

Society and environment



**Live
responsible**

We believe in contributing to society by generating profits responsibly and creating social value. This ties in with our corporate value of being purpose-driven and creating impact beyond banking that touches real people, real businesses and real lives.



Responsible banking

We are committed to conducting business honestly and ethically, and have zero tolerance for financial crime. We adopt fair dealing practices and are committed to advancing responsible financing as part of our role in promoting sustainable development.



Creating social value

We seek to address the needs of society by staying true to our mission of being the "People's Bank", and championing social entrepreneurship in Asia.



Responsible citizenship

As a good corporate citizen, we seek to give back to society through our volunteerism movement "People of Purpose". We are conscious about managing our direct environmental footprint and seek to influence our supply chain towards sustainable practices.

Picture on the left: Vasham Kosa Sejahtera offers loans, training and agribusiness solutions to smallholder farmers in Indonesia. This social enterprise received a grant from the DBS Foundation in 2015.

Responsible banking

Combating financial crime

We do not tolerate the use of DBS' products or services in furtherance of financial crime, such as money laundering, financing of terrorism, fraud and bribery/corruption. Stakeholders can be assured that DBS engages in even-handed dealings.

For more information, see "CRO statement" on page 80 and "Compliance risk" on page 100.

Fair dealing

We are committed to:

- Being responsive to our customers' needs and requests
- Selling products and services that are suitable for them
- Ensuring our sales staff are trained to deal with customers fairly
- Communicating with our customers in a clear and transparent manner

Our customers are central to our business. It is important that they trust the products and services we provide.

We undertook key initiatives to strengthen our sales process, such as expanding customer fact-finding, product risk disclosures and customer product suitability checks.

Staff remuneration is predicated on a balanced scorecard approach, which ensures better alignment between the interests of our staff and customers. A significant portion of staff remuneration depends on our staff's ability to understand customers' needs, recommend suitable products, provide adequate disclosures and conduct the advisory and sales process professionally.

All our employees receive annual training on compliance and fair dealing, in addition to training on our product suite. They also undergo product knowledge and skills tests regularly. We place great emphasis on the oversight of our sales staff and hold their supervisors accountable for their coaching, monitoring and supervision.

To improve our products and services, we avail various channels to customers through which they can provide valuable feedback.

Responsible Financing

We recognise that our lending practices have a huge impact on society, and are committed to promoting sustainable development and shaping the expectations and behaviours of our employees and customers.

When making loans, we assess how our customers address material risks, including their exposure to environmental and social risks where relevant. In accordance with corporate policy, companies with business activities assessed to have material environmental and/or social risks require additional due diligence.

As part of the industry's push towards sustainable development, The Association of Banks in Singapore (ABS) released a set of industry guidelines to enhance the implementation of responsible financing. Developed in consultation with banks, including DBS, the guidelines underscore the sector's commitment to advancing responsible financing in a more structured and transparent manner. The guidelines will help achieve systematic environmental and social criteria integration into banks' lending decision-making, as well as provide higher levels of transparency and accountability. DBS is committed to fully implementing the ABS guidelines by 2017.

Creating social value

Being the "People's Bank"

We seek to provide access to financial services to all of our customers, including those with disabilities or other difficulties. We believe in empowering the community to make sound financial decisions to improve their lives, through enhancing their financial literacy.

For more information on our financial inclusion initiatives, see "POSB" on page 36.

Championing social entrepreneurship

Social enterprises (SEs) offer innovative and sustainable solutions to address the myriad social challenges associated with a rapidly growing Asia. The DBS Foundation was launched in 2014 to help grow SEs across the region. This resonates with our heritage as a development bank, and we can add value by leveraging our expertise serving SMEs.

DBS Foundation's three-pronged approach to supporting SEs

Spark



1. Reach & engage

Build awareness and advocacy for SEs

- Social Venture Challenge Asia
- Local forums, awards and workshops
- AsiaForGood.com



Prototype grant

Nurture



2. Innovate & incubate

Keep up with changing social needs through social innovation and incubation

- Incubation programmes and bootcamps
- Toolkits and case studies
- Skilled volunteering



Organisational grant

Scale



3. Grow & scale

Develop high potential SEs and enable success on a greater scale

- Accelerator programmes
- Market access and advisory
- Customised financial tools



Scale up grants



Buy Directly from Farmers is an e-commerce platform that connects farmers with consumers. This Taiwanese social enterprise received a grant from DBS Foundation in 2015.

