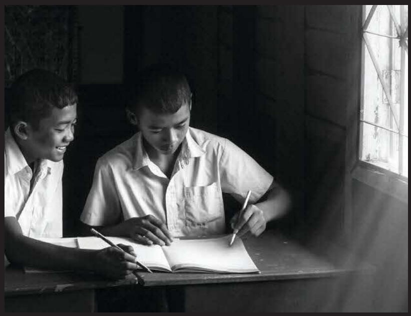
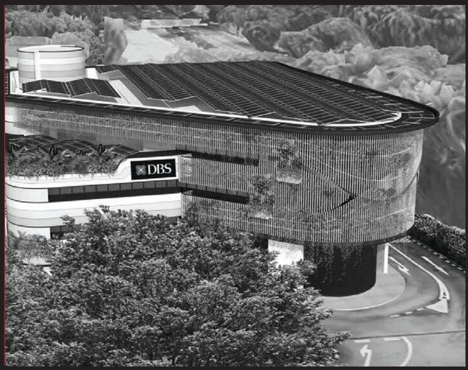
DBS Group Holdings Ltd
Sustainability Report 2021

Live more, Bank less

EMPOWERING A SUSTAINABLE FUTURE





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INTRODUCTION

About this report

This Sustainability Report is approved by the Board and is prepared in accordance with 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 (updated December 2021)
- Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures (updated October 2021)
- The Financial Institutions Climate-related Disclosure Document published in May 2021 under the Monetary Authority of Singapore (MAS)-convened Green Finance Industry Taskforce
- The Guidelines on Environmental Risk Management for Banks published in December 2020 by the MAS
- 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 Sustainability Accounting Standards Board (SASB) standards based on the three SICS industries within the Financials sector most aligned with our mix of businesses: Commercial Banks (FN-CB), Consumer Finance (FN-CN), and Mortgage Finance (FN-MF)
- The Guidelines on Responsible Financing issued in October 2015 (revised June 2018) by the Association of Banks in Singapore

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 environmental, social, and governance (ESG) principles, initiatives and performance of our operations across our core markets: Singapore, Hong Kong, China, Taiwan, India, and Indonesia. It contains information for the financial year 1 January to 31 December 2021, unless otherwise stated. The report is to be read in conjunction with the Annual Report 2021 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.

CEO MESSAGE

Sustainability is the future. The recent COP26 summit in Glasgow demonstrated a rapidly growing number of private sector actors have embraced the urgent need to address environmental and social challenges. So although some may have wished for more ambitious national commitments, it really was a glass half full. And while much more action is needed, this was promising.

We have been thoughtful around our own sustainability agenda because we not only want to create a healthy planet, but also to ensure that the transition to accomplish this is just. It is clear that both environmental and social challenges are tightly intertwined in a knot that can only be untied by developing both environmental and social domains, instead of focusing on one to the exclusion of the other.

Environment

There are many environmental challenges in front of us, but we have chosen to prioritise action on climate change as the most immediate issue given the urgency and how it is interrelated with other environmental and social concerns.

Engaging with and empowering our clients to reduce their carbon footprint is an important part of our contribution, but change always starts at home. This is why we have established a Board Sustainability Committee to oversee a deep and complex adjustment as we weave ESG into the fabric of our business.

Our first major adjustment was to establish a taxonomy that we have embedded in our Sustainable and Transition Finance Framework (Framework). It precisely categorises transitional and sustainable activities by sector, helping us identify what we want to do more of and what we want to do less of. At the same time, the Framework guides our engagement with customers as we help them establish transition strategies to decarbonise and build resilience to climate change. In fact, we have ceased accepting new customers who derive more than 25% of their revenue from thermal coal and have pledged to progressively phase out thermal coal financing by 2039. We have also decided to exit customers who do not commit to the principles of either NDPE (No Deforestation, No Peat and No Exploitation) or RSPO (Roundtable on Sustainable Palm Oil) by a fixed date.

Next, our risk management framework and strategic planning are also being enhanced with the integration of ESG, and we are developing quantitative methods to assess climate-related risks. We have already observed how allocating capital to low-carbon businesses has reduced the likelihood of stranded assets and opened doors to fresh opportunities.

And to measure and communicate our progress on all our efforts more clearly, we became the first Singapore bank to adopt the enhanced disclosures recommended by the Task Force on Climate-related Financial Disclosures (TCFD) in 2017. We also joined the

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Being socially-conscious involves doing the right thing by our customers. This includes being committed to fair dealing. DBS continually reviews our sales processes, training and disclosure standards to ensure that we act with our customers' best interests at heart.

Forum established by the Taskforce on Nature-related Financial Disclosures (TNFD) to lay the groundwork for action to preserve the environment and biodiversity.

We are also on track to achieve net-zero carbon emissions from our own operations by 2022.

Our customers agree with us and our portfolios are rebalancing towards low-carbon. In 2021 we committed SGD 12.4 billion of sustainability-linked loans and SGD 6.9 billion of green loans. Cumulatively we have committed SGD 39.4 billion in sustainable financing transactions, moving us closer to our sustainable financing target of SGD 50 billion by 2024. This was also the second consecutive year that we topped the Asia Pacific (ex-Japan) league table for arranging green and sustainability-linked loans.

Weaving ESG into our business showed us that more ambitious goals were feasible. And so, having deliberately waited until we had a good line of sight over the journey, in October 2021 we became the first Singapore bank to sign the NZBA commitment letter. We view this pledge to align our business with pathways limiting carbon emissions to net-zero by 2050 as an important down payment for the future.

We have also created infrastructure to enable and empower businesses to achieve their climate impact goals. Climate Impact X (CIX), a carbon exchange and marketplace for high-quality carbon credits that is expected to go live in early 2022, will help enable this by leveraging satellite monitoring and blockchain technology – a world's first. CIX is currently helmed by our former Chief Sustainability Officer.

Social

Being socially-conscious involves doing the right thing by our customers. This includes being committed to fair dealing. DBS continually reviews our sales processes, training and disclosure standards to ensure that we act with our customers' best interests at heart.

Cognisant of our responsibility to society, the bank also gives back to the community in various ways. We provide inclusive banking to those who might otherwise not be able to access the formal financial system, advocate for and nurture small businesses that create social impact, and support community causes such as those that are championing education, the environment, and the elderly.

We also seek to multiply our impact by empowering others to create positive change. We do this particularly through the DBS Foundation, which was established in 2014 to champion social entrepreneurship. By coming alongside businesses that are driven to create social and environmental impact, we can reach more beneficiaries than if we travel this journey alone. In 2021, the Foundation awarded close to SGD 3 million to 19 social enterprises in Asia via its flagship grant programme. This was double the usual quantum disbursed in past years and reflected our commitment to help more businesses to make a difference.

Additionally, as Covid-19 cases surged in India and Indonesia in 2021, we donated oxygen supplies to these markets to help meet urgent healthcare needs.

To enable us to drive greater impact beyond banking on a sustained basis, the Board recently approved setting aside an additional SGD 100 million to champion social enterprises and other community causes.

Responsible stewardship

Climate change and social inequality are issues that can only be addressed with collective resolve and action. To pull all these into place, we architected our broader sustainability agenda around our three pillars – responsible banking, responsible business practices, and impact beyond banking. With bold commitment, expertise, and leadership, I am confident we will be able to make significant contributions to decarbonisation, drive the transition to a net-zero world, and be a responsible steward of natural resources, while building and securing a sustainable future.

Piyush Gupta
Chief Executive Officer
DBS Group Holdings

HIGHLIGHTS

Delivering on our climate commitment

Board Sustainability Committee
Established to enhance our governance process in relation to climate impact and broader ESG matters centred on our three sustainability pillars

34%
of our total IBG credit loan book was used to estimate our financed emission, compared to 9.6% in the previous year

9 priority sectors
were selected for us to focus on and develop granular sector-specific methodologies for, so as to better assess the impact of climate risk and support our clients in their sustainability transitions

01
Responsible banking

Our responsible banking practices support our customers' transition towards lower-carbon business models, enhance their access to ESG investments, and deliver customised retail solutions to meet their specific needs.

02
Responsible business practices

We believe in doing the right thing by our people and embedding environmental and societal factors in our business operations.

03
Impact beyond banking

We seek to be a force for good by championing social enterprises – businesses with a double bottom line – and supporting community causes such as those that are driving positive environmental and social impact.

Net-zero
commitment as the first Singapore bank to sign up to the Net-Zero Banking Alliance to realise a net-zero future by 2050 or sooner

2022
target year to achieve net-zero carbon emissions from our own operations

SGD 100 million
additional funding by DBS to further improve lives in Asia

SGD 20.5 billion
committed to sustainable financing deals, more than double the amount from the previous year

Net-zero energy building
the first in Singapore by a bank to be retrofitted for net-zero energy consumption

SGD 13.4 million
loans disbursed at preferential rates to social enterprises

SGD 23.5 billion
amount of ESG bonds raised where DBS is involved as an active bookrunner

Launched
Opportunity Marketplace
which uses artificial intelligence and machine learning to help employees better identify their career aspirations and skills needed

>100,000
employee volunteering hours serving the community

APPROACH

OUR STRATEGY

Our commitment to embed sustainability in the fabric of our business is strategically centred around our three sustainability pillars:

01
Responsible banking

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Responsible business practice

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We seek to be a force for good by championing social enterprises – businesses with a double bottom line – and supporting community causes such as those that are driving positive environmental and social impact.

As we advance further along our sustainability journey, we dialled up focus on climate impact at the core of our strategy. In 2021, we became the first Singapore bank, and among the first 100 banks globally, to sign up to the Net-Zero Banking Alliance (NZBA), committing to align our lending portfolios with net-zero emissions by 2050.

We believe we can make a real contribution in accelerating the transition towards a net-zero future while making a meaningful shift to our business by:

- Elevating governance
- Strengthening climate risk management
- Aligning our portfolio
- Empowering and supporting clients in their transition

We see sustainability as an active value driver where new opportunities could be gained, in addition to managing ESG risks as a necessary license to operate.

TRACKING OUR PERFORMANCE

As a member of the United Nations Global Compact, we believe we have a role to play in promoting sustainable development. We are committed to drive progress towards achieving the sustainable development goals (SDGs). All 17 interrelated goals represent an ambitious sustainability agenda by 2030.

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

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

PILLAR 1: RESPONSIBLE BANKING

Material topic	SDGs mapped		Target	Target date	Progress
Responsible financing Accelerating the transition to a net-zero future	7 AFFORDABLE AND CLEAN ENERGY 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION	7.2. Increase the share of renewable energy in the global energy mix 7.3. Improvement in energy efficiency 9.3. Increase the access of small-scale industrial and other enterprises, to finance services, including affordable credit, and integration into value chain and markets 9.4. Retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industries process 12.6. Encourage companies, especially large and transnational companies, to adopt sustainable practices 13.3. Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning	Develop a methodology to measure, manage and reduce the carbon emissions from our lending activities across key industry sectors as we steer our portfolio to align with our climate commitments	2023	●
			Improve physical risk analyses and enhance transition risk analyses as we strengthen our climate risk management	2023	● 2021: Developed models for 4 of 9 priority sectors to enhance transition risk scenario analyses
			To set decarbonisation interim targets for 2030 and a 2050 net-zero target	2023	○
			To publish absolute emissions and emission intensity for Scope 3 financed emissions and report on the progress against our decarbonisation transition pathways	2024	○
			Increase sustainable financing to SGD 50 billion	2024	● 2021: SGD 20.5 bn Cumulative: SGD 39.4 bn
Sustainable living Enabling a more sustainable lifestyle in the community	8 DECENT WORK AND ECONOMIC GROWTH 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION	8.10. Encourage and expand access to banking, insurance, and financial services for all 12.8. Ensure that people have the relevant information and information for sustainable development lifestyles in harmony with nature 13.3. Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning	Develop a tailored sustainable solutions suite for all retail customers providing an approach that enables them to shift towards green living	Ongoing	●
			Expand financial literacy resources & tools to consumers	Ongoing	●
			Grow the sustainable investment (defined as those with MSCI ESG-ratings of BBB and above) AUM to >50%	2024	✓ 2021: 53%
Financial inclusion Democratising banking services access to all	8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	8.10. Encourage and expand access to banking, insurance, and financial services for all 9.3. Increase the access of small-scale industrial and other enterprises, to finance services, including affordable credit, and integration into value chain and markets	Curate simple and commonly used features in digibank (personalised) for migrant workers, foreign domestic workers and seniors	2021	✓
			Help customers to start their investment journey	Ongoing	●

PILLAR 2: RESPONSIBLE BUSINESS PRACTICES

Material topic	SDGs mapped		Target	Target date	Progress
Employee well-being and managing talent Our greatest asset to driving success	8 DECENT WORK AND ECONOMIC GROWTH	8.2. Achieve higher levels of economic productivity through diversification, technological upgrading and innovation	Position ourselves as an employer of choice	Ongoing	●
			Build great leaders at every level and great teams	Ongoing	●
			Support and empower all employees to take charge of their developments with the bank	2022	●
Diversity and equal opportunity Building an inclusive culture	5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH	5.1. End all forms of discrimination against all women and girls 5.5. Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making 8.5. Achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value	Deepen efforts to drive gender, inter-generational and foreign talent diversity and inclusion	2022	●

Legend

Target date	Progress
Short-term	○ In development
Long-term	● On track
	✓ Achieved

PILLAR 2: RESPONSIBLE BUSINESS PRACTICES

Material topic	SDGs mapped		Target	Target date	Progress
Managing our environmental footprint Redesigning and rebuilding for a more sustainable future	7 AFFORDABLE AND CLEAN ENERGY 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION	7.2. Increase the share of renewable energy in the global energy mix 7.3. Improve energy efficiency 9.4. Retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industries process 12.2. Achieve the sustainable management and efficient use of natural resources 12.5. Reduce waste generation through prevention, reduction, recycling and reuse 13.3. Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning	Net-zero operational carbon, as measured by the total operational carbon equivalent net of total offsets purchased	2022	On track 2021: 32,719 tCO_2e 2020: 43,455 tCO_2e
			RE100 commitment, as measured by total renewable energy generated and total RECs purchased	2030	On track Renewable energy generated from solar panels 2021: 944 MWh Total RECs purchased: 2021: 10,700 MWh
Sustainable procurement Managing our supply chains	8 DECENT WORK AND ECONOMIC GROWTH 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	8.4. Improve global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation	Commit 100% of new suppliers to DBS' Sustainable Sourcing Principles (SSPs)	Annual	Achieved 2021: 100%
Data governance Protecting and being responsible with data	8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	8.2. Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, 9.1. Develop quality, reliable, sustainable, and resilient infrastructure	No material instances of data breaches during the year	Ongoing	On track
			Continually drive data management-related training and awareness	Ongoing	On track
			Ensure 100% compliance to baseline governance requirements for all deployed AI solutions	Ongoing	On track
Fair dealing Driving good conduct and fair outcomes	8 DECENT WORK AND ECONOMIC GROWTH	8.10. Encourage and expand access to banking, insurance and financial services for all	No material instances of non-compliance concerning fair dealing during the year	Ongoing	On track
Preventing financial crime Protecting our customers and businesses from financial crime	8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	8.2. Achieve higher levels of economic productivity through diversification, technological upgrading, and innovation, 9.1. Develop quality, reliable, sustainable, and resilient	Zero-tolerance mindset for any acts of bribery, corruption and fraud. We will comply with applicable anti-money laundering, combating the financing of terrorism, and unilateral or domestic sanction laws and regulations in the jurisdictions in which we operate	Ongoing	On track

Legend

Target date	Progress
Short-term	In development
Long-term	On track
	Achieved

Material topic	SDGs mapped		Target	Target date	Progress
Cyber security Fortifying resilience and security	8 Decent work and economic growth 9 Industry, innovation and infrastructure	8.2. Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, 9.1. Develop quality, reliable, sustainable and resilient infrastructure	Zero-tolerance mindset for operational risk, including cyber security risk	Ongoing	

PILLAR 3: IMPACT BEYOND BANKING

Material topic	SDGs mapped		Target	Target date	Progress
Social entrepreneurship Catalysing growth for impact	8 Decent work and economic growth 9 Industry, innovation and infrastructure	8.3. Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalisation and growth of micro-, small- and medium-sized enterprises, including through access to financial services 9.3. Increase the access of small-scale industrial and other enterprises to finance services, including affordable credit, and integration into value chain and markets	Stakeholders reached as part of advocacy efforts	2021	2021: 280,000
			Number of social enterprises (SE) nurtured through grants, loans, and capacity building	2021	2021: 183 SEs
			30% increase in employee skills-based volunteering hours	2021	2021: 127% increase to 7,105 hours
Employee volunteerism Placing purpose at the heart of what we do	8 Decent work and economic growth 12 Responsible consumption and production	8.2. Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, 12.3. Reduce by half the global food waste per capita at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses	Contribute 100,000 volunteer hours across our six markets to promote a culture of employee volunteerism	2021	2021: > 100,000 hours

Legend

Target date	Progress
Short-term	In development
Long-term	On track
	Achieved

GOVERNANCE

The Board has overall responsibility for sustainability and integrates ESG matters in the formulation of DBS' strategy. The Board provides oversight on DBS' sustainability agenda and directs its efforts in managing material ESG matters, and is guided by the objective to create long-term value by managing our business in a balanced and responsible way. Given the heightened expectations among external stakeholders on DBS' sustainability agenda and commitments, a new Board Sustainability Committee was established to better focus on sustainability matters.

Governance Structure

The structure outlines how our sustainability governance operates across the Board, Board Committee, the Management, and specialised functions. It builds upon the respective areas of responsibilities and expertise to enhance the oversight on our sustainability agenda.

Roles and responsibilities

To ensure full oversight and accountability for our sustainability strategy, the Group Sustainability Council (GSC), through regular updates and reporting to the Group Management Committee (GMC), supports the CEO and the Board Sustainability Committee (BSC) on ESG matters.

The BSC is chaired by the Group Chief Executive Officer (CEO), and oversees DBS' overall plans and approves its strategies, goals, and targets in relation to climate and the broader ESG matters, strategically centred around our three sustainability pillars. The BSC will meet quarterly and as and when required.

The GSC is chaired by the Chief Sustainability Officer (CSO) and consists of senior management members from various business and support units. The GSC serves as an executive forum for discussions and operational decision-making on sustainability matters. These include the setting, tracking, and reporting of key performance indicators in consultation with stakeholders, as well as overseeing the execution of sustainability initiatives across the bank.

The GSC also advises the BSC on material ESG matters that contribute to the overall materiality assessment, which is utilised for strategic planning and long-term value creation. The GSC meets every two months and provides periodic updates to the BSC.

During 2021, we focused our initiatives and programmes on building knowledge and deepening subject-matter expertise, clarified roles and responsibilities, and integrated climate change – identified as a top priority and most immediate issue – within our strategic and risk management framework, that is aligned with our overall aspiration and ambition. As such, updates on climate-related developments, our climate ambitions, and risk management approaches regularly feature on the Board and Board Committees' agendas.

In April 2021, the Climate Steering Committee, co-chaired by the Group Chief Risk Officer, Group Head of Institutional Banking Group (IBG), and the CSO, was established to further strengthen DBS' climate risk management. A dedicated working team has also been formed at the Group level and is managed by senior members from IBG, Risk, Finance and the CSO office.

The Climate Steering Committee meets monthly to coordinate the multi-year climate roadmap and oversees the analyses and implementation of disclosures in alignment with the TCFD recommendations updated in 2021 and the Environmental Risk Management Guidelines issued by the Monetary Authority of Singapore in 2020. As a specialised function, the Climate Steering Committee also acts as an expert group that will inform the GSC on the progress made in managing our climate risk.

Across our core markets, China, Hong Kong, India, Indonesia, and Taiwan, we have also established Local Sustainability Councils to ensure sustainability is embedded consistently across the organisation. These Local Councils follow a similar structure as the GSC and have a broad mandate to execute initiatives in line with the Group's sustainability approach while adapting to local market conditions.

Read more about "Corporate Governance" in the Annual Report.

Performance measurement

We use a balanced scorecard approach to measure how successful we are in serving our key stakeholders and executing our long-term strategy, including driving our sustainability initiatives. Progress against the scorecard is monitored and measured regularly. The Group Sustainability Scorecard reflects activities across the Group, core markets, and business and support units. It is a living tool that continually sets and refines objectives, drives relevant behaviours, and measures performance.

Read more about "Our 2021 Priorities" and "Remuneration Report" in the Annual Report.

STAKEHOLDER ENGAGEMENT

Strengthening rapport amidst changing priorities

Our key stakeholders are those who impact our strategy the most or are directly impacted by it. They comprise our investors, customers, employees, society, regulators, and policy makers.

	Investors	Customers	Employees	Society	Regulators and policy makers
How did we engage?	• Organised one-on-one online meetings and group conference calls specifically on ESG topics with close to 40 investors • Attended virtual roadshows and online ESG conferences conducted by industry peers • Ensured ongoing and regular engagement with major ESG rating agencies and participated in ESG rating assessments on a regular basis throughout the year	• Multiple channels, including digital banking, call centres and branches • Regular engagements with relationship managers and senior management • Active interaction and prompt follow-up to queries/ feedback received via social such as Facebook, LinkedIn and Twitter, as well as online communities on our corporate websites • Regular customer interactions via online customer journey workshops and satisfaction surveys	• "Tell Piyush" – an online forum where almost 390 employee feedback and questions were raised to the CEO • "DBS Open" – quarterly group-wide townhalls hosted by the CEO • Regular department townhalls and events held by senior management • DBS Cares Community Forums – employees learn and share more about taking care of their personal well-being • Regular pulse surveys and annual "MyVoice" employee engagement surveys • "iHealth" and "RUOK" festivals with webinars to inspire and encourage employees	• Reaching out to social enterprises (SEs) to understand specific challenges arising from the pandemic, and facilitating industry knowledge sharing and dialogues regionally • Speaking with community partners and social service agencies • Connecting with government bodies and associations, including Singapore Centre for Social Enterprise and Community Chest • Maintaining strong partnerships with academic institutions to support tackling real-world sustainability challenges together • Engaging communities within the heartlands and our neighbours through POSB	• Engaging in discussions with regulators, governments, and public agencies • Advising public agencies and sharing insights as an industry leader when called upon • Providing insights and thought leadership in support of regulators' efforts towards ensuring financial stability • Active participation in local, regional, and international industry forums on financial regulation
Key topics raised?	1. Implications of Covid-19 and climate change on business prospects, and sustainability strategy and outlook 2. Environmental, social and governance (ESG) commitments and our progress towards targets. Particular interest in governance around environmental issues and how we work with customers to reduce their carbon footprints	1. Customers requested for working capital support towards growth beyond the pandemic 2. Enhanced digital experience and security to making banking simpler, safer, and more intuitive, and concerns over fee discipline impacting customer satisfaction 3. Growing interest in sustainable investing among private banking clients and increasing demand for products and solutions that cater to a sustainable lifestyle	1. Questions covering topics from overall corporate strategy and business, culture, technology and workplace management, employee compensation, benefits and welfare, to customer experience, were raised through "Tell Piyush" and quarterly townhalls 2. In our annual employee engagement survey, our best-performing indicators are reflected in the areas of Diversity and Inclusion, Learning and Development, Risk and Control, as well as Culture and Brand 3. Engagement issues, such as survey follow-up and managerial effectiveness are among the other regular feedback received throughout the year.	1. Challenges in adapting to new forms of digital interactions continue as in-person volunteering activities remain a challenge with pandemic restrictions in place across markets. The needs of the communities have also grown to include social and emotional ones, in addition to the immediate economic and medical challenges particularly among the elderly. 2. SEs face a funding gap in their early scale up phase. They seek catalytic capital and strong partners to enable them to scale up their business to secure more traction as well as deepen their social and environment impact.	1. Ensure business resilience and continue providing innovative financial services to maintain stability of the financial system in a hybrid work arrangement 2. Key regulatory and reporting issues surrounding the banking industry included: · Cyber security · Preventing financial crime · Data governance · Fair dealing and conduct 3. Regulatory risks and new regulatory frameworks that will be needed due to increasing competition with fintech/ tech platforms, and macro trends such as sustainability.
How did we respond?	1. We 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. 2. We responded to investor queries through various engagements and highlighted our Sustainability Report which explains our three-pillar approach to ESG: responsible banking, responsible business practices, and creating impact beyond banking. The details on our approach to responsible financing and managing climate risk attracted the most interest.	1. We approved over 4,200 loans that totalled SGD 1.1 billion to SMEs, with over 95% of the loans going to micro and small businesses. 2. We made multiple enhancements across different fronts to elevate the customer experience and safeguard the interests of our customers. For example, we incorporated our customers' feedback in the design of the bank's products and services. Using customer journey maps, we reviewed our existing banking journeys end-to-end, and harnessed our digital leadership and data capabilities to close the gaps and protect against fraud and scams. 3. We enabled clients to integrate a sustainable lens to their investments and create their own portfolio based on their personal interests and values. We also provided corporate customers with guidance on new financial products and services. Some examples include green- and sustainability-linked loans, sustainable bonds, and a suite of ESG-investment funds. We also launched the inaugural digital sustainability platform LiveBetter on our digital banking app to empower customers towards more eco-friendly lifestyles.	1. We refreshed the "Tell Piyush" forum in 2021 to improve user experience and enhance accessibility. Piyush personally addressed all questions and comments raised. Employees were also engaged regularly through quarterly pulse surveys to identify areas of concerns and/ or pain points. Where applicable, all issues and suggestions were directed to relevant departments and COO offices for follow-up. 2. We launched Life@DBS to streamline communication channels and share employee stories and activities, to inspire and build emotional connections between employees. 3. We strengthened the bank's open feedback culture through "Anytime Feedback". In 2021, we received over 120,000 feedback, of which 50,000 were related to developmental feedback.	1. We encouraged our employees to embrace new creative ways of volunteering through an array of in-person and virtual volunteer programmes, overcoming limitations arising from the pandemic. 2. We provided a record SGD 3 million in grant funding to 19 SEs through the 2021 DBS Foundation Grant Programme. These SEs have demonstrated strong business traction and meaningful impact outcomes. With the grant, we aim to catalyse positive social and environmental change, and tackle issues spanning healthcare, nutrition, employability and income disparity, education, energy, environment protection and waste management - all of which are pertinent and increasingly prevalent today.	1. We implemented additional controls and innovative solutions to address the risks of remote working and enhanced our data usage surveillance to detect the removal of critical information. We deployed digital solutions to facilitate contact-free banking for our customers. 2. We continued to leverage technology, data analytics and AI/ ML to combat money-laundering and protect our customers from scams. We made further strides in our data governance capabilities and our financial advisory processes to ensure that the interests of our customers stay protected. 3. We drove technology-enabled business solutions, partnering with relevant regulators and industry players. These include: a) **DBS Digital Exchange** – a bank-grade platform for issuance, trading and custody of digital assets including cryptocurrencies b) **Singapore Trade Data Exchange** – a digital infrastructure that facilitates trusted and secure sharing of data between supply chain ecosystem partners c) **Climate Impact X** – an online marketplace for trading high-quality carbon credits and kick starting the voluntary carbon market in Singapore d) **Partior** – a block-chain based clearing and settlement platform that serves as a wholesale payment rail for digitised commercial bank money, enabling 24/7 global instantaneous money movement with speed, certainty, and transparency

ASSESSING MATERIALITY

Material ESG matters have the most impact on 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 the execution of our strategy. This is a group-wide effort considering input from all business and support units and incorporating feedback from stakeholders.

Read more about our "Stakeholder engagement" on page 13.

PRIORITISE matters that most significantly impact our ability to successfully execute our strategy in delivering long-term value and influencing the decisions of key stakeholders.

