and access to safe, effective, quality and affordable essential medicines and vaccines for all                                                                                                                                                   | PHP 432.9M in Outstanding Loans support Medical Services                                                                                                                                                                                                                          |
| <div><p>4 QUALITY EDUCATION</p></div> <div>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</div> | <b>Target 4.1</b><br>By 2030, ensure that all girls and boys complete free, equitable, and quality primary and secondary education, leading to relevant and effective learning outcomes                                                                                                                                                                                                        | PHP 408.8M in Outstanding loans support Education<br><br>"Tools for Success: Empowering Calaoagans Bright Minds" in Dipaculao, Aurora, where UnionBankers supported students' educational development by providing school supplies, equipment, hygiene kits, and nutritious food. |

| UN SDG                                                                                                                                                                                                               | Targets                                                                                                                                                                                        | Sustainable Efforts                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  <p><b>5 GENDER EQUALITY</b></p> <p>Achieve gender equality and empower all women and girls</p>                                     | <p><b>Target 5.1</b></p> <p>End all forms of discrimination against all women and girls everywhere</p>                                                                                         | <p>61% Share of women in total UBP workforce<br/>49% Share of women in total UD workforce<br/>40.36% Share of women in total UBX workforce<br/>40.25% Share of women in total CSB workforce</p> <hr/> <p>34% Share of women in STEM-related positions in UBP<br/>36% Share of women in STEM-related positions in UD</p> <hr/> <p>Two women out of 15 members of the Board of Directors</p> <hr/> <p>61% Share of women in all management positions, including junior, middle, and top management in UBP</p> <p>27% Share of women in all management positions, including junior, middle, and top management in UD</p> <p>29.41% Share of women in all management positions, including junior, middle, and top management in UBX</p> <p>20.78% Share of women in all management positions, including junior, middle, and top management in CSB</p> <hr/> <p>60% Share of women in management positions in revenue-generating functions in UB</p> <p>33% Share of women in management positions in revenue-generating functions in UD</p> <p>0.53% Share of women in management positions in revenue-generating functions in UBX</p> <p>1.65% Share of women in management positions in revenue-generating functions in CSB</p> <hr/> |
|                                                                                                                                                                                                                      | <p><b>Target 5.5</b></p> <p>Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life</p> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|                                                                                                                                                                                                                      |                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
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|  <p><b>6 CLEAN WATER AND SANITATION</b></p> <p>Ensure availability and sustainable management of water and sanitation for all</p> | <p><b>Target 6.1</b></p> <p>By 2030, achieve universal and equitable access to safe and affordable drinking water for all</p>                                                                  | <p>10.27B Outstanding loans to support water Services</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|                                                                                                                                                                                                                      |                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|  <p><b>7 AFFORDABLE AND CLEAN ENERGY</b></p> <p>Ensure access to affordable, reliable, sustainable and modern energy for all</p>  | <p><b>Target 7.2</b></p> <p>By 2030, increase substantially the share of renewable energy in the global energy mix</p>                                                                         | <p>26.97% of OS Bal under the energy industry is comprised of renewable energy</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|                                                                                                                                                                                                                      |                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |

# 2024 SUSTAINABILITY REPORT

| UN SDG                                                                                                                                                                                                        | Targets                                                                                                                                                                                                                                                                                                        | Sustainable Efforts                                                                                                                                                                                                                                                                                                                                                                                                                          |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  <p>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p> | <b>Target 8.1</b><br><br>Sustain per capita economic growth in accordance with national circumstances and, in particular, at least seven percent gross domestic product growth per annum in the least developed countries                                                                                      | PHP 85.66B Direct economic value generated                                                                                                                                                                                                                                                                                                                                                                                                   |
|                                                                                                                                                                                                               | <b>Target 8.3</b><br><br>Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services | Total number of MSMEs supported by the bank products and services: 4,351<br><br>Amount of loans provided to MSMEs: PHP 9.60B<br><br>UB Negosyante: Accelerating the Growth of the Franchise Industry,<br><br>UnionBank's MSME segment has strategically launched more targeted initiatives to penetrate the franchise industry in 2024. With enhanced Power Tools (UB SME products and services) aimed at uplifting the lives of Negosyantes |
|                                                                                                                                                                                                               | <b>Target 8.5</b><br><br>By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value                                                                                                | UnionBankers availed the 2024 employee support program                                                                                                                                                                                                                                                                                                                                                                                       |
|                                                                                                                                                                                                               | <b>Target 8.8</b><br><br>Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment                                                                                                    | Presidential Award from the Safety Organization of the Philippines Inc., underscores UnionBank's dedication to employee well-being and its leadership in industry safety standards                                                                                                                                                                                                                                                           |
|  <p>Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation</p>          | <b>Target 9.1</b><br><br>Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all                                                 | PHP 30.03B Outstanding loans to support the telecommunications, infrastructure, construction, and shipbuilding sectors                                                                                                                                                                                                                                                                                                                       |

| UN SDG                                                                                                                             | Targets                                                                                                                                                                                                                                                                                                                                                                                                                                      | Sustainable Efforts                                                                                                                                                                                                                                                                                                                                                                                        |
|------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> | <p>Ensure sustainable consumption and production patterns</p> <p><b>Target 12.5</b></p> <p>By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse</p>                                                                                                                                                                                                                                             | <p>40 KG Collected through E-waste Zero Project</p> <hr/> <p>1,222.05 Tonnes Trash collected by Bangko Kabayan in PBSP X-Trash Challenge</p>                                                                                                                                                                                                                                                               |
|  <p>13 CLIMATE ACTION</p>                         | <p>Take urgent action to combat climate change and its impacts</p> <p><b>Target 13.3</b></p> <p>Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning</p>                                                                                                                                                                                   | <p>Bayani ng Komunidad - Solar Street Lights with eco-bricks foundation</p> <p>Bangko Kabayan has made strides in educating local communities about the environment, focusing on reducing plastic waste.</p> <p>Through the Bayani ng Komunidad program, residents, students, and teachers learned how to convert single-use plastics into Eco bricks, creating sustainable waste management solutions</p> |
|  <p>14 LIFE BELOW WATER</p>                      | <p>Conserve and sustainably use the oceans, seas and marine resources for sustainable development</p> <p><b>Target 14.1</b></p> <p>By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution</p>                                                                                                                                     | <p>UBP x Calatagan Reef Patrollers: Coastal Cleanup</p> <p>Collected over five sacks of garbage from the mangroves and donated PHP 24,000 worth of rescue and medical equipment.</p> <p>Coastal Conservation Project</p> <p>Conducted a coastal cleanup, planted 80 mangrove seedlings, and learned about marine conservation and pawikan protection.</p>                                                  |
|  <p>15 LIFE ON LAND</p>                         | <p>Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss</p> <p><b>Target 15.2</b></p> <p>By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally</p> | <p>UnionBank's Governance and Payment Solutions (GPS) Group Tree Planting- Plant trees, save lives, planted 72 trees to support reforestation efforts at La Mesa Watershed. GPS employees planted 500 seedlings of fruit-bearing and hardwood trees, donated protective gear and equipment, and learned about the ongoing fight against deforestation.</p>                                                 |



## **PURPOSE: Inclusive Prosperity**

**UnionBank is committed to making financial services accessible to all Filipinos, especially those in underserved and unbanked communities. Through our Purpose pillar, we deliver inclusive solutions that empower individuals, small businesses, and local ecosystems.**

**For us, financial inclusion isn't only about growing numbers—it's about giving people the tools to improve their financial well-being. We don't just aim to onboard new customers—we aim to make banking more meaningful and empowering.**

Our subsidiaries—CitySavings, Bangko Kabayan, UnionDigital Bank, and UBX—combine digital access with financial education, tech with trust.

In 2024, CitySavings issued a social bond to support lending for women in lower-middle-income groups. Bangko Kabayan, our community bank in Southern Luzon, continues to provide accessible financial services to microentrepreneurs and rural borrowers—deepening trust in local markets through personalized banking and on-the-ground presence.

UBX, our open finance arm, scaled its Open Finance platform through a partnership with Netbank, unlocking new channels for inclusive finance.

UnionDigital helps individuals and small businesses build resilience through accessible savings, credit, and payments. It delivers a fully digital banking experience that brings secure and affordable services to people left out of the formal banking system.

## Direct economic value generated and distributed

3-3, 201-1

| Summary based on GROUP Figures,<br>in PHP B | 2022         | 2023         | 2024         |
|---------------------------------------------|--------------|--------------|--------------|
| <b>Economic value generated</b>             | <b>59.76</b> | <b>83.32</b> | <b>85.66</b> |
| <b>Economic value distributed</b>           | <b>47.01</b> | <b>74.12</b> | <b>73.63</b> |
| Payments to employees                       | 10.00        | 13.56        | 14.12        |
| Salaries and employee benefits              | 10.00        | 13.56        | 14.12        |
| Payments to suppliers                       | 15.37        | 23.35        | 22.51        |
| Occupancy                                   | 1.03         | 1.16         | 1.17         |
| Depreciation and amortization               | 1.86         | 2.67         | 2.84         |
| Miscellaneous (Others)                      | 12.48        | 19.52        | 18.50        |
| Payments to capital providers               | 11.62        | 26.59        | 25.71        |
| Deposit liabilities                         | 6.02         | 15.79        | 12.49        |
| Bills payable and other liabilities         | 5.60         | 10.80        | 13.22        |
| Payments to governments                     | 9.97         | 10.59        | 11.27        |
| Taxes and licenses                          | 4.11         | 5.94         | 6.10         |
| PDIC + Supervision Fees                     | 1.82         | 2.01         | 1.52         |
| Tax expense                                 | 4.04         | 2.64         | 3.65         |
| Payments to communities                     | 0.04         | 0.04         | 0.02         |
| Donations                                   | 0.04         | 0.04         | 0.02         |
| <b>Economic value retained</b>              | <b>12.74</b> | <b>9.20</b>  | <b>12.03</b> |



## CitySavings

CitySavings is one of the country's leading thrift banks, operating as a subsidiary of UnionBank. Founded in 1965 in Cebu City, it has grown from its roots as the Cebu CitySavings and Loan Association into a nationwide financial institution with over 140 branches serving the mass market.

Known as the market leader in teachers' salary loans, CitySavings has expanded its products to include motorcycle loans, government and private sector salary loans, and LGU payroll programs.

CitySavings plays a key role in UnionBank's financial inclusion strategy by offering accessible, simplified banking to underserved segments through a mix of physical presence and digital innovation.

In 2024, CitySavings marked a major milestone, reaching a PHP 100 billion loan portfolio, reflecting its impact and scale. As it continues to grow, the bank remains focused on elevating lives through responsible lending, financial access, and purpose-driven banking—making inclusion tangible in the communities it serves.

## 2024 SUSTAINABILITY REPORT



### Bangko Kabayan

Bangko Kabayan (BK) is a community-rooted rural bank serving the mass market and micro, small, and medium enterprises (MSMEs) across Southern Luzon and the Visayas. Founded in 1957 as Ibaan Rural Bank, BK has grown into a trusted regional institution with deep relationships in underserved communities and a strong focus on accessible, relationship-based banking.

In 2021, CitySavings and UBP Investment Corporation, both subsidiaries of UnionBank, acquired a 70% stake in BK to expand financial inclusion efforts and strengthen MSME lending. The acquisition combined BK's grassroots reach in CALABARZON—a key economic region comprising Cavite, Laguna, Batangas, Rizal, and Quezon provinces—with UnionBank's digital capabilities and scale. In 2023, BK further expanded through a strategic merger with FairBank and Progressive Bank, consolidating operations to enhance rural banking services in the Visayas region.

BK was recognized as the Best MSMEs Development Bank in the Philippines at the 2023 International Finance Awards for its outstanding contribution to inclusive finance. As of September 30, 2024, it reported PHP 4.80 billion in assets, PHP 3.83 billion in deposit liabilities, and PHP 3.78 billion in loans, making it the 20th largest thrift bank in the country by assets.

### UnionDigital

UnionDigital Bank, a subsidiary of UnionBank, was launched to accelerate digital banking and drive financial inclusion across the Philippines. Born out of UnionBank's pioneering digital transformation journey, UnionDigital received its license from the Bangko Sentral ng Pilipinas (BSP) in 2021 and officially began operations on July 18, 2022, offering a suite of mobile-first financial services.

Following its rollout, UnionDigital has integrated UnionBank's digital banking unit, EON, and rapidly scaled its platform. In the first half of 2023, it posted triple-digit growth compared to



the previous half—signaling strong market demand for accessible, data-powered finance. As of September 30, 2024, UnionDigital reported PHP 20.53 billion in assets, PHP 15.26 billion in deposits, and PHP 8.59 billion in loans, with PHP 4.42 billion in equity.

In March 2024, UnionDigital was named Best Digital Bank in the Philippines at the Global Excellence in Retail Finance Awards 2024, hosted by TAB Global, a leading international platform for financial intelligence and industry recognition. The award highlights UnionDigital's leadership in digital innovation and its impact on financial inclusion. With a fully digital model focused on underserved sectors, UnionDigital continues to make banking simpler, smarter, and more inclusive for millions of Filipinos.

### UBX

UBX, the fintech arm of UnionBank, was established in 2018 to lead digital transformation and expand financial inclusion across the Philippines. Designed to operate beyond traditional banking, UBX builds open platforms that embed finance into everyday life—powering MSMEs, cooperatives, and rural communities with scalable, tech-enabled solutions.

UBX's Open Finance ecosystem recently expanded through a partnership with Netbank—enables smarter, data-driven lending.

UBX also co-develops blockchain-based tools and applies AI-driven credit scoring models to widen access to funding for underserved borrowers. Through its partnership with Temenos, UBX delivers core digital banking services to rural banks, extending reach to remote and offline communities.

In September 2024, Tokyo-based SBI Holdings acquired a 16.7% minority stake in UBX—signaling strong investor confidence in its innovation engine and long-term growth potential. As the fintech landscape evolves, UBX continues to plug inclusive finance into the systems people already use—turning technology into opportunity at scale.

### City Savings Bank: Social Bond Issuance

In June 2024, CitySavings issued a landmark \$100 million social bond, marking the first such issuance by a thrift bank in the Philippines. The International Finance Corporation (IFC), a member of the World Bank Group, invested the full amount.

Notably, CitySavings became the first thrift bank in the Philippines to issue a social bond adhering to the International Capital Market Association's Social Bond Principles and the ASEAN Social Bond Standard.

The proceeds from this social bond are earmarked for providing loans to women in low and lower-middle-income groups. These funds aim to empower women to invest in small businesses, supplement their family incomes, and cover essential expenses related to healthcare, education, and housing.

This issuance aligns with the International Capital Market Association's Social Bond Principles and the ASEAN Social Bond Standards, ensuring transparency and accountability in the use of proceeds. By meeting these rigorous standards, CitySavings establishes a replicable and high-impact model for other financial institutions in the region to follow, reinforcing the role of socially responsible financing in sustainable economic development.

This collaboration between IFC and CitySavings is part of a broader effort to deepen capital markets for thematic bond issuances, such as social, green, and blue bonds, thereby fostering sustainable economic growth in the country.

This is not the first time IFC has partnered with UnionBank to drive financial inclusion and economic recovery. In July 2021, IFC invested in a \$150 million social bond issued by UnionBank, with proceeds used to finance 4,000 loans for micro, small, and medium-sized enterprises (MSMEs). These loans played a crucial role in helping businesses recover from the economic downturn caused by the COVID-19 pandemic.

### Bangko Kabayan: Powering Small Business Growth

Bangko Kabayan (BK) reinforced its role as a pivotal institution in MSME banking. For the second year in a row, the International Finance Awards named BK the Best MSMEs Development Bank in the Philippines—recognizing its strong commitment to economic growth and entrepreneurship.

Understanding the challenges MSMEs face in accessing financing, Bangko Kabayan offers tailored loan programs and business advisory services to empower entrepreneurs. In 2022, the bank partnered with ECPay, enabling clients to conveniently pay their dues at 7-Eleven stores and other ECPay partner outlets nationwide, enhancing payment accessibility for small business owners.

In 2024, Bangko Kabayan launched Entrep Eskwela, a program designed to empower MSMEs through learning and innovation. The initiative gave participants the knowledge and skills necessary to transform their livelihoods into thriving entrepreneurial ventures. Sessions covered various industries, including farming, manufacturing, and services, culminating in participants developing comprehensive business plans.



### UnionDigital Bank and JuanHand Join Forces to Expand Financial Access in the PH

In January 2025, UnionDigital Bank and JuanHand, a leading fintech lending app in the Philippines, announced a strategic partnership to expand credit access for Filipinos, particularly those with limited or no credit history. The collaboration aims to leverage UnionDigital's digital banking infrastructure and JuanHand's expertise in alternative lending, ensuring faster, more inclusive financial solutions for underserved communities.

Through this partnership, UnionDigital Bank will provide capital and digital banking support, while JuanHand will use its proprietary risk assessment technology to facilitate instant loan approvals. This integration will allow more Filipinos—especially gig workers, small business owners, and those without traditional banking access—to receive fast, convenient, and responsible credit.

