

24 October 2016

H.E. Ban Ki-moon  
Secretary-General  
United Nations  
New York, NY 10017  
USA

Dear Mr Secretary-General,

I am pleased to confirm that Oversea-Chinese Banking Corporation Limited (OCBC Bank) reaffirms our support to the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In this 2016 Communication on Progress, we provide an abridged view of some of our actions taken to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to share this information with our stakeholders using our primary channels of communications.

Yours sincerely,



Samuel Tsien  
Group Chief Executive Officer  
OCBC Bank

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## COMMUNICATION ON PROGRESS 2016

### About OCBC Bank

OCBC Bank is the longest established Singapore bank, formed in 1932 from the merger of three local banks, the oldest of which was founded in 1912. It is now the second largest financial services group in Southeast Asia by assets and one of the world's most highly-rated banks, with an Aa1 rating from Moody's. Recognised for its financial strength and stability, OCBC Bank is consistently ranked among the World's Top 50 Safest Banks by Global Finance and has been named Best Managed Bank in Singapore and the Asia Pacific by The Asian Banker.

OCBC Bank and its subsidiaries offer a broad array of commercial banking, specialist financial and wealth management services, ranging from consumer, corporate, investment, private and transaction banking to treasury, insurance, asset management and stockbroking services.

OCBC Bank's key markets are Singapore, Malaysia, Indonesia and Greater China. It has over 610 branches and representative offices in 18 countries and regions. These include the more than 330 branches and offices in Indonesia under subsidiary Bank OCBC NISP, and 110 branches and offices in Hong Kong, China and Macau under OCBC Wing Hang.

OCBC Bank's private banking services are provided by its wholly-owned subsidiary Bank of Singapore, which operates on a unique open-architecture product platform to source for the best-in-class products to meet its clients' goals.

OCBC Bank's insurance subsidiary, Great Eastern Holdings, is the oldest and most established life insurance group in Singapore and Malaysia. Its asset management subsidiary, Lion Global Investors, is one of the largest private sector asset management companies in Southeast Asia.

For more information, please visit [www.ocbc.com](http://www.ocbc.com).

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**HUMAN RIGHTS**

**Principal 1:** Businesses should support and respect the protection of internationally proclaimed human rights; and

**Principal 2:** make sure that they are not complicit in human rights abuses.

As a corporate citizen, OCBC is responsible for the impact that our activities and practices have on our customers, employees and general members of the public. We proactively promote public interest by encouraging community growth and development, voluntarily putting in place good business and employee policies, practices, and guidelines, and do our part in protecting the environments in which we operate.

Our Human Resource policies, programmes and practices are aligned with our Core Value of People, which requires us to treat one another fairly and with respect, regardless of our race, language, nationality and colour. We invest in developing our talent pool, putting in place policies and programmes in order to help our employees realize their full potential.

In the area of community growth and development, our CSR programme focuses on helping children and young adults realize their full potential, and promoting education. Our community engagement activities support communities in our core markets of Singapore, Malaysia, Greater China, Hong Kong and Indonesia.

Beyond cash contributions, our employees also offer their time and skills to enrich the lives of the families, the elderly, children, youths and people with special needs in the key countries that OCBC Bank operates in.

We provide our customers with simple-to-understand, relevant and timely information so that they can make informed decisions. Our front line employees are regularly trained and certified to ensure that they are equipped to offer our customers quality advice, recommending products and services that are suitable for them. The remuneration structure for our front line staff is designed to align rewards with service quality, in addition to sales results. We handle customers' complaints independently, effectively and promptly in order to address their concerns and feedback.

We established a fair dealing committee in 2009 to provide clear oversight and governance to ensure that we deal with our customers in a fair and consistent manner, across all units of the OCBC group. A framework was established to define the programmes that we will undertake to promote fair dealing in our business practices, and to deliver fair dealing outcomes to customers through clear strategies and alignment of organizational policies and practices.

A Product Suitability Committee helps ensure that the products and services we offer are suitable for our target customer segments.



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**LABOUR**

**Principal 3:** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

**Principal 4:** the elimination of all forms of forced and compulsory labour;

**Principal 5:** the effective abolition of child labour; and

**Principal 6:** the elimination of discrimination in respect of employment and occupation.

Our rank and file and officers are unionised and OCBC had good relations with these unions.