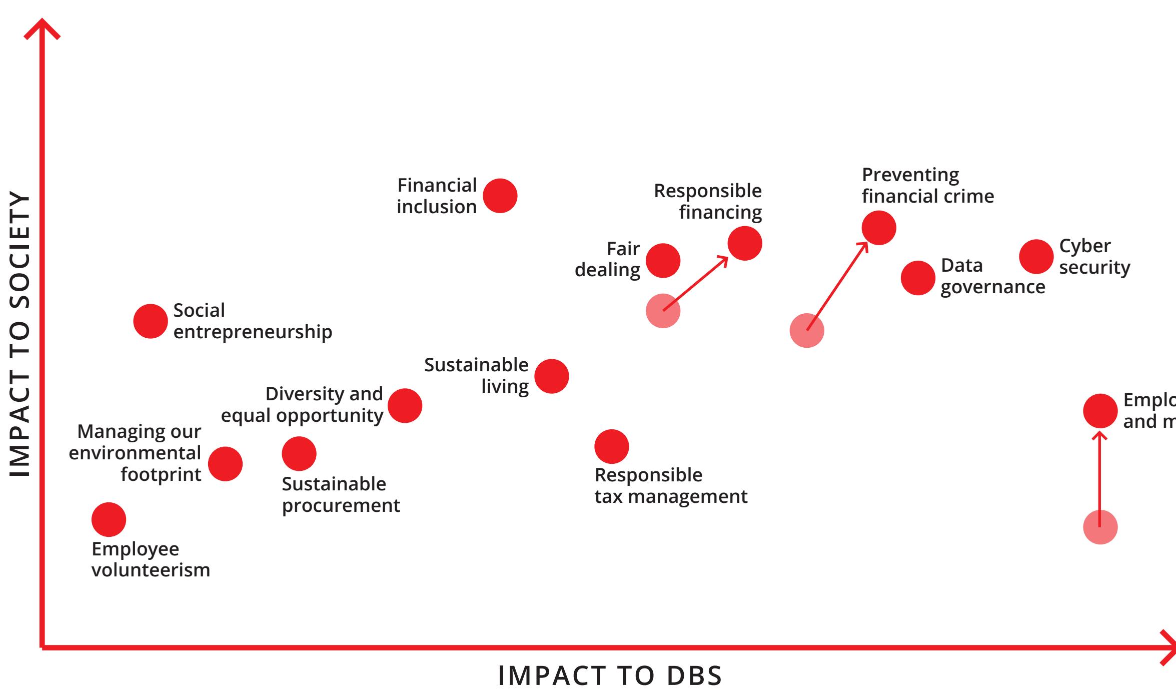
INTEGRATE these matters that are material to value creation into our balanced scorecard to set objectives, drive behaviours, measure performance and determine the remuneration of our people.

Read more about "Our 2021 Priorities" in our Annual Report.

In 2021, we re-validated the findings of our materiality assessment that had been completed in the prior year. The process included desktop research of external trends, data analysis, and regular dialogues with our key stakeholders through various platforms and feedback channels to gain insights and identify matters of key relevance to them.

"Responsible financing", "Employee well-being and managing talent", and "Preventing financial crime" were elevated in materiality. We consider these matters to be of increased importance as climate change, changing needs of employees, and the growing number of scams are key risks we need to sharpen our focus on.

Read more about Material matters in our Annual Report.



TOPICAL ISSUES IN FOCUS

Climate Impact X

Mobilising capital for the transition to a net-zero world

The challenge: realising a low-carbon future

Climate change is one of the biggest challenges of our time. Limiting global warming to 1.5°C is possible but requires transformational changes to the global economy, which will include the pricing of greenhouse gases. Well designed and functioning carbon markets are an essential tool in enabling an efficient marketplace for deploying carbon pricing, which in turn has the potential to unlock the significant amounts of capital needed for the global economy's transition.

The solution: a blockchain-based global marketplace

At DBS, we recognise there are many environmental challenges in front of us, but we have chosen to prioritise action on climate change as the most immediate issue, given the urgency and how climate change is interrelated with other environmental and social concerns. We have been focusing on helping our clients transition to a low-carbon economy.

To provide greater support to accelerate the sustainability agenda, we partnered Singapore Exchange, Standard Chartered and Temasek to set up Climate Impact X (CIX) in May 2021 – a global exchange and marketplace for the trading of tokenised high-quality carbon credits. By facilitating a well-functioning marketplace with strong impact and risk data, CIX aims to enable the efficient price discovery of carbon credits and catalyse the development of new carbon credit projects worldwide.

CIX has an initial focus on natural climate solutions (NCS), which will involve the protection and restoration of natural ecosystems such as forests, wetlands, and mangroves. This adds impetus to address global biodiversity loss and protects the livelihoods of local communities who heavily rely on these ecosystems. This is especially important in Southeast Asia where ecosystems are among the most threatened in the world due to immense pressures that include high deforestation rates for plantations and mining activities.

As such, the CIX well complements our sustainability efforts and net-zero ambitions.

The journey: what's next?

In October 2021, CIX successfully completed a pilot auction of a curated portfolio of high-quality carbon credits sourced from several NCS projects globally. The auction attracted strong interest from many global companies, and the final group of buyers represented different industry segments and active market participants eager to scale the voluntary carbon market by successfully clearing carbon credits equivalent to 170,000 tonnes of carbon dioxide (CO_2) emissions.

The NCS projects used for the first auction span reforestation and avoided deforestation initiatives which are located across Africa, Asia, and Latin America. They demonstrate high-performance of carbon sequestration, carbon avoidance, and high levels of verified co-benefits, such as supporting biodiversity, along with social and economic development in local communities.

These pilot projects collectively support more than 55,000 jobs, improve education for more than 35,000 students, and help fund 60 medical facilities and infrastructure projects, including efforts to protect over 250 threatened species.

Moving forward, CIX will continue to leverage its expertise and experience from this pilot and will go live in early 2022.

Towards Zero Food Waste

Galvanising stakeholders into action

One-third of the world's food is lost or wasted each year, yet one in nine people still go hungry today. As the world's population expands and environmental pressures increase, the global food waste crisis becomes increasingly dire. This has been further exacerbated by the pandemic that has upended supply chains and negatively impacted food security for many. Food loss and waste is also a key contributor to climate change, amounting to almost 10% of global greenhouse gas emissions – if food waste were a country, it would be the third largest emitter in the world according, to the UN Food and Agriculture Organisation (UNFAO).

At DBS, we believe businesses have a role to play in helping to find solutions to these challenges. As part of our commitment to a sustainable and climate-resilient future, we started a regional movement in 2020 to galvanise multiple stakeholders into action towards zero food waste, thereby creating collective impact.

Our Towards Zero Food Waste (TZFW) initiative comprises three dimensions: 1) Advocacy efforts to build awareness of the issue; 2) Employee engagement and activations, and working towards reducing food waste in our own operations; and 3) Partnerships with like-minded organisations to scale our impact. In doing so, this initiative unifies our three sustainability pillars of Responsible Banking, Responsible Business Practices and creating Impact Beyond Banking.

This initiative has generated more than **600,000 kg of food impact** across Asia (such as food waste reduced and recycled, or food redistributed) in 2021. We intend to scale this up further in the coming years as part of our commitment to championing a more sustainable tomorrow.

Advocate – Changing Mindsets

We engaged the public and created awareness on the issue of food waste across all our key markets, leveraging both media partnerships and our owned platforms. The two most recent episodes of our online mini-series **Sparks** 'A Call to Action' (episode 7 in 2020) and 'One from the Heart' (episode 8 in 2021) are inspired by DBS-supported social enterprises (SEs) tackling the issue of food waste, and portray how our teams at DBS rally to support these SEs in their TZFW mission amidst the pandemic

In Indonesia, our **#MakanTanpaSisa** (Eat Without Leftovers) social media campaign to raise awareness of food waste in a market with low awareness levels and high per capita food waste, went viral, garnering more than 21 million video views and 3.3 million engagements in 2021 alone. Over **30,000 kg** of food was donated through this campaign since launch.

As a sponsor of **MasterChef Singapore** (Season 2), we leveraged the popular cooking competition programme as a vehicle for broad-based public engagement on food waste. In one of the episodes, contestants were asked to prepare a meal using the three most commonly wasted household ingredients. Overall, our campaign resulted in 6.3 million video views and 2.3 million engagements.

Activate – Walking the Talk

In 2021, we continued to engage and empower our employees to take action towards zero food waste through unique internal activations and initiatives. Some examples include:

- Our annual **Hungry for Change Ideation Challenge**, where we continued to partner with SEs working towards zero food waste. Since 2020, more than 2,600 employees have participated in this programme, contributing over 600 new ideas to solve business challenges faced by these SEs.

- Our very own urban farms at our offices in Singapore and Hong Kong, both of which were conceptualised in partnership with SEs supported by the DBS Foundation, and involve employees volunteering as urban farmers to grow various varieties of edible plants and herbs.
- In Taiwan, employee group buys from social enterprise Buy Directly From Farmers, and a partnership with the Food Bank, helped reduce food loss and redistribute food to support the food insecure.

During the year, we had over **15,000** employees participating in over **250 activations** regionally. Collectively, over **78,000 kg of food** were either donated, recycled, or redistributed.

Ally – Partnering for Impact

Across our core markets, we continued to partner with government bodies, social enterprises, corporates and NGOs to scale the impact of our TZFW efforts.

- DBS was the first bank to be appointed a collaborating partner in Singapore's national 'Say Yes to Waste Less' campaign organised by the National Environment Agency in both 2020 and 2021. In 2021 we partnered with both WhyQ and foodpanda on 'Last Hour Deals' where diners get dining discounts at participating F&B outlets in the final hours before closing to collectively reduce food waste.

- In India, we engaged with DBS Foundation-supported social enterprise S4S Technologies to support the set up of dehydration units as part of a livelihoods project for rural women in Maharashtra. The programme resulted in 24 microentrepreneurs being trained, and prevented over **240,000 kg** of Grade B & C vegetable produce from being lost.
- In China, we partnered with the largest dining guide app Dianping to launch a "Clean up your Plate" campaign, and with participating restaurants to create customised #Eat-up Sets using surplus ingredients, resulting in over **110,000 kg** of food impact.

PILLAR 1

RESPONSIBLE BANKING

Our responsible banking practices support our customers' transition towards lower-carbon business models, enhance their access to ESG investments, and deliver customised retail solutions to meet their specific needs.

- Responsible Financing
- Sustainable Living
- Financial Inclusion

RESPONSIBLE FINANCING

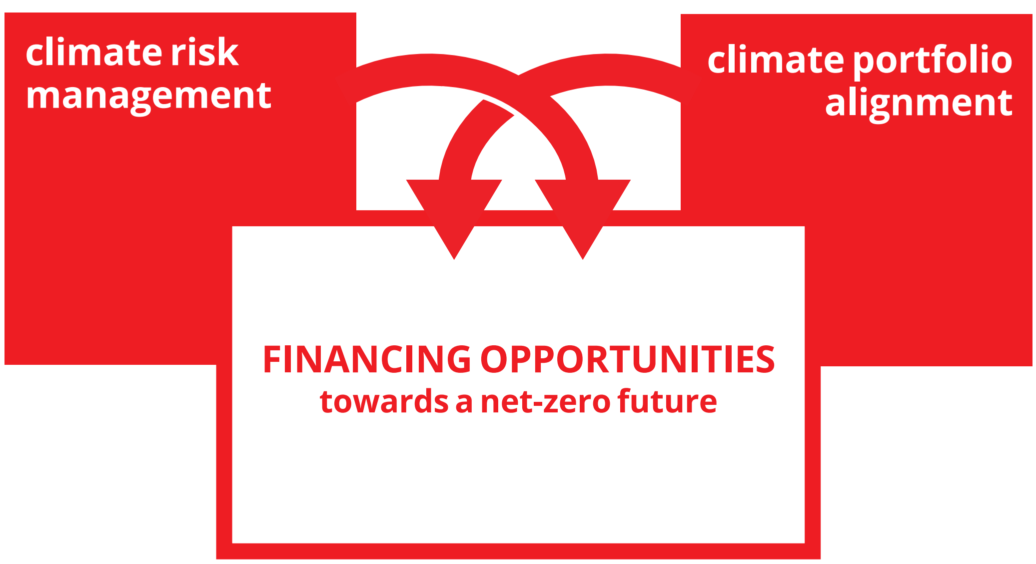
Accelerating the transition to a net-zero future

As we work towards becoming the Best Bank for a Better World, we seek to innovate and be thoughtful around our sustainability agenda to create a healthy planet, while ensuring a just transition.

Of the many sustainability challenges facing us, we prioritise climate action given its urgency and how climate change is interrelated with other environmental and social concerns. Climate-related risks and opportunities affect the way we do our business and how we make investing and financing decisions.

Our approach

Banks have a two-way relationship with the climate, whereby climate change has risk implications on the portfolio of banks and bank lending affects the climate via the financing provided. Our climate strategy accounts for this two-way relationship by strengthening climate risk management capabilities and ensuring portfolio alignment with our net-zero commitment into a single cohesive framework. This opens new opportunities for us and helps empower our customers to achieve their decarbonisation targets.



Our progress

In 2021 we became the first Singaporean bank, and among the first 100 banks globally, to sign up to the Net-Zero Banking Alliance (NZBA), committing to align our lending portfolios with net-zero emissions by 2050.

The following section under Responsible Financing describes our strategic priorities:

- **Elevating governance**
  We have put in place a robust governance structure to oversee environmental, social, and governance ESG matters (including climate), pertaining to our financing activities.
- **Strengthening climate risk management**
  Our ESG risk assessment for the Institutional Banking Group (IBG) lending portfolio covers a suite of sector-specific factors by identifying, assessing, and quantifying ESG risks; we have started to explore the integration of transition and physical climate risks more explicitly.
- **Aligning our portfolio**
  Building on the foundation we have laid since 2018 when we first began measuring our financed emissions across selected carbon-intensive customers, we continue to make progress in measuring and steering our IBG lending portfolio to align with our climate commitments.
- **Empowering and supporting clients in their transition**
  We are well-positioned to reap new opportunities through financing a green and just transition.

We see sustainability as an active value driver where new opportunities could be gained, and as a way to manage ESG risks as a necessary license to operate. By combining our deep sector knowledge, strong client relationships, and financial expertise, we continue to offer seamless end-to-end advisory and financing solutions to support our clients in their decarbonisation journeys.

As an early adopter of the Task Force on Climate-related Financial Disclosures (TCFD), DBS has been reporting under the recommendations since 2018. We remain committed to being transparent about our efforts and progress.

Timeline of our sustainability action

2017

Announced our support for the **TCFD**

Developed the **Green Bond framework** in accordance with The Green Bond Principles and **issued our inaugural green bond**

Developed our **Group Responsible Financing Standard**, outlining the ESG requirements for corporate financing

Became a signatory to **RE100**, the global renewable energy initiative

2018

Issued our **first standalone sustainability report** including climate-related disclosures according to the TCFD recommendations

2019

Adopted the **Equator Principles** as part of our efforts to promote responsible financing

2020

Published our **Sustainable and Transition Finance Framework and Taxonomy** that forms the bedrock for DBS to engage with clients who are furthering their sustainability and climate agenda

2021

Announced our **sustainable financing target** to SGD 50 billion by 2024

Committed to **phase out thermal coal exposure** completely by 2039

Established a **Climate Steering Committee** to further strengthen our climate risk management

Integrated ESG into our risk management framework by developing quantitative models to assess climate-related risks

Set up **Climate Impact X**, a Singapore-based global carbon exchange and marketplace

Actively reducing carbon footprint in our **own operations to net-zero** by 2022

Joined the **Taskforce on Nature-related Financial Disclosures (TNFD) Forum**

Joined the **Net-Zero Banking Alliance** to commit to net-zero by 2050 or sooner

Elevating governance

We have put in place a governance structure to oversee ESG risks and opportunities of our financing activities at IBG since 2017. More recently, we established a Board Sustainability Committee to provide greater governance and oversight into climate-related risks and opportunities, as well as our broader sustainability agenda. This elevates the existing oversight at the board level, where the Board Risk Management Committee (BRMC) approves DBS' overall risk governance frameworks, policies, and processes, including the approach to responsible financing.

Read more about our "Governance" on page 11.

At the management level, IBG sustainability team oversees the ESG risk management processes, reviews transactions with high ESG risks and recommends financing conditions and covenants to mitigate ESG risks where required, before submitting for credit approval. The team also updates policies and Sector Guides and reports material ESG issues and trends to the Group Credit Risk Committee (GCRC) biannually. Where appropriate, material issues are escalated for discussion with the Group Risk Executive Committee. The team also leads the sustainable finance business and helps originate, structure, and execute the transactions aligned with best practices to ensure integrity of the green and sustainability attributes of the financing.

Our Responsible Financing Standard and Policies

Our policies and standards govern our efforts and approach to sustainable finance and confirm our commitment to responsible banking practices.

Our Group Core Credit Risk Policy incorporates principles and approaches to managing ESG issues. They are supplemented by the Group Responsible Financing Standard and our nine Sector Guides pertaining to sectors with elevated ESG risks. Our Group Responsible Financing Standard applies to all lending, capital market products and services, and treasury/ corporate investments within DBS and forms an integral part of our credit approval process governed by the Group Core Credit Risk Policy. Our ESG standards also extend to promoter share financing in Private Banking.

As part of our periodic review process, we updated our Group Responsible Financing Standard in 2021, which included the tightening of ESG-related prohibited transactions to specifically highlight no financing towards activities that involve deforestation of High Carbon Stock (HCS) and High Conservation Value (HCV) forests, in addition to illegal logging and land clearance by burning. Furthermore, our latest commitment to zero thermal coal exposure by 2039 was reflected in the latest Group Responsible Financing Standard, as well as the Power and Metals & Mining Sector Guides.

We continue to apply our nine Sector Guides that outline the ESG standards we expect of our customers. These cover Agricultural Commodities, Palm Oil, Chemicals, Oil & Gas, Mining & Metals, Power, Infrastructure, Animal Husbandry & Feed, and Apparel, Footwear & Textile sectors.

Read more about the Group Responsible Financing Standard and Sector Guides in Our Approach to Responsible Financing.

Our ESG Risk Assessment

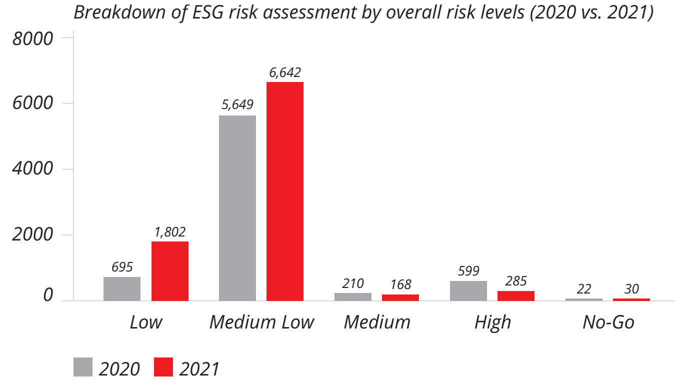
ESG due diligence is an integral part of our credit and capital markets deal engagement process. It entails monitoring our customers' adherence to our standards through tracking progress in addressing past incidents, following negative media coverage and activist campaigns, engaging customers in establishing practices that align with international standards, and following up on agreed mitigating measures.

If there are incidents that require a deeper engagement, we request further ESG information from our customers and advise a strategy that satisfies our standards. If a customer is unwilling to adequately manage and mitigate the identified risks, we are prepared to decline the transaction or reassess the banking relationship altogether.

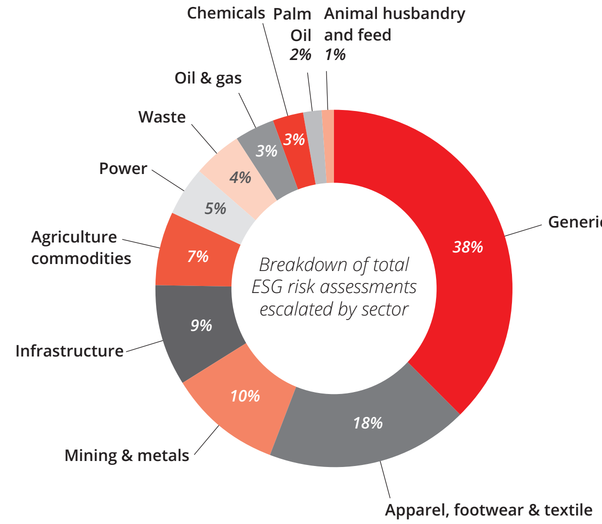
We adopt three lines of defence to manage our ESG risk in line with DBS' internal controls framework. Forming the first line of defence is our Relationship Managers (RMs) who conduct ESG risk assessments of our customers as part of the credit application or capital markets deal engagement process. Whenever the ESG risk assessment requires escalation, the assessment is further evaluated and reviewed by the IBG Sustainability team. Where appropriate, enhanced due diligence may take place in the form of site visits, independent reviews and/ or certification requirements. Our Credit Risk Managers (CRMs) provide the second line of defence by reviewing the ESG assessments as part of the credit approval process. Finally, Group Audit serves as the third line of defence through periodic audit on the effectiveness of our overall ESG risk management.

In 2021, a total of 8,927 ESG risk assessments were completed as part of credit applications, annual reviews or in the event there is some negative ESG news about the borrower. The figure below depicts the completed ESG risk assessments across the various risk levels ("Low", "Medium Low", "Medium", "High" and "No-Go") over the year. More than 94% of the completed assessments fall under the overall risk levels of "Low" and "Medium Low", reflecting that most of our transactions adhere to our responsible financing standards.

Breakdown of ESG risk assessment by overall risk levels (2020 vs. 2021)



Separately, among the ESG risk assessments conducted, 7.3% (2020: 7.7%) were escalated for further due diligence.The escalations were due to reasons such as the carbon-intensive nature of the transactions, labour practices and community grievances amongst others. The following chart shows the proportion of ESG risk assessments escalated by sector.



In 2021, a total of 30 ESG risk assessments were escalated as the customers had engaged in 'No-Go' or prohibited transactions. Out of these escalations, eight were later clarified not to be in breach of our policy and 21 were identified as pure-play thermal coal transactions.

Building ESG Expertise

To enhance the integration of ESG considerations in our financing, we stepped up our efforts in building our ESG expertise.

In relation to ESG risk management, RMs and CRMs are required to undergo mandatory training designed to ensure compliance and consistency in implementation of our policies and standards. In 2021, 87% (2020: 83%) of our RMs and CRMs have undergone the mandatory Responsible Financing e-Learning.

To capture sustainable finance opportunities, we have mobilised a network of colleagues, which are members of the IBG Sustainability Solutions Group, across markets to multiply the impact of the central IBG Sustainability team. We have offered training programs to enhance knowledge of our sustainable finance products to our RMs in 2021. The objective of the trainings is to enhance their understanding of the different sustainable finance products, the workflow, and relevant industry best practices such that we promote credible transaction attributes and minimise the risk of greenwashing. About 200 RMs have attended the courses.

In 2022, we plan to increase the number of sustainable finance trainings to a wider group of audience beyond RMs. The training programs will cater to sectoral characteristics including coaching approaches to determine net-zero pathways for various carbon-intensive industries.

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

Our Know Your Customer (KYC) team continues to up-skill our RMs and CRMs on modern-day slavery and its manifestations, including forced labour, debt bondage, money laundering and human trafficking and trained 804 (2020: 153) RMs in 2021. Our objective is to continually raise internal awareness, while enhancing our understanding of the early-warning signals and relevance of modern slavery to our business and how these issues can be identified during the KYC process.

As part of the on-going efforts to build ESG expertise at Global Transaction Services (GTS), a learning session on sustainable trade finance was organised and close to 300 participants attended across all locations. A specialised ESG portal has also been launched for the GTS staff to ensure the team can refer to the cash and trade products, trends, and client pitchbooks.

Strengthening climate risk management

Since we started reporting on our climate disclosures in 2018, we have made steady progress in enhancing our climate risks management. We began with conducting pilot studies on transition risk assessment, where we analysed via a bottom-up approach, the potential cost impact to a sample population of IBG customers using scenarios reflecting different carbon prices as advised by the International Energy Agency (IEA) and the Organisation for Economic Cooperation and Development then. In 2020, we expanded our methodology to introduce a top-down, portfolio-level approach for the entire portfolio, leveraging the forecasts of macroeconomic variables to supplement our bottom-up borrower level assessment based on impact on company financials.

Separately, we also embarked on our inaugural pilot assessment of physical risk in 2019 for a sample population of IBG customers across the selected carbon intensive sectors, namely energy and metals & mining, referencing three future climate change scenarios that are based on the Intergovernmental Panel on Climate Change (IPCC) representative concentration pathways then.

Collectively, these pilot studies represent our initial steps in delivering our climate commitments. We continue our journey in 2021 and made steady progress to identify, assess, measure, and integrate climate-related risks into our customer and portfolio management strategies. More significantly, we established a Climate Steering Committee, co-chaired by the Group Chief Risk Officer, Group Head of IBG and the Chief Sustainability Officer (CSO), with representatives from IBG, Risk, Finance, and the CSO office, to put together a comprehensive climate risk roadmap through several key workstreams, such as governance, client engagement, credit underwriting and integration, risk appetite, scenario analysis and disclosures.

Identifying the impact of climate risks

DBS views climate risk as a material risk that can manifest across the mainstream risk types. Among the many other risk types, such as market, liquidity, operational, and reputation, credit risk, which mainly arises from lending activities to corporate, institutional, and retail customers, represents the most significant quantifiable risk impacted by climate change. The relatively longer time horizon over which climate change risk impact is manifested also renders credit risk most significant amongst the above risk types.

For example, climate change can have **credit risk implications** via two transmission channels:

- Transition risk – potential impact of changes in public policies, disruptive technological developments, and shifts in consumer and investor preferences, due to decarbonisation transition, on borrowers' profitability, cashflows and asset values.
- Physical risk – potential impact of event driven (acute) climate events and longer-term shifts (chronic) in climate patterns, on borrower's operations (such as supply chain disruption), profitability, and potentially, their viability, and the value of assets taken as collateral.

On the other hand, **operational risk** – arising from inadequate or failed internal processes, people, systems, or external events – may be triggered by potential physical climate risks, resulting in business disruptions and creating negative impacts on workplace, personnel, systems, vital records and dependencies. Mitigation programmes such as a robust business continuity management and group insurance programmes are put in place to ensure that operational risks are managed and essential banking services can continue in the event of unforeseen events and that significant financial impacts are abated.

Finally, **reputational risk** is a consequence of the failure to manage other risk types. At DBS we have policies in place to protect the consistency of our brand and to safeguard our corporate identity and reputation, which are further reinforced by our corporate values that reflect ethical behaviours and practices.

Frameworks suitable for translating climate-related risks into financial risks relevant for **market and liquidity risk quantification** remain relatively nascent. To this end, we will continue to explore methodologies to enhance the quantification approach.

Integrating climate risks into overall credit risk management framework

Climate change credit risk quantification is challenging because its impact is far-reaching in breadth and magnitude, over an uncertain and extended time horizon over decades, while also depending on short-term actions. As a result, current industry best practice involves the use of scenario-based climate change credit risk modelling and analysis to quantify the transmission of physical and transition climate risks to potential credit risks.

Physical risk scenario analyses

Our physical risk scenario analysis mainly leverages locational hazard mapping methodologies to develop initial insights on the potential physical risk impacts to our assets and business operations. We started this analysis with a focus on the DBS Hong Kong property-secured lending portfolios, which piloted in the 2021 Hong Kong Monetary Authority (HKMA) Climate Risk Stress Test.

Initial insights from the assessment indicated that the potential physical risk impacts to the property securing the DBS HK lending portfolios, under a High Emission Future scenario, are likely limited.

Transition risk scenario analyses

Over the past 12 months, we have also embedded climate risks in our overall risk management framework by identifying, assessing, and quantifying these risks, and began exploring the integration across our credit risk policies and sector strategies. Our climate risk assessment for the IBG lending portfolio has evolved to a suite of sector-specific models. We aim to build models for nine priority sectors, initially focusing on power, automotive, oil & gas, and real estate. Our power and automotive sectors are selected as pilots to deep dive our transition risk scenario analyses, and we share the preliminary assessment under the **Sectors in focus** sections.

Further details of the findings and methodologies to our scenario-based climate change credit risk modelling can be found in the Appendix on page 87.

Aligning our portfolio

Building on the foundation we have laid since 2018 when we first began measuring our financed emissions across selected carbon-intensive customers, we continue to share our progress in measuring and steering our IBG lending portfolio to align with our climate commitments. We have expanded the scope of our assessment to cover the nine priority sectors, based on their relative exposure in our IBG portfolio and their significance with regard to heightened climate risks.

In 2020, we studied a sample population of 414 customers that accounted for no more than 10% of our total IBG portfolio. In 2021, we expanded our Scope 3 financed emissions quantification by adopting a bottom-up activity-based approach to cover close to 3,000 listed and non-listed companies across our nine priority sectors, representing approximately 34% of IBG portfolio as at August 2021, a marked increase from the previous year.

Preliminary estimates of financed emissions

To date, we have completed the preliminary estimates of our financed emissions for five of our nine priority sectors, and we continue to work on the remaining sectors, paving the way to develop credible decarbonisation pathways to engage with our customers.

