



DBS Group Holdings Ltd
Sustainability Report 2020



DBS

Live more,
Bank less





Our approach and strategy

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Introduction

Overview

We continue to make strides in our sustainability agenda despite global disruptions and headwinds from Covid-19. As part of our ongoing efforts to support our clients in their transition towards a low-carbon economy, we published the Sustainable and Transition Finance Framework and Taxonomy - the first by a bank. We also recently raised our sustainable financing target to SGD 50 billion by 2024 and committed to ensure net zero operational carbon emissions across the Group by 2022.

In recognition of the bank's environmental, social and governance (ESG) efforts, we were named the "Best Bank for Corporate Social Responsibility in Asia" in Euromoney's Award for Excellence 2020. We were also included in the Dow Jones Sustainability Index (Asia-Pacific) for the third consecutive year, as well as the Bloomberg Gender-Equality Index and FTSE4Good Global Index, for the fourth consecutive year. We continue to build on previous DBS Sustainability Reports and have enhanced our disclosures in line with the Sustainability Accounting Standards Board (SASB) standards to provide more relevant information for our stakeholders.

About this report

This Sustainability Report is approved by the Board and is prepared in accordance with, or taking reference to, the following regulations, standards and guidelines:

- Singapore Exchange Securities Trading Limited (SGX-ST) Listing Rules 711A and 711B on Sustainability Report, and Practice Note 7.6 Sustainability Reporting Guide issued in July 2016
- The Global Reporting Initiative (GRI) Standards – Core Option, issued in October 2016 (with subsequent revisions), and the G4 Financial Services sector disclosures by the GRI Global Sustainability Standards Board
- The Guidelines on Responsible Financing issued in October 2015 (revised June 2018) by the Association of Banks in Singapore
- Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in June 2017
- The SASB standards based on the five Sustainable Industries Classification System industries within the Financials sector that are most aligned with our mix of businesses: Commercial Banks (FN-CB), Consumer Finance (FN-CN), and Mortgage Finance (FN-MF)

We are a signatory to the United Nations (UN) Global Compact and are committed to the 10 Principles. This report serves as our Communication on Progress (CoP).

Coverage

This report covers the ESG principles, initiatives and performance of our operations across key markets. It contains information for the financial year 1 January to 31 December 2020, unless otherwise stated. The report is to be read in conjunction with the [Annual Report 2020](#) and other sustainability-related disclosures on our [website](#).

Feedback

We welcome feedback on this report and any aspect of our sustainability performance. Please address all feedback to DBS Group Sustainability at sustainability@dbs.com.

Highlights



1 Responsible banking

Partnering customers in the transition to a sustainable low-carbon economy

We are raising our sustainable finance target to
SGD 50 billion by 2024

Launched the
Sustainable and Transition Finance

Framework and Taxonomy



Closed
SGD 9.6 billion

in sustainable financing transactions,
up 81% from previous year

Democratising wealth and financing services

Launched

NAV Planner

a digital financial advisory solution leveraging big data and technology to provide customised nudges to customers on financial decisions

NAV Planner has delivered more than

30 million

financial planning insights to customers

Complemented by

DBS digiPortfolio

a robo-technology investment platform, for retail customers to build diversified portfolios based on their risk appetites



2 Responsible business practices

Reducing our operational footprint

We are committed to ensure

net zero operational carbon by 2022

Upskilling and reskilling our workforce for the future

Launched in-house digital training

Future Tech Academy

to keep our technology workforce updated with relevant cutting-edge skills



over
18,000 employees

trained on data management

2,000 employees

trained in data science and business intelligence e-learning modules



Organised

AWS DeepRacer Challenge

and trained over 3,000 employees on the fundamentals of artificial intelligence and machine learning

Reducing energy consumption and increasing efficiency

Across our key markets,

21%

of our electricity consumption is from renewable energy source

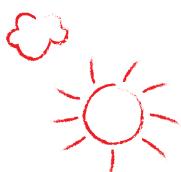


Commissioned

three new solar installations

increasing our renewable energy generation capacity by

427 KWP



3 Creating social impact

Supporting the community and making a difference

Contributed close to

57,000 hours

of employee volunteering



Where over 12,000 hours were committed to skills-based volunteering, a 90% increase year-on-year

Funding of

SGD 10.5 million

to help those hard-hit by Covid-19, including 4.5 million meals and care packs



Championing social entrepreneurship

Disbursed

SGD 550,000

in the inaugural DBS Foundation Business Transformation and Improvement Grant to encourage social enterprises in their digital transformation journey

Nurtured over

240

social enterprises,
140% increase
year-on-year



Provided record

SGD 9 million

in grants and loans in support for social enterprises to cope with the impact of the pandemic



Content series Sparks Season 2: Everyday Heroes for a Better World raises awareness for sustainability and social entrepreneurship through viewership of over

276 million

CEO message

While the sustainability agenda is intended to cover ESG attributes, it is fair to note that the focus on the "S" has been somewhat limited in recent years. Having said that, 2020 was truly an unprecedented year that brought social issues to the fore. While the pandemic posed a massive challenge to the global economy through significant demand destruction, the impact on lives and livelihoods of people was visceral. The consequences of income and social inequity were stark, with hundreds of millions of people being unable to put food on the table, and daily wage and front-line workers being unable to protect themselves from the risks of infection.

In this environment, we felt that it was incumbent on companies to step up and offer support, be it to our customers, our employees or even to society at large.

We took decisive action to offer cashflow relief to customers, both through providing "standstill arrangements" (customers did not have to service their existing loans, in many cases for both principal and interest) as well as providing new subsidised financing, generally with the help of government programmes. We also stepped up our digital capabilities to enable customers to interact with us electronically, as far as possible. I was especially proud of our efforts to bring migrant workers into the formal banking system – from April to June, we accelerated the opening of almost 60,000 bank accounts for migrant workers, so that they could bank digitally and transfer funds to their home countries with ease.

For our employees and the society at large, we too stepped up our efforts. Employee health and well-being are of paramount importance; we provided masks and personal protective equipment speedily, enabled work-from-home arrangements, made use of sophisticated internal contact tracing tools using artificial intelligence, provided care hampers to colleagues serving "stay home notices", and curated a series of mental wellness programmes to keep employee spirits up. To support the community, we launched the SGD 10.5 million Stronger Together Fund to provide meals, care packs, and medical supplies across the region.

At the same time, we did not allow the pandemic to divert our attention from our broader agenda, centred around our three sustainability pillars – responsible banking, responsible business practices and creating social impact.

For our first pillar, one key goal is to reduce our Scope 3 carbon emissions by helping to shape our customers' business models and behaviour. We have been reducing our thermal coal exposure and have ceased the financing of new coal-fired power plants since 2019, while dialling up the financing of renewable energy. To encourage carbon-intensive companies to adopt more carbon efficient operations by considering commercially viable greener alternatives, we published the Sustainable and Transition Finance Framework and Taxonomy – a first in the world by a bank. At the same time, we closed about SGD 9.6 billion in sustainable financing transactions across our lending portfolios and raised over SGD 9.7 billion in sustainability-related bonds. We are pleased with our progress on this front, and have more than doubled our sustainable finance target for 2024 from SGD 20 billion to SGD 50 billion. In the consumer space, we continued to increase the range of ESG investments we offer on our wealth platform and educated our private customers on integrating sustainability into their investment decisions.

Key to "Responsible Banking" is the notion of creating trust. We believe that for a society to flourish, corporates and communities must build strong ties based on a foundation of trust, and this can only be done on principles of transparency and fairness. We continued to improve the language and focus of our sustainability disclosures, as well as use our Fair Dealing and Conduct Committee (which I chair) to ensure that customers are always treated as we would expect ourselves to be treated.

For our second pillar, responsible business practices, we are reducing our carbon footprint and advancing the sustainable procurement agenda. To this end, we are now committed to ensure net zero operational carbon emissions by 2022.

We have also deepened employee engagement as we pivot to distributed workforce models and flexible work arrangements, while ensuring we have the right diversity policies so that we can access the right talent without any unconscious bias.

For our third pillar of creating social impact, we doubled down on our community support and continued to champion social entrepreneurship through providing collateral-free working capital funding and skills-based volunteering. DBS and DBS Foundation disbursed a record total of SGD 9 million in loans and grants to social enterprises, to enable them to retain and create more jobs.

One noteworthy initiative which we kickstarted was Towards Zero Food Waste to tackle the growing problem of food waste and build a more food-secure future. In demonstrating our commitment to rearchitect a greener world, we are actively participating as members in the sustainability alliance of the Emerging Stronger Taskforce in Singapore, as well as the Task Force on Nature-related Financial Disclosures.

When we look back, we will think of 2020 as a seminal year and the pandemic a major turning point in bringing the sustainability agenda to the fore. I believe Covid-19 creates a tremendous opportunity to establish a reset, a rethinking of the role of the private sector, and how we can respond to make a difference at the heart of the post-pandemic recovery. This Sustainability Report frames how we, as a leading Asian bank, can make use of this opportunity to help create a fairer, more just, and better world for everyone.



Piyush Gupta
CEO
DBS Group Holdings



Sustainability overview

Sustainability pillars

Our approach to sustainability is guided by our sense of purpose: To create value for the long term, and by managing our business in a balanced and responsible way. We do this through our three sustainability pillars.



Responsible banking

We incorporate responsible financing in our lending practices, support our customers' transition towards more sustainable low-carbon business models and improve customers' access to ESG investments. We conduct our business in a fair and responsible manner. This includes advancing financial inclusion, taking a proactive stance to protect our customers' information and preventing financial crime.



Responsible business practices

We do the right thing by our people and consider the impact our business operations has on the environment and society. We provide an inclusive work environment, manage our direct environmental footprint and seek to influence our supply chain towards sustainable practices. We also pay our fair share of taxes and make economic contributions to the communities where we operate.



Creating social impact

We seek to be a force for good by supporting social enterprises that address social needs in a creative and effective manner. We also give back to the communities in the markets where we operate. Through our "People of Purpose" volunteerism movement, we help to drive impact in the areas of the elderly, education and the environment.

We have chosen to focus on these six SDGs which we believe we can make meaningful contributions to, and taking into account the markets in which we operate.

Progress on sustainable development goals (SDGs)

As a member of the [United Nations Global Compact](#), we are committed to driving progress towards achieving the SDGs. We believe that we have a role to play in promoting sustainable development.

5 GENDER EQUALITY



7 AFFORDABLE AND CLEAN ENERGY



8 DECENT WORK AND ECONOMIC GROWTH



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



13 CLIMATE ACTION



Responsible banking

SDGs	Related sections	2030 UN established targets	Selected initiatives	Performance achieved
7 AFFORDABLE AND CLEAN ENERGY 	Responsible financing	Promote financing of renewable energy in the global energy mix	Renewable and clean energy-related loans	<ul style="list-style-type: none"> Financed about SGD 597 million of renewable and clean energy-related projects
8 DECENT WORK AND ECONOMIC GROWTH 	Financial inclusion	Encourage and expand access to banking, insurance and financial services for all	<p>Financial reliefs for retail customers during the pandemic</p> <p>Digital banking services for migrant workers</p> <p>Financial reliefs for SMEs during the pandemic</p> <p>Variety of financial services for SMEs</p>	<ul style="list-style-type: none"> Approved SGD 5.2 billion in mortgage relief for retail customers in Singapore, Hong Kong, Indonesia and Taiwan and offered free Covid-19 insurance to all five million DBS/ POSB customers and their families Opened new bank accounts for 152,000 migrant workers in Singapore Approved SGD 11 billion in loan moratoriums for companies in Singapore and Hong Kong, primarily for SMEs Provided SGD 40.8 billion in financing to SMEs
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 	Responsible financing	Develop sustainable, resilient and inclusive infrastructure	Commitment to the Equator Principles, a globally recognised risk management framework adopted by financial institutions for determining, assessing, and managing environmental and social risks of projects	<ul style="list-style-type: none"> Applied the Equator Principles to at least eight infrastructure projects since our commitment in 2019
12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	Responsible financing	Ensure that people have relevant information and awareness for sustainable development	<p>Financial literacy and planning tools and education for customers</p> <p>Engagement with private banking customers on sustainable investing</p> <p>Support for institutional clients through sustainable finance</p>	<ul style="list-style-type: none"> Delivered more than 30 million financial planning insights to customers Published articles on sustainable investing and directly engaged with our customers Financed about SGD 4.2 billion in sustainability-linked loans
13 CLIMATE ACTION 	Responsible financing	Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation and impact reduction	<p>Advisory and structuring of green loans</p> <p>Advisory and underwriting of green bonds</p> <p>Increased financing to sustainability-linked loans, green loans and renewable and clean energy developments</p>	<ul style="list-style-type: none"> Provided SGD 4.8 billion of green loans Underwrote SGD 5.3 billion worth of green bonds Concluded 50 sustainable financing transactions that amounted to about SGD 9.6 billion

Responsible business practices

SDGs	Related sections	2030 UN established targets	Selected initiatives	Performance achieved
5 GENDER EQUALITY 	Diversity and equal opportunity	Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making	Board Diversity Policy and Resource Management Policy to promote diversity amongst Board of Directors and employees	<ul style="list-style-type: none"> Achieved commitment of having at least two female Board members Maintained a stable Group Management Committee female representation of one in four (25%) Maintained a stable gender-balanced total workforce with 51% women
			Increased diversity and inclusion in our talent pool by increasing female representation in technology	<ul style="list-style-type: none"> Recruited 50 female technologists out of over 500 applicants through <i>DBS Women in Tech</i>, a specially curated hiring event to bring the best female tech talent into our workforce Empowered female employees to take on leadership roles through the programme, <i>My Persona, Woman 3.0</i>, for the third year running
			Education and awareness to build a more inclusive workplace	<ul style="list-style-type: none"> Launched a series of unconscious bias training through webinars, online learning and team-based workshops
7 AFFORDABLE AND CLEAN ENERGY 	Managing our environmental footprint	Increase the share of renewable energy in the global energy mix	RE100 global renewable commitments	<ul style="list-style-type: none"> Increased operational energy consumption from renewables across our key markets to 21% of our total energy consumption, up from 14% in the previous year
			Solar installations on branches and offices	<ul style="list-style-type: none"> Constructed three new solar installations across the region Increased regional solar production capacity on our premises by 427 KWp
8 DECENT WORK AND ECONOMIC GROWTH 	Talent management and retention	Achieve higher levels of economic productivity through diversification, technological upgrading and innovation	Continuous learning, upskilling and reskilling	<ul style="list-style-type: none"> Increased internal mobility rate to 36%, up from 25% in the previous year Launched DBS Match to help employees identify new roles within the bank based on skills and experience
			Specific programmes to upskill employees' technology skillsets	<ul style="list-style-type: none"> Organised gamified learning with Amazon Web Services DeepRacer for more than 3,000 employees to pick up fundamentals of Artificial Intelligence/Machine Learning Trained over 18,000 employees to promote fluency in data use, data science and business intelligence
			Training opportunities with specialised programmes for graduates and mid-career professionals	<ul style="list-style-type: none"> Provided training opportunities for over 600 graduates, postgraduates and mid-career professionals in Singapore through government-supported programmes such as SGUnited Traineeship, SG United Pathway and Technology in Finance Immersion Programme
12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	Sustainable procurement	Promote public procurement practices that are sustainable	Sustainable Sourcing Principles (SSP)	<ul style="list-style-type: none"> Obtained signatory commitments from almost all new suppliers to our SSP
	Topical issues in focus - Towards Zero Food Waste	Halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses	Paper reduction campaign	<ul style="list-style-type: none"> Reduced office paper usage by 208 tonnes, a 35% reduction against our 2018 baseline Reduced the volume of cheques generated and processed by more than 20% year-on-year in Singapore, resulting in SGD 1.9 million in cost savings
			Encouraged employees to reduce food waste in their daily lives through a six-week challenge and multiple activities	<ul style="list-style-type: none"> Involved about 3,300 employees who collectively took over 23,000 actions towards reducing food waste Engaged over 11,700 employees to reduce or recycle food waste, or redistribute up to 150,000 kg of food
13 CLIMATE ACTION 	Managing our environmental footprint	Improve institutional capacity on climate change mitigation, adaptation and impact reduction	Transformation to more sustainable workspaces and regenerative living spaces	<ul style="list-style-type: none"> Completed the design of net-zero energy concepts, and low energy pantries that use heat pumps and solar-heated water Completed our internal "Circular Economy Materials Catalogue"

Creating social impact

SDGs	Related sections	2030 UN established targets	Selected initiatives	Performance achieved
8 DECENT WORK AND ECONOMIC GROWTH 	Social entrepreneurship	Support productive activities, decent job creation, entrepreneurship, creativity and innovation through access to financial services	Financial reliefs for social enterprises during the pandemic Additional grant funding and capacity building for social enterprises amid the pandemic DBS Foundation's Annual Social Enterprise Grant Nurturing of social enterprises through mentoring and masterclass by DBS Foundation	<ul style="list-style-type: none"> Disbursed additional SGD 550,000 to 14 social enterprises across the region through the DBS Foundation Business Transformation and Improvement Grant Made available collateral-free Digital Business Loans of up to SGD 200,000 to social enterprises in Singapore at preferential interest rates Disbursed SGD 1.4 million in grants to 13 social enterprises from key markets Nurtured over 240 social enterprises during the year
	Employee volunteerism		Digital/ financial literacy programmes for elderly and youth	<ul style="list-style-type: none"> Contributed close to 57,000 volunteering hours to serve communities
	Financial inclusion Social entrepreneurship	Increase access of small-scale industrial and other enterprises to financial services	Support for social enterprises through DBS Social Enterprise Package	<ul style="list-style-type: none"> Benefitted 692 social enterprises under our Social Enterprise Banking Package, with a total of about SGD 7.3 million in unsecured loans
	Topical issues in focus – Towards Zero Food Waste	Halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses	Advocacy and activation of multiple stakeholders and partners to reduce food waste across retail, production and supply levels	<ul style="list-style-type: none"> Partnered 19 ecosystem players and launched multiple campaigns across key markets, which reduced or recycled food waste, or redistributed up to 50,000 kg of food Released Sparks Season 2 dedicated to social enterprises

Governance

The Board has overall responsibility for sustainability and integrates ESG matters in the formulation of DBS' strategy. They provide guidance to determine what material ESG matters are, offer advice on their management and monitoring, and ensure risks and opportunities are appropriately balanced.



Sustainability governance structure in DBS

Roles and responsibilities

The CEO is assisted on sustainability matters by the Group Sustainability Council, which is chaired by the Chief Sustainability Officer and consists of senior members across various business and support units. It develops the sustainability framework, which includes setting key performance indicators in consultation with stakeholders and overseeing the execution of sustainability initiatives across the bank.

The Group Sustainability Council also advises the CEO on material ESG matters that contribute to the overall materiality assessment, which is then utilised by the Board and the Group Management Committee for strategic planning and long-term value creation. The Group Sustainability Council meets every two months and provides periodic updates to the CEO, Group Management Committee, and the Board.

To better embed sustainability in the organisation, Local Sustainability Councils are established across our key markets – China, Hong Kong, India, Indonesia, and Taiwan. These Councils follow a similar structure as the Group Sustainability Council and have a broad mandate to execute initiatives in line with the Group's sustainability approach while adapting to local market conditions.

Performance measurement

Progress in our sustainability strategy is reflected directly in the balanced scorecards of the Group, key markets and business and support units. The balanced scorecard is used to set objectives, drive behaviours, measure performance and determine the remuneration of our people.

Read more about the balanced scorecard approach under "Our 2020 priorities" in the Annual Report page 26.

The Group Sustainability Council devises an annual sustainability balanced scorecard that tracks the sustainability initiatives taken and the performance achieved. With effect from 2020, the scorecard has been reviewed and updated quarterly to better reflect and track progress made.

Engagement

The Board has overall responsibility for sustainability and integrates ESG matters in the formulation of DBS' strategy. The Board also determines what material ESG matters are and provides guidance on their management and monitoring. The Group Management Committee is also engaged on all material ESG related matters, including the development of the Group Responsible Financing Standard, which documents our overarching approach to responsible financing and additional assessment required when entering into transactions with elevated ESG risks.

The topics discussed by the Group Sustainability Council during the year included climate change, [impact measurement](#), transition financing, food security, zero waste, human rights issues, as well as memberships in various sustainability-related organisations.

Clearly defined ownership, roles, and responsibilities over the identified material ESG matters across the various business and support units are imperative in progressing towards our chosen SDGs. As ESG matters have a significant impact on our corporate strategy, Board engagement for regular review and monitoring is key.

Material ESG matters

Material ESG matters have the most impact to our society and our ability to create long-term value as a bank. These matters influence how the Board and senior management steer the bank.

Identify

matters that may impact both our society as well as our financial standing and operational performance, incorporating Group-wide input and stakeholders' feedback.



Read more about our stakeholder engagement on [page 10](#).

In 2020, we adopted the dual materiality approach and conducted a reassessment of our materiality matrix to improve disclosure on material matters that are important to the bank's financial performance, as well as to the health of our society and the environment.

The approach adopts an outward- and inward-looking perspective in evaluating material matters. The "outward-looking" perspective presents how material ESG matters can impact the society, economy, and the environment, while the "inward-looking" view identifies how these material ESG matters affect DBS and our strategic priorities.

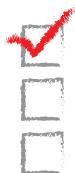
For example, we dialled up our focus on financial inclusion and social entrepreneurship to better reflect their relative importance to the health of our society and the environment, as well as to the bank's financial performance. We believe this is critical especially in a difficult year where the pandemic posed a massive challenge to the global economy, impacting lives and livelihoods for the masses.

We have likewise revised the materiality matrix in the Annual Report, from pages 71 to 73.

*Read more about each ESG matter in the section, *Exploring our material matters*, from pages 17 to 46.*

Prioritise

matters that will be most important to our society, and most influential to the decision-making of our stakeholders.



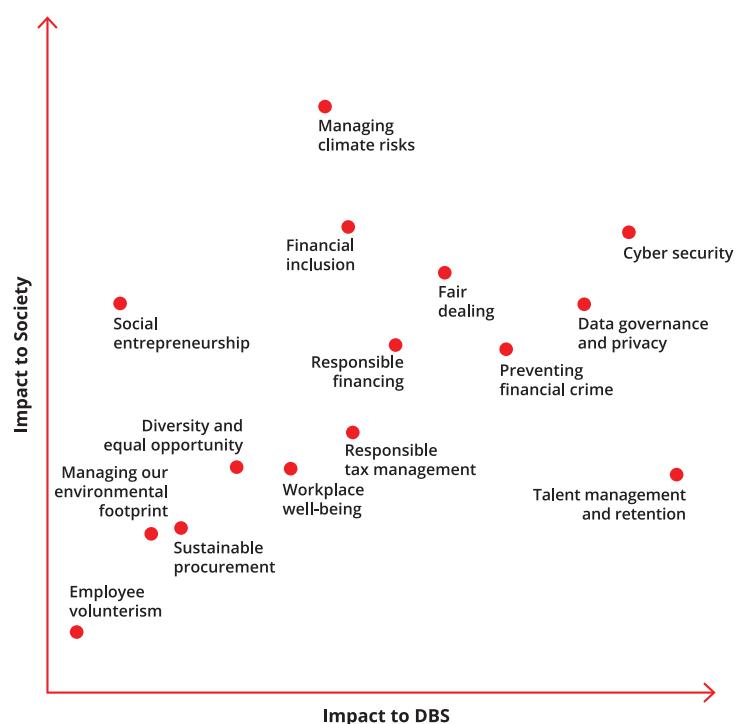
Integrate

these material matters into our balanced scorecard to set objectives, drive behaviors, measure performance, and determine the remuneration of our people.



Read more about our balanced scorecard approach under the "Our 2020 priorities" in the Annual Report on page 26.

ESG materiality matrix



Stakeholder engagement

The table on the right outlines the key ESG topics raised by our stakeholders throughout the year and how we responded. It offers an additional ESG lens on the stakeholder engagement overview provided in our Annual Report on page 74.

	Investors	Customers	Employees	Society	Regulators and policy makers
How did we engage?	<ul style="list-style-type: none"> Having virtual meetings with investors to understand their expectations on: <ul style="list-style-type: none"> Sustainability strategy and governance Sustainability-related financing Climate-related risks in portfolio management Sustainability reporting Having ongoing and regular engagement with major ESG rating agencies and participating in ESG rating assessments on a regular basis 	<ul style="list-style-type: none"> Running the annual <i>Future Leaders Programme</i> to raise awareness of DBS' sustainability strategy and commitment Conducting focus groups to evaluate interest for sustainable products Disclosing sustainability efforts and initiatives on our websites Educating elderly customers with newly launched digital products and services with the <i>POSB Active Neighbours</i> programme Communicating with social enterprises to understand and address their practical challenges 	<ul style="list-style-type: none"> Interacting through annual employee engagement survey, <i>My Voice</i> Hosting Group-wide townhalls by the Group CEO that reiterate DBS' sustainability strategy Embedding a sustainability-focused session during the annual Group Leadership Conference for senior management Encouraging sustainability interest groups (e.g. through volunteer-led initiatives within DBS) Updating sustainability intranet portal with ongoing campaigns, initiatives and opportunities 	<ul style="list-style-type: none"> Having regular meetings with our community partners to understand and address practical challenges faced by our beneficiaries (e.g. Community Chest, People's Association) Engaging directly with NGOs and academic institutions to support innovation in tackling real-world sustainability challenges (e.g. GCNS, WWF, SMU Institute of Innovation and Entrepreneurship, Lien Centre for Social Innovation) Interacting with professional business associations on increasing awareness and best practices in business sustainability (e.g. UNGC, WBCSD) 	<ul style="list-style-type: none"> Meeting frequently with political stakeholders, officials, government agencies, and regulators Participating in working groups and consultation forums on sustainability-related policies and industry practices, organised by Monetary Authority of Singapore (MAS), Association of Banks in Singapore, Singapore Institute of International Affairs, among others Supporting governmental agencies in social outreach aligned with our sustainability strategy (e.g. Singapore Centre for Social Enterprise, National Environment Agency on Towards Zero Food Waste)
Key topics raised?	<ul style="list-style-type: none"> Implications of the pandemic on business prospects, sustainability strategy and efforts DBS' approach to financing environmentally sensitive industries ESG approach and commitment (e.g. TCFD) Progress on sustainability agenda, including frameworks, policies, and processes for addressing material ESG matters 	<ul style="list-style-type: none"> DBS' response to the pandemic Conduct and culture, especially in the responsible use of data and cyber security enhancements Challenge of digital literacy for the community, especially seniors Limited access to financial products and services, as well as financial education for migrant workers Financial advice regarding ESG investing Talent and data management challenges specific to social enterprises 	<ul style="list-style-type: none"> Remote working and flexible-working arrangements during and after the pandemic Specific questions and comments included: <ul style="list-style-type: none"> Workplace hygiene management Employee experience, health, safety, and welfare benefits Performance management, rewards and recognition Growth and development, including new ways of enabling productivity Avenues where employees can actively contribute to the Group's sustainability strategy and initiatives 	<ul style="list-style-type: none"> DBS' response to financial well-being, livelihoods, job security and support for customers and communities impacted by Covid-19 Responsible financing initiatives and policies in supporting sustainable development 	<ul style="list-style-type: none"> Implementation of industry guidelines, related government and industry reforms (e.g. industry-wide stress testing exercise, environmental risk management, etc.) Public policy development on ensuring business resilience, maintaining stability of financial system, and strengthening growth prospects of Singapore as a financial hub Key regulatory and reporting issues, such as the increasing risks in financial crime, cyber security and data governance, fair dealing and conduct, among others
How did we respond?	<ul style="list-style-type: none"> Provided detailed updates on business prospects and asset quality over the course of the year, while communicating our ongoing emphasis to drive sustainability efforts on various mainstream and social media platforms Regularly reviewed and updated sector guides to align with emerging ESG issues and industry best practice Applied the Equator Principles to at least eight infrastructure projects since our commitment in 2019 Reaffirmed our commitment to sustainability and focus areas in responding to Covid-19 implications through our Integrated Report (as part of the Annual Report) and Sustainability Report 	<ul style="list-style-type: none"> Supported communities in our key markets through the DBS Stronger Together Fund. Continued to uphold PURE (Purposeful, Unsurprising, Respectful and Explainable) principles Rolled out digital literacy programmes specifically for seniors, and continued to assist our elderly customers in digital banking services (e.g. <i>The POSB Active Neighbours</i>, <i>POSB digital literacy</i>, <i>IMDA Seniors Go Digital</i>) Moved migrant workers from POSB Jolly to DBS/ POSB digiBank to enable greater access to banking services and products digitally; co-developed a specialised financial literacy programme for migrant workers with the National University of Singapore Published ESG investing thought leadership on our website to create awareness for our wealth customers and continued to onboard ESG funds on the wealth platform Supported social enterprises in various growth stages through DBS Foundation's signature programmes, such as the <i>Grant Programme</i> and <i>Social Impact Prize</i>, among others 	<ul style="list-style-type: none"> Announced a range of initiatives to embrace the future of work (expected to be rolled out in 2021) Strengthened the bank's culture by refreshing our PRIDE! behavioral descriptors and emphasised these values in our Group-wide performance and development review Allowed easy access to responses to frequently asked questions, such as sustainability-linked KPIs, via the intranet portal <p>Encouraged and established employee-led sustainability interest groups to volunteer work time in support of DBS' sustainability objectives</p>	<ul style="list-style-type: none"> Demonstrated our ongoing sustainability commitment across various platforms, such as interviews given by the Group CEO, the inaugural series <i>Portraits of Purpose</i>, content series <i>Sparks Season 2</i>, among many others Developed the Sustainable and Transition Finance Framework to engage with customers and finance sustainable activities to adapt in the face of climate change, resource scarcity, and income inequality 	<ul style="list-style-type: none"> Participated across working levels of local and global forums and steering committees to support the sustainability agenda for the banking industry (e.g. MAS' working groups on green finance and environmental risk management, WBCSD) Enabled secured access for staff to switch to remote working to minimise banking service disruptions; worked closely with government agencies to extend credit relief measures; enhanced digital banking services to widen coverage Actively led in industry-level discussions on the development of digital ecosystems for consumer and SME banking, and using data and analytics to improve financial crime risk management. <p>Embedded our fair dealing commitment in our Code of Conduct and reported all fair dealing outcomes to the Board Risk Management Committee quarterly</p>

Topical issues in focus

Covid-19 Initiatives



At DBS Bank, we believe businesses play a role in helping to find solutions to these challenges. Given our roots as the former Development Bank of Singapore, being purpose-driven has always been one of our core values. As a critical industry in these times, banks owe a duty of care to our stakeholders, especially to our customers, employees and society at large.