Reach and engage

Awareness and advocacy of the sector is vital to getting early-stage SEs started.

We seek to inform the public and engage aspiring SEs across our key markets through outreach activities such as the DBS-NUS Social Venture Challenge Asia. In 2015, we received over 680 entries from 30 countries, offering solutions in areas such as education, web/mobile, healthcare and environment. Winners walked away with total seed money of SGD 150,000 to develop their business models. Besides boot camps and workshops that reached out to close to 10,000 participants, local forums were also held to create positive perceptions of SEs.

To help improve the visibility of SE businesses, we developed the "Portraits of Purpose" video series, showcasing social entrepreneurs from Singapore, India and Taiwan who made genuine impact with their work. Further, our consumer-facing digital platform AsiaForGood.com connects people to SEs, encourages socially conscious behaviour and empowers people to make informed choices about the way they live and buy. In 2015, our digital platforms earned a cumulative 2.5 million views from 350,000 unique visitors.

Innovate and incubate

SEs with ongoing operations continue to be sensitive to business realities and evolving social needs. We help promising SEs by providing them with both financial and non-financial support. Through our partner network across the region, we conducted incubation programmes as well as provided training and mentorship to over 65 mid-stage SEs in 2015.

Through the DBS Foundation SE Grant programme, we identify innovative SEs and provide grants to support their growth. In 2015, 16 SEs across seven countries were awarded grants amounting to SGD 1.02 million.

Grow and scale

We leverage our corporate resources and expertise to provide executive advisory services to support high potential SEs, thereby accelerating their growth and enhancing their impact. During the year, more than 300 skilled volunteers across the bank made a positive difference to SEs by offering consultation and mentorship for their operations and strategies. They also joined DBS scalathons – intensive brainstorming sessions on strategic business challenges faced by SEs.



Shanghai Bai Te Education, a DBS Foundation grantee, helps latch-key children of migrant workers and low income families in China.

Integrating SEs into DBS' culture and operations

We demonstrate commitment to SEs by providing banking solutions tailored to their needs and engaging them for our events and activities.

First launched in Singapore in 2008, the SE Banking Package allows SEs to open corporate accounts with no minimum deposit or balance. Apart from free transactions, the package also offers SEs unsecured business loans pegged at half the regular commercial rate. As at 31 December 2015, we had 398 customers under the SE Banking Package and SGD 1.74 million of unsecured SE business loans outstanding.

Responsible citizenship

"People of Purpose" – where volunteers lead

This year, instead of "one size fits all" volunteer programmes, we adopted a more targeted approach. We empowered our staff to adopt social causes they were interested in, and to develop solutions and plan activities directly relevant to their beneficiaries.



Our staff volunteer teams in Singapore helping the elderly who are living alone with their day-to-day chores, such as weekly grocery shopping, cooking traditional dishes and documenting recipes.

Over 100 volunteer leaders forged partnerships with community organisations, creating sustainable and long-term impact on the community. In 2015, more than 4,000 staff touched 16,000 lives in 27,000 hours of volunteering activities.



DBS Taiwan staff bonding and spending quality outdoor time with the physically challenged beneficiaries of Eden Social Welfare Foundation.

Managing our environmental footprint

Our most direct environmental impact is the carbon emissions from our office buildings and branches. Hence, we ensure our offices incorporate sustainable designs and practices.

We attained the Building and Construction (BCA) Greenmark certification and the WasteWi\$e Certificate – Excellence Level for all of our Singapore and Hong Kong office buildings respectively. In Taiwan, we are the first foreign bank to achieve the ISO 50001 certification for energy management.

For our branch network, we are the first bank in Singapore to be on board the BCA Green Mark Portfolio Programme, which seeks to encourage the adoption of energy-efficient designs, technologies and good environmental management systems among tenants. We target to achieve the Green Mark Certification for 20 retail branches by 2016.

While we embrace innovation and technology, IT waste management remains our priority. As part of our strategic cost management programme, we sold more than 8,000 decommissioned desktops and notebooks to a recycling vendor at the end of their four- or five-year refresh cycle.

We also started recycling corporate mobile phones with vendors who either resell, salvage reusable parts or otherwise dispose of them through a recycling company.