The table below shows our preliminary results for the five sectors based on work to-date, which illustrates DBS' estimates of Scope 3 financed emissions in emission intensities and compares with the 2020 reference baseline scenarios, in line with the NZBA guidelines. In general, the estimated emissions are within the limits of the respective reference scenarios, except the aviation sector, as the baseline emissions intensity was distorted due to reduced passenger air travel as a result of the pandemic.

Sectoral Scope 3 financed emissions baseline based on preliminary results and corresponding reference scenarios*

Sector	Value Chain Segment	Scope 1	Scope 2	Scope 3	DBS Scope 3 Financed Emissions as at August 2021	Reference Scenario	Reference Scenario Emission Intensity in 2020
Power	Conventional Power Generation	√	-	-	291 $KgCO_2$/MWh	IEA NZE	438 $KgCO_2$/MWh
	Renewable Energy	√	-	-			
	Renewable Equipment Manufacturing	-	-	√			
Real Estate	SPV (Investment & Leasing)	√	√	-	86 $KgCO_2/m^2$	CRREM	111 $KgCO_2/m^2$
	Real Estate Corporate	√	√	-			
	REIT	√	√	-			
Automotive	Midstream/ OEM	-	-	√	0.125 $KgCO_2$/V-km	IEA NZE	0.144 $KgCO_2$/V-km
	Downstream – Single Brand	-	-	√			
	Downstream – Multiple Brand	-	-	√			
Aviation	Aircraft Operators	√	-	-	223 gCO_2/P-km	IEA NZE	191 gCO_2/P-km
	Aircraft Lessors	√	-	-			
Shipping	Vessel Operators (with secured vessels)	√	-	-	5.1 gCO_2/DWT-NM	IMO (Poseidon Principles)	5.8 gCO_2/DWT-NM
Oil & Gas	Work in progress						
Agri-culture							
Chemicals							
Metals & Mining							

** Abbreviated terms (presented alphabetically):*

- ***CRREM – Carbon Risk Real Estate Monitor***
- ***gCO_2/DWT-NM - Gram of carbon dioxide per deadweight tonnage nautical mile***
- ***gCO_2/P-km – Gram of carbon dioxide per passenger kilometre***
- ***IEA – International Energy Agency***
- ***IMO – International Maritime Organization***
- ***$KgCO_2/m^2$ - Kilogram of carbon dioxide per square kilometre***
- ***$KgCO_2$/MWh - Kilogram of carbon dioxide per megawatt hour***
- ***$KgCO_2$/V-km – Kilogram of carbon dioxide per vehicle kilometre***
- ***NZE - Net-zero Emissions by 2050 Scenario***
- ***OEM – Original Equipment Manufacturer***
- ***REIT – Real Estate Investment Trust***
- ***SPV – Special Purpose Vehicle***

Sectors in focus: Power sector

Transition risk scenario analyses

The power sector has been one of the earliest and fastest to decarbonise, yet not all companies within the sector have taken sufficient action. Companies that have already started greening their power generation today are best placed to do well under multiple climate transition scenarios.

The power generation model focuses on the impact of a given company's adaptive response, whether the company invests in renewables in a manner that maintains its current market share of generation in an increasingly green landscape. Company transition performance is heavily dependent on its energy type, regulation status, baseline generation carbon intensity, and baseline financial position.

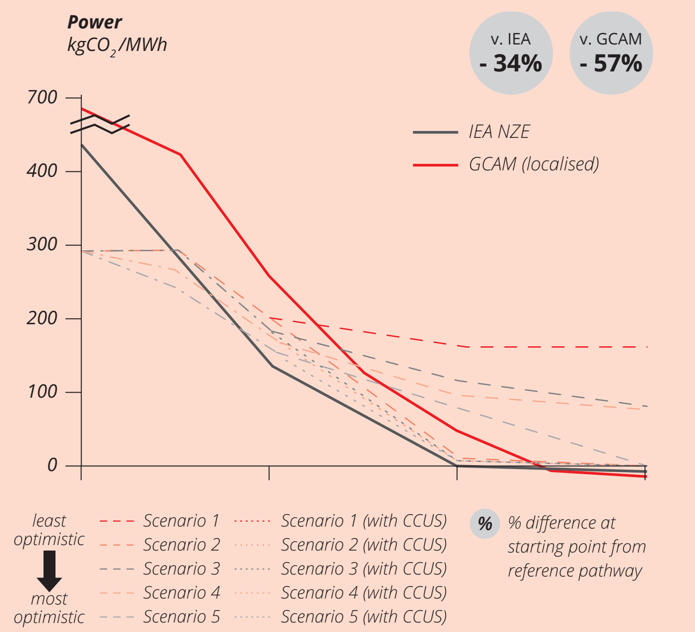
For example, **renewable power companies** are expected to transition better, given their head start on low carbon footprints at the baseline year as well as their emission status, decarbonisation strategies, and other external regulatory requirements in a net-zero transition. As the volumes of renewables are projected to grow steadily with the market over the projection horizon amid increases in electricity prices, upgrades in ratings are expected due to the improved financial performances over time, indicated by improved assets, cash, and increased earnings.

On the other hand, **conventional power companies** in regulated markets are expected to perform worse than peers. These companies are generally reliant on conventional sources (e.g., coal) at the baseline and usually operate in regulated environments. Analysis suggests that these companies would have difficulty maintaining their volumes with decarbonisation of the power market. These companies are expected to see reductions in profits and earnings. This, along with increased liabilities, inabilities to pass-on costs amid higher carbon price and increased debts over the horizon, will likely result in rating downgrades from the baseline.

Portfolio alignment

For customers relying on fossil-fuel power generation, the bulk of carbon emissions is generated from thermal combustion resulting in Scope 1 GHG emissions. In contrast, for renewable equipment manufacturers, Scope 3 emissions arising from use of raw materials such as metals and minerals, represented more than 90% of the total GHG emissions. For the segment of renewable equipment manufacturers, only Scope 3 emissions were accounted for.

In accordance with our plan to phase out thermal coal financing completely by 2039, we have started to reduce the emissions intensity of our power portfolio, hence we are well positioned to meet the net-zero pathway. As per our commitments, we will stop financing customers who derive more than 50% of revenue from thermal coal from 2026, except for their non-thermal coal or renewable energy activities. The graph below shows different scenarios under which our power portfolio could be benchmarked against both IEA net-zero global pathway and a localized Global Change Analysis Model (GCAM) pathway covering China, India, and Southeast Asia through to 2030 and 2050. While both of the reference pathways converge to net-zero, IEA NZE presents a more ambitious glidepath likely reaching net-zero around 2040.



Scenario	Brief Scenario Description
1	Replacement of existing assets using current fuel
2	Replacement using current fuel with Carbon capture, utilisation and storage (CCUS)
3	Accelerated replacement to renewables
4	Immediate full replacement to renewables
5	Immediate full replacement to renewables, with accelerated roll-off of thermal assets

Sectors in focus: Automotive sector

Transition risk scenario analyses

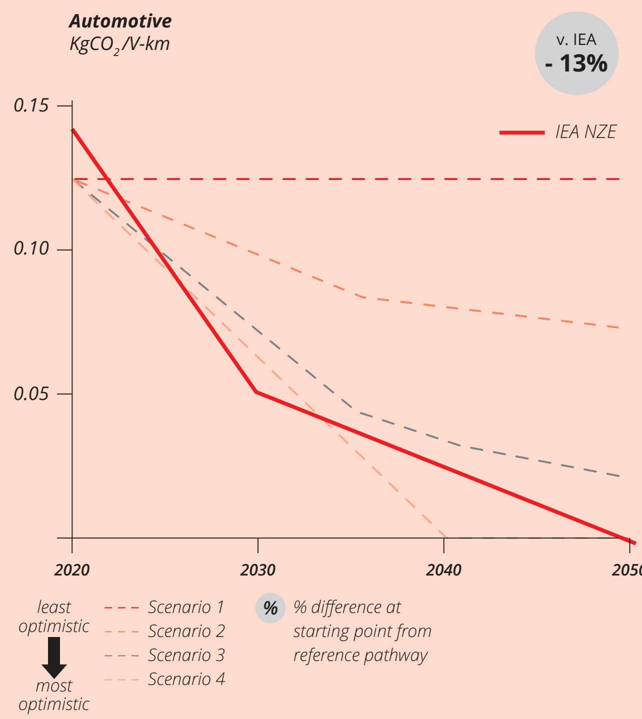
The automotive model focuses on Original Equipment Manufacturers (OEMs) of passenger and light commercial vehicles. OEMs are exposed to climate risk primarily due to the transition away from internal combustion engine (ICE) vehicles and towards electric vehicles (EVs). This is driven by the confluence of (i) declining EV battery costs which will lead to more competitive EV prices and greater adoptions of EVs, and (ii) higher ICE total costs of ownership (TCO) as fuel prices rise under the scenario carbon prices, as well as higher ICE manufacturing costs due to rising fuel economy standards. Companies with significant current EV volumes or growth trajectory see smaller impacts as increased EV sales offset declining ICE vehicle sales and they achieve EV scale more quickly. Companies lagging in EV production or without strong financials to fund EV growth see larger negative impacts.

Based on a sample of companies analysed, companies with higher total R&D/ revenues, strong financial positions and positive EV margins at the baseline year are expected to transition better. This is broadly due to the improved profitability of these companies as they transition to EVs due to lower incremental R&D spends, improved EV margins as the unit costs of EV come down with reduction in battery pack costs, and strong starting financial positions that enable these companies to fund the transition to EVs without accruing significant debt.

Meanwhile, our preliminary results, suggests that companies with lower R&D/ revenues and lower EV gross margins are expected to perform worse than their peers. While EV gross margins are also expected to improve with time due to lower battery pack costs, these companies risk making losses, especially during the transition to adopting EVs where EV prices may be held lower and there are requirements to fund investments, thereby in general worsening the financial strength of these companies.

Portfolio alignment

For the Automotive sector, in line with the IEA reference scenarios, our approach focuses on Scope 3 emissions associated with passenger vehicles only, whose emissions profile is largely made up of tailpipe emissions (>80%). The graph below shows the different scenarios under which our automotive portfolio could be benchmarked against the IEA net-zero pathway through to 2030 and 2050. With increasing production and sales of Battery Electric Vehicles and Fuel Cell Electric Vehicles, the automotive sector has begun its transition.



Scenario	Brief Scenario Description
1	Portfolio continues to perform at status quo
2	Partial fulfilment of commitments by countries and OEMs
3	Fulfilment of all public targets announced by OEMs and countries
4	Industry matches pace of decarbonisation set by market-leading OEM

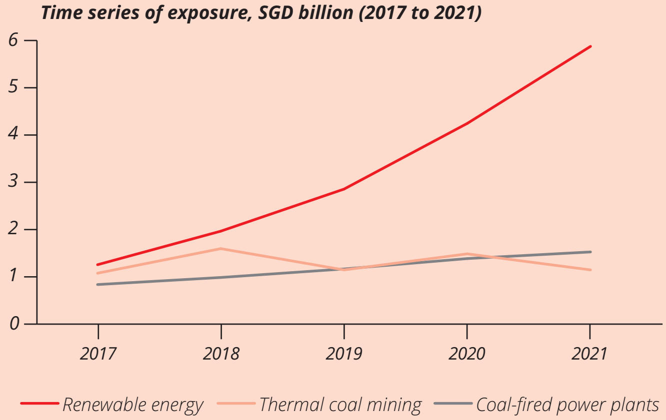
Portfolio in focus: Thermal Coal

Our exposure to thermal coal-fired power plants and thermal coal mining at the end of 2021 were SGD 1.52 and SGD 1.14 billion, respectively, representing 0.26% and 0.20% of total IBG exposure. In view of our latest commitment to stop financing customers who derive more than 50% of revenue from thermal coal from January 2026, we expanded our reporting scope for 2021 to include facilities at the corporate level that fall within this criterion and threshold, resulting in a slight increase in our exposure to coal-fired power plants. Without the expansion of the reporting scope, our exposure to coal-fired power plants would have decreased year-on-year.

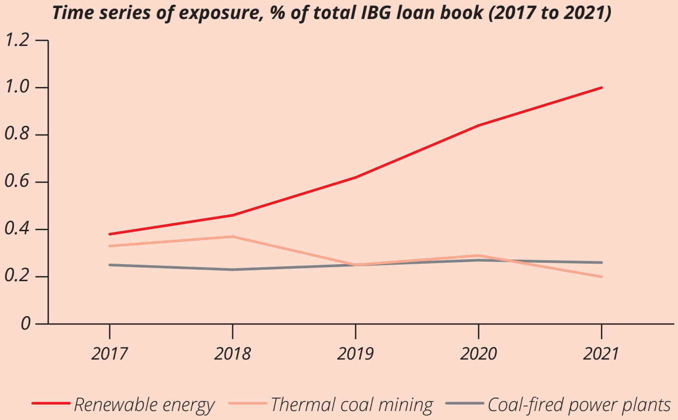
As a comparison against our coal-fired power exposure, the exposure to renewable energy developments continued to increase, such that at the end of 2021, our exposure was SGD 5.87 billion, representing 1% of total IBG exposure.

Since we made a commitment to completely phase out thermal coal financing by 2039, we expect our exposure to this portfolio to steadily shrink over time (see time series charts below).

Time series of exposure, SGD billion (2017 to 2021)



Time series of exposure, % of total IBG loan book (2017 to 2021)



An illustration: Tapping energy transition opportunities in Australia

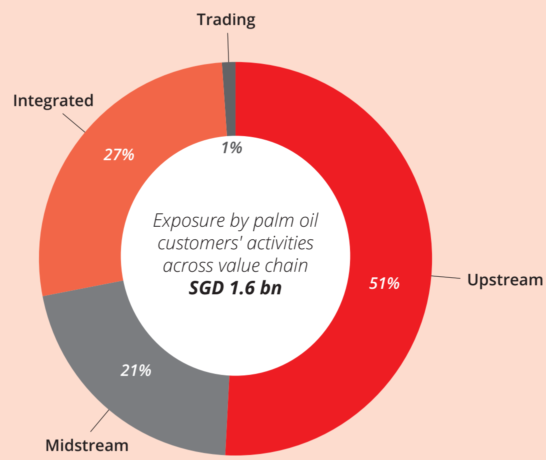
Australia is at the forefront of a global energy transition, with a clear commitment to phase out thermal coal power that is supported by both government and businesses. In Australia, the pathways to decarbonization include a significant build-up of renewable energy generation capacity to replace fossil fuels, as well as commercializing new technologies such as hydrogen and hydrogen-based fuels for domestic use and exports.

During 2021, our Australian franchise has more than halved its exposure to existing thermal coal related customers. The remaining exposure has been placed on an orderly exit pathway to be stepped down over the coming years. This year, DBS has continued to support our customers in Australia as they lead the energy transition process. We have funded the development of our customers' wind farms, solar farms and industrial-scale battery storage facilities. We have also financed institutional investors who have acquired greenfield and operating renewable energy assets to advance their environmental agenda.

Portfolio in focus – Palm Oil

At DBS, 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 fully within a defined timeframe.

The chart below shows our palm oil exposure breakdown by our customers' activities along the value chain: upstream, midstream, trading and integrated.



****Notes: Upstream refers to customers involved in cultivation and harvesting. Midstream includes customers involved in buying fresh fruit bunch from other parties, milling and palm kernel crushing and refining facilities. Integrated customers are those with material business activities across multiple stages of the value chain and scale. Trading customers are primarily engaged in buying and selling of palm oil and its derivates.***

In the past few years, we have deepened our monitoring and engagement for palm oil customers to allow us to better gauge their sustainability performance – for example, their forestry risk policies, supply chain issues, community rights and grievance mechanisms they make available for their communities and stakeholders. After our initial risk assessments, where necessary, extensive due diligence is conducted on customers' operations. Several avenues are used by our sustainability team to review evidence of sustainability performance and commitments. We review standard operating procedures, certifications, permits and approvals, conduct site visits where possible and sometimes seek independent third-party expert opinion to identify environmental and social impacts.

Where there are gaps in meeting our ESG criteria, the sustainability team along with the RM and relevant credit teams welcome open dialogue with our customers. In 2021, we have had customers coming under scrutiny for allegations on labour issues and environmental damages. Where investigation of these concerns and engagement with the customers still leads to the conclusion that our ESG requirements are not being met, they will be placed on an exit pathway, or we will have to decline extending new facilities for them. For others, time-bound action plans may be agreed upon to mitigate the risks. During the year, we have placed three customers under review to evaluate an appropriate exit strategy should they not be able to meet our ESG requirements.

As of December 2021, our exposure to the Palm Oil sector remained at SGD 1.6 billion [2020: SGD 1.6 billion], representing 0.3% [2020: 0.3%] of total IBG exposure.

What's next

This expanded Scope 3 financed emissions quantification exercise paves the way for target setting and climate risk mitigation, and informs our climate roadmap (see below). Through these efforts, we aim to identify synergies in decarbonisation across sectors to build a low-carbon ecosystem alongside our customers as we transition towards a low-carbon future.

We plan to approach customers across the nine priority sectors to develop tailored decarbonisation solutions alongside capital finance advisory to facilitate this transition. RMs will be equipped with research, a guided handbook and training to enrich their discussions with customers.

Our climate roadmap to achieving our 2050 target

2022

Established a new **Board Sustainability Committee** to enhance our governance process in relation to climate and the broader ESG matters

To develop **tailored decarbonisation solutions for client engagement** alongside capital finance advisory, and set decarbonisation interim targets (2030 or sooner) and a 2050 target

To establish a **risk appetite approach**, including the incorporation of climate into the risk appetite statement

To achieve **net-zero operational carbon**

2023

To publish **decarbonisation transition pathways** and stress testing results for further sectors

2024

To publish annually our **absolute emissions and emissions intensity** in line with best practice and report on the progress against our decarbonisation transition pathways

To disclose progress against a **board-level reviewed transition strategy**, setting out proposed actions and climate-related sectoral policies

2030

To **meet decarbonisation interim targets** or sooner

2039

To **phase out thermal coal financing completely** or sooner

2050

To become a **net-zero bank** by aligning all lending and investment portfolios with net-zero emissions

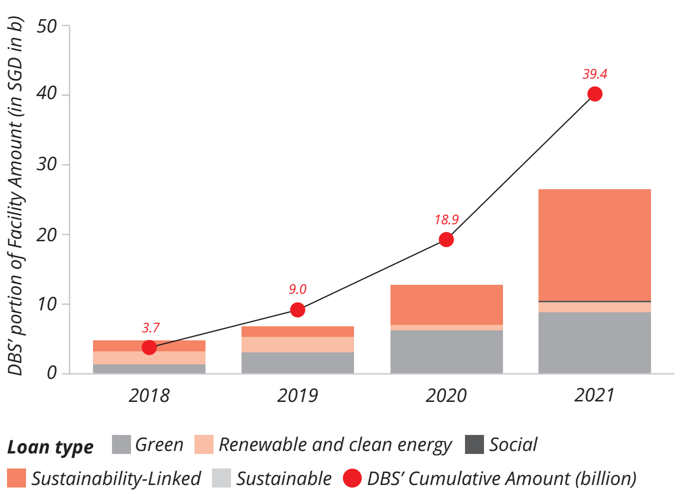
Empowering and supporting clients in their transition

As we empower our customers along their decarbonisation journeys, we are able to reap new financing opportunities to accelerate the transition to net-zero. These opportunities for our large corporate and institutional customers can be categorised into (1) sustainable financing, (2) sustainable trade financing, (3) capital market financing, and 4) other green financing schemes for smaller businesses. Details are highlighted in the four sections below.

1. Sustainable financing

In 2021, a total of SGD 20.5 billion of sustainable finance transactions[(1)] were committed, representing 3.5% of total IBG financing. Cumulatively we have committed SGD 39.4 billion in sustainable financing transactions, and we are on track to exceed our sustainable financing target of SGD 50 billion by 2024. The sustainable finance transactions are in alignment with our Sustainable and Transition Finance Framework and Taxonomy, as well as other international best practice guidelines, such as the Loan Market Association, Social Loan Principles, Sustainability-Linked Loan Principles, among others.

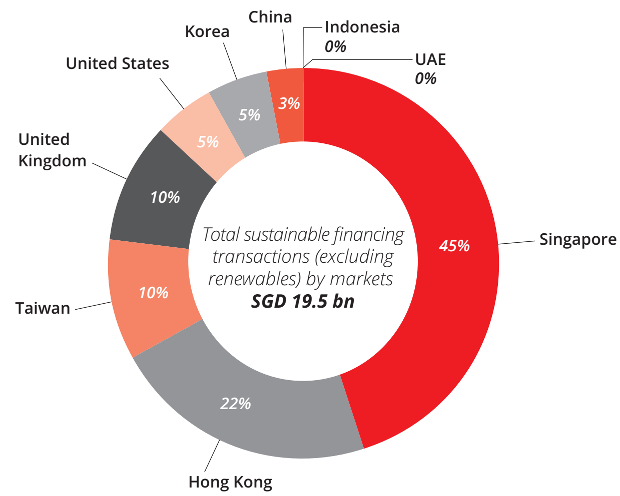
Sustainable Finance transactions showing cumulative amount of DBS' portion of financing from 2018 to 2021

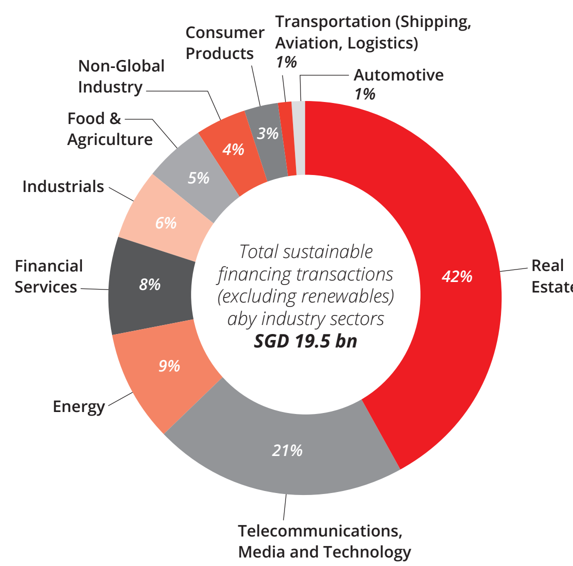


Notably, our sustainable finance transactions in 2021 continued to be dominated by **sustainability-linked loans**, which amounted to about SGD 12.4 billion, almost triple the amount compared to the previous year. **Green loans** followed closely amounting to about SGD 6.9 billion.

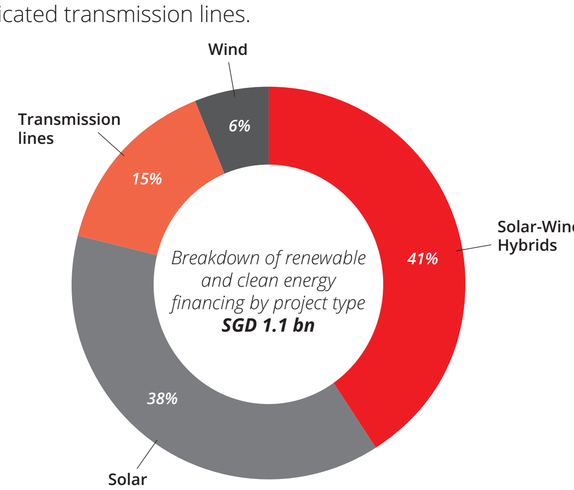
During the year, we saw a continued trends of strong sustainable finance products uptake in Singapore, Hong Kong, and Taiwan, while in Korea we observe a rising interest in decarbonisation financing.

The two immediate charts below illustrate the total sustainability financing transactions (excluding renewables) breakdown by markets and industry types.

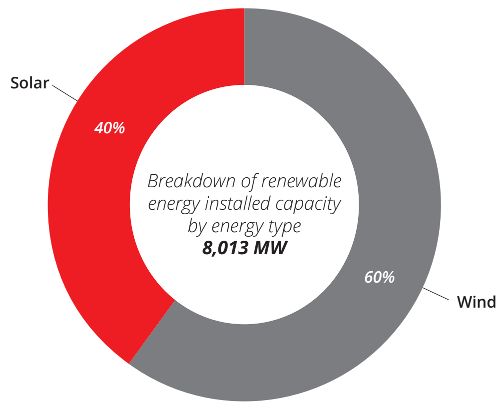




Our sustainable financing target also includes facilitating the development of renewable energy projects that will help mitigate the effects of climate change and deliver the essential growth in energy supply. We committed close to SGD 1.1 billion of **renewable and clean energy financing** comprising a mix of solar, wind and dedicated transmission lines.



(1) Sustainable financing transactions include-
- *Sustainability-linked loans: Loans that are structured to enable customers to pay variable interest depending on their achievement of a set of pre-agreed ESG performance targets which are validated by an independent ESG rating agency or verification party*
- *Green loans: Loans made exclusively to finance eligible green projects in energy efficiency, pollution prevention and others*
- *Renewable and clean energy loans: Loans made to finance renewable and clean energy projects such as solar, wind and others*
- *Sustainable loans: Loans made exclusively to finance or refinance eligible social (including the provision of affordable basic infrastructure and access to essential services for vulnerable populations) and green projects (including categories such as renewable energy, biodiversity conservation and green buildings)*
- *Social loans: Loans made exclusively to finance eligible social projects for affordable infrastructure for target populations, access to basic services and others*



Cementing our position in the market, we were recognised by ranking first as Mandated Lead Arranger for green and sustainability-linked loans in Debtwire's Loans League Table. We were also recognised on Bloomberg League Tables by ranking first for green loans for the Green Use of Proceeds (UOP) loan category in APAC excluding Japan and first for sustainability-linked loans as a participant in APAC. Our efforts in driving direct sustainable financing also resulted in us being recognised in Global Finance's inaugural Sustainable Finance Awards. We swept eight categories both globally and regionally, including overall "Outstanding Leadership in Sustainable Finance for Asia Pacific", in August 2021.

Transition financing: Sustainability-linked loans with performance metrics tied to low-carbon transition

Transition financing is designed to drive decarbonisation and accelerate the shift to a low-carbon future. As an NZBA member committed to net-zero financed emissions by 2050, we motivate our customers to come onboard on this important journey. Our approach to transition financing balances economic development with climate action urgency.

In 2021, some of the notable transition finance transactions we completed were:

- The proceeds from a sustainability-linked facility totalling SGD 150 million for Toyota Financial Services are used to grow Toyota's Electrified Vehicle[2] sales in Singapore. Supporting the transition of the automotive sector towards a lower carbon future is an enormous opportunity in Singapore.
- A SGD 500 million sustainability-linked loan supports Sembcorp Marine's strategic transformation to increase revenue from innovative engineering solutions to the global offshore, marine and energy industries, with a focus on cleaner, greener and renewable energy solutions.
- In India, Reliance Industries is transitioning into using more renewable energy to power its operations. It has initiated a pilot project of co-firing biomass with coal that addresses the problem of farmers in managing organic waste which creates extensive air, water and soil pollution. DBS has joined Reliance in this pilot project which is expected to grow over the next year to support Reliance's conversion away from coal.
- Going beyond Singapore and ASEAN: A total of seven deals were concluded in Korea, including a sustainability-linked loan with SK Telecom and the transition-labelled deal with Korea Railroad Corporation.

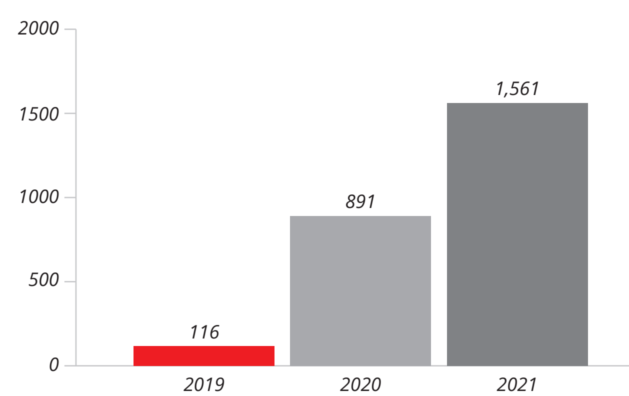
2. Sustainable trade financing

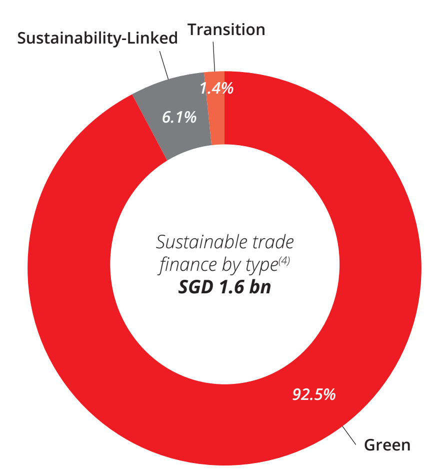
While the pandemic has caused widespread supply chain disruptions, we witnessed a remarkable increase in interest in sustainable supply chain financing[3]. Sustainable supply chain financing not only fulfils key sustainability objectives of anchor buyers but also incentivises contributors in their value chains (i.e., suppliers) to do good. There are intangible benefits, such as cementing the mutually beneficial relationship between anchor buyers and suppliers, building resilience in supply chain in today's volatile environment and driving industry-wide ripple effect promoting positive changes across the industry.