The initiative is part of UnionDigital's broader push to scale its loan portfolio to PHP 40 billion, reinforcing its commitment to financial inclusion and economic empowerment. By streamlining loan disbursements and underwriting, the partnership ensures that borrowers can access funds swiftly, addressing urgent financial needs with minimal friction.

This move reflects the ongoing evolution of digital banking in the Philippines, where fintech collaborations reshape how people access financial services. As the country shifts towards a more cashless and digitally inclusive economy, the UnionDigital-JuanHand alliance marks a significant step in bridging the financial gap for millions of unbanked and underbanked Filipinos.

# 2024 SUSTAINABILITY REPORT

## UnionBank Xcellerator Program: Benilde Innovation Garage

UnionBank continues to invest in education that equips students with future-ready skills. In partnership with De La Salle-College of Saint Benilde (DLS-CSB), the Bank launched the Benilde Innovation Garage in August 2024 under the UnionBank Xcellerator Program.

Located at The Atrium of the DLS-CSB campus, the Innovation Garage is a dedicated learning space where students explore artificial intelligence, blockchain, cybersecurity, data science, design thinking, and management skills. The program bridges classroom learning with real-world application through immersive, hands-on training.

UnionBank's Learning and Development team, together with digital experts from DLS-CSB, lead the program, while the Bank's HR group provides mentorship and guidance. Top-performing students may earn opportunities to join UnionBank, gaining professional experience as they deepen their tech and innovation capabilities.

UnionBank's collaboration with DLS-CSB began in 2018, initially focusing on data science and AI education. This partnership led to the launch of the UBPXcellerator Program, offering tech electives to students. In July 2024, the collaboration scaled further with the opening of the Innovation Garage—extending UnionBank's mission to build talent pipelines for the digital economy.

## Leadership UNPLUGGED: Reimagining Filipino Resilience

In November 2023, UnionBank co-hosted the 3rd Sustainability UNPLUGGED Leadership Awards and Summit alongside SustainablePH and JCI Quezon City Capitol. The Awards Night, held at Change Maker 2040—the country's first SDG-focused museum—recognized seven outstanding Filipino leaders under 40 for their work in sustainability across sectors such as education, culture, business, public service, and youth leadership.

The Sustainability UNPLUGGED Summit followed a week later at 3Zero House in Mandaluyong, centered on the theme "Real or Romanticized? Understanding Filipino Resilience." Experts from climate, development, and disaster risk sectors explored how resilience is defined and deployed in Filipino communities, emphasizing the importance of moving beyond disaster response toward systems-based solutions.

The event continues to spotlight next-gen sustainability leadership and forward-thinking dialogue for inclusive, resilient development.

## UnionBank Champions Sustainability at Eco-Awareness Bazaar 2024

UnionBank employees took part in an eco-bazaar, showcasing the Bank's commitment to sustainability and community engagement. Bank officials, employees, and staff volunteers actively participated in the event by supporting eco-conscious businesses, promoting sustainable products, and engaging with attendees on the importance of responsible consumption and environmental awareness. This initiative aligns with UnionBank's broader sustainability efforts to empower communities and drive positive environmental change.



The bazaar kicked-off by highlighting environmental projects that were implemented through GoBeyond Communities (GBC), UnionBank's employee driven volunteer program. Beyond raising awareness, the eco-bazaar provided a platform for small businesses and social enterprises to showcase their sustainable products. UnionBank's participation reflects its commitment to volunteer-driven initiatives that promote environmental responsibility and inclusive economic growth, strengthening the connection between sustainability, commerce, and community development.

## UnionBank Drives Sustainability with Green Commuting Initiative

In 2024, UnionBank launched its Green Commuting Initiative, encouraging carpooling and sustainable transportation as part of its broader Environmental, Social, and Governance (ESG) efforts.

This program aims to reduce the carbon footprint of daily commutes while fostering a culture of eco-conscious mobility among employees. To support this, UnionBank formed a Carpool Club, officially introduced during the Green Commuting Bazaar held on June 18, 2024, at UBP Plaza. The event featured green products and sustainable transport solutions.

To further engage employees, UnionBank hosted its first Green Commuting Mixer on August 30, 2024, also at UBP Plaza. The event served as a platform for employees to “explore eco-friendly commuting options” like biking and walking, share experiences, and build a community focused on sustainability.

## UB Negosyante: Accelerating the Growth of the Franchise Industry

In 2024, UnionBank’s MSME segment sharpened its focus on the fast-growing franchise sector through targeted efforts under the UB Negosyante program. With enhanced banking tools and tailored financial solutions, the team worked to empower entrepreneurs and strengthen their ability to scale.

To deepen industry engagement, the MSME team partnered with major players and associations, including the Philippine Franchise Association, International Franchise Corporation, Association of Filipino Franchisers, AFEX, PhilFoodEx, Kalye Negosyo, and the Department of Trade and Industry. These partnerships opened direct channels to engage franchise operators through events, workshops, and on-the-ground activations.

In collaboration with Kalye Negosyo, UnionBank hosted free seminars for franchisers covering topics like franchising 101, marketing, innovation, and financial literacy. The MSME team led sessions on cash flow management and introduced UB Negosyante Power Tools—solutions designed to support entrepreneurs at different growth stages.

At franchise expos, the team engaged visitors and exhibitors through briefing sessions and speaker slots, offering actionable tips on growth and digital banking. Booths were staffed not by promotional staff, but by relationship managers and SME banking specialists, enabling on-the-spot account openings and consultations—turning event spaces into real points of service and support for Negosyantes.

As of December 31, 2024, the Bank supported 4,351 MSMEs and provided PHP 9.60 billion in loans to help them grow and thrive.





## PEOPLE: Digital Transformation

**UnionBank’s digital transformation is driven by our people and built for those we serve. From communities and customers to employees and partners, we place trust, empowerment, and inclusion at the center of our sustainability strategy.**

**Our key differentiator isn’t just technology—it’s our people and culture. Transformation at UnionBank means fostering an agile, empowered, and customer-centric mindset that drives real innovation. By harnessing data and AI, we anticipate needs and deliver intuitive, personalized banking experiences that simplify finance and expand access.**

For the individuals and businesses who rely on us, this translates to seamless, secure, and human-centered digital services. We continue to strengthen our engagement by enhancing service quality, safeguarding privacy, and ensuring transparency at every touchpoint.

Inside the Bank, we invest in continuous learning and upskilling—equipping UnionBankers to deliver smarter, faster, and more resilient services. Through corporate volunteerism and external partnerships, we also extend financial and digital literacy programs to underserved communities—bridging gaps, building capabilities, and supporting inclusive progress.

### Putting People at the Center of Digital Transformation

UnionBank’s People strategy is deeply intertwined with how the Bank serves its customers and communities in an increasingly digital world. From secure transactions to seamless service, the Bank’s digital transformation efforts are designed not just to modernize systems—but to empower the people who use them. Customers, employees, and partners all benefit from technology that prioritizes trust, accessibility, and long-term value.

At the heart of this strategy is the belief that digital innovation must serve real human needs. Whether it’s through faster onboarding, personalized support, or data-driven protection, UnionBank continues to invest in tools and platforms that strengthen relationships and improve day-to-day experiences across its ecosystem.

To learn more about how UnionBank is using AI, cloud infrastructure, and next-gen customer engagement tools to future-proof the banking experience, please see the **Leading the AI Banking Revolution** section on page 32.

Serving Customers in a Digital World

UnionBank’s commitment to people comes most clearly through how we serve. Whether it’s faster transactions, stronger security, or smarter support, the Bank designs every service with people in mind. Across platforms and touchpoints, we’re building a banking experience that’s intuitive, transparent, and built for trust.

Behind the tech is a clear strategy for protection and accountability. The Board and Senior Management lead UnionBank’s customer protection approach, setting direction through the Consumer Protection Risk Management System (CPRMS). This framework guides all business units in ensuring that digital transformation doesn’t just improve convenience—but upholds safety, fairness, and respect for customer rights.

UnionBank’s Consumer Affairs Group (CAG) ensures the customer experience aligns with regulatory expectations, including BSP Circulars 857 and 1048 on Financial Consumer Protection. CAG monitors how the Bank manages consumer concerns, ensuring that complaint-handling policies, feedback loops, and customer care are consistent and embedded in everyday operations. Across the board, the Bank’s systems are designed to respond, resolve, and learn—because customer trust is something we earn with every interaction.

Customer Satisfaction and Loyalty

In 2024, UnionBank served over 17 million retail customers, including nearly six million digital users. Through our Net Promoter Score (NPS) program, the Bank surveyed more than 901,200 customers, with 6,877 respondents and 3,398 promoters.



*\*This table covers UBP only*

The Surveyed Customers refers to those who were sent the survey, Respondents are those who participated and Promoters are the satisfied customers likely to recommend UnionBank to others.

The Impact of Customer Satisfaction & Loyalty on UnionBank

We use two types of Net Promoter Score (NPS) to understand customer satisfaction and loyalty. The Brand Relationship NPS (BAIN), measured over a 12-month period, shows how UnionBank compares with competitors in terms of brand perception. It’s reported twice a year and offers a broad view of customer affinity. The Transaction NPS tracks how customers feel right after a specific transaction—like an inquiry or complaint—and is reported monthly to catch issues early and monitor trends.

Both tools help us take a data-driven approach to improving the customer experience. Results are regularly reviewed with business units, followed by collaborative sessions to turn feedback into action.

Risk and Opportunities

UnionBank recognizes that failing to manage customer satisfaction can weaken trust, reduce retention, and increase the risk of customer attrition. A broken feedback loop can also limit visibility into pain points and missed opportunities for service innovation. Declining satisfaction impacts repeat business and referrals—key indicators of long-term growth and resilience.

UnionBank continues to enhance its feedback process by automating survey distribution, refining analytics, and accelerating insights. These upgrades help business units act faster, personalize service, and close the loop—ensuring feedback translates into tangible improvements.

Marketing and Labeling

417-1, 417-2, 417-3

UnionBank maintains strict oversight of all marketing campaigns, product materials, and digital platforms—including the website and mobile app—to ensure accuracy, transparency, and ease of access. Customers receive clear information about the features and implications of the Bank’s products and services, including potential economic, environmental, and social impacts.

In March 2024, the Bank rolled out a Salesforce-based system to enhance how it tracks and manages feedback, including regulatory concerns and complex complaints that require detailed investigation. This system, managed by the Client Engagement Solutions Group, allows faster resolution times and reinforces the Bank’s commitment to responsible, customer-centric communication.

In addition, we ensure that our sustainability messaging reflects real progress, not just a marketing spin. ESG communications are anchored in measurable results, transparent disclosures, and data-driven stories—from impact metrics to verified case studies. Rather than treating sustainability as a branding tool, the Bank integrates ESG into its core business strategy, aligning with standards like the Sustainability Accounting Standards Board (SASB) and the Global Reporting Initiative (GRI) to maintain credibility and clarity.

| Marketing and Labelling                                   | Quantity |
|-----------------------------------------------------------|----------|
| No. of substantiated complaints on marketing and labeling | 275      |
| No. of complaints addressed                               | 817      |

*\*This table covers UBP only*

*\*Substantiated complaints include complaints from customers that went through the organization’s formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

There were 26 substantiated complaints related to marketing and labeling, all of which were addressed using the old system.

# 2024 SUSTAINABILITY REPORT

## Customer Privacy

3-3,418-1, FN-CB-230a.1

UnionBank safeguards personal data through a combination of organizational, physical, and technical measures. Our Privacy Policy is backed by internal policies that monitor, evaluate, and review operations and security risks on an ongoing basis. The Bank complies with the Data Privacy Act of 2012, all issuances by the National Privacy Commission (NPC), and relevant global data protection standards and regulations.

To address the regulatory, reputational, and financial risks linked to data privacy, the Bank requires all business units to follow its Privacy Manual and Privacy Assessment Guidelines and to align with the Data Privacy Statement published on our website. Compliance is measured through key performance indicators, including the timely submission of reports to the NPC and the Annual Security Incident Report filed every March 31.

To strengthen safeguards, all programs, activities, processes, and systems that involve personal data undergo a Privacy Impact Assessment (PIA). Our Data Privacy Office also conducts regular trainings and workshops to promote a culture of privacy awareness and responsible data handling across the organization.

| Number of Substantiated* Customer privacy complaints raised and addressed | 2024 |
|---------------------------------------------------------------------------|------|
| Email complaints received and addressed                                   | 10   |
| Opt-out from marketing communications received and addressed              | 7    |
| Fraud cases filed by customers before the National Privacy Commission     | 2    |
| Total                                                                     | 19   |

*\*This table covers UBP only  
\*Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

When the Bank receives data privacy-related complaints, it addresses them in compliance with applicable regulations, as well as the guidelines set in the Bank's Privacy Manual and Data Subject Access Request (DSAR) Guidelines.

Business units and product owners are strictly prohibited from processing personal data outside the scope of the Bank's Terms and Conditions and Data Privacy Statement. If data processing falls outside these parameters, a Privacy Notice must be issued prior to any collection or use of personal data.

## Data Security and Privacy

3-3,418-1, FN-CB-230a.1

UnionBank prioritizes the protection of client data, information, and assets. The Bank applies strict safeguards to ensure the integrity, reliability, and security of personal data across all systems and processes. Customers are kept informed of changes in policies relating to the collection, use, storage, disclosure, and disposal of personal information, and are fully supported in exercising their rights under the Data Privacy Act of 2012.

In 2024, the Bank recorded no information security breaches that met the threshold for mandatory reporting to the National Privacy Commission (NPC). No data subjects were affected.

Data security risks are managed through key policies and procedures, including the Privacy Manual, Privacy Assessment Guidelines, Personal Data Breach Management Policy, and the Cyber Attack Response Procedure. These tools support early identification, risk mitigation, and coordinated response in case of threats or vulnerabilities.

All new systems, initiatives, and processes that involve personal data undergo a Privacy Impact Assessment (PIA) prior to deployment. Led by the Data Privacy Office, this review identifies potential risks and recommends security and legal controls to ensure compliance and protection.



| Number of information security breaches | Total |
|-----------------------------------------|-------|
| Breaches, leaks, thefts, or losses      | 0     |

*\*This table covers UB only*

### Human Capital: Building a Future-Ready Workforce

At UnionBank, people are at the heart of our innovation strategy. Our employer brand, Own the Future, defines how we attract, develop, and empower a digitally fluent and future-ready workforce. It reflects our long-term commitment to building a culture of collaboration, agility, and growth.

In 2024, this commitment took on new energy through our annual theme, Great Together. It captured how our people drove progress through innovation, teamwork, and shared purpose—fueling impact for our customers and communities.

To bring this vision to life, we scaled People Tech, our flagship program for human capital development. It integrates digital upskilling, employee-centered tools, and continuous learning to align our workforce with the Bank's transformation goals.

Meanwhile, we embedded High Reliability Organization (HRO) practices to anticipate and prevent risks, boosting team resilience and readiness.

### New Employees/New Hires Profile

401-1

We took a multi-channel approach to attract top talent—using online campaigns, recruitment caravans, and same-day hiring events to connect with great candidates and highlight why UnionBank is a great place to work. Our I Got U referral program also empowered employees to bring in qualified talent from their own networks. These efforts led to the successful onboarding of 1,532 new hires in critical roles across the Bank.

| New Hires Profile                              |         |         |         |          |          |            |
|------------------------------------------------|---------|---------|---------|----------|----------|------------|
| Union Bank of the Philippines and Subsidiaries | UB 2024 | BK 2024 | UD 2024 | UBX 2024 | CSB 2024 | Total 2024 |
| By Gender                                      |         |         |         |          |          |            |
| Male                                           | 252     | 50      | 43      | 223      | 287      | 855        |
| Female                                         | 351     | 46      | 39      | 90       | 151      | 677        |

| New Hires Profile                              |         |         |         |          |          |            |
|------------------------------------------------|---------|---------|---------|----------|----------|------------|
| Union Bank of the Philippines and Subsidiaries | UB 2024 | BK 2024 | UD 2024 | UBX 2024 | CSB 2024 | Total 2024 |
| By Age Group                                   |         |         |         |          |          |            |
| Below 30 years old                             | 381     | 70      | 27      | 163      | 278      | 919        |
| Between 30-50 years old                        | 218     | 26      | 51      | 142      | 157      | 594        |
| Above 50 years old                             | 4       | 0       | 4       | 8        | 3        | 19         |
| By Region                                      |         |         |         |          |          |            |
| NCR                                            | 553     | 0       | 82      | 232      | 0        | 867        |
| Luzon                                          | 16      | 72      | 0       | 73       | 302      | 463        |
| Visayas                                        | 25      | 24      | 0       | 5        | 63       | 117        |
| Mindanao                                       | 9       | 0       | 0       | 3        | 73       | 85         |
| By Level                                       |         |         |         |          |          |            |
| Senior Management (AVP and Up)                 | 15      | 0       | 15      | 7        | 9        | 46         |
| Middle Management (Manager)                    | 88      | 6       | 35      | 10       | 31       | 170        |
| Junior Management (Supervisor)                 | 374     | 0       | 32      | 0        | 73       | 479        |
| Rank-and-File (Staff)                          | 126     | 90      | 0       | 296      | 325      | 837        |

UnionBank's commitment to internal growth remained strong in 2024, with a significant number of open positions filled by existing employees. This reflects the effectiveness of the Bank's internal mobility programs, which continue to create clear pathways for career advancement and employee development.