Responsible Banking



Economy

We supported the economy by providing cashflow support, lowering the cost of lending, and offering customers uninterrupted access to banking services digitally. For instance, we rolled out an array of financing relief packages and digital adoption plans to corporates, large and small.

We also actively participate in the sustainability alliance of Singapore's Emerging Stronger Taskforce which was set up to help Singapore overcome the longer-term impact of the pandemic. The SustainTech Xcelerator was also launched as part of Singapore's climate action, where sustainability is continually identified as one of the key themes underpinning Singapore's future economy. The SustainTech Xcelerator is a six-month global virtual accelerator focused on how technology can increase confidence in carbon credits from nature-based solutions.

For more information, visit [link](#)

Small and Medium Enterprises

SMEs are typically more vulnerable than larger corporates in a downturn. Through the year, we approved SGD 11 billion in loan moratoriums for companies in Singapore and Hong Kong, primarily for SMEs. We also disbursed SGD 5 billion in government risk-sharing loans for SMEs in Singapore as well.

- Enhanced SME Working Capital Loan
- F&B digital relief package
- Online SME Academy
- SGQR Deployment Assistance Scheme
- SME working capital loan
- Temporary bridging loan

*For more information, visit [link](#)
Read more in "Financial inclusion" on page 24.*

Individuals

We enabled approximately 7,200 homeowners in Singapore and Hong Kong to defer mortgage repayments, and expanded our mortgage relief of SGD 5.2 billion to also include Indonesia and Taiwan.

We offered free Covid-19 insurance coverage to all five million DBS/ POSB customers and their families.

Loan repayment deferrals on the following products:

- Car loans
- Commercial property loans
- Debt consolidation plan
- Further study assist loans
- Home loan
- Renovation loan
- Cashline
- Credit cards

For more information, visit [link](#)

Responsible Business Practices



The substantial investments we made over the years to digitalise and transform our infrastructure gave us a headstart in being able to minimise disruptions to our employees and customers. Leveraging our secure network infrastructure, we were able to scale our virtual private network (VPN) and virtual desktop infrastructure (VDI) capacity. This enabled our employees to work from home seamlessly with minimal loss to productivity.

We also hired over 2,000 people in Singapore, including new roles that comprised a mix of traineeships for fresh graduates and specialised roles for seasoned professionals.

Workplaces

Cultural

Appointed safe management champions to ensure adherence to safe management practices

Safety

Developed a contact-tracing app in two days, using our data infrastructure, analytics capabilities, and a reusable library of artificial intelligence/ machine learning models, to enhance employee safety

Physical and digital infrastructure

Expedited the implementation of our cyber security initiatives to mitigate potential incremental security threats from possible security exposures as we adopted work from home measures

Training

Ensured familiarity with precautionary measures for our facility crew

TOGETHER Movement

Launched a series of programmes under the TOGETHER movement to address the physical, emotional and mental well-being of our employees

Employee care packs

Supplied employees with surgical masks, hand sanitisers, a thermometer and Vitamin C supplements

Health webinars

Invited medical professionals to speak on Covid-19 during the onset

Mental well-being

Provided access to counselling services and a mindfulness app tailored for workplace mental well-being. We also launched the Clock Your Happiness Challenge featuring a series of mindfulness activities

Learn. Share. Teach.

Ingrained digital learning behaviours to encourage employees to pick up new skills and connect with colleagues through sharing knowledge and experiences

Learning playlist

Curated bite-sized learning modules with virtual classes on digital capabilities and personal development

Read more in "Workplace well-being" on page 34.

Creating Social Impact



Supporting our community and championing social entrepreneurship

The DBS Foundation was established in 2015 to champion social entrepreneurship in Singapore and across Asia. In 2020, recognising the heavy toll that Covid-19 had on the economy, we stepped up our support for social enterprises through a record SGD 9 million in grants and loans. We also rolled out new grants and loans to help social enterprises pivot their businesses and better manage their cashflows.

#StrongerTogetherFund

DBS and DBS Foundation also set up a SGD 10.5 million fund to help communities hard-hit by Covid-19 across the region. We provided 4.5 million meals, care packs, and purchased diagnostic test kits, personal protective equipment and medical supplies.

For more information, visit [link](#)

Sparks Season 2: Everyday Heroes for a Better World

Sparks is a mini-series produced by DBS to raise awareness on the importance of sustainability and highlight the ways businesses can make a difference.

Based on true stories of social enterprises supported by the DBS Foundation, Sparks has cumulatively garnered about 276 million views and nearly 10 million digital engagements, across our key markets.

Sparks Season 2 won numerous industry accolades, including the award for Purpose-Driven Communications at [Reuters Events' Ethical Corporation Awards 2020](#), the Gold Standard Award for Broadcast and Video at [PublicAffairs Asia's Gold Standard Awards 2020](#), and a win in the "Financial Services" category at [PRovoke's 2020 SABRE Awards Asia-Pacific](#).

Portraits of Purpose

Sharing stories of how individuals and organisations overcame challenges brought about by the pandemic through:

- **DBS Portraits of Purpose**

Providing support and showcasing hope, grit and resilience as our customers, employees, and the community came together to uplift spirits during these trying times

For more information, visit [link](#)

- **Advertising and sponsorship campaign**

Partnership with Singapore's English flagship daily The Straits Times to publish a series to showcase stories of people involved in community efforts through the pandemic

For more information, visit [link](#)

Partnership with CNN International Commercial to engage global audience by focusing on the vital role played by businesses to solve problems and change lives during times of uncertainty through five films

Topical issues in focus

Towards Zero Food Waste

One-third of the world's food is lost or wasted each year. This is enough to feed three billion people – more than three times the number of hungry people in the world. Food loss and waste are also a major squandering of resources – water, land, energy and labour – and contribute directly to greenhouse gas emissions. The Covid-19 pandemic has exacerbated the situation by upending supply chains.

As a purpose-driven bank, we seek to create value for the long term by managing our business and working with our customers and partners in a balanced and responsible way. We need to change the way we view consumption and production to do more and better with less.

DBS thus embarked on a [Towards Zero Food Waste](#) initiative that unified all three of our sustainability pillars to tackle the growing problem of food waste. We aim to change mindsets and behaviours by advocating and building awareness of the issue, engaging employees and working towards reducing food waste in our own operations and partnering with ecosystem players to create impact. Our efforts collectively generated 200,000 kg of food impact, comprising of food waste reduced or recycled, or food redistributed.



Advocate Changing Mindsets

We engaged the public and created awareness on the issue of food waste across all our key markets. An example of this is [Sparks Season 2 Episode 7 "A Call to Action"](#), which was inspired by social enterprises and NGOs that DBS collaborates with to reduce food waste and redistribute food to those in need.

We also launched the #MakanTanpaSisa Campaign in Indonesia featuring educational and relevant content to generate greater awareness in the market. The campaign garnered almost 19 million views and 2.6 million social media interactions resulting in 8,000 kg of food being donated through the campaign.

Activate Walking the Talk

In all, we had over 11,700 employees participate in almost 200 activations that resulted in 150,000 kg of food impact. A six-week challenge was launched to encourage and galvanise employees to take actions in their daily lives towards achieving zero food waste. Over 3,300 employees participated, collectively taking over 23,000 actions towards reducing food waste in their daily lives.

We also launched the first-ever Hungry for Change Ideation Challenge with 12 social enterprises working to reduce food waste. Over 600 colleagues regionally participated in online conversations with these social enterprises and close to 250 ideas emerged across the bank, of which 42 of the best ideas were presented to social enterprises for implementation.

Ally Partnering for Impact

Recognising that we cannot do this alone, we worked with 19 ecosystem partners, to scale our reach and impact across our key markets. Over 50,000 kg of food impact was created by partnering government bodies, social enterprises, corporates and charities.

In Singapore, DBS was the first bank to become a collaborating partner in the National Environment Agency's [Say Yes to Waste Less](#) campaign. We were also the founding partner of the National Parks Board's [Gardening with Edibles](#) programme that encourages Singaporeans to grow their own food to achieve the nation's goal of producing 30% of Singapore's nutritional needs locally by 2030. Seed packets were distributed to 400,000 individuals as part of this initiative.

Pillar 1: Responsible banking

Exploring our material matters

This section offers more detailed explanation of each material matter identified on page 9.

A. Responsible financing

Our approach

Our responsible financing approach helps us ensure that we manage our business interests in a balanced way. This entails mobilising capital to build a resilient economy by:

- i) Moving away from sectors (e.g. thermal coal) that do not support our climate goals and supporting sectors (e.g. agricultural commodities, shipping and infrastructure) to adopt environmentally-friendly solutions. While recognising the role that heavy and carbon-intensive industries play in the growth trajectory of the ASEAN region, we seek to encourage these industries to move towards more sustainable forms of operations through our financing; and
- ii) Pursuing sustainable finance opportunities in industries such as green real estate, renewable energy and circular economy.

We established a governance structure to oversee this area of focus. The Board Risk Management Committee approves DBS' overall risk governance frameworks and oversees an independent Group-wide risk management system, including responsible financing. At the portfolio level, the Institutional Banking Group (IBG) Sustainability team reports to the Group Credit Risk Committee biannually and any material issues are communicated to the Group Risk Executive Committee.

Our **Group Core Credit Risk Policy** incorporates principles and approaches to managing ESG issues. We expanded our list of prohibited activities in 2020. They are supplemented by the **Group Responsible Financing Standard** and our **nine Sector Guides** pertaining to sectors with elevated ESG risks. It applies to all our lending and capital market products and services as well as treasury investments. Our ESG standards also extend to promoter share financing in Private Banking.

The Group Responsible Financing Standard is reviewed annually.

Sector Guides

Our Sector Guides outline the ESG standards we expect of our corporate customers in the following sectors: Agricultural Commodities, Palm Oil, Chemicals, Oil & Gas, Mining & Metals, Power, Infrastructure, Animal Husbandry & Feed, Apparel, Footwear & Textile sectors. The Guides provide our relationship managers (RMs) and credit risk managers (CRMs) with a structured approach to assess ESG risks.

These Sector Guides refer to certification schemes, international best practices and conventions such as the International Finance Corporation (IFC) Performance Standards, World Bank Environmental, Health and Safety Guidelines, International Labour Organization Conventions and Recommendations, International Council on Mining and Metals principles and position statements, Roundtable on Sustainable Palm Oil (RSPO) Principles and Criteria, The Stockholm and Rotterdam Convention for Chemicals, UNESCO World Heritage Convention and the Association of Banks in Singapore's (ABS) Haze Diagnostics Kit.

We regularly review our Sector Guides to ensure they remain aligned with emerging ESG issues and industry best practices. In 2020, we raised the ESG standards for the Palm Oil, Mining & Metals, and Power sectors. For example, we raised the mandatory requirements and

restrictions that apply to all lending relationships in our updated Palm Oil Sector Guide. Traders are also encouraged to develop a process to enhance traceability of their palm oil trades. Our Sector Guides for Mining & Metals and Power have more rigorous requirements for diversification away from thermal coal. A new Sector Guide for the Apparel, Footwear & Textile sector was also introduced.

Read more about [Our Approach to Responsible Financing](#).

Regulatory engagement

To enhance the banking sector's resilience to and management of environmental risk, the Monetary Authority of Singapore published the Guidelines on Environmental Risk Management (Guidelines) for asset managers, banks and insurers in 2020. DBS contributed to the development of an implementation handbook providing practical guidance to operationalise the Guidelines. The handbook forms a basis for industry-wide training to build capacity.

Cognisant of the discussions held by regulators around the world regarding the possible use of differential capital treatments for green and brown assets, we started exploratory data collection and analysis to understand the relationship between ESG performance of our borrowers and credit risk. Initial analysis indicates potential value in identifying additional risk drivers to quantify the probability of default. We continue to undertake further work on this.

Initiatives and progress updates

ESG risk management

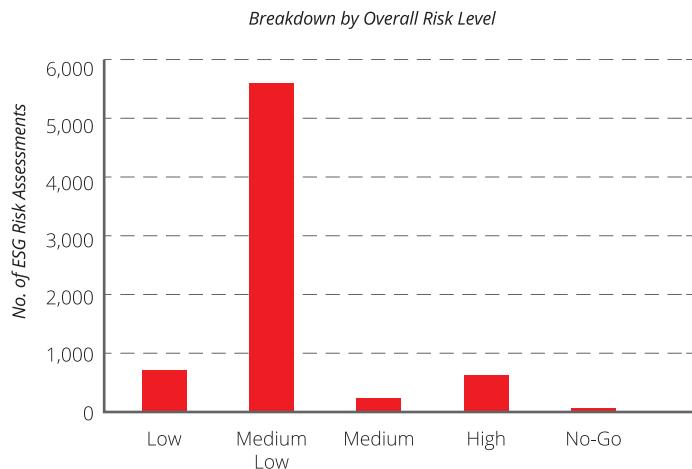
Each credit application initiated at IBG is accompanied by an ESG risk assessment. In 2020, we adopted an enhanced ESG Risk Matrix, a system that complements our existing assessments to enable a clearer resolution of ESG risks. Each completed assessment is assigned an overall risk level, derived through a combination of sector risks that is pre-determined based on the industry that the borrower is from, and the impact magnitude which is rated according to the borrower's ESG performance.

The chart on page 18 shows the spread of the completed ESG risk assessments across the overall risk levels of "Low", "Medium Low", "Medium", "High" and "No-Go". More than 88% of the completed assessments fall under the overall risk levels of "Low" and "Medium Low", reflecting that the majority of our transactions require minimal ESG due diligence.

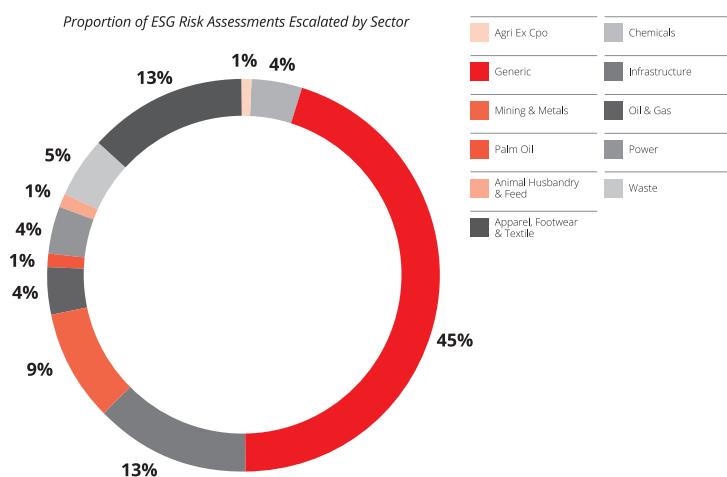
On the other hand, the distributions across "Medium", "High" and "No-Go" risk levels are 2.9%, 8.4% and 0.3% respectively. These transactions or customers will require enhanced due diligence. Transactions rated "Medium" and "High" are concluded with additional covenants, where applicable, so that the measures adopted to mitigate ESG risks become binding in loan documentation.

We monitor our customers' adherence to our ESG standards through the following steps: tracking progress in addressing past incidents, following negative media coverage, engaging customers in establishing policies that align with international standards, and follow up on agreed mitigating measures. If a customer is unwilling to adequately manage and mitigate the identified ESG risks, we are prepared to decline the transaction or reassess the banking relationship altogether.

The bank does not proceed with transactions rated as "No-Go". It should be noted that the percentage of "No-Go" transactions only capture the completed assessments. Our RMs are expected to distinguish the type of customer/ economic activity that complies with our predetermined ESG standards, and can turn down requests even prior to conducting the assessments.



Among the 7.7% (2019: 4.4%) of ESG assessments conducted for large corporate customers which were escalated, the sectoral breakdown is presented below. The increase was attributed to our adoption of the Equator Principles (EP), which led to more project-related corporate loans being escalated for further evaluation.



In 2020, the team doubled efforts to understand our exposure to five high impact sectors namely Oil & Gas, Power, Automotive, Cement and Mining & Metals and conducted research to understand our customers' preparedness in addressing climate change. This exercise is the IBG Climate Resilience Dashboard and it enables us to assess the climate resilience of our lending portfolio of carbon intensive industries. It also sheds light on the climate risk disclosure status of customers, and transition readiness of the portfolio. This determines our risk appetite for specific sectors and serves as a basis to engage customers to transition to a low-carbon economy. Our customers' capacities to respond to climate change, in turn, helps guide our approach to setting objectives and targets internally.

High Impact Sectors: Thermal Coal Mining, Coal-fired Power Plants and Palm Oil

Given the impact that environmental risks from climate change and deforestation could have on credit and reputational risks, we paid specific attention to our Thermal Coal Mining, Coal-fired Power Plants and Palm Oil portfolios.

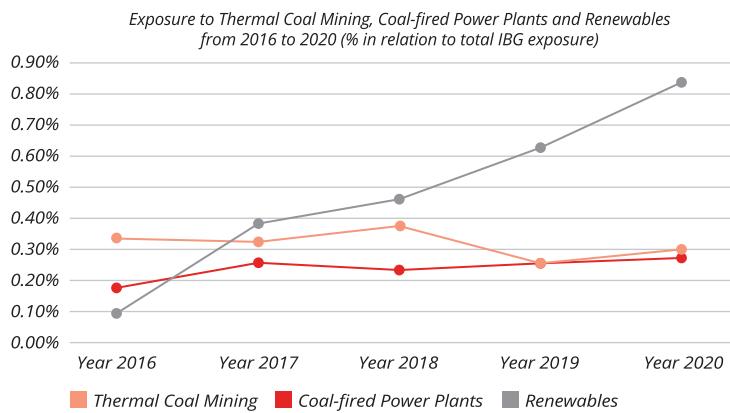
Thermal Coal Mining and Coal-fired Power Plants

Since our commitment to cease financing of new coal-fired power plants in 2019, we continue to lower our overall exposure⁽¹⁾ to thermal coal over time. When providing corporate financing, we will only support borrowing customers with a diversification strategy.

Our exposure to thermal coal mining and coal-fired power plants at the end of 2020 were SGD 1.48 billion and SGD 1.38 billion respectively, representing 0.29% and 0.27% of total IBG exposure. While our coal portfolio remains relatively small, we expect to see this shrink yearly as we complete honouring our existing commitments.

At the same time, we increased our support towards renewable energy development. At the end of 2020, our exposure to renewable energy was SGD 4.2 billion, representing 0.84% of total IBG exposure. We committed SGD 597 million of loans towards clean energy and renewables in 2020, with the breakdown energy type and installed capacity shown on page 19.

Year	Thermal Coal Mining		Coal-fired Power Plants		Renewables	
	Exposure (SGD bn)	% in relation to total IBG exposure ⁽²⁾	Exposure (SGD bn)	% in relation to total IBG exposure	Exposure (SGD bn)	% in relation to total IBG exposure ⁽²⁾
2020	1.48	0.29%	1.38	0.27%	4.24	0.84%
2019	1.14	0.25%	1.16	0.25%	2.85	0.62%
2018	1.59	0.37%	0.98	0.23%	1.96	0.46%
2017	1.07	0.33%	0.83	0.25%	1.25	0.38%
2016	1.06	0.34%	0.54	0.17%	0.29	0.09%



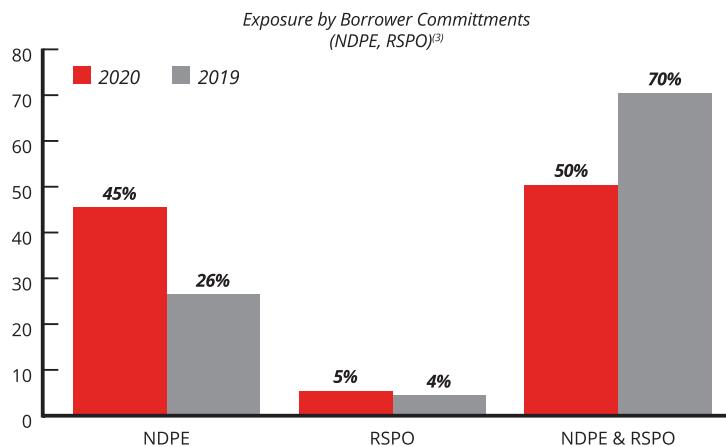
Palm Oil Financing

We serve customers who demonstrate alignment with no deforestation, no peat and no exploitation (NDPE) commitments and/ or to the principles and criteria of the Roundtable on Sustainable Palm Oil (RSPO). All our Palm Oil customers have aligned themselves with either NDPE or RSPO, or both. We expect our borrowers to achieve these commitments and certifications within a defined timeframe.

As of December 2020, our exposure to the Palm Oil sector stood at SGD 1.6 billion, representing 0.3% of total IBG exposure.

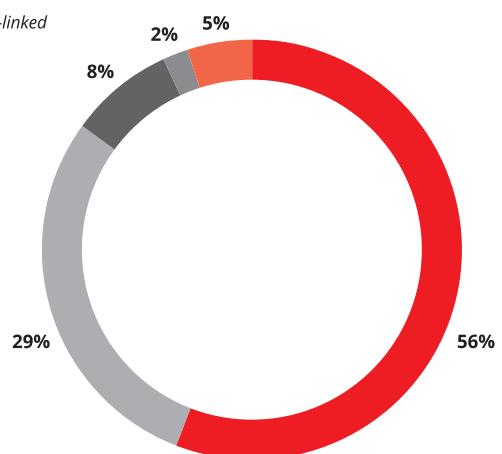
(1) Exposure refers to the maximum loss (including commitment and outstanding) that a bank may incur on its loan exposure as a result of the failure of a counterparty to meet its credit obligations.

(2) Exposure figures for thermal coal mining and renewables in 2019 have been restated after identifying inconsistencies in sector identification.



Breakdown of Sustainability-linked Loans and Green Loans Commitment by Country

- Singapore
- Hong Kong
- London
- India
- Korea



Sustainable finance

Green loans and sustainability-linked loans channel financing towards sustainable projects and those with improved sustainability performance. Green loans are loans structured to exclusively finance eligible green projects, such as those in energy efficiency and pollution prevention. Sustainability-linked loans are structured in a way where less interest is paid when customers achieve a set of pre-agreed ESG performance targets validated by an independent verification party.

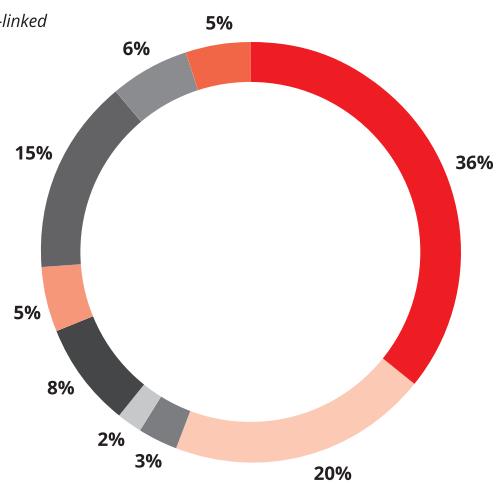
We concluded 50 sustainability loans amounting to about SGD 9.6 billion in 2020, an increase of approximately 81% from SGD 5.3 billion the year before. These comprise SGD 4.2 billion of sustainability-linked loans, SGD 597 million of renewable and clean energy-related loans and SGD 4.8 billion of green loans.

We also provided green bank guarantees and letters of credit to renewable energy equipment companies. As credit appetite to discount long-tenor transactions is limited in the market, our trade finance solution caters to the requirements of renewable project owners who prefer a deferred payment solution to minimise the hefty capital expenditure outlay, as well as that of equipment suppliers who prefer to receive payment upfront. In 2020, our trade financing deals amounted to about SGD 891 million.

A breakdown of our total financing for sustainability-linked loans and green loans by country and sector, as well as renewable energy by energy type and installation capacity is presented on the right.

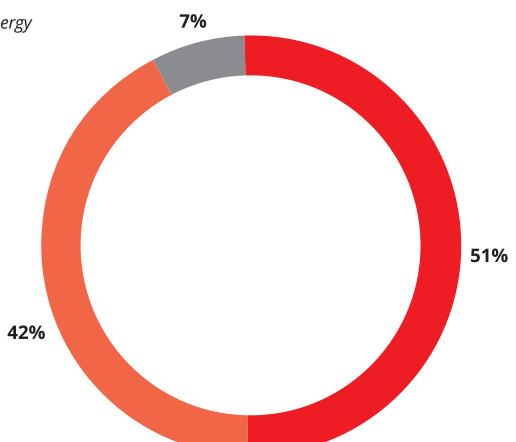
Breakdown of Sustainability-linked Loans and Green Loans Commitment by Industry

- Real Estate
- Conglomerates
- Food & Agribusiness
- General Industries
- Financial Institutions
- Automobile
- Government-linked Corporations
- Energy, Chemical and Infrastructure
- Others



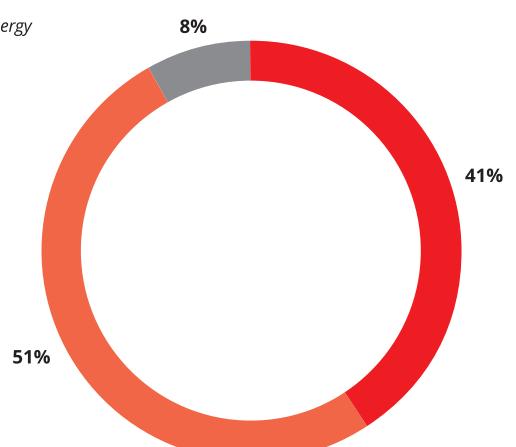
Breakdown of Renewable Energy Financing Commitment by Energy Type

- Solar
- Wind
- Battery



Breakdown of Renewable Energy Financing Commitment by Installed Capacity

- Solar
- Wind
- Battery



(3) The chart includes palm oil plantations, crude palm oil mills, palm oil refiners, integrated players and processors.

Sustainable and Transition Finance Framework and Taxonomy

In July 2020, we were the first commercial bank in the world to introduce the Sustainable and Transition Finance Framework and Taxonomy to guide customers to adapt and build resilience in the face of climate change, resource scarcity and social inequality.