In 2021, close to SGD 1.6 billion of assets were delivered in new green and sustainable trade finance deals covering green Bank Guarantees and Letter of Credits supporting the renewable energy project and equipment companies.

Last year, Green Fixed Deposits were launched as a pilot project in China and India for corporate clients who want to make purposeful deposits to address long-term environmental challenges. We are guided by our commitment to achieve a positive impact through our products for our clients. Increasingly, as more customers are aware of the importance of ESG and want to direct their long and short-term assets towards financial solutions that have a positive environmental and societal impact. Our goal is to expand this pilot to other markets in which we operate. The total green deposits in 2021 amounted to SGD 33 million from markets such as China and India.

Sustainable trade finance, SGD millions (2019 to 2021)





(2) Toyota has established a full line-up of electrified vehicles—namely, hybrid electric vehicles (HEVs), plug-in hybrid electric vehicles (PHEVs), battery electric vehicles (BEVs), and fuel cell electric vehicles (FCEVs)
(3) Sustainable trade finance include: Letter of credits, Bank guarantees, Supplier Payment Services (SPS)
(4) Sustainable trade finance transaction includes:
- Green Trade Finance: Instruments such as Banker's Guarantee, Letters of Credit and Confirmation for projects or transactions that has positive contribution to environment.
- Sustainability-linked Trade Finance: Adjusting our financial conditions to achieve pre-defined sustainability performance targets agreed with clients. For example, Sustainability-linked Supply Chain Financing includes differential pricing to incentivise supplier base to work towards joint sustainability goals.
- Transition Trade Financing: To support our customers move towards less carbon intensive options by financing their 'transition' activities as defined by DBS' Sustainable and Transition Finance Framework and Taxonomy leveraging our trade finance instruments.

DBS as an Equator Principles (EP) Signatory

As a signatory to the Equator Principles since November 2019 and the first EP bank in Southeast Asia, we continue to apply the environmental and social risk management framework and standards stipulated under the EP to applicable transactions. In 2021, the bank was mandated to provide six transactions with Project Finance Advisory Services and achieved financial close for nine Project Finance transactions which were identified to require alignment with the EP.

Projects are assessed and categorised as A, B, or C*. 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.

Table: Transactions under the scope of EP

Industry	Mandated Project Finance Advisory Services	Project Finance Transaction Achieved Finance Close
Mining	0	1
Infrastructure	0	0
Oil and Gas	1	0
Power	5	8
Others	0	0

[Footnote: According to the Equator Principles (2020), Category A Projects are those with potential significant adverse environmental and social risks and/ or impacts that are diverse, irreversible or unprecedented. Category B Projects are those with potential limited adverse environmental and social risks and/ or impacts 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 impacts]

Project finance transaction details for Category A projects

Adani Green Energy Limited is a hybrid wind-and-solar power project in India. A detailed Environmental and Social Due Diligence (ESDD) was conducted to identify, manage, and mitigate the environmental and social risks of the project in accordance with IFC Performance Standards, World Bank's (WB) General and Sector specific EHS Guidelines, as well as the WB's EHS Guidelines for Wind Energy projects. Additional studies such as Critical Habitat Assessment and a Bird-Bat monitoring study were conducted as such projects could pose a risk to biodiversity in the area.

PT Halmahera Persada Lygend Nickel-Cobalt Processing Plant in Indonesia conducted an Environment and Social Impact Assessment (ESIA) to identify and mitigate concerns related to air quality, greenhouse gas emissions, amongst others. Since the project is situated within a habitat with the presence of species of biodiversity value, a Biodiversity Action Plan has been developed for conservation and sustainable management of species. The ESIA has identified potential concerns with regard to tailings discharge, typical wastewater produced by the mining sector, thus a hydrology and hydrogeology study was also conducted to provide additional information on managing and protecting freshwater in the vicinity.

No.	Project Name	Category	Sector	Host Country Name/ Project Location
1.	Adani Green Energy Limited	A	Power	India
2.	PT Halmahera Persada Lygend Nickel-Cobalt Processing Plant	A	Mining	Indonesia
3.	Yuan Yu Floating Solar	B	Power	Taiwan
4.	Eden Solar	B	Power	India
5.	Acquisition of TiLT Renewables Ltd	B	Power	Australia
6.	272MW Solar Project in Taiwan	B	Power	Taiwan
7.	42MW Solar Project in Taiwan	B	Power	Taiwan
8.	Adani Transmission Line	B	Power	India
9.	Solar Nova 4	C	Power	Singapore

3. Capital markets financing

Given the significant financing required to reach net-zero as we support a green recovery and just transition, we are expanding the suite of solutions to scale up such financial flows. Through the use of green, social and sustainable bonds (collectively we define as ESG bonds), we aim to unlock institutional investors' balance sheets to channel more capital markets financing towards sustainable and climate-resilient projects and businesses.

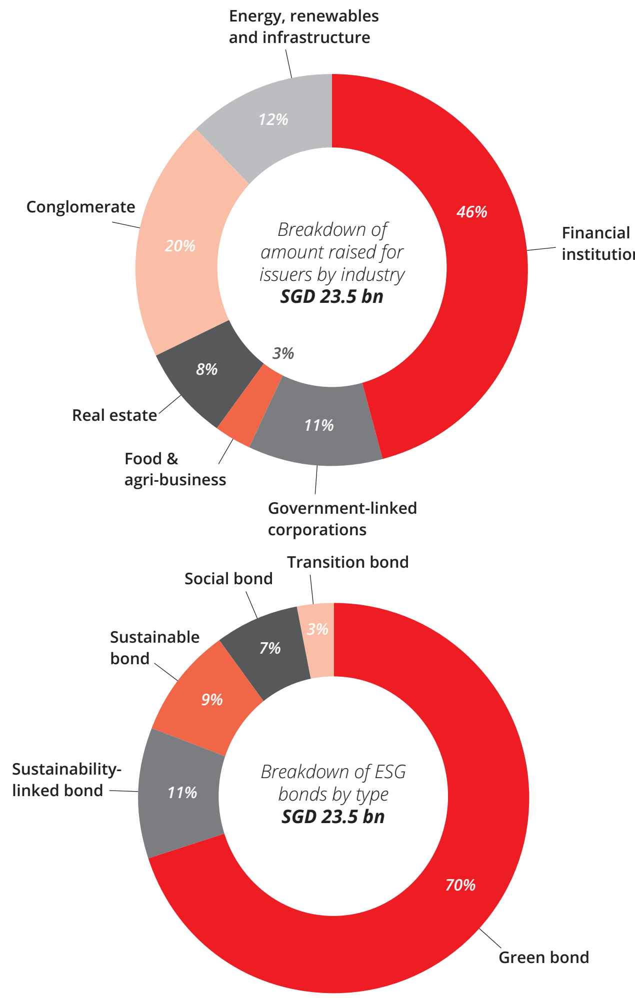
Leveraging our extensive fixed income franchise, DBS continued to promote and drive the Asia ESG bond markets, raising close to SGD 23.5 billion for our customers in 2021. This is more than double the proceeds raised in the previous year. Cumulatively, over the last five years, DBS has facilitated the issuance of over SGD 41 billion in ESG bonds to support various sustainability initiatives of our customers.

We have also expanded our product innovation to cater to the different sustainability and financial strategies of issuers. Beyond bond underwriting and placement services, DBS acted as the sustainability advisor for many of these ESG bond transactions, providing expert advice to structure ambitious and innovative sustainability elements that take into account their unique business and sustainability conditions as well as investors and other stakeholders' expectations.

In 2021, some of the notable transactions that DBS was involved in as a bookrunner or sustainability advisor include:

- **National Environment Agency** SGD 1.65 billion **green bonds**, the first green bonds issued by a Singapore statutory board and the longest tenor unrated public green bond in Asia ex-Japan, where proceeds will be used to finance sustainable waste management projects in direct support of the Singapore Green Plan 2030.
- **PT Japfa Comfeed Indonesia** USD 350 million **sustainability-linked bond**, the first sustainability-linked bond from the global agri-food industry, which entails commitments made by our customer to construct eight water recycling facilities to address material water impacts within the next four years.
- **New Development Bank**'s two series of **sustainable development goals (SDG) bonds** issued in the China Interbank Bond Market. These SDG bonds were structured in alignment with UNDP Sustainable Development Goals Impact Standards for Bonds and China's Technical Report on Sustainable Development Goals Finance Taxonomy, and the proceeds raised from their issuances will be used to finance infrastructure and sustainable development projects in the emerging markets that are members of New Development Bank.
- **CPI Ronghe Financial Leasing** RMB1,038 million **factoring contract-based green asset-backed securitisation**, with the raised fundings used to support the business development of the issuer group in green industries. Our newly established securities joint venture in China, DBS Securities (China), acted as a joint global coordinator for the transaction. Notably, this transaction marks the first green ABS completed in the exchange market in China.

The following charts provide further breakdown of the ESG bonds DBS underwrote and distributed in 2021 by industry and type:



In November 2021, DBS was selected into the International Capital Market Association's (ICMA) 2021/ 2022 Advisory Council of the Green Bond Principles and Social Bond Principles Executive Committee, the only Asian lead manager in the 40-member Advisory Council. The selection is a recognition of DBS' continual efforts and strong commitments in promoting sustainable finance and market adoption of the ICMA Principles.

4. Other green financing schemes for smaller businesses

Despite growing interest and demand in going green, building a sustainability agenda is challenging for time and resource-strapped small- and medium-sized enterprises (SMEs). To help them realise their ambition, we also offer other green financing schemes to empower SMEs through sustainability-linked initiatives.

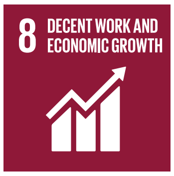
For example, DBS is one of the partner institutions in the Enterprise Financing Scheme-Green, a programme to support Singapore companies that develop green technologies. DBS has committed to lending funds to these companies by undertaking risk sharing of 70%. These will help lift sectors including clean energy, circular economy, infrastructure, and clean transportation.

One SME customer who has taken up the Enterprise Financing Scheme-Green loan is Terrenus Energy, a Singapore-based renewable energy solutions provider. As the sole principal banker, DBS provided a loan of SGD 13.6 million to Terrenus Energy to install 40,000 portable solar photovoltaic (PV) panels on available land and linkways in Changi Business Park, spanning an area of 116,000m² and 3,200m² respectively.

DBS is also one of the banks that provided a SGD 85.8 million green loan to Sunseap, a Singapore-based solar energy solutions provider, to enable the company to build a solar PV system across more than 1,200 public housing apartments and 49 government sites.

Performance and Targets

Theme	Description	Target	Target Date	Progress
Responsible financing to accelerate a net zero transition	Enhancing climate risk management to strengthen portfolio resilience	Develop a methodology to measure, manage, and reduce the carbon emissions from our lending activities across key industry sectors as we steer our portfolio to align with our climate commitments	2023	On track
		Improve physical risk analyses and enhance transition risk analyses as we strengthen our climate risk management	2023	On track (2021: Developed models for 4 of 9 priority sectors to enhance transition risk scenario analysis)
	Becoming a net-zero bank by 2050 under the NZBA commitment	To set decarbonisation interim targets for 2030 and a 2050 net-zero target	2023	In development
		To publish absolute emissions and emission intensity for Scope 3 financed emissions and report on the progress against our decarbonisation transition pathways	2024	In development
	Pursue more sustainable and transition financing	To increase sustainable financing to SGD 50 billion	2024	On track (2021: SGD 20.5 bn Cumulative (2018 to 2021): SGD 39.4 bn)



SUSTAINABLE LIVING

Enabling a more sustainable lifestyle in the community

Our approach

We aim to deliver accessible consumer banking solutions tailored to meet the needs of our customers, while making positive impacts by:

- **Setting customers on the path of sustainable living**
  To encourage more sustainable lifestyles among customers, we provided accessible green offerings that are highly competitive and easy to adopt.

- **Nurturing healthy savings and investment habits**
  To enhance accessibility to financial planning resources and tools, we lowered the barrier to entry to banking services and wealth management through digital platforms and strategic partnerships.

- **Empowering sustainable and ESG investing**
  To increase sustainable investing and create impact through financing among private banking and wealth clients, we curated a suite of sustainable portfolios that consider ESG risks and ratings.

Initiatives

Setting customers on the path of sustainable living

In Singapore, we encourage the cultivation of a sustainable mindset of our retail customers by making green finance products and sustainability knowledge easily accessible. We actively engage with them to understand their aspirations and what they want from green solutions.

DBS LiveBetter platform

In October 2021, DBS launched a new sustainability initiative, LiveBetter, a platform to build a better world together with our retail customers. Insights from our research and customer surveys indicated that majority (73%) are willing to change lifestyles and take sustainable actions, citing convenience as the major pull factor.

Initial key offerings under this new platform include:

1) **Invest Better** – Easy access to funds that invest in renewable energy and other eco-friendly initiatives
2) **Give Better** – Donate to organisations that support environmental and social causes

By the end of the year, LiveBetter has attracted more than 100,000 customers, who invested approximately SGD 2.5 million in green funds and donated over SGD 60,000 towards environmental and social causes.

DBS Green Solutions package

In the same year, we also introduced DBS Green Solutions package, a holistic suite of sustainable living solutions that comprises innovative offerings for customers to integrate green practices into their lifestyles, such as transportation, payments, and purchases. Some noteworthy offerings include:

- **Green car loan**
  Against the backdrop of having more electric vehicles entering the market, DBS introduced Singapore's first green car loan in February 2021. The green car loan offers an attractive rate (i.e., 1.68% p.a., or an effective interest rate of 3.20% p.a. based on a 7-year loan tenure) to all customers purchasing both new and used electric and hybrid vehicles.

- **Green renovation loan**
  Another key component to the package is the green renovation loan catered for property owners seeking more eco-friendly homes. Our rate of 3.68 % per annum is one of the industry's lowest for such a loan, compared to the average market rate of a non-green loan at about 4% per annum. Evidenced by the strong demand, these green loans comprise more than 80% of DBS' new renovation loans as of December 2021.

- **Rewards for eco-friendly purchases**
  We also launched our first eco-friendly credit card, DBS Live Fresh Card, which rewards cardmembers when they patronise selected eco-friendly and sustainable businesses. As of December 2021, it is the only card in Singapore offering more attractive cashback rewards on sustainable spend (for example, an average of 5% as compared to the average market cashback of 2%).

  Currently, there are a total of 30 sustainable merchants, consisting of seven Singapore-based social enterprises (SEs) championed by the DBS Foundation. We continually seek to onboard more SEs within our Green Cashback programme, which includes eco-friendly categories such as eateries, retailers, and transportation services.

Nurturing healthy savings and investment habits

We leverage strategic partnerships and digital platforms to afford retail customers in Singapore a consolidated view of their assets and liabilities and help nurture healthy savings and investment habits. At DBS, we aim to democratise wealth and lower the barrier to entry by making our retail products and services accessible to the masses through digital banking, robot-assisted portfolios, regular savings plans, and budgeting tools.

NAV Planner

To encourage more efficient financial planning, we improved the capability and functionality of DBS NAV Planner. The new offering leverages artificial intelligence (AI) and real-time hyper-personalised experience to generate over 30 million insights, empowering eight in 10 retail customers to take their first steps in investing.

Alongside NAV Planner that allows customers to view their financial health at a glance, the SGFinDex afforded these features to become even more comprehensive. First launched in December 2020, the SGFinDex has enabled NAV Planner users to consolidate their financial data with various banks, and retrieve data from government agencies, such as the Central Provident Fund, the Housing Development Board, and the Inland Revenue Authority of Singapore. The inclusion of The Central Depository in November 2021 marked another step forward, enabling retail customers in Singapore to gain a more holistic view of their finances and investment. This is the nation's first open banking use case in collaboration with the Monetary Authority of Singapore and Govtech, with the goal of helping Singaporeans better plan and manage their finances.

In recognition of the bank's digital efforts, DBS was awarded the "Recognition of Excellence" award for "Map your money" interactive dashboard during the annual Singapore Recognition of Excellence Awards 2021.

DBS digiPortfolio

Driving the democratise of investing, our DBS digiPortfolio remains a key cornerstone of the bank's efforts to make portfolio management services accessible to the masses.

Since its launch in 2019, investments through digiPortfolio continue to demonstrate strong growth, fuelled by demand from a predominately Gen Z and Millennial demographic. With the minimum investment at SGD 1,000, these investors typically start with smaller amounts before progressively topping up their portfolios. Comparing year on year, asset under management (AUM) in digiPortfolio has also doubled.

Empowering sustainable and ESG investing

In the past year, we saw growing awareness and interest among our private banking clients on sustainability and its related issues. Our close relationship with them helps open conversations around how they can leave a legacy of good with a holistic approach for embracing sustainability across their personal investments, their businesses, and via a more thoughtful and deliberate act of venture philanthropy.

Creating sustainable portfolios

Environmental, Social and Governance (ESG) ratings reflect the resilience of a company in managing and addressing ESG risks. Our sustainable investing philosophy places ESG as one of the important selection criteria for investments products, while primary consideration remains a sound investment case and potential for investment returns.

With this in mind, we define Sustainable Investments as those with MSCI ESG-ratings of BBB and above, and carry this throughout our in-house portfolios as with our flagship products. Some noteworthy examples include DBS CIO Barbell Income Fund, DBS CIO Barbell Index Note, DBS I.D.E.A. Fund (A-rated), and DBS ESG Focus Note (AA-rated).

We strive to grow our Sustainable Investment AUM (SI AUM) as embodiment of this philosophy in our advisory process with clients and we set a target to reach 50%, as well as to ensure we maintain this as a baseline and grow it further. We started this target with a baseline end 2020 of 46.8% and are proud to have exceeded 50% within the 12 months, reaching 53% by end 2021.

To keep us focused on growing our SI AUM, we have adopted a data-driven operating model (DDOM) with an ESG Control Tower and Dashboard (see figure below) to track and monitor the performance of the corresponding levers, drivers, and desired outcome.

Adopting more sustainable business practices

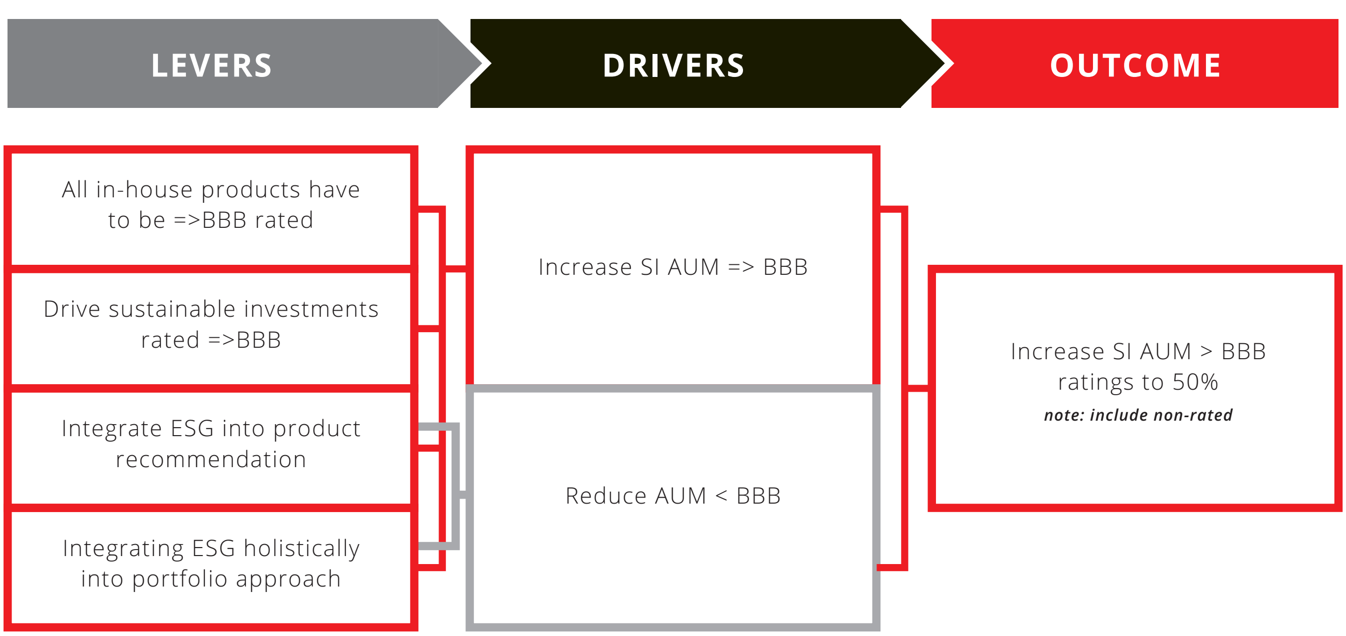
More than 80% of Southeast-Asian businesses are family-owned[(5)], which places our clients at the privileged position of being able to bring sustainable change to their businesses and communities. We aim to advocate for sustainability and bring them along in this journey of managing ESG risks and transitioning their businesses to more sustainable practices by collaborating with our IBG Sustainability champions. We believe this synergistic engagement will be an extension of our capabilities in bridging the personal and business needs of our wealth clients, while leveraging our cross departmental and collaborative efforts.

Encouraging venture philanthropy

An increasing area of passion for our clients is to be able to leave a legacy in their communities. While Asian clients are more traditionally used to cash donations, we aim to marry their passion with our belief in building value chains of impact by supporting businesses focused on creating impact outcomes for societies and the environment. To do so, we actively support the social enterprises (SEs) in partnership with the DBS Foundation, and offer our clients the options of supporting SEs via grants or by creating meaningful partnerships with the SEs to mentor and scale their businesses.

Read more about "Social Entrepreneurship" in page 63.

An ESG data-driven operating model (DDOM) to drive Sustainable Investments AUM



(5) Ho S., Chalam S. (2017). A new wave, Brunswick Group, Brunswich Review Issue 11

Performance and targets

Theme	Description	Target	Target Date	Progress
Sustainable living	Setting customers on the path of sustainable living	Develop tailored sustainable solutions for all retail customers for more sustainable lifestyles	Ongoing	On Track
	Nurturing healthy savings and investment habits	Democratise wealth and expand financial literacy resources and tools to consumers	Ongoing	On Track
	Empowering sustainable and ESG investing	Grow sustainable investment (defined as those with MSCI ESG-ratings of BBB and above) AUM to >50% by 2024	2024	Achieved (2021: 53%)

8 DECENT WORK AND ECONOMIC GROWTH

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Case study

DBS Live Fresh Card Campaigns

As part of DBS' commitment to drive sustainable spend, we kickstarted #FreshDropFriday: The Green Edition. The motivation was to launch exciting drops and experiences with a green purpose to entice cardmembers to spend at eco-friendly merchants and adopt green behaviours.

From 8 October to 31 December 2021, we provided cardmembers opportunities to travel sustainably with the limited-edition DBS Live Fresh: Carbon Zero Cruiser for every SGD 50 spend. Existing cardmembers could earn one chance with every SGD 50 spend and two chances with every SGD 50 spend at our selected sustainable merchants. New cardmembers who signed up for the DBS Live Fresh Card during this period got to enjoy double chances of winning one of the 100-piece exclusive.

In 2022, we have plans to expand our rewards system and host a series of events and workshops to equip cardmembers with the knowledge and capability to live sustainably.

FINANCIAL INCLUSION

Democratising banking services access to all

Our approach

We want to ensure more segments of the community have access to useful and affordable financial products and services that meet their needs and are delivered in a responsible and sustainable manner. We aim to democratise wealth by:

- **Creating an enabling environment for the underbanked**
  To expand our reach to low-income individuals or groups who are typically excluded from traditional banking
- **Addressing the financing gap for small businesses**
  To improve financing for underserved local small- and medium-enterprises (SMEs) and social enterprises (SEs) to build capabilities and capacities and scale businesses

Initiatives

Creating an enabling environment for the underbanked

Financial inclusion involves increasing the number of individuals with access to formal financial systems mainly through owning bank accounts, which empowers them and contributes to better overall economic growth. While the cost of access has been very high in the past, the rapid advancement in digital technologies today is changing the way we democratise wealth efficiently.

Leveraging digital tools and services, we increase the accessibility of the underbanked to transaction accounts. We believe that this is a necessary first step towards greater financial inclusion, as transaction accounts serve as a gateway to many other banking and financial services.

Work Permit Holders

In Singapore, Work Permit Holders (WPH), which comprise Migrant Domestic Workers (MDW) and Migrant Workers (MW), keep many of our businesses, services, and households running; however they are considered among our most vulnerable residents. We continue to onboard WPHs into the formal banking system through our collaboration with the Singapore Ministry of Manpower (MOM), especially as the pandemic entered its second year.

Through POSB, we assist WPHs in setting up accesses to digital banking services (for salary payments, remittance, and online purchases). Digital guides are provided in their native languages to ensure that the WPHs are not impeded by language barriers.

We also partner the Singapore Ministry of Manpower's Assurance, Care and Engagement (MOM ACE) group in offering free physical and virtual awareness-raising workshops, and share the basics of digital banking to protect against online scams and fraud. POSB also works with online communities, such as Indonesian Family Networking Singapore (IFN Singapore) and Filipinos In Singapore (FIS), promoting digibanking, safe online banking, and cashless payments.

POSB partners the Migrant Workers' Centre (MWC) to set up physical booths and dedicated helplines at the Migrant Workers Centre Recreation Centre (MWCRC). In doing so, POSB seeks to provide enhanced banking support services for these workers as they create, troubleshoot, and utilise internet banking for remittance, as well as to address any bank account-related queries.

Currently in Singapore, POSB is the only bank that works with MOM to avail bank accounts as part of the Work Pass Issuance process for WPHs. The bank holds 81% market share of the MW accounts and 66% market share of the MDW accounts, which are mainly opened through MOM's portal for the purpose of salary payment.

In recognition of our efforts made and impact created for the migrant workers, the Singapore Ministry of Manpower (MOM) awarded DBS the MOM Valued Partner Award at the inaugural MOM Partners' Appreciation Event in November 2021. We are humbled to be the only bank to receive this award among nine other recipients.

Simple Mode Interface – An enhanced digibanking feature

The DBS digibank app introduced a new feature that allows users to switch between the full digibank interface and a simpler user interface. This includes having a choice of bigger fonts and icons for easier viewing. This feature has enabled customers with simpler banking needs to customise their user interfaces with the relevant applications to focus on their priority banking and financial needs.

First launched in 2020, the Simple Mode Interface has reduced digital barriers to entry and allowed quick access to commonly used services among our MDWs. In 2021, the feature was enhanced to boost digital confidence among our senior retail customers. With the rapid digitalisation of banking services, we are committed to ensure that the less digitally savvy communities, such as the elderly, are not left behind.

Hawkers

The pandemic has widened the income and wealth gap, which marginalises certain segments of the community, weakens social cohesion and undermines prospects for an inclusive recovery. To support and safeguard the livelihoods of local hawkers and small food stallholders impacted by the pandemic in Singapore, DBS has rolled our various programmes in 2021 to create a more enabling digital environment and help them gain better online discovery as they embark on the journey of digitalisation.

For example, the **Makansutra Food Initiative**, initiated by CBG Singapore, supports local hawkers by purchasing meals and drinks from them and re-distributing them to hospital staff, migrant domestic workers, and other lower-income WPH and residents. Meanwhile, the DBS PayLah! banking app introduced a new feature, **Hawkerpedia**, which includes a suite of promotions, reviews, and other initiatives to rally support from retail consumers and drive businesses to local hawker and food stallholders.