At the same time, the Talent Acquisition strategy delivered value through efficient and targeted recruitment, achieving below-industry hiring costs for external candidates without compromising quality. This approach balanced performance, inclusivity, and cost-effectiveness.

# 2024 SUSTAINABILITY REPORT

## The Workforce

2-7, 2-8

| Employee Breakdown by Company                                    |        |      |       |
|------------------------------------------------------------------|--------|------|-------|
| Company Name                                                     | 2024   |      |       |
|                                                                  | Female | Male | Total |
| Union Bank of the Philippines                                    | 3228   | 2060 | 5288  |
| City Savings Bank, Inc. (CSB)                                    | 854    | 1268 | 2122  |
| UBX Philippines                                                  | 90     | 223  | 313   |
| Union Digital (UD)                                               | 81     | 86   | 167   |
| UnionBank Financial Services and Insurance Brokerage Inc. (UFSI) | 49     | 24   | 73    |
| UnionBank Investment Management and Trust Corporation (UBIMTC)   | 30     | 16   | 46    |
| UBP Investments Corporation (UIC)                                | 3      | 5    | 8     |
| First Union Insurance and financial Agencies Inc (FUIFAI)        | 5      | 3    | 8     |
| Bangko Kabayan (BK)                                              | 332    | 288  | 620   |
| Total                                                            | 4672   | 3973 | 8645  |

\*Petnet figures unavailable as of 03/17.

| Employee Demographic                           |                                             |                                      |                 |
|------------------------------------------------|---------------------------------------------|--------------------------------------|-----------------|
| Union Bank of the Philippines and Subsidiaries | 2024                                        |                                      |                 |
|                                                | Permanent Employees (Regular/ Probationary) | Project Based (Fixed-Term Employees) | Total Employees |
| Total Headcount                                | 8488                                        | 22                                   | 8510            |
| By Gender                                      |                                             |                                      |                 |
| Male                                           | 3905                                        | 20                                   | 3925            |
| Female                                         | 4583                                        | 2                                    | 4585            |
| By Age Group                                   |                                             |                                      |                 |
| Below 30 years old                             | 2607                                        | 3                                    | 2610            |
| Between 30-50 years old                        | 5304                                        | 14                                   | 5318            |
| Above 50 years old                             | 577                                         | 5                                    | 582             |
| By Level                                       |                                             |                                      |                 |
| Senior Management (AVP and Up)                 | 655                                         | 13                                   | 668             |
| Middle Management (Manager)                    | 1882                                        | 0                                    | 1882            |
| Junior Management (Supervisor)                 | 3517                                        | 0                                    | 3517            |
| Rank-and-File (Staff)                          | 2434                                        | 9                                    | 2443            |
| By Region                                      |                                             |                                      |                 |
| NCR                                            | 5485                                        | 10                                   | 5495            |
| Luzon                                          | 1702                                        | 0                                    | 1702            |
| Visayas                                        | 913                                         | 0                                    | 913             |
| Mindanao                                       | 400                                         | 0                                    | 400             |

\*This table covers the following subsidiaries: UnionBank, Bangko Kabayan, Union Digital, UBX, and City Savings Bank only.

| Headcount By Nationality/Race | Total |
|-------------------------------|-------|
| Asian                         | 8505  |
| Black or African American     | 0     |
| Hispanic or Latino            | 0     |
| White                         | 4     |
| Indigenous                    | 0     |
| Other                         | 1     |

*\*This table covers the following subsidiaries: UnionBank, Bangko Kabayan, Union Digital, UBX, and City Savings Bank only.*

| Attrition                     |                         |                |                           |                |                     |
|-------------------------------|-------------------------|----------------|---------------------------|----------------|---------------------|
| Company Name                  | 2024                    |                |                           |                |                     |
|                               | VOLUNTARY TURNOVER RATE |                | INVOLUNTARY TURNOVER RATE |                | TOTAL TURNOVER RATE |
|                               | No. of Separated TMs    | Attrition Rate | No. of Separated TMs      | Attrition Rate |                     |
| Union Bank of the Philippines | 866                     | 16%            | 41                        | 1%             | 17%                 |
| City Savings Bank, Inc. (CSB) | 343                     | 16.16%         | 18                        | 0.85%          | 17.01%              |

| Attrition           |                         |                |                           |                |                     |
|---------------------|-------------------------|----------------|---------------------------|----------------|---------------------|
| Company Name        | 2024                    |                |                           |                |                     |
|                     | VOLUNTARY TURNOVER RATE |                | INVOLUNTARY TURNOVER RATE |                | TOTAL TURNOVER RATE |
|                     | No. of Separated TMs    | Attrition Rate | No. of Separated TMs      | Attrition Rate |                     |
| UBX Philippines     | 99                      | 23.91%         | 0                         | 0              | 23.91%              |
| Union Digital (UD)  | 62                      | 27%            | 1                         | 1%             | 28%                 |
| Bangko Kabayan (BK) | 83                      | 14%            | 0                         | 0              | 14%                 |

# 2024 SUSTAINABILITY REPORT

## Employee Benefits

401-2, 401-3

| Employee Support Program - 2024 |                       |                     |
|---------------------------------|-----------------------|---------------------|
| Benefits                        | % of Women who Aailed | % of Men who Aailed |
| SSS                             | 61%                   | 39%                 |
| PhilHealth                      | 61%                   | 39%                 |
| Pag-Ibig                        | 61%                   | 39%                 |
| Maternity Leave                 | 6%                    | NA                  |
| Paternity Leave                 | NA                    | 3%                  |
| Solo Parent Leave               | 1%                    | 0%                  |
| Vacation Leave                  | 35%                   | 22%                 |
| Sick Leave                      | 27%                   | 15%                 |
| Dental Reimbursement            | 46.30%                | 21.03%              |
| Medical and Dental Allowance    | 38%                   | 24%                 |
| Optical Subsidy                 | 15.86%                | 8.47%               |
| Vaccine Subsidy                 | 3.94%                 | 1.94%               |

## Employee Development Programs

3-3, 404-1, 404-2, 404-3

UnionBank’s Employee Development and Succession Programs are cornerstones of our long-term strategy to ensure business continuity, leadership resilience, and future readiness. We invest in identifying, developing, and retaining emerging leaders through structured talent development initiatives that support smooth transitions, preserve institutional knowledge, and keep teams engaged and aligned during change.

In 2024, the Leading with Magis 2.0 program—facilitated in partnership with Franklin Covey—reached over 100 executives, managers, and senior managers across the organization. The program focused on building entrepreneurial, human-centric, and transformational leadership skills. Thirty participants completed the full track, forming a core group of leaders equipped to drive UnionBank’s next phase of growth.

To build stronger business acumen across leadership, UnionBank launched the Business of Banking Masterclass—a deep-dive series for executives across UnionBank and its subsidiaries, including CitySavings, UBX, and UnionDigital. The sessions covered Banking Fundamentals, Risk Management, ICAAP, and Asset Liability Management, with senior leaders serving as subject matter experts. The 2024 rollout delivered 12 hours of development to roughly 80 executives (1.6% of FTEs), helping align understanding of the Bank’s core financial disciplines. In 2025, the series will expand to cover operational and support functions as well.

The Bank also embedded broader leadership and culture-building programs to strengthen resilience and operational discipline. The High Reliability Organization (HRO) for Leaders initiative introduced behaviors and practices that promote excellence in high-risk, high-complexity environments. In 2024, the program reached 18% of FTEs, with measurable gains in team efficiency and reliability across functions.

As part of our compliance learning series, UnionBank also rolled out Safe Spaces Act training to 100% of employees—reinforcing the Bank’s commitment to creating and maintaining a safe, respectful, and inclusive workplace.

| Average Training Hours         |                 |       |       |
|--------------------------------|-----------------|-------|-------|
| UnionBank                      | 2022            | 2023  | 2024  |
| <b>Total</b>                   | 16.69           | 21.11 | 25.89 |
| By Gender                      |                 |       |       |
| Male                           | 14.52           | 21.49 | 25.72 |
| Female                         | 18.04           | 20.88 | 25.98 |
| By Age Group                   |                 |       |       |
| Below 30 years old             | [not available] | 27.09 | 26.72 |
| Between 30-50 years old        | [not available] | 15.75 | 24.51 |
| Above 50 years old             | [not available] | 12.01 | 32.53 |
| By Level                       |                 |       |       |
| Senior Management (AVP and Up) | 14.29           | 16.50 | 43.63 |
| Middle Management (Manager)    | 15.56           | 15.84 | 23.26 |
| Junior Management (Supervisor) | 17.91           | 24.53 | 24.17 |
| Rank-and-File (Staff)          | 16.11           | 22.33 | 24.44 |

| Average Training Hours         |                 |                 |       |
|--------------------------------|-----------------|-----------------|-------|
| City Savings Bank              | 2022            | 2023            | 2024  |
| <b>Total</b>                   | 26.76           | 28.58           | 22    |
| By Gender                      |                 |                 |       |
| Male                           | 21.94           | 27.21           | 17.01 |
| Female                         | 31.14           | 30.48           | 20.61 |
| By Age Group                   |                 |                 |       |
| Below 30 years old             | [not available] | [not available] | 19.92 |
| Between 30-50 years old        | [not available] | [not available] | 18.34 |
| Above 50 years old             | [not available] | [not available] | 12.82 |
| By Level                       |                 |                 |       |
| Senior Management (AVP and Up) | 43.46           | 56.23           | 14.34 |
| Middle Management (Manager)    | 32.75           | 32.43           | 16.82 |
| Junior Management (Supervisor) | 33.34           | 31.33           | 18.22 |
| Rank-and-File (Staff)          | 19.66           | 24.72           | 18.94 |

| Training and development inputs                                    |          |          |          |                 |                 |
|--------------------------------------------------------------------|----------|----------|----------|-----------------|-----------------|
| 2024                                                               | UBP      | CSB      | BK       | UD              | UBX             |
| Average hours per FTE of training and development                  | 25.89    | 22       | 25.89    | [not available] | [not available] |
| Average amount spent per FTE on training and development (in PHP ) | 1,606.67 | 5,101.66 | 1,606.67 | [not available] | [not available] |

# 2024 SUSTAINABILITY REPORT

## Employee Engagement

An engaged workforce is the foundation of innovation, resilience, and long-term value. In 2024, we deepened our focus on employee engagement—enhancing communication, recognition, and workplace experience across the organization. With targeted programs in UnionBank and CitySavings, we strengthened connection, purpose, and collaboration. These efforts contributed to a notable increase in engagement scores and reinforced our commitment to a people-first culture.

## Employee Engagement Score and Results

| Measuring Employee Engagement                                                                                                                                                   |                              |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|
| Method                                                                                                                                                                          | Unit                         |
| 1. Both the target and measure for Employee Engagement were average scores of the scores received for each engagement element. Employee responses were captured using a survey. | Mean score from 1.00 to 5.00 |
| 2. Data Coverage                                                                                                                                                                | % of total employees         |

### UnionBank

| Employee Engagement Averages                                            | 2022 | 2023 | 2024 | Target FY 2024 |
|-------------------------------------------------------------------------|------|------|------|----------------|
| Year-end Engagement Grand Mean Score                                    | 4.41 | 4.34 | 4.4  | 4.41           |
| Overall Satisfaction: How satisfied are you with UB as a place to work? | 4.45 | 4.35 | 4.35 | n/a            |
| Proud UnionBanker: How proud are you to be a UnionBanker?               | 4.61 | 4.47 | 4.44 | n/a            |
| Survey Participation %                                                  | 90%  | 75%  | 76%  | 70%            |

| Employee Engagement by Gender, Age, Management Rank and Race (Participation) |        |        |            |        |        |        |             |        |
|------------------------------------------------------------------------------|--------|--------|------------|--------|--------|--------|-------------|--------|
| Survey Participation %                                                       | Gen Z  |        | Millennial |        | Gen X  |        | Baby Boomer |        |
| Survey Participation (%) by Gender, Age, Management Rank, and Race           | Female | Male   | Female     | Male   | Female | Male   | Female      | Male   |
| Senior Management (AVP and Up)                                               | 50.00% | 0.00%  | 73.00%     | 60.00% | 69.00% | 73.00% | 50.00%      | 67.00% |
| Middle Management (Manager) and Junior Management (Supervisor)               | 72.00% | 66.00% | 78.00%     | 74.00% | 86.00% | 84.00% | N/A         | N/A    |
| Rank-and-File (Staff)                                                        | 74.00% | 84.00% | 80.00%     | 74.00% | 70.00% | 70.00% | N/A         | N/A    |

### City Savings Bank

| Employee Engagement Averages         | 2022  | 2023  | 2024  | Target FY 2024 |
|--------------------------------------|-------|-------|-------|----------------|
| Year-end Engagement Grand Mean Score | 4.52  | 4.55  | 4.48  | 4.45           |
| Survey Participation %               | 98.30 | 98.07 | 96.50 | 90             |

| Employee Engagement by Gender, Age, Management Rank and Race (Participation) |        |        |            |        |        |        |             |       |
|------------------------------------------------------------------------------|--------|--------|------------|--------|--------|--------|-------------|-------|
| Survey Participation %                                                       | Gen Z  |        | Millennial |        | Gen X  |        | Baby Boomer |       |
| Survey Participation (%) by Gender, Age, Management Rank, and Race           | Female | Male   | Female     | Male   | Female | Male   | Female      | Male  |
| Senior Management (AVP and Up)                                               | N/A    | N/A    | 14.29%     | 26.53% | 30.61% | 26.53% | N/A         | 2.04% |
| Middle Management (Manager)                                                  | 1.96%  | 0.98%  | 26.80%     | 36.60% | 12.75% | 20.92% | N/A         | N/A   |
| Junior Management (Supervisor)                                               | 7.46%  | 6.50%  | 38.81%     | 39.58% | 1.34%  | 6.31%  | N/A         | N/A   |
| Rank-and-File (Staff)                                                        | 18.87% | 19.43% | 17.11%     | 40.61% | 0.37%  | 3.61%  | N/A         | N/A   |

Employee Engagement initiatives

UnionBank considers its people the driving force behind its success. We believe an engaged workforce fuels innovation, resilience, and long-term growth.

In 2024, following the successful migration of the consumer banking portfolio, the Bank deepened employee engagement through targeted initiatives in Corporate Social Responsibility (CSR), Employee Relations and Engagement, and Culture. These efforts led to a 12% increase in our employee engagement score from 2023 to 2024—a reflection of our strong commitment to keeping UnionBankers motivated, connected, and purpose-driven.