In Singapore, we have an open communication channel with the country's two relevant labour unions, namely, the Singapore Bank Employees' Union and the Singapore Bank Officers' Association. These unions are in turn linked to the International Labour Organisation. In Malaysia, the unions that we work closely with are the National Union of Bank Employees, the Association of Bank Officers, the Sarawak Bank Employees' Union and the Sabah Bank Employees' Union.

We support fair employment and do not support any form of discrimination against employees. We hire employees on the basis of their merit.

Our Human Resource policies, programmes and practices are aligned with our Core Value of People, which requires us to treat one another fairly and with respect, regardless of our race, language, nationality and colour. We have invested heavily in developing our talent pool, introducing policies and programmes to help our employees realize their full potential.

We are committed to fairness of opportunity in the workplace, in line with our goal of building a diverse talent pool with a range of skills, expertise and experience. Our employees hail from a broad spectrum of nationalities, professional as well as cultural backgrounds and age groups, including older employees with a wealth of accumulated knowledge. Among our Management Committee members are women who hold senior roles within the organisation. These include helming vital support functions as well as heading up the Bank's subsidiary

franchises in its core overseas markets. Many of our senior colleagues, including our female leaders, have seen their careers grow with the organisation.

Since 2007, OCBC introduced a structured three-year development programme that charts the learning roadmaps for individual employees during their first 3 years of service with us. Thereafter, they have opportunities to hone their skills through on-the-job training, in-house training programmes and by attending external courses through our Training Continuing Education Scheme and other Management Development programmes.

To ensure a sustained pipeline of competent performers and leaders at every level across the organisation, we invest heavily in training and talent development to build our employees' capabilities.

In 2015, we achieved an average of eight man-days of training per employee, surpassing our annual target of five days for the 10th consecutive year. The benchmark was introduced since 2003. We channelled the 2015 Wage Credit Scheme payout from the Government to a broader suite of training programmes for our employees that will deliver a differentiated learning experience. In August 2015, we launched the OCBC Holistic Development Programs with classes ranging from physical activities to music and craft.

Our employees are encouraged to take charge of their own careers, regardless of their ranks. Our Career Best Programme enables them to evaluate their strengths and career orientation, and find the best fit between their talents and OCBC's organizational needs.

Employees are also given the opportunity to make career switches through our Internal Job-Posting Programme. By doing so, we help broaden their work experience and provide them with the incentive to maintain long-term careers with us. Overseas postings are offered to employees who have the right skill sets and who aspire to gain work experience in the different key markets that we operate in.

We promote work-life balance through various programmes introduced at corporate and divisional levels. We encourage employees to take early time off on a regular basis to spend time with their families, and organize team building activities to promote staff bonding.

As a pro-family organisation, we have also fostered a conducive environment where staff with children can excel in their work and personal lives. Our profamily efforts were recognised when we were named the Most Enabling Companies for Dads by the *NTUC*

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*Women's Development Secretariat.* We implemented the Extended Paternity Leave ahead of legislation, which is expected to be effective in 2017.

We were named the Most Attractive Employer 2015 (Banking & Financial Services Sector) in the *Randstad Awards* for the second time and one of the top three Most Popular Graduate Employers in the Banking & Financial Services Sector by *GradSingapore*.

Our online Health and Security dashboard, introduced in July 2008, enables our employees to obtain a quick snapshot of the health and security profile of the countries in which OCBC has a presence. The Health Indicator highlights threats such as disease outbreaks, while the Security Indicator highlights possible threats such as riots, terrorist activities or natural disasters. Employees who are planning to travel to these countries can quickly and easily refer to the online dashboard to understand any threats that may affect them. We also send travel advisory alerts to our employees to discourage travel to countries where their health or safety may be compromised.

We are in full compliance with the labour laws and regulations in the countries that we operate in, including the minimum age for employment. We do not support child labour.



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**ENVIRONMENT**

**Principal 7:** Businesses should support a precautionary approach to environmental challenges;

**Principal 8:** undertake initiatives to promote greater environmental responsibility; and

**Principal 9:** encourage the development and diffusion of environmentally friendly technologies.

The green journey is an unending one and we started ours in 2007 by adopting environmentally friendly practices such as introducing energy saving measures in our premise and encouraging recycling initiatives.

