



NURTURING COMMUNITIES

UCPBS as an organization does not only aspire excellence in its mandate as a financial institution but has always looked for ways in making a positive impact in the communities. We promote a strong sense of accountability not just within ourselves and the actions we take but of the surroundings we belong to.

The company cannot emphasize enough the importance of integrating social & environmental factors in what we do. We consciously seek out meaningful partnerships and try to widen our reach helping even those who live in far-flung areas. Our sense of purpose is further bolstered by the participation we take in the service of others. We shall remain dauntless in our pursuit to inspire and to lead by example.

REPURPOSING PRE-LOVED ITEMS FOR A GREATER CAUSE



UCPB Savings Bank ushers in the BER Months by renewing its partnership with Caritas Manila through the Segunda Mana Donations In-Kind program. Now on year 5, employees are encouraged to join by donating their pre-loved clothes, toys, bags, footwear, furniture or just about anything that occupies space at home and can still be of use to others.

The symbolic turnover of Segunda Mana Boxes was witnessed by UCPB Savings Bank's President & CEO, Ms. Lizette Margaret Mary J. Racela joined by representatives from Caritas Manila, Mr. Lorenz Satumba & Mr. Armand Menguez, that took place last September 13, 2023. The said boxes will be deployed to select branches of the bank.

Donated items will be converted to cash through more than 60 Segunda Mana Charity Outlets where proceeds will be used to sustain Caritas Manila's flagship program, Youth Servant Leadership and Education Program (YSLEP) which helps underprivileged youth finish College or Voc-Tech Degree.

It is indeed a merry-month of giving! And UCPB Savings Bank is more than happy to take the lead.

The country has been visited by typhoons the past few months and several families left homeless; school classes disrupted and heavy flooding experienced in selected areas. Indeed, this is a trying time for the Filipinos especially in the countryside. And UCPB Savings Bank is there to extend a helping hand in times of need.

UCPB Savings Bank donations were coursed through one of its long-time partners, Save the Children Philippines. Present in the cheque turnover is UCPB Savings Bank's CEO & President, Lizette Margaret Mary J. Racela, Corporate Planning & Communications Division Head, Mr. Santiago P. Yusing IV together with the Chief Business Development Officer of Save the Children Philippines, Ms. Nadia Pasion and their Senior Manager for Corporate Partnerships, Ms. Nathalia Tabal. It aims to assist families affected by Typhoon Egay & Falcon. Interventions will include delivery of hygiene essentials and support to children's learning by making teacher's kits and back-to-school kits available.

UCPB Savings Bank will continue to uphold the spirit of giving wherever and whenever assistance is needed.