UnionBank Initiatives

| Program                          | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Objectives                                                                                                                                                                                                                                                                     | Quantitative Impact of Business Benefits                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|----------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Heroes and Champions Awards Book | <p>Launched in 2024, the inaugural Heroes and Champions Awards Book is an annual publication that celebrates the outstanding achievements of UnionBank employees who have earned the highest honors. It serves as a tribute to individuals who embody excellence, dedication, and a deep commitment to the Bank's values and mission.</p> <p>This awards book features inspiring stories of employees who have gone above and beyond in their roles, showcasing their contributions, milestones, and impact within the organization. Through this initiative, the bank reinforces a culture of appreciation and motivation, encouraging all employees to strive for excellence and embody the qualities of true heroes and champions in the workplace.</p> | <p>This book aims to honor UnionBank's most exemplary employees by documenting their stories and contributions in a lasting, commemorative format. The publication is designed to inspire a culture of recognition, reinforce core values, and motivate the Bank's people.</p> | <ul style="list-style-type: none"><li>Increased Performance: Employees are three times more likely to be engaged and motivated to excel when they see their peers being recognized.</li><li>Higher Productivity: Recognized employees can be 30% more productive, contributing to overall business success.</li><li>Reduced Turnover Costs: Companies with strong recognition programs see up to 31% lower voluntary turnover, saving recruitment and training expenses.</li><li>Stronger Commitment: Employees who feel valued are five times more likely to stay with the organization long-term.</li><li>Higher Goal Achievement: Employees who receive recognition are more likely to exceed targets, leading to higher overall team performance.</li><li>Leadership Development: Identifying top performers helps cultivate future leaders, reducing succession planning cost</li></ul> |

# 2024 SUSTAINABILITY REPORT

| Program                                       | Description                                                                                                                                                                                                                                                                                                                                                                                                | Objectives                                                                                                                                                                                                                                                                                                                                                                                          | Quantitative Impact of Business Benefits                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|-----------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Engagement Conversation                       | The Engagement Conversation program offers a structured yet dynamic platform for employees to openly dialogue with leaders and peers. These sessions, held regularly at center and team levels, provide opportunities to share insights, raise concerns, and celebrate wins. The program builds trust, strengthens teams, and creates a thriving workplace by fostering transparency and active listening. | The program aims to nurture a culture of open communication and collaboration. Regular center and team conversations ensure that every employee feels heard and valued. These ongoing dialogues strengthen relationships, improve the employee experience, and promote a more inclusive workplace through continuous feedback, shared ownership, and collective growth.                             | <ul style="list-style-type: none"> <li>Higher Engagement Levels: Organizations with open communication see 21% higher employee engagement compared to those without.</li> <li>Better Workplace Culture: Companies with strong feedback channels experience a 40% increase in employee satisfaction.</li> <li>Higher Productivity: Engaged employees contribute to 23% higher profitability and are more committed to organizational goals.</li> <li>Reduced Workplace Conflicts: Regular conversations reduce misunderstandings and improve team dynamics, lowering operational inefficiencies.</li> <li>Lower Turnover Rates: Companies with strong feedback and engagement programs reduce turnover by up to 59%.</li> <li>Better Talent Retention: Employees who feel heard are 4.6 times more likely to perform at their best and remain with the company.</li> <li>Quicker Decision-Making: Frequent dialogue leads to faster resolution of issues, reducing delays and inefficiencies.</li> <li>Higher Innovation Rates: Employees who feel heard contribute 62% more innovative ideas, driving business growth.</li> </ul>                                                                                                             |
| Annual Christmas Bazaar – “There’s One for U” | This Yuletide program directly brings exclusive deals and discounts to the workplace, creating a festive and hassle-free shopping experience for UnionBank employees. The event fosters community and appreciation, helping employees find meaningful gifts without the stress of crowds or traffic. It also supports local vendors and celebrates the spirit of giving and togetherness.                  | The Annual Christmas Bazaar aims to provide UnionBank employees with a hassle-free, on-site holiday shopping experience through carefully selected vendors offering exclusive deals. Beyond convenience, the event builds camaraderie and uplifts the festive spirit at the workplace. It also supports small businesses by giving them a platform to engage directly with the UnionBank community. | <ul style="list-style-type: none"> <li>Reduced Time Away from Work: Employees can shop conveniently at the workplace, minimizing long lunch breaks or time off to visit malls.</li> <li>Higher Employee Satisfaction: A well-appreciated benefit that enhances morale, leading to increased engagement and motivation.</li> <li>Boost in Employee Spending Power: Exclusive discounts encourage employees to shop more, translating into higher overall spending at the event.</li> <li>Reduced Absenteeism: Employees may take fewer leave days for holiday shopping, ensuring continued productivity.</li> <li>Sales Opportunities for Partner Vendors: Increased foot traffic and targeted audience engagement can drive higher sales for participating businesses.</li> <li>Potential Vendor Partnerships: Strengthens business relationships and could lead to long-term collaborations or exclusive corporate deals.</li> <li>Stronger Employer Branding: Demonstrating employee care through convenience and perks can enhance UnionBank’s reputation as an employer of choice.</li> <li>Higher Retention Rates: Employees who feel valued and engaged through workplace benefits are more likely to stay with the company.</li> </ul> |

| Program             | Description                                                                                                                                                                                 | Objectives                                                                                                                                                                                                                                                                                                                                                   | Quantitative Impact of Business Benefits                                                                                                                                                                                                                                                                                                                                                                         |
|---------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| #BEEEngaged Program | Employee Engagement (EE) Best Practices Stories shared via CSB Bulletin & engaged@CitySavings facebook group                                                                                | <ol style="list-style-type: none"> <li>1. Discuss EE best practices via storytelling.</li> <li>2. Recognize Groups or Units with EE best practices and those who executed their committed action plans.</li> </ol>                                                                                                                                           | 47 EE Best Practices Featured from 15 Groups<br>Branch Operations, Business Services, Collections & ROPA Management, Compliance & Corporate Governance, Corporate Planning, Human Resources, Internal Audit, Legal & Data Protection, Motorcycle Loans Business, Office of the CEO, Office of the Chief Information Officer, Office of the President, Risk Management, Salary & Pension Loans Business, Treasury |
| CEO Chats           | Safe space for CitySavings Bankers to engage with the CEO and gain insights/wisdom on the Bank's Transformation Journey.                                                                    | <ol style="list-style-type: none"> <li>1. Describe the Bank's Transformation journey with special focus on the Great Transformation (GT 2025) conglomerate aspiration and A+10 Behaviors.</li> <li>2. Build engagement with the CEO by allowing employees to share their concerns, ideas, and questions related to engagement and transformation.</li> </ol> | <p>Two Batches: mix of staff, supervisor, and manager-level employees from various groups in the bank</p> <p>Collections &amp; ROPA Management, Legal &amp; Data Protection, Internal Audit, Loans Services, Compliance, Office of the Chief Information Officer, Treasury, Shared Services, Operational Excellence</p>                                                                                          |
| Super Ditch Program | Empower CitySavings Bankers to ditch bureaucracies and obsolescent ways of working by taking a serious look at processes and rules that can be innovated to achieve higher work efficiency. | <ol style="list-style-type: none"> <li>1. Explain the value of Innovation.</li> <li>2. Build the capabilities needed to spot opportunities for innovation.</li> <li>3. Identify ideas for ditching.</li> </ol>                                                                                                                                               | <p>Launched two batches in partnership with Aboitiz</p> <p>Total participants: 58<br/>Batch 1 (ODP) = 43<br/>Batch 2 (Support Groups) = 15</p>                                                                                                                                                                                                                                                                   |

# 2024 SUSTAINABILITY REPORT

## Performance Appraisal

UnionBank has a robust Performance Management System (PMS) in place, which plays a vital role in fostering a high-performance culture and driving long-term organizational success. At its core, the PMS ensures that employee performance and career development goals are aligned with the Bank’s vision, purpose, strategic priorities, core capabilities, and values.

We are committed to providing opportunities for skill development, career advancement, and personal growth through a range of tailored programs. Guided by the belief that each employee is responsible for their own career and performance, the system empowers individuals to understand how their roles contribute to the Bank’s success—fostering a deeper sense of purpose and engagement.

Leaders play a critical role in the effectiveness of the PMS by setting clear goals, providing coaching and continuous feedback, and recognizing achievements. A performance improvement process (PIP) is also in place to help employees enhance their performance and support their long-term success within the organization.

| Total headcount of employees receiving regular performance and career development reviews |      |      |      |
|-------------------------------------------------------------------------------------------|------|------|------|
| By Gender                                                                                 | 2022 | 2023 | 2024 |
| Male                                                                                      | 1955 | 2035 | 1942 |
| Female                                                                                    | 3184 | 3234 | 3063 |
| By Level                                                                                  |      |      |      |
| Senior Management (AVP and Up)                                                            | 554  | 545  | 527  |
| Middle Management (M-SM)                                                                  | 1153 | 1195 | 1147 |
| Junior Management (JO-AM)                                                                 | 2813 | 2910 | 2745 |
| Rank-and-File (Staff)                                                                     | 619  | 619  | 586  |

\*Covers UnionBank only

## Our Commitment to Safety: Occupational Health and Safety

3-3, 403-1, 403-8, 403-9: 403-10

UnionBank maintains a dedicated Occupational Health and Safety (OHS) Office to fully comply with environmental regulations, Bangko Sentral ng Pilipinas (BSP) requirements, and local government ordinances. The OHS Office coordinates closely with branches across the network to monitor safety conditions, resolve concerns, and implement improvements.

Oversight is supported by a bank-wide Committee on Safety and Occupational Health, which includes representatives from the employee union to ensure inclusive and participatory governance. To improve transparency and efficiency, the Bank maintains a web-based tracking and monitoring system, allowing branches to view the status of pending OHS concerns and follow up in real-time.



UnionBank promotes a strong safety-first culture supported by proactive initiatives and crisis preparedness. Since 2020, the Bank has maintained a zero-injury workplace.

In recognition of this achievement, UnionBank received the Presidential Award for Industrial Safety at the 56th National Industrial Safety Conference hosted by the Safety Organization of the Philippines, Inc. (SOPI). The Bank was honored for reaching over 35 million safe man-hours without lost time, alongside an individual award for Outstanding Safety Consultant.



| Employee Health and Safety Statistics | 2022          | 2023          | 2024          |
|---------------------------------------|---------------|---------------|---------------|
| Man-Hours Worked                      | 8,505,600.00  | 10,577,608.00 | 10,421,808.00 |
| No. of Fatalities                     | 0             | 0             | 0             |
| No. of Lost-Time Injuries             | 0             | 0             | 0             |
| Safe Man-Hours                        | 17,564,023.00 | 28,155,463.00 | 38,577,271.00 |
| Safety Drills                         | 4             | 4             | 6             |

\*This table covers UBP only



## Prioritizing Employee Health and Safety

In 2024, UnionBank reinforced its commitment to employee well-being through a range of programs focused on prevention, mental wellness, and emergency preparedness—anchored in regulatory compliance and a culture of care.

### Cancer Prevention and Control Policy

Launched in March 2024, UnionBank developed a comprehensive cancer policy in compliance with DOLE Labor Advisory No. 20, s.2023. The policy provides a workplace framework for addressing cancer-related challenges and promoting employee health, inclusivity, and support systems.

### Mental Health and Wellness Celebration

In observance of World Mental Health Day, the Bank held Mindful Moments, a week-long wellness campaign featuring bloodletting drives, expert talks (on anxiety, self-harm, forgiveness, retirement readiness), yoga and Zumba sessions, and wellness-themed film screenings. These activities created safe, open spaces for dialogue and self-care.

### Emergency Preparedness: Fire Evacuation Drills

UnionBank conducted building-wide evacuation drills at UB Plaza and UB Square, in coordination with the BFP Pasig City Fire Station, which rated the Bank's drill 9/10 (Outstanding). Branch teams also participated in the quarterly National Evacuation Simulation Drill (NESD). Fire safety orientations and regular inspections ensured frontline readiness and risk awareness.

### Safety Week 2024

Coinciding with the ILO's World Day for Safety and Health at Work, UnionBank held its second Safety Week from April 22-28 with the theme, "Impact of Climate Change on Occupational Safety and Health." Activities included a bloodletting drive, eco-market, and themed webinars. Organized by the Occupational Safety and Health Division (OSHD), the event promoted engagement, awareness, and proactive safety culture across the workforce.

The table below shows the total number of participants attended the training to be an OSH Personnel.

| OSH Personnel                    | Numbers of participants attended the training | Remarks                                                                                                                                                         |
|----------------------------------|-----------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Safety Officer (SO1)             | 82                                            | To ensure all branches have designated SO1 in compliance with D.O. 198-18, newly nominated SO1 undergo the BOSH training for SO1                                |
| Pollution Control Officers (PCO) | 8                                             | To ensure that the cluster will have 100% PCO designated in compliance with DENR-EMB requirement, an additional eight personnel undergo the Basic PCO training. |
| First-Aider                      | 73                                            | To ensure sufficient first aiders in the establishment and branches, especially those for renewal of BLS-FAT training.                                          |
| ERT (Plaza)                      | 85                                            | To ensure the effective implementation of ERPs during untoward occurrences like earthquakes and fire, refresher training for the ERTs was conducted.            |
| ERT (Square)                     | 30                                            |                                                                                                                                                                 |

### Labor Management Relations

2-30, 402-1, 407-1

UnionBank fosters strong labor-management relations by promoting open communication, fairness, and a shared commitment to employee well-being. Through regular engagement with the UnionBank Employees Association (UBEA) and the Family Welfare Committee, the Bank strengthens trust and cultivates an environment of collaboration.

# 2024 SUSTAINABILITY REPORT

In 2024, initiatives to promote industrial peace included refresher sessions on the Code of Conduct, training on Workplace Emergency Preparedness, and a Bank-wide rollout of the Safe Spaces Act orientation. This training, completed by all employees, reaffirmed the Bank's commitment to creating a safe, inclusive, and respectful workplace.

| Year 2024                                                                             | UnionBank of the Philippines | CitySavings Bank |
|---------------------------------------------------------------------------------------|------------------------------|------------------|
| % of employees covered with Collective Bargaining Agreements                          | 12%                          | 47.03%           |
| Number of consultations conducted with employees concerning employee-related policies | 631                          | 998              |

*Note: For UnionBank, All rank-and-file employees are automatically covered by a CBA as part of their employee union membership. For CitySavings, All rank-and-file employees of identified Bank units are automatically covered by a CBA as part of their employee union membership.*

## Diversity, Equity, and Inclusion

3-3, 405-1

UnionBank supports a workplace that is fair, inclusive, and respectful of individual differences. The Bank promotes diversity across roles, functions, and levels, recognizing that varied perspectives contribute to better outcomes and more agile teams.

In 2024, UnionBank continued to strengthen DEI through targeted programs. These include:

\* CHAT (Connect, Heal, Assist, Talk) – a confidential mental health and counseling service for employees

\* UMatter – an employee resource group supporting LGBTQ+ inclusion

The Bank also provides healthcare coverage for domestic and same-sex partners, offers retirement planning and offboarding sessions, and supports employee clubs and interest groups to encourage connection and collaboration.

UnionBank's DEI efforts are aligned with its broader goal of building a future-ready workforce anchored in equal opportunity and respect.

## Opportunities for women in the workforce

| Women in Workforce                                                                                                                                                                                          | 2024 |        |     |        |           |           |           |           |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|--------|-----|--------|-----------|-----------|-----------|-----------|
|                                                                                                                                                                                                             | UBP  |        | UD  |        | UBX       |           | CSB       |           |
|                                                                                                                                                                                                             | %    | Number | %   | Number | %         | Number    | %         | Number    |
| Share of women in total workforce (as % of total workforce*)                                                                                                                                                | 61%  | 3228   | 49% | 81     | 40.36%    | [No data] | 40.25%    | [No data] |
| Share of women in all management positions, including junior, middle and top management (as % of total management positions)                                                                                | 61%  | 2838   | 27% | 45     | 29.41%    | [No data] | 20.78%    | [No data] |
| Share of women in junior management positions, i.e., first level of management (as % of total junior management positions)                                                                                  | 62%  | 1683   | 16% | 27     | 20.00%    | [No data] | 19.70%    | [No data] |
| Share of women in top management positions, i.e., maximum two levels away from the CEO or comparable positions (as % of total top management positions)<br><br>Note: Rank from the Executive Vice President | 25%  | 4      | 11% | 18     | 42.86%    | [No data] | 1.13%     | [No data] |
| Share of women in management positions in revenue-generating functions (e.g., sales) as % of all such managers                                                                                              | 60%  | 484    | 33% | 4      | 0.53%     | [No data] | 1.65%     | [No data] |
| Share of women in STEM-related positions (as % of total STEM positions)                                                                                                                                     | 34%  | 125    | 36% | 17     | [No data] | [No data] | [No data] | [No data] |



### Employee Volunteerism and CSR: GoBeyond Communities

UnionBank's employee-led CSR program, GoBeyond Communities (GBC), reflects the human side of sustainability—anchored in empathy, grassroots connection, and shared purpose. While not part of the Bank's formal sustainability pillars, GBC empowers UnionBankers to design and lead community initiatives that align with their personal advocacies and the Bank's social commitments.

In 2024, GBC supported projects aligned with select UN Sustainable Development Goals (SDGs), with a focus on participation, inclusion, and direct community engagement. Rather than scale, these initiatives prioritize relevance and relationship-building, deepening employees' understanding of social challenges and reinforcing the Bank's culture of service.

#### Quality Education

GBC's education-focused initiatives supported student development across underserved communities:

- Bags to School (Nueva Ecija): Provided 143 students with school bags, slippers, and supplies through a remote outreach program.
- Shoes to GoBeyond (Muntinlupa City): Conducted a Financial Literacy Workshop and donated footwear to 100 beneficiaries.
- SPED UP (Quezon City): Delivered an arts and crafts workshop and distributed learning kits to 67 special education students.
- Our Future Year 3 (Pasig City): Organized a learning workshop for 60 students, extending a long-running commitment to youth empowerment.

- Education is the Future of Digitization (Lanao del Norte): Donated PCs and school bags and hosted a computer literacy workshop for 75 students in a remote community.
- Pave the Wave Charity Run (Pasig City) – Organized by the Customer Experience and Marketing Group in partnership with the Yellow Boat Foundation, this run drew 180 runners and 25 UnionBank volunteers. It raised over PHP 235,000 to support education in underserved areas, benefiting 15 families and 300 students in Basilan.

#### Decent Work and Economic Growth

UnionBankers helped expand livelihood opportunities and support inclusive economic growth:

- Economic Empowerment Program (Makati City): Collaborated with 50 security and utility personnel to co-create and sell baked goods, boosting income and self-reliance
- Fishing Net and Gears: Handog ni UnionBank (Lipa City, Batangas) – Volunteers from the Lipa Branch and nearby locations visited Barangay Halang to clean the lakeshore and donate a new fishing boat. The project provided resources to 200 local fishermen and included a financial literacy session to help them better manage their income.

