

# DBS Green Bond Report

June 2021

# Introduction

- DBS issued our first green bond in accordance with DBS [Green Bond Framework](#) (Framework) in July 2017. The issuance amplifies our commitment to sustainability and to supporting projects which have positive impacts. This is our fourth annual green bond report on the allocation of proceeds and impact achieved from the issuance of the bond. The reporting period is from 1 January 2020 to 31 December 2020.
- Since the issuance of the bond, we have continued to undertake initiatives to create value for multiple stakeholders under our three sustainability pillars: Responsible banking, Responsible business practices and Creating social impact. More information can be found on our standalone [Sustainability Report 2020](#) and our [website](#).

# Allocation of proceeds

- The USD 500 million floating rate green bonds due 2022 were issued under DBS' USD 30 billion Global Medium Term Note Programme in July 2017. The bonds bear a quarterly coupon of 3-month USD LIBOR + 0.62%.
- In accordance with the Pricing Supplement dated 18 July 2017, we have allocated the net proceeds from the issuance of the green bonds towards the financing of green projects or assets as described under the Eligibility Criteria in the Framework.
- From the date of issuance to the date of this report, **100% of the net proceeds have been allocated to green assets comprising DBS' financing of a green building – Marina Bay Financial Centre Tower 3 (MBFC T3), a commercial property in Singapore certified Green Mark Platinum by the Building and Construction Authority (BCA).**

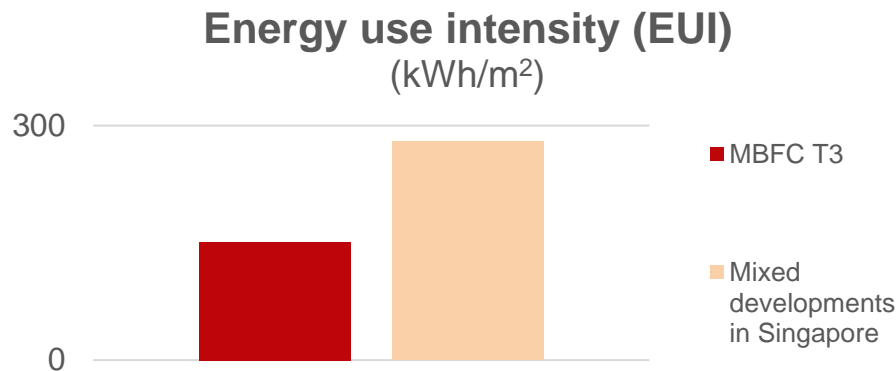
# Impact reporting (1/2)

- In 2016, MBFC T3 was awarded the Green Mark Platinum Award by BCA in recognition of its best practices in environmental design and construction, and the adoption of green building technologies. This is the highest honour in BCA's Green Mark scheme. The letter of award for recertification was obtained in January 2019.
- The building's low-emissivity glass minimises heat load and thermal transfer. Energy efficient air-conditioning system and lighting are installed throughout the building. The use of motion sensors, energy saving lifts and escalators also reduces energy consumption.
- MBFC T3 was awarded the Green Mark Pearl Award for the second time. It is recognised for the strong commitment of landlords and tenants of the same building working in tandem to achieve greater environmental sustainability. The award is given to landlords who have a substantial number of tenants and percentage of net lettable area which are certified Green Mark or higher by BCA.



# Impact reporting (2/2)

- To quantify the CO<sub>2</sub> impact of our green bond issuance, we have benchmarked the actual energy performance of MBFC T3 against commercial buildings – mixed development – in Singapore. In 2020, MBFC T3 achieved an energy use intensity (EUI) of 151 kWh/m<sup>2</sup>, compared to the average EUI of 280 kWh/m<sup>2</sup> for mixed developments in Singapore<sup>1</sup>.
- At MBFC T3, the Air Handling Unit (AHU) condensate water is collected to be reused for carpark washing, landscape irrigation, general cleaning and others.



Estimated energy savings  
in 2020

**19,634 MWh**

(based on gross floor area of 151,777 m<sup>2</sup>)



The energy savings are equivalent to powering about **3,393** public housing 5-room & executive<sup>2</sup> in Singapore for one year

CO<sub>2</sub> avoided<sup>3</sup>

**8,021 tonnes**

Estimated water savings  
in 2020

**4,008 m<sup>3</sup>**

(based on AHU condensate water reused)

1. The average EUI statistics for mixed developments in Singapore are based off BCA figures taken in 2019 (i.e., pre-Covid), hence may not be reflective of actual electricity saved nor emissions avoided due to circuit breaker measures. Source: <https://www.bca.gov.sg/BESS/BenchmarkingReport/BenchmarkingReport.aspx>

2. The average electricity consumption for public housing 5-room & executive in 2020 was higher than average due to circuit breaker measures and work from home arrangements. Source: Based on <https://www.ema.gov.sg/cmsmedia/8RSU.pdf> of 482.2 kWh/month for 5-room & executive

3. The 2019 emission factor has been updated to include fossil-fuel based carbon emissions. Source: Based on <https://www.ema.gov.sg/cmsmedia/18RSU.pdf> of 0.4085 kgCO<sub>2</sub>/kWh

# Approval and independent assurance

- This report has been reviewed and approved by the DBS Sustainability Council on 24 Jun 2021.
- We have also engaged Ernst & Young LLP to provide independent assurance on our reporting and management of Proceeds in accordance with the Framework. Please refer to *Appendix 1* for the Independent Limited Assurance Report.