UCPB SAVINGS BANK, LENDS A STEADY HAND AMIDST THE STORM

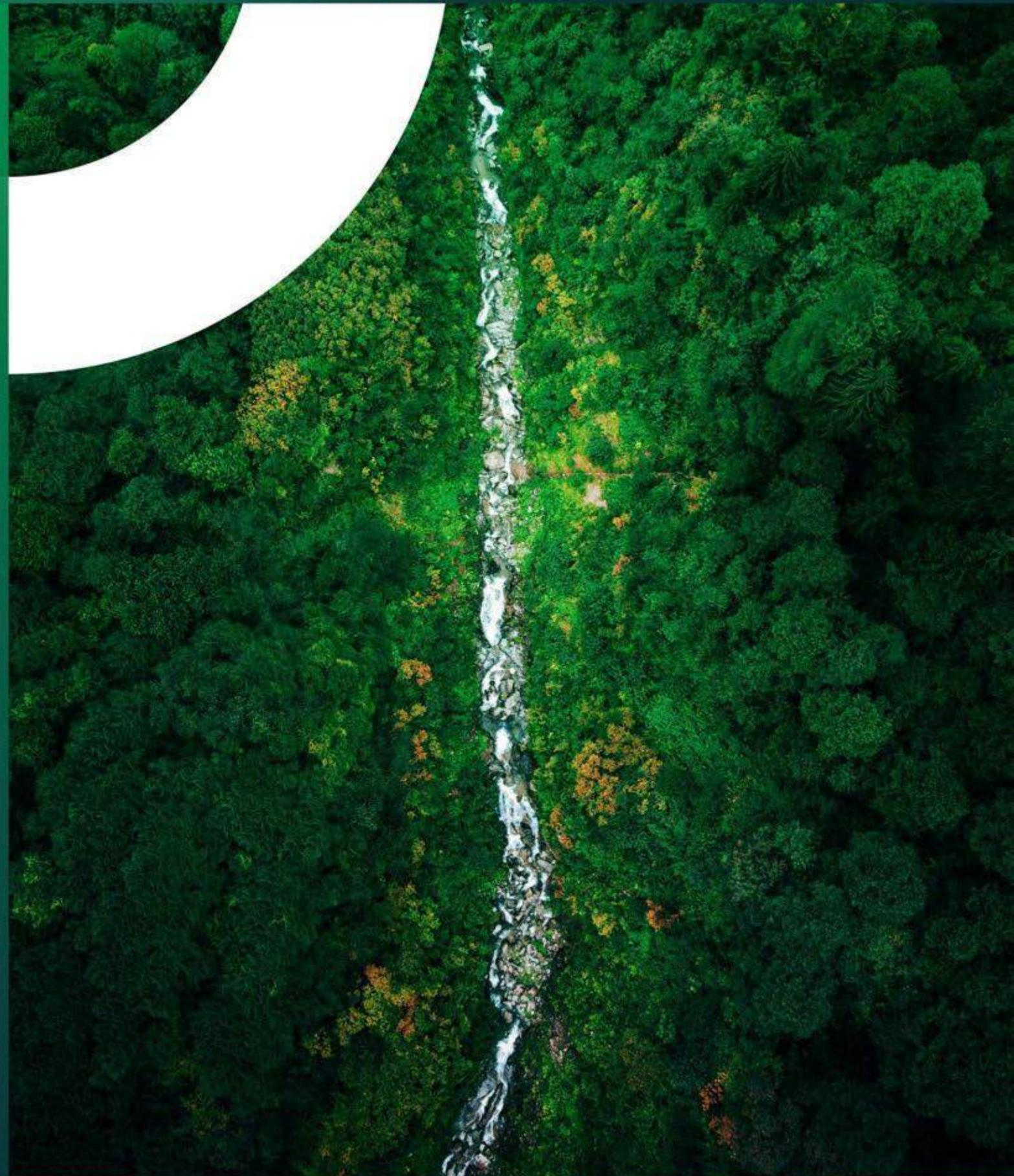


UCPB SAVINGS BANK SUSTAINABILITY REPORT

UCPBS continues its commitment to sustainability as it recognizes the worst effect of climate change which could pose environmental and social risks that may brough financial concerns to the bank's operation and interest.

UCPBS also cognizant of its critical role in pursuing sustainable and resilient growth by enabling environmentally and socially responsible business decisions consistent with the aspirations set out for the Filipinos under the Philippine Development Plan.

The bank is committed to join the government's effort towards sustainable future through Compliance to BSP Cir. 1085, 1128 and 1149.





UCPBS COMMITMENT TO SUSTAINABLE DEVELOPMENT

The bank anchors its sustainable development strategy to the 17 United Nations Sustainable Development Goals (SDGs). UCPBS supports and upholds the principles of the United Nations Global Compact.

The bank aligned its processes, policies and manuals to Sustainability finance Framework mandated by the BSP through the following:

Creation of Sustainability Finance Framework

The bank has created its Sustainability Finance framework which outlined the duties and responsibilities of the Board, Senior Management and the whole UCPBS bank community towards SFF compliance. Its Sustainability Framework was completed in 2022 under Gen. Cir. 02-101.2023.

Environment and Social Risk Management System (ESRMS)

In compliance with BSP Circular 1128 dated 21 October 2021 otherwise known as Environmental and Social Risk Management Framework, the Board approved the amendment to its Risk Manuals to include the environmental and social considerations in the risk management systems, strategies and operations.

The composition of the loan portfolio shall be reviewed by Risk Management Division (RMD), which may have existing exposures in markets, sectors, or geographic areas vulnerable to material E&S risks.

Results of stress testing and scenario analysis is now considered in setting credit strategy and risk appetite. UCPBS defined the activities that are eligible for financing based on its E&S sensitive to potential changes in the business environment.

INTERNAL AUDIT DIVISION AND BANK COMPLIANCE DIVISION FUNCTION

The Audit and Compliance functions incorporated in their respective programs the assessment of adherence to policies related to the management of E&S risks and evaluation of the robustness and continuing relevance of said policies.