#### Reduced Inequalities

GBC initiatives also supported healthcare, inclusion, and dignity for underserved communities:

- Brigada Eskwela (Bulacan): Supported 40 students through school donations, meals, and games promoting inclusive learning.
- Dental Mission (Batangas): Offered dental services to 100 residents from marginalized families.
- Steps of Love Charity Run (Pasig City) – Organized by the Digital Channels Team, this event raised over PHP 46,000 for the Tahanan ng Pagmamahal Children's Home, which supports 35 abandoned and neglected children.



## PLANET: Responsible Finance

At UnionBank, we actively embed environmental responsibility into our operations, lending practices, and risk frameworks. While we continue to shape our long-term environmental commitments, we are taking clear, practical steps to reduce our footprint and operate more sustainably.

**As a financial institution, our capital decisions have a real impact. We use this influence to encourage more sustainable business practices across our client base. Internally, we prioritize resource efficiency, emissions reduction, and full compliance with environmental laws.**

Our Occupational Safety and Health Division leads compliance with policies from the Department of Environment and Natural Resources (DENR) and other regulators. Through monthly Environmental, Occupational Safety and Health Committee meetings, we monitor greenhouse gas (GHG) emissions, waste generation, and performance metrics that guide our continuous improvement.

Across the Bank, we are modernizing our systems and operations to embed eco-efficiency—strengthening awareness and accountability as we grow.

While we have not yet announced a formal net-zero commitment, we recognize its importance in the global sustainability agenda. We are carefully evaluating how to pursue this path in a way that reflects our national development priorities, supports financial inclusion, and strengthens economic resilience. By aligning with local regulations and international standards—and leveraging innovation, partnerships, and digital tools—we aim to support a just, inclusive, and sustainable transition for the Philippines.

### Policy Engagement and Sector Advocacy

UnionBank actively contributes to the development of sustainable finance regulations in the Philippines. We engage with the Bangko Sentral ng Pilipinas (BSP), Bankers Association of the Philippines (BAP), and industry working groups to shape policies that are practical, risk-informed, and aligned with real-world banking operations.

Through regular consultations and feedback on draft guidelines, we help ensure that ESG regulations reflect both the complexity of financial institutions and the urgency of environmental and social issues. We also collaborate with peers to create shared practices that support ESG integration across the sector.

As sustainability becomes a standard across all banks—regardless of size—we see our role as helping build a strong, unified foundation for ESG-aligned finance in the country.

### Resource Efficiency in Operations

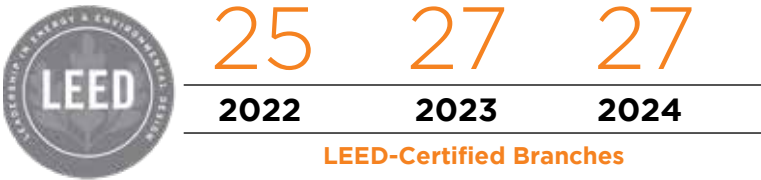
302-1, 302-3, 302-4

#### Energy Management

We continue to uphold high energy efficiency standards and environmental responsibility across our facilities. Since launching our green building initiative, UnionBank has steadily increased the number of LEED-certified branches, beginning with its first certification in Tacloban in 2016. As of 2024, a total of 27 branches have achieved LEED certification.

While we did not secure new LEED certifications in 2024, we optimized performance in our previously certified buildings by maintaining compliance with LEED guidelines and rolling out targeted energy-saving measures.

These efforts reflect our ongoing commitment to sustainable operations. We also continue to explore opportunities for future green building certifications as part of our long-term approach to resource efficiency and responsible infrastructure.



#### Energy Management System

We are implementing an Energy Management System to optimize power use and reduce electricity costs across the common areas of our facilities.

To ensure the best results, we are reviewing proposals from external providers as part of a full cost-benefit analysis. Bringing in a specialized partner follows global best practices—helping us access advanced tools, validate savings, and accelerate impact through expert implementation.

Our target is to reduce power consumption by 50% over five years, with a 33% reduction by Year Three. This aligns with projected returns and supports our broader goal of enhancing operational sustainability.

The Energy Management System reflects our commitment to lowering operational costs while embedding sustainable energy practices into our day-to-day operations. We’ve allocated PHP 10.48 million for this initiative and have already realized PHP 6.9 million in energy savings—demonstrating early traction and value.

| Year | KWH per annum | Annual percentage energy savings | Initiatives                                                                                                                                                                                    | Capital Investments (PHP ) |
|------|---------------|----------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|
| 2022 | 4,447,777     | 0                                | Conversion to LED lights—fire exits and facade, upgrade of capacitor bank control, upgrade of PACU to VRF air conditioning system at GF, integration/automation of PACU valves to BMS controls | 7.792M                     |
| 2023 | 3,259,410     | 27% or PHP 14.26M                | Provision of Variable Frequency Drive on low-rise cooling tower pump                                                                                                                           | 0.690M                     |
| 2024 | 2,999,881     | 33% or PHP 17.38M                | Provision of Variable Frequency Drive on high-rise cooling tower pump, migration to VRF A/C at 45F                                                                                             | 2.000M                     |
| 2025 | 2,669,000     | 40% or PHP 21.35M                |                                                                                                                                                                                                |                            |
| 2026 | 2,224,000     | 50% or PHP 26.70M                |                                                                                                                                                                                                |                            |

*\*This table covers UBP only*

### Other Eco-Efficiency Initiatives

#### Variable Frequency Drive at UB Plaza

We installed Variable Frequency Drives (VFDs) in the cooling towers at UB Plaza to improve energy efficiency. VFDs optimize motor speed based on demand, resulting in significant energy savings and more precise system control.

#### Employee Carpooling Campaign

Launched by our Employee Engagement Team in partnership with the Sustainability Office, the Carpooling Campaign at UB Plaza and UB Square encourages employees to ride together based on shared routes and work schedules. The initiative helps reduce traffic congestion and carbon emissions from employee transport while promoting community-building among UnionBankers.

#### Energy Efficiency Project at Bangko Kabayan

Bangko Kabayan continued its branch-level energy transition by replacing outdated air conditioning units with inverter-type ACUs. As of 2024, 91 out of 101 units across 24 Luzon branches have been upgraded, boosting energy efficiency and lowering electricity costs. With 90% of Luzon branches completed, the project is steadily advancing, and retrofitting efforts in Visayas branches are now underway.

# 2024 SUSTAINABILITY REPORT

## Waste Management

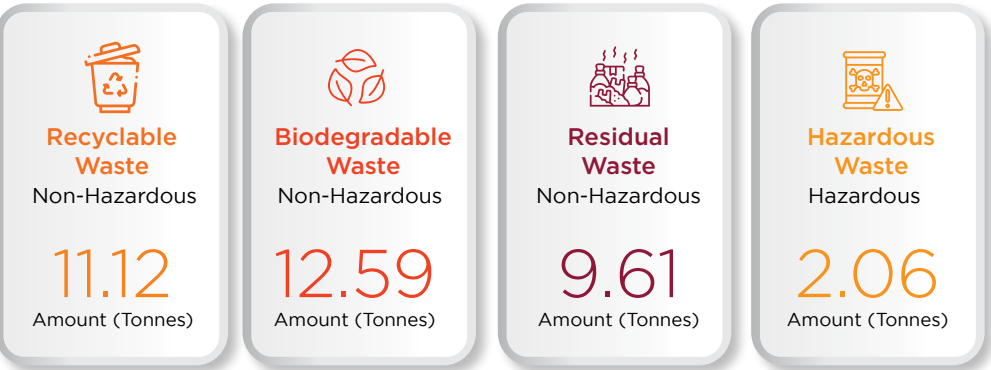
306-2, 306-3, 306-4, 306-5

UnionBank continues to strengthen its recycling initiatives and ensure the responsible disposal of both non-hazardous and hazardous waste. In 2024, the Bank generated a total of 1,257.43 tonnes of waste, the majority of which was classified as non-hazardous.

Hazardous waste—including busted lighting, used oil, waste electrical and electronic equipment (WEEE), oil-contaminated materials, and batteries—is disposed of safely through accredited third-party service providers in full compliance with environmental regulations.

### Waste Classification and Breakdown

The table below presents the waste types and their corresponding amounts:



\*This table covers UBP only

### Other Waste Management Initiatives: Bangko Kabayan

| Waste Type       | Classification | Amount (Tonnes) |
|------------------|----------------|-----------------|
| Recyclable Waste | Non-Hazardous  | 1,222.05        |

\*This table covers BK only

Bangko Kabayan supports circular economy efforts by donating segregated plastic, paper, and metal waste to the Xtrash Challenge—an annual campaign that champions environmental responsibility at the community level.

Organized by Philippine Business for Social Progress (PBSP) in partnership with Basic Environmental Services and Technologies, the Xtrash Challenge promotes proper waste segregation and the collection of recyclable materials, including paper, plastic, metal, and glass. These materials are turned over to designated My Basurero Eco-Community Centers, where they are recycled or disposed of responsibly.

## Water Resource Management

303-1, 303-3, 303-5

UnionBank monitors its water consumption to better understand usage patterns and identify areas for improvement. These insights help inform future strategies to support water conservation and contribute to the Bank's sustainability objectives.

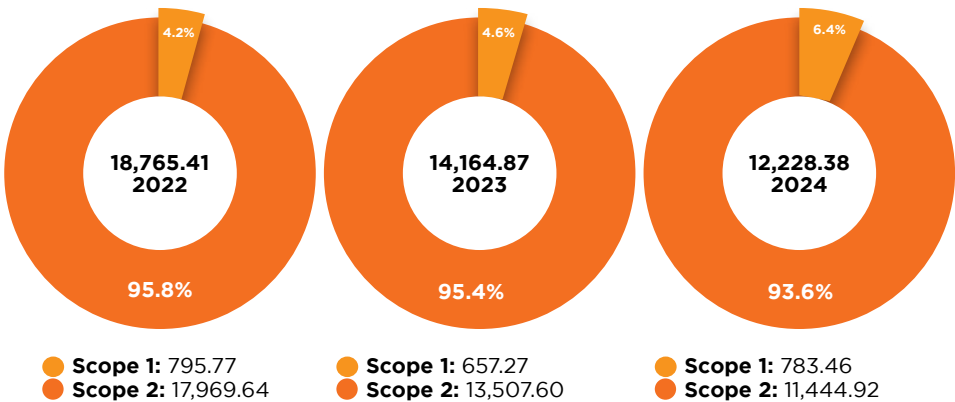
## GHG Emissions

305-1, 305-2, 305-4, 305-5

UnionBank manages its greenhouse gas (GHG) emissions by aligning reduction targets with global climate goals and incorporating environmental considerations into its lending and investment practices. To support these efforts, the Bank also fosters internal awareness through employee engagement programs that highlight the impact of energy and water use in daily operations.

In addition, we are taking steps to better understand our greenhouse gas (GHG) emissions and explore opportunities for future reduction. While formal targets are still in development, the Bank promotes environmental awareness through employee engagement programs that highlight the importance of energy and water conservation in day-to-day operations.

### Greenhouse Gas Emissions in tCO<sub>2</sub>e



\*This table covers UBP and subs

## Fuel consumption

302-1, 305-1

UnionBank's Scope 1 emissions come from the direct combustion of fuel in stationary and mobile sources. These include generator sets used across our facilities and company-owned vehicles. The Bank primarily consumes diesel and gasoline in these operations.

| SCOPE 1: Fuel Type in tCO <sub>2</sub> e                                           | 2022   | 2023   | 2024   |
|------------------------------------------------------------------------------------|--------|--------|--------|
| Absolute GHG Emissions (Fuel) CO <sub>2</sub> + N <sub>2</sub> O + CH <sub>4</sub> | 795.77 | 657.27 | 783.46 |

*\*This table covers UBP and subs*

In 2024, fuel consumption increased mainly because the Bank operated generator sets for up to 16 hours during Typhoon Katrina to maintain uninterrupted services amid power outages. On regular days, the Bank keeps fuel use low by running generators only during scheduled no-load test runs to ensure they remain efficient and operationally ready.

## Electricity Consumption

302-1, 305-2

UnionBank reports Scope 2 GHG emissions from purchased electricity based on consumption across our operations, including our subsidiaries.

To calculate emissions, the Bank multiplies electricity consumption data by the latest available Simple Operating Margin Emission Factors published by the Department of Energy (DOE), using the relevant National Grid Emission Factors for Luzon-Visayas and Mindanao grids.

| SCOPE 2: Electricity Consumption in tCO <sub>2</sub> e | 2022      | 2023      | 2024      |
|--------------------------------------------------------|-----------|-----------|-----------|
| Purchased Energy                                       | 17,969.64 | 13,507.60 | 11,444.92 |

*\*This table covers UBP and subs*

## Resource Consumption

3-3, 302-1, 303-1, 305-1

| Resource Consumption                                 | 2022       | 2023       | 2024       |
|------------------------------------------------------|------------|------------|------------|
| Energy (electricity MWh)                             | 25,160.36  | 18,898.96  | 16,006.41  |
| Energy (in GJ)<br>(restated in year 2023)            | 90,577.30  | 68,036.26  | 57,623.09  |
| Fuel (stationary) – Diesel and Gasoline              | 24,025.72  | 28,944.23  | 19,223.37  |
| Fuel (mobile) – Diesel and Gasoline                  | 278,653.59 | 220,156.93 | 191,068.20 |
| Total Fuel (in L)                                    | 302,679.31 | 249,101.17 | 282,960.34 |
| GHG in TCO <sub>2</sub> e<br>(restated in year 2023) | 18,765.41  | 14,164.87  | 12,228.38  |
| Water                                                | 311,641.91 | 130,701.53 | 99,996.04  |
| Paper (in Reams)                                     | 13,093.00  | 27,176.00  | 22,251.00  |
| Ink (in Cartridges)                                  | 3,483.00   | 2,156.00   | 1,534.00   |

*\*This table covers UBP and subs except for Paper and ink (UBP only)*

We track resource consumption across our operations to monitor the Bank's environmental impact and identify opportunities for improved efficiency.

In 2024, total energy consumption reached 16,006.41 MWh, or 57,623.09 GJ, continuing a downward trend from previous years. This reduction reflects ongoing energy management initiatives, including optimizing electricity use across branches and offices. Energy consumption figures were calculated using utility bills and converted to gigajoules for standard reporting.

Fuel consumption totaled 282,960.34 liters in 2024, combining both stationary sources (e.g., generator sets) and mobile sources (company-owned vehicles). While fuel used for mobile sources has gradually decreased since 2022, stationary fuel use fluctuated due to emergency generator operations during weather-related disruptions. Correspondingly, GHG emissions from energy and fuel use amounted to 12,228.38 tCO<sub>2</sub>e in 2024.

We also monitor our use of water, paper, and ink as part of resource stewardship. Water consumption declined significantly to 99,996.04 cubic meters in 2024, supporting broader conservation goals. Paper and ink consumption, which covers UnionBank offices only, also saw reductions—paper use decreased to 22,251 reams, while ink cartridge use dropped to 1,534 units, reflecting digitalization efforts and reduced printing activity.

# 2024 SUSTAINABILITY REPORT

| Environmental Compliance                                                                   | 2022      |                 | 2023      |                 | 2024      |                 |
|--------------------------------------------------------------------------------------------|-----------|-----------------|-----------|-----------------|-----------|-----------------|
|                                                                                            | No. Fines | Amount (if any) | No. Fines | Amount (if any) | No. Fines | Amount (if any) |
| Total amount of monetary fines for non compliance with environmental laws or regulations   | 3         | 49,500.00       | 0         | 0.00            | 1         | 19,500.00       |
| Number of non monetary sanctions for non compliance with environmental laws or regulations | 0         | 0.00            | 0         | 0.00            | 0         | 0.00            |
| Number of cases resolved through a dispute resolution mechanism                            | 0         | 0.00            | 0         | 0.00            | 0         | 0.00            |

## Paperless Transactions

As part of UnionBank’s digital transformation journey, we launched the Paperless Drive project to reduce paper usage and automate manual processes across branches. This initiative supports the Bank’s commitment to environmental sustainability, operational efficiency, and superior customer experience. By transitioning to digital platforms such as the Digital Transaction Portal (DTP), UB Online, The Portal, and digital onboarding channels, the Bank has significantly minimized the need for printed forms and over-the-counter processing.

By the end of October 2024, 76% of all branch transactions—equivalent to 10.08 million—were completed digitally via DTP. Separately, 25.3 million transactions from enrolled business clients were diverted from branches to The PORTAL, the bank’s dedicated digital platform for corporate customers. In addition, over 928,000 new accounts were opened through fully paperless onboarding channels, removing the need for in-branch paperwork and providing customers with more convenient access.