The framework comes with a taxonomy used to encourage greater transparency in financing sustainable and transition economic activities. The taxonomy outlines how we classify transactions as "Green", "Transition" and/or contributing to the UN SDGs. It applies the appropriate transaction label on a broad list of eligible economic activities, for example, use of less polluting fuel to power deep-sea shipping, greater energy efficiency in cement and steel production, use of recycled plastics for apparel making, or an electricity grid upgrade to enable integration of intermittent renewable energy.

Using scientific approaches to evaluate the transitional qualities of economic activities, with the goals of the Paris Agreement in mind, we adopt a principles-based approach to describe what transition finance should demand to deliver a low-carbon future.

Deep decarbonisation of our economy will not occur without the participation from the heaviest emitters. Our goal is to support the ASEAN region by exploring ways to expand sustainable finance to sectors other than those traditionally viewed as 'green'.

Transactions structured under the Sustainable and Transition Finance Framework (e.g. transition loans and bonds), targeted at economic activities or corporate level financing for companies in heavy industries or carbon intensive sectors to make incremental progress towards a low-carbon economy. This may include power grid upgrades to enable renewable energy integration or a shipping vessel using natural gas as fuel.

Read more about [Sustainable and Transition Finance Framework and Taxonomy](#).

Other sustainability-related financial products

Sustainable bonds

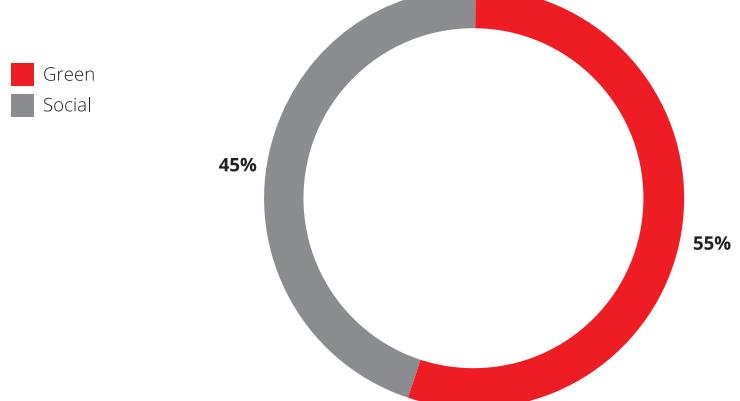
Sustainable bonds are increasingly sought to mobilise capital market financing for green and social projects and businesses. As a leading fixed income house in Asia, DBS has similarly been advising and assisting our customers for their green, social and sustainable bond issuances.

- We underwrote SGD 5.3 billion (2019: SGD 4.1 billion) worth of green bonds, an approximate 30% increase from the previous year, with the raised proceeds channelled towards projects across a variety of sectors (e.g. renewable energy, green building development, clean transportation) across the region. Notable transactions during the year included Star Energy Geothermal's dual-tranche green project bonds, which was the first ever investment grade green project bonds out of Indonesia, and Bank of China Macau Branch's blue bonds, the first by a commercial bank globally.

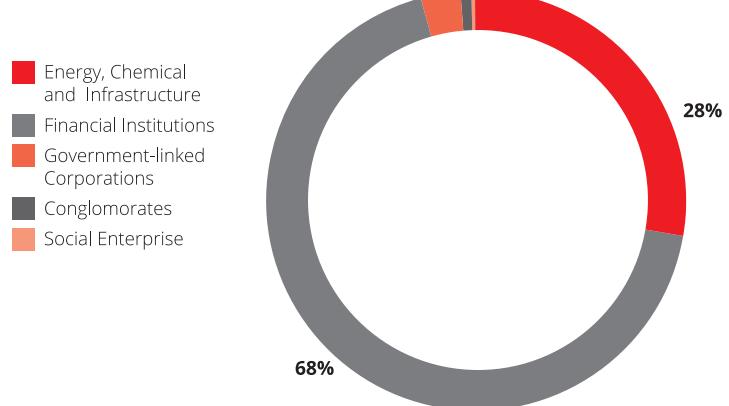
- The urgent need to fund Asia's prolonged fight against the pandemic propelled the issuance of social bonds since the onset of Covid-19. 2020 saw a major upswing in social bonds issuances by our clients, with DBS underwriting over SGD 4.4 billion worth to fund projects generating positive benefits (e.g. improving food security or financing hospital expansions). Landmark transactions that we participated in as an underwriter included the Asia Infrastructure Investment Bank's social bonds that provides financing for its [Covid-19 Crisis Recovery Facility](#), and Korean Housing Finance Corporation's Covid-19 Response covered bonds.

The charts below show a breakdown of the sustainability bonds we underwrote by type and industry. Together, the amount of sustainable-related bonds underwritten and distributed by DBS was over SGD 9.7 billion, almost doubling the previous year. Together with our major stakeholders, we are committed to continue driving efforts to develop Asia's sustainable bonds market.

Breakdown of Bonds Underwritten by Type



Breakdown of Bonds Underwritten by Industry



Sustainable investment

We aim to enable our Wealth Management/ Private Banking customers to make sustainable investment choices, and engage them in conversations on ESG thematic and ESG integrated products such as the [BNP Paribas Global Environment Fund](#), [Wellington Global Impact Fund](#), [FSSA Dividend Advantage Fund](#) and [RobecoSAM SDG Credit Income](#). We prefer fund managers who have a long and proven track record of integrating ESG into their investment process, a strong organisational focus towards sustainable investing and ample resources dedicated to sustainability research. We are encouraged to see a growing interest in these products, with inflows amounting to almost SGD 100 million in 2020.

Following the successful run of our inaugural 2018 ESG Outperformance Warrant/ Note, we relaunched the ESG Outperformance Trade in October 2020 raising USD 515 million in notional AUM (2018: USD 100 million). This further demonstrates the growing interest for ESG-related products. We are also looking to make MSCI ESG ratings more readily available for the investment products, to help customers make better informed investment decisions.

The Private Bank conducted an inaugural ESG survey across all Treasures Private Client customers to better understand their awareness level and changing interests on sustainable investments.

We are also tracking the MSCI ESG Rating breakdown of our wealth customers' investment portfolios. As of December 2020, 44.5% of our wealth customers' investments are MSCI ESG rated BBB and above.

[Read more about ESG thematic and integrated products.](#)

Training

We provide training to our employees to enable them to apply our policies and standards consistently. At IBG, we enhanced our Responsible Finance e-learning course to reflect the latest ESG requirements, sector guides and other material changes in the Group Responsible Financing Standard. In total, about 83% of our RMs and CRMs have undergone ESG training.

We also launched training courses to educate RMs, investment consultants and product managers in Wealth Management/ Private Banking on the full suite of sustainable investments offered for further engagement with our clients.

Targets: Last year, we made a commitment to finance SGD 10 billion of renewable and clean energy-related developments, and SGD 10 billion of green projects, assets and activities (besides renewable energy) by 2024. Our progress shows tremendous growth potential and we are increasing our commitment to SGD 50 billion by 2024 towards sustainable finance (covering green loans, transition loans, sustainability linked loans and renewable financing).

DBS Private Banking aims to increase our wealth customers' investments in MSCI ESG rated BBB and above to 50% in the next three years.

Case study

DBS - Inditex - Samunnati Sustainable Cotton Procurement Financing Pilot Program

Sustainable supply chain management is an increasingly important area of focus as corporates acknowledge that ESG issues can carry significant reputational and operational risks in their complex supply chains. More than ever, corporates are aware of the importance of responsible sourcing along their supply chains and are being called upon by sustainability standards to incorporate ESG eligibility requirements into their contractual relationships with suppliers. However, many suppliers are SMEs and farmers lacking the necessary knowledge, ability and financing to meet these standards.

To help tackle these challenges, DBS partnered with one of the world's largest fashion retailers, Inditex Group with distinct brands such as Zara, Pull&Bear and Bershka, to structure and launch an innovative pilot, the 'Organic Cotton Procurement Financing Pilot Program' in India. Inditex is also a significant user of cotton. DBS and Inditex leveraged the Farmer Producer Organisations (FPOs) ecosystem to implement a financing pilot programme which may benefit more than 2,000 farmers in Inditex's supply chain to receive timely payment for sale of produce. Under the pilot scheme, DBS is providing financing to FPOs through Samunnati Financial Intermediation & Services Private Limited - a partner financial institution with a local reach. The initiative positively impact the supply chain finance mechanisms, and incentivises sustainable behaviours in supply chains in the fashion industry:

Improving farmer income levels

Premiums received over the market price of conventional cotton and timely payment by FPOs to farmers under the program enables farmers not to have to borrow from local lenders at high interest, hence improving income levels of farmers and helps sustain the farmer – a critical segment of the Indian economy.

Positive impact on environment

The initiative provides financial incentive to farmers to grow organic cotton instead of conventional cotton. This reduces environmental damage and restores the natural balance at farms by using organic farming techniques, which discourage the use of chemical pesticides and fertilisers that damage soils, water, air and climate.

Women empowerment

Majority of farmers engaged in the pilot program are women. The programme facilitates economic empowerment and also opens the doors for more women to join the workforce in India.

Traceable and transparent supply chain

Transparency is also another benefit of the pilot programme as it eliminates the middlemen in Inditex's organic cotton supply chain. The pilot programme combined with other tracking mechanisms enables Inditex and cotton spinners in its ecosystem (who comprise the main buyers of cotton from farmers) to trace the source of the cotton directly and ascertain if it had been farmed sustainably.

Equator Principles

We report our implementation efforts annually as part of our commitment to the Equator Principles (EPs). The EPs are a globally recognised risk management framework adopted by financial institutions for determining, assessing and managing environmental and social risk in development of projects. They outline environmental and social standards based on the IFC Performance Standards.

In 2020, the bank was mandated to provide six transactions with Project Finance Advisory Services⁽⁴⁾ and achieved financial close for eight Project Finance transactions. Projects are assessed and categorised as A, B, or C⁽⁵⁾. For projects assessed as Category A or B, our borrowers are required to conduct an environmental and social impact assessment to identify impact and adopt mitigation measures appropriate to the nature and scale of the proposed project.

Transactions under the scope of EP

Industry	Mandated Project Finance Advisory Services	Project Finance Transaction Achieved Financial Close
Oil & Gas	-	-
Mining & Metals	-	-
Infrastructure	1	-
Power	4	8
Others	1	-

Project finance transaction details for Category A projects

CIP Changfang Xidao is an offshore wind project identified to have environmental impact on marine mammals and social impact associated with restricted fishing grounds to local fishermen. The assessment involved the production of the Critical Habitat Assessment and Fisheries Livelihood and Restoration plan.

JAWA 9 & 10 is a coal-fired steam power plant project in Indonesia. It represents the last of our existing commitments before ceasing new coal power project financing. A detailed Environment & Social Impact Assessment was conducted in accordance with international standards to mitigate the risks, including studies on air quality, greenhouse gas emissions and the feasibility of alternative less carbon-intensive options.

No.	Project Name	Category	Sector	Host Country Name / Project Location
1	CIP Changfang Xidao	A	Power	Taiwan
2	JAWA 9 & 10 Coal-fired Steam Power Plant	A	Power	Indonesia
3	Changhua Floating Solar PV	B	Power	Taiwan
4	Syuejia Solar	B	Power	Taiwan
5	Sembcorp Solar	B	Power	Singapore
6	Wandoan Battery (Vena Energy)	B	Power	Australia
7	Vena Energy Shivalik Wind Power Limited	B	Power	India
8	Columboola Solar Farm	C	Power	Australia

B. Managing climate risk

Our approach

Our approach to climate change is broadly focused on three areas:

i) Proactively helping our customers to decarbonise through our transition finance framework

Using our Sustainable and Transition Finance Framework and Taxonomy as a guide, we help customers across key industries to adapt and build resilience in the face of climate change and resource scarcity, and work towards decarbonisation over time.

Our responsible financing approach entails moving capital away from sectors that do not support our climate commitments, while pursuing sustainable finance opportunities. For example, companies are exploring ways to reduce energy consumption through energy efficiency improvements or expansion into renewable energy. To address this demand, DBS offers a range of financing solutions, which cover green loans, transition loans, and renewable financing, among others.

Read more in "Responsible financing" on page 17.

ii) Quantifying and managing our climate risk exposure

The credit risk on our lending portfolio can surface in two ways: transition and physical risks. Transition risks may arise from extensive policy, legal, technology and market changes to address climate mitigation and adaptation measures. Physical risks resulting from climate change may be driven by extreme weather events or longer-term shifts in weather patterns.

We continue to quantify our carbon risk exposure, to better assess and improve our understanding of potential risks and opportunities on our portfolios.

We also adopted an integrated approach to assess potential transition risks that was both bottom-up (at borrower-level impact) and top-down (at portfolio-level impact).

Moving forward, we will continue to develop in-depth expertise across key climate-related risks, which can ultimately affect our credit and reputation risks, facing our customers.

iii) Advocating for climate and sustainability awareness to drive mindset and behavioural change

We aim to raise awareness on climate change and sustainability through innovative content and meaningful dialogue.

Initiatives and progress updates

Managing climate risks on our credit portfolio

As an early adopter in Asia, we have been reporting under TCFD since 2018. In 2020, we took further steps to:

- i) Expand our transition risk methodology and assessment;
- ii) Enhance our disclosures around the potential impact of climate-related risks and the corresponding credit cost impact; and
- iii) Consider how technology risks can be incorporated into our risk models to make our stress-testing analyses more robust.

(4) Project Finance Advisory Services is the provision of advice on the potential financing of a development where one of the options may be Project Finance.
(5) According to the Equator Principles (2020), Category A Projects are those with potential significant adverse environmental and social risks and/or impact that are diverse, irreversible or unprecedented. Category B Projects are those with potential limited adverse environmental and social risks and/or impact that are few in number, generally site-specific, largely reversible and readily addressed through mitigation measures. Category C Projects are those with minimal or no adverse environmental and social risks and/or impact.

To manage our loan book exposure, we identified the five sectors most impacted by transition risks. These five sectors are:

Sector	Subsectors
Agriculture	Food & Agri-business (upstream, midstream, and integrated players)
Chemicals	Chemicals
Energy	Oil & Gas, and Power
Mining & Metals	Coal, Metal (ferrous, non-ferrous) and Metals & Mining
Real Estate & Transportation	Automotive (upstream, mid-stream), Aviation, Real estate, and Shipping

Read more in "Methodology for TCFD" on page 64.

Carbon footprint

We studied 414 listed companies in carbon-intensive sectors. Collectively, they account for about 9.6% of our total IBG credit loan exposure as at June 2020.

We measured the carbon footprint of each customer using the carbon to revenue intensity metric, which is expressed as the amount of carbon emissions (in metric tonnes, tCO₂e) for every SGD 1 million of revenue generated by each customer. This provides an indication of the carbon efficiency and the risks the company faces from future regulations to curb carbon emissions.

We also measure our climate-risk exposure to these carbon-intensive customers using the weighted average carbon intensity (WACI) metric, which is adjusted by the proportion of DBS' credit loan exposure to each customer as at June 2020. In sum, the amount of Scope 1 and Scope 2 carbon emissions produced by our customers forms the basis of Scope 3 emissions⁽⁶⁾ for us.

The table below further illustrates our carbon risk exposure at a sectoral level year-on-year.

The findings from our study are set out in the table below. Energy and Mining & Metals remain the two most carbon intensive sectors. For all other sectors, the "weighted carbon to revenue" indicators have fallen, demonstrating that companies that we finance are making steady headway in reducing their carbon emissions. As outlined in the Responsible Financing chapter, we actively reduced our exposures to coal-fired power plants while increasing our exposures to renewables.

We will further reduce our exposure over the medium term as we help our customers decarbonise and manage their transition to a low-carbon economy.

Transition risk

i) Regulatory and market based transition risks

To analyse how transition risk could impact customers, we explored a scenario where carbon tax imposed on these companies was raised in a short time frame. Covering over 60% of companies in our five sectors, the bottom-up assessment assumed carbon price increase⁽⁷⁾ to USD 75/tCO₂e, holding the financials of our customers constant.

Our findings show that the credit ratings of 40 customers would be reduced by at least one notch. While higher carbon prices can impact some of our carbon-intensive customers, especially when the increase in carbon-related costs cannot be passed on to their customers, our exposure to these companies is not material.

We also introduced a top-down, portfolio-level approach for the rest of our entire corporate lending portfolio, where we leveraged the forecasts of macroeconomic variables, such as GDP, sectoral equity prices, energy prices, among others. In line with regulatory guidance, this approach is consistent with the bank's existing stress testing models and supplements our bottom-up, borrower-level assessment of company financials for customers in the five sectors comprising Agriculture, Chemicals, Energy, Mining & Metals and Real Estate & Transportation.

Sectors	2020 (N = 414 companies)			2019 (N = 368 companies)			2018 (N= 303 companies)		
	Sample credit exposure as of Jun 2020 (SGD bn)	Sample population to total IBG credit exposure (%)	Sample population weighted carbon to revenue (tCO ₂ e/ SGD mn)	Sample credit exposure as of Jun 2019 (SGD billion)	Sample population to total IBG credit exposure (%)	Sample population weighted carbon to revenue (tCO ₂ e/ SGD mn)	Sample credit exposure as of Jun 2018 (SGD bn)	Sample population to total IBG credit exposure (%)	Sample population weighted carbon to revenue (tCO ₂ e/ SGD mn)
Agriculture	4.8	0.9	210	4.6	1.0	259	2.1	0.5	525
Chemicals	1.5	0.3	367	2.8	0.6	463	0.3	0.1	474
Energy	13.9	2.6	923	10.5	2.3	1,134	7.6	1.7	1,533
Mining & Metals	3.2	0.6	584	3.4	0.7	841	1.2	0.3	1,711
Real Estate & Transportation	27.7	5.2	137	23.5	5.1	165	22.7	5.2	192
Total	51.2	9.6	-	44.9	9.7	-	33.9	7.8	-

(6) Scope 3 emissions are emissions incurred via our lending to companies in these five sectors. Scope 3 emissions are derived from customers' Scope 1 emissions which refer to all direct GHG emissions and Scope 2 emissions which refer to indirect GHG emissions from the consumption of purchased electricity, heat or steam.

(7) We considered three climate-related scenarios based on research by the International Energy Agency and the Organisation for Economic Co-operation and Development. The three scenarios are differentiated by the assumed increase in carbon prices (ranging from USD 10 to USD 75 by 2025) and probability of limiting temperature increase to 2°C.

Taking a very conservative approach, we recognise the limitations we have in using the data and methodology of the preliminary study, including the following:

- We recognise some of the assumptions we adopted may not be representative of how the increase in carbon prices may affect customers; and
- Due to the lack of available data, we were unable to ascertain the impact of our customers' investments in transition risk mitigation measures which may reduce or prevent credit losses.

ii) Qualitative assessment of technology risks

To better understand the risk of technological obsolescence from clients' transition to a low carbon economy, we worked with a recognised consultancy firm and concluded that there is no immediate concern to us. We will continue to monitor technological developments to understand the impact on our clients and their transition plans.

Physical risk scenario analyses

In 2019, we embarked on a pilot assessment of physical risk for our sample customers using three future climate change scenarios on the energy and mining and metals sectors. We plan to consider different types of physical risks in the future as more data becomes available.

Advocating for climate and sustainability awareness

We convened and created thought leadership content materials to raise awareness on the impact of climate change, and to encourage our customers, employees and the society to adopt more sustainable practices in their business operations and daily lives:

- We hosted our first digital edition of the [DBS Asian Insights Conference](#) in July 2020, which brought together a distinguished group of global thought leaders, C-suite executives, and subject matter experts to discuss the most pressing and pertinent issues in a post-Covid world. The highlight was the DBS Asia Leadership Dialogue on "Climate Change and the Great Reset", where Mr. Al Gore, former Vice President of the United States and 2007 Winner of the Nobel Peace Prize, and our CEO Mr. Piyush Gupta engaged in a deep and inspiring conversation. Some key topics discussed included the climate crisis, inequality, Covid-19, and how everyone has an opportunity to play critical roles in implementing sustainable practices and policies, and in safeguarding our future of generations
- We continued to engage the community with [DBS Sparks Season Two](#) in 2020 to build on ongoing efforts to enhance awareness of the world's most pressing social and environmental issues.
- We contributed to [Global Compact Network Singapore's 2020 report Closing the SDG Financing Gap in ASEAN: A Sustainable Finance Guide for Corporates](#), which serves as a guide for ASEAN corporates, especially SMEs, seeking to develop a sustainable financing agenda.

Targets: In the coming year, we will further enhance our transition risk analyses and explore ways to improve our physical risk analyses.

C. Financial inclusion

Our approach

We aim to democratise access to banking services to more segments of the community by:

i) Onboarding the underbanked into the formal banking system

Basic banking accounts enable individuals to track and manage income and expenditure, access insurance to protect incomes and transact seamlessly in the digital economy.

ii) Nurturing healthy savings and investment habits

Digital financial planning platforms help enhance accessibility to banking services and financial planning knowledge, enabling our customers to grow their financial literacy and develop good savings and investment habits. We are democratising wealth and lowering the barrier to entry by making our products and services available to the mass affluent through digital banking, robot-assisted portfolios, regular savings plans and budgeting tools.

iii) Financing underserved businesses and customers

We expanded our reach to individuals and micro, small and medium enterprises through partnerships with current customers by offering innovative and tailored products and services for their value and supply chains.

The extent of our reach depends on our geographical footprint across the markets we operate in.

Initiatives and progress updates

Onboarding the underbanked into the formal banking system

In Singapore, we continue to onboard migrant workers and foreign domestic workers into the formal banking system through our collaboration with the Migrant Workers Centre and Centre for Domestic Employees. Through POSB, we assisted migrant workers in opening an online bank account to ensure timely salary crediting and fund remittances to their families back home.

We worked with the Singapore Ministry of Manpower (MOM) to enable migrant workers to open new bank accounts digitally. This enabled them to have round-the-clock access to banking services through their mobile devices. This was particularly important during the peak of the pandemic. In April alone, our end-to-end digital account opening enabled 41,000 accounts to be opened digitally, more than three times our monthly average. In 2020, we acquired more than 113,000 new accounts digitally, and saw a 5% growth in market share to 69%.

Through our step-by-step user guides, we also educated migrant workers across 43 dormitories nationwide on the use of digital banking services, including the checking of account balances and executing of digital payments and remittances via POSB jolly and digibank. We also enhanced digibank in September 2020, to provide a simplified dashboard interface for migrant workers' where commonly used services are displayed prominently upon logging in.

Read more about POSB jolly and digibank.

Building a savings and investment habit

To cultivate financial literacy among the young, we launched **POSB Smart Buddy**, the world's first in-school wearable savings and payments program in Singapore. Since its launch in 2017, there are now more than 60 schools and 28,000 students onboard the program. With multiple payment modes, purchasing meals in school and at select

retailers outside of school are now cashless. Students can track their expenses, learn about budgeting and are encouraged to save regularly with the Smiley Stamp Savings programme, where a 10% bonus is awarded every month with every 20 stamps when collected. Students from lower-income households are also able to utilise subsidies more discreetly as opposed to the traditional physical coupons. Amid the Covid-19 pandemic, POSB Smart Buddy facilitated the transition to cashless interactions, minimising contact risk.

[Read more about POSB Smart Buddy](#)

To assist customers in financial planning, we rolled out **DBS NAV Planner**, an industry-first digital advisory solution that leverages big data and technology. Riding on the public-private open banking initiative, [Singapore Financial Data Exchange](#), users can consolidate financial information across multiple banks and government sources (e.g. Central Provident Fund Board, Housing Development Board, Inland Revenue Authority of Singapore). This enables customers in Singapore to get a consolidated view of their assets and liabilities, making financial planning more seamless.

We further combined predictive analytics and customer-centric design to transform data into hyper-personalised insights and recommendations that simplifies the way our customers manage their finances and investments, and in a manner that is appropriate for their specific life stage, financial circumstance and goals. NAV Planner has delivered more than 30 million financial planning insights.

With a deep commitment to raising financial literacy, NAV Planner also maintains an extensive digital library of knowledge materials and financial planning-related guides, videos, and articles, which are open-sourced on the website. To date, the platform has over 100 articles and attracted more than 600,000 unique visitors. The NAV Planner crew also provides one-to-one sessions for customers to assess their financial health and answer finance-related queries.

To further create awareness and encourage participation regardless of income levels, we launched the NAV University programme and have conducted over 50 free financial literacy classes to date, benefitting over 3,700 participants. In 2020, we extended these sessions and moved fully online. Plans are in place to further scale up the programme in future.

Complimenting the NAV Planner is the **digiPortfolio**, one of our solutions to democratise wealth and lower barriers to investments. The investment platform, powered by robo-technology and targeted at younger investors, enables customers having no prior investment experience to invest in the Asia Portfolio with a minimum sum of SGD 1,000. This overcomes barriers such as: lack of knowledge, tools and resources to monitor financial markets, understanding of personal risk appetite and limited investment funds. Portfolios offered are curated by our portfolio managers which were previously accessible only to wealth customers with investment sums of SGD 500,000 or above.

[Read more about NAV Planner and digiPortfolio](#).

Financing underserved businesses and customers

In Indonesia, we continued our collaboration with Home Credit Indonesia to provide loans under a joint financing scheme, where customers can get access to loans when purchasing consumer durables and smart phones with Home Credit. More than 240,000 customers obtained loans from DBS and Home Credit. This partnership enabled us to meet the financial needs of lower-income customers, through Home Credit's network.

Working capital management is increasingly important to SMEs, which are critical to the supply chain ecosystems of larger organisations. Leveraging our rapport with larger organisations and building new strategic partnerships, we extended our financial products and services

to over 2,200 new SMEs in 2020 alone. These partnerships include digital trade financing initiatives with anchor customers such as Haier Group, Infor, C2FO, SESAMI, Trusple, among others.

We also actively participated in government-assisted schemes across several key markets to provide SMEs more access to financing. These include:

- Singapore Enterprise Financing Scheme (EFS), a scheme designed to support SMEs' financing requirements throughout their various stages of growth. In 2020, the total outstanding loans for EFS were SGD 5.37 billion
- Taiwan SMEs Credit Guarantee (SMEG) Fund, which assists SMEs in securing financing from financial institutions. In 2020, the total outstanding loans for SMEG Fund was approximately SGD 536 million
- Direct loans and advances to small scale business to promote the agenda on access to finance in Indonesia
- Priority sector lending to critical sectors like agriculture, micro and SMEs and others, in India

As of 31 December 2020, our SME portfolio has more than 210,000 customers, with total lending at SGD 40.8 billion. Over the year, there were also more than 16,000 SME accounts opened digitally.

We also supported unicorn-potentials through our programme, **DBS Startup Unleashed**, which offers a comprehensive suite of banking and professional services at zero costs for high growth start-ups in Software, Internet and Emerging Technologies. In 2020, 35 eligible start-ups onboarded the programme. The programme provides access to DBS' team of digital solution experts, mentorship and co-creation opportunities through the [DBS Startup Xchange](#) programme.

[Read more about DBS Startup Unleashed](#).

DBS Foundation's unique role in championing social enterprises was premised on our recognition of the difficulties social enterprises face. Our DBS Social Enterprise Banking Package, with loan processing fee waivers and lowered interest rates, benefitted 692 social enterprises. Additionally, approximately SGD 7.3 million of committed unsecured loans were granted to social enterprises in 2020.

[Read more in "Social Entrepreneurship" on page 41.](#)

Targets: We aim to grow our SME customer base minimally by 10% by 2025.

We continue to invest in digital transformation capabilities and capacities by strengthening ecosystem partnerships and simplifying e-transactions to provide accessible, affordable and sustainable finance for our customers, and underserved populations. At the same time, we will enhance efforts in raising awareness on financial literacy and educating the communities where we operate in.

Case study

As part of DBS' skills-based volunteering, we collaborated with NUS Kent Ridge Hall for a financial literacy programme specially developed for migrant workers who were temporarily housed at NUS Prince George's Park Residences. Using programme materials translated into native languages and six tailored lessons, 2,000 migrant workers were able to learn basic budgeting and how to use digibank and other convenient cashless services. The programme was very well received, and is now planned to be further developed and embedded into the core module of the NUS Financial, Risk and Digital Literacy Course Package. The NUS Office of Student Affairs has plans to share and disseminate the programme to more than nine key NGOs to enable financial inclusiveness for migrant workers.