The Internal Audit shall also review the bank's adherence to international sustainability standards and principles as well as relevant said policies.

It also reviews the bank's adherence to international sustainability standards and principles as well as relevant laws and regulations.

STRATEGIES IN ATTAINING SUSTAINABILITY

Economic Dimension

UCPB shall contribute to the country's sustained economic growth through the delivery of various banking products and services which help create a dynamic business environment, promote local investments, and accelerate economic activity. The Bank's efforts shall include the following:

- Support of infrastructure development through loans for sustainable projects;
- Development of micro, small and medium enterprises through microfinance and SME loans;
- Empowerment of Filipino consumers with affordable and flexible consumer loan packages;
- Fostering banking habits through creation of innovative banking practices and financial products to meet needs of entrepreneurs and reach underserved markets through the Bank's branch network, automated teller machines and the use of agency banking;
- Contribution to nation-building;
- Implementation of Small Business Loan (SBL) Agri Loan Program that will help the agricultural business sectors. This program shall likewise help the government in its aim to reduce poverty, promote and market agricultural-products and increase the food production capacity of the country.

UCPB SAVINGS SBL AgriLoan PROGRAM

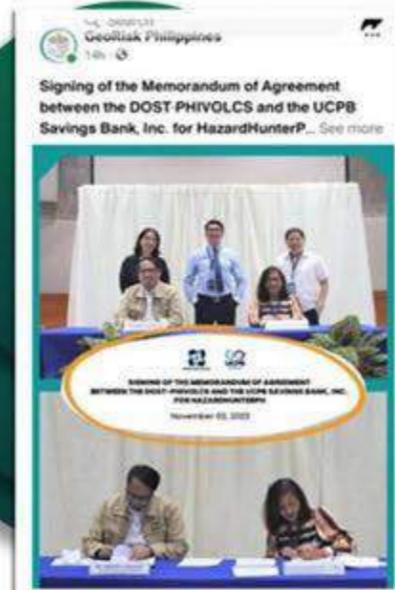


Sustainable Development Goals	Project Initiatives
<p>Zero Hunger</p>	<p>Modified SBL Agri-loan</p> <p>UCPBS is committed to support the government in its drive for food security program, as a financing institution, the bank created its agri loan program which main focus is to help our farmers, fisherfolks and the whole agriculture value chain to access affordable and easy loan grant to fund their agri-activities.</p> <p>In 2023, a total of P49.9M was granted to SBL-Agri client. It is expected to have good impact in the agri-community in the borrower's area.</p>
<p>Climate action, Affordable and clean Energy, Responsible Consumption & Production</p>	<p>Rate incentive for Auto & REL clients who are compliant and practice sustainability</p>

Environmental Dimension

Sustainable finance strategies to address environmental concerns shall include as follows:

- Reinforcing sustainable finance in lending operations;
- Integrating environmental risk management in responsible finance; and
- Accelerating low carbon footprint, e.g. promoting sustainable use of bank assets.



GeoRisk Philippines
 Signing of the Memorandum of Agreement between the DOST-PHIVOLCS and the UCPB Savings Bank, Inc. for HazardHunterPH

DOST-PHIVOLCS marked its formal collaboration with UCPB Savings Bank, Inc. through a Memorandum of Agreement (MOA) signed on November 02, 2022.

The UCPB Savings Bank, Inc. is the first bank in the Philippines that partnered with DOST-PHIVOLCS for the integration of HazardHunterPH in their own system.

Partnership Signatories from L-R: Dr. Teresito C. Bacolcol, DOST-PHIVOLCS OIC and Ms. Lizette Margaret Mary J. Racela, UCPB Savings Bank, Inc. President/ Chief Executive Officer

Together with witnesses from L-R: Ms. Mabelle T. Cahulogan, DOST-PHIVOLCS Supervising Science Research Specialist, Mr. Dante R. Cortez, UCPB Head Credit Management, and Mr. Alex A. Siao, UCPB OIC Credit Investigation and Appraisal Department

Sustainable Development Goals	Project Initiatives
Climatic Action 	Digitization Projects/ Document Scanning Scheduling of shredders Implementation of e-signature
Responsible Consumption and Production 	Use of LED Lights Conservation via aircon efficient management of its useable time Common resource area for pooling of supplies Regular reminders to employees to conserve and reuse The bank practices recycling through identification of recyclable vs non-recyclable office materials Use of non-confidential quality paper instead of clean white bond paper. The bank practices waste segregation in the Head office Practices Secure Printing Feature to avoid mishandling of confidential documents and lower the stationary cost.