In 2024 alone, the Paperless Drive generated PHP 21.9 million in cost savings: PHP 4.3 million from reduced manpower overtime, PHP 3.6 million from lower power and lighting use, PHP 2 million in stationery and supplies savings, and PHP 12 million from the transition to electronic Statements of Account (eSOA).

## Environmental Initiatives: Every Step Counts

103-1, 103-2, 103-3

UnionBank actively supports environmental sustainability through a range of on-the-ground initiatives that complement its broader sustainability efforts. These projects show that meaningful impact often starts with everyday actions. From tree planting and coastal cleanups to grassroots education and community innovations, these efforts reflect the Bank’s growing commitment to environmental stewardship.

Below are some of the ways UnionBank and its subsidiaries are taking action:

## Tree Planting Initiatives



### Tech LEAD Tree Nurturing at Masungi Georeserve

Nine Tech LEAD Management Trainees trekked the Masungi Georeserve’s Legacy Trail to care for saplings by clearing weeds and loosening soil. Guided by a forest ranger, they also learned about pressing conservation challenges, including illegal logging and land encroachment. While modest in scale, the activity offered firsthand insight into environmental protection and strengthened the connection of participants to the Bank’s sustainability values.

### GPS Tree Planting - “Plant Trees, Save Lives”

Forty-two volunteers from UnionBank’s Governance and Payment Solutions (GPS) Team joined a reforestation effort at La Mesa Watershed in partnership with Million Trees Foundation, supporting reforestation and biodiversity in a critical urban watershed.



#### Sagip Kagubatan Para sa Kinabukasan

Twenty-three Go Beyond Communities volunteers planted 500 fruit-bearing and hardwood tree seedlings in Sitio Suha, Norzagaray, Bulacan, within the Angat Watershed Forest Reserve. The team also donated protective gear and equipment, contributing to forest protection and climate resilience.

#### Clean-Up Drives



#### UBP x Calatagan Reef Patrollers: Coastal Cleanup

Eleven LEAD trainees helped remove four sacks of marine debris, including plastic packaging and discarded materials, from the mangroves in Brgy. Gulod, Calatagan, Batangas. The group also donated PHP 24,000 worth of rescue and medical equipment to support the conservation efforts of local Reef Patrollers.



#### Coastal Conservation Project – Pawikan Protection

At the Pag-asa Pawikan Protection and Conservation Center in Bagac, Bataan, LEAD trainees under the Product Owner Track conducted a coastal cleanup and planted 80 mangrove seedlings. They collected approximately 45 kilograms of trash across a 4,500 sqm stretch of coastline and donated essential conservation gear to support 30 volunteer turtle rangers.

#### Environmental Awareness Campaigns



#### Think Clean and Go Green

Eight volunteers from UnionBank Makati CBD supported the Eco Savers Club to raise recycling awareness. They distributed school and cleaning supplies to 100 students and supported localized waste management initiatives under the National Greening Program.

#### 2024 E-Waste Zero Project

Launched in May 2024, UnionBank's e-waste drive collected 40 kg of electronic waste in its first two rounds. Drop-off bins were set up across selected offices in partnership with Globe, with the initiative continuing into 2025.



#### Eco Awareness Week: "Small Actions, Big Impact"

This two-day campaign celebrated everyday sustainability practices with a green-themed bazaar, a *parol*-making contest using recycled materials, and recognition of UnionBankers leading environmental initiatives.

# 2024 SUSTAINABILITY REPORT

## Bangko Kabayan: Bayani ng Komunidad



### Solar Street Lights with Eco Brick Foundations

In partnership with local communities, Bangko Kabayan installed solar-powered street lights across barangays and schools in Batangas. Built on eco brick foundations, these lights improve community safety and promote clean energy.

### Plastic Waste Education and Eco Brick Training

Through community education sessions, students, teachers, and residents learned to turn single-use plastics into eco bricks for sustainable construction. This helped reduce plastic pollution while raising environmental consciousness.

### Bayani ng Kalikasan - Coastal and River Cleanups

BK partnered with communities in Gumaca (Quezon), Sta. Fe (Cebu), and Nagcarlan (Laguna) to organize cleanups and environmental campaigns. These included collecting residual waste, installing public signage, and localized education drives to strengthen environmental awareness.

### BK Tree Planting Programs

BK led tree-planting activities in Lemery and Ibaan, Batangas. These included the Bakawan Rehabilitation Program to restore mangrove forests and the “*Sa Ilog ng Pag-Asa, Puno ay Mahalaga*” event celebrating World Environment Day and Philippine Eagle Week.



### CitySavings: Transforming Waste into a Sustainable Future

Launched in August 2024, Trashformers is a CitySavings waste diversion initiative that aims to reduce landfill contributions by repurposing discarded materials. The project focuses on reusing common office and household waste while encouraging employees and communities to take part in everyday sustainability efforts.

From August to December 2024, the project diverted 162.5 kilograms of waste from the environment. This included 60.5 kg of assorted paper, 48.5 kg of cardboard, 28.5 kg of rigid plastics, 3.5 kg of assorted plastic, and 21.5 kg of mixed waste. These materials were repurposed into sustainable products rather than sent to landfills. The effort also enabled the Bank to reduce costs by leveraging external programs that exchange recycled waste for office essentials such as bond paper.

Trashformers supports CitySavings' Planet and People sustainability pillars by reducing environmental impact and involving employees in practical, community-based action. The project will continue into 2025, with plans to expand participation and scale up impact.

### Project Helios: Harnessing Solar Energy for a Greener Tomorrow

CitySavings launched Project Helios to reduce energy consumption and carbon emissions through renewable energy. The initiative involved installing solar-powered air conditioning units in four branches: Estancia, Sorsogon, Madela, and Tayug.

At the Madela branch, average daily energy consumption dropped from 13.19 kWh to 10.45 kWh, resulting in a monthly savings of 85.33 kWh—a 25.17% reduction. This shift helps lower reliance on fossil fuels and supports efforts to reduce greenhouse gas emissions.

By integrating solar energy into branch operations, CitySavings demonstrates that small-scale renewable solutions can drive meaningful impact. The bank aims to scale the project across more branches to maximize energy savings and environmental gains.

### #BEEMindful Together Program: Let's Hack the Bank's High Electricity Cost

CitySavings launched the #BEEMindful Together Program to promote everyday energy-saving habits among employees. The initiative encourages the mindful use of electricity—such as unplugging devices, turning off unused lights, and maximizing natural lighting—to reduce both costs and environmental impact.

As of March 2025, 133 employees have actively participated. The program helped cut electricity costs by 8% in just three months, saving the Bank PHP 123,000. These savings came from simple, collective actions practiced consistently across workspaces.

### Let's Keep the Conversation Going

We believe sustainability thrives on open dialogue. Our Investor Relations team stays actively connected with shareholders and investors through regular briefings, disclosures, and meaningful conversations around governance, performance, and ESG.

Do you have a question, insight, or idea about our sustainability efforts? We'd love to hear from you.

Reach us anytime at [sustainability@UnionBankph.com](mailto:sustainability@UnionBankph.com)

You can also stay updated through our annual sustainability reports, regulatory engagements, and stakeholder forums. Together, let's shape a future that works—for everyone.

# 2024 SUSTAINABILITY REPORT

## GRI Index

Union Bank of the Philippines has reported in accordance with the GRI Standards for the period January 1, 2024 to December 31, 2024.

| STATEMENT OF USE                  |                              |
|-----------------------------------|------------------------------|
| GRI 1 used                        | GRI 1: Foundation 2021       |
| Applicable GRI Sector Standard(s) | None for this reporting year |

| GRI STANDARD/<br>OTHER SOURCE   | DISCLOSURE                                                                                                                                                                | LOCATION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | OMISSION                  |              |             |      |               |       |          |       |  |  |  |
|---------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|--------------|-------------|------|---------------|-------|----------|-------|--|--|--|
|                                 |                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | REQUIREMENT(S)<br>OMITTED | REASON       | EXPLANATION |      |               |       |          |       |  |  |  |
| General disclosures             |                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                           |              |             |      |               |       |          |       |  |  |  |
| GRI 2: General Disclosures 2021 | 2-1 Organizational details                                                                                                                                                | Page 96-97                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                           |              |             |      |               |       |          |       |  |  |  |
|                                 | 2-2 Entities included in the organization's sustainability reporting                                                                                                      | Page 108                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                           |              |             |      |               |       |          |       |  |  |  |
|                                 | 2-3 Reporting period, frequency and contact point                                                                                                                         | Page 108                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                           |              |             |      |               |       |          |       |  |  |  |
|                                 | 2-4 Restatements of information                                                                                                                                           | After the result of a data review and collection methodology conducted for solid wastes for UBP to ensure data accuracy and consistency, the FY2023 Waste Management data is restated as follows: <table><tr><th>Waste Type</th><th>Waste Tonnes</th></tr><tr><td>Recyclable</td><td>18.7</td></tr><tr><td>Biodegradable</td><td>19.94</td></tr><tr><td>Residual</td><td>17.04</td></tr></table>                                                                                                                                                                                                                             | Waste Type                | Waste Tonnes | Recyclable  | 18.7 | Biodegradable | 19.94 | Residual | 17.04 |  |  |  |
|                                 | Waste Type                                                                                                                                                                | Waste Tonnes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                           |              |             |      |               |       |          |       |  |  |  |
| Recyclable                      | 18.7                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                           |              |             |      |               |       |          |       |  |  |  |
| Biodegradable                   | 19.94                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                           |              |             |      |               |       |          |       |  |  |  |
| Residual                        | 17.04                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                           |              |             |      |               |       |          |       |  |  |  |
| 2-5 External assurance          | The sustainability office, under the Chief Risk Officer, presided over its creation. External assurance will be considered for the 2025 Annual and Sustainability Report. |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                           |              |             |      |               |       |          |       |  |  |  |
|                                 | 2-6 Activities, value chain and other business relationships                                                                                                              | Union Bank of the Philippines is part of the financial sector of the Philippines.<br><br>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)<br><br>Customers and number of customers - p.133<br><br>Total number of UnionBank customers with active or open deposit and/or loan accounts as of Dec 31, 2024) - p139 |                           |              |             |      |               |       |          |       |  |  |  |

| GRI STANDARD/<br>OTHER SOURCE | DISCLOSURE                                                                       | LOCATION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | OMISSION                  |        |             |
|-------------------------------|----------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|--------|-------------|
|                               |                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | REQUIREMENT(S)<br>OMITTED | REASON | EXPLANATION |
|                               | 2-7 Employees                                                                    | Page 142-143                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                           |        |             |
|                               | 2-8 Workers who are not employees                                                | Page 142-143                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                           |        |             |
|                               | 2-9 Governance structure and composition                                         | Page 119<br><br>Governance Structure - <a href="https://www.unionbankph.com/about-us/who-we-are/structure">https://www.unionbankph.com/about-us/who-we-are/structure</a><br>Key executive officers - <a href="https://www.unionbankph.com/about-us/who-we-are/key-executive.officers">https://www.unionbankph.com/about-us/who-we-are/key-executive.officers</a><br>Board of Directors - <a href="https://www.unionbankph.com/about-us/who-we-are/board-of-directors">https://www.unionbankph.com/about-us/who-we-are/board-of-directors</a> |                           |        |             |
|                               | 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 <a href="https://www.unionbankph.com/about-us/corporate-governance/good-governance-standard">https://www.unionbankph.com/about-us/corporate-governance/good-governance-standard</a>                                                                                                                                                                                                                         |                           |        |             |
|                               | 2-11 Chair of the highest governance body                                        | <a href="https://www.unionbankph.com/about-us/who-we-are/board-of-directors">https://www.unionbankph.com/about-us/who-we-are/board-of-directors</a>                                                                                                                                                                                                                                                                                                                                                                                          |                           |        |             |
|                               | 2-12 Role of the highest governance body in overseeing the management of impacts | Roles can be found in Manual on Good Governance - <a href="https://www.unionbankph.com/about-us/corporate-governance/goodgovernance-standard">https://www.unionbankph.com/about-us/corporate-governance/goodgovernance-standard</a>                                                                                                                                                                                                                                                                                                          |                           |        |             |
|                               | 2-13 Delegation of responsibility for managing impacts                           | Page 119                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                           |        |             |
|                               | 2-14 Role of the highest governance body in sustainability reporting             | Page 119                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                           |        |             |
|                               | 2-15 Conflicts of interest                                                       | Policy on Conflict of Interest under Government Policies: <a href="https://www.unionbankph.com/about-us/corporategovernance/good-governancestandard?report=4&amp;acc=4350">https://www.unionbankph.com/about-us/corporategovernance/good-governancestandard?report=4&amp;acc=4350</a> Also listed in UnionBank's RPT Policy: <a href="https://www.unionbankph.com/about-us/corporategovernance/good-governancestandard?repo">https://www.unionbankph.com/about-us/corporategovernance/good-governancestandard?repo</a>                       |                           |        |             |
|                               | 2-16 Communication of critical concerns                                          | Stakeholder Relations - <a href="https://www.unionbankph.com/about-us/corporategovernance/good-governancestandard?report=1&amp;acc=4218">https://www.unionbankph.com/about-us/corporategovernance/good-governancestandard?report=1&amp;acc=4218</a>                                                                                                                                                                                                                                                                                          |                           |        |             |
|                               | 2-17 Collective knowledge of the highest governance body                         | Sustainability Learning and Appreciation Courses: Building Capacity for Sustainable Finance                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                           |        |             |
|                               | 2-18 Evaluation of the performance of the highest governance body                | Page 119                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                           |        |             |

# 2024 SUSTAINABILITY REPORT

## GRI Index

| GRI STANDARD/<br>OTHER SOURCE | DISCLOSURE                                              | LOCATION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | OMISSION                  |                             |                                                                          |
|-------------------------------|---------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|-----------------------------|--------------------------------------------------------------------------|
|                               |                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | REQUIREMENT(S)<br>OMITTED | REASON                      | EXPLANATION                                                              |
|                               | 2-19 Remuneration policies                              | Information on Remuneration under Governance Policies (Manual on Corporate Governance)-<br><a href="https://www.unionbankph.com/about-us/corporate-governance/good-governance-standard?report=3">https://www.unionbankph.com/about-us/corporate-governance/good-governance-standard?report=3</a>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                           |                             |                                                                          |
|                               | 2-20 Process to determine remuneration                  | Information on Remuneration under Governance Policies (Manual on Corporate Governance)-<br><a href="https://www.unionbankph.com/about-us/corporate-governance/good-governance-standard?report=3">https://www.unionbankph.com/about-us/corporate-governance/good-governance-standard?report=3</a>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                           |                             |                                                                          |
|                               | 2-21 Annual total compensation ratio                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | All information           | Confidentiality constraints | Local laws do not require disclosures on annual total compensation ratio |
|                               | 2-22 Statement on sustainable development strategy      | Page 14-17,128-131                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                           |                             |                                                                          |
|                               | 2-23 Policy commitments                                 | Page 110-112                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                           |                             |                                                                          |
|                               | 2-24 Embedding policy commitments                       | Page 110-112, 125,127                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                           |                             |                                                                          |
|                               | 2-25 Processes to remediate negative impacts            | Page 112                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                           |                             |                                                                          |
|                               | 2-26 Mechanisms for seeking advice and raising concerns | Page 112                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                           |                             |                                                                          |
|                               | 2-27 Compliance with laws and regulations               | 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. 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. 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. Ethical Standards and Governance Policies-<br><a href="https://www.unionbankph.com/aboutus/corporate-governance/goodgovernance-standard?report=0">https:// www.unionbankph.com/aboutus/corporate-governance/goodgovernance-standard?report=0</a> |                           |                             |                                                                          |

| GRI STANDARD/<br>OTHER SOURCE | DISCLOSURE                                           | LOCATION | OMISSION                  |                                      |                                                                                                                                                                                                                                   |
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|                               |                                                      |          | REQUIREMENT(S)<br>OMITTED | REASON                               | EXPLANATION                                                                                                                                                                                                                       |
|                               | 2-28 Membership associations                         |          | All information           | Information unavailable / Incomplete | This data is currently unavailable, but UnionBank will include this in the report for 2025                                                                                                                                        |
|                               | 2-29 Approach to stakeholder engagement              | Page 112 |                           |                                      |                                                                                                                                                                                                                                   |
|                               | 2-30 Collective bargaining agreements                | Page 152 |                           |                                      |                                                                                                                                                                                                                                   |
| Material topics               |                                                      |          |                           |                                      |                                                                                                                                                                                                                                   |
| GRI 3: Material Topics 2021   | 3-1 Process to determine material topics             | Page 114 |                           |                                      |                                                                                                                                                                                                                                   |
|                               | 3-2 List of material topics                          | Page 114 |                           |                                      |                                                                                                                                                                                                                                   |
| Biodiversity                  |                                                      |          |                           |                                      |                                                                                                                                                                                                                                   |
| GRI 3: Material Topics 2021   | 3-3 Management of material topics                    |          | All information           | Not applicable                       | Not applicable, since UnionBank does not have biodiversity-related operations as part of its overall banking operations. We do, however, support biodiversity-related projects under our CSR programs (Tree Planting Initiatives) |
| GRI 101: Biodiversity 2024    | 101-1 Policies to halt and reverse biodiversity loss |          | All information           | Not applicable                       | Not applicable, since UnionBank does not have biodiversity-related operations as part of its overall banking operations. We do, however, support biodiversity-related projects under our CSR programs (Tree Planting Initiatives) |
|                               | 101-2 Management of biodiversity impacts             |          | All information           | Not applicable                       | Not applicable, since UnionBank does not have biodiversity-related operations as part of its overall banking operations. We do, however, support biodiversity-related projects under our CSR programs (Tree Planting Initiatives) |
|                               | 101-3 Access and benefit-sharing                     |          | All information           | Not applicable                       | Not applicable, since UnionBank does not have biodiversity-related operations as part of its overall banking operations. We do, however, support biodiversity-related projects under our CSR programs (Tree Planting Initiatives) |
|                               | 101-4 Identification of biodiversity impacts         |          | All information           | Not applicable                       | Not applicable, since UnionBank does not have biodiversity-related operations as part of its overall banking operations. We do, however, support biodiversity-related projects under our CSR programs (Tree Planting Initiatives) |
|                               | 101-5 Locations with biodiversity impacts            |          | All information           | Not applicable                       | Not applicable, since UnionBank does not have biodiversity-related operations as part of its overall banking operations. We do, however, support biodiversity-related projects under our CSR programs (Tree Planting Initiatives) |