D. Fair dealing

Our approach

Our Board and senior management set the tone from the top as the moral compass of the organisation, inculcating a strong culture of fair dealing across DBS to ensure we operate in a transparent, ethical and sound manner. We are committed to fair and just interactions with our customers by:

- i) Responding honestly to our customers' needs and requests;
- ii) Tailoring appropriate financial outcomes for our customers;
- iii) Deepening competencies of our financial advisors; and
- iv) Communicating with our customers in a clear and transparent manner.

In addition to relying on published codes of conduct, we advocate organisational safeguards to maintain a strong risk and governance culture. The Group Fair Dealing and Conduct Committee (FDCC), which is chaired by the CEO, oversees fair dealing matters across the Group where conduct and risk culture have been part of its mandate since 2018.

Metrics on fair dealing and conduct are tracked and monitored using a dashboard to assist the FDCC in identifying trends over time. Actions are also taken in response to incidents or trends to ensure delivery of fair dealing outcomes. There are established escalation protocols, where the Group encourages constructive challenges and debate on all views to be evaluated for decision-making. The FDCC submits reports to the Board Risk Management Committee on a quarterly basis to keep the Board apprised of the effectiveness of the strategy in driving fair dealing and good conduct.

Besides statistical reports to both FDCC and the Board Risk Management Committee, thematic reviews on conduct and culture issues are also discussed. For example, one report focused on our strategy for further strengthening the supervision of our regional agency sales workforce for credit cards and unsecured loans, which highlighted the strategic plans relating to people, governance and control, monitoring and tracking.

Initiatives and progress updates

As a learning organisation, we believe in continuously upskilling our employees. On top of financial planning certification courses, our financial advisors have also been trained in mediation and how to exercise empathy to understand the underlying emotions of our customers in conflicts.

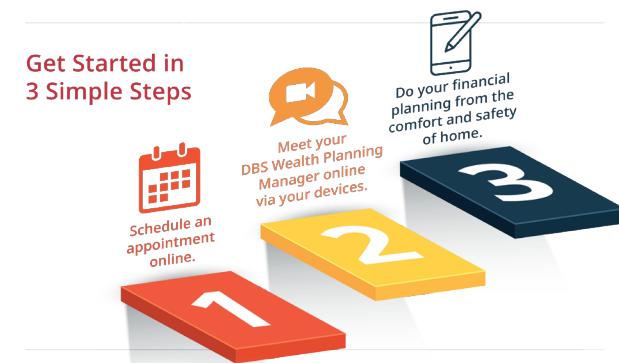
We continually refine and improve our financial advisory process to safeguard the interests of our customers. In 2020, we strengthened sales processes and suitability controls to protect and serve customers. Some examples include:

- Introducing a new investment profile migration analysis tool to help ascertain that clients who have been assessed and deemed suitable to adopt an aggressive investment profile have not been subject to undue influence by our relationship managers. This tool helps protect our customers from being incorrectly classified; and
- Providing a new performance and advisory enablement tool for our relationship managers to assist them in conducting periodic portfolio reviews and provide timely and effective advice to customers.

There were no material instances of non-compliance concerning fair dealing during the year. Substantiated fair dealing complaints across the region also decreased by approximately 25% from a year ago.

Targets: We continue to focus on supporting our employees' efforts to deal fairly with all customers. Most importantly, we aim to maintain zero material instances of non-compliance in fair dealing.

Case study



Fully digital TeleAdvisory service allows customers to seek advice and manage their wealth and banking needs remotely.

With the restrictions on face-to-face meetings arising from the Covid-19 outbreak, the ability to engage with customers in financial planning conversations was severely impacted. Thus, we implemented a new Teleadvisory process to replicate in-person customer engagements via the use of video conferencing tools. Our consumer banking relationship managers were able to host 17,000 Teleadvisory sessions, comprising needs analysis and necessary product disclosures via screen-share. Customers' signatures were also captured using electronic means, where applicable.

E. Cyber security

Our approach

DBS is a trusted brand name. We are committed to upholding our customers' trust in us by protecting their assets and personal data. We continue to track developments in the cyber threat landscape and update our control environment to keep abreast of the rapidly evolving cyber risks.

We have established a cyber security programme based on widely adopted security standards to provide the breadth of the control coverage. This is complemented with a cyber threat framework to provide the technical depth to ensure control effectiveness.

As the bank continues to enhance our cyber security controls to support changes to the way we work and deliver services to our customers, we engaged external subject matter experts to validate our cyber security programme. These experts assess the adequacy of our security programme in relation to our critical systems in meeting regulatory expectations, and the effectiveness and strength of our relevant controls and processes in mitigating cyber threats.

We have multiple senior committees such as the Group Operational Risk Committee, Risk Executive Committee and the Board Risk Management Committee to provide oversight on cyber security risk matters and governs the enterprise operational risk tolerance including cyber security risk. Regular updates are provided to apprise management on key developments and trends in the cyber security space as well as the results and gaps identified in the assessment of our security programme.

Initiatives and progress updates

With the adoption of new technologies and an expanded attack surface from remote working measures coupled with an evolving cyber threat landscape, the bank and our customers will continue to be at risk of cyber attacks and potential breaches.

We heightened our security monitoring and surveillance of malicious online activities as scammers migrated to cyber measures such as phishing to defraud our customers. Over the course of 2020, 210 phishing websites were shut down with more than 87% taken down within 48 hours. Concurrently, security alerts of such scams were also promptly posted online to expose the scammers' modus operandi. In 2020, there were no material instances of customer data loss.

Internally, we accelerated the delivery of our planned security initiatives in an effort to strengthen the cyber resilience of our people, process and technology. We engaged our employees via multiple communication channels to maximise our outreach.

We delivered a general security awareness programme to more than 24,000 employees via our Information Security e-learning platform. This annual training programme was further augmented with CybrFIT, our gamified security awareness training, which delivered up-to-date security advisories and bite size training on emerging and prevailing cyber threats. We further increased the regularity of our phishing identification exercises to educate our employees on the identification and response to prevailing phishing attacks and malicious spams.

We further supplemented this broad-based awareness programme with targeted training for 250 key technology staff supporting the bank's critical systems and applications. Specialised security training was also conducted for 1,011 of our software developers to raise their proficiency in secure code development. Regular briefings and updates were conducted for key front-line business units to highlight the broader cyber attack trends and potential risk areas.

We continue to invest in innovative security solutions in a bid to stay ahead in the cyber arms race. To date, our earlier investment in machine learning capabilities and security orchestration enabled the team to heighten the monitoring of cyber threats events within the existing level of resourcing. We further expanded the use of content disarm and reconstruction technology to mitigate internet threats. Strong multi-factor authentication and micro-segmentation were also implemented to secure the internal access to key applications and limit attack surfaces.

We further developed our own in-house: i) risk based vulnerability management programme to improve our cyber risk prioritisation and mitigation effort and ii) crowd sourced cyber threat intelligence platform to provide predictive analysis of potential cyber threats and attacks.

While we secure our customers and strengthen our internal controls, we continue to contribute widely to national and industry cyber security initiatives including scholarship and mentorship for the development of cyber security talent for the industry. Our efforts and contributions to the financial industry have been recognised by the Institute of Banking & Finance (IBF), with two of our Cybersecurity leaders conferred with the "IBF Fellow" title for their professional mastery, thought leadership and commitment to industry development.

Targets: DBS adopts a zero-tolerance mindset for operational risk, including cyber security.

As the bank looks to adapt to the new normal, we will proactively manage our short-term cyber risks as we continue to evolve our cyber security programme to safeguard our future. We will continue to monitor developments in the cyber threat landscape and invest in innovative cyber defence capabilities to protect our data and maintain high security hygiene in our technological environment to stay ahead of the cyber threat curve.

Case study

DBS embarked on a skills-based volunteering initiative, Cyber Wellness Programme, to train charities and social enterprises on cyber risks, threats and security best practices. The need for security awareness training was exacerbated as more organisations depend on technology and online services to continue their business and operations during the pandemic. As such, the team reviewed our approach and extended our internal online gamified security awareness e-learning platform to beneficiaries. The team was thus able to reach out to more than three times the number of participants, and delivered the security awareness message via a more interactive medium with quizzes and games.

F. Data Governance And Privacy

Our approach

Our multi-year roadmap to modernise our data governance programme while upholding privacy considerations have primed us to accelerate our momentum towards digital operations, giving us the ability to deliver greater value to our customers at scale without compromising individual privacy or risking security threats.

We have been progressively developing, building and maturing our data governance capabilities and practices across five core dimensions:

i) Data Access and Security

To increase data accessibility across the bank, whilst protecting it from theft and misuse

ii) Data Ownership

To establish clear data ownership and accountabilities across the data lifecycle with data recognised as an enterprise asset

iii) Data Understanding

To develop a shared understanding of our data assets

iv) Data Quality

To improve the quality and integrity of our data and enabling its use with confidence

v) Responsible Data Use

To assess use cases and scale our use of artificial intelligence and analytics responsibly

Our **Privacy Policy** sets out the principles on the types of personal data collected and how we collect, process, and use them. More importantly, it encapsulates our commitment to safeguard and manage the confidentiality of our customers' personal data in a responsible manner. As a regulated financial institution, we are obligated to ensure the confidentiality of our customers' information, financial or otherwise. This includes personal data held with the bank.

Nevertheless, privacy and data protection regimes across jurisdictions are continually evolving. We observe converging consensus in selected aspects of privacy considerations. We continue to stay abreast with developments in privacy trends as well as data protection regimes across geographies to see that our privacy policies and practices remain agile to evolve and respond to these raised bars and expectations, as applicable.

We also recognise our duty to protect our customers' data whilst ensuring that DBS fulfils legal and regulatory requirements. Any law enforcement or government agencies' request for information received will be carefully reviewed to ascertain that the request conforms with the scope and validity of the applicable laws and rights.

Initiatives and progress updates

Under **Data Access and Security**, we further developed our Enterprise Data Security Framework (EDSF) for our big data platform. This framework addresses data security throughout our ecosystem, encompassing four distinct layers: data protection, access, isolation and surveillance. Significant progress in 2020 includes:

- Implementation of the data protection layer where any sensitive data ingested or created is automatically encrypted or tokenised at an attribute level. This provides further level of protection to the data and facilitates its preparation for analytical use;
- Creation of a specialised data isolation layer to provide a safe and controlled environment. This enabled our data analytics users to continue working from home securely and allowed the bank to securely maintain the momentum of our various analytics initiatives through the Covid-19 pandemic; and
- Introducing a paradigm shift in enabling access to data via a Pre-Approved Persona-Based Access (PAPBA) solution. With PAPBA, analytics users are granted access to new and existing datasets that fit their assigned personas.

On the data protection front, we continue to improve our controls to prevent inadvertent and intentional attempts to exfiltrate data from the bank's environment. We engaged external security experts to assess our data protection controls and tightened our controls across our network and email data channels. We also extended our machine learning capabilities to cover the removal of the bank's information via data channels such as network transfer, removable storage devices and printing, to identify and escalate anomalous behaviour for review and investigation. In addition, we continue to expand the coverage of our anomalous behaviour monitoring on the use of the bank's systems and applications across the region, to detect anomalous behaviour and detect potential misuse of customer information. There were no material instances of data privacy breaches during the year.

For **Data Ownership**, we continue to inculcate the importance, process requirements and accountabilities associated with good data management among our data stewards, analysts and data ingestion communities to ensure that data is managed as an enterprise asset. This approach is aligned to our lines of business so that similar levels of accountability and control are in place to ensure that the data is fit for purpose with those who create and use it.

Data Understanding is about ensuring the completeness and quality of metadata to ensure data is easily discoverable and understood by our users. We continue to consolidate our core data assets onto a single data and analytics platform.

A key part of this platform's data ingestion approach is to ensure that minimum metadata standards are met upfront. These include ensuring that all data attributes are appropriately classified so that we can apply the right access and security protocols; every attribute has a named data owner and steward to ensure accountability; and all sensitive data was assigned business term and description for users to discover and better understand the data before use. To date, our DBS metadata repository contains metadata for more than 8,300 data sets that have been ingested from approximately 160 of the bank's core business applications and data sources. 100% of data attributes are appropriately classified with named data owner and steward, and 100% of sensitive data has been assigned business terms. This equates to approximately 60% of the bank's core data.

Data Quality is pivotal in ensuring that our data is fit for purpose and that our user communities can use data with confidence. A fundamental requirement in achieving this is the ability to profile our data at scale and assess its quality. At the start of the year, we rolled out new data quality tools and initiated several pilots and automated dashboards to assess data quality at scale across key quality dimensions of completeness, accuracy, consistency, timeliness and integrity.

Responsible Data Use is very much an emerging theme in data management. This component of data governance focuses more on data privacy, how and why data is being used, versus more traditional data management which focuses on how the data itself is being managed. Two major themes have emerged globally in this space: data ethics and artificial intelligence governance. As such, our Responsible Data Use framework has been designed to specifically address these two distinct but interrelated topics.

Conceptualised in 2019, our **PURE Framework** aims to ensure responsible data use across the bank, where we assess data use cases against our PURE Principles (Purposeful, Unsurprising, Respectful, Explainable). It was also intentionally made explicit within the framework that mere compliance with laws and regulations will not be sufficient. The PURE Framework has since been fully institutionalised across the bank in 2020. This was enabled through the development of an in-house assessment tool and overlaid with formal governance procedures, operating models and the introduction of mandatory training. The process is a key enabler in ensuring that our use of data is responsible and that data privacy considerations are embedded within each unit's culture and business practices.

With the bank's goals to industrialise the use of artificial intelligence and machine learning (AI/ ML), we have embarked on developing the second dimension of our Responsible Data Use Framework this year to govern the development of AI/ ML models throughout their lifecycles. We are keenly aware that this is still an emerging theme and take an iterative approach to keep pace with their regulatory developments globally and regionally.

Key achievements in this space include the development of a bank-wide model inventory; a materiality assessment framework to ensure the appropriate governance oversight commensurate with risks; baseline requirements applicable to all AI/ ML models; and embedding the requirements into DBS' AI/ ML model development protocol. Our approach will continue to evolve through active participation in industry and regulatory initiatives.

On external contribution, our CEO, Mr. Piyush Gupta, is a council member of the Singapore InfoComm Media Development Authority (IMDA) Advisory Council on the Ethical Use of AI and Data. The council advises and works with IMDA on the responsible development and deployment of AI and is an example of a private-public relationship to enable a digital economy. We are also proactively participating and sharing our perspectives on data governance and responsible data use in various industry discussions, consultations and think-tank sessions. Topics discussed span across data portability, business innovation, and AI model governance, among others.

As of 31 December 2020, DBS remains the only bank in Singapore to be certified with Singapore's Data Protection Trustmark (DPTM). The DPTM is a voluntary enterprise-wide certification launched by the IMDA. The certification is an attestation of DBS' commitment to accountable and responsible data protection practices. Furthermore, DBS actively participates in IMDA's outreach to promote DPTM, including hosting industry sessions to share our DPTM certification journey.

Targets: In 2021, our focus remains to accelerate time-to-data whilst managing risks. These will include:

- Extending the scope and reach of the EDSF initiative by further expanding the adoption of PAPBA and extending the scope and nature of our data security components;
- Exploring use of Arculus, our new innovative Data Access Policy & Enforcement Engine, that will leverage open source software to provide next generation data security capabilities whilst ensuring that we balance access to data and manage the risk surface area;
- Improving the completeness and quality of our metadata in line with the continued ingestion of our core data assets to our data platform;
- Scaling up data quality profiling to address more of our critical data attributes and iteratively replacing legacy data quality routines where there is a high level of manual intervention and inefficiency; and
- Maturing our approach to managing AI and model risk. This will include working closely with both industry and regulatory bodies across the region to help consolidate and converge thinking on this emergent subject.

Case study



As DBS continues our drive towards a data driven operating model, the need to improve overall data literacy and awareness has never been more important. During the year, six novice data management online learning modules were developed and deployed on DBS' online learning platform (Digify) covering the following topics: Data Management Framework, Data Access and Security, Data Discovery and Understanding, Data Quality, Data Ownership and Responsible Data Use (PURE). Over 18,000 employees across the bank has successfully completed these modules. In addition, specialist practitioner training modules were rolled out to ensure that we continue to not only raise general bank-wide awareness and competency, but also to build demonstrable expertise in areas of significant importance. In demonstrating our continual improvement towards data literacy and awareness, we now have over 900 fully trained PURE practitioners across the organisation.

G. Preventing Financial Crime

Our approach

We have a robust governance and control framework that incorporates training, advisory, enforcement and compliance with bank-wide policies and procedures around anti-money laundering (AML), combating the financing of terrorism (CFT), proliferation financing, sanctions, fraud, bribery and corruption. In addition, data analytics and systems capability are heavily leveraged to help prevent financial crimes in our footprints.

We are committed to conducting business professionally and in accordance with all applicable laws, rules, regulations and highest ethical standards. This commitment is embodied in our Group Code of Conduct. To us, financial crime includes money laundering, terrorist financing, proliferation financing, sanctions evasion, fraud, bribery and corruption. Our governance framework consists of the following:

i) Anti-Bribery and Corruption Policy and Standard

Incorporates the core elements of risk assessment, controls and monitoring, due diligence, gifts and entertainment, and reporting requirements. All these are underscored by senior management commitment and communication. For instance, bribery and corruption can take many forms including the provision or acceptance of kickbacks, political contributions, charitable sponsorships and contributions amongst others.

ii) Anti-Fraud Policy and Standard

Encompasses elements of identification, risk assessment, fraud controls and monitoring, investigation and remediation, reporting and analysis, all of which are underpinned by strategy, governance and risk culture.

iii) AML, CFT and Sanctions Policy and Standard

Establishes baseline requirements on Know Your Customer/Customer Due Diligence (CDD) to manage money laundering, proliferation financing, terrorism financing, and sanctions risks. This includes digital non-face-to-face onboarding requirements and controls, identification and risk management of higher risk customers such as politically exposed persons. It also defines the minimum standards with which the bank and its subsidiaries must comply, such as screening customers and transactions against the applicable sanctions lists, to meet the applicable sanctions laws and regulations in jurisdictions which we operate.

From a policy and governance perspective, the Financial Crime and Security Services team is responsible for and oversees the financial crime compliance programmes for the Group. The Group Operational Risk Committee also regularly reviews reports on financial crime, and material issues are escalated to the Risk Executive Committee and Board Risk Management Committee, where necessary.

Any employee who contravenes these policies and standards may be subject to investigation and disciplinary action up to and including termination of employment. Such incidents may also be escalated to the authorities and lead to prosecution of the parties involved.

Initiatives and progress updates

Our anti-financial crime culture includes a training and awareness programme with associated activities. Every employee is expected to recognise financial crime and is empowered to take the necessary actions to mitigate such risks. We do this by ensuring that:

- i) All our employees complete mandatory AML and sanctions refresher training annually;
- ii) All new employees complete mandatory AML and sanctions, anti-fraud, anti-bribery and corruption training; and
- iii) All employees complete our Code of Conduct and Risk Culture refresher training and acknowledgment annually.

In line with our Anti-Bribery and Corruption programme, we do not make any political-related contributions involving lobbying, campaigns, and others.

Fraud prevention, monitoring and loss recovery

We embarked on a programme to prevent financial losses and improve customer experiences for customers who were victims of scams, social engineering, and other mechanisms used by criminals.

We enhanced system rules to temporarily block specific high-risk transactions upon changes in customer profile and their transfer limits. We also rolled out major detection and monitoring capabilities which can block fraudulent transfers, customise rules, and alert customers in real time on suspicious activity occurring in their accounts.

Since the start of 2020, our ability to recover funds improved by 40%, from process enhancements, employee training and public awareness campaigns.

As a member of the Association of Banks in Singapore Anti-Scam Taskforce, DBS co-leads an inter-bank workstream with Maybank, Singapore Police Force and Infocomm Media Development Authority to identify and prevent unsolicited scam calls and messages, in collaboration with telecommunications service providers in Singapore.

Dynamic Review Assessment

We continue to employ our Dynamic Review Assessment (DRA) process, a first-of-its-kind in the industry, which uses behavioural red flags on top of static data to trigger a CDD review in a timely manner. This enables us to implement enhanced due diligence measures triggered on low and moderate risk cases that are subsequently assessed to be of higher risk.

Since operationalisation, DRA has significantly reduced CDD reviews, allowing us to redeploy the same resources towards more targeted reviews for faster detection of bad actors. Customer relationships that exceed our risk appetite are terminated.

Improving risk surveillance

Money launderers and terrorist networks are highly sophisticated in the methods they use to conceal their transactions and activities. We strive to detect them from micro to macro levels - across transactions, accounts, customers, networks and macro corridors. We do this by deploying an array of tools such as network link analysis, macro corridor surveillance and outputs from AI/ ML models. Insights from these capabilities will eventually be integrated into our intelligent case management system used by analysts to review suspicious alerts.

Macro payment flow dashboard

We monitor fund flows between countries and between banks. This allows us to have a bird's eye view of flows which are of significant amounts or which exhibit unusual patterns. When a suspicious flow is identified, we use an array of data analytics tools to flag out customers and transactions for deeper investigation. Bad actors are comprehensively detected and exited in a shorter time frame compared to traditional monitoring at the customer transaction level.

Artificial Intelligence/ Machine Learning models

We continue to deploy our machine learning models across multiple customer segments and throughout the region, to help our investigators focus on reviewing high-priority alerts. An example is our hibernation models that risk rates every alert based on an extensive range of features, and putting alerts that are of lowest risk rating to hibernation. For the remaining alerts, the model marks them as red, amber, or green so investigators may apply differentiated levels of review. Hibernation has led to a considerable reduction in alert volumes. The models are continuously refined to enable stronger detection of new and emerging threats, as well as suspicious networks. We continue to augment our data capabilities to support the development of analytical models that can effectively detect financial crime across different typologies.

Customer Regional Unified Surveillance Enterprise (CRUISE)

Since 2019, we have enhanced our in-house intelligent case management system and strengthened our transaction surveillance team's ability to review suspicious activities flagged by rule-based systems, AI models or frontline employees. We used Robotic Process Automation technology to aggregate data from 60 different systems for our investigators to have a holistic view of customer information and transactional activities, complemented with risk scores and accompanying explainer guide guiding investigators through evidences indicative of risk. This accelerates their ability to determine whether the unusual behaviours warrant reporting to the authorities.

Ongoing awareness and training

DBS has an ongoing whistleblowing programme, [Speak Up](#) to provide a safe environment for genuine concerns to be reported on potential misconduct while creating awareness to build a responsible and ethical organisation. The programme offers various channels for whistleblowing, including an independent hotline managed by Deloitte. To better protect anyone with genuine concerns, anonymity is available upon request and any reprisals when disclosures are made in good faith, are not tolerated. All incidences are duly and independently investigated in accordance to the bank's established protocols, for appropriate follow-up action(s).

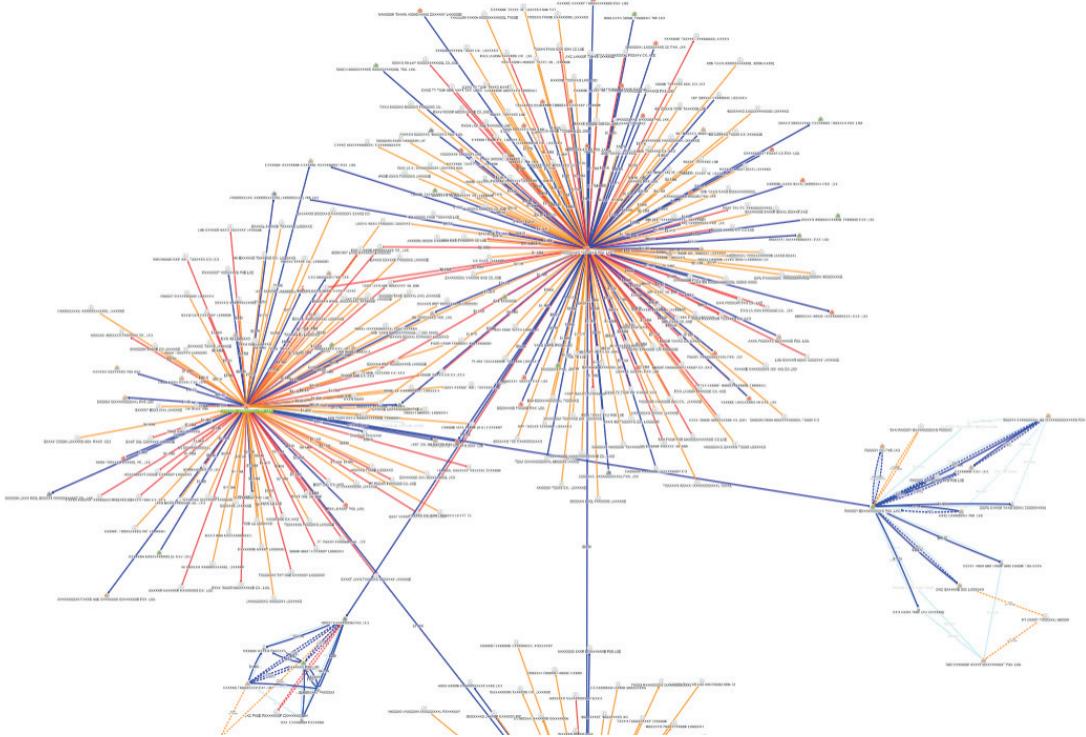
We continue to invest in mandatory training and awareness programmes, as it is our core belief to equip our employees with relevant financial crime knowledge to enable them to recognise, prevent and detect financial crime to the extent possible.

Targets: We have zero tolerance for any acts of bribery, corruption and fraud, and will comply with applicable AML, CFT and unilateral or domestic sanctions laws and regulations in the jurisdictions in which we operate.

Case study

Since 2019, we have used link analysis to visually represent connections between customers and counterparties flow of funds to uncover complex and hidden networks. We have also embedded analytics-driven prompts for visualisation of potentially suspicious transaction cycles.

Our tool, Artemis, has enabled us to uncover significant money laundering networks and to purge them from DBS and the broader Singapore financial system.



Artemis, our in-house network link analysis tool.

Pillar 2: Responsible business practices

H. Talent management and retention

Our approach

We started our digital transformation journey in 2016 upskilling and reskilling employees to help them build and enhance their career resilience. Since the onset of Covid-19, we further stepped up on our efforts to develop a future ready workforce.

Our Employee Value Proposition "Live Fulfilled" encapsulates our talent management approach. Our talent management policies cover:

- i. **Resource management** that includes recruitment, onboarding and separation;
- ii. **Compensation and benefits** which aligns with our Financial Stability Board's Principles for Sound Compensation Practices as well as the Code of Corporate Governance; and
- iii. **Learning and development** where we adopt the Triple E Development Framework (Experience, Exposure and Education) to ensure robust and holistic investment in continuous growth and development of all our employees.

Initiatives and progress updates

Future of Work, Workforce and Workplace

In November 2020, we announced a series of initiatives on the Future of Work, Workforce and Workplace to realise new ways of working in the new normal. These initiatives are a result of insights gathered from research, deep dive experiments and employee surveys across all units between April to June 2020.

Distributed workforce model

All employees will be given the flexibility to work remotely up to 40% of the time. A bank-wide survey found that employees have taken well to digital ways of working, with 95% of respondents agreeing that the technology provided by the bank has enabled them to work remotely effectively, and 95% agreeing that they felt connected and supported by their teams and the bank.

Flexible work arrangements

Building on the ability to operate successfully in split teams over the past few months, the bank will also implement a job-sharing scheme to better support employees who need more flexible work arrangements. This scheme will enable two employees to share the responsibilities of one full-time role. At the same time, the bank also introduced more part-time work opportunities.

Multidisciplinary, data-driven team

We will accelerate its transition to a new operating model characterised by project-specific, data-driven multidisciplinary teams instead of conventional vertical functions. The intention is to be centred on problem statements, many of which are multidisciplinary by nature, and have employees work across silos to provide the best solution.

Re-designing work and collaboration spaces

As we move towards a more distributed workforce, we are also improving the design of our office spaces to support employee activities that need to be conducted physically together. Over 80% of employees across key markets indicated that they preferred to have more open collaboration spaces to facilitate informal discussions and cross-team ideation, which they found challenging to do remotely.