# Appendix 1



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## Independent Limited Assurance Report in relation to DBS Group Holdings Ltd ("DBS") Green Bond Report (FY2020) to the Sustainability Council of DBS Group Holdings Ltd

### Assurance conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to management of proceeds and reporting on use of proceeds and project performance in relation to DBS Group Holdings Ltd's 2017 Green Bond issuance as of 27 May 2021 for the year ended 01 January to 31 December 2020, in order for it to be in accordance with the criteria outlined in DBS Green Bond Framework, in all material aspects.

### Scope

We have been engaged by DBS to perform a 'limited assurance engagement,' as defined by International Standards on Assurance Engagements, here after referred to as the engagement, to report on DBS's Green Bond ("the Bond" or "Green Bond") post-issuance process as of 31 December 2020, for the period from 01 January 2020 to 31 December 2020.

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

### Subject Matter and Criteria

The subject matter and associated criteria for this reasonable assurance engagement are set out in the table below:

Subject Matter	Criteria
<p>DBS Group Holdings Ltd's Green Bond post-issuance process, covering the following Subject Matter Information:</p> <ul style="list-style-type: none"> <li>Management of the Green Bond proceeds ("Proceeds")</li> <li>Reporting on use of proceeds and project performance</li> </ul>	<ul style="list-style-type: none"> <li>The reporting criteria of the Subject Matter Information are set out in the DBS Green Bond Framework ("the Framework") version 1 dated 1 July 2017</li> <li>The Framework sets out the guidelines for Green Bond issuances in accordance with the following four core components of the Green Bond Principles issued by the International Capital Market Association (ICMA): <ul style="list-style-type: none"> <li>Use of proceeds</li> <li>Project evaluation and selection process</li> <li>Management of proceeds</li> <li>Reporting</li> </ul> </li> </ul> <p>Criteria found at this link: <a href="https://www.dbs.com/wov-resources/images/sustainability/img/DBS-Green-Bond-Framework.pdf">https://www.dbs.com/wov-resources/images/sustainability/img/DBS-Green-Bond-Framework.pdf</a></p>

### Management Responsibility

The Management of DBS Group Holdings Ltd ("Management") is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

### Assurance Practitioner's Responsibility

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.



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We conducted our engagement in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ("ISAE 3000"), and the terms of reference for this engagement as agreed with DBS on 11 July 2017. Those standards require that we plan and perform our engagement to obtain limited assurance about whether, in all material respects, the Subject Matter is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

### Our Independence and Quality Control

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants and Institute of Singapore Chartered Accountants Codes of Professional Conduct and Ethics. Our team has the required competencies and experience for this assurance engagement.

EY also 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.

### Description of procedures performed

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 obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information and applying analytical and other appropriate procedures.

Our assurance procedures performed included, but were not limited to:

- Checking the implementation of procedures in relation to how Management used and managed Proceeds appropriately in the relevant documentation for the Green Bond;
- Checking selected environmental performance information for disbursed project and other information disclosed in DBS Group Holdings Ltd's Green Bond Report ("Green Bond Report");
- Checking the accuracy of environmental performance calculations; and
- Obtaining and reviewing relevant evidence to support that the Green Bond is in compliance with the reporting criteria.

We also performed such other procedures as we considered necessary in the circumstances.

### Limitations

There are inherent limitations in performing assurance – for example, assurance engagements are based on selective testing of the information being examined – and it is possible that fraud, error or non-compliance may occur and not be detected. There are additional inherent risks associated with assurance over non-financial information including reporting against standards which require information to be assured against source data compiled using definitions and estimation methods that are developed by the reporting entity. Finally, adherence to ISAE 3000 and the Green Bond Principles (June 2017) and the Framework is subjective and will be interpreted differently by different stakeholder groups.



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Our assurance was limited to post-issuance process and did not include statutory financial statements. Our assurance is limited to policies and procedures in place and information set out within the Green Bond Report from 01 January 2020 to 31 December 2020 and our responsibility does not include information prior to 01 January 2020 and subsequent to 31 December 2020.

**Restricted use**

This report is intended solely for the information and use of DBS in accordance with the terms of reference for this engagement as agreed with DBS and is not intended to be and should not be used by anyone other than those specified parties.

**Emphasis on matter**

**Observations on particular aspects of our engagement**

We provide selected observations aligning to the Framework, to provide the reader with further understanding on how this Green Bond meets the criteria. These observations are not intended to detract from our conclusion provided above.

**Use of Proceeds:**

- ▶ The use of proceeds aligns with the Framework's eligible green project category 'green buildings that meet recognised standards, such as Singapore Building and Construction Authority (BCA) Green Mark (Gold Plus and above)'.

**Management of Proceeds:**

- ▶ The proceeds were allocated to finance designated eligible green assets and were selected in accordance with the eligibility criteria and exclusionary criteria as stated in the Framework.
- ▶ DBS Group Holdings Ltd has an internal information system in place to monitor the allocation of proceeds and a register is used to facilitate the monitoring and reporting of the issued Green Bond.

**Reporting:**

- ▶ DBS Group Holdings Ltd have been publishing an annual Green Bond Report which includes information relating to the allocated proceeds by eligibility criteria, together with a description of the asset being financed. As of 31 December 2020, all the net proceeds have been allocated to green assets including the financing of a green building – Marina Bay Financial Centre Tower 3 (MBFC T3).
- ▶ The annual Green Bond Report was approved by the DBS Sustainability Council.
- ▶ Project performance metrics have been presented as prescribed in the Framework.

Ernst & Young LLP

Signed for Ernst & Young LLP by  
Simon Yeo  
Partner, Climate Change and Sustainability Services  
Singapore  
27 May 2021