# 2024 SUSTAINABILITY REPORT

## GRI Index

| GRI STANDARD/<br>OTHER SOURCE             | DISCLOSURE                                                                                                       | LOCATION | OMISSION                  |                                      |                                                                                                                                                                                                                                   |
|-------------------------------------------|------------------------------------------------------------------------------------------------------------------|----------|---------------------------|--------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                           |                                                                                                                  |          | REQUIREMENT(S)<br>OMITTED | REASON                               | EXPLANATION                                                                                                                                                                                                                       |
|                                           | 101-6 Direct drivers of biodiversity loss                                                                        |          | All information           | Not applicable                       | Not applicable, since UnionBank does not have biodiversity-related operations as part of its overall banking operations. We do, however, support biodiversity-related projects under our CSR programs (Tree Planting Initiatives) |
|                                           | 101-7 Changes to the state of biodiversity                                                                       |          | All information           | Not applicable                       | Not applicable, since UnionBank does not have biodiversity-related operations as part of its overall banking operations. We do, however, support biodiversity-related projects under our CSR programs (Tree Planting Initiatives) |
|                                           | 101-8 Ecosystem services                                                                                         |          | All information           | Not applicable                       | Not applicable, since UnionBank does not have biodiversity-related operations as part of its overall banking operations. We do, however, support biodiversity-related projects under our CSR programs (Tree Planting Initiatives) |
| <b>GRI 304:<br/>Biodiversity 2016</b>     | 304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations |          | All information           | Not applicable                       | Not applicable, since UnionBank does not have biodiversity-related operations as part of its overall banking operations. We do, however, support biodiversity-related projects under our CSR programs (Tree Planting Initiatives) |
| <b>Economic performance</b>               |                                                                                                                  |          |                           |                                      |                                                                                                                                                                                                                                   |
| <b>GRI 3: Material Topics 2021</b>        | 3-3 Management of material topics                                                                                | Page 133 |                           |                                      |                                                                                                                                                                                                                                   |
| <b>GRI 201: Economic Performance 2016</b> | 201-1 Direct economic value generated and distributed                                                            | Page 133 |                           |                                      |                                                                                                                                                                                                                                   |
|                                           | 201-2 Financial implications and other risks and opportunities due to climate change                             |          | All information           | 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                                                |          | All information           | Information unavailable/incomplete   | Retirement benefits are provided through a defined contribution plan, in line with local regulations.                                                                                                                             |
|                                           | 201-4 Financial assistance received from government                                                              |          | All information           | Information unavailable/incomplete   | UnionBank did not receive financial assistance from the government during the reporting period. This disclosure is omitted as it is not applicable.                                                                               |

| GRI STANDARD/<br>OTHER SOURCE           | DISCLOSURE                                                                         | LOCATION | OMISSION                  |                                    |                                                                                                                                                                                                                                                                      |
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|                                         |                                                                                    |          | REQUIREMENT(S)<br>OMITTED | REASON                             | EXPLANATION                                                                                                                                                                                                                                                          |
| Market presence                         |                                                                                    |          |                           |                                    |                                                                                                                                                                                                                                                                      |
| GRI 3: Material Topics 2021             | 3-3 Management of material topics                                                  |          | All information           | Information unavailable/incomplete | UnionBank does not publicly disclose ratios of standard entry-level wage by gender compared to the local minimum wage, as the bank ensures all employees are paid above the minimum wage in their respective locations. Therefore, this disclosure is omitted.       |
| GRI 202: Market Presence 2016           | 202-1 Ratios of standard entry level wage by gender compared to local minimum wage |          | All information           | Information unavailable/incomplete | UnionBank ensures that all employees are compensated above the local minimum wage. As the disclosure of specific wage ratios by gender is not applicable to the Bank’s wage structure, this information is omitted.                                                  |
|                                         | 202-2 Proportion of senior management hired from the local community               |          | All information           | Information unavailable/incomplete | UnionBank does not separately track the proportion of senior management hired from the local community. This disclosure is omitted as it is not a key metric currently monitored by the Bank.                                                                        |
| Indirect economic impacts               |                                                                                    |          |                           |                                    |                                                                                                                                                                                                                                                                      |
| GRI 3: Material Topics 2021             | 3-3 Management of material topics                                                  |          | All information           | Information unavailable/incomplete |                                                                                                                                                                                                                                                                      |
| GRI 203: Indirect Economic Impacts 2016 | 203-1 Infrastructure investments and services supported                            |          | All information           | Information unavailable/incomplete | UnionBank’s infrastructure investments primarily focus on internal banking operations and technological advancements. The Bank does not report on infrastructure investments or services supported in external public infrastructure, so this disclosure is omitted. |
|                                         | 203-2 Significant indirect economic impacts                                        |          | All information           | Information unavailable/incomplete | UnionBank does not separately track or report on significant indirect economic impacts resulting from its infrastructure investments and services supported. Therefore, this disclosure is omitted                                                                   |
| Procurement practices                   |                                                                                    |          |                           |                                    |                                                                                                                                                                                                                                                                      |
| GRI 3: Material Topics 2021             | 3-3 Management of material topics                                                  | Page 120 |                           |                                    |                                                                                                                                                                                                                                                                      |
| GRI 204: Procurement Practices 2016     | 204-1 Proportion of spending on local suppliers                                    | Page 120 |                           |                                    |                                                                                                                                                                                                                                                                      |
| Anti-corruption                         |                                                                                    |          |                           |                                    |                                                                                                                                                                                                                                                                      |
| GRI 3: Material Topics 2021             | 3-3 Management of material topics                                                  | Page 122 |                           |                                    |                                                                                                                                                                                                                                                                      |
| GRI 205: Anti-corruption 2016           | 205-1 Operations assessed for risks related to corruption                          | Page 122 |                           |                                    |                                                                                                                                                                                                                                                                      |
|                                         | 205-2 Communication and training about anti-corruption policies and procedures     | Page 122 |                           |                                    |                                                                                                                                                                                                                                                                      |
|                                         | 205-3 Confirmed incidents of corruption and actions taken                          | Page 122 |                           |                                    |                                                                                                                                                                                                                                                                      |

# 2024 SUSTAINABILITY REPORT

## GRI Index

| GRI STANDARD/<br>OTHER SOURCE           | DISCLOSURE                                                                            | LOCATION     | OMISSION                  |                |                                                                                                                                                                                                               |
|-----------------------------------------|---------------------------------------------------------------------------------------|--------------|---------------------------|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                         |                                                                                       |              | REQUIREMENT(S)<br>OMITTED | REASON         | EXPLANATION                                                                                                                                                                                                   |
| Anti-competitive behavior               |                                                                                       |              |                           |                |                                                                                                                                                                                                               |
| GRI 3: Material Topics 2021             | 3-3 Management of material topics                                                     | Page 122     |                           |                |                                                                                                                                                                                                               |
| GRI 206: Anti-competitive Behavior 2016 | 206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices | Page 122     |                           |                |                                                                                                                                                                                                               |
| Tax                                     |                                                                                       |              |                           |                |                                                                                                                                                                                                               |
| GRI 3: Material Topics 2021             | 3-3 Management of material topics                                                     | Page 213-217 |                           |                |                                                                                                                                                                                                               |
| GRI 207: Tax 2019                       | 207-1 Approach to tax                                                                 | Page 213-217 |                           |                |                                                                                                                                                                                                               |
|                                         | 207-2 Tax governance, control, and risk management                                    | Page 213-217 |                           |                |                                                                                                                                                                                                               |
|                                         | 207-3 Stakeholder engagement and management of concerns related to tax                | Page 213-217 |                           |                |                                                                                                                                                                                                               |
|                                         | 207-4 Country-by-country reporting                                                    | Page 213-217 |                           |                |                                                                                                                                                                                                               |
| Materials                               |                                                                                       |              |                           |                |                                                                                                                                                                                                               |
| GRI 3: Material Topics 2021             | 3-3 Management of material topics                                                     |              | All information           | Not applicable | UnionBank does not consider materials use a material topic, as its operations as a financial institution involve minimal consumption of physical materials. Therefore, disclosures under GRI 301 are omitted. |
| GRI 301: Materials 2016                 | 301-1 Materials used by weight or volume                                              |              | All information           | Not applicable | UnionBank does not consider materials use a material topic, as its operations as a financial institution involve minimal consumption of physical materials. Therefore, disclosures under GRI 301 are omitted. |
|                                         | 301-2 Recycled input materials used                                                   |              | All information           | Not applicable | UnionBank does not consider materials use a material topic, as its operations as a financial institution involve minimal consumption of physical materials. Therefore, disclosures under GRI 301 are omitted. |
|                                         | 301-3 Reclaimed products and their packaging materials                                |              | All information           | Not applicable | UnionBank does not consider materials use a material topic, as its operations as a financial institution involve minimal consumption of physical materials. Therefore, disclosures under GRI 301 are omitted. |

| GRI STANDARD/<br>OTHER SOURCE     | DISCLOSURE                                                       | LOCATION     | OMISSION                  |                                      |                                                                                                                                       |
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|                                   |                                                                  |              | REQUIREMENT(S)<br>OMITTED | REASON                               | EXPLANATION                                                                                                                           |
| Energy                            |                                                                  |              |                           |                                      |                                                                                                                                       |
| GRI 3: Material Topics 2021       | 3-3 Management of material topics                                | Page 156-157 |                           |                                      |                                                                                                                                       |
| GRI 302: Energy 2016              | 302-1 Energy consumption within the organization                 | Page 156-157 |                           |                                      |                                                                                                                                       |
|                                   | 302-2 Energy consumption outside of the organization             |              | All information           | Information unavailable / Incomplete |                                                                                                                                       |
|                                   | 302-3 Energy intensity                                           |              | All information           | Information unavailable / Incomplete |                                                                                                                                       |
|                                   | 302-4 Reduction of energy consumption                            | Page 156-157 |                           |                                      |                                                                                                                                       |
|                                   | 302-5 Reductions in energy requirements of products and services | Page 156-157 |                           |                                      |                                                                                                                                       |
| Water and effluents               |                                                                  |              |                           |                                      |                                                                                                                                       |
| GRI 3: Material Topics 2021       | 3-3 Management of material topics                                | Page 156-157 |                           |                                      |                                                                                                                                       |
| GRI 303: Water and Effluents 2018 | 303-1 Interactions with water as a shared resource               | Page 156-157 |                           |                                      |                                                                                                                                       |
|                                   | 303-2 Management of water discharge-related impacts              |              | All Information           | Not applicable                       | This was not identified as a material topic for the Bank.                                                                             |
|                                   | 303-3 Water withdrawal                                           |              |                           | 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                                            |              |                           | 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.    |
|                                   | 303-5 Water consumption                                          | Page 156-157 |                           |                                      |                                                                                                                                       |
| Emissions                         |                                                                  |              |                           |                                      |                                                                                                                                       |
| GRI 3: Material Topics 2021       | 3-3 Management of material topics                                | Page 156-157 |                           |                                      |                                                                                                                                       |
| GRI 305: Emissions 2016           | 305-1 Direct (Scope 1) GHG emissions                             | Page 156-157 |                           |                                      |                                                                                                                                       |
|                                   | 305-2 Energy indirect (Scope 2) GHG emissions                    | Page 156-157 |                           |                                      |                                                                                                                                       |
|                                   | 305-3 Other indirect (Scope 3) GHG emissions                     |              | All information           | Information unavailable/incomplete   | The Bank will review and assess the feasibility of reporting Scope 3 emissions and may begin considering such disclosures after 2025. |
|                                   | 305-4 GHG emissions intensity                                    |              | All information           | Information unavailable/incomplete   | The Bank will review and assess the feasibility of reporting Scope 3 emissions and may begin considering such disclosures after 2025. |

# 2024 SUSTAINABILITY REPORT

## GRI Index

| GRI STANDARD/<br>OTHER SOURCE                          | DISCLOSURE                                                                            | LOCATION                                                                                                                                                                                                                                                                                                                                                                 | OMISSION                  |                                    |                                                                                                                                       |
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|                                                        |                                                                                       |                                                                                                                                                                                                                                                                                                                                                                          | REQUIREMENT(S)<br>OMITTED | REASON                             | EXPLANATION                                                                                                                           |
|                                                        | 305-5 Reduction of GHG emissions                                                      | Page 156-157                                                                                                                                                                                                                                                                                                                                                             |                           |                                    |                                                                                                                                       |
|                                                        | 305-6 Emissions of ozone-depleting substances (ODS)                                   |                                                                                                                                                                                                                                                                                                                                                                          | All information           | Information unavailable/incomplete | The Bank will review and assess the feasibility of reporting Scope 3 emissions and may begin considering such disclosures after 2025. |
|                                                        | 305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions |                                                                                                                                                                                                                                                                                                                                                                          | All information           | Information unavailable/incomplete | The Bank will review and assess the feasibility of reporting Scope 3 emissions and may begin considering such disclosures after 2025. |
| <b>Spills</b>                                          |                                                                                       |                                                                                                                                                                                                                                                                                                                                                                          |                           |                                    |                                                                                                                                       |
| <b>GRI 3: Material Topics 2021</b>                     | 3-3 Management of material topics                                                     | Page 156-157                                                                                                                                                                                                                                                                                                                                                             |                           |                                    |                                                                                                                                       |
| <b>GRI 306: Effluents and Waste 2016</b>               | 306-3 Significant spills                                                              | None significant for 2024                                                                                                                                                                                                                                                                                                                                                |                           |                                    |                                                                                                                                       |
| <b>Waste</b>                                           |                                                                                       |                                                                                                                                                                                                                                                                                                                                                                          |                           |                                    |                                                                                                                                       |
| <b>GRI 3: Material Topics 2021</b>                     | 3-3 Management of material topics                                                     | Page 156                                                                                                                                                                                                                                                                                                                                                                 |                           |                                    |                                                                                                                                       |
| <b>GRI 306: Waste 2020</b>                             | 306-1 Waste generation and significant waste-related impacts                          | Page 156                                                                                                                                                                                                                                                                                                                                                                 |                           |                                    |                                                                                                                                       |
|                                                        | 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                                                                 | Page 156                                                                                                                                                                                                                                                                                                                                                                 |                           |                                    |                                                                                                                                       |
|                                                        | 306-4 Waste diverted from disposal                                                    | Page 156                                                                                                                                                                                                                                                                                                                                                                 |                           |                                    |                                                                                                                                       |
|                                                        | 306-5 Waste directed to disposal                                                      | Page 156                                                                                                                                                                                                                                                                                                                                                                 |                           |                                    |                                                                                                                                       |
| <b>Supplier environmental assessment</b>               |                                                                                       |                                                                                                                                                                                                                                                                                                                                                                          |                           |                                    |                                                                                                                                       |
| <b>GRI 3: Material Topics 2021</b>                     | 3-3 Management of material topics                                                     | Page 120-121                                                                                                                                                                                                                                                                                                                                                             |                           |                                    |                                                                                                                                       |
| <b>GRI 308: Supplier Environmental Assessment 2016</b> | 308-1 New suppliers that were screened using environmental criteria                   | Page 120-121                                                                                                                                                                                                                                                                                                                                                             |                           |                                    |                                                                                                                                       |
|                                                        | 308-2 Negative environmental impacts in the supply chain and actions taken            | Page 120-121                                                                                                                                                                                                                                                                                                                                                             |                           |                                    |                                                                                                                                       |

| GRI STANDARD/<br>OTHER SOURCE                | DISCLOSURE                                                                                               | LOCATION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | OMISSION                  |        |             |
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|                                              |                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | REQUIREMENT(S)<br>OMITTED | REASON | EXPLANATION |
| Employment                                   |                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                           |        |             |
| GRI 3: Material Topics 2021                  | 3-3 Management of material topics                                                                        | Page 141-143                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                           |        |             |
| GRI 401: Employment 2016                     | 401-1 New employee hires and employee turnover                                                           | Page 141-143                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                           |        |             |
|                                              | 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees | Page 144                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                           |        |             |
|                                              | 401-3 Parental leave                                                                                     | Page 144                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                           |        |             |
| Labor/management relations                   |                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                           |        |             |
| GRI 3: Material Topics 2021                  | 3-3 Management of material topics                                                                        | Page 141-142                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                           |        |             |
| GRI 402: Labor/Management Relations 2016     | 402-1 Minimum notice periods regarding operational changes                                               | Page 141-142                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                           |        |             |
| Occupational health and safety               |                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                           |        |             |
| GRI 3: Material Topics 2021                  | 3-3 Management of material topics                                                                        | Page 150-151                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                           |        |             |
| GRI 403: Occupational Health and Safety 2018 | 403-1 Occupational health and safety management system                                                   | Page 150-151                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                           |        |             |
|                                              | 403-2 Hazard identification, risk assessment, and incident investigation                                 | UnionBank established a primary prevention of occupational risks, protection, and promotion of health at work, workrelated 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. |                           |        |             |
|                                              | 403-3 Occupational health services                                                                       | All regularized 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.                                                                                                                                                                                                                                                                                                                                                                                                           |                           |        |             |