In May 2011, we received the Building and Construction Authority's Green Mark Gold Award for OCBC Centre as well as OCBC Centre South. This award was presented in recognition of our efforts to promote sustainability in our built environment, which can be a challenge especially for older buildings. OCBC Centre is the oldest historic site to receive such an award. OCBC Centre's adjoining building, OCBC Centre East, received the same award in May 2012.

We officially opened a shopping mall, branded orchardgateway, in April 2014. The adjacent hotel, named Hotel Jen Orchardgateway commenced operations in 2014. The integrated development had won the Building and Control Authority's Green Mark Platinum Award in February 2012 for its energy-saving and environmentally-friendly design features.

We opened our first paperless and environmentally-friendly branch at the Singapore Sports Hub in June 2014. The branch features digital self-service kiosk which allows 10 common branch services to perform without the need for paper. This digital platform was subsequently rolled out at the orchardgateway branch in July 2014. By December, we equipped our front-line staff across all branches with tablets, to facilitate the conducting of paperless wealth needs assessments and conversations with customers at their convenience anywhere.



By introducing paperless bancassurance applications, conducted on tablet computers, we achieved a 66% reduction in our insurance quotation turnaround time. To help customers grasp complex insurance concepts easily, we simplified the bancassurance illustrations available on iPads, which are used as a sales channel by our sales force. After implementation, more than 80% of insurance applications from the mobile sales force have been submitted through this digital channel. We introduced real-time quotation and purchase of general insurance products such as travel, motor and home insurance through our mobile banking app, boosting the proportion of travel insurance sales done digitally to over 90% since launch.

We won the Mobile Banking Initiative of the Year accolade at the *Asian Banking and Finance Retail Banking Awards 2015* in recognition of our efforts in driving mobile banking in Singapore and the region to new heights. Our E-business team was named Asia's Leader in Digital Banking in the *IDC Financial Insights Innovation Awards 2015*, as we continued to make banking simple and convenient with innovative products and services such as the ability to open the OCBC 360 Account on mobile phones, tablets and computers.

Our customers can now have the choice of receiving electronic versions of their statements of accounts. We use energy-saving light and air-conditioning systems and automatic sensor taps in toilets, and setting up recycling bins at our head office buildings. Through our on-going effort, we hope to complement and support the growth and development of green practices in the wider community.

To promote environmental sustainability, our volunteers helped build a public sanitisation facility and six catfish-breeding ponds, and to refurbish a local kindergarten at the Ciaseupan Village in Indonesia. In June 2015, the effort has clinched the Indonesia Green Awards 2015, Water Resources Conservation category. Organised by the La Tofi School of CSR in collaboration with the Indonesian Ministry of Environment, the Ministry of Marine Affairs & Fisheries as well as the Ministry of Industry, the award recognised our joint effort with OCBC NISP to contribute towards more hygienic living conditions in the village and enabled its more than 1,000 villagers to remain self-sufficient. This is our third collaboration with Bank OCBC NISP to support environmental efforts in Indonesia.

We continue to support WWF's Annual Earth Hour programmes including switching off all the non-essential lights in the common areas and façade lightings in our office buildings on

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designated Earth Hour observation days. We also invite all tenants in our buildings to join us in our efforts.

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**ANTI-CORRUPTION**

**Principal 10:** Businesses should work against corruption in all its forms, including extortion and bribery.

We have zero tolerance for corrupt practices.

At OCBC, we are fully committed to integrity and fair dealing, and adopt corporate governance practices in conformity with the regulatory guidelines issued by the Monetary Authority of Singapore and the Singapore Exchange Securities Trading Ltd.

Our Purpose and Core Values underpin our framework to deliver the outcomes of fair dealing to our customers. By understanding the reason of our being as stated in our Purpose, our employees know that their roles in serving customers should not be purely profit-motivated. Instead, we help our customers across communities achieve their aspirations with innovative yet appropriate financial services that meet their needs. Our Core Values, including the Value of Integrity, are continuously and consistently instilled as principles to guide decisions and behaviour, and to inspire our employees across the organization.

OCBC is a signatory to the Multi-party Anti-Corruption & Compliance Declaration drafted by the Singapore Institute of International Affairs since 2009. As a regional bank, we acknowledge the wide diversity of social customs and cultural practices across communities and recognize that economic and political philosophies differ throughout the world. Despite such differences in the geographies that we operate in, we believe in upholding our Core Value of Integrity as a consistent standard in our business activities. Participating in this multi-party declaration signals our commitment to promote clean business practices.