In particular, DBS launched the pilot programme, **Adopt a Hawker Centre**, in September 2021 to tap on the concept of "group buys" from affected hawkers to raise the online discoverability of their businesses. Food stallholders, who operated among the inaugural hawker centres under the programme, have seen earnings improve by 15 to 30 per cent. Encouraged by the strong demand, DBS has committed to scaling up the programme in 2022 by adding more hawker centres to support. Ultimately, we strive to boost the income of pandemic-hit hawkers and grow their business presence on social media and other online platforms as we leverage the rapid advancement in digital technologies today.

Addressing the financing gap of small businesses

Providing working capital financing

As the pandemic heavily impacted lives and livelihoods, small local businesses are increasingly focusing on ensuring sufficient cash flow and manpower, while trying to pivot to new income streams. In 2021, we doubled down on our support for our SME customers and social enterprises (SEs) across our core markets, ensuring they have seamless access to capital and resources. In support of SEs, we have disbursed over SGD 13.4 million in loans at preferential rates. We strive to provide them with the necessary working capital support and ecosystem partnership opportunities to not only tide through this challenging period, but grow beyond the pandemic and adopt sustainable practices to scale their businesses more effectively.

Improved quality and availability of credit information is a key factor for SMEs to access formal financing, including reduced collateral requirements and borrowing costs. Through our online platform, the loan application process of green lane customers – SMEs that provide the necessary credit information digitally and can easily apply for a loan within minutes – has been accelerated. In 2021, we have approved over 4,200 loans totalling SGD 1.1 billion to SMEs in Singapore, with over 95% of the loans going to micro and small businesses.

Read more on "Social Entrepreneurship" on page 63.

Capability and capacity building

Given the limited access to financing typically, SME owners and SEs often lack financial resources and time to organically build capabilities and upskill their employees. As such, DBS continues to run free training programmes for our SME banking customers and DBS BusinessClass members, as well as mentorship programmes for our SEs.

Through DBS BusinessClass, our regional business community programme, we scale our efforts in helping SME owners upskill their employees on topics such as accounting and Human Resource (HR) and digital marketing. DBS BusinessClass turned six in 2021, and by the end of the year we have engaged with over 200,000 members across our six core markets.

As one of the pioneers of the Start Digital programme, we believe that every start-up should have access to affordable tech-driven solutions to support their business growth and expansion, and that SMEs can easily kickstart their digitalisation journeys. In 2021, almost 900 SMEs have signed up for our Start Digital package.

In 2021, we also rolled out the SE mentorship programme, which benefitted over 50 SEs across our core markets. We believe that the pairing of a senior and junior relationship manager instils a deeper sense of purpose in our younger staff, and we believe those experiences will shape their mindsets as they grow and develop professionally with us.

Digitalisation is also becoming the norm for many small businesses and SEs, and increasing their exposure to cybercrime. To help businesses mitigate these risks, DBS has availed a free online cybersecurity training programme to SMEs, SEs, and charities in 2021. To date, over 50 companies and their 3,500 employees have undergone training.

Performance and targets

Theme	Description	Target	Target Date	Progress
Financial inclusion 8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Creating an enabling environment for the underbanked	Curate simple and commonly used features in digibank (personalised) for MW, MDW and Seniors	2021	Achieved
	Addressing the financing gap of small local businesses	Help customers to start their investment journeys	Ongoing	On Track

Case study

In addition to offering rewards and promotions for PayLah! users when they buy their meals from hawkers, PayLah! further helped hawkers who may be struggling during the pandemic or may not be savvy enough to market themselves. The DBS PayLah! Hidden Gem Hawker Awards was created to champion and appreciate underrated hawkers that have worked hard to serve delectable food which have contributed to our unique local hawker culture.

We have also partnered with **Hawkers United**, the largest hawker Facebook group in Singapore, to bring awareness to the awards & to rally support from fellow hawker food lovers.

The awards campaign included three phases:

1. **Nomination:** Users shared their favourite hawkers and nominated them via PayLah!
2. **Voting:** Shortlisted hawkers were featured and members of the public were asked to support and vote for winners
3. **Winners' announcement:** Winning hawkers won a grand cash prize of SGD 3,000, and were assisted with onboarding onto WhyQ. They also gained marketing exposure sponsored by PayLah!

The campaign garnered a total of 4.1 million video and posts impressions, 1,914 nominations, 4,018 votes, and positive verbatim from winning hawkers and social media influencers.

PILLAR 2

RESPONSIBLE

BUSINESS PRACTICES

We believe in doing the right thing by our people and embedding environmental and societal factors in our business operations. Key to "Responsible Business Practice" 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.

- Employee Well-being and Managing Talent
- Diversity and Equal Opportunities
- Managing our Environmental Footprint
- Sustainable Procurement
- Data Governance
- Fair Dealing
- Preventing Financial Crime
- Cyber Security
- Responsible Tax Management

EMPLOYEE WELL-BEING AND MANAGING TALENT

Our greatest asset to driving success

Our approach

Across the world, the protracted pandemic crisis in its second year has left a profound impact on the psyche of how people view work in the context of the lives they wish to lead moving forward.

As we continue to address the more immediate needs of our employees impacted by the pandemic and support national programmes such as vaccination drives across our network, we also made sure to take a long-term view in enabling employee well-being and growth and addressing evolving employee needs and aspirations in the following ways:

- **Supporting employees through flexible work arrangements**
  To meet the evolving needs of our employees depending on their life stages and personal circumstances
- **Introducing a series of holistic well-being initiatives**
  To galvanise and help employees remain connected and focusing on employee well-being during the pandemic
- **Providing continual upskilling and reskilling opportunities**
  To accelerate efforts in transforming employees to be relevant and future ready
- **Availing multiple career growth opportunities**
  To provide the right education, exposure, and experience opportunities
- **Advancing our Transformational Leadership journey**
  To drive efforts in building great leaders, great teams, and an empowering culture

Initiatives

Supporting employees through flexible work arrangements

We recognise that the needs of an employee evolve depending on life stage and personal circumstances. This was why we launched a range of flexible work arrangements (FWA) in 2021 to better support employees in remaining invested in their careers, including:

- Work-from-home (WFH) for up to 40% time, launched in February
- Up to 100% WFH for six months for parents with young children and caregivers, launched in August
- Job Sharing Programme, where one full time role can be performed by two employees, with over 100 participants

To familiarise and build energy around these new ways of working, DBS also launched an internal Future of Work, Workforce and Workplace (F3W) campaign to raise employee awareness and encourage them to embrace hybrid working through fun activities and learning programmes.

Introducing a series of holistic well-being initiatives

The pandemic has resulted in the blurring of lines between work and personal life with employees having to work from home for prolonged periods. Back in 2020, DBS launched the TOGETHER employee movement to galvanise and help employees remain connected during the pandemic. With the pandemic becoming more protracted, we further energised our **TOGETHER movement** in 2021 with a series of new initiatives focused on getting our employees to take care of their own well-being and show care and concern for one another.

- **A year-long iHealth Festival** was launched to encourage our employees to live well, eat well, stay well and save well. Over 50 bank-wide events were organised, including webinars, challenges and workshops that covered a range of topics such as food and nutrition, health and fitness as well as personal financial planning.
- **Sharing of personal experiences** on overcoming mental health issues by our senior leaders in a bank-wide virtual conference, to reduce social stigma on this topic. More employees were subsequently encouraged to step forward as role models, sharing their own stories on the employee intranet, Life@DBS.
- **The DBS Wellness App** continues to be made available at no cost to all employees, offering a personalised experience where each employee can learn and participate in various physical and mental wellness activities, as well as to track their personal health goals.
- **Regular sentiment surveys** were conducted, and we used these data to calibrate strategies to engage our employees.

Providing continual upskilling and reskilling opportunities

With job disruption set to continue in the new normal and employees having to embrace new ways of working, we accelerated efforts to transform employees to be relevant and future ready through continual upskilling and reskilling opportunities.

In November 2020, we announced that over 7,300 employees will be upskilled over the next few years and in 2021, over 3,000 employees were upskilled/ reskilled in line with changing business needs. We offered over 290 programmes covering data and digital, functional, as well as people and leadership skills so that employees can be equipped with the necessary skills to be future-ready.

Availing multiple career growth opportunities

We are committed to building long-term careers for our employees. This is done through our **"Triple E" approach** by providing the right education, exposure, and experience opportunities.

In addition to learning programmes, we offer an array of opportunities under the **Be My Guest** programme that includes job shadowing, workshops, and offsites of other departments for participating employees to gain greater exposure.

In 2021, DBS launched a pilot programme **Opportunity Marketplace** using machine learning and artificial intelligence (AI) to help individuals identify their future career aspirations and skills needed to reach those goals, and suitable roles they can move into as part of the bank's internal mobility programmes – similar to what a career coach would do. We are encouraged by the early success of the programme when our internal mobility rate improved from 6.3% (of our employees) 2020 to 7.6% in 2021.

Advancing our Transformational Leadership journey

External emerging forces as well as new ways of working that have been accelerated during the pandemic will demand a different way of leadership. DBS began our **Transformational Leadership** journey back in 2019 to drive our efforts in building great leaders, great teams, and an empowering culture, and we have made further progress this year:

- **Anytime Feedback**, was launched since July 2019. We continued to inculcate a culture of active feedback, with employee feedback doubling to over 120,000 (of which 50,000 were developmental feedback) from 2020.
- **T-Sprints**, a series of team leadership workshops launched for our top 50 leadership teams across the bank in 2020, was extended to another 50 leadership teams in 2021. In addition, we introduced **T-circles**, a social learning platform where senior managers lead mentoring conversations with next-generation managers to share experiences and discuss best practices to enable change at wider and deeper levels across the organisation. To date, over 500 managers have benefitted from T-circles.
- **Building Great Managers**, our flagship managerial skills program since 2019 saw a refresh this year with enhanced content around managing remote teams and embracing diversity. The refresh in programme reflects our agility in recognising new skills required by managers in this new normal.

Support programmes for employees impacted by Covid-19

With the evolving nature of the pandemic affecting the lives and livelihoods of people around the world, we have also responded quickly to ensure the well-being of our colleagues who are adversely impacted by Covid-19. Some examples of our support include the following:

- Sourcing for **access to Covid-19 treatment** including ambulance services, hospital beds, oxygen concentrators and Covid-19 testing in locations such as India and Indonesia where resources were scarce at the height of the pandemic
- Supporting **national vaccination programmes** across the region, providing vaccination leave so that employees can rest and recuperate after each vaccination dose, availing of vaccination facilities on-site in some locations such as India and Indonesia
- Offering **salary advance** for employees in India to cover for medical emergencies
- Practicing **safe management measures** and personal hygiene, together with key personnel appointed across departments to ensure that these measures are strictly adhered to

Prompt communication to all employees is also key to inform of updates on the pandemic situation and safe management measures, and we leveraged new means to keep everyone involved and informed. For example, Indonesia launched its "TOGETHER FM" music programme blending entertainment with important messages to employees; while in India, messages are pushed through an internal messenger platform "One Bot" to remind employees on the various safety measures and to take regular breaks.

Performance and Targets

Engagement scores

Notwithstanding the prolonged pandemic, our employees remain highly engaged. We improved our ranking from the 87th percentile in 2020 to the 91st percentile in the 2021 Kincentric My Voice Survey across a global benchmark, with an improvement in the employee engagement score to 86%.

In our efforts to drive a culture of employee obsession, dimensions with notable improvements include survey follow-ups and manager effectiveness.

My Voice Survey	2021	2020	2019
Employee engagement score	86%	84%	84%
Survey follow-up	84%	79%	80%
Manager effectiveness	90%	87%	86%

Awards

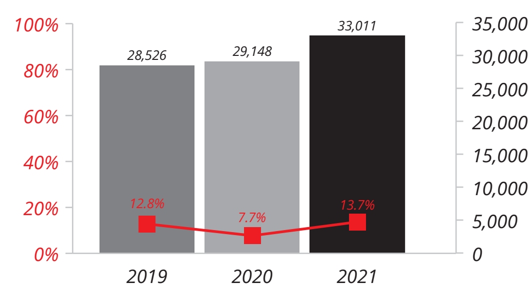
We were recognised as Kincentric's Best Employer in all our core markets and some International Centres (Thailand, the United Kingdom, and South Korea). Moreover, we have once again been certified as the Regional Best Employer in Asia Pacific for 2021.

Across our core markets, we received over 20 awards conferred by local government agencies, media agencies, and professional bodies in 2021 for our people programmes and practices, as well as being an employer of choice.

Additional employment statistics

I. Total number of employees and voluntary attrition rate[6]

Our group-wide voluntary attrition rate rose slightly to 13.7% in comparison to pre-pandemic rates (2019). However, across our core markets, our attrition rates remain lower than the market average except for China, which is on par with market rates.

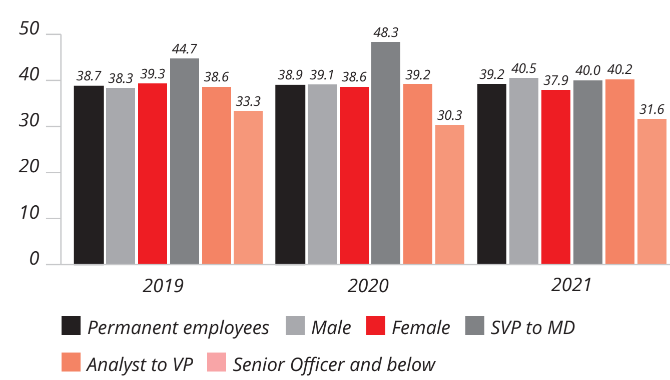


Read more about "Information on employees" on page 70.

II. Average training hours[7] per year per employee by gender and employee category

The average training hours for permanent employees increased slightly from 38.9 in 2020 to 39.2 in 2021.

Average training hours per year per employee



(6) The rates exclude involuntary termination as well as contract, temporary and agency employee attrition.
(7) Excludes informal learning methods such as community-based learning; and exposure opportunities such as immersion programmes including customer and employee journeys.

III. Percentage of positions filled internally

We are committed to building long-term careers of our people by providing them with various career opportunities within the organisation. Through our talent management processes as well as initiatives to encourage employees to take ownership of their professional growth and development, including Be My Guest, Opportunity Marketplace, and internal job portal, our internal mobility rate improved from 6.3% (of our employees) in 2020 to 7.6% in 2021. Almost half of our employees in our High Potential Programme – DBS' accelerated development programme for high performing employees – who applied for internal mobility were also successfully placed in 2021.

IV. Percentage of employees who receive regular career development reviews

All 100% of employees received regular career development reviews in 2021 and 2020.

Targets

Theme	Description	Target	Target Date	Progress
Employee well-being and managing talent 8 DECENT WORK AND ECONOMIC GROWTH	Our talent and employee well-being are our greatest assets to driving success	Position ourselves as an employer of choice	Ongoing	On track
		Build great leaders at every level, and great teams	Ongoing	On track
		Support and empower all employees to take charge of their development with the bank	2022	On track

Case Study: Taking Care of employees' mental well-being

Like many other organisations, DBS has been driving new ways of working since Covid-19 struck. In November 2020, we announced a permanent hybrid work model and a formal job-sharing scheme to provide employees more flexibility. We also put in place a suite of programmes under our TOGETHER employee movement to help our people better manage their physical, emotional, and mental well-being.

With the pandemic being more protracted than we had hoped for, our employees had to manage the blurring of lines between work and home due to prolonged remote working. This is something we picked up in our employee pulse checks, and we wanted to address this proactively before it takes a toll on employee mental health:

- We started Focus Friday Afternoons, where Friday afternoons are kept free from internal calls or meetings. We made a conscious effort as an organisation to ensure that our employees have a few hours of protected time for focused work, learning or even quiet reflection before transiting to the weekend.
- We granted employees with a newborn or a newly adopted child, or those who needed to care for family members recovering from critical illness or injury, the flexibility to work from home 100% of the time for up to six months. This is to better support employees going through different life stages.
- We launched a bank-wide mental wellness campaign to better equip our people with practical tools to combat burnout and protect their mental well-being. We rolled out a series of programmes and sharing sessions around mental health, all with the aim of normalising employees saying, "I'm not OK" and encouraging frank conversations on mental well-being to destigmatise this topic.

Our people are our greatest asset, and this was evident in the way our employees went the extra mile for our customers and the community during the pandemic. As the battle against Covid-19 rages on, we are committed not only to safeguarding the physical well-being of our employees, but also to help fight the invisible scourge of workplace burnout.

DIVERSITY AND EQUAL OPPORTUNITIES

Building an inclusive culture

Our approach

Embracing diversity and inclusion is important to enable us to attract the best people, build the best teams and produce the best work which is also reflected in our Board Diversity Policy and Resource Management Policy. By strengthening diversity in our workforce, we are able to access a greater range of talent and their varied and valuable experiences, perspectives and skills. By building a culture of inclusion, we can harness the power of our diverse workforce to succeed in this complex, interconnected world and create impactful outcomes for our businesses, customers, and communities.

There are many dimensions of diversity which is why our approach is to **raise employee awareness of unconscious bias**, and equip our employees with the necessary knowledge and skills to reduce implicit bias because of different qualities and social categories. In addition, we are also committed to the following:

- **Promoting gender diversity and ensuring that opportunities and choices are accessible to all**
  To ensure choices are made available to both women and men, at various life stages during their career with DBS.
- **Supporting our new foreign hires in adapting to the local way of life**
  To help them better understand the local culture and social norms, we have created common spaces and provide platforms for them to interact with locals.

Initiatives

Raising employee awareness of unconscious bias

In line with International Women's Day in March 2021, we hosted a special edition of our very own Leadership Perspectives virtual conference featuring remarkable women leaders to share stories of their leadership journey to inspire and ignite our passion to create a more inclusive world.

In November 2021, we also organised a Celebrating Gender Diversity virtual conference to raise awareness on the importance and benefits of gender diversity as well as to learn from personal sharing of our DBS leaders comprising both women and men.

Besides bank-wide events, our learning programmes and workshops also saw over 3,000 employees participated in the **Unconscious Bias programme** since its launch in October 2020. The programme consists of three modules, including e-learning and team-based workshops.

Promoting gender diversity and ensuring that opportunities and choices are accessible to all

Hack2Hire is into its 4th year running with the same commitment to increase female workforce in technology. Our signature programmes, **My Persona**, **Woman 3.0** and **ReImagine**, which are launched in our technology hubs in Hyderabad and Singapore, continue to be well-received by new hires who have just returned to the workforce, and we aim to continue empowering more women to take on leadership roles.

In collaboration with Lean In, we launched the **DBS Lean In Circles** in October 2021 where we trained 24 DBS employees from Singapore and India to be equipped with skills to lead their own community circles where they meet regularly to mentor and support one another, have honest and open conversations on topics such as balancing work and family, challenging gender bias, and personal leadership.

Supporting our new foreign hires in adapting to the local way of life

In Singapore, over 90% of our workforce are Singaporeans and we are committed to building a strong pipeline of local talent. That said, we also welcome foreign talent for roles where supply of local talent is limited. By facilitating the formation of friendships and shared experiences among Singaporeans and non-locals, we are fostering mutual understanding and acceptance. Through those opportunities, we are also deepening the emotional attachment and a sense of belonging to Singapore among our new foreign hires.

Supported by the National Integration Council (Singapore Ministry of Community, Culture and Youth), we launched a 12-month **Singapore Immersion Programme** for our new foreign hires. The programme consists of an initial orientation session, followed by a rigorous series of discussions on Singapore society and culture. New foreign hires are also matched with a Singaporean buddy and will participate in volunteering programmes to contribute to the community.

Performance and Targets

Engagement scores

My Voice Survey	2021	2020	2019
DBS has a work environment that is accepting of diverse backgrounds and ways of thinking	91%	90%	88%
I can report an instance of unethical conduct without fear of retribution from anyone	90%	87%	88%

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.

Awards

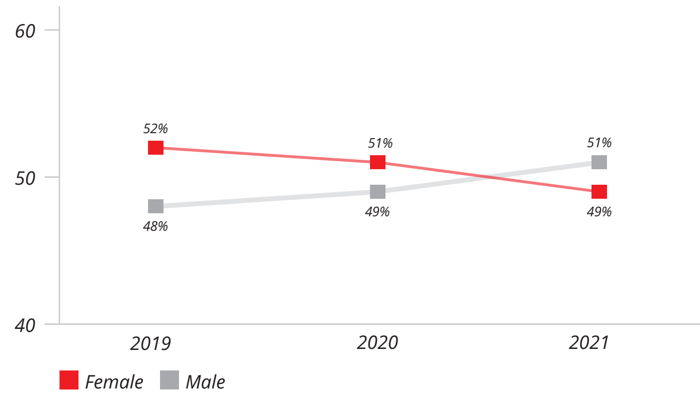
In recognition of our efforts in driving gender diversity, we were included in the Bloomberg Gender-Equality Index for the fifth consecutive year. For the first time, Kincentric introduced a Special Recognition Award for Diversity, Equity & Inclusion (DEI) best practices and DBS has been recognised in this category for the development of diverse, equitable and inclusive work cultures, creating a safe and inclusive space for employees of all backgrounds, experiences, expressions, and perspectives. In addition, Kincentric evaluated DBS for having a robust and formal organisational approach to DEI that had a strong alignment between employees, managers, and leaders.

Additional employment statistics

The overall gender pay gap across our six core markets, adjusted for ranks and locations, is small at 1.4%.

Breakdown of employee headcount by gender

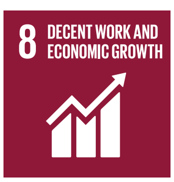
In 2021, 49% of our total employee headcount was female. Females make up 20% and 25% of the Board and Group Management Committee respectively



Read more about "Information on employees" on page 70.

Targets

Theme	Description	Target	Target Date	Progress
Diversity and equal opportunities	Building an inclusive culture	Deepen efforts to drive gender, inter-generational and foreign talent diversity and inclusion	2022	On track (with new initiatives for 2022)



Case study

DBS has partnered **Lean In**, a global community dedicated to helping women achieve their ambitions, as we continue to build a respectful and inclusive culture that embraces diversity.

Fostering a sense of community has become more crucial, with the Covid-19 pandemic disrupting lives, leading to feelings of anxiety and stress. Kicking off the partnership was the official launch of the **DBS Lean In Circles Programme**, which aims to connect groups of employees at similar career stages or with similar interests, creating safe spaces for them to provide mutual support, share personal struggles, provide and receive advice, and celebrate one another's wins.

We are committed to supporting gender diversity, as we build strong communities throughout the bank, so employees can come together and find a way forward towards a more inclusive workplace.

MANAGING OUR ENVIRONMENTAL FOOTPRINT

Redesigning and rebuilding for a more sustainable future

Our approach

DBS is committed to achieving net-zero operational carbon emissions across our markets by the end of 2022, with Singapore's operations to rely solely on renewable energy by 2030. We are structured to achieve these goals in a way that has lasting benefits to the environment rather than focusing on purchasing offsets as a mitigation method.

Our strategy is a four-lever-approach to manage our carbon, energy and water consumption, and waste reduction, in order of priority:

- **Lever 1: Reduce consumption**
- **Lever 2: Generate renewable energy**
- **Lever 3: Purchase green energy**
- **Lever 4: Purchase Renewable Energy Certificates (RECs) and carbon offsets**

Initiatives

Reducing consumption

Our first priority is to reduce the energy we consume through our operational footprint. In 2021, we began retrofitting one of our oldest office buildings into Singapore's first net-zero energy building, and one of only 500 such commercial buildings globally.

This is the first example of our commitment to build more carbon or energy-neutral spaces by using net-zero technologies and design features to ensure our buildings produce as much energy as they consume.

Across our offices in Singapore, we have replaced fuel in three of our seven diesel generators with 100% recycled cooking oil and are planning to implement this initiative to all generators across all our markets. We also used more climate-friendly refrigerants with lower Global Warming Potential[8] in all our new air conditioning systems across the markets we operate in, reducing warming effects by more than 60% in the long run.

Along with our flexible work arrangements, employees are given flexibility to work remotely up to 40% of the time. We are targeting to reduce our operational footprint in Singapore by 20% and in varying degrees across all markets. Across our workspaces in Singapore and in the markets to come, we have started to install sensors to guide us in optimising energy according to occupancy. In working remotely, we have also consequently enabled the reduction of business travel.

Generating renewable energy

In maximising our operational renewable production, we have adopted an '**Everything Solar Everywhere**' initiative, which entails ensuring that every appliance installed in our workspaces runs on renewable energy, where possible. This has led to installations of solar arrays on our buildings, along with solar-powered air conditioners, exhaust fans, walkway lights, parking lamps, ATM kiosks, fountain pumps, and fans on our premises, across the markets we operate in.

Newly-installed solar installations in our portfolio in 2021:

Location	Description
India – Chennai Solar	In August 2021, DBS commissioned solar installation at our branch in Chennai. It generates energy at peak performance of 380 Wp and is expected to produce 24,624 KWh per year, or 11.5% of the branch's electricity needs.
Singapore – UE Bizhub Solar	In November 2021, DBS commissioned solar installation at our UE Bizhub office. It generates energy at peak performance of 41.04 KWp and is expected to produce 47,935 KWh per year, or 11.5% of the office's electricity needs.
Singapore – DAH Augmentation Solar	In June 2021, DBS commissioned solar installation at our DAH/ Academy Office Building. It generates energy at peak performance of 179.08 KWp and is expected to produce 216 MWh per year, or 1.8% of the expected building consumption.
Indonesia – Juanda Solar	In October 2021, DBS commissioned solar installation at our Juanda branch in Indonesia. It generates energy at peak performance of 145.96 KWp and is expected to produce 180 MWh per year, or 18.7% of the expected branch consumption.

Purchasing green energy

While we are committed to reducing our consumption and pursuing renewable energy sources, there is still a need for us to purchase energy at this stage. Despite not securing a virtual power purchase agreement (VPPA), given major market fluctuations in Singapore in 2021, we have signalled to the market our preference to purchase only 100% green energy and carbon-neutral products.

Purchasing RECs and carbon offsets

We recognise the need for offsets through the purchase of RECs or carbon credits to achieve our net-zero operational carbon goals despite best efforts in our strategy. In Hong Kong, we met 100% of the market's RE100 goals by purchasing RECs last year. In November 2021, we also purchased carbon credits, equivalent to 10,000 tonnes of carbon dioxide (CO_2) emissions, during the pilot auction of Climate Impact X - a global exchange and marketplace for high-quality carbon credits.

Read more about Climate Impact X on page 15.

(8) Global Warming Potential is a measure of the warming effect of a gas relative to the warming effect of an equivalent mass of carbon dioxide, usually over a 100-year time horizon.

Additional initiatives to supplement our four-lever-approach

Water Reduction and Management

We continue to manage our water consumption through implementing building standards like Greenmark throughout our bank branches and offices in Singapore. In 2021, we began innovative water management through waste condensate water reclamation in three of our buildings in Singapore: DBS Asia Hub (DAH), Newton, and DBS Asia Central (DAC). In each of these buildings, we captured condensate water and used it for irrigation at Newton and DAH, and cleaning at DAH and DAC.

Waste Reduction and Management

DBS has implemented eWaste tracking across all markets, and eWaste collection points for employees in several markets. In our DAH cafeteria, an AI-food waste tracking and reduction system is being deployed to record how and what foods are being wasted through smart meter technology attached to food waste bins. This real-time data is used to analyse trends and better anticipate production quantity in a bid to decrease overall waste. Starting in 2022, we will also institute the use of 'home compostables' in all food providers, allowing disposable table wares to be composted on site and used as fertiliser for our urban office gardens.

Measuring and reporting to close process performance gaps

DBS will continue to improve environmental indicator measuring and capture systems. We have closed more data gaps in 2021, adding consumption data for various outsourced chilled water systems in several markets. Moreover, we have added the carbon impact of our waste disposal and recycling efforts, including electronics waste, when totalling up operational Scope 3 emissions. We have added carbon data from several outsourced transportation operations including self-service banking (where we also started an electric vehicle programme), limo fleets, executive fleets, storage fleets, and other business travel-related footprints.

We have also added carbon data from our smaller international centres including Australia, London, Japan, Malaysia, Thailand, Vietnam, South Korea, Myanmar, and The Philippines. Although these new centres account for no more than 3% of overall operational carbon footprint, we have included them for completeness.