# 2024 SUSTAINABILITY REPORT

## GRI Index

| GRI STANDARD/<br>OTHER SOURCE                        | DISCLOSURE                                                                                                          | LOCATION                                                                                                                                                                                                                                     | OMISSION                  |        |             |
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|                                                      |                                                                                                                     |                                                                                                                                                                                                                                              | REQUIREMENT(S)<br>OMITTED | REASON | EXPLANATION |
|                                                      | 403-4 Worker participation, consultation, and communication on occupational health and safety                       | Page 150-151                                                                                                                                                                                                                                 |                           |        |             |
|                                                      | 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                                        | Page 150-151                                                                                                                                                                                                                                 |                           |        |             |
|                                                      | 403-9 Work-related injuries                                                                                         | Page 150-151                                                                                                                                                                                                                                 |                           |        |             |
|                                                      | 403-10 Work-related ill health                                                                                      | Page 150-151                                                                                                                                                                                                                                 |                           |        |             |
| Training and education                               |                                                                                                                     |                                                                                                                                                                                                                                              |                           |        |             |
| <b>GRI 3: Material Topics 2021</b>                   | 3-3 Management of material topics                                                                                   | Page 144-145                                                                                                                                                                                                                                 |                           |        |             |
| <b>GRI 404: Training and Education 2016</b>          | 404-1 Average hours of training per year per employee                                                               | Page 144-145                                                                                                                                                                                                                                 |                           |        |             |
|                                                      | 404-2 Programs for upgrading employee skills and transition assistance programs                                     | Page 144-145                                                                                                                                                                                                                                 |                           |        |             |
|                                                      | 404-3 Percentage of employees receiving regular performance and career development reviews                          | Page 150                                                                                                                                                                                                                                     |                           |        |             |
| Diversity and equal opportunity                      |                                                                                                                     |                                                                                                                                                                                                                                              |                           |        |             |
| <b>GRI 3: Material Topics 2021</b>                   | 3-3 Management of material topics                                                                                   | Page 152                                                                                                                                                                                                                                     |                           |        |             |
| <b>GRI 405: Diversity and Equal Opportunity 2016</b> | 405-1 Diversity of governance bodies and employees                                                                  | Page 152                                                                                                                                                                                                                                     |                           |        |             |
|                                                      | 405-2 Ratio of basic salary and remuneration of women to men                                                        | Page 152                                                                                                                                                                                                                                     |                           |        |             |

| GRI STANDARD/<br>OTHER SOURCE                                  | DISCLOSURE                                                                                                           | LOCATION                                                                                                                                                                                                                                                                                       | OMISSION                  |                |                                                                                                                                                                                                                                                                                                   |
|----------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                |                                                                                                                      |                                                                                                                                                                                                                                                                                                | REQUIREMENT(S)<br>OMITTED | REASON         | EXPLANATION                                                                                                                                                                                                                                                                                       |
| Non-discrimination                                             |                                                                                                                      |                                                                                                                                                                                                                                                                                                |                           |                |                                                                                                                                                                                                                                                                                                   |
| GRI 3: Material Topics 2021                                    | 3-3 Management of material topics                                                                                    | Page 120                                                                                                                                                                                                                                                                                       |                           |                |                                                                                                                                                                                                                                                                                                   |
| GRI 406: Non-discrimination 2016                               | 406-1 Incidents of discrimination and corrective actions taken                                                       | Page 120                                                                                                                                                                                                                                                                                       |                           |                |                                                                                                                                                                                                                                                                                                   |
| Freedom of association and collective bargaining               |                                                                                                                      |                                                                                                                                                                                                                                                                                                |                           |                |                                                                                                                                                                                                                                                                                                   |
| GRI 3: Material Topics 2021                                    | 3-3 Management of material topics                                                                                    | Page 152                                                                                                                                                                                                                                                                                       |                           |                |                                                                                                                                                                                                                                                                                                   |
| 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 | Page 152                                                                                                                                                                                                                                                                                       |                           |                |                                                                                                                                                                                                                                                                                                   |
| Child labor                                                    |                                                                                                                      |                                                                                                                                                                                                                                                                                                |                           |                |                                                                                                                                                                                                                                                                                                   |
| GRI 3: Material Topics 2021                                    | 3-3 Management of material topics                                                                                    | 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 408: Child Labor 2016                                      | 408-1 Operations and suppliers at significant risk for incidents of child labor                                      |                                                                                                                                                                                                                                                                                                |                           |                |                                                                                                                                                                                                                                                                                                   |
| Forced or compulsory labor                                     |                                                                                                                      |                                                                                                                                                                                                                                                                                                |                           |                |                                                                                                                                                                                                                                                                                                   |
| GRI 3: Material Topics 2021                                    | 3-3 Management of material topics                                                                                    | 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 |                           |                |                                                                                                                                                                                                                                                                                                   |
| GRI 409: Forced or Compulsory Labor 2016                       | 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor                       |                                                                                                                                                                                                                                                                                                |                           |                |                                                                                                                                                                                                                                                                                                   |
| Security practices                                             |                                                                                                                      |                                                                                                                                                                                                                                                                                                |                           |                |                                                                                                                                                                                                                                                                                                   |
| GRI 3: Material Topics 2021                                    | 3-3 Management of material topics                                                                                    |                                                                                                                                                                                                                                                                                                | All Information           | Not applicable | UnionBank does not employ security personnel directly; all security services are contracted through third-party providers. As such, the Bank does not track or report the percentage of security personnel trained in human rights policies or procedures. Therefore, this disclosure is omitted. |

# 2024 SUSTAINABILITY REPORT

## GRI Index

| GRI STANDARD/<br>OTHER SOURCE                     | DISCLOSURE                                                                                     | LOCATION | OMISSION                  |                |                                                                                                                                                                                                                                                                                                   |
|---------------------------------------------------|------------------------------------------------------------------------------------------------|----------|---------------------------|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                   |                                                                                                |          | REQUIREMENT(S)<br>OMITTED | REASON         | EXPLANATION                                                                                                                                                                                                                                                                                       |
| <b>GRI 410: Security Practices 2016</b>           | 410-1 Security personnel trained in human rights policies or procedures                        |          | All Information           | Not applicable | UnionBank does not employ security personnel directly; all security services are contracted through third-party providers. As such, the Bank does not track or report the percentage of security personnel trained in human rights policies or procedures. Therefore, this disclosure is omitted. |
| <b>Rights of Indigenous Peoples</b>               |                                                                                                |          |                           |                |                                                                                                                                                                                                                                                                                                   |
| <b>GRI 3: Material Topics 2021</b>                | 3-3 Management of material topics                                                              |          | All Information           | Not applicable | UnionBank does not operate in areas inhabited or traditionally owned by Indigenous peoples. The Bank has not identified any incidents of violations involving the rights of Indigenous peoples during the reporting period. Therefore, this disclosure is omitted                                 |
| <b>GRI 411: Rights of Indigenous Peoples 2016</b> | 411-1 Incidents of violations involving rights of indigenous peoples                           |          | All Information           | Not applicable | UnionBank does not operate in areas inhabited or traditionally owned by Indigenous peoples. The Bank has not identified any incidents of violations involving the rights of Indigenous peoples during the reporting period. Therefore, this disclosure is omitted                                 |
| <b>Local communities</b>                          |                                                                                                |          |                           |                |                                                                                                                                                                                                                                                                                                   |
| <b>GRI 3: Material Topics 2021</b>                | 3-3 Management of material topics                                                              |          | All Information           | Not applicable | UnionBank does not operate in areas where formal community engagement, impact assessments, or development programs are required. Therefore, this disclosure is omitted.                                                                                                                           |
| <b>GRI 413: Local Communities 2016</b>            | 413-1 Operations with local community engagement, impact assessments, and development programs |          | All Information           | Not applicable | UnionBank does not operate in areas where formal community engagement, impact assessments, or development programs are required. Therefore, this disclosure is omitted.                                                                                                                           |
|                                                   | 413-2 Operations with significant actual and potential negative impacts on local communities   |          | All Information           | Not applicable | UnionBank has not identified any operations with significant actual or potential negative impacts on local communities during the reporting period. As such, this disclosure is omitted                                                                                                           |
| <b>Supplier social assessment</b>                 |                                                                                                |          |                           |                |                                                                                                                                                                                                                                                                                                   |
| <b>GRI 3: Material Topics 2021</b>                | 3-3 Management of material topics                                                              | Page 121 |                           |                |                                                                                                                                                                                                                                                                                                   |
| <b>GRI 414: Supplier Social Assessment 2016</b>   | 414-1 New suppliers that were screened using social criteria                                   | Page 121 |                           |                |                                                                                                                                                                                                                                                                                                   |
|                                                   | 414-2 Negative social impacts in the supply chain and actions taken                            | Page 121 |                           |                |                                                                                                                                                                                                                                                                                                   |

| GRI STANDARD/<br>OTHER SOURCE            | DISCLOSURE                                                                                          | LOCATION | OMISSION                  |                                    |                                                                                                                                                                                                                                                              |
|------------------------------------------|-----------------------------------------------------------------------------------------------------|----------|---------------------------|------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                          |                                                                                                     |          | REQUIREMENT(S)<br>OMITTED | REASON                             | EXPLANATION                                                                                                                                                                                                                                                  |
| Public policy                            |                                                                                                     |          |                           |                                    |                                                                                                                                                                                                                                                              |
| GRI 3: Material Topics 2021              | 3-3 Management of material topics                                                                   |          | All Information           | Not applicable                     | UnionBank does not engage in lobbying activities or make financial or in-kind contributions to political parties, politicians, or related causes. As such, the Bank has no public policy-related impacts to disclose. Therefore, this disclosure is omitted  |
| GRI 415: Public Policy 2016              | 415-1 Political contributions                                                                       |          | All Information           | Not applicable                     | UnionBank does not engage in lobbying activities or make financial or in-kind contributions to political parties, politicians, or related causes. As such, the Bank has no public policy-related impacts to disclose. Therefore, this disclosure is omitted  |
| Customer health and safety               |                                                                                                     |          |                           |                                    |                                                                                                                                                                                                                                                              |
| GRI 3: Material Topics 2021              | 3-3 Management of material topics                                                                   |          | All Information           | Information unavailable/incomplete | UnionBank does not offer physical products or services with direct health and safety impacts. As a financial institution, the Bank’s offerings are primarily digital and do not involve health or safety assessments. Therefore, this disclosure is omitted. |
| GRI 416: Customer Health and Safety 2016 | 416-1 Assessment of the health and safety impacts of product and service categories                 |          | All Information           | Information unavailable/incomplete | UnionBank does not offer physical products or services with direct health and safety impacts. As a financial institution, the Bank’s offerings are primarily digital and do not involve health or safety assessments. Therefore, this disclosure is omitted. |
|                                          | 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services |          | All Information           | Information unavailable/incomplete | UnionBank does not offer physical products or services with direct health and safety impacts. As a financial institution, the Bank’s offerings are primarily digital and do not involve health or safety assessments. Therefore, this disclosure is omitted. |
| Marketing and labeling                   |                                                                                                     |          |                           |                                    |                                                                                                                                                                                                                                                              |
| GRI 3: Material Topics 2021              | 3-3 Management of material topics                                                                   | Page 139 |                           |                                    |                                                                                                                                                                                                                                                              |
| GRI 417: Marketing and Labeling 2016     | 417-1 Requirements for product and service information and labeling                                 | Page 139 |                           |                                    |                                                                                                                                                                                                                                                              |
|                                          | 417-2 Incidents of non-compliance concerning product and service information and labeling           | Page 139 |                           |                                    |                                                                                                                                                                                                                                                              |
|                                          | 417-3 Incidents of non-compliance concerning marketing communications                               | Page 139 |                           |                                    |                                                                                                                                                                                                                                                              |

# 2024 SUSTAINABILITY REPORT

## SASB Index

| TOPIC                                                                             | METRIC                                                                                                                                                                              | CATEGORY                | UNIT OF MEASURE               | CODE         | PAGE/SECTION                         |
|-----------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------------|--------------|--------------------------------------|
| Data Security                                                                     | (1) Number of data breaches,                                                                                                                                                        | Quantitative            | Number, Percentage (%)        | FN-CB-230a.1 | Page 140                             |
|                                                                                   | (2) percentage that are personal data breaches, (3) number of account holders affected                                                                                              |                         |                               | FN-CB-230a.1 | Page 140                             |
|                                                                                   | Description of approach to identifying and addressing data security risks                                                                                                           | Discussion and Analysis | n/a                           | FN-CB-230a.2 | Page 140                             |
| Financial Inclusion & Capacity Building                                           | (1) Number and (2) amount of loans outstanding that qualify for programmes designed to promote small business and community development                                             | Quantitative            | Number, Presentation currency | FN-CB-240a.1 | Page 137                             |
|                                                                                   | (1) Number and (2) amount of past due and nonaccrual loans or loans subject to forbearance that qualify for programmes designed to promote small business and community development | Quantitative            | Number, Presentation currency | FN-CB-240a.2 | Information unavailable / Incomplete |
|                                                                                   | Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers                                                                                 | Quantitative            | Number                        | FN-CB-240a.3 | Page 47                              |
|                                                                                   | Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers                                                                        | Quantitative            | Number                        | FN-CB-240a.4 | Page 47                              |
| Incorporation of Environmental, Social, and Governance Factors in Credit Analysis | Description of approach to incorporation of environmental, social and governance (ESG) factors in credit analysis                                                                   | Discussion and Analysis | n/a                           | FN-CB-410a.2 | Page 126                             |

| TOPIC                    | METRIC                                                                                                                                                                                                                                     | CATEGORY                | UNIT OF MEASURE                    | CODE         | PAGE/SECTION                         |
|--------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|------------------------------------|--------------|--------------------------------------|
| Financed Emissions       | Absolute gross financed emissions, disaggregated by (1) Scope 1, (2) Scope 2 and (3) Scope 3                                                                                                                                               | Quantitative            | Metric tons (t) CO <sub>2</sub> -e | FN-CB-410b.1 | Information unavailable / Incomplete |
|                          | Gross exposure for each industry by asset class                                                                                                                                                                                            | Quantitative            | Presentation currency              | FN-CB-410b.2 | Information unavailable / Incomplete |
|                          | Percentage of gross exposure included in the financed emissions calculation                                                                                                                                                                | Quantitative            | Percentage %                       | FN-CB-410b.3 | Information unavailable / Incomplete |
|                          | Description of the methodology used to calculate financed emissions                                                                                                                                                                        | Discussion and Analysis | n/a                                | FN-CB-410b.4 | Information unavailable / Incomplete |
| Business Ethics          | Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, antitrust, anti- competitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations | Quantitative            | Presentation currency              | FN-CB-510a.1 | Information unavailable / Incomplete |
|                          | Description of whistleblower policies and procedures                                                                                                                                                                                       | Discussion and Analysis | n/a                                | FN-CB-510a.2 | Page 120                             |
| Systemic Risk Management | Global Systemically Important Bank (G- SIB) score, by category <sup>5</sup>                                                                                                                                                                | Quantitative            | Basis points (bps)                 | FN-CB-550a.1 | Information unavailable / Incomplete |
|                          | Description of approach to integrate results of mandatory and voluntary stress tests into capital adequacy planning, long- term corporate strategy, and other business activities                                                          | Discussion and Analysis | n/a                                | FN-CB-550a.2 | Information unavailable / Incomplete |