Building on our experience in developing 'JoySpace', or activity-based workspaces, we continue to enhance our designs taking employee feedback into consideration. We have also launched a 5,000-square foot 'Living Lab' to test out how best to blend physical and virtual workspace configurations.

Transformational leadership

In 2020, our key focus was to continue driving transformational leadership as an organisational capability bank-wide. Our vision for transformation leadership is to build great leaders, teams and culture. We believe that building an environment of candour and transparency, undergirded by a growth mindset is essential to enabling individuals to constantly grow and develop, and support teams in constantly improving and innovating. Initiatives that we have conducted to drive transformational leadership include:

- **Anytime Feedback**, to provide employees opportunities to give and receive feedback from colleagues. We enhanced this with non-anonymous feedback through Get Feedback for Self in 2020. Over 2,500 employees provided positive reviews during our annual employee engagement survey on how this has supported their personal development;
- **T-Sprints**, a series of team leadership workshops which we launched for our top 50 leadership teams across the bank in 2020. We will extend the T-Sprints to another 50 leadership teams in 2021; and
- **Self-Nomination for Promotions**, was introduced in 2020 to empower employees to take ownership of their career development, provide more transparency in the process and facilitate open and frequent career development conversations between employees and their managers.

Continuous employee development

As skills required in banking are fast evolving with new roles constantly being introduced, DBS will be doubling down on our efforts to build a future-ready workforce with employees that are empowered to drive their own growth and development.

- We have identified over 7,200 employees across the bank to be upskilled and reskilled starting 2021. These employees will be supported by robust yet agile learning pathways with programmes designed internally or with various industry partners. They will also go through structured on-the-job training to set them up for success in their new roles;
- To empower employees in actively building their careers in DBS, we launched DBS Match, an in-house designed job matching algorithm that helps employees identify opportunities for new roles within the bank based on their skills and experiences, and also highlight learning areas to enable the individual to be equipped for new roles;
- We organised the Amazon Web Services (AWS) DeepRacer Challenge, a gamified learning platform in partnership with AWS for more than 3,000 employees to pick up the fundamentals of artificial intelligence and machine learning. DBS is now the most AWS-certified organisation in Singapore; and
- To promote fluency in data use, over 18,000 employees have completed data-related training, with more than 2,000 employees trained in data science and business intelligence through our very own Data University available bank-wide. Our upcoming Cloud University will feature an enhanced cloud curriculum, providing even more opportunities for our employees.

Engagement score

We achieved higher employee engagement despite tough times. For example, we maintained our ranking at the 87th percentile in the 2020 Kincentric My Voice Survey across a global benchmark, with an improvement in the employee engagement score to 84%. Learning and development remained the second-highest rated dimension, scoring three percentage points higher than the average score of APAC's Best Employers. In the same survey, our managers continued to be rated positively for manager effectiveness, with an improvement score of 87%.

My Voice Survey	2020	2019	2018
Employee engagement score	84%	83%	82%
DBS strongly supports the learning and development of its employees	91%	90%	90%

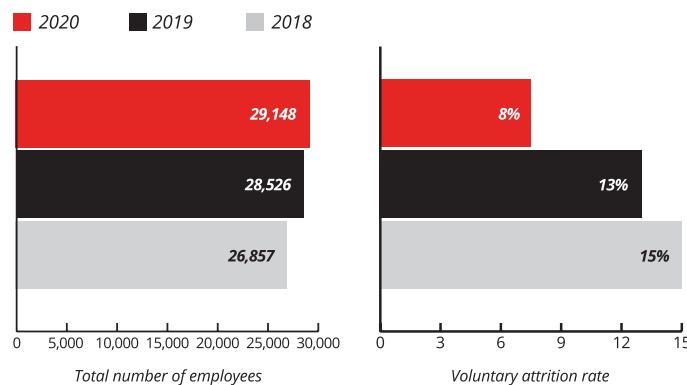
Awards

Our continued efforts in being an employer of choice is evident in the various awards that we have won across the countries that we operate in. We were recognised as Kincentric's Best Employer in all our core markets and some International Centres (Thailand, UK and Korea). Additionally, we have once again been certified as the Regional Best Employer in Asia Pacific for 2020.

Statistics

i) Total number of employees and voluntary attrition rate⁽⁸⁾

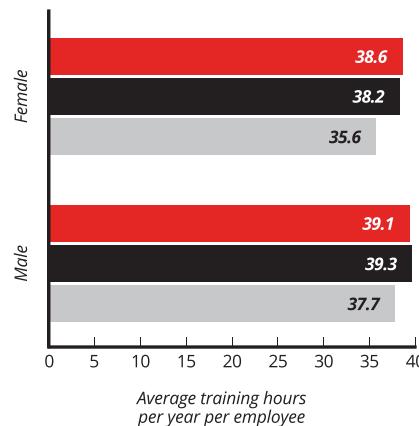
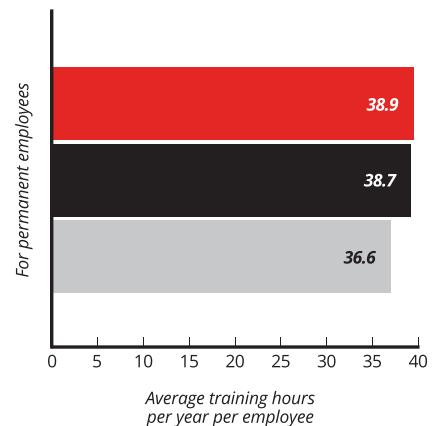
Our voluntary attrition rate improved from 13% in 2019 to 8% in 2020, largely due to the challenging employment market due to Covid-19.



Read more in "Information on employees" on page 48.

ii) Average training hours⁽⁹⁾ per year per employee by gender and employee category

The average training hours for permanent employees remained largely the same from 38.7 in 2019 to 38.9 in 2020. This was achieved despite the pandemic and mandatory telecommuting arrangements where all face-to-face training sessions were converted into online sessions that are designed to require less time commitment.



iii) Percentage of positions filled internally

Our internal mobility rate improved from 25% positions filled internally in 2019 to 36% in 2020 due to our robust talent management practices. The utilisation of our in-house designed job matching algorithm DBS Match, that uses a data-driven approach to match employees with potential roles, yielded positive results in improving our internal mobility rate.

iv) Percentage of employees who receive regular career development reviews

100% of employees received regular career development reviews in 2020 and 2019.

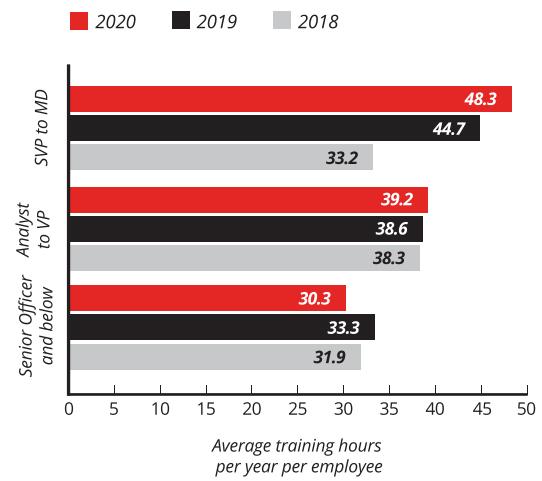
Targets: We will continue to invest heavily in driving continuous growth and development bank-wide, so as to build great leaders at every level and great teams. We also aim to continue positioning ourselves as an employer of choice in 2021 through our strong emphasis on driving our employee value proposition.

Case study



Future Forward Week

We held our inaugural week-long online learning and career planning festival in July 2020. Running eight hours daily for five consecutive days, the festival featured 48 sessions and over 100 speakers. Our employees around the world were able to participate in this large-scale event to pick up new knowledge and skills required in the new normal for their personal and professional growth, and discover new roles of interest to take up for their career development.



(8) The rates exclude involuntary termination as well as contract, temporary and agency employee attrition.

(9) Excludes informal learning methods such as community-based learning; and exposure opportunities such as immersion programmes including customer and employee journeys.

I. Diversity and equal opportunity

Our approach

Embracing diversity and inclusion is important to enable us to attract the best people, access a greater range of talent, and build more cohesive teams to produce the quality results and impactful outcomes for our business, customers, and communities.

Our Board Diversity Policy and Resource Management Policy

reflect our commitment towards building a diverse workforce. We continue to stand true to hiring based on merit, competencies and organizational fit.

Initiatives and progress updates

In line with **International Women's Day**, we engaged our employees across all our key markets to share their thoughts on what "Each for Equal" meant to them and why it matters. We also released a special edition of SPARKS, with a special focus on DBS' partnership with a social enterprise that is committed to empowering women.

We ran two signature programmes: **ReImagine** and **My Persona, Woman 3.0** in our technology hub in Hyderabad. We extended **ReImagine** to DBS Singapore to hire women technologists who have been on a career break. Through an intentional assimilation process, the return-to-workforce new hires were successfully and seamlessly onboarded and integrated into the organization. **My Persona, Woman 3.0** is a leadership development programme for the third year running that empowers women to take on leadership roles in India. 98% of participants indicated that they would recommend the programme to their peers.

As part of our efforts to build a more inclusive workplace, a new series of **Unconscious Bias Training programmes** was launched bank-wide to create greater awareness among employees for more effective collaboration in teams.

As the bank pivoted quickly towards a hybrid workplace model, **new workplace behaviours and working patterns** were introduced to reinforce our culture of inclusion despite remote working. We also ran regular sentiment surveys and large-scale online events, such as learning festivals and virtual hangouts, to ensure that employees across the organization remain connected to one another.

Engagement Score

In the past two years, our employees have rated the bank positively for our inclusive working environment. Our employees are also positive about being able to report unethical conduct without fear of retribution.

My Voice Survey	2020	2019	2018
DBS has a work environment that is accepting of diverse backgrounds and ways of thinking	90%	88%	88%
I can report an instance of unethical conduct without fear of retribution from anyone	87%	88%	88%

Awards

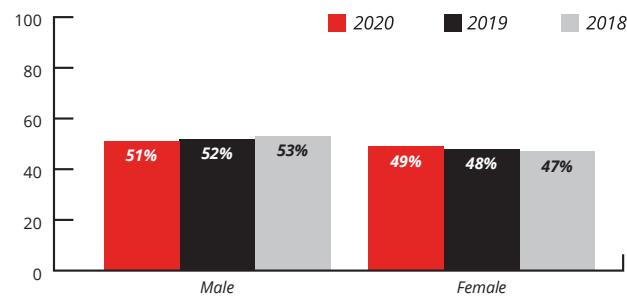
In recognition of our efforts in driving gender diversity, we were included in the Bloomberg Gender-Equality Index for the fourth consecutive year.

Statistics

The overall gender pay gap across our six key markets, adjusted for ranks and locations was just 1.3%.

Breakdown of employee headcount by gender

In 2020, 51% of our total employee headcount was female, similar to the year before. Females made up 27% and 25% of the Board and Group Management Committee respectively.



Read more in "Information on employees" on page 49.

Targets: We remain committed to strengthen our efforts in building a diverse and inclusive workforce through deliberately designed learning and culture-building programmes.

Case study



DBS Women in Technology

As part of our efforts to increase our female representation in the Technology space, DBS hosted our first-ever women-focused fully virtual career fair for technologists in Singapore in October 2020. The event offered over 50 job opportunities across 11 technology roles, including data engineers, scrum masters, full-stack developers, solution architects, and site reliability engineers. Over 500 applicants went through an 80-minute online assessment to gauge their technical and planning capabilities. Out of 200 shortlisted applicants, over 50 were recruited.

J. Workplace well-being

Our approach

With the emergence of Covid-19 at the beginning of 2020 across our markets, safeguarding the health and well-being of employees was our top priority. We applied the same high standards of care, safety and security across our markets but adapted to the local context and evolving situation.

Initiatives and progress updates

Physical well-being

Since the start of Covid-19, we responded quickly to take care of the health and safety of our employees through a range of different measures:

- We distributed **care packages** comprising of medical supplies and health supplements to all our employees. Medical grade masks were also provided to our front-line employees;
- We put in place a full suite of **precautionary measures** on our premises, including temperature screening, higher frequency of cleaning and disinfection, and regular indoor air purging;
- To remind colleagues of **safe management measures** and personal hygiene practices, we placed safe distancing markings and over 5,000 targeted messages at high traffic areas. Key personnel across departments were appointed to ensure safe management measures are strictly adhered to;
- **Services and amenities** such as our internal shuttle buses and in-house cafeteria were tailored to support the bank's split operations, staggered working hours, and compliance with safe distancing guidelines;
- **Special meal arrangements** were made at the height of the pandemic for colleagues who had to remain physically at our offices due to the critical and essential services they render;
- A series of **medical webinars** was arranged on a regular basis to keep employees informed and educated of the Covid-19 situation. Medical professionals shared about the nature of the virus and ways to protect oneself against the transmission of the virus. **Medical teleconsulting services** were also provided to our employees; and
- **iFlex**, our anchor benefit for our employees to support their well-being, was extended to cover new reimbursable items such as personal protective equipment purchased by employees. A special top-up amount was given to employees across all markets to facilitate remote working arrangements, allowing claims for expenses incurred for home office set-up such as chairs, headsets, and other computer accessories.

Mental and emotional well-being

To support the mental and emotional well-being of our employees, we launched the DBS TOGETHER Movement that comprised many different initiatives, to bring employees together to care and support one another, and galvanise everyone to proactively shape and prepare for the new normal.

- We conducted two virtual learning festivals, **Learn.Share.Teach. TOGETHER** and **FutureForward Week**, featuring a total of more than 80 sessions and 150 speakers, to bring employees across markets together, bond virtually through learning and virtual social hangouts, and also pick up new knowledge on megatrends and future skills to prepare them for the new normal;
- Our week-long **Clock Your Happiness Challenge** was launched across all locations and featured a series of mindfulness activities and competitions with free access to a mindfulness app to promote mental and emotional well-being;
- Due to border travel restrictions, **special staycation deals** were offered to encourage employees to take breaks from work to rest and recharge; and
- **Regular sentiment surveys** were conducted, and we used these data to calibrate strategies to engage our employees.

Case study



Clock Your Happiness Challenge

Clock Your Happiness was a month-long campaign organised to highlight daily habits that improve mental and emotional well-being. Between May and June 2020, a series of webinars and team challenges across locations was organised, supported by a mindfulness app (Mindfi) which was made available to all employees until the end of the year.

At the end of the 30-day campaign, approximately 280,000 "happiness minutes" were clocked in the app and based on the feedback received, employees shared that they have been able to increase their capacity to deal with self-isolation, focus better and manage their moods on a day to day basis..

K. Sustainable procurement

Our approach

Sustainable procurement practices will help businesses to reduce waste, contribute to decent working conditions and enable economic growth. As a leading financial services group in Asia with a growing global presence, we purchase a diverse range of products and services, including professional services, software, real estate and corporate services. It is imperative that our procurement decision-making must also consider environmental and social matters alongside financial factors. This year, despite the global pandemic, we did not experience any disruption to our operations. We will continue our efforts to build a strong and reliable supply chain for DBS.

Our procurement is managed in accordance with the following:

i. Group Procurement Policy

Outlines our strategy for the purchasing of goods and services to meet DBS' requirements while ensuring minimum risks and maximum value.

ii. Group Procurement Standard

Extends throughout the procurement cycle, from identification and specification of requirements to the awarding of contracts to suppliers.

iii. Group Procurement Sourcing Guide

Supplements the Group Procurement Policy and Standard documents.

Initiatives and progress updates

Sustainable Sourcing Principles (SSP)

The SSP has been central to our approach across our key markets since 2017. It outlines our expectations of our suppliers across these key areas: (1) human rights, (2) health and safety, (3) environmental sustainability, as well as (4) business integrity and ethics. All new

suppliers are reviewed against the SSP during registration and at regular intervals as part of our ongoing supplier management process.

This year, 99.9% of our new suppliers signed their commitment to our SSP. No suppliers were identified to have caused significant negative environmental or social impact in their operations or supply chains. There were also no terminated relationships post-assessment.

Read more about [Sustainable Sourcing Principles](#).

Supply chain high-risk categories

The sustainability risk materiality assessment identifies specific categories with high ESG risks. Our biennial assessment for Singapore, most recently carried out in 2019, identified 18 high-risk categories. For competitive tenders in these high-risk categories, we incorporated organisational sustainability into the evaluation and selection process. This sourcing philosophy creates a ripple effect by encouraging our suppliers to consider more sustainable solutions and modes of operation.

Paper reduction

We started tracking and reducing our paper consumption since 2018, such as paper used for office printing and the volume of cheques and paper-based bank statements issued to our customers..

In 2020, we introduced a quota-based paper budget feature in our e-procurement system across all departments, to help track the amount of office paper purchased in real-time. The real-time tracking feature has helped several departments to avoid exceeding the allocated paper budget. Complementing this initiative, we ran the #IAMin2 paper reduction campaign with gamification elements to engage our employees across our key markets better. A paper reduction toolkit featuring case studies from our 2019 campaign was also shared with departments for their reference.

In view of the initiatives, we have successfully exceeded our 2020 target and reduced our office paper consumption by 208 tonnes, or 35% against our 2018 baseline. This is equivalent to 5,340 trees⁽¹⁰⁾. We recognise that modified work arrangements such as remote working contributed to a significant bulk of the paper savings this year, but we continue to encourage mindful printing habits among our employees as they gradually return to the office.

In 2020 we stepped up on our digitalisation efforts for customer statements and e-Advices, yielding a year-on-year cost savings of SGD 1.8 million. The volume of cheques generated and processed also decreased by more than 20% year-on-year in Singapore, translating to SGD 1.9 million in cost savings.

Read more in "Information on environmental footprint" on page 51.

Plastics reduction

At DBS, one of our most significant consumption of single-use plastics is bottled water. In 2019, all DBS branded bottled water was removed from our e-procurement system. Our operations in Singapore, Hong Kong and Indonesia have also eliminated the use of all single-use bottled water by customers on our premises, which accounted for about a 95% reduction against our 2018 baseline in the region.

We also made progress in other areas of single-use plastics consumption through internal education and mass collaboration with our suppliers. For example, we partnered our laptop suppliers to supply laptops in bulk packaging such that we reduced 250 grams of unnecessary packaging with every laptop purchased. The benefit also extended to less volumetric weight and hence a lower carbon footprint during transportation.

Circular procurement

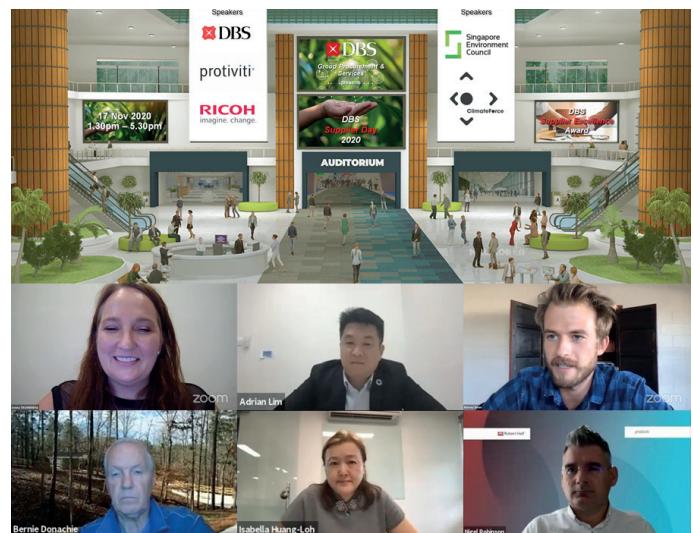
To better utilise our resources, we have embedded circular procurement practices in our supply chain since 2018. In 2020, we embedded circularity in our procurement process and balanced scorecard through a points system. The system helps drive the right behaviours by rewarding the sourcing teams based on a projects' complexity and the impact created in delivering more sustainable outcomes.

We believe that the aggregated outcomes of circular procurement have the potential to catalyse systemic changes across entire industries when implemented at scale. That is why we have collaborated with the National Sustainable Procurement Roundtable (NSPR) to produce a Circular Procurement Playbook based on our own implementation experience. The Playbook is aimed at helping other companies implement circular procurement practices in their respective organisations.

Targets: We believe that we are in a good position to drive innovation and explore experimentations to make meaningful impact. We will continue to ensure that 100% of our new suppliers are committed to our SSP.

We will continue to engage our employees and operators to change behaviours and reduce waste and carbon footprint for the environment.

Case study



DBS Supplier Day 2020

At our inaugural DBS Supplier Day, we invited our key suppliers to engage in conversations to raise the profile of sustainable business, with more than 120 participants in attendance. We also took the opportunity to recognise our top suppliers who exemplified sustainable best practices through our inaugural Supplier Excellence Awards.

We conducted our first four-day sustainability training programme with the Republic Polytechnic of Singapore. The sustainable operations training programme was conducted for 11 suppliers, that included a project consulting segment aimed to help companies identify improvement areas in developing green innovations, minimising waste, and implementing cost-effective projects. We believe that our investment in this collaborative approach will provide better sustainable outcomes for our suppliers and in turn benefit DBS' operations.

L. Managing our environmental footprint

Our approach

As a financial service institution, we recognise that our environmental footprint is small. Nonetheless, we commit to do whatever we can because we believe this is the right thing to do. We approach sustainable operations in a holistic manner that incorporates creative design thinking and continual improvement. We are developing sustainable strategies and then embedding new green infrastructures into the DNA of all our operations.

Measuring and reporting

We continually seek new approaches and measurements to ensure we are correctly measuring impact. Over the years, we have installed several new metering protocols in our rented spaces, installed new energy and chilled water meters, new scales and measuring devices to close as many data gaps as possible. For example, we added new information about our bank branches and offices in regions that may be water stressed⁽¹¹⁾.

To provide relevant and comprehensive information, we also included purchased chilled water in our Scope 2 energy calculations, as well as outsourced data centre energy in our energy reporting even as the emissions are considered Scope 3. In the same vein, we also included our portion of total building energy as reasonable as possible for data centres by multiplying our metered server rack energy by the data centre's power usage effectiveness.

Read more in "Information on environmental footprint" on page 51.

Energy reduction and management

In line with our RE100 commitment, we have been working towards our interim target of powering 100% of our operations in Singapore using renewable energy by 2030, and eventually extending this to 100% of our global operations.

To meet this commitment, DBS has adopted a four-prong approach to our overall renewable strategy:

1. Drastically reduce consumption
 - a. Reduce energy consumption
 - b. Transform space design
2. Produce renewable energy wherever possible
3. Purchase renewable energy for energy needs
4. Purchase Renewable Energy Certificates (RECs) for the balance

Water reduction and management

As a financial service institution housed across commercial office buildings, DBS generally has a low water footprint. Nonetheless, we manage and monitor our water efficiency use and maximise our green certifications in every market.

Waste reduction and management

DBS believes in the concept of the circular economy, both in our living and built environments. That is why we integrated the concept of lifecycle analysis in managing our purchased products. For example, we included clauses for the eventual re-use or re-purposing in our contracts for furniture procurement as we refurbish office spaces – instead of tendering for disposal. We believe this is how we can realise our vision for zero waste by 2030 while advancing circularity across our supply chains.

Other carbon reduction and management

Purchased electricity accounts for most of our operational carbon. Hence our main lever for carbon reduction is by reducing energy consumption. Still, we take our direct emissions seriously and are constantly looking for ways to reduce or eliminate these emissions, in pursuit of our goal of becoming net zero in our operational carbon emissions by 2022.

We are committed to reducing carbon and energy consumption rather than relying on carbon credit purchases to meet our goals. However, we recognise that purchasing carbon offsets during this transition phase is an important and practical stop-gap measure to address any residual difference after implementing our reduction strategies.

Corporate real estate

The physical spaces we build and retrofit today will continue to consume energy over time. Taking this as a key consideration, we embarked on several programmes to kickstart a transformation to become a builder and designer of regenerative and beneficial spaces. We created an internal catalogue for office-ware materials, based on the concept of a circular economy. This will serve to improve the energy efficiency across our use spaces. We also enjoyed the benefits of great partnerships with many social enterprises, who believe and enact the concept of circularity, through the networks of DBS Foundation.

Initiatives and progress updates

DBS continues to reimagine the future of work through learnings from the pandemic. We believe that we will not go back to the traditional ways of working but that there will be fundamental shifts in mindsets and skillsets, and critical changes that will drive the future of work.

Read more in "Talent management and retention" on page 32.

Doubling down on our renewable energy transition

DBS' RE100 commitment reinforces the bank's continued efforts to combat global warming and climate change by reducing its own environmental footprint. Our strategy can be broken down into the following initiatives:

Reduce energy consumption

Our renewable strategy priority is to drastically reduce our energy consumption across all operations through optimising current systems and transforming new space designs. Some examples are summarised in the table below.

Optimise Current Systems	Transform Space Design
<ul style="list-style-type: none"> • Low energy lighting • Low energy air conditioning • Smart demand controls • Optimise building management controls • Specify lowest energy equipment and appliances 	<ul style="list-style-type: none"> • Design self-cooling digital lobbies • All new space design to be high performance-low energy • Right-size retail portfolio • Create living office space • Create living branches

Typical initiatives to optimise and transform energy consumption driven by the DBS' Technology and Operations division

Produce renewable energy wherever possible

As part of our energy strategy to enhance renewable energy production, we increased our total solar production by 427 KWp, with solar projects starting in Singapore, Indonesia, and India. We also retrofitted our parking and security lighting in our Singapore offices with packaged solar lights. We have an equal number of solar projects slated for 2021 that are already in design.

Location example	Description
India – Hyderabad Solar	On 9 September, DBS commissioned solar installation on our Hyderabad branch in India. It generates energy at peak performance of 216 KWp and is expected to produce 27,200 KWh per year, or 60% of the branch's electricity needs.
Singapore – Siglap Solar	On 21 November, DBS commissioned solar installation at our Siglap premises. It generates energy at peak performance of 66 KWp and is expected to produce 79,330 KWh per year, or 20% of the branch's electricity needs.
Indonesia – Juanda Solar	On 30 December, DBS commissioned solar installation on our Juanda branch in Indonesia. It generates energy at peak performance of 145 KWp and is expected to produce 18,234 KWh per year, or 15% of the branch's electricity needs.

Purchase renewable energy

DBS has been financing renewables production for many years in Asia and is now working to be a consumer of the energy produced from these projects. Our goal is to purchase 100% of our residual energy from renewable sources using a power purchase agreement or bundled green energy contract.

Purchase RECs for balance

Moving forward, our new strategy dictates that RECs will only be purchased from the same markets where energy is consumed, and only after all other renewable options are exhausted or optimised. In 2020 alone, we purchased 14,500 RECs that are produced on the grid across our China and Hong Kong markets, alongside the 5,694 RECs that are produced on the Singapore grid.

We believe embracing this new strategy will lead to significant long term savings for the bank, while contributing to our commitment to power 100% of our operations in Singapore with renewable energy by 2030.

We adopted two different metrics to track our renewable energy use to enhance our understanding of our energy usage patterns. This is because we find purchased chilled water to be material and significant to our operations, although RE100 and CDP do not include this as part of their calculus for operational baseline. Likewise, RE100 does not include the energy required to run outsourced data centres in its baseline.

	2020 Total Baseline Energy (MWh)	2020 Energy from Renewables (MWh)	2019 % Renewable	2020 % Renewable
RE100 (includes metered space energy only)	65,460	20,780	20%	31%
GRI (includes metered space energy, purchased chilled water energy and data centre energy)	98,507	20,780	14%	21%

Sustainable workspaces

All of our Singapore branches and offices are Green Mark Certified by the Building and Construction Authority Singapore. We also started a new process of upgrading all our spaces to achieve Green Mark Platinum levels as our properties come up for re-certification. In 2020, we recertified five Singapore branches and upgraded all to Platinum level, alongside the new DBS office space in Jakarta that was also certified at the Green Mark Platinum level. While construction on the four-storey (9,464 m²) office space was completed in July 2019, we documented and completed sustainability upgrades. This culminated in our Indonesian headquarters achieving Platinum level certification in 2020.

To include learnings from the design, construction, and operational phases in future offices and branches, we are also creating net-zero-energy and super-low-energy concept spaces as we transform to more regenerative living spaces - that are designed to be integrated into the natural environment. In 2020, we have completed the design of net-zero-energy office concepts as well as low energy pantries that use heat pumps and solar-heated hot water.