Performance and Targets

Theme	Description	Target	Target Date	Progress
Managing our environmental footprint 7 AFFORDABLE AND CLEAN ENERGY 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION	Reducing consumption and improving efficiency	Net-zero operational carbon, as measured by the total operational carbon equivalent net of total offsets purchased	2022	On track, 25% reduction against a 2020 baseline 2021: 32,719 tCO_2e 2020: 43,455 tCO_2e
	Generating renewable energy to achieve the sustainable management and efficient use of natural resources	RE100 commitment, as measured by total renewable energy generated and total RECs purchased	2030	Renewable energy generated from solar panels 2021: 944 MWh Total RECs purchased: 2021: 10,700 MWh

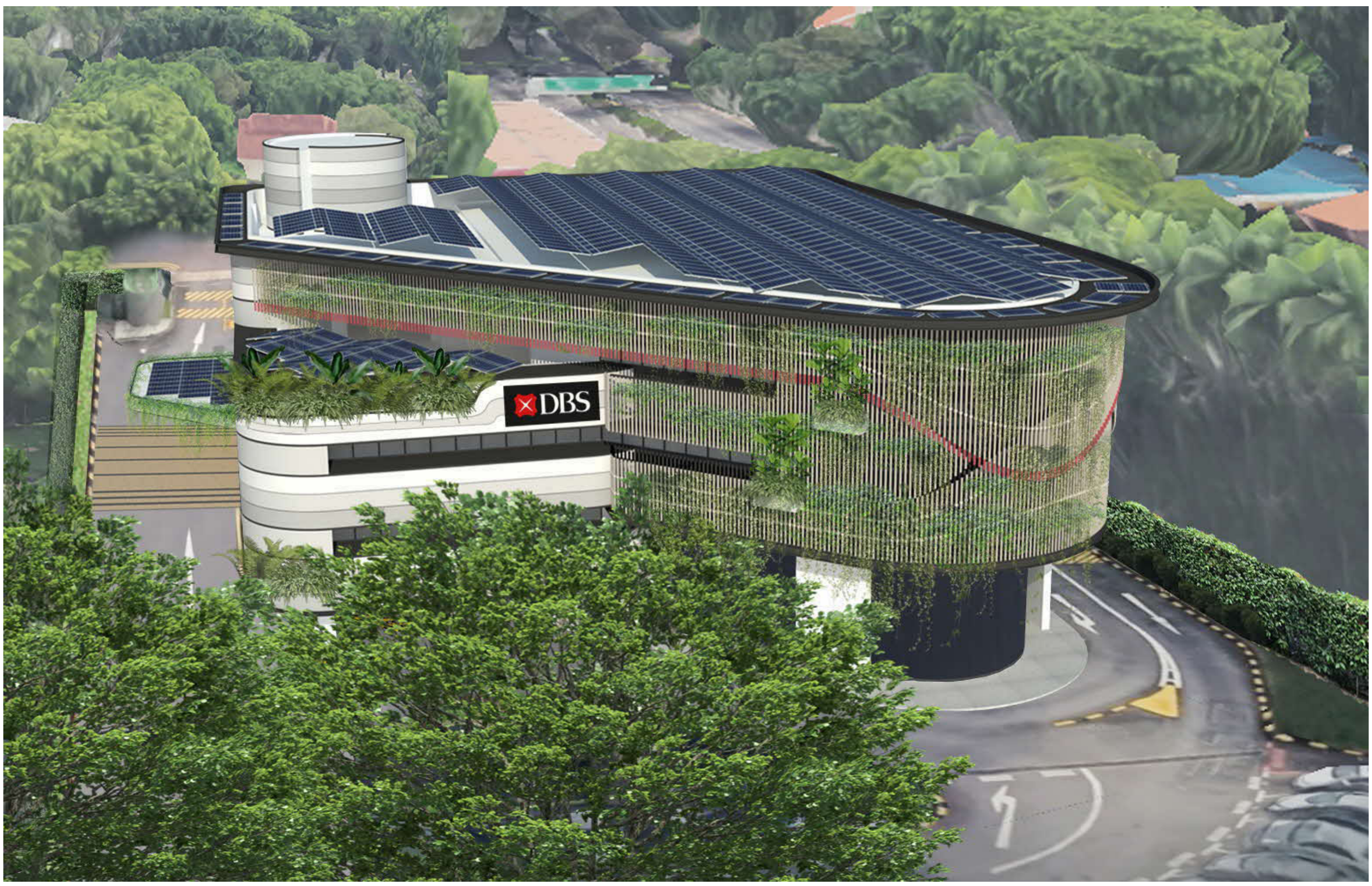
Case study

Singapore's first energy self-sufficient bank building

Setting the pace for our sustainability efforts, DBS is retrofitting one of our oldest office buildings into Singapore's first energy self-sufficient bank building, and one of only 500 such commercial buildings globally. Working closely with the Building and Construction Authority of Singapore with a grant awarded under the national Green Buildings Innovation Cluster programme, DBS is engineering to bring down the building's net energy consumption from 845,000 kWh annually to zero, leveraging cutting-edge net-zero technologies to reduce energy consumption, while generating renewable energy via an on-site solar panel array.

In addition to net-zero technologies such as intelligent occupancy-based lighting and air-conditioning systems, the building will encapsulate innovative design features, including a slatted facade that shades the building while encouraging natural ventilation, and a biophilic exterior with flora to reduce heat absorption. In collaboration with the Nature Society of Singapore, the external biophilia facade will be specially curated and nurtured to provide a space for threated native butterfly and bird species to thrive. This retrofit will be completed in the second quarter of 2022 and will house over 400 consumer banking employees.

This will be an important step forward in understanding how best to deploy net-zero technologies towards DBS' objective of achieving net-zero operational carbon emissions, and to collectively realise a greener, more sustainable future for Singapore.



SUSTAINABLE PROCUREMENT

Managing our supply chains

Our approach

At DBS, we believe we have the responsibility to build a sustainable supply chain and ensure that our procurement processes are conducted in a balanced manner. As a leading financial services group in Asia with a growing global presence, we purchase a diverse range of products and services, including professional, software, real estate, and corporate services. It is imperative that our procurement decision-making also includes environmental and social considerations, alongside financial factors.

At DBS, we are continually innovating and improving our supply chain management programme, which includes:

- **Building a restorative enterprise**
  To grow restorative procurement together with our ecosystem partners
- **Adopting a risk management approach**
  To utilise a comprehensive set of processes and tools in an iterative manner to govern our supply base
- **Managing our resource use responsibly**
  To reduce our environmental impacts
- **Investing in capacity building for a more resilient supply chain**
  To ensure a diverse global supply base and enable sourcing for goods and services in an efficient manner

DBS' procurement is managed in accordance with our formal processes and policies:

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

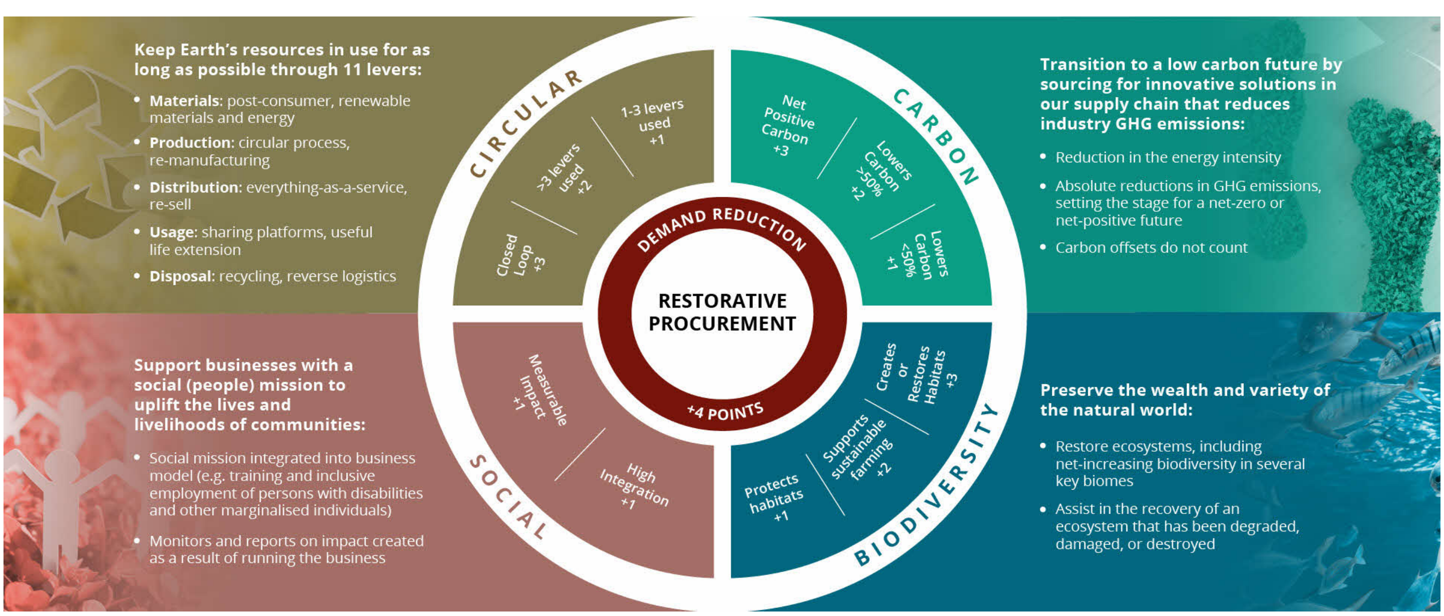
ii. **Group Procurement Standard**
Extends throughout the procurement cycle, from identification and specification of requirements to the awarding of contracts to suppliers

iii. **Group Procurement Sourcing Guide**
Supplements the Group Procurement Policy and Standard documents

Initiatives

Building a restorative enterprise

Since 2018 when we started our Circular Procurement practice, we have embedded concepts of circularity in our procurement processes and the department's balanced scorecard. We have made substantial progress in this journey where we shared and documented in the Circular Procurement Playbook.



An illustrative framework of how DBS conducts restorative procurement

In 2021, we built on that foundation and evolved the practice into the Restorative Procurement Framework (Framework) that aims at building a restorative enterprise through our supplier partnerships (see figure on the previous page). This new framework brings together various sustainability aspects – circularity, carbon, biodiversity, and the broader social agenda. It also provides a more holistic approach in the way we think about sustainability. In particular, the notion of doing "more good" versus "doing less harm" is also more pronounced in the various sustainability aspects as we retained a points system in our balanced scorecard, which encourages our sourcing managers and suppliers to collaborate on incremental improvements as well as projects of larger sustainability impact.

To kickstart this initiative, we trained all our sourcing managers on restorative procurement and fast-tracked real-life application by identifying new projects aligned to the Framework.

Given key sourcing decisions are typically conducted by tender evaluation committees consisting of multiple stakeholders, we invited external C-suite executives to share their visions and insights on decarbonisation, biodiversity protection, and the social agenda. Through these sharing sessions, we hope to inspire a broader audience to reimagine ways we can be more restorative as a bank. Over 500 DBS staff attended these internal Restorative Procurement webinars in 2021.

We have since completed *25 Restorative Procurement* projects and the more notable projects include:

- AETOS Cash and Valuables transport fleet electrification, where we rolled out our first electric vehicle (EV) for our Cash and Valuables Escort (CVE) services in Singapore. We are committed to convert the rest of our CVE vehicles by the end of 2023, and eventually to all our operational vehicles by 2026. The switch to EV is expected to reduce our carbon emissions by up to 17 tonnes CO_2e per vehicle annually.
- Partnering Engineering Good, a non-profit organisation, to refurbish old DBS laptops for donation to lower-income families in Singapore. Over 700 laptops have been "rescued" and donated to date.

We believe that in the longer term, restorative procurement will scale further in DBS and become a key driving force in making DBS a restorative enterprise.

Adopting a risk management approach

At DBS, we adopt a risk-based approach to govern sustainability in our supply chains (see figure below). We utilise a comprehensive set of processes and tools in an iterative manner to govern our supply base, which consists over thousands of regional suppliers that span across diverse spend categories.

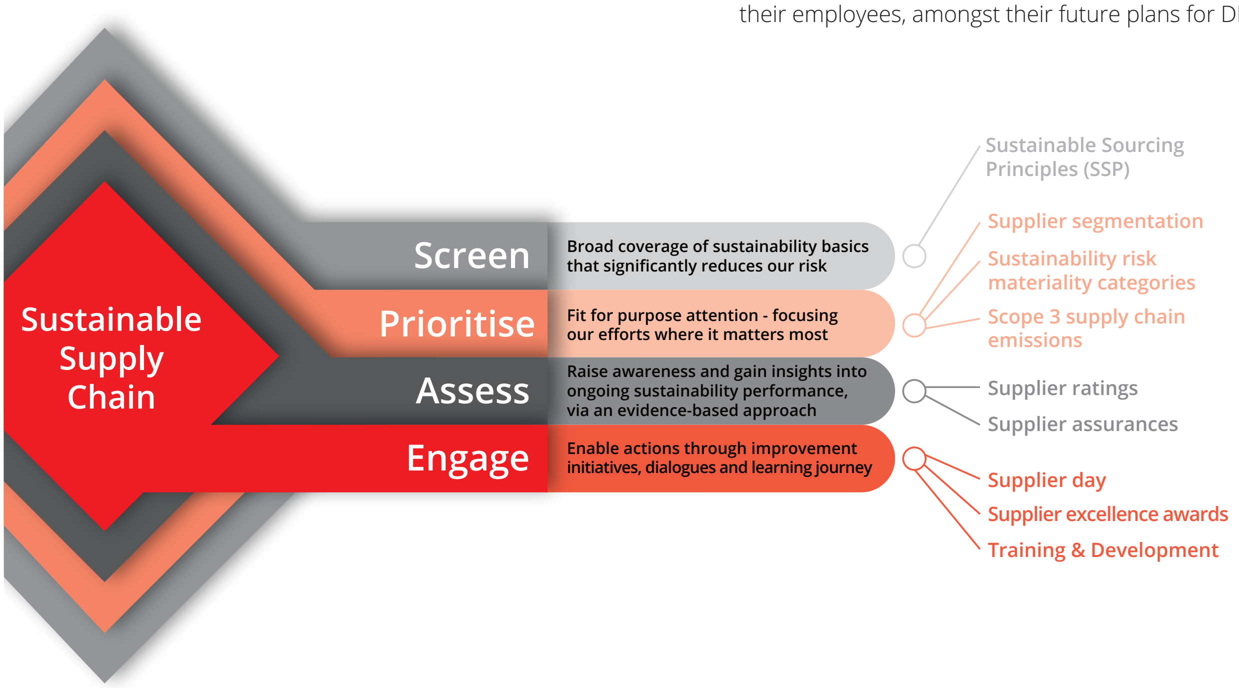
Since 2017, we have utilised DBS' Sustainable Sourcing Principles (SSP) as the primary mechanism to **screen** our suppliers. Our SSP outlines DBS' expectations of our suppliers across these key areas: (1) human rights, (2) health & safety, (3) environmental sustainability as well as (4) business integrity and ethics. In 2021, all 100% of our new suppliers have committed to our SSP.

With thousands of suppliers in our supply base, we needed to **prioritise** and focus our attention on the most important areas, using the right levers and tools to achieve optimal governance outcomes. This is done primarily through our annual supplier segmentation exercise.

Conducted biennially, our 2021 review of sustainability risk resulted in 18 high-risk categories in Singapore. For these categories, we require sustainability requirements to be incorporated in the competitive tendering process. Similar processes were conducted across all of our six core markets.

In 2021, we embarked on a project to assess and quantify the carbon emissions along our supply chains, which would provide us the necessary baseline to pursue a credible, science-based emission reduction pathway in the coming years. As part of our masterplan, we plan to closely engage with key suppliers to test our methodology, especially in categories with the highest carbon emission intensities per dollar spend.

We have performed annual supplier assurances since 2018 as part of our evidence-based approach to **assess** the sustainability capability of our supply chains. This year, we started to leverage external sources of supplier sustainability ratings (refer to case study for additional information). In 2021, we assessed over 150 suppliers and preliminarily concluded that one of them require critical improvements in its labour, health and safety aspects. However, instead of terminating the contract with said supplier, we engaged with their team and suggested methods for change. Following several conversations, the supplier made changes to their company's policy to commit to regulatory labour, health, and safety compliance for their employees, amongst their future plans for DBS.



Our approach to govern sustainability in our supply chains

Our governance approach is not complete without the creation and promotion of a culture of sustainability where we **engage** with suppliers on a regular basis through formal programmes and informal conversations. We found that many of our suppliers welcome such engagements about sustainability and its related issues, which have helped foster stronger working relationships and more desirable sustainability outcomes.

One such initiative is our supplier training and development programme where we provide knowledge support in the sustainability journey of our suppliers. Since 2020, we have trained 34 suppliers from our regional supply chains.

Other initiatives such as Supplier Day and Supplier Excellence Awards provide additional avenues for DBS to engage suppliers, recognise their efforts, and encourage the open-sharing of industry best practices to further drive positive change.

Managing our resource use responsibly

Reducing paper utilisation

We continue to deliver positive momentum in our reduction efforts on paper consumption as many employees continue remote working. The digitalisation of work has reduced manual processing and paper printing. This provided the tail wind for our sustainability initiatives that further reduced our paper consumption annually. In 2021, we reduced office paper consumption further by 100 tonnes year-on-year, representing over 50% reduction from our 2018 baseline. In particular, our continual digitalisation efforts for customer statements yielded a year-on-year cost saving of SGD 1 million. In instances where we are not able to reduce the absolute quantity of paper purchased and utilised, we source for more eco-friendly options such as those certified with Forest Stewardship Council labels.

Reducing plastics utilisation

Similarly, we have made progress in several areas in reducing our plastic usage. In 2021, we further reduced the consumption of DBS branded bottled water by 100 kg year-on-year, representing over 96% reduction from our 2018 baseline. In 2021, we were also the first in market to launch an eco-friendlier DBS Live Fresh card in Singapore, which was made of 85.5% rPVC recycled plastic, instead of 100% PVC. In areas where we are not yet able to reduce the absolute quantity of plastics purchased, we are constantly researching and sourcing for more eco-friendly alternatives as they become available.

Read more about our DBS Live Fresh credit card in Sustainable Living on page 32.

Investing in capacity building for a more resilient supply chain

Through the years, we have made significant investments in our procurement capabilities, allowing us to build a more resilient supply chain.

This includes sourcing for goods and services from a diverse global supply base in an efficient manner. For example, at the height of the pandemic, we activated our global teams and successfully secured critical Personal Protection Equipment and other medical supplies to protect our staff and customers.

We also perform advance planning of contract renewals, that provide sufficient time to put in place diversification plans where appropriate.

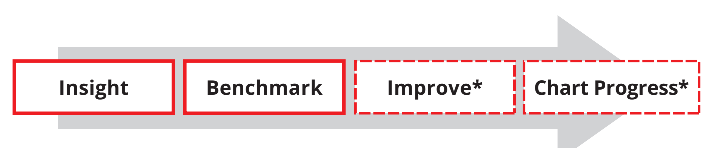
In the past 12 months, we have strengthened supplier due diligence and monitoring capabilities with tightened processes and new tools. One example is the increased focus on the consideration of track records, reputation, and financial soundness as part of our supplier evaluation process.

Case study

DBS partnered a global sustainability assessment leader in 2021 to leverage its sustainability assessment capabilities and monitor the sustainability performance of suppliers against our expectations. This is an integral part of our iterative risk-based approach in governing sustainability across our supply chains.

By diving deeper into the suppliers' operations, we can have meaningful conversations based on independently reviewed information and international standards. We will then be able to benchmark our most critical suppliers against the industry standard, identify the gaps, and focus on leveraging best practices and working with our suppliers on improvement opportunities.

At the moment, we have only been able to focus on our Tier 1 suppliers, which are our direct vendors. We recognise this is an area of our sustainable procurement practice that requires enhancements as it is integral to our supplier engagement strategy in the longer term. As shown by the figure below, moving forward, we will also be able to chart the long-term sustainability progress of our supply chains by undertaking this reassessment.

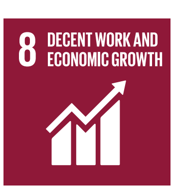


**dotted outlines indicate longer term impact*

Partnering for supplier sustainability performance validation

Performance and targets

Theme	Description	Target	Target Date	Progress
Sustainable procurement	Managing our supply chain	Commit 100% of new suppliers to DBS' SSP standards	Annual	Achieved (2021: 100%)



DATA GOVERNANCE

Protecting and being responsible with data

Our approach

We believe that building trust is a journey, not a destination. Therefore, we continue to strengthen our overall data governance capabilities to ensure that data with us is safe and secure, staying attune to regulatory developments in data privacy, and ensuring our use of data is ethical and responsible. We do so by:

- **Keeping data safe and secure**
  To strengthen our data protection capabilities, data access controls, and dialling up data surveillance to reduce the risk of data leakage and misuse.
- **Using data responsibly**
  To build trust through fair, ethical, and responsible use of data and Artificial Intelligence (AI), by continuously enhancing our **DBS PURE (Purposeful, Unsurprising, Respectful, Explainable)** framework and AI Governance frameworks and controls. We also invested in training our people and led an industry initiative on how data sharing between banks and ecosystem partners may be done in a secure and lawful manner.
- **Upholding trust through our privacy posture**
  To place privacy at the heart of our design of products and services, we rigorously protect the privacy and confidentiality of data to keep it safe.

Initiatives

Keeping data safe and secure

In 2021, we introduced the following major initiatives to further strengthen our data access and security capabilities:

- **Arculus**: Our next-generation data policy engine was built in-house. It serves as a data security fabric to enable expansion to the public cloud with the ability to develop enhanced data security and privacy engineering capabilities, as well as to enforce data access controls across the analytics hybrid-cloud ecosystem.
- **Enterprise Data Security Framework (EDSF):** A homogenous, platform agnostic data-security-as-a-service that can be leveraged by any application/ platform requiring data security. During 2021,
  - We explored additional data protection measures and identified synthetic data as a capability which will be implemented in 2022
  - We strengthened security in data isolation through micro-segmentation, enabling us to segregate the data environment in a more granular way.
  - With data surveillance, we added further use cases that identify potential incidents of unusual behaviour, as well as workflows to manage those alerts by the data governance community.

As remote working becomes the norm, more confidential systems are made available for remote access. To address the incremental risk of remote working, we accelerated the implementation of key controls and experimentation of innovative solutions. Data protection controls were implemented on DBS' workstations to encourage accountability and deter sharing of onscreen confidential information via photo taking. Innovative data usage surveillance solutions were also implemented to provide high fidelity detection of the removal of DBS' information from critical data stores. We further engaged independent cybersecurity subject matter experts to validate our internal control environment against cyber threats posed by external and insider threats, and assessed our key systems for vulnerabilities that could expose DBS' environment to third-party risks. We also stepped up our efforts to raise the awareness of emerging cyber threats and security best practices of our employees.

Using data responsibly

As the global digital economy grows exponentially, AI-driven solutions are more rapidly adopted with increased data sharing between entities. The themes of trust, ethics and fairness are increasingly pervading societal, governmental, regulatory and industry sentiments, guidelines, and policies.

There is no doubt that such a global focus is beneficial for building public trust and transparency in how organisations use data and AI. On the downside however, it is also generating a plethora of different approaches, frameworks, guidelines, methodologies, and principles, with no obvious convergence at present. As such, we continue to take a measured and incremental approach when designing and deploying governance and control solutions in this space.

DBS PURE framework

- With regard to ensuring ethical and responsible use of data, we continue to build on our **DBS PURE (Purposeful, Unsurprising, Respectful, Explainable) framework**. In 2021, we implemented a bank-wide standard and followed up with rigorous compliance testing (2nd line of defence) and an internal audit (3rd line of defence). These independent assessments have further fine-tuned our controls to improve end-to-end governance processes. PURE is now fully operationalised in DBS and is supported by over 1,700 trained practitioners who administer this process across the organisation. Additionally, over 20,000 colleagues across DBS have also completed PURE awareness training since its inception in 2019.

AI Governance

- Apart from strengthening our PURE framework and controls, we have progressed well in developing our approach to AI Governance. Our overall approach and progress are heavily influenced and deliberately synchronised with emerging regulatory guidelines. In Singapore, we are working closely with both MAS and the Infocomm Media Development Authority (IMDA) and actively participating in their respective initiatives (MAS Veritas & IMDA's AI Governance Testing Framework). We will also continue to stay abreast and include in our development the emerging perspectives and requirements from the other jurisdictions that we operate in.

- To date, we have worked collaboratively with a diverse set of stakeholders across the organisation to put in place solid foundations in establishing pragmatic governance controls. These include inventorying all deployed AI solutions across DBS, embedding baseline governance requirements into our AI development workflow tool, developing our approach to assess AI solution materiality, piloting operating models and governance structures to support our federated analytics functions, and participating in MAS' thematic study to better understand and embed MAS FEAT principles into our AI development lifecycle.

Training our people

- We understand that a critical component in driving better data governance and responsible data usage is to ensure that our people are aware of what needs to be done and how to do it. To support this, we continued to invest in training, driving bank-wide awareness and broadening our data steward community. Our data management learning curriculum now consists of twelve digital modules covering each of our core pillars of data management. In 2021 alone, more than 31,000 modules have been successfully completed by over 11,000 employees. We have also onboarded and trained a new cohort of data stewards in our Technology and Operations department to support our data management processes.

Guardrails for sharing data securely

- As organisations look for opportunities to improve or create new products and services for their customers, there is an increasing trend of data and insights sharing across entities. While this continues to be another emergent space that is at a fairly nascent stage across the region, the Association of Banks Singapore (ABS) initiated a project to develop a set of guidelines that would foster purpose-driven, secure and lawful data sharing between banks and ecosystem partners. DBS led this initiative and worked alongside a small consortium of banks and other stakeholders to produce an industry first publication in this area.
- The publication itself sets out clear guidance on the key regulatory considerations, as well as technical, legal and data protection safeguards to be put in place, when seeking to share data for ecosystem partnerships. As this trend in cross entity data sharing matures, having strong practices and guardrails will be critical in safeguarding data trust. The guide was published in August and launched at an industry wide event in September 2021.

Upholding trust through our privacy posture

At DBS, we take an empathetic and respectful approach towards data privacy. We are committed to use data to forge trusted relationships with our customers and improve their quality of lives. To uphold this commitment, we use data in a way that is consistent with consumers' expectations and in accordance with all relevant laws and regulations.

Our Privacy Policy lays the foundations of how we collect, use, and care for personal data. This is overlaid with our obligation as a regulated financial institution to ensure the confidentiality of our customers' information, including personal data. We set anchoring principles and firmly commit to see that data is always handled for legitimate and lawful purposes.

To this end, privacy risk assessment is consciously embedded within our governance review processes for new products and services as well as outsourcing and procurement arrangements. This helps to inculcate and embed sensitivities of how data, including personal data, will be properly handled and managed as it goes through its lifecycle within DBS.

At a macro level, we see privacy and data protection regimes across jurisdictions as contiguous relationships and expect their trends to continually evolve even as we stay agile in adapting to new requirements. In surveying these emerging regulatory requirements and developments, we pay attention to material developments related to data governance risk themes and updates in data protection standards or controls implementation. Such updates are reported to the Group Operational Risk Committee, Risk Executive Committee (Exco) or our Board Audit Committee.

Additionally, we seek to participate and lend our voice to shape regulatory thinking in the formulation of data protection and privacy legislation, as well as development of data governance themes. To name a few:

- As a member of the Singapore Personal Data Protection Commission's Business Innovation Review Committee, we were engaged to develop enhancements to the Personal Data Protection Act (PDPA) consent framework. This is to enable a balanced and broader use of data for societal and legitimate business purposes with safeguards in place. These have since been passed into legislation and came in effect in February 2021.
- DBS contributed to the revisions in the Code of Banking Practices for the PDPA issued by the ABS. The updated Code sets out application of changes to the PDPA to the banking industry in Singapore. This was updated in June 2021.
- Our CEO Piyush Gupta remains a council member of the Singapore IMDA Advisory Council on the Ethical use of Artificial Intelligence and Data.

Being established in Singapore, we have long-standing controls and processes to scrutinise and respond to production orders from local law enforcement agencies. Hence, we are able to ascertain that the requests conform to the scope and validity of their applicable laws. This includes participation in designated information exchange channels where such requests are securely authenticated. The same discipline to carefully review any received requests to fulfil our legal and regulatory requirements whilst ensuring our duty to protect customers' confidentiality extends to requests received across our footprint jurisdictions as well.

DBS - Data Protection Trustmark re-certified

In January 2022, DBS was re-certified with the Data Protection Trustmark (DPTM) by the Singapore Infocomm Media Development Authority (IMDA).

