

News release

UOB commits to 2050 net zero targets to support a just transition for ASEAN

Jakarta, Indonesia, 7 November 2022 – UOB announced ambitious commitments to reach net zero by 2050. This underlines its goal to support a just transition that advances sustainable socioeconomic development in tandem with decarbonisation in Southeast Asia.

UOB's commitments cover six sectors, which make up about 60 per cent of its corporate lending portfolio. These six sectors are power, automotive, oil and gas, which are part of the energy value chain, as well as real estate, construction and steel, which are part of the built environment value chain.

Using internationally-recognised climate science models, UOB based its sectoral targets on regional pathways that align with global net zero goals. This approach to net zero reflects UOB's strong belief in the need for a just transition in Southeast Asia that continues to support economic growth and improve energy access across the region's diverse economies.

Mr Wee Ee Cheong, Deputy Chairman and Chief Executive Officer, UOB, said, "In Southeast Asia, our net zero ambitions must go hand in hand with an orderly and just transition to take into account socioeconomic challenges. Even as we cut our carbon footprint, we must ensure that people's lives and livelihoods can continue to improve.

"It is important to balance growth with responsibility on our net zero journey. Our targets are ambitious, yet realistic, and they also meet the global goals of net zero for ASEAN."

UOB's commitments include interim 2030 targets to reflect the necessary near-term progress on the path to net zero.



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UOB’s net zero targets and commitments for the six sectors are:

Sectors	Goals by 2030	Goals by 2050
Power	Reduce emissions intensity by 61 per cent	Reduce emissions intensity by 98 per cent
Automotive	Reduce emissions intensity by 58 per cent	Net zero
Oil and gas	No new project financing for upstream oil and gas projects approved for development after 2022	
Real estate	Reduce emissions intensity by 36 per cent	Reduce emissions intensity by 97 per cent
Construction	Reduce emissions intensity by 31 per cent	Reduce emissions intensity by 85 per cent
Steel	Reduce emissions intensity by 20 per cent	Reduce emissions intensity by 92 per cent

UOB Indonesia supports the Group’s commitment for a net zero future in ASEAN

As part of the country’s sustainability agenda, the path to net zero emission requires huge transition financing. Therefore, the roles of private sectors as well as the government and financial institutions are key to accelerate the implementation of low-carbon energy systems.

Mr Hendra Gunawan, President Director, UOB Indonesia, said, “Together with UOB Group’s long-term commitment, we continue to incorporate ESG principles into our strategy and business plans. At UOB Indonesia, we support customers in their transition to a low carbon economy to support the government’s target for emission reduction and climate resilience strategy, which includes aspirations to reach net zero emission by 2060 or sooner. With an estimation of 66.6 per cent Indonesia’s population living in urban areas by 2035¹, we continue to support initiatives such as energy efficiency, solar energy, waste management and environmental-friendly plastic recycling.”

¹ Source: *Percentage of urban population by province 2010 – 2035*
<https://www.bps.go.id/statictable/2014/02/18/1276/persentase-penduduk-daerah-perkotaan-menurut-provinsi-2010-2035.html>



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“With UOB’s strong regional network and connectivity, we also hope to help connect foreign investors to invest in Indonesia as we strive to contribute to the continued growth of Indonesia’s green economy.”

In addition, UOB has committed to exiting financing for the thermal coal sector by 2039. This is on top of its existing prohibitions on new project financing of greenfield or expansion of coal-fired power plants and thermal coal mines.

UOB is integrating its net zero plans into its business strategies and will step up its efforts in working closely with clients and other stakeholders towards decarbonisation. It will conduct annual reporting to track progress against its net zero commitments. Over time, the Bank will expand the scope of its targets to include additional sectors as data and climate scenarios become available.

Underlining its commitment to regional and global decarbonisation efforts, UOB has joined the Net-Zero Banking Alliance (NZBA)², which is made up of 121 banks from 41 countries with US\$70 trillion in global banking assets.

For more information, please visit www.UOBSustainability.com.

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About UOB Indonesia

UOB Indonesia is a subsidiary of United Overseas Bank Limited, a leading bank in Asia with a global network of around 500 offices in 19 countries and territories in Asia Pacific, Europe and North America. UOB Indonesia established in 1956. UOB Indonesia’s service network comprises 130 branch offices and 132 ATMs across 42 cities in 16 provinces in Indonesia. UOB Indonesia’s banking services are accessible through its regional ATM network, the ATM Prima and Bersama networks and the Visa network.

UOB Indonesia is committed to providing quality products and excellent customer service. The Bank offers various banking products and services categorised into digital bank, personal financial services, business banking,

² The NZBA is convened by the United Nations Environment Programme Finance Initiative and is the banking element of the Glasgow Financial Alliance for Net Zero (GFANZ).



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commercial banking, corporate banking, global markets and investment management. UOB Indonesia is rated AAA (idn) by Fitch Ratings.

The Bank has a strong retail customer base through its wide range of saving products, mortgage services and credit cards. UOB Indonesia's banking services are also accessible in Indonesia, Singapore, Malaysia and Thailand through hundreds of UOB ATMs.

UOB's award-winning digital bank, TMRW, serves Indonesia's generation of enterprising and digitally-savvy customers by providing a better, personalised banking experience through the use of data and customer feedback. Through TMRW, the Bank is committed to helping customers meet their financial goals as they build a better tomorrow.

UOB Indonesia is also focused on helping companies with their expansion plans and has supported many enterprises from industries such as construction, mining, real estate and the services sector in their expansion into Indonesia.

UOB Indonesia believes in being a responsible financial services provider and it is committed to making a difference in the lives of its stakeholders and in the communities in which it operates. Just as the Bank is dedicated to helping customers manage their finances wisely and to grow their businesses, UOB Indonesia is steadfast in its support of social development, particularly in the areas of art, children and education.

For further details on UOB Indonesia, please visit www.uob.co.id

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