Furthermore, we completed our internal 'Circular Economy Materials Catalogue' to allow various operations managers and office designers to have ready information on hand of the most sustainable products available.

Targets: We have committed to setting targets for our operational carbon footprint to (i) ensure net zero operational carbon emissions by 2022 and (ii) source renewable energy for all our Singapore operations by 2030.

We consider 'operational carbon' as our Scope 1 and Scope 2 emissions, including several categories under the Scope 3 emissions, such as data centre electricity, business flight emissions, and outsourced vehicle fleet emissions.

Case study

Recognising the considerable waste – from food, plastics, to décor – usually generated from holiday festivities, DBS partnered with Edible Garden City, a social enterprise supported by the DBS Foundation, to create the DBS Giving Tree - a fully circular Christmas tree.

The DBS Giving Tree was created entirely from upcycled wood materials, such as used shipping pallets, while its accessories were made from sustainable, and edible materials. Aside from wooden toys constructed from the same upcycled wood, the microgreens, herbs and edible flowers added to the festive mood.



DBS Giving Tree - a 100% circular tree

The trees were then repurposed for Lunar New Year decorations, and thereafter as fixtures in the DBS Treasures Lounge at Singapore Changi Airport, Terminal 3. The cycle ended when it returned to the soil at DBS Food Forest, at the DBS Asia Hub in Singapore.

Over 150 employees were engaged through a Lunar New Year décor making workshop to embellish the ‘trees’ that were transformed into diamond-shaped wooden structures. Tips on how to reduce waste during festivities and the story behind DBS Giving Tree were broadly circulated internally and externally to raise awareness as well.

M: Responsible tax management

Our approach⁽¹²⁾

We are committed to paying our fair share of taxes in the locations where we operate and complying with all relevant tax laws and regulations. This includes the fulfilment of local tax filing obligations and timely payment of taxes.

It is the sovereign right of governments to set tax laws and regulations in the context of the competitive global marketplace. Tax incentives and exemptions are an effort by governments to encourage investment, employment and economic growth. To balance the interests of our stakeholders, we claim legitimate incentives and exemptions that are granted to us.

We seek to align our tax contribution in any tax jurisdiction with the value created in those locations, and only undertake transactions which we would be prepared to fully disclose. Our approach to transactions with clients is guided by our Tax Sensitive Transactions Standard. We will not knowingly engage in tax structures that aim to evade tax. In addition, we have in place a process to ensure that transactions that may lead to tax avoidance are escalated and reviewed by risk and control functions as and when required.

Training is given to new joiners who may deal with transactions involving potential tax evasion or tax avoidance. This is supplemented by clearly defined escalation procedures, reviews of new products and types of transactions, as well as regular communication and annual training to reinforce our approach.

Tax governance and risk management framework

The Board of Directors' responsibility for sustainability includes responsible tax management and the Board Audit Committee oversees tax matters. The Group CFO, supported by the Head of Group Tax, oversees the tax function responsible for ongoing tax compliance and robust management of tax risks and exposures.

DBS has a low tolerance for tax risk and adopts a clearly defined tax risk management framework that promotes transparency, fairness and accountability. This is implemented through our Group Tax Policy, which is approved by the Group CFO. The policy is further supplemented by standards and procedures to ensure continued adherence with the framework.

Our tax risk management framework is based on the following principles:

- i) We only undertake transactions which are underpinned by strong commercial motivations that we are prepared to fully disclose;
- ii) We carefully consider the potential tax sensitivity of transactions and are guided by a set of established escalation and approval procedures;
- iii) We have sufficient skilled employees in each major location and we will seek independent advice on transactions with significant tax uncertainty; and
- iv) We take our tax compliance responsibilities seriously and fulfil all our obligations as a compliant taxpayer. Senior management and independent tax consultants review our returns and filings prior to submission.

Base Erosion and Profit Shifting

Base Erosion and Profit Shifting (BEPS) refers to tax avoidance strategies that exploit gaps and mismatches in tax rules to artificially shift profits to low- or no-tax locations. Singapore is part of the Organisation for Economic Co-operation and Development (OECD)/ Group of Twenty (G20) Inclusive Framework on BEPS that is collaborating to implement measures to tackle tax avoidance, improve the coherence of international tax rules and ensure a more transparent tax environment. We welcome and support the consistent implementation of measures arising from the work of the OECD/ G20 Inclusive Framework on BEPS.

Globally, locations have taken significant steps to address BEPS risks through the implementation of measures introduced by the OECD in its 2015 BEPS Final Reports⁽¹³⁾. We are committed to full compliance with these measures where implemented by locations.

(12)

We comply with the requirements under the United Kingdom Finance Act 2016. The statements presented in the “Approach” section serve as DBS’ Tax Strategy, in compliance with Schedule 19, Part 2, Paragraph 19 of the said Act. These statements are effective for 2020 and 2021.

During 2020, the OECD has continued its work to tackle the tax challenges arising from the digitalisation of the economy, releasing two reports⁽¹⁴⁾ for public consultation, outlining proposed solutions to these tax challenges.

We remain an active participant in these discussions through feedback to the OECD, local tax authorities and various industry forums. If changes are made to the international tax system (e.g. the allocation of taxing rights across locations), these will be far-reaching and may have some impact to DBS' cross-border business activities.

Transfer pricing

Our transfer pricing approach aims to be in compliance with the arm's-length principle and we have established policies and standards which govern transfer pricing between related parties of the DBS Group. Our approach is aligned to the domestic tax laws where we operate and the requirements of the OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations. We also examine our approach in the context of evolving international standards such as the OECD/ G20 Base Erosion and Profit Shifting Project Reports and Action Plans (OECD BEPS).

Initiatives and progress updates

We regularly engage tax authorities based on mutual respect and trust. We aim to be transparent in our tax filings and will provide authorities with sufficient information such that robust conclusions regarding the tax treatment of our activities can be made.

In all locations, we seek opportunities to meet with tax authorities to exchange views and ensure our local business is understood. For example, we participate in the Enhanced Taxpayer Relationship Programme introduced by the Inland Revenue Authority of Singapore to engage with them in a transparent manner and facilitate timely resolution of our tax matters.

Where transactions are significant and require greater certainty, we initiate transparent discussions with tax authorities (e.g. Advance Pricing Agreements) to discuss and achieve upfront agreement. We also engage independent external tax advisors regularly to conduct reviews

ensuring our approach taken is appropriate. In 2020, we continued to pursue bilateral Advance Pricing Agreement with the tax authorities of two locations and conducted independent reviews of selected related party transactions with global accounting firms.

DBS is a regional bank. The tax we pay is a function of where we operate and the applicable tax laws in those locations. In 2020, we contributed SGD 612 million in income taxes. Our effective tax rate includes permitted concessionary tax rates and income not subject to tax for specific banking activities.

Read more in "Geographic profit segmentation" on page 47.

In addition to income taxes, DBS also collected Goods and Services Tax (GST)/ Value-Added Tax (VAT) on behalf of governments across the locations where we operate.

Group (in SGD million)	2020	2019
Profit before tax	5,368	7,583
Income tax expense charged to income statement	612	1,154
Tax as a percentage of profit before tax ⁽¹⁵⁾	11%	15%
Irrecoverable GST/ VAT/ Service Tax	57	53
Payment of GST/ VAT collected from customers ⁽¹⁶⁾	207	239

Read more about the basis for determining the domestic taxes paid in DBS subsidiaries' accounts.

Targets: We support the consistent implementation of OECD BEPS measures, and the contributions of the tax jurisdictions collaborating to implement measures targeted at tackling BEPS. As domestic tax laws and international tax standards continue to evolve, we will continue to fulfil our role as a responsible and compliant taxpayer to pay our fair share of taxes.

(13) See OECD (2015), *Explanatory Statement, OECD/G20 Base Erosion and Profit Shifting Project*, OECD.

(14) See OECD (2020), *Tax Challenges Arising from Digitalisation – Report on Pillar One Blueprint: Inclusive Framework on BEPS*, OECD/G20 Base Erosion and Profit Shifting Project; and OECD (2020), *Tax Challenges Arising from Digitalisation – Report on Pillar Two Blueprint: Inclusive Framework on BEPS*, OECD/G20 Base Erosion and Profit Shifting Project.

(15) Refer to Note 12 of DBS Annual Report 2020 financial statements for reconciliation against Singapore basic tax rate.

(16) Payment of GST/VAT collected from customers excludes any reverse charge output GST/VAT amount. We have restated FY2019 figures to reflect the same.

Pillar 3: Creating Social Impact

N. Social entrepreneurship

Our approach

DBS Foundation (DBSF) adopts a three-pronged approach to advancing the social entrepreneurship agenda.

- **Advocate** – Increasing awareness of social enterprises - businesses for good;
- **Nurture** – Deepening our support of social enterprises through grants and loans, capacity building and opening doors for social enterprises; and
- **Integrate** – Integrating social enterprises into the culture and operations of DBS Bank.

Initiatives and progress updates

Supporting social enterprises through the Covid-19 pandemic

To help social enterprises protect jobs and alleviate cashflow pressures amid these difficult times, DBS made available the collateral-free Social Enterprise Digital Business Loan to all social enterprises registered with the Singapore Centre for Social Enterprise (raiSE) at preferential interest rates. Disbursement of this funding was accelerated to minimise liquidity crunch, where social enterprises can receive up to SGD 200,000 within five days upon accepting their offer letters. We also simplified the loan application process without requiring the submission of financial statements and waiving processing fees, in light of manpower shortages social enterprises faced. In addition, we rolled out a special zero interest loan to social enterprises supported by DBS Foundation.

The DBS Foundation disbursed an additional SGD 550,000 through the inaugural DBS Foundation Business Transformation and Improvement (BTI) Grant. The purpose of the BTI Grant is two-fold: to provide funding support to social enterprises so that they can protect and create jobs, as well as to help them to transform their business. To this end, 14 social enterprises across the region have been able to support 5,200 existing jobs and impact more than 1.3 million beneficiaries and their families.

Apart from providing additional financing, we also supported social enterprises with capacity building and showcased their products and services to help them sustain their business.

"Every alternate year, I confer the President's Challenge Social Enterprise Awards to outstanding Social Enterprises in Singapore for their contributions made to the community. Last year, we introduced a new award category - the 'Social Enterprise Champion' Award – to also recognise partners that have contributed to the sector. The inaugural winner of the award – DBS Bank – champions social entrepreneurship through its Foundation and has been awarding grants to Social Enterprises since 2014. The setting up of the DBS Foundation proves to be an effective way of supporting Social Enterprises in a more structured manner.... I therefore hope more corporate partners will follow the example of DBS Bank, and work closely with Social Enterprises to champion the shared social cause."

- President Halimah Yacob, 23 October 2020

President's Challenge Social Enterprise Networking event

Advocate

DBSF pivoted to virtual platforms and leveraged DBS content marketing channels to bring awareness to businesses with a dual bottom-line of profit and impact to stakeholders including social enterprises, students, government agencies, tertiary institutions and clients.

Embedding purpose in business has become an even bigger imperative so that we emerge from the pandemic stronger together.

The **DBS Portraits of Purpose** platform showcases how DBS has stood by our employees, customers and the community through this difficult period, featuring stories of courage, perseverance, generosity and hope — and of the people who demonstrate what it means to be purpose-driven. We shared stories of social enterprises across all our core markets, leveraging local and international media platforms.



Portraits of Purpose story featured on CNN

The **Sparks Season 2** – Everyday Heroes for a Better World – a mini-series inspired by true stories of social enterprises supported by DBSF, have cumulatively garnered about 276 million views and nearly 10 million digital engagements, across our key markets. These stories help to raise awareness and galvanise action from the public on social and environmental issues.



DBS Sparks mini-series Season 2 Episode 7 was launched in 2020 in the face of a new reality. Titled "A Call to Action", this episode was inspired by all the social enterprises and NGOs that DBS works with to conserve and redistribute food waste.

The **DBS Foundation Social Impact Prize** made its debut as a category in the biennial Lee Kuan Yew Global Business Plan Competition (LKYGBPC), in partnership with the Singapore Management University. The competition reached out to more than 1,800 universities across 63 countries and received 788 applications. StratifiCare, which is developing the world's first Severe Dengue prediction blood test, won the cash prize of SGD 75,000, along with non-financial support from DBS.

DBSF partnered with raiSE in their biennial **FestivalForGood 2020** a month-long worth of festivities. This year, the festival took to a virtual platform to showcase social enterprises and feature a B2B Experience segment where corporates can learn how to include and partner with social enterprise as part of their organisation's sustainability journey.

In Taiwan, DBS continues to strengthen our commitment to the social enterprise ecosystem through **Asia Pacific Social Innovation Summit** (APSIS), Asia's largest social enterprise forum which was in its third consecutive year. APSIS cooperated with Social Enterprise World Forum for the first time and enabled social enterprises and partners to connect and discuss the future development of social innovation online. APSIS attracted a record number of more than 1,500 participants from 35 markets.



Taiwan's Digital Minister Audrey Tang (fourth from left) and DBS Bank Taiwan's General Manager Lim Him Chuan (first from right), attended the opening ceremony of Asia Pacific Social Innovation Summit (APSIS) which aimed to bolster regional cooperation in using innovative commercial strategies and technologies to promote public well-being.

In Indonesia, we launched a second edition of our **social enterprise handbook** – Profit, Untuk Misi Sosial (Profits for Social Missions), to reflect current social entrepreneurship trends and serve as a practical guide for entrepreneurs to understand how to balance between business and impact. Since the launch in September 2020, more than 2,000 copies were downloaded. The first edition – Berani Jadi Wirausaha Sosial (Dare to Become a Social Enterprise), was launched in 2016 and garnered over 400,000 downloads.

Nurture

Social enterprises have faced disruptions in their businesses, impacting lives and livelihoods. We deepened our support for them by providing additional financial support as well as non-financial support for the community. In the last six years, we have nurtured over 640 social enterprises.

The annual DBSF Social Enterprise Grant Programme attracted more than 800 applications from across Asia in 2020. We focused on social enterprises which are scaling up their businesses – businesses with a product market fit that have obtained traction in sales and revenue and have well-defined social impact goals. 13 social enterprises from our key markets were selected to receive grants totalling SGD 1.4 million. These social enterprises address pertinent social challenges in an innovative way, to support marginalised groups with employment, address food waste and loss issues, develop technology to improve accessibility to persons with disabilities, empower women and youths in the rural communities, and improve domestic employment practices.

For the first time, DBSF introduced a new Zero Food Waste category of grants and awarded this to five social enterprises with innovative solutions that contribute to food waste reduction in Asia.

In addition, we leveraged the expertise of the bank and ecosystem partners across our key markets for virtual bootcamps, masterclasses, business incubators and accelerators to equip social enterprises to navigate this challenging year.



China Social Enterprise Bootcamp 2020 supported social enterprises in strategic planning and digital transformation; attracted more than 124,000 views and over 13,000 participants across 10 online classes.

2020 AWARDEE

SOCIAL
ENTERPRISE
GRANT
PROGRAMME

DBS Foundation

SGD1.4M to support 13 social enterprises in scaling up business & impact



5 social enterprises working towards Zero Food Waste

GreenPrice

Retails surplus and short-dated stock at a discounted price to mitigate food waste and provide affordable groceries to consumers

HelperChoice

Provides an ethical recruitment platform that ensures safe and fair working conditions for domestic workers

Shenzhen Link Accessibility

Develops digital platforms and barrier-free IoT devices to improve accessibility for the elderly and users with disabilities

Guangzhou Voibook

Develops a real-time barrier-free communication systems for students with hearing impairments

Tsaitung Agriculture

Connects farms to consumers by using IoT and dynamic algorithms that optimise supply chain, reduce food waste and carbon emissions

Ecozen

Develops Ecofrost - a solar-powered cold storage room that increases the shelf life of agri-produce and reduces food waste and loss

ElderAid

Provides round-the-clock home-based health, wellness and concierge services to the elderly through dedicated caregivers

Ento Industries

Converts organic waste into high-value, quality animal feedstock for the agri industry, effectively repurposing food waste

ZigWay

Empowers low-income households to escape the poverty penalties faced on basic necessity purchases via affordable loan provision on mobile

Kita Hebat

Converts waste into eco-friendly products, empowers and employs the disadvantaged in Medan City

Komerce

Trains village youths in digital literacy and e-commerce to solve youth unemployment

Sense Innovation

Provides eye-tracking assistive technology to the severely disabled, improve their cognitive and communication abilities

PureMilk

Transforms Taiwan's dairy industry using smart technology to produce high-quality dairy products and improve animal welfare knowledge of the public

Visit us at:
go.DBS.com/grantawardees

In the midst of the pandemic, past DBSF grant awardees have continued to pivot, grow, and impact lives through their work.

Market	Social Enterprise	Achievements
Singapore	Agape, Connecting People 2019 Grant Awardee	Started up the training of inmates at Singapore's women's prison to provide them with Workforce Skills Qualifications.
	Reach 52 2019 Grant Awardee	Successfully launched new insurance products for the rural communities in India.
India	Phool 2018 Grant Awardee	Successful fundraising efforts to help them grow their business and support the communities they work with.
	S4S Technologies 2019 Grant Awardee	
	Haqdarshak 2018 Grant Awardee	Launched a new platform to bridge the gap between local businesses looking for government schemes assistance. DBS Bank India partnered with Haqdarshak to help micro businesses build resilience towards economic recovery.
Hong Kong	Boaz International Education 2019 Grant Awardee	Introduced online learning modules to low ability learners in Hong Kong and digitised instructor training programmes so that lessons can be conducted online without disruptions.
Taiwan	Buy Directly From Farmers 2015 Grant Awardee	Launched a new subscription service food box online that would match farmers' supply with customers demand to reduce food waste. They built new capacity for food recycling logistics and expanded cold storage capacity to minimise food loss.

Integrate

We aim to integrate social enterprises into DBS' products and services, through conscious and sustainable procurement, and through employees in skills-based volunteering.

We featured social enterprise products for DBS Card Privileges across our markets to encourage our customers to support social enterprises by consuming purposefully. For example, in Hong Kong, we connected GreenPrice, a social enterprise that seeks to mitigate food waste, to DBS customers via the DBS Omni App. In Taiwan, we launched our inaugural DBS eco-card made of polylactic acid — a bio-based biodegradable polymer that can be produced from renewable resource – and featured social enterprise products as gifts for new customers.

As part of our bank-wide sustainable procurement practices, social enterprises have also been included as suppliers whom we also work closely with on sustainable procurement. To recognise social enterprises that have been valuable suppliers to DBS, the Social Enterprise Supplier of the Year award was introduced at the inaugural DBS Supplier Excellence Awards.



Bettr Barista, the winner of DBS Supplier Excellence Awards 2020 Social Enterprise Supplier of the Year at DBS' booth during the Singapore Fintech Festival.

Our employees rallied together through skills-based volunteering opportunities to help social enterprises solve business challenges through virtual programmes, such as the first Hungry for Change

Ideation Challenge with eight social enterprises and the Done In A Day programme. Many employees bank-wide also shared business expertise in specific areas such as human resource development and fund raising.

With interest around community farming growing amid recent calls to strengthen Singapore's food security networks, we are piloting a small outdoor space at the DBS Asia Hub building in Changi Business Park a community farm located in a bank - dubbed the DBS Food Forest. This was conceptualised in partnership with Edible Garden City, Singapore, a social enterprise supported by DBS Foundation that has developed over 240 food gardens over the past seven years.



Volunteers from DBS Bank working on a rooftop garden managed by Edible Garden City.

Targets: DBSF will expand our efforts in advocating for, nurturing and integrating social enterprises into our culture and operations. We want to increase awareness of social enterprises as businesses of the future with not just a profit but also a social and environmental impact bottom-line.

We will deepen our nurturing of social enterprises and provide stronger support – through the internal and external networks of the bank – for high potential social enterprises to scale their business and impact. We walk the talk by creating new opportunities for social enterprises to be integrated into DBS' products and services and in our employee journeys.

Case study



Homage's Care Professional performing Covid-19 swab test on an elderly person.

Homage, a Singaporean-founded healthcare platform that pairs families with caregivers and offers telehealth for online medical consultations and screenings, was one of the recipients of the DBS Foundation BTI Grant. Homage was selected by the Ministry of Health this year to perform Covid-19 swab testing and related test procedures. With DBS Foundation's grant funding, Homage has since doubled its Covid-19 taskforce to a 400-strong team; and has swabbed and/ or vaccinated 70,000 individuals.

O: Employee volunteerism

Our approach

The People of Purpose (PoP) is DBS' employee volunteer movement that brings [our values](#) to life, engages our employees, and leverages our time and skills to make meaningful contributions to the communities we live and work in. Our volunteering efforts are sustained and focused on three areas – the elderly, education and the environment, across our core markets.

Our commitment is illustrated in the institutionalisation of two volunteer leave-days for our employees. We continue to undertake multiple service-based and skills-based volunteering activities to better connect with communities across our core markets.

In addition to the three focus areas, we expanded our outreach and supported community segments hard-hit by the Covid-19 pandemic. We focused on addressing the issue of food waste and tackle food security, which is an issue of increasing importance, even in a post-pandemic world.

While the pandemic made it a challenge to carry out physical, in-person volunteering with lockdowns and social distancing advisories around the world, DBS took up the challenge and pivoted to a hybrid of virtual and remote volunteering. We continued efforts to engage our employees to make a difference to society especially during this unprecedented time.

The PoP Connect, an internal digital platform, was also put in place to leverage technology to enhance our employees' volunteer journey, to browse and register for a volunteering programme all at the click of a mouse, making the experience seamless for all our markets.

Initiatives and progress updates

Demonstrating our commitment to the community, DBS reached out to 120,000 healthcare workers and more than 60,000 beneficiaries through the provision of care packs, meals and personal protective equipment at the start of the pandemic.

At the height of the pandemic, DBS through the DBS Stronger Together fund committed SGD 10.5 million to provide more than 4.5 million meals, care packs and medical supplies across our core markets. Working together with our local community partners, we also rallied our employees and clients for contributions to meet the needs of hard-hit communities across our key markets. The donations of our clients and employees in Singapore, Hong Kong, China, India and Indonesia were also matched dollar-for-dollar by the bank.

Regular PoP programmes, with a hybrid of online, remote and in-person volunteering with social distancing measures in place were planned with the local community partners and social enterprises in our three focus areas, as well as to meet any Covid-19 related needs. These programmes were customised based on the needs of the community and the unique skillsets of our employees. They were regularly communicated through the PoP Connect platform for our employees to access and register their participation.

Amid the pandemic, our employees continued to volunteer and contributed more than 56,000 hours to serve the community in 2020, through a hybrid of online, remote and in-person volunteering programmes. Of this, 12,000 hours were contributed through skills-based volunteering, a 90% increase from last year.

Targets: We are committed in 2021 to continue serving the needs of the community segments that are hard-hit by the Covid-19 pandemic.

We will continue to promote a culture of employee volunteerism and aim to contribute 100,000 volunteer hours collectively across our six key markets in 2021, a 76% increase over 2020. This will include a combination of online, remote and in-person volunteering. We will deepen our focus on online volunteering, and, skills-based volunteering where employees share their corporate learnings and experiences to solve business challenges commonly faced by social enterprises and our community partners.

We will continue to deepen and expand collaboration with community partners and social enterprises to drive greater positive change in the communities. In the long term, we hope to make volunteerism an intrinsic part of our work culture and better align to being purpose-driven which is at the core of how we run our business.

CASE STUDY

Singapore

Coming together with our employees and clients to support hard-hit communities

The pandemic has exacerbated the need for food and daily essentials among hard-hit communities in Singapore. Together with our employees and customers, and matched donation from the bank, over SGD 3.5 million were raised to distribute more than 750,000 meals to the elderly, low-income and migrant worker communities, through our partners The Food Bank Singapore and ItsRainingRaincoats.

Through this initiative, we have funded 33 of our F&B clients – as part of our support for this sector – to provide 200,000 meals for the elderly and low-income communities.

China

Alleviating food and job security issues

The pandemic lockdown has resulted in unforeseen circumstances for senior citizens, especially those living alone or facing financial difficulties. The temporary closure of factories and workplaces further impacted low-income migrant workers and raised concerns over job security and access to daily necessities and groceries.

To alleviate this, we have partnered Non-Profit Incubator, Green Food Bank and others to launch a "Food for Care" programme and provided about 1.2 million meals to affected communities. About 12,000 low-income individuals also received support including personal hygiene kits. More than 400 volunteers contributed 1,600 volunteering hours to pack and deliver food and personal protective equipment to those in need.

Taiwan

Providing food packs for isolated seniors

While the pandemic is comparatively well controlled in Taiwan, seniors living alone in more rural areas have less access to food and groceries as they were unable to receive group meals provided by NPOs/ NGOs at community centres. The food delivery system has also been severely affected by the pandemic.

We donated 45,000 food packs, containing staples and sanitising bottles sourced from social enterprises, to those in need.

Tackling social isolation among seniors

DBS and Lions Befrienders joined hands to roll out Singapore's largest ever virtual befriending volunteer initiative with 1,900 employees engaging 1,300 senior beneficiaries in 2020 through virtual conversations, simple home gardening projects, as well as online exercises and games.

This initiative, coupled with our sponsorship of 40 tablets across Lion Befrienders centres, paved the way for the future of volunteerism by allowing seniors to remain connected to the community despite the need for social distancing during the pandemic.

01



Boosting national healthcare efforts

Test kits, protective gear for healthcare workers are in short supply in India, along with critical facilities and equipment.

We partnered UNICEF, United Way, Metropolis Labs and others to scale up public health infrastructure, provide medical supplies and equipment, and sponsor free testing for the underprivileged.

We also provided the equivalent of 2 million meals, in the form of food supplies and pre-packaged meals, to communities affected by the pandemic, in partnership with organisations such as Pratham, Akshaya Patra and United Way.

India

Coming together to address challenges of Covid-19

We conducted our first ever all virtual hackathon - Hack2Help over a weekend in April 2020.

Hack2Help was organised with the intention to engage the developer community to come up with innovative technology solutions addressing the challenges of Covid-19.

The 30-hour online event was joined by close to 100 attendees including participants, judging panels and volunteers. Teams came up with a plethora of digital solutions around contact tracing, social distancing, pandemic information, health & wellness, and education & learning.

Hong Kong

Reinventing volunteerism to fight the pandemic

The pandemic did not stop DBS Hong Kong from giving back. We have mobilised our volunteering actions in digital and creative ways.

02



Showing care for the community

To help the elderly and at-risk groups, including low-income families, we worked with local charities Senior Citizen Home Safety Association and Foodlink Foundation, and social enterprise Agent of Change, to provide more than 30,000 care packs and 20,000 food packs.

Our resources also enabled the Senior Citizen Home Safety Association to increase its Care-on-Call services by more than 20,000 service sessions, to better address the emotional and physical well-being of the elderly, who may face greater isolation or mobility challenges amid the outbreak.

03



Addressing essential needs on the ground

The Covid-19 pandemic also hit the nation's economy. Those badly impacted by the economic downturn include wage workers and laborers in the formal and informal sectors. These daily wage workers and laborers have lost their jobs or income due to being placed on furlough. The negative impact of the pandemic upon the workers has motivated us to lend our support.

We partnered with FoodBank of Indonesia and Konfederasi Serikat Buruh Seluruh Indonesia (one of the biggest labor confederation in Indonesia), to provide about 275,000 meals to 11,500 daily wage workers in Jakarta and its surrounding areas, as well as West Java. To help address the shortage of Covid-19 test kits in Indonesia, we also donated 100,000 units of a rapid test kit, polymerase chain reaction machines and other medical supplies to the Government of Indonesia.

Indonesia

Producing masks to support the community

To reduce the spread of Covid-19 infection, the wearing of masks was made mandatory in Indonesia. However, many Indonesians lacked the understanding of the importance of these health protocols.

To address the demand for reusable masks for the underprivileged, 852 employees from the DBS Risk Management Group in Indonesia worked together to sew 4,260 cloth masks. Together with the donations from the DBS Indonesia employees, 2,200 of the masks were distributed through our partner FoodBank of Indonesia to provide for the needy on the street, while the rest were distributed directly by our volunteers to other neighbouring areas.