DBS was the first bank in Singapore to be DPTM certified. The DPTM certification is an independent external validation that we have robust data protection practices in place, and this gives further reassurance to our customers and stakeholders that they can confidently place their trust in us with their data. This re-certification is testament to our ongoing efforts and commitment to protect and manage our customers' personal data in a responsible manner.

Performance and targets

Theme	Description	Target	Target Date	Progress
Data governance 8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Keeping data safe and secure	No material instances of data breaches during the year	Ongoing	On track
	Driving bank-wide awareness on data management	Continually drive data management related training and awareness	Ongoing	On track
	Maturing our approach to managing AI and model risk	Ensuring 100% compliance to baseline governance requirements for all deployed AI solutions	Ongoing	On track

Case study

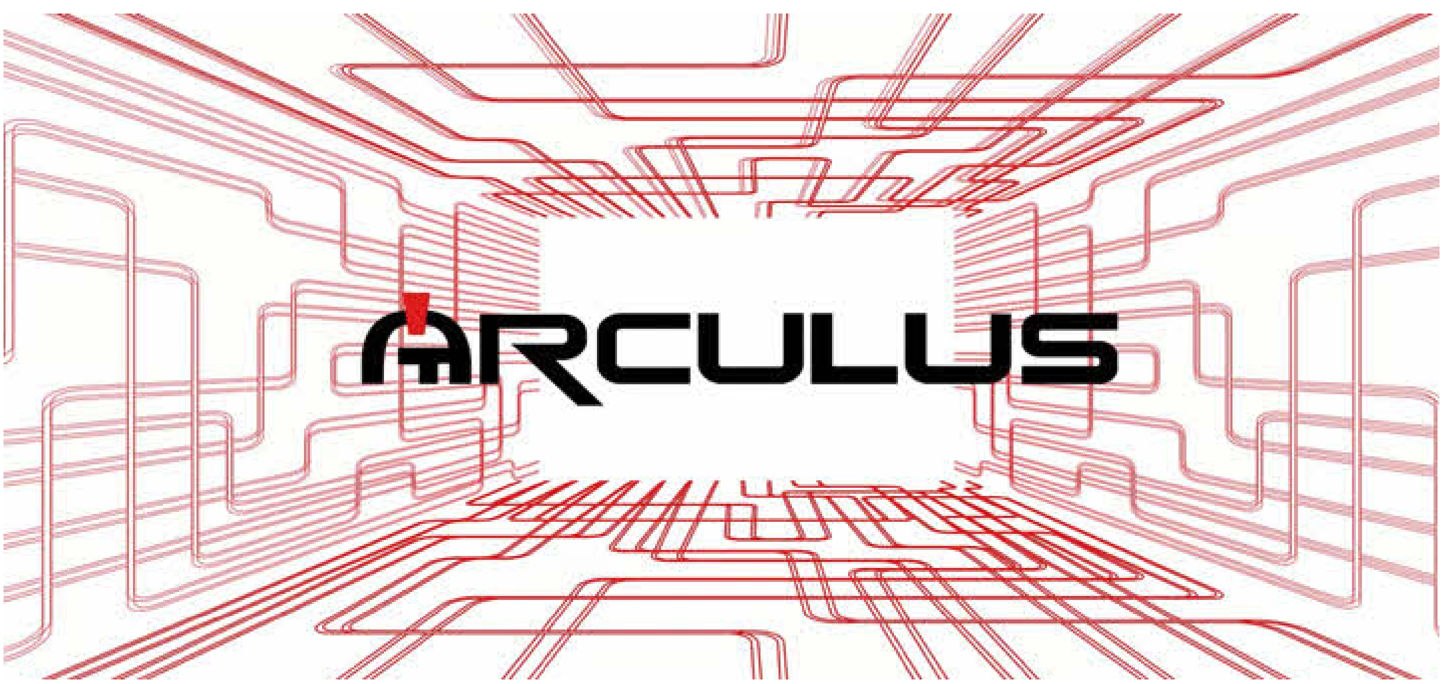
In 2021, an internal project was initiated that resulted in the creation of our in-house data access product – Arculus. Arculus is aptly named after the Roman god of chests and safes, which replaced a discontinued vendor data access product.

By building Arculus from scratch, we were in a position to ensure that we focused on enhanced data privacy engineering techniques to help protect our sensitive data and establish a solid security foundation for data access that includes the fabric to support multi-hybrid cloud environments.

At its core, Arculus is able to orchestrate the dynamic protection of sensitive data using certified encryption methodologies to safeguard our most important data. Furthermore, Arculus enables data access at a persona-level, with datasets fully secured and instantly accessible to analytics users based on the profile of their personas. This enables the delivery of the right data to the right people and at the right time in a safe manner.

Another critical feature of Arculus is its increased ability to capture logging information of data accessed by analytics users as well as the contents of the queries performed. These enable us to significantly uplift our surveillance capabilities with more sophisticated use cases.

We believe that Arculus has industry leading capabilities. Over the course of 2022, Arculus will continue to be enhanced to enable further additional data security features, including the use of synthetic data to provide a secure alternative to production data whilst giving users the same level of utility.



FAIR DEALING

Driving good conduct and fair outcomes

Our approach

Fair dealing is the foundation of our business. Our customers trust us to put their interest first when we conduct business and interact with them. We believe in inculcating a strong culture of fair dealing across DBS to ensure we operate in a transparent, ethical, and sound manner with our customers. We do so through:

- **Consistent delivery of fair dealing outcomes**
- **Empowering employees to deliver quality customer experience**
- **Embedding fair dealing principles in our governance framework**

We ensure that customers are always treated as we would expect ourselves to be treated. In this regard, we take a customer-centric approach to constantly improve the way we deliver our products and services to serve their needs.

Initiatives

Consistent delivery of fair dealing outcomes

We play an important role in supporting our customers in making their financial decisions. Our customers rely on us for relevant information, quality advice and appropriate recommendations. In focusing on acting in the best interest for our customers, we are committed to conducting our business in a responsible manner. This is demonstrated through our fair and transparent interactions with our customers:

- Responding honestly to our customers' needs and requests
- Tailoring appropriate financial outcomes for our customers
- Deepening competencies of our financial advisors
- Communicating with our customers in a clear and transparent manner

Over the years, we have strengthened our financial advisory processes and suitability controls to serve our customers well. We also continually refine and improve the safeguards to protect our customers and ensure that they receive quality advice and relevant information to make informed financial decisions.

Digital Investment Advisory

In 2021, we fortified our NAV Planner with a new AI-powered digital investment advisory feature to help retail customers make better investment decisions. This feature can determine individualised investment risk profiles to make specific investment recommendations.

As our customers increasingly take a self-directed approach to investing digitally, we adopted a multi-dimensional approach to help investors determine their investment profiles before investing amid market volatility. This provides them additional peace of mind so that they can make more informed investment decisions and boost their personal finances.

Read more about NAV Planner in "Sustainable living" in page 32.

Valuing Customer Feedback

We are a customer-obsessed organisation. We value our customers' feedback and strive to improve our customers' banking experiences by listening to them. We also ensure our customers' feedbacks are handled effectively and resolved in a fair and consistent manner.

We maintain open channels for our customers to share their concerns with us, as we believe these are valuable indicators of potential issues which need to be addressed. In addition, service standards are put in place for complaints handling and resolution, including reasonable timeframes to acknowledge our customers' complaints and conducting independent investigations. We also devote sufficient resources to resolve our customer concerns promptly, without compromising the quality of review.

Empowering our employees to deliver quality customer experience

We believe in training our employees to forge deep relationships with our customers by serving them well. We also constantly provide financial solutions that meet our customers' needs and improve their lives.

As the pandemic changed the world and took a toll on livelihoods, our employees have been actively helping customers navigate these challenging times, which included offering relief measures to ease the financial pressures they may face. Even as the need for these relief measures tapers off, our employees remain on the lookout for vulnerable customers in the community who may need a helping hand.

In the area of financial advisory, our financial advisors are certified to conduct financial planning in accordance with the highest standards. We also trained our financial advisors and their supervisors on how to exercise empathy to understand the underlying emotions of our customers in conflict. We have also maintained a close partnership with the Financial Industry Dispute Resolution Centre, and focused on achieving win-win outcomes during conflict resolutions with our customers.

Read more about "Employee well-being and managing talent" in page 39.

Embedding fair dealing principles in our governance framework

Our board and senior management set the tone from the top to inculcate a strong culture of fair dealing across DBS. This is to ensure that we conduct ourselves in an ethical and sound manner. We believe that a robust governance framework that maintains a strong focus on fair dealing and conduct is essential to instil a strong sense of trust in the organisation.

Board and senior management oversight

The Fair Dealing and Conduct Committee (FDCC), which is chaired by the Group CEO, oversees fair dealing and conduct matters across the Group. Metrics on fair dealing and conduct are tracked and monitored. Actions are also taken in response to incidents or trends to ensure delivery of fair dealing and conduct outcomes. There are established escalation protocols, where the Group encourages constructive challenges and debate on all views to be evaluated for decision-making. The Group FDCC submits reports to the Board Risk Management Committee on a quarterly basis to keep the board apprised of the effectiveness of our strategy in driving fair dealing and good conduct.

Read more about "Risk management" in the Annual Report.

Culture and Conduct Dashboard

We use the Culture and Conduct Dashboard as a tool to support our board and senior management to effectively discharge their responsibilities in promoting and embedding the desired fair dealing and conduct outcomes. The Culture and Conduct Dashboard provides appropriate information to gauge the culture of the organisation and the potential conduct risks that we are exposed to. This would help the board and senior management determine whether our framework and controls remain effective.

Performance and targets

Theme	Description	Target	Target Date	Progress
Fair dealing 8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	A strong risk culture and good conduct is necessary to deliver fair dealing outcomes for our clients	No material instances of non-compliance concerning fair dealing during the year	Ongoing	On track

Case study

Banking Trust Index for Singapore (BTIS)

The BTIS is the first standardised means of measuring public trust towards banks in Singapore. It is commissioned by the Association of Banks in Singapore to understand consumers' trust in banks and areas for improvement. The annual survey allows participating banks to monitor shifts in public sentiment, solicit feedback and identify areas for improvement.

The results released in March 2021 showed that banks in Singapore are trusted by the public and highlighted a few areas for improvement. The survey found that respondents' trust in banks were positively influenced by the banks' ability to offer a variety of products and services, their use of reliable and innovative technologies, as well as their financial resilience. Respondents also trusted the banks' ability to handle customers' data with integrity, and that their leadership and employees operate professionally and ethically.

The results also indicated a high level of trust in DBS, with many of our performance indexes placing strongly above industry average. We are committed to preserving the high level of trust from customers through prioritising customers' needs and strong management and leadership.

We strongly believe that trust is earned by continuously serving our customers with integrity, fairness, and transparency. We will continue to focus on raising our culture and conduct standards and contribute towards sustaining the strong reputation of Singapore banks.

PREVENTING FINANCIAL CRIME

Protecting customers from financial crime

Our approach

We recognise our responsibilities towards financial crime prevention, as our strength and resilience would contribute towards protecting the integrity of the financial system. We are committed to conducting our businesses professionally and in accordance with all applicable laws, rules, regulations, and the highest ethical standards. This commitment is embodied in our Group Code of Conduct, and supported by:

- **Strengthening our governance framework**
  To safeguard our businesses and customers against financial crime
- **Maintaining strong oversight on financial crime matters**
  To ensure financial crime risks are readily identified and sufficiently mitigated
- **Raising awareness through continual training**
  To empower employees with the knowledge to identify financial crime risks and take swift actions to mitigate such risks
- **Leveraging technology and partnerships**
  To carry out surveillance and protect our customers from financial crimes

Initiatives

Strengthening our governance framework

We continually strengthen our governance framework to safeguard our businesses and customers against financial crime. The Financial Crime and Security Services team is responsible for and oversees the financial crime compliance activities for the Group. Our governance framework 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.

Our key policies and standards include:

- **Anti-Bribery and Corruption Policy and Standard**
  Our Anti-Bribery and Corruption Program embodies risk assessment, due diligence, books and records, controls and monitoring, reporting, gifts and entertainment requirements. The bank and senior management are also committed to adopting a zero-tolerance approach towards bribery and corruption in connection with any of our business dealings.
- **Anti-Fraud Policy and Standard**
  Our Fraud Management Program comprises the following components: Identification and Assessment of Fraud Risks, Fraud Controls and Monitoring, Investigation, Remediation, and Reporting and Analysis. These are underscored by our strategy, governance, and risk culture.
- **AML, CFT and Sanctions Policy and Standard**
  The prevention and detection of money laundering, terrorist financing, and sanctions evasions, and proliferation financing risks are managed by appropriate standards and controls that are embedded in front line business processes, with the support of effective advisory capabilities. Our risk management framework encompasses customer due diligence, enterprise-wide risk assessment, customer name screening, transaction screening and monitoring, suspicious activity reporting, and ongoing training.

In addition to a strong board and senior management oversight, the bank is committed to sustaining risk outcomes through ongoing review and enhancement of existing processes, including the deployment of new techniques and technologies to facilitate risk detection. Contravention of these policies and standards could necessitate investigation and disciplinary action. Such incidents may also be escalated to the authorities and lead to prosecution of the parties involved.

Maintaining strong oversight on financial crime matters

Our Group Operational Risk Committee regularly reviews metrices and reports on financial crime to ensure that financial crime risks are identified and sufficiently mitigated. Material issues are escalated to the Risk Executive Committee and Board Risk Management Committee.

Read more about our operational risk management under "Risk management" in our Annual Report.

Raising awareness through continual training

Training and awareness are instrumental in our financial crime programmes. We equip our employees with the knowledge to identify financial crime risks and empower them to take the necessary actions to mitigate such risks. In this regard:

- All new hires are required to complete mandatory training on AML and Sanctions, Anti-Fraud, Anti-Bribery & Corruption, and Code of Conduct.
- All existing employees are required to complete mandatory refresher training on AML and Sanctions annually. They are also required to acknowledge that they understood our Code of Conduct annually, including our stance on anti-corruption.

DBS Speak Up

DBS Speak Up is our whistleblowing programme. It provides a safe environment for genuine concerns to be raised on possible misconduct. The programme offers various channels for whistleblowing, as well as anonymity upon request. Our employees are strongly encouraged to report any misconduct or concerns in a safe environment without reprisal or recrimination. Incidences reported are duly and independently investigated for appropriate follow-up action.

In 2021, we refreshed our Speak Up campaign by leveraging on both physical and digital mediums to raise staff awareness on our Speak Up programme. We emphasised to our employees that we do not tolerate any reprisals when disclosures are made in good faith.

Leveraging technology and partnerships

Our financial crime risk mitigation programme has been enhanced over the years by leveraging heavily on technology and data analytics. We now use an array of artificial intelligence and machine learning (AI/ ML) capabilities to supplement rules-based engines to carry out surveillance at many levels and protect our customers from financial crime. Customer due diligence has been further enhanced with dynamic analytical reviews based on changes in static data or transactional behaviour.

We also focus on public-private sector collaborations, participating actively in initiatives between financial institutions and law enforcement agencies, and contributing our thought leadership.

Improving risk surveillance and controls execution

Money launderers and terrorist networks are highly sophisticated in their methods to conceal their transactions and activities. We strive to detect them from micro to macro levels, by deploying our suite of risk surveillance tools through the pervasive use of data analytic solutions. We have been strengthening our risk surveillance tools over the years to enable more robust detections of suspicious transactions and identification of bad actors.

We have matured the use of our Macro Payment Flow Dashboard, which monitors fund flows between markets and between banks. This enables us with a holistic overview of funds flows that are of significant amounts or exhibited unusual patterns. When a suspicious flow is identified, we leverage additional data analytics tools to flag out customers and transactions for further investigations. Bad actors are comprehensively detected and removed in a shorter time frame compared to traditional monitoring at the customer transaction level.

We have also expanded the deployment of our case management system – Customer Regional Unified Surveillance Enterprise (CRUISE) across our regional footprint. CRUISE is our in-house intelligent case management system designed to support our transaction surveillance teams in effectively reviewing suspicious activities flagged by rule-based systems. Most of our transaction surveillance teams at our core locations are now supported by CRUISE. This has uplifted our effectiveness and efficiency in reviewing and reporting suspicious transactions.

To further improve our effectiveness, we operationalised Dynamic Review Assessment (DRA), which leverages data analytics to detect behavioural red flags based on changes in customer profiles and activities. DRA enables us to conduct targeted customer due diligence with a risk-based approach. This is a significant departure from the industry norm of performing time-bound periodic customer due diligence reviews with outcomes driven mainly by assessing static customer information. DRA takes into consideration a combination of risk criteria, including transaction activities and more recent financial crime typologies. This solution gives our analysts opportunities to perform a deep dive into the specific risks by evaluating the criteria triggering the review.

Protecting our customers from scams

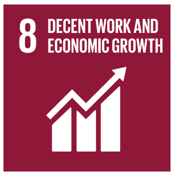
The increased adoption of digital channels to perform financial transactions have heightened the risk of fraud. In light of this, we take a multi-prong approach to provide a secured banking environment for our customers and safeguard the confidence in digital payments. One of the key pillars of our anti-scam programme is #BSHARP, an awareness programme that continually educate our customers on protecting themselves from scams.

We have also strengthened our digital controls for online banking with new features. These security features complement other controls such as transaction notifications to enhance the security of our mobile and internet banking services.

Our fraud surveillance systems are subjected to a rigorous regime of calibrations and enhancements to sustain the desired effectiveness for fraud detection, as fraudsters constantly deploy new scam tactics to perpetuate fraud. With improvements in our anti-scam controls, the total amount of fraud losses that we prevented and recovered for our customers in 2021 was more than double of the previous year. A large part of our improvements can be attributed to the use data analytics.

We also recognise that the fight against scams requires the combined effort of the financial industry, consumers, and law enforcement agencies. We have been championing various industry initiatives with the Association of Banks in Singapore and the MAS Payment Council. This includes working on a fair and transparent framework for the allocation of responsibility and loss between financial institutions and consumers to incentivise the right behaviours.

Performance and targets

Theme	Description	Target	Target Date	Progress
Preventing financial crime  	Protecting our customers and businesses from financial crime	We maintain zero tolerance or 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	Ongoing	On track

Case study

Using data analytics for financial crime prevention

To complement our financial crime prevention programme, we have invested in human capabilities to leverage AI/ ML and advanced data analytical solutions, and transformed them into stronger risk surveillance with greater sophistication and precision.

Our data scientists have developed a range of AI/ ML models for AML/ CFT, which include:

- Hibernation models that predict the likelihood of a suspicious transaction alert being filed as Suspicious Transactions Reports, so that lower risk alerts can be hibernated and allow higher risk alerts to be prioritised.
- Discovery model which serves to identify potentially suspicious customers over and above those that were flagged out by our monitoring systems.
- Network discovery and scoring models, which use machine learning and heuristic rules to score the risk levels of a discovered network of suspicious actors. The network discovery and scoring models can be supplemented with network link analysis to uncover suspicious networks, supplemented with deep financial crime domain knowledge.

In the area of protecting our customers against scams, our fraud surveillance systems deploy advanced data analytics to detect unauthorised transactions perpetuating from our customers' accounts. Upon detection of potentially fraudulent transactions, payments are withheld until we verify them with our customers. The effectiveness of our fraud surveillance systems has prevented many of our customers from losing their money to scammers.

We will continue to augment our data capabilities to support the development of analytical models that can effectively detect financial crime across different typologies.

CYBER SECURITY

Fortifying resilience and security

Our approach

Although there were no material instances of customer data loss or cyber incidents in 2021, it is evident that we are expanding our ecosystem and technology footprint. New risks have emerged as cyber threat actors exploit gaps in the broadening technology environment amidst the changing business and operational environment. In 2021, there was a 3% increase in the number of phishing attacks targeted at our staff. The number of phishing websites targeting our customers also went up by five times.

DBS recognises the gravity of these cyber threats and the importance of keeping our customers, employee, and communities safe. Cyber security remains one of our key priorities, and we are increasingly focused on the following:

- **Investing in our cyber defence capabilities**
  To safeguard internal assets from emerging threats and strengthen our ability to detect and respond to threats
- **Staying vigilant through knowledge sharing and ecosystem partnerships**
  To create a safe and secure cyberspace for our customers
- **Enhancing board and management governance**
  To maintain oversight of the cybersecurity programme at the technology, operational, executive and board levels
- **Maintaining trust and resilience**
  To uphold our customers' trust and protect their information and assets entrusted in our care

Initiatives

Investing in our cyber defence capabilities

Cyber security risk is evolving as the bank and our customers have defaulted to remote working. We accelerated the digitalisation of our internal processes while streamlining and standardising our employees' journey for remote working. New ecosystem partnerships were established, and innovative technologies were introduced as the bank seeks to expand our services and offerings to customers. This introduced new cybersecurity threats and risks to our critical assets and services.

Correspondingly, we continued to invest in cyber defence capabilities to safeguard internal assets from emerging threats and strengthen our ability to detect and respond to threat actors' modus operandi. Additional assessment was commissioned to evaluate cyber threat exposure from our technology supply chain and ensure that cyber security risks from our suppliers are adequately managed. Recommendations from the assessments were implemented to further strengthen our cyber resilience.

Inside Is the New Outside cyber security strategy
In response to the incremental risks from our expanded ecosystem and technology footprint, we reinforced our *Inside Is the New Outside* cyber security strategy by extending our layered cyber security controls within the enterprise technology environment. We engaged external subject matter experts to validate the efficacy of our controls against external threats and within the bank's internal and external technology environments in equal measures.

Granular access controls were implemented to provide conditional role-based control to our applications while network micro-segmentation further restricted access and reduced attack surface of our servers. One-Tap, Multi-factor authentication was further extended across all supported internal applications to mitigate the risk of credential theft while minimising user friction. Near real-time monitoring was also introduced to proactively detect misconfiguration in our cloud environment while enterprise controls were implemented to detect and manage IoT devices.

As we implemented more controls, the volume of security events and alerts generated also increased. This increased the volume of cases needed to be reviewed, analysed, and followed-up by our security operation centre. Automating voluminous and repetitive tasks for our security analysts not just allowed them to better manage their workload, but also resulted in a 30% improvement in time taken to detect the problem and respond accordingly.

As the cyber threat landscape evolves, the bank continues to explore innovative security solutions such as behavioural biometric as continuous authentication, and data detection and response (DDR) to improve our cybersecurity capabilities. These solutions will be considered for adoption when they mature and are ready for widespread commercialisation.

Staying vigilant through knowledge sharing and ecosystem partnerships

DBS recognises the contagion effect of cyber security risks and actively collaborates with our institutional customers, peer banks, technology partners and financial industry associations, exchanging cyber threat intelligence, sharing security know-how, and developing guidelines and best practices together improve our collective cyber resiliency. We actively participated in of cybersecurity risks discussions with regulators, law enforcement and government agencies to create a safe and secure cyberspace for our customers.

Broad-based security awareness programme
In view of the heightened cyber threats targeting our staff, we developed a broad-based security awareness programme for them. This includes inculcating a sense of personal responsibility when it comes to being cyber secure, and driving the adoption of good cyber hygiene. In 2021, our annual mandatory training on cybersecurity threats, policies and practices was delivered to more than 26,000 employees via our online eLearning platforms. In-between annual

mandatory trainings, regular security awareness trainings were also held to raise the awareness of our employees on the emerging threats. These include monthly phishing exercises that expose our staff to prevalent scams, and regular advisories that equip our staff with the best security practices. We further augmented security awareness effort with Cybrfit, an in-house gamified eLearning platform that delivers bite-sized security trainings. The two month-long programme saw more than 7,000 staff actively participating in the various challenges.

Targeted specialised security trainings

The bank also conducts specialised security trainings for technology staff. Staff who are responsible for system administration activities on our critical systems and infrastructure are trained in relevant legislation, regulations, and code of practices. We have also been developing and improving our software security design and development curriculum to cater to our staff according to their proficiency levels. In 2021, 8,335 of our staff completed the basic Software Security Awareness and Development modules while a further 1,612 completed and attained certification for intermediary proficiency in secure software development.

Protecting our customers from cyber threats

DBS also doubled down on our efforts to protect customers from the latest cyber scams. Timely security advisories were posted on customer digital touchpoints to warn them, while security best practices were delivered to our consumer and SMEs in the form of light-hearted videos.

Enhancing board and management governance

DBS risk committees maintain oversight of the cybersecurity programme at the technology, operational, executive and board levels under the Technology Risk Forum, Group Operational Risk Committee, Risk Executive Committee and Board Risk Management Committee respectively. The committees are apprised regularly on the:

i. Cybersecurity risk metrics as part of the operational risk landscape
ii. Development in the cyber threat environment
iii. Results of our cybersecurity assessments
iv. Annual workplan for the continuous improvement of our cybersecurity controls

Read more about our "Corporate governance" and "Risk management" in our Annual Report.

Maintaining trust and resilience

DBS is committed to upholding our customers' trust, and protecting their information and assets entrusted in our care. To proactively manage cyber risks, our cybersecurity programme is based on widely adopted security frameworks and practices. In 2021, to ensure continued compliance, we adopted new cybersecurity regulatory expectations and guidelines as a baseline for our cybersecurity framework. We regularly assess developments in the cyber threat space and continue to improve our control environment in tandem with the ever-increasing sophistication of such attacks.

Performance and targets

Theme	Description	Target	Target Date	Progress
Cyber security 8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Fortifying resilience and security	Zero-tolerance mindset for operational risk, including cyber security	Ongoing	On track

Case study

DBS continues to do our part for the community. We participated in the Technology in Finance Immersion Programme to train individuals and mid-career aspirants in emerging technology areas such as artificial intelligence, cloud computing, cyber security, data analytics and full stack development. We have also offered traineeship positions under the SGUnited Traineeships Program to provide real life work experience for graduates who are affected by the Covid-19 economic downturn. This provides a pipeline of professionals to alleviate the technology manpower crunch experienced in various industries.

DBS also embarked on a skills-based volunteering initiative, Cyber Wellness programme, for employees of local social enterprises and charities. In view of restrictions on in-person classroom-style training, we invested in an online platform to deliver the training content on cyber risks, threats, and security best practices, remotely. In 2021, more than 2,800 individuals completed the training, marking a fourfold increase year-on-year.

Our efforts were recognised as DBS continues to win accolades from industry associations for our cyber security programme. In 2021, the bank received the cybersecurity award from the Associations of Information Security Professionals, for the second year running. In addition, DBS received international recognition from The Banker, a publication by the Financial Times, for our secure access and remote working initiative under the cyber security category.

RESPONSIBLE TAX MANAGEMENT

Our Approach

We believe that maintaining a fair and transparent approach to tax management is the foundation to conducting a responsible business. This underpins our continual commitment to pay our fair share of taxes in the locations where we operate and comply with all relevant tax laws and regulations. We do so by:

- **Conducting our business in an ethical and professional manner**
  Adopt ethical and professional business practices and ensure our tax policy and tax risk management framework are effectively implemented.
- **Strengthening relationships based on the principles of transparency and fairness**
  Build and enhance trust with tax authorities based on strong tax governance and transparency.
- **Actively contributing to industry efforts on tax rules and practice development**
  Participate in industry feedback on key tax regulations and policies with the objective of achieving the policy objectives and outcomes.

Governance and Framework

Tax governance

The Board of Directors' responsibility for sustainability includes responsible tax management with the Board Audit Committee reviewing tax matters. The Group Chief Financial Officer (CFO), supported by the Head of Group Tax, oversees the tax function which is responsible for tax compliance and the management of tax risks and exposures.

DBS has 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 guides to ensure continued adherence with the framework.

Risk management framework

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

- We only undertake transactions which are underpinned by strong commercial motivations that can withstand public scrutiny.
- We carefully consider the potential tax sensitivity of transactions and are guided by a set of established escalation and approval procedures.
- We have sufficient skilled employees where we have significant operations, and we will seek independent advice on transactions with significant tax uncertainty.
- We take our tax compliance responsibilities seriously and fulfil all our obligations as a responsible taxpayer

These principles allow us to align our tax contributions in any tax jurisdiction with the value created in those locations. 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 a process in place to ensure that transactions that may lead to tax avoidance are escalated and reviewed by risk and control functions as and when required.