Social Dimension

UCPBS empowers Filipino consumers, including rural underserved and unserved communities, through financial products and services that provide accessibility, convenience, affordability and reliability to meet their unique needs. Such initiatives shall cover the following:

- Forged tie-ups with car developers, home developers, and retail stores to offer competitive rates and faster service;
- Partnership with Caritas Manila – Segunda Mana, a social enterprise that converts in-kind donation into cash in order to finance charity works;
- Implementation of R.A. no. 11313 otherwise known as “Safe Spaces Act”. With this policy, UCPBS shall affirms commitment to take a serious stand against sexual harassment committed by any associates and officers.



Sustainable Development Goals	Project Initiatives
Quality Education 	Installation of drop boxes for educational materials for donation to charitable institution or remote area. The bank partnered with Caritas Manila for the donation drive. The employees and clients may drop their pre-loved things such as books, clothes, bags and other usable things that can still be enjoyed by others.
Good Health and Well Being 	Information dissemination related to stress management/ mental health Introduction of webinar, reading materials related to values formation of the employees Participation to information drive related to road safety

Governance Dimension

Continually enhances its corporate governance framework to sustain superior business performance based on the principles of integrity, performance, accountability, fairness and transparency.

GSD ADVISORY

HOW TO HAVE A

Sustainable Printing



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Irritated by others accidentally using your paper supply?
Leaving behind pile of unclaimed docs?

Secure Printing



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Sustainable Development Goals	Project Initiatives
<p>Gender Equality</p> 	<p>Policy against harassment and gender-based violence</p>
<p>Sustainable Cities and Communities</p> 	<p>Inclusion of sustainability in selection and opening of branches</p>

Sustainable Development Goals	Project Initiatives
<p>Partnership for the Goals</p> 	<p>Hazard Hunter</p> <p>The bank utilizes the Hazard hunter to identify potential geohazard risk present in the acceptable collateral properties as well as the bank's current real assets. Moreover, the bank enters into an agreement with PHILVOCS for the legal use of its hazard hunter website.</p> <p>The bank codified its Exclusion list which prohibits the bank from engaging with business activities which deemed not aligned with Sustainable Development Goals (SDG):</p> <p>Environmental Issues</p> <ul style="list-style-type: none"> ■ Illegal activities prohibited under Philippine Environmental law such as illegal logging, forest land grabbing, illegal mining, illegal fishing, etc. ■ Illegal quarrying and other extraction activities that may have violated Philippine Mining Act of 1995 (RA7942) ■ Deforestation or reclamation of bodies of water that may have detrimental effect to environment

Sustainable Development Goals	Project Initiatives
<p>Partnership for the Goals</p> 	<ul style="list-style-type: none"> ■ Production or trade of explosives, ammunition, bullets, etc. ■ Cannabis cultivation ■ Motor Vehicles that do not comply with the emission standard set by DOTR and DENR. <p>Social Issues</p> <ul style="list-style-type: none"> ■ Activities related to illegal gambling (e.g. jueteng) ■ Activities related to prostitution, human trafficking, forced labor, violence against women and children. ■ Construction of buildings intended for adult entertainment (e.g. beer/prostitution houses) ■ Manufacturing or trade of illegal drugs as defined under RA no. 9165 (Comprehensive drug act of 2002) ■ Production or trade of health hazard materials (e.g. poisons) ■ Manufacturing or trade of pornographic materials

Sustainable Development Goals	Project Initiatives
	<p>Governance Issues</p> <ul style="list-style-type: none"> ■ Cyber security Attacks ■ Business with pending Tax Evasion case ■ Construction of hospitals or clinics engaged in medical malpractice (e.g. abortion) <p>Note: Other activities not included on the list which are not in support of sustainability shall be treated the same.</p>

UCPB Savings Banks shall continue to gear towards sustainability. What has been started will be practiced and shall conduct periodic review on its relevance to government's campaign towards sustainable future.