Geographic profit segmentation

Taxes were lower due to deductions for allowances and a higher proportion of income that incurred a lower tax rate

Group (in SGD million)	2020⁽¹⁾	2019	2018
Profit before tax	5,368	7,583	6,659
Singapore	3,681	5,323	4,413
Hong Kong	1,143	1,718	1,612
Rest of Greater China ⁽²⁾	192	269	351
South and Southeast Asia ⁽³⁾	147	10	36
Rest of the World ⁽⁴⁾	205	263	247
Income tax expense charged to income statement	612	1,154	1,006
Tax as a percentage of profit before tax	11%	15%	15%

(1) Extracted from Note 45.2 of DBS Annual Report 2020 financial statement.

(2) Rest of Greater China includes Mainland China and Taiwan.

(3) South and Southeast Asia includes India, Indonesia, Malaysia, Vietnam, Thailand, Myanmar, and the Philippines.

(4) Rest of the World includes Australia, South Korea, Japan, Dubai, United States of America, and United Kingdom.

Information on employees

Table 1. Total number of employees by contract type and gender

Type of contract	2020			2019			2018		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Permanent of which:	14,355	13,371	27,726	14,356	13,009	27,365	13,828	11,772	25,600
Full time	14,271	13,367	27,638	14,276	13,006	27,282	13,747	11,768	25,515
Part time	84	4	88	80	3	83	81	4	85
Contract/Temporary⁽¹⁾	647	775	1,422	458	703	1,161	482	775	1,257
Total	15,002	14,146	29,148	14,814	13,712	28,526	14,310	12,547	26,857

Table 2. Total number of employees by geography and gender

Geography	2020			2019			2018		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Singapore	6,811	5,592	12,403	6,764	5,340	12,104	6,649	5,044	11,693
Hong Kong	2,369	2,204	4,573	2,466	2,262	4,728	2,383	2,244	4,627
Rest of Greater China ⁽²⁾	2,755	1,335	4,090	2,881	1,376	4,257	2,948	1,432	4,380
South and Southeast Asia ⁽³⁾	2,923	4,829	7,752	2,573	4,545	7,118	2,205	3,650	5,855
Rest of the World ⁽⁴⁾	144	186	330	130	189	319	125	177	302
Total	15,002	14,146	29,148	14,814	13,712	28,526	14,310	12,547	26,857

Table 3. Total number of employees by geography and contract type

Geography	2020			2019			2018		
	Permanent	Contract/ Temporary	Total	Permanent	Contract/ Temporary	Total	Permanent	Contract/ Temporary	Total
Singapore	12,289	114	12,403	12,003	101	12,104	11,567	126	11,693
Hong Kong	4,517	56	4,573	4,630	98	4,728	4,479	148	4,627
Rest of Greater China ⁽²⁾	4,048	42	4,090	4,216	41	4,257	4,276	104	4,380
South and Southeast Asia ⁽³⁾	6,559	1,193	7,752	6,212	906	7,118	4,989	866	5,855
Rest of the World ⁽⁴⁾	313	17	330	304	15	319	289	13	302
Total	27,726	1,422	29,148	27,365	1,161	28,526	25,600	1,257	26,857

(1) Headcount on DBS' payroll.

(2) Rest of Greater China includes Mainland China and Taiwan.

(3) South and Southeast Asia includes India, Indonesia, Malaysia, Vietnam, Thailand, Myanmar and Philippines.

(4) Rest of the World includes Australia, South Korea, Japan, Dubai, United States of America and United Kingdom.

Table 4. Total number and rates of new employee hires and voluntary attrition by age group, gender and geography

2020						
	Headcount	Work force mix	No. of new hires ⁽⁵⁾	New hire rate ⁽⁶⁾	No. of voluntary attrition	Voluntary attrition rate ⁽⁷⁾
By age group (x = age)						
x <= 30	6,832	23%	2,029	30%	862	13%
30 < x < 50	19,116	66%	1,934	10%	1,195	7%
x >= 50	3,200	11%	86	3%	70	2%
By gender						
Female	15,002	51%	1,736	12%	1,001	7%
Male	14,146	49%	2,313	16%	1,126	9%
By geography						
Singapore	12,403	43%	1,344 ⁽⁸⁾	11%	763	6%
Hong Kong	4,573	16%	369	8%	369	8%
Rest of Greater China ⁽²⁾	4,090	14%	571	14%	466	11%
South and Southeast Asia ⁽³⁾	7,752	26%	1,729	22%	518	8%
Rest of the World ⁽⁴⁾	330	1%	36	11%	11	4%
Total	29,148	100%	4,049	14%	2,127	8%
2019						
	Headcount	Work force mix	No. of new hires ⁽⁵⁾	New hire rate ⁽⁶⁾	No. of voluntary attrition	Voluntary attrition rate ⁽⁷⁾
By age group (x = age)						
x <= 30	7,343	26%	3,357	46%	1,307	20%
30 < x < 50	18,254	64%	3,001	16%	1,907	11%
x >= 50	2,929	10%	149	5%	142	5%
By gender						
Female	14,814	52%	2,778	19%	1,618	12%
Male	13,712	48%	3,729	27%	1,738	14%
By geography						
Singapore	12,104	42%	1,904	16%	1,230	10%
Hong Kong	4,728	17%	1,062	22%	716	16%
Rest of Greater China ⁽²⁾	4,257	15%	979	23%	673	16%
South and Southeast Asia ⁽³⁾	7,118	25%	2,499	35%	705	13%
Rest of the World ⁽⁴⁾	319	1%	63	20%	32	11%
Total	28,526	100%	6,507	23%	3,356	13%
2018						
	Headcount	Work force mix	No. of new hires ⁽⁵⁾	New hire rate ⁽⁶⁾	No. of voluntary attrition	Voluntary attrition rate ⁽⁷⁾
By age group (x = age)						
x <= 30	6,889	26%	3,677	53%	1,366	22%
30 < x < 50	17,280	64%	3,881	22%	2,144	13%
x >= 50	2,688	10%	170	6%	141	6%
By gender						
Female	14,310	53%	3,678	26%	1,923	14%
Male	12,547	47%	4,050	32%	1,728	15%
By geography						
Singapore	11,693	44%	2,308	20%	1,323	12%
Hong Kong	4,627	17%	1,165	25%	819	19%
Rest of Greater China ⁽²⁾	4,380	16%	1,383	32%	687	16%
South and Southeast Asia ⁽³⁾	5,855	22%	2,799	48%	794	17%
Rest of the World ⁽⁴⁾	302	1%	73	24%	28	10%
Total	26,857	100%	7,728	29%	3,651	15%

Footnotes for tables above are addressed in the next page.

Table 5. Breakdown of employees by employee category according to gender and age group

	2020	Analyst to VP	Senior Officer and Below ⁽⁹⁾	Total
Headcount ⁽¹⁰⁾	2,653	20,767	5,728	29,148
By gender				
Female	40%	50%	62%	51%
Male	60%	50%	38%	49%
By age group (x = age)				
x <= 30	0%	22%	40%	23%
30 < x < 50	74%	69%	50%	66%
x >= 50	26%	9%	10%	11%
	2019			
Headcount ⁽¹⁰⁾	2,405	20,187	5,934	28,526
By gender				
Female	40%	50%	63%	52%
Male	60%	50%	37%	48%
By age group (x = age)				
x <= 30	0%	24%	42%	26%
30 < x < 50	75%	67%	49%	64%
x >= 50	25%	9%	9%	10%
	2018			
Headcount ⁽¹⁰⁾	2,076	18,559	6,222	26,857
By gender				
Female	40%	51%	63%	53%
Male	60%	49%	37%	47%
By age group (x = age)				
x <= 30	0%	24%	41%	26%
30 < x < 50	70%	66%	49%	63%
x >= 50	30%	10%	10%	11%

(5) Headcount and new hires include permanent, contract and temporary employees, and excludes agency employees.

(6) New hire rate is computed based on number of new hires divided by headcount at the end of the year.

(7) Voluntary attrition rate is computed based on number of voluntary attrition divided by monthly average headcount for permanent employees only.

(8) Not inclusive of 609 hires from government-supported programmes such as SGUnited Traineeship, SGUnited Mid-Career Pathway and Technology in Financial Immersion Programme.

(9) Includes all contract and temporary employees.

(10) Headcount and new hires include permanent, contract and temporary employees, and excludes agency employees and includes Singapore, Hong Kong, Rest of Greater China, South and Southeast Asia and Rest of the World.

Information on environmental footprint

	2020 ⁽¹⁾						
	Singapore	Hong Kong	China	Taiwan	India	Indonesia	Total ⁽²⁾
Energy							
Total energy consumption (MWh) ⁽³⁾	58,987	10,216	4,116	7,678	6,419	11,091	98,507
(a) From non-renewables (MWh)	58,516	10,216	4,116	7,609	6,411	11,053	97,921
(b) From renewable production (MWh)	471	0	0	69	8	38	586
Purchased Renewable Energy Certificates (MWh)	5,694	10,919	3,581	0	0	0	20,194
Emissions							
Total emissions (tCO ₂ e) ^(4,5)	25,058	7,484	2,594	3,874	6,660	9,054	54,724
(a) Scope 1 emissions (tCO ₂ e) ⁽⁶⁾	299	236	83	1	95	278	992
(b) Scope 2 emissions (tCO ₂ e) ⁽⁷⁾							
i. Gross (location-based)	16,648	6,367	2,280	3,488	5,163	6,778	40,724
ii. Net (market-based)	14,322	0	0	3,488	5,163	6,778	29,751
(c) Scope 3 emissions (tCO ₂ e) ⁽⁸⁾	8,111	881	231	385	1,402	1,998	13,008
Emission intensity by revenue (tCO ₂ e/SGD million) ⁽⁹⁾	2.68	2.95	4.63	7.39	17.71	13.84	8.20
Water							
Total water consumption (m ³) ⁽¹⁰⁾	46,337	8,124	6,556	45,959	20,285	47,635	174,896
Municipal water consumption from water stressed regions (m ³) ⁽¹¹⁾	0	0	3,968	0	19,033	3,318	26,319
Municipal water consumption from non-water stressed regions (m ³)	46,337	8,124	2,588	45,959	1,252	34,844	139,104
Well water consumption from water stressed regions (m ³) ⁽¹⁰⁾	0	0	0	0	0	615	615
Well water consumption from non-water stressed regions (m ³)	0	0	0	0	0	8,859	8,859

(1) In 2020, we expanded our data collection and closed many different data gaps, hence the additional parameters collected in 2020 were not available in the previous years. As such, we do not provide comparative figures for 2019.

(2) Our six key markets constitute over 96% of our total physical space; other geographical locations are excluded in this assessment.

(3) Energy consumption is defined as purchased electricity, purchased chilled water cooling to buildings and outsourced data centres, and combusted energy on site in India. Some datapoints are not included as they were unavailable; they include chilled water provided by landlords in China, electricity for AHUs in sub-branches in China, and primary data centres in China and Hong Kong.

(4) Follows the requirements of GHG Protocol Corporate Standard and GHG Corporate Value Chain Standard, and uses operational control to consolidate GHG emissions.

(5) We reported Scope 2 emissions in accordance with the location-based approach. Under the market-based approach, our Scope 2 emissions were reduced from purchased RECs from different sources. One source was a Singapore-based solar project, and the other was a China/Hong Kong-based wind project.

(6) Scope 1 emissions include direct carbon emissions from backup diesel generators, KPG from kitchens, and fugitive emissions from fire retardants and refrigerants including FM200, SF6, R-410a, R-22, R-134a, R132, and NOVEC-1230 - all converted to CO₂ equivalent.

(7) Scope 2 emissions include purchased electricity and purchased chilled water energy - both converted using efficiencies from the central chilled water suppliers - and energy for cooling offices and branches. They are converted to CO₂ equivalent using the following guidelines: NEA GHG Emissions Measurement and Reporting Guidelines 2018, IEA Energy Statistics Manual, IGES_Grid_EF2019 OMEF for India Grid, Singapore Energy Statistics OMEF 2019 Bureau of Energy Ministry of Economic Affairs, GHG Protocol GWP 2016, ACP.Copernicus 2018, and GOV.UK. Some datapoints are not included as they were unavailable; they include chilled water provided by landlords in China, electricity for AHUs in sub-branches in China, and primary data centres in China and Hong Kong.

(8) Scope 3 emissions include outsourced shuttle bus travel, inter-office mail transport for Singapore, employee air travel as arranged by American Express travel agency and Egencia (December 2020 only), and energy used in outsourced data centres. It does not include leased vehicle and executive fleets including executive fleets in key markets.

(9) Carbon emission intensity is reported as tCO₂e/ SGD million in revenue. The numerator includes Scope 1, Scope 2, Scope 3 emissions defined above. The denominator are revenue figures.

(10) All water consumption reported is considered freshwater according to GRI 303.

(11) Water stress was assessed using WRI.org tool 'aqueduct water risk atlas' where "stressed" is defined as ">40% at risk".

	2020 ⁽¹⁾						
	Singapore	Hong Kong	China	Taiwan	India	Indonesia	Total ⁽²⁾
Waste							
Total waste generated (tonnes)	524.9	197.3	62.9	103.9	24.8	63.4	977.2
(a) Total composted (tonnes)	0.6	0	35.0	0	1.4	1.8	38.8
(b) Total recycled (tonnes)	115.0	75.0	11.7	55.4	7.3	23.1	287.5
(c) Total incinerated (tonnes)	409.3	0	0	48.5	0	18.9	476.7
(d) Total landfilled (tonnes)	0	122.3	16.2	0	16.1	19.6	174.2

	2020						2019							
	Singapore	Hong Kong	China	Taiwan	India	Indonesia	Total	Singapore	Hong Kong	China	Taiwan	India	Indonesia	Total
Materials														
Printing paper use (tonnes) ⁽¹²⁾	166.4	112.2	30.8	45.9	11.9	20.3	387.5	246.3	136.2	40.7	58.2	18.5	33.2	533.1
(a) Percentage from renewable sources ⁽¹³⁾	100	100	100	100	3	0	91.8	100	100	100	100	17	0	90.9
Bottled water use (tonnes) ⁽¹⁴⁾	0.20	0	0.19	0.05	0.08	0	0.52	1.44	0.59	0.39	0.01	0.12	0	2.55
(a) Percentage from renewable sources	0	0	0	0	0	0	0	0	0	0	0	0	0	0

(12) Printing paper includes A3, A4 and A5 paper used in our offices and branches.

(13) Sustainable paper refers to more environmentally friendly paper types with certifications such as Forest Stewardship Council (FSC), Programme for the Endorsement of Forest Certification (PEFC) or equivalent.

(14) Bottled water refers to plastics bottled water purchased by DBS, either DBS branded or other brands, used in our operations, or for our customers. All bottled water used are from non-renewable sources.

10 Principles of UN Global Compact

Principles		Report section	Report page
Human Rights			
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights	Responsible financing	Page 17
Principle 2	Make sure that they are not complicit in human rights abuses	Sustainable procurement	Page 35
Labour			
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	GRI Content Index	Page 55
Principle 4	Elimination of all forms of forced and compulsory labour	Responsible financing	Page 17
Principle 5	Effective abolition of child labour	Sustainable procurement	Page 35
Principle 6	Elimination of discrimination in respect of employment and occupation	Diversity and equal opportunity	Page 34
Environment			
Principle 7	Businesses should support a precautionary approach to environmental challenges	Managing climate risks	Page 22
Principle 8	Undertake initiatives to promote greater environmental responsibility	Sustainable procurement	Page 35
Principle 9	Encourage the development and diffusion of environmentally friendly technologies	Managing our environmental footprint	Page 37
Anti-corruption			
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery	Preventing financial crime	Page 29

Mapping to GRI Standards

No.	ESG matters	Coverage	GRI Titles/ Aspects	Topic boundaries
Pillar 1: Responsible banking				
1	Responsible financing	<ul style="list-style-type: none"> • ESG risk assessment 	<ul style="list-style-type: none"> • Human rights assessment • Product portfolio (Financial Services Sector Disclosure) 	<ul style="list-style-type: none"> • Customers • Shareholders • Society
2	Managing climate risk	<ul style="list-style-type: none"> • Low-carbon transition • Task Force on Climate-related Financial Disclosures (TCFD) 	• Emissions	<ul style="list-style-type: none"> • Employees • Customers • Society
3	Financial inclusion	<ul style="list-style-type: none"> • Sustainable development • Access to financial services 	<ul style="list-style-type: none"> • Indirect economy impacts • Product and service labelling (Financial Services Sector Disclosure) • Local communities (Financial Services Sector Disclosure) 	<ul style="list-style-type: none"> • Customers • Employees • Society
4	Fair dealing	<ul style="list-style-type: none"> • Product suitability • Grievance management 	<ul style="list-style-type: none"> • Marketing and labelling • Product and service labelling (Financial Services Sector Disclosure) 	<ul style="list-style-type: none"> • Customers • Employees • Regulators and policy makers • Shareholders • Society
5	Cyber security	<ul style="list-style-type: none"> • Cyber security • Regulatory compliance 	• Customer privacy	<ul style="list-style-type: none"> • Customers • Employees
6	Data governance and privacy	<ul style="list-style-type: none"> • Responsible use and protection of data • Regulatory compliance 		<ul style="list-style-type: none"> • Regulators and policy makers • Shareholders
7	Preventing financial crime	<ul style="list-style-type: none"> • Anti-money laundering • Countering the financing of terrorism • Fraud • Anti-bribery and corruption • Regulatory compliance 	• Anti-corruption	<ul style="list-style-type: none"> • Customers • Employees • Regulators and policy makers • Shareholders • Society
Pillar 2: Responsible business practices				
8	Talent management and retention	<ul style="list-style-type: none"> • Talent development • Training 	<ul style="list-style-type: none"> • Employment • Training and education 	• Employees
9	Diversity and equal opportunity	<ul style="list-style-type: none"> • Anti-discrimination • Diversity 	• Diversity and equal opportunity	• Employees
10	Workplace well-being	<ul style="list-style-type: none"> • Medical coverage • Mental health • Workplace health and safety 	• Occupational health and safety	• Employees
11	Sustainable procurement	<ul style="list-style-type: none"> • Supplier assessments • Sustainable sourcing principles 	<ul style="list-style-type: none"> • Supplier environmental standard • Supplier social assessment • Human rights assessment 	• Society
12	Managing our environmental footprint	<ul style="list-style-type: none"> • Energy consumption • Water consumption • Carbon emissions • Recycling 	<ul style="list-style-type: none"> • Energy • Water • Emissions • Effluents and waste 	<ul style="list-style-type: none"> • Employees • Society
13	Responsible tax management	• Regulatory compliance	• Economic performance	<ul style="list-style-type: none"> • Regulators and policy makers • Shareholders • Society
Pillar 3: Creating social impact				
14	Social entrepreneurship	• Support for social enterprises	<ul style="list-style-type: none"> • Indirect economic Impacts • Local communities 	<ul style="list-style-type: none"> • Employees • Society
15	Employee volunteerism	• Volunteerism	<ul style="list-style-type: none"> • Local communities • Product and service labelling (Financial Services Sector Disclosure) 	<ul style="list-style-type: none"> • Employees • Society

GRI Content Index

The content of this report follows the GRI Standards Reporting principles.

- Principle 1 - Stakeholder Inclusiveness**

We identify key stakeholders, engage them and respond to the key topics and feedback received

- Principle 2 - Sustainability Context**

We measure and track our performance in the wider context of sustainability

- Principle 3 - Materiality**

We focus on matters that are equally of importance to the society and impact our financial standing and operational performance

- Principle 4 - Completeness**

We evaluate the scope and depth of coverage of material that reflect significant ESG impact, and to enable stakeholders to assess our performance in the reporting period

GRI Standards	Disclosure requirements	Response & Reference	External assurance
General Disclosures			
GRI 102: General Disclosures 2016			
102-1	Name of this organisation	DBS Group Holdings Ltd	
102-2	Activities, brands, products and services	Who we are, Annual report page 3	
102-3	Location of headquarters	Back cover, page 73	
102-4	Location of operations	Who we are, Annual report page 3	
102-5	Ownership and legal form	Public limited company listed on the Singapore Exchange	
102-6	Markets served	International presence, Annual report page 199	
102-7	Scale of the organisation	Financial statements, Annual report page 105	
102-8	Information on employees and other workers	Information on employees, page 48	✓
102-9	Supply chain	Sustainable procurement, page 36	✓
102-10	Significant changes to the organisation and its supply chain	With effect from 27 November 2020, Lakshmi Vilas Bank (LVB) was amalgamated with DBS Bank India Limited. Refer to Note 25 in the Annual report, page 147, for more details. There were no other significant changes to our organisational profile and supply chain during the reporting period.	
102-11	Precautionary Principle or approach	We do not explicitly refer to the precautionary approach or principle in our risk management framework.	
102-12	External Initiatives	Commitments and memberships, page 68	
102-13	Membership of associations	Commitments and memberships, page 68 Key memberships include Institute of International Finance and the Association of Banks in Singapore.	
102-14	Statement from senior decision-maker	CEO message, page 3	
102-16	Values, principles, standards and norms of behaviour	DBS Code of Conduct, Annual report page 59	
102-18	Governance Structure	Corporate governance, Annual report page 44	
102-40	List of stakeholder groups	Stakeholder engagement, page 10	
102-41	Collective bargaining agreements	Our house union in Singapore, the DBS Staff Union, is an affiliate of the National Trades Union Congress (NTUC). As at 31 December 2020, 1,100 of our employees are eligible for collective bargaining under the Memorandum of Understanding between DBS and DBS Staff Union. We do not have unions in other markets. In addition, no employees who are officers and below in DBS Vickers are eligible for collective bargaining under the Collective Agreement between DBS Vickers and The Singapore Manual and Mercantile Workers' Union.	✓

GRI Standards	Disclosure requirements	Response & Reference	External assurance
General Disclosures			
GRI 102: General Disclosures 2016			
102-42	Identifying and selecting stakeholders	Stakeholder engagement, page 10	
102-43	Approach to stakeholder engagement		
102-44	Key topics and concerns raised		
102-45	Entities included in consolidated financial statements	Subsidiaries and consolidated structured entities, Annual report page 145 Associates, Annual report page 146	
102-46	Defining report content and topic boundaries	Mapping to GRI Standards, page 55	
102-47	List of GRI topics	Mapping to GRI Standards, page 55	
102-48	Restatements of information	Responsible financing, page 17 Managing our environmental footprint, page 38	
102-49	Changes in reporting	Material ESG matters, page 9	
102-50	Reporting period	Coverage, page 1	
102-51	Date of most recent report	31 December 2020	
102-52	Reporting cycle	Annual	
102-53	Contact point for questions regarding the report	Feedback, page 1	
102-54	Claims of reporting in accordance with the GRI Standards	About this report, page 1	
102-55	GRI content index	GRI Content Index, page 56	
102-56	External assurance	Independent limited assurance report, page 70	
Material Topics			
Economic Performance			
GRI 103: Management Approach 2016/ GRI 201: Economic Performance 2016			
103-1	Explanation of material topic and its boundary	CFO statement, Annual report page 20	
103-2	The management approach and its components	How we create value, Annual report page 66	
103-3	Evaluation of the management approach	How we distribute value created, Annual report page 70	
201-1	Direct economic value generated and distributed	Responsible tax management, page 40 Geographic profit segmentation, page 47	✓
Indirect Economic Impact			
GRI 103: Management Approach 2016/ GRI 203: Indirect Economic Impact 2016			
103-1	Explanation of material topic and its boundary	Financial inclusion, page 24	
103-2	The management approach and its components	Social entrepreneurship, page 41	
103-3	Evaluation of the management approach		
203-2	Significant indirect economic impact		
Anti-Corruption			
GRI 103: Management Approach 2016/ GRI 205: Anti-Corruption 2016			
103-1	Explanation of material topic and its boundary	Preventing financial crime, page 29	
103-2	The management approach and its components	We do not report the total number and percentage of governance body members that our anti-corruption policies and procedures have been communicated to, or who have received training on anti-corruption. Whilst our anti-corruption policies and procedures and training programs are not specifically provided to Board members on a formal basis, our Board members are kept abreast of any key development and information necessary for their effective discharge of governance duties. This spans from significant business outlook to emerging risk themes, including and not limited to anti-bribery and corruption matters.	
103-3	Evaluation of the management approach		
205-2	Communication and training about anti-corruption policies and procedures		
205-3	Confirmed incidents of corruption and actions taken		✓

GRI Standards	Disclosure requirements	Response & Reference	External assurance
Tax Transparency			
GRI 103: Management Approach 2016/ GRI 207: Tax 2019			
103-1	Explanation of material topic and its boundary	Responsible tax management, page 40	
103-2	The management approach and its components		
103-3	Evaluation of the management approach		
207-1	Approach to tax		
207-2	Tax governance, control and risk management		
207-3	Stakeholder engagement and management of concerns related to tax		
207-4	Country-by-country reporting	In accordance with the GRI 207-4 requirements, information is being prepared and will be published from FY2021.	
Materials			
GRI 103: Management Approach 2016/ GRI 301: Materials 2016			
103-1	Explanation of material topic and its boundary	Sustainable procurement, page 36	
103-2	The management approach and its components		
103-3	Evaluation of the management approach		
301-1	Materials used by weight or volume	Information on our environmental footprint, page 52	✓
Energy			
GRI 103: Management Approach 2016/ GRI 302: Energy 2016			
103-1	Explanation of material topic and its boundary	Managing our environmental footprint, page 38	
103-2	The management approach and its components		
103-3	Evaluation of the management approach		
302-1	Energy consumption within the organization	Information on our environmental footprint, page 52	✓
302-4	Reduction of energy consumption		
Water & Effluents			
GRI 103: Management Approach 2016/ GRI 303: Water and Effluents 2018			
103-1	Explanation of material topic and its boundary	Managing our environmental footprint, page 38	
103-2	The management approach and its components		
103-3	Evaluation of the management approach		
303-3	Water withdrawal	Information on our environmental footprint, page 52	✓
Emissions			
GRI 103: Management Approach 2016/ GRI 305: Emissions 2016			
103-1	Explanation of material topic and its boundary	Managing climate risks, page 22	
103-2	The management approach and its components	Managing our environmental footprint, page 38	
103-3	Evaluation of the management approach		
305-1	Direct (Scope 1) GHG Emissions	Information on our environmental footprint, page 52	✓
305-2	Energy indirect (Scope 2) GHG emissions		✓
305-3	Other indirect (Scope 3) GHG emissions		✓
Effluents & Waste			
GRI 103: Management Approach 2016/ GRI 306: Effluents and Waste			
103-1	Explanation of material topic and its boundary	Managing our environmental footprint, page 38	
103-2	The management approach and its components		
103-3	Evaluation of the management approach		
306-2	Waste by type and disposal method	Information on our environmental footprint, page 52	✓

GRI Standards	Disclosure requirements	Response & Reference	External assurance
Supplier Environmental Standard			
GRI 103: Management Approach 2016 / GRI 308: Supplier Environmental Standard 2016			
103-1	Explanation of material topic and its boundary	Sustainable procurement, page 36	
103-2	The management approach and its components		
103-3	Evaluation of the management approach		
308-1	New suppliers that were screened using environmental criteria		√
308-2	Negative environmental impacts in the supply chain and actions taken		
Employment			
GRI 103: Management Approach 2016 / GRI 401: Employment 2016			
103-1	Explanation of material topic and its boundary	Talent management and retention, page 33	
103-2	The management approach and its components		
103-3	Evaluation of the management approach		
401-1	New employee hires and employee turnover	Information on employees, page 49	√
Occupational Health & Safety			
GRI 103: Management Approach 2016 / GRI 403: Occupational Health and Safety 2018			
103-1	Explanation of material topic and its boundary	Workplace well-being, page 35	
103-2	The management approach and its components		
103-3	Evaluation of the management approach		
403-6	Promotion of worker health		
Training & Education			
GRI 103: Management Approach 2016/ GRI 404: Training and Education			
103-1	Explanation of material topic and its boundary	Talent management and retention, page 33	
103-2	The management approach and its components		
103-3	Evaluation of the management approach		
404-1	Average hours of training per year per employee		√
404-2	Programs for upgrading employee skills and transition assistance programs		
404-3	Percentage of employees receiving regular performance and career development reviews		√
Diversity & Equal Opportunity			
GRI 103: Management Approach 2016/ GRI 405: Diversity and Equal Opportunity 2016			
103-1	Explanation of material topic and its boundary	Diversity and equal opportunity, page 35	
103-2	The management approach and its components	Our Board of Directors comprise of 8 males and 3 females, all of whom are above 50 years of age. For more details, refer to Board of Directors, Annual Report page 4.	
103-3	Evaluation of the management approach		
405-1	Diversity of governance bodies and employees		√
405-2	Ratio of basic salary and remuneration of women to men		√

GRI Standards	Disclosure requirements	Response & Reference	External assurance
Human Rights Assessment			
GRI 103: Management Approach 2016/ GRI 412: Human Rights Assessment 2016			
103-1	Explanation of material topic and its boundary	Responsible financing, page 17	
103-2	The management approach and its components	Sustainable procurement, page 36	
103-3	Evaluation of the management approach		
412-1	Operations that have been subject to human rights reviews or impact assessments		
Local Communities			
GRI 103: Management Approach 2016/ GRI 413: Local Communities 2016			
103-1	Explanation of material topic and its boundary	Social entrepreneurship, page 41	
103-2	The management approach and its components	Employee volunteerism, page 44	
103-3	Evaluation of the management approach		
413-1	Operations with local community engagement, impact assessments, and development programs		
GRI G4 Financial Sector Disclosures			
FS14	Initiatives to improve access to financial services for disadvantaged people	Financial inclusion, page 24	
Supplier Social Assessment			
GRI 103: Management Approach 2016/ GRI 414: Supplier Social Assessment 2016			
103-1	Explanation of material topic and its boundary	Sustainable procurement, page 35	
103-2	The management approach and its components		
103-3	Evaluation of the management approach		
414-1	New suppliers that were screened using social criteria		✓
414-2	Negative social impacts in the supply chain and actions taken		
Public Policy			
GRI 103: Management Approach 2016/ GRI 415: Public Policy 2016			
103-1	Explanation of material topic and its boundary	Preventing financial crime, page 29	
103-2	The management approach and its components		
103-3	Evaluation of the management approach		
415-1	Political contributions		
Marketing & Labelling			
GRI 103: Management Approach 2016/ GRI 417: Marketing and Labelling 2016			
103-1	Explanation of material topic and its boundary	Fair dealing, page 26	
103-2	The management approach and its components		
103-3	Evaluation of the management approach		
417-2	Incidents of non-compliance concerning product and service information and labelling		
GRI G4 Financial Sector Disclosures			
FS15	Policies for fair design and sale of financial products and services	Fair dealing, page 26	
FS16	Initiatives to enhance financial literacy by type of beneficiary	Financial inclusion, page 24 Employee volunteerism, page 44	

GRI Standards	Disclosure requirements	Response & Reference	External assurance
Customer Privacy			
GRI 103: Management Approach 2016/ GRI 417: Customer Privacy 2016			
103-1	Explanation of material topic and its boundary	Cyber security, page 26	
103-2	The management approach and its components	Data governance and privacy, page 27	
103-3	Evaluation of the management approach		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data		
Socioeconomic Compliance			
GRI 103: Management Approach 2016/ GRI 419: Socioeconomic Compliance			
103-1	Explanation of material topic and its boundary	Preventing financial crime, page 29	
103-2	The management approach and its components	Responsible tax management, page 39	
103-3	Evaluation of the management approach		
419-1	Non-compliance with laws and regulations in the social and economic area	There were no material instances of non-compliance with laws and regulators in this context during the year.	
GRI G4 Financial Sector Disclosures			
Product Portfolio			
FS1	Policies with specific environmental and social components applied to business lines	Responsible financing, page 17	
FS2	Procedures for assessing and screening environmental and social risks in business lines		
FS3	Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions		
FS4	Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines		
FS5	Interactions with clients/investees/business partners regarding environmental and social risks and opportunities	Stakeholder engagement, page 10 Responsible financing, page 17 Sustainable procurement, page 35	

SASB Standards

In line with our revised dual materiality matrix, we have enhanced our Sustainability Reporting, including disclosures that are more aligned with the Sustainability Accounting Standards Board (SASB) standards. Our disclosures under those standards are based on the five Sustainable Industries Classification System industries within the Financials sector that are most aligned with our mix of businesses: Commercial Banks (FN-CB), Consumer Finance (FN-CN), and Mortgage Finance (FN-MF).