DBS is one of the first banks in Singapore to actively encourage customers to adopt electronic bank account statements instead of paper statements. We have also implemented paperless forms at our branches using iPads and e-forms tablets. We introduced good-as-new notes and e-red packets through DBS PayLah! to reduce the need for more new notes to be printed during the Lunar New Year.

E-storage solutions and recycling bins are readily available across all our office locations. All paper waste is disposed either directly or indirectly to recycling companies.

Regionally, key 2015 initiatives included replacing lightings with LEDs which have longer life spans and lower energy consumption. We continued to support the fight against climate change by observing “Earth Hour”. We also rolled out meat-free meals in our staff canteens in Singapore to encourage staff to go meatless to reduce carbon footprint, and promoted the use of recyclable cups in our social hubs in Taiwan.

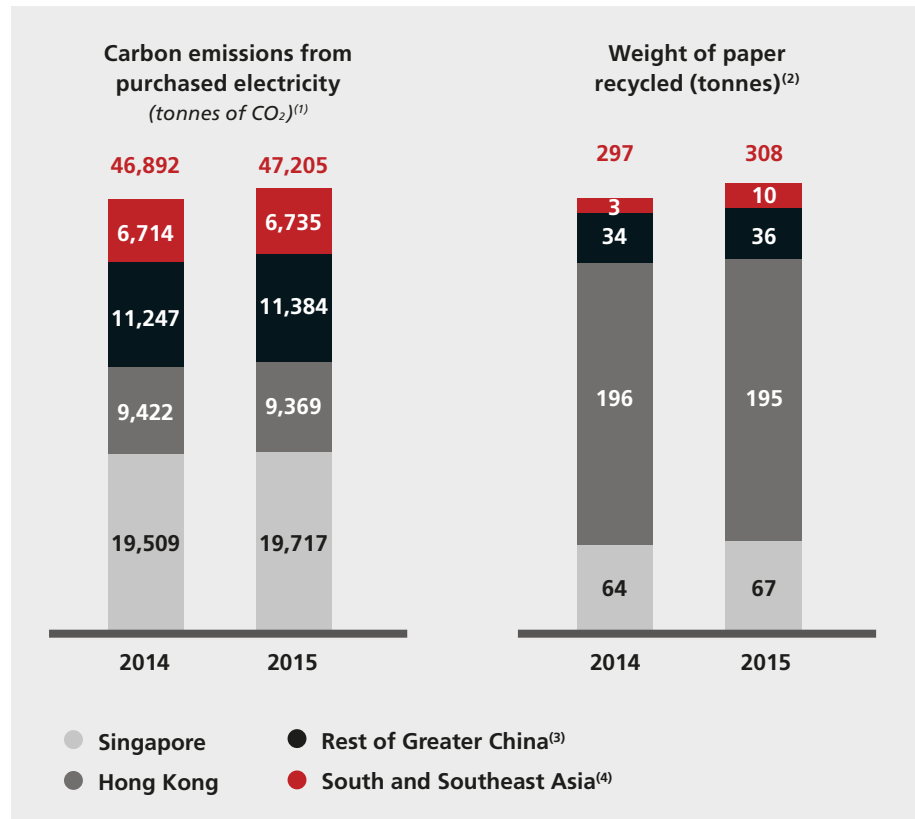
Sustainable sourcing

DBS procures products and services from more than 6,000 suppliers, predominantly in Singapore and Hong Kong. Approximately 80% of our expenditure are for professional, real estate, sales and marketing, IT outsourcing and corporate services.

In 2015, we developed the DBS Sustainable Sourcing Principles (SSP). These principles outline our values and expectations in four key areas - human rights, safety and health, environment sustainability and business integrity and ethics.

The SSP set out minimum standards of behaviour and seek to drive commitment to ethical improvements within our supply chain.

We conducted a one-time exercise to notify all our existing suppliers in Singapore of the SSP via mail. All new suppliers who engage with DBS are required to sign up to the SSP with effect from 1 October 2015 under a revised supplier registration process. The new suppliers SSP sign-up rate is more than 95% as at 31 December 2015. We plan to roll out the SSP to all our key markets in 2016.



(1) Based on relevant grid emission factor conversion for each country

(2) Based on weight of paper at recycling points

(3) Rest of Greater China includes branch and subsidiary operations in Mainland China and Taiwan

(4) South and Southeast Asia includes branch and subsidiary operations in India and Indonesia