



Sector Policy

Waste Management

Introduction

Unwanted or undesired waste materials result from business and manufacturing processes (e.g., agricultural, industrial, commercial or mining operations) as well as from household activities. These are typically collected and then sent to waste disposal facilities for sorting and/or treatment (e.g., physically, chemically, biologically) prior to being discarded and/or recycled. The irresponsible or inappropriate handling of waste by waste management services companies can have negative environmental impact, such as water pollution and soil contamination resulting in ecological imbalance and loss of biodiversity. Negative social impact can also arise from health and safety risks to workers and affected communities.

Scope

UOB's Waste Management Policy applies to companies that provide waste collection, transport, storage, treatment, recycling, and disposal services. This covers the handling of all types of waste, including but not limited to agricultural, industrial, biomedical, chemical, electronic and gaseous waste, as well as sewage.

Principles

UOB will not knowingly provide financing to companies:

- that do not possess the necessary permits and approvals from applicable government entities to receive, to store, to sort, to process and/or to treat the relevant types of waste;
- where their operations or projects threaten the outstanding universal value or special characteristics of UNESCO World Heritages Sites, Ramsar Wetlands, forests/sites of high conservation value;
- without measures in place to manage or to mitigate the risk of air, soil and water pollution;
- involved in the exploitation of labour (including forced labour and child labour);
- in violation of the rights of local communities or without measures in place to avoid or to manage adverse impacts on local communities; and
- without measures in place to manage material occupational health and safety risks.

The Bank will undertake additional due diligence before providing financing to waste management companies that are known to have had incidents which endangered public health or the environment, and/or have materially breached national and/or international regulations on the operation of waste management facilities.

We require that our customers:

- comply fully with local environmental, social and governance related laws and regulations in the respective countries in which they operate;
- implement or work towards implementing an appropriate Environmental and Social Management System (ESMS) to address key environmental and social risks in their operations and/or projects; and
- commit to implement a sustainable sourcing policy and/or processes to exclude purchases from sources that generate significant negative environmental and social impact.

We also recommend that our customers:

- adopt relevant established industry standards in reducing emissions, effluent, odours, noise and vector nuisances arising from their operations, such as the IFC Performance Standards and the IFC Environmental, Health and Safety (EHS) Guidelines pertaining to waste management facilities;
- adhere to the principles of Free, Prior and Informed Consent (FPIC) in relation to safeguarding the rights of indigenous or local communities, where applicable; and
- adopt best environmental practices in relation to:
 - reducing greenhouse gas emissions;
 - proper waste management;
 - efficient water management and/or water stewardship, particularly for projects that are located in water-stressed areas;
 - adapting to and managing climate-related risks which may include developing a strategy to assess the potential financial impact of climate-related risks through climate scenario analysis and adopting the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Where we deem that our customers are unable or unwilling to manage the potential adverse impact of their operations, the Bank may choose to exit the relationship.