



UCPB Savings Bank Sustainability Report

UCPBS recognizes the worst effect of climate change and other environmental and social risks as it could pose financial stability concerns considering the significant and protracted implications on the bank's operations and financial interest.

UCPBS also recognizes 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 Nation's 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 created its Sustainability Finance Framework which outline 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 and Compliance functions incorporated in their respective programs the assesment of adherence to policies related to the management of E&S risks and evaluation of the robustness and continuing relevance of said policies thereby helping the Bank manages those risks and foster resilience.

The Internal Audit shall also review 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 that 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.



SBL AgriLoan

Kasama mo sa mas masaganang ani.



Sustainable Development Goals	Project Initiatives
Zero Hunger 	Modified SBL Agri-loan 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 focused helping farmers, fisherfolks and the whole agriculture value chain to access affordable and easy loan grant to fund their agri-activities.
Climate action, Affordable and clean Energy, Responsible Consumption & Production  	Rate incentive for Auto & REL clients who are compliant and practice sustainability.



PICK UP • ORGANIZE • OPEN • LAY ASIDE

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.

Sustainable Development Goals	Project Initiatives
	<ul style="list-style-type: none"> • Digitization Projects/ Document Scanning • Scheduling of shredders • Implementation of e-signature
	<ul style="list-style-type: none"> • Use of LED Lights • Conservation via aircon switching-off at 4pm • Common resource area for pooling of supplies • Regular reminders to employees to conserve and reuse • Recycling • Use of quality paper instead of white bond paper • Waste segregation • Secure Printing Feature


Social Dimension

UCPBS shall empower Filipino consumers, including rural underserved and unserved communities, through financial products and services are accessible, convenient, affordable and reliable to meet their unique needs. Such initiatives shall cover the following:

- Forged tie-ups with car dealerships, 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 affirm commitment to take a serious stand against sexual harassment committed by any associate or officer.




Sustainable Development Goals	Project Initiatives
	<p>Installation of drop boxes for educational materials for donation to charitable institutions or remote areas.</p> <p>The bank partnered with Caritas Manila for the donation drive. Employees and clients may drop their preloved items such as books, clothes, bags and other usable things that can still be enjoyed by others.</p>



<p>Good Health and Well Being</p> 	<ul style="list-style-type: none"> • On-site fitness program (Zumba Class) • 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
<p>Gender Equality</p> 	<ul style="list-style-type: none"> • Policy against harassment and gender-based violence

Governance Dimension

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

Sustainable Development Goals	Project Initiatives
	<ul style="list-style-type: none"> • Inclusion of sustainability in selection and opening of branches

Partnership for the Goals



Hazard Hunter

The bank entered into an agreement with PHILVOCS to use the Hazard Hunter for the geohazard assessment of the properties before it can be accepted as collateral.


The bank codified its Exclusion list which prohibits the bank from engaging with business activities which deemed not aligned with Sustainable Development Goals (SDG):

Environmental Issues

- 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
- 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>Partnership for the Goals</p> 	<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 <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>
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UCPBS shall continue to gear towards sustainability. What has been started will be practiced and periodically reviews to ensure relevance to the government's campaign towards sustainable future.