We do not disclose all metrics included in the standards but continue to evaluate them in the future. While we are not able to report in line with all disclosures given that they are predicated on US laws and standards, it is our commitment to develop disclosures that are relevant, useful, and meaningful to our investors over time. We are monitoring developments in SASB's project on standards internationalisation and have been an active contributor to the project.

SASB Code	Topic	Accounting Metrics	Response & References	Source
Across multiple standards				
FN-CB-230a.2	Data security	Description of approach to identifying and addressing security risks	Refer to "Our approach" under material matters E. Cyber security and F. Data governance and privacy	Sustainability report, pages 26 and 27
Commercial Banks				
FN-CB-240a.1	Financial inclusion and capacity building	Number and amount of loans outstanding qualified to programs delegated to promote small business and community development	Refer to POSB in the Annual Report Refer to "Initiatives and progress updates" under material matter C. Financial inclusion	Annual Report, page 42 Sustainability report, pages 24 and 25
FN-CB-240a.3	Financial inclusion and capacity building	Number of no-cost retail checking accounts provided to previously unbanked/ underserved customers	Refer to POSB in the Annual Report	Annual Report, page 42
FN-CB-240a.4	Financial inclusion and capacity building	Number of participants in financial literacy initiatives for unbanked, underbanked or underserved customers	Refer to "Initiatives and progress updates" and "Case Study" under material matter C. Financial inclusion	Sustainability report, pages 24 and 25
FN-CB-410a.1	Incorporation of environmental, social and governance factors in credit analysis	Commercial and industrial credit exposure, by industry	Refer to Financial statement Note 42.4 for Credit risk by geography and industry - analysed by industry	Annual Report, page 175
FN-CB-410a.2		Description of approach to incorporation of ESG factors in credit analysis	Refer to "Our approach" under material matter A. Responsible financing	Sustainability report, page 17
FN-CB-510a.2		Description of whistle-blower policies and procedures	Refer to material matter G. Preventing financial crime	Sustainability report, page 29
FN-CB-550a.1	Systemic risk management	Globally systemically important bank score, by category	Refer to Regulatory Change under Capital Management and Planning	Annual Report, page 99
FN-CB-550a.2		Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities	Refer to Stress testing under Risk management	Annual Report, page 79
FN-CB-000.A	Activity metrics	(1) Number and (2) value of checking and savings accounts by segment: (a) personal and (b) small business	Refer to Financial statement Note 28 Deposits and Balances from Customers - analysed by product. We do not disclose this information by segments.	Annual Report, page 150
FN-CB-000.B		(1) Number and (2) value of loans by segment: (a) personal, (b) small business, and (c) corporate	Refer to Financial statement Note 18 Loans and Advances to Customers - analysed by product. We do not disclose this by segments.	Annual Report, page 141

SASB Code	Topic	Accounting Metrics	Response & References	Source
Consumer Finance				
FN-CF-270a.1	Selling practices	Percentage of total remuneration for covered employees that is variable and linked to amount of products and services sold	Refer to Determination of variable pay pool, under Remuneration Report	Annual Report, page 61
Mortgage Finance				
FN-MF-270a.4		Description of remuneration structure of loan originators	Remuneration structure of loan originators follow the same structure as other employees in the bank. Refer to Summary of current total compensation elements, and Determination of variable pay pool under Remuneration Report	Annual Report, page 62
FN-MF-000.A	Activity metrics	(1) Number and (2) value of mortgages originated by category: (a) residential and (b) commercial	Refer to Financial statement Note 42.4 for Credit risk by geography and industry - analysed by industry, specifically home loans. We do not disclose this information by segments or origination and purchase	Annual Report, page 175
FN-MF-000.B		(1) Number and (2) value of mortgages purchased by category: (a) residential and (b) commercial		

TCFD Content Index

Recommended Disclosures	Response & Reference	Source
Governance		
a. Describe the organisation's governance around climate-related risks and opportunities	Refer to Governance	Sustainability Report, page 8
b. Describe management's role in assessing and managing climate-related risks and opportunities	Refer to "Our approach" in B. Managing climate risk	Sustainability Report, page 22
Strategy		
a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term	Refer to "Our approach" in B. Managing climate risks	Sustainability Report, page 22
b. Describe the impact of climate-related risks and opportunities on the organisation's business, strategy and financial planning	Refer to "Our approach" in A. Responsible financing and B. Managing climate risks	Sustainability Report, pages 17 and 22
c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	Refer to "Initiatives and status updates" in B. Managing climate risks	Sustainability Report, page 22
Risk Management		
a. Describe the organisation's process for identifying and assessing climate-related risks.	Refer to "Our approach" in B. Managing climate risks	Sustainability Report, page 22
b. Describe the organisation's process for managing climate-related risks		
c. Describe how the process for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	Refer to "Our approach" in A. Responsible financing Refer to "Credit risk" in Risk management	Sustainability Report, page 17 Annual Report, page 79
Metrics and Targets		
a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with strategy and risk management process	Refer to "Initiatives and status updates" in B. Managing climate risks	Sustainability Report, page 22
b. Disclose Scope 1, Scope 2, and if appropriate, Scope 3 GHG emissions and related risks	Scope 1 & 2: Refer to "Information on environmental footprint" Scope 3: Refer to "Initiatives and status updates" in B. Managing climate risks	Sustainability Report, page 51 Sustainability Report, page 23
c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	Refer to "Initiatives and status updates" and "Targets" in B. Managing climate risks	Sustainability Report, page 24

Methodology for TCFD

Data collection

TCFD recommends that companies report their Scope 1, 2 and 3 greenhouse gas emissions, in accordance with the Greenhouse Gas Protocol Corporate Standard⁽¹⁾.

Read more about DBS' emissions in "Information on environmental footprint" on [page 51](#).

As a bank, the bulk of our Scope 3 emissions arises from our loans to corporate customers. To determine our Scope 3 emissions, we are required to quantify the total Scope 1 and 2 emissions of our customers' operations. However, as this is not a mandatory requirement, company-level carbon data is not always readily available for all listed companies, and rarely available for unlisted ones. For customers with partial or no Scope 1 and 2 carbon emissions disclosure, the typical approach has been to estimate and benchmark against listed companies that (1) disclose their carbon data and (2) are most similar in terms of energy production facilities, industry sector, technology use, and geographical locations.

In our 2020 study, we managed to obtain carbon data that is available for 414 listed companies in our corporate lending business. All information – including carbon and financial – was provided by a globally recognised independent environmental consultancy we commissioned. The data provided was also based on the latest information available at the point of study, taking reference from external sources as such annual reports, regulatory filings and the CDP (formerly the Carbon Disclosure Project) database.

Carbon metrics

We disclose the following carbon to revenue metrics:

No.	Carbon Metrics	Formulas	Indications
1	Weighted average carbon intensity (sectors)	$\sum_{n=\text{customers in sector}}^i \frac{(DBS \text{ credit exposure to customer})_i}{(DBS \text{ credit exposure to sector})_n} * \frac{(Customer's CO_2e \text{ Scope 1 + 2})_i}{(Customer's revenue)_n}$	Expresses the average of carbon efficiency (i.e. CO ₂ e emissions embedded in the generation of revenue) at customer level, weighted by DBS credit exposure to the customer as a percentage of DBS' credit exposure to the sector.
2	Weighted average carbon intensity (portfolio)	$\sum_{n=368}^i \frac{(DBS \text{ credit exposure to customer})_i}{(DBS \text{ credit exposure to portfolio})_n} * \frac{(Customer's CO_2e \text{ Scope 1 + 2})_i}{(Customer's revenue)_n}$	Expresses the average of carbon efficiency (i.e. CO ₂ e emissions embedded in the generation of revenue) at customer level, weighted by DBS credit exposure to the customer as a percentage of DBS' credit exposure to the portfolio.

(1) Source: <https://ghgprotocol.org/corporate-standard>

Methodology on quantifying transition risk

Our bottom-up scenario analysis focused on potential credit risk arising from climate-related carbon regulations for the 414 customers in the pilot study. In addition to credit losses, our portfolio might also be affected by the loss of future revenues to us from customers who may have become economically unviable.

We considered the possible increase in carbon prices by year 2030 that may arise from future carbon-related regulation. Carbon pricing assigns a monetary cost on carbon (in fact, on all greenhouse gases) emissions and serves as a proxy for the impact on the cashflows and profitability of customers in our lending portfolio.

We used three climate-related scenarios based on research by the International Energy Agency (IEA) and the Organisation for Economic Co-operation and Development (OECD).⁽²⁾

- High carbon price scenario: This scenario represents the implementation of policies by year 2100 that are considered sufficient to reduce greenhouse gas emissions in line with the goal of limiting the temperature increase to 2°C from pre-industrial age. This is equivalent to the scenario Energy Technology Perspective – 2 Degrees Scenario (ETP-2DS) with 66% probability of staying below a 2°C increase;
- Medium carbon price scenario: This scenario assumes that policies will be implemented to reduce greenhouse gas emissions and limit climate change to a 2°C increase in the long term, but with action delayed in the short term. This is equivalent to a hybrid between ETP-2DS and New Policies Scenario (NPS). Forecast future carbon prices under the ETP-2DS scenario have been scaled down based on evaluations of Nationally Determined Contributions by Climate Action Tracker.⁽³⁾ The medium scenario assumes that carbon prices will rise to levels consistent with the ETP-2DS scenario in all countries by 2050; and
- Low-carbon price scenario: This scenario considers broad policy commitments and plans announced by countries, including pledges to reduce greenhouse gas emissions and phase out fossil fuel subsidies, even if the measures to be implemented have yet to be identified or announced. Prices in this scenario are considered to be insufficient to achieve the goals of the Paris Agreement. The important secondary effects on changes to the natural environment are considered in this scenario only qualitatively. This is equivalent to the IEA NPS scenario.

We subjected a number of these customers, a sample of approximately 60% of the 414 sample companies, to our credit risk models to evaluate their potential credit deterioration arising from the impact of higher carbon cost on their cashflows and profitability.

For the remaining corporate exposures, a less granular top down, portfolio-level approach is used, leveraging on forecasts of macroeconomic variables (such as GDP, sectoral equity prices, energy prices, among others) consistent with the carbon price scenarios inputted into bank's existing stress-testing models. Changes in the probabilities of default are ascertained and used to determine potential increases in expected credit losses.

(2) Source: https://www.irena.org/DocumentDownloads/Publications/Perspectives_for_the_Energy_Transition_2017.pdf

(3) Source: <https://climateactiontracker.org/>

Selected ESG-related awards, indices and ratings

A. Sustainability awards

Asia Pacific



Best Bank for Corporate Responsibility (Asia)



Best Investment Bank for Sustainable Finance (Asia Pacific)



Ethical Procurement Award, Risk Mitigation Award, Overall Award

Singapore



Best Bank for ESG (Singapore)



Best Sustainable Bank (Singapore)



Apex Winner, Sustainable Business (Non-SME)



Champion of Good



Charity Platinum Award, Volunteer Partner Award

China

- Top 10 Public Welfare Partner Companies 2020, Shanghai Public Welfare Selection
- Corporate Social Responsibility Silver Award, China International Public Relations Association

Hong Kong

- Corporate Social Responsibility, Bloomberg Businessweek Financial Institutions Awards 2020
- Social Capital Builder Logo Award for Community Investment and Inclusion Fund 2020, HKSAR Government
- Organisation Award for Volunteer Movement, HKSAR Government

Indonesia

- Best Corporate Sustainability Initiative 2020: Cause Promotion, MIX Magazine Indonesia
- Best Leader for Business Sustainability Through Corporate Development Initiative for Stakeholder Engagement, Warta Ekonomi

Taiwan

- Best Practice Award: Transparency and Integrity, Taiwan Institute for Sustainable Energy
- Best Practice Award: Social Inclusion, Taiwan Institute for Sustainable Energy
- Best Practice Award: Great Practice of 2020, Taiwan Institute for Sustainable Energy

B. ESG Indices



Bloomberg Gender Equality Index Constituent



FTSE4Good Global Index Constituent

Member of
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Dow Jones Sustainability Index (DJSI) Asia Pacific Constituent

C. Ratings

Rating Agency	Score
CDP (Formerly the Carbon Disclosure Project)	In December 2020, DBS received a score of B- in the Climate Change assessment.
RobecoSAM Corporate Sustainability Assessment	In November 2020, DBS received an overall score of 68 in the assessment, placing us at the 83 rd percentile in the Banking industry.
MSCI	In 2020, DBS received a rating of AA (on a scale of AAA- CCC) in the MSCI ESG Ratings assessment. ⁽¹⁾
Sustainalytics	In December 2020, DBS received an ESG Risk Rating of 20.7 and was assessed by Sustainalytics to be at Medium risk of experiencing material financial impacts from ESG factors. ⁽²⁾

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Commitments and memberships

Name	Description
Covid-19 related	
Emerging Stronger Together Taskforce (EST)	Our CEO, Mr. Piyush Gupta, is a member of the taskforce. We are an active contributor in the Singapore Together Alliances for Action on sustainability .
Environment and Resources Standards Committee (ERSC)	
IMDA Advisory Council on Ethical Use of Artificial Intelligence and Data	Our CEO, Mr. Piyush Gupta, is a council member.
Green Digital Finance Alliance (GDFA)	Our CEO, Mr. Piyush Gupta, is part of the Advisory Board.
Operational	
Monetary Authority of Singapore's Green Finance Industry Taskforce (GFIT)	DBS is an active participant to the GFIT, convened by Monetary Authority of Singapore's, with our CSO, Mr. Mikkel Larsen, coleading one of the workstreams.
RE100	DBS is a member of the RE100, our commitment can be found in L. Managing our environmental footprint.
United for Wildlife Financial Taskforce	DBS is a signatory to the taskforce.
Reporting	
Global Reporting Initiative (GRI)	DBS reports in line with the global reporting initiative standard. Refer to Mapping to GRI Standards and GRI Content Index.
Integrated Reporting <IR>	DBS reports in line with the integrated reporting standards. Refer to our Annual Report, pages 68 to 75.
Task Force on Climate-related Financial Disclosures (TCFD)	DBS reports in line with the recommendations by the task force. Refer to C. Managing climate risk, TCFD content index and Methodology for TCFD.
Task Force on Nature-related Financial Disclosures (TNFD)	DBS is part of the informal working group.
Risk Management	
Equator Principles (EP)	DBS signed up to the principles in 2019. Refer to A. Responsible Financing for our first report on implementation of the principles.
Green Investment Principles for the Belt and Road (GIP)	DBS has adopted the voluntary principles to promote green investment in projects in the Belt and Road countries.
Sustainable Development	
Accounting for Sustainability (A4S), Circle of Practice in Singapore	DBS is a founding member of the Circle of Practice in Singapore.
Asian Venture Philanthropy Network (AVPN)	DBS Foundation and DBS Bank Limited are part of the network.
Global Compact Network Singapore (GCNS)	DBS is a Gold member of the GCNS.
Human Capital Leadership Institute (HCLI)	DBS is a network partner of the HCLI.
Taskforce on Scaling Voluntary Carbon Markets (TSVCM)	Our CSO, Mr. Mikkel Larsen, is a member of the taskforce.
World Business Council for Sustainable Development (WBCSD)	DBS is a participant and observer in a number of project groups. Our CEO, Mr. Piyush Gupta, was elected to the Executive Committee in 2020 .
United Nations Global Compact (UNGC)	DBS is signatory to the UNGC.

Abbreviations

A4S	Accounting for Sustainability	KLYGBC	Lee Kuan Yew Global Business Plan Competition
AI	Artificial Intelligence	LPG	Liquefied Petroleum Gas
AHU	Air Handling Unit	MAS	Monetary Authority of Singapore
AML	Anti-Money Laundering	MD	Managing Director
APSID	Asia Pacific Social Innovation Summit	ML	Machine Learning
ASEAN	Association of Southeast Asian Nations	MOM	Ministry of Manpower
AuM	Assets Under Management	MSCI	Morgan Stanley Capital International
AVPN	Asian Venture Philanthropy Network	MSMEs	Micro, Small and Medium Enterprises
AWS	Amazon Web Services	NDPE	No Deforestation, No Peat, No Exploitation
B2B	Business-to-Business	NEW	National Environment Agency
BEPS	Base Erosion and Profit Shifting	NGOs	Non-Governmental Organisations
BTI	Business Transformation and Improvement Grant	NPOs	Non-Profit Organisations
CDD	Customer Due Diligence	NPS	New Policies Scenario
CFT	Combating the Financing of Terrorism	NSPR	National Sustainable Procurement Roundtable
CRMs	Credit Risk Managers	NUS	National University of Singapore
CoP	Communication on Progress	OECD	Organisation for Economic Co-operation and Development
CRUISE	Customer Regional Unified Surveillance Enterprise	OECD BEPS	OECD/ G20 Base Erosion and Profit Shifting Project Reports and Action Plans
DBSF	DBS Foundation	PAPBA	Pre-Approved Persona-Based Access
DPTM	Data Protection Trustmark	PoP	People of Purpose
DRA	Dynamic Review Assessment	PRIDE!	Purpose-driven, Relationship-led, Innovative, Decisive, Everything Fun!
EDSF	Enterprise Data Security Framework	PURE	Purposeful, Unsurprising, Respectful and Explainable
EFS	Enterprise Financing Scheme	RECs	Renewable Energy Certificates
EPs	Equator Principles	RMs	Relationship Managers
ERSC	Environment and Resources Standards Committee	RSPO	Roundtable on Sustainable Palm Oil
ESG	Environmental, Social and Governance	SASB	Sustainability Accounting Standards Board
EST	Emerging Stronger Together Taskforce	SDG	Sustainable Development Goals
ETP-2DS	Energy Technology Perspective – 2 Degrees Scenario	SGQR	Singapore Quick Response Code
FDCC	Group Fair Dealing and Conduct Committee	SGX-ST	Singapore Exchange Securities Trading Limited
FPOs	Farmer Producer Organisations	SMEs	Small and Medium-Sized Enterprises
G20	Group of 20	SMEG	Taiwan SMEs Credit Guarantee
GCNS	Global Compact Network Singapore	SSP	Sustainable Sourcing Principles
GDFA	Green Digital Finance Alliance	SVP	Senior Vice President
GDP	Gross Domestic Product	TCFD	Task Force on Climate-related Financial Disclosures
GHG	Greenhouse Gases	TNFD	Task Force on Nature-related Financial Disclosures
GFIT	Green Finance Industry Taskforce	TSVCM	Taskforce on Scaling Voluntary Carbon Markets
GRI	Global Reporting Initiative	UNESCO	United Nations Educational, Scientific and Cultural Organisation
GST	Goods and Services Tax	UNGC	United Nations Global Compact
HCLI	Human Capital Leadership Institute	UNICEF	United Nations International Children's Emergency Fund
HKSAR	Hong Kong Special Administrative Region	VAT	Value-Added Tax
IBF	Institute of Banking & Finance	VDI	Virtual Desktop Infrastructure
IBG	Institutional Banking Group	VP	Vice President
IEA	International Energy Agency	VPN	Virtual Private Network
IFC	International Finance Corporation	WACI	Weighted Average Carbon Intensity
IMDA	Infocomm Media Development Authority	WBCSD	World Business Council for Sustainable Development
IR	Integrated Reporting	WWF	World Wide Fund for Nature
KPIs	Key Performance Indicator		

Independent limited assurance report on sustainability information

To the Board of Directors of DBS Group Holdings Ltd

We have been engaged by DBS Group Holdings Ltd ("DBS") to undertake a limited assurance engagement in respect of the selected sustainability information from the 2020 Sustainability Report of DBS described below for the year ended 31 December 2020 ("the Identified Sustainability Information").

Identified Sustainability Information

The respective Identified Sustainability Information for the year ended 31 December 2020 is set out below:

- GRI 102-8: Information on employees and other workers
- GRI 102-9: Supply chain
- GRI 102-41: Collective bargaining agreements
- GRI 201-1: Direct economic value generated and distributed
- GRI 205-2: Communication and training about anti-corruption policies and procedures
- GRI 301-1: Materials used by weight or volume
- GRI 302-1: Energy consumption within the organisation
- GRI 303-1: Water withdrawal by source
- GRI 305-1: Energy direct (Scope 1) GHG emissions
- GRI 305-2: Energy indirect (Scope 2) GHG emissions
- GRI 305-3: Other indirect (Scope 3) GHG emissions
- GRI 306-2: Waste by type and disposal method
- GRI 308-1: New suppliers that were screened using environmental criteria
- GRI 401-1: New employee hires and employee turnover
- GRI 404-1: Average hours of training per year per employee
- GRI 404-3: Percentage of employees receiving regular performance and career development reviews
- GRI 405-1: Diversity of governance bodies and employees
- GRI 405-2: Ratio of basic salary and remuneration of women to men
- GRI 414-1: New suppliers that were screened using social criteria

Our assurance engagement was with respect to the year ended 31 December 2020. We have not performed any procedures with respect to (i) earlier periods and (ii) any other elements included in the 2020 Sustainability Report of DBS, and in the annual report, website and other publications, and therefore do not express any conclusion thereon.

Reporting Criteria

The Identified Sustainability Information has been assessed against the Global Reporting Initiative ("GRI") Sustainability Reporting Standards 2016 ("the Reporting Criteria").

Management's Responsibility for the Identified Sustainability Information

Management of DBS is responsible for the preparation of the Identified Sustainability Information in accordance with the Reporting Criteria. The responsibility includes designing, implementing and maintaining internal control relevant to the preparation of Identified Sustainability Information that is free from material misstatement, whether due to fraud or error.

Practitioner's Independence and Quality Control

We have complied with the independence and other ethical requirements of the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Singapore Standard on Quality Control 1 and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Practitioner's Responsibility

Our responsibility is to express a limited assurance conclusion on the Identified Sustainability Information based on the procedures we have performed and the evidence we have obtained. We performed our limited assurance engagement in accordance with Singapore Standard on Assurance Engagements 3000 (Revised) – Assurance Engagements other than Audits or Reviews of Historical Financial Information ("Standard"). This Standard requires that we plan and perform our work to form the conclusion about whether the Identified Sustainability Information is free from material misstatement. The extent of our procedures depends on our professional judgment and our assessment of the engagement risk.

A limited assurance engagement involves assessing the suitability in the circumstances of DBS' use of the Reporting Criteria as the basis for the preparation of the Identified Sustainability Information, assessing the risks of material misstatement of the Identified Sustainability Information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Identified Sustainability Information. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures selected included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records. Given the circumstances of the engagement, we also performed the following:

- interviewed management and personnel in Group Procurement Services, Group Human Resources and Corporate Real Estate Strategy & Administration in relation to the Identified Sustainability Information;
- obtained an understanding of how the Identified Sustainability Information is gathered, collated and aggregated internally;
- performed limited substantive testing, on a selective basis, of the Identified Sustainability Information (i) to verify the assumptions, estimations and computations made in relation to the Identified Sustainability Information; and (ii) to check that data had been appropriately measured, recorded, collated and reported, to the extent we considered necessary and appropriate to provide sufficient evidence for our conclusion; and
- assessed the disclosure and presentation of the Identified Sustainability Information.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance opinion about whether DBS' Identified Sustainability Information has been prepared, in all material respects, in accordance with the Reporting Criteria.

Inherent Limitations

In designing these procedures, we considered the system of internal controls in relation to the Identified Sustainability Information and reliance has been placed on internal controls where appropriate. Because of the inherent limitations in any accounting and internal control system, errors and irregularities may nevertheless occur and not be detected.

Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Identified Sustainability Information for the financial year ended 31 December 2020 is not prepared, in all material respects, in accordance with the Reporting Criteria.

Purpose and Restriction on Distribution and Use

This report, including our conclusion, has been prepared solely for DBS in accordance with the agreement between us. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than DBS for our work or this report.

Yours faithfully



PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants

Singapore
2 March 2021

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Global Finance

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Euromoney

**Excellence in Leadership in Asia
(during the Covid-19 pandemic)**
Euromoney

**Most Distinctive in Helping to
Mitigate Impact of Covid-19 (Asia)**
Greenwich Associates

**#1 for Sustainability among
Financial Institutions in Asia**
CampaignAsia

**Best Bank for Corporate
Responsibility, Singapore**
Asiamoney

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Asiamoney

**Sustainable Business –
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