Evolving Tax Landscape

Today, the global tax landscape is transforming rapidly, with greater focus on tax transparency and tax governance. The introduction of the Base Erosion and Profit Shifting ("BEPS") Framework is a clear signal of the conviction to put an end to tax avoidance strategies that exploit gaps and mismatches in tax rules to artificially shift profits to low- or no-tax locations. DBS operates in a highly regulated industry. We maintain economic substance and conduct businesses in places where we have a physical presence[9]. As domestic tax laws and international tax standards continue to evolve, we will continue to discharge our role as a responsible and compliant taxpayer through consistent implementation of the BEPS measures.

BEPS 2.0

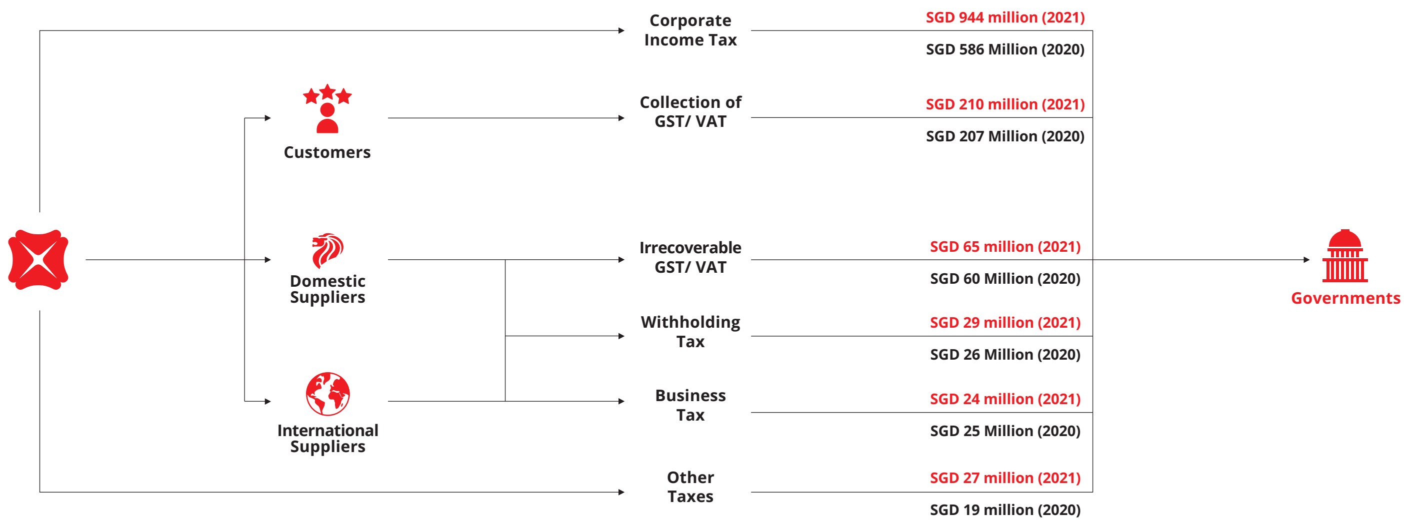
Since the implementation of the BEPS Project, the OECD has continued its work to address the tax challenges arising from the digitalisation of the economy[10]. The proposed solutions to these challenges are encompassed in two pillars and are likely to take effect in 2023[11]. As at 4 November 2021, 137 member jurisdictions have agreed to the OECD/ G20 Inclusive Framework on BEPS's two-pillar solution.

Pillar One aims to adapt the international tax system to the increasingly globalised and digitalised economy, through changes to the allocation of taxing rights and profits. This is done by establishing a new tax nexus on sales that is not dependent on physical presence, and reallocating profits to jurisdictions in which sales originate (i.e. market jurisdictions). Certain industries, including regulated financial services sector, are scoped out. In scope companies for Pillar One are the multinational enterprises with global turnover above EUR 20 billion and profitability above 10% (i.e. profit before tax/revenue). The turnover threshold would be reduced to EUR 10 billion following a review which is intended to begin 7 years after the agreement comes into force. Given the current design, scope and available information, Pillar One would likely not have a material impact on DBS for the first phase. Nonetheless, there remains some uncertainty as the OECD has not defined the scope of regulated financial services and the implications of a reduction in the revenue threshold is unclear.

Pillar Two aims to put a floor to international tax competition through a global minimum corporate tax rate of 15%. We remain an active participant in the ongoing engagement on Pillar Two through feedback to the local tax authorities and various industry forums.

Our Tax Contributions

As shown below, our total tax contribution for 2021 was SGD 1.3 billion, including taxes collected on behalf of governments of SGD 210 million.



Additional notes on our tax contributions

- Corporate Income Tax refers to tax expense accrued on the profits made by DBS Group of companies
- Output Goods and Service Tax (GST) or Value-added Tax (VAT) refers to consumption taxes levied on taxable supplies sold to our customers and collected on behalf of the relevant tax authorities
- Irrecoverable GST/ VAT refers to the portion of input GST/ VAT incurred on expenses which is not claimable from the relevant tax authorities
- Withholding Tax refers to the tax withheld and paid to the relevant tax authorities on certain payments to non-resident institutions or persons
- Business Tax refers to taxes levied on the sale of goods or provision of services to our customers or importation of goods in certain locations
- Other taxes include but not limited to Property Tax, Stamp Duties, Motor Vehicle Tax and Surcharges

(9) Where tax incentives are offered, we applied for them, fulfilling the conditions set out by the relevant Authorities.
(10) OECD (2020). Tax Challenges Arising from Digitalisation – Economic Impact Assessment: Inclusive Framework on BEPS, OECD/ G20 Base Erosion and Profit Shifting Project.
(11) OECD (2021). Statement on a Two-Pillar Solutions to Address the Tax Challenges Arising from the Digitalisation of the Economy, OECD/ G20 Base Erosion and Profit Shifting Project.

PILLAR 3

IMPACT

BEYOND BANKING

We seek to be a force for good by championing social enterprises – businesses for impact with a double bottom line – and giving back to the communities in markets where we operate.

- Social Entrepreneurship
- Employee Volunteerism

SOCIAL ENTREPRENEURSHIP

Championing businesses for impact

Our approach

In 2014, DBS Foundation (DBSF) was launched with an SGD 50 million fund to mark the bank's commitment to champion social entrepreneurship in Asia. With the pandemic upending livelihoods and casting a spotlight on a wide range of social issues, the bank has recently set aside an additional SGD 100 million to further our efforts to improving lives in Asia. The funds will go towards catalysing the work of the DBSF, as well as the bank's various philanthropic and crisis relief measures. The existing 'Business for Impact' chapter will expand its efforts in helping social enterprises (SEs) – also known as businesses for impact – to grow from ideation stage to full-fledged businesses and empower them to tackle social and environmental issues. There will be a new 'Community Impact' chapter to bolster the bank's contributions to the community through giving and volunteerism.

Our early support for SEs resonates with our heritage as a 'development bank' helping build businesses and industries, leveraging our expertise in serving the small and medium-sized enterprises (SME) sector. We believe that businesses need to consider not only short-term shareholder returns but also the long-term interests of the communities that we serve.

Through the work of DBS Foundation, we want to catalyse the growth of an ecosystem of purpose-driven businesses that does business differently and in doing so, scale the impact that we can make by addressing the myriad of social and environmental challenges that confront a rapidly growing Asia, made worse by the effects of the pandemic.

DBS Foundation adopts a one-bank approach to catalyse the growth of these businesses for impact through the following:

- **Advocate** – Increase awareness of SEs
- **Nurture** – Enable SEs to scale up through grants and loans, capacity building, publicity and networking
- **Integrate** – Walk the talk by embedding SEs into the culture and operations of DBS

Initiatives

Advocate

We want to inspire people to join the journey of supporting, starting and being a business for impact by amplifying inspiring stories of SEs and their beneficiaries across Asia.

- **Sparks Season 2**, themed "Everyday Heroes for a Better World", is a mini-series inspired by real stories of SEs supported by DBS Foundation. These stories explore social and environmental issues including plastic pollution, food waste, mental health and social inequality. To date, Sparks Season 2 has garnered 366 million views and 19 million engagements.

Above: On the left image, Nicholas Lim, Tylor Jong and Jia Cai Lau, co-founders of TreeDots and on the right image, screen actors of Sparks Season 2 Episode 8.

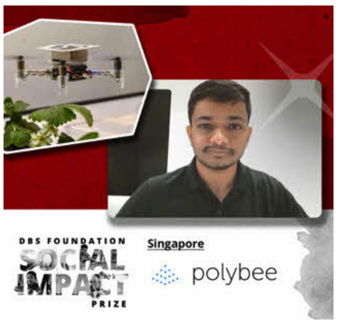
- **Portraits of Purpose** are real stories showcasing the determination, innovation and generosity of people and social enterprises. One social entrepreneur based in China – Susan Li, founded Shenzhen Power-Solution with the commitment to lend a helping hand to billions of people in the world's poorest socio-economic group. She developed a solar-powered device with a lamp, charging point, and seven-inch video screen that would be distributed to poor communities.

Above: Second from left – Susan Li, Founder of Shenzhen Power-Solution and beneficiaries of the multi-purpose solar-powered device in India.

- **In Hong Kong, the Moment of Purpose Photo Exhibition** themed "Gains and Losses in Life", featured stories told by visually impaired photographers, and was well attended by over 65,000 people. Sightfeeling, a 2019 DBS Social Impact Award winner, was featured in the exhibition.

We believe that the journey to creating impact begins early. By partnering with Institutes of Higher Learning, we aim to kickstart the impact journey of students through start-up challenges and student internships with SEs.

- At the Grand Finals of the 10th Lee Kuan Yew Global Business Plan Competition held in March 2021, **Polybee** was awarded the **DBS Tech for Impact Prize**. Polybee is on a mission to enhance global food security by improving yields in controlled environment agriculture by automating pollination and crop measurements with micro-drones.



Above: Siddharth Jadhav, Founder of Polybee, Singapore

- In a partnership with Singapore University of Social Sciences (SUSS) in their Impact Start-up Challenge, we awarded the **DBS Foundation Social Impact Prize** to Strong Silvers, a silver-talent matching agency based in Singapore that empowers seniors by enabling them to become content creators and influencers.
- We scaled up the **DBS Foundation Business for Impact internship** beyond Singapore to all our six core markets over the course of 2021 and 2022. This will enable more than 200 students to have the opportunity to intern at SEs, gain first-hand experience of working at these businesses for impact and play a part in creating social and environment impact.

  "I am very thankful for the opportunities that I got at reach52 - the projects were very meaningful and I felt that my work really mattered." – Intern from the Singapore programme.

We also engaged with the wider SE ecosystem through panel discussions and events to spark social innovation in the wider community.

- **Hong Kong Social Enterprise Summit** is a four-day hybrid symposium that gathered over 3,900 international speakers and participants to inspire, innovate, connect, and collaborate with delegates from different sectors (including the civic sector, businesses, academia and government) to advance positive social changes. DBS Bank Hong Kong representatives spoke at the panel discussions to share insights on co-creating a regenerative future through social innovation.

Above from left to right: Amy Wu, Head of Group Strategic Marketing & Communications, DBS Bank (HK), and Prof. Erwin Huang, Co-Founder of DreamStarter – a community initiative that makes dream projects initiated by school students come true – shared their views on how to build a social innovation knowledge hub through storytelling at Social Enterprise Summit 2021 in Hong Kong.

- DBS Bank Taiwan has been a sponsor to the **Asia Pacific Social Innovation Summit (APSIS)** since its inauguration in 2018. The Summit aims to create a vibrant social innovation ecosystem, while sharing Taiwan's best practices in championing SEs, and providing an investment platform for these businesses for impact.

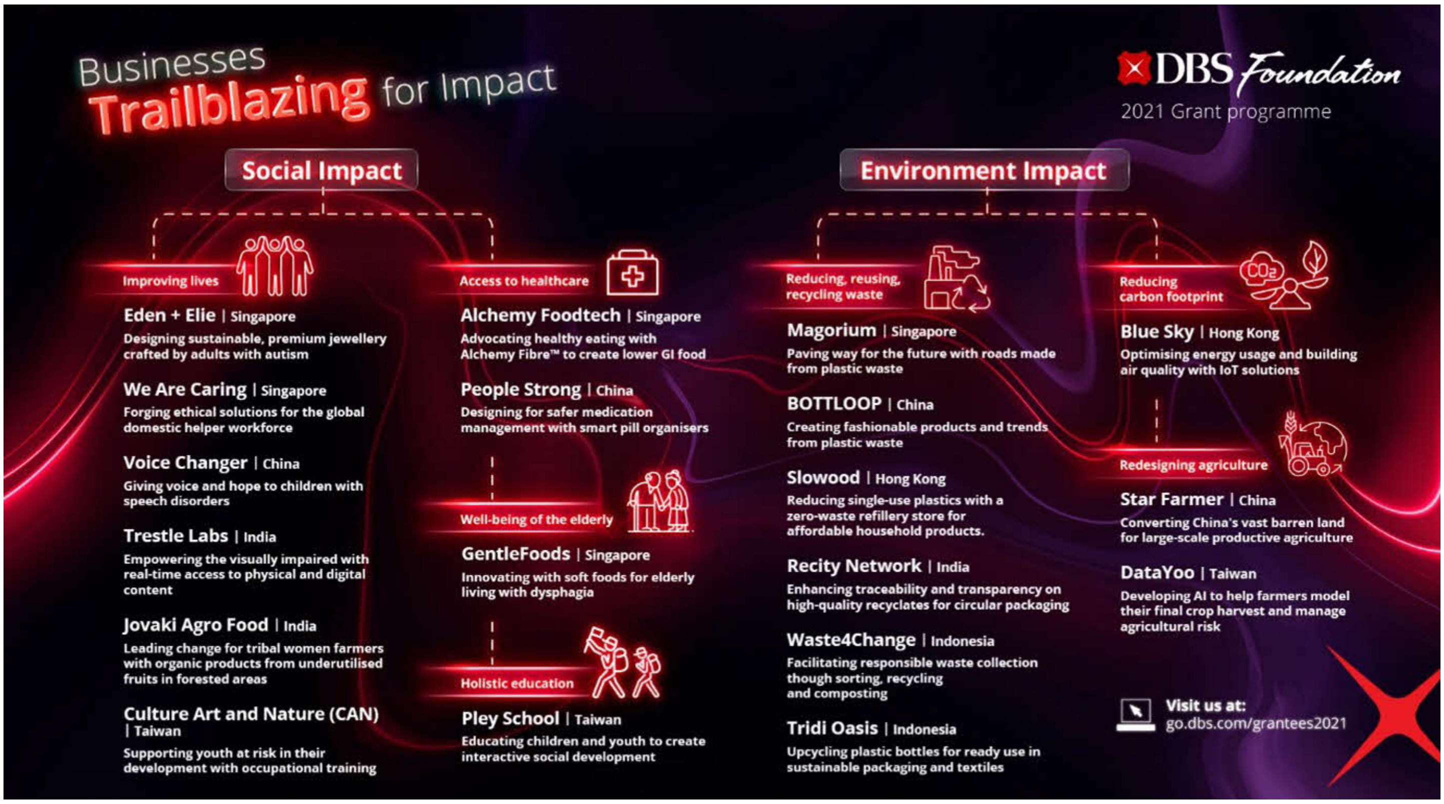
Above: 2021 APSIS in Taiwan attended by Taiwan's Digital Minister, Audrey Tang (fourth from right) and Lim Him Chuan, General Manager of DBS Bank (Taiwan) (second from left), among others.

Nurture

In 2021, DBS Foundation nurtured 183 SEs across Asia and supported them to scale their businesses and impact.

DBS Foundation Grant Programme

The annual DBS Foundation Grant Programme attracted over 680 applications across Asia. In 2021, we awarded a record grant funding of SGD 3 million to 19 innovative SEs who demonstrated strong traction and meaningful impact outcomes to scale up their businesses and grow their social and/ or environmental impact.



Highlights of the DBS Foundation fellows

- **Homage** (Singapore) is a med-tech social enterprise that provides decentralized eldercare and on-demand medical services at the place of care of the elderly. This is done through Homage's healthcare platform supported by 6,000 Care Professionals regionally. DBS Foundation provided a grant to Homage in 2016 as they were just getting started. In 2021, Homage successfully raised USD 3 million of Series C funding to scale their impact and provide holistic solutions to both care recipients and caregivers.
- **PHOOL** (India) seeks to create a circular economy by collecting tons of floral waste polluting the Ganges River, and process them into bio-degradable packaging and bio-leathers ('Fleather'). They employ 200 women, who collectively upcycled over 2,500 metric tonnes of floral waste and helped to offset more than 275kg of pesticide residue from the Ganges. In 2021, they debuted their materials at the Paris Fashion Week with leading European fashion brands. Phool is a grant recipient of DBS Foundation in 2018 and received additional funding from clients of DBS, who are aligned to see their vision succeed.
- **Reach52** (Singapore) is a tech social enterprise that aims to connect 52% of the world with no or poor access to skilled health workers, education, diagnostics, medicines, vaccinations, and health insurance to essential health services. Since 2019, DBS Foundation has supported in their expansion into India. Reach52 estimated that their platform has provided 1 million people with access to healthcare solutions in 2021.
- **MYCL** (Indonesia), formerly known as Mycotech, is a bio-tech start-up that produces plant-based alternative leather material for the construction, fashion and furniture industries. In 2018, DBS Foundation provided a grant to MYCL to strengthen their intellectual property asset and scale up the production of their proprietary eco-friendly biomaterial called mycelium leather (Mylea). In 2021, MYCL won the WIPO-IPOS IP for Innovation award and collaborated with several global brands to create sustainable fashion products. Their proprietary technology benefits over 200 farmers in the value chain. MYCL aims to reduce 68% of the world's potential carbon footprint, 70% of water consumption and 90% of toxic waste from animal leather production.

Capacity building programmes to support the SE start-up community

- **iLab programme (Taiwan).** We continued to partner with Social Enterprise Insights to run the iLab incubator and accelerator programme. In 2021, 129 SEs participated in the iLab programme; 36% start-ups received follow on funding from external investors and 12 SEs reached double-digit growth in beneficiaries reached.

  "iLab Accelerator is a program that I would like to attend again if it's possible. My company and I personally benefited a lot from the journey."
  - Zhe-Yu Lin, Co-Founder of Pley School, who achieved 40% increase in monthly revenue and 33% increase in beneficiaries after the programme.

  "The mentoring mechanism in Accelerator gives the most balanced and objective coaching to the team. The collective efforts and outputs from iLab are outstanding."
  - Conrad Chen, Accelerator Mentor (Former Chairman & GM Philips Taiwan)

- **SE Bootcamp 2021 (Indonesia)**. We partnered with Instellar to launch SE Bootcamp 2021 to raise awareness of social entrepreneurship among SEs, SMEs and the public. We received strong interest from over 1,500 participants and 108 SEs. To further strengthen our support for SEs, DBS Indonesia also rallied employees to participate in skills-based volunteering activities by being the mentors to SEs.

  "The DBSF intensive class is one of the most awaited events every week. You miss it and it's your loss. Each session is made in the most interesting way with quizzes, pre-test & post-test, sharing with other startups, and of course: the lecture itself. The assignments are practical, we can actually use them on our own start-up and there is even a facilitator to guide us through our assignments. It's more than just a class, it's a DBSF intensive class!"
  - Anisa of Poreblock by Tech Prom Lab, participant of SE Bootcamp 2021

Performance and targets

Theme	Description	Target	Target Date	Progress
Social entrepreneurship 8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Catalysing the growth of businesses for impact across Asia	Stakeholders reached as part of advocacy efforts	2021	On track (2021: 280,000)
		No. of SEs nurtured	2021	On track (2021: 183)
		30% increase in employee skills-based volunteering hours	2021	Achieved 2021: 127% increase to 7,105 hours

- **HR Foundational Leadership Course** (Singapore). DBS HR Leadership Institute developed customised leadership training modules for SE founders and their management teams. In 2021, more than 50 employees from participating SEs completed the course and shared positive feedback, citing practical takeaways and tips as one of the biggest benefits they gained out of it.

Integrate

In 2021, we engaged with over 12,700 DBS employees and about a third of them were involved in volunteering with SEs. As a result, we more than doubled our skills-based volunteering hours with SEs as compared to the previous year.

Key programmes include:

- **Evaluation of Grant Programme applications**. Over 390 colleagues from across the bank volunteered as evaluators and pitch consultants for the DBS Foundation 2021 Grant Programme.
- **Done in A Day.** We conducted six regional and local Done In A Day skills-based volunteering sessions in 2021 and created customised solutions for 38 SEs in areas ranging from business strategies to social media outreach.
- **Hungry For Change Ideation Challenge**. Some 1,500 employees participated in the Hungry For Change ideation challenge to help SEs overcome their business challenges.
- **Business partners for DBS Foundation Fellows** provided guidance in areas such as financing and human resource.

Doing well and doing good with DBS Private Bank

There is a rising interest from family offices in supporting SEs. Philanthropy is changing and moving towards the likes of venture philanthropy as next-generation clients seek new and collaborative ways to give back to the society. DBS Foundation partners with DBS Private Banking clients on a more customised basis to make greater impact through funding, volunteering and mentorship.

SE banking solutions from SME Banking

DBS SME Banking continues to support the business needs of SEs through banking and financing services. We are also the first and only bank in Singapore to offer a banking package tailored to SEs. In support of SEs across the region, we provided over SGD 13.4 million in loans at preferential rates to SEs in 2021 and have banked 824 SEs to date.

Engaging our clients to support SEs

- DBS Indonesia partnered with two SEs – Krakakoa and Garda Pangan to donate food under the DBS Green Savings and digibank credit card programmes.
- DBS Hong Kong launched a Credit Card InstaRedeem programme that provided discounts to customers who shop at merchants that are SEs and enabled over HKD 3 million (approximately SGD 518,000) in sales for participating SEs.
- In Hong Kong, we partnered with Taikoo Place and Rooftop Republic Urban Farming, a DBS Foundation Fellow, to build the highest urban farm in Hong Kong, atop our office at the One Island East Building. A revamped collection process is initiated to convert the food waste from our DBS Hong Kong office into compost to nourish crops grown at the farm. The greens were donated to a local food bank to support the wider community.

Case study:

One bank approach to catalysing the growth of businesses for impact

TreeDots, is a Singapore-based e-commerce platform that simplifies supply chains by directly connecting with businesses and households, to facilitate the redistribution of unsold inventories. In 2018, DBS Foundation provided TreeDots with a grant to kickstart their business and launch their digital platform. Since then, TreeDots has met with many colleagues from DBS who have lent different types of support, ranging from human resource and banking solutions to networking opportunities. TreeDots successfully raised USD 11 million in Series A funding in November 2021 to continue their expansion plans and further their efforts towards zero food waste. Their 2025 aim is to save 2 million tonnes of food from being wasted, thereby reducing carbon emissions by 18 million tonnes.

EMPLOYEE VOLUNTEERISM

Placing purpose at the heart of what we do

Our approach

At DBS, purpose is at the heart of what we do, and we encourage our employees to volunteer their time and skills to support the community, and truly be People of Purpose.

People of Purpose (PoP) is DBS' employee volunteer movement that brings our values to life.

We aim to inculcate a spirit of volunteerism in all our employees. Our commitment is instituted in having two official volunteer-leave days for each employee. We continue to undertake multiple service-based and skills-based volunteering activities that allow our employees to leverage their time and skills to better connect with and make meaningful contributions to the communities we live and work in, across our core markets.

Amidst the pandemic, our employees contributed more than 100,000 volunteering hours in 2021, a 75% increase from the previous year, demonstrating our commitment to serve the community through challenging times. We continued the pivot to virtual ways of volunteering amidst restrictions across most of our markets, with these virtual programmes making up 66% of our total volunteering hours.

This year, we:

- **Scaled up our volunteering efforts**
  To build on our efforts in the thematic areas of elderly, education, and the environment
- **Developed a hybrid approach to volunteering**
  To engage based on the needs of the communities and unique skillsets of our employees
- **Dialled up focus on skills-based volunteering**
  To leverage our employees' time and skills to give back meaningfully

In 2021, the pandemic continued to impact lives and livelihoods globally. The needs of the community became more varied and severe, with many of our core markets facing second waves of infection and large-scale impacts. We recognise that there is a greater need to support the communities in these challenging times through our volunteerism and giving efforts.

Initiatives

Scaling up on our volunteering efforts

Our volunteering efforts across our core markets have been focused on three areas – the elderly, education, and the environment. We continue to focus on the **elderly** as Asia is aging fast and about a quarter of Asians will be 60 years old and above by the middle of this century. Hence there is a growing and urgent need to address the socio-economic needs of this segment. We also continue to grow our volunteering in **education** with a priority on financial and digital literacy, mentoring and empowering students, and supporting vulnerable segments in the communities such as children, migrant domestic workers, and single mothers.

As food waste is a key contributor to climate change and accounts for almost 10% of global greenhouse gas emissions, we continued to build on the regional movement to galvanise multiple stakeholders into action towards zero food waste. This is a part of our commitment to the **environment** and to a sustainable and climate-resilient future. In 2022, we will continue our focus in these areas, and strengthen our efforts even further.

Developing a hybrid approach to volunteering

As the world continues to battle the pandemic, the needs of the communities have evolved to include both social and emotional ones, in addition to the more immediate economic and medical challenges.

In-person volunteering remains a challenge with pandemic restrictions in place for most markets where we operate in. Our volunteering programmes are customised based on the needs of the community and we remain committed to best support these needs as the world seeks to live in the new normal. In 2021, we adopted a hybrid approach, with both in-person and virtual volunteering programmes.

Improving the volunteering journey for our employees

We are also always looking at ways to enhance the volunteering journey for our employees, making volunteering simple, seamless and accessible.

We launched **PoP Connect** as a central one-stop digital platform for all our volunteering programmes regionally last year, making volunteering programmes easy to search and sign up for. The platform also enables consistent tracking of all PoP programmes regionally. To date, over 15,600 employees have registered on PoP Connect, and in 2021 alone, we listed over 1,300 volunteering opportunities on the platform. We continue to make enhancements to the platform as we strive to constantly improve the volunteering journey for our employees.

We recognise that the PoP employee movement helps to inculcate a spirit of giving back in our employees, thus creating a workforce that thinks and operates with purpose amidst a changing world inundated with challenges. It is our desire to continue to cultivate a culture of giving and a company aware of the needs in the community.

Dialling up skills-based volunteering programmes

Approximately one-fifth of our 2021 volunteering activities were skills-based. This was rolled out through programmes where our employees used their knowledge and skills to serve the community. These included financial and digital literacy programmes for the elderly, children, and youth, mentoring and career conversations, and audiobook recording for the visually impaired. There was also an increase in regional volunteering programmes for social enterprises supported by DBS Foundation, which leveraged the expertise of our employees to solve business challenges. These programmes include the DBS Foundation Grant Evaluation, Done in A Day, and Hungry for Change Ideation Challenge.

Read more about "Social Entrepreneurship" in page 63.

Performance and targets

Theme	Description	Target	Target Date	Progress
Employee volunteerism	Serving the needs of our community	Contribute 100,000 volunteer hours across our six markets to promote a culture of employee volunteerism	2021	Achieved 2021: >100,000 hours (2020 FY: 57,000 hours)

Case Study

Singapore

#TeamDBSGives Food Donation Drive

During movement restrictions in Singapore, more than 900 Singapore PoP volunteers answered the call for the #TeamDBSgives Food Donation Drive, preparing and donating non-perishable food bundles to the Food Bank Singapore. We also matched donations from DBS volunteers to enhance fresh food support for the beneficiaries. Through this initiative, not only was the number of beneficiaries doubled, but families were also provided fresh produce for nutritious meals. Collectively, the bank was able to support over 1,800 individuals and families in need.

Commitment to Skills-based Volunteering

DBS is always on a lookout for opportunities for our employees to volunteer their skills. We partnered with the National Youth Council and Empact in the YouthTech Programme, which aims to support digitalisation efforts within the social sector and the upskilling of youth in Singapore.

Over 3 sessions, our PoP volunteers dedicated their time to provide individual “consultations” with 27 unique non-profit organisations and social enterprises across a spectrum of social causes. The topics covered included digital knowledge and skills, digital marketing, and data analysis. Our employees provided third-party perspectives that helped the organisations assess their current digitalisation challenges.

Hong Kong

Spreading Care Eco-Enzymatically

More than 400 PoP volunteers took part in an online workshop by Fruit Peels Family, a social enterprise which promotes environmental protection and sustainable lifestyles. The volunteers learnt how to upcycle fruit peels into eco-enzymatic detergents, together with participants from Hong Kong Federation of the Blind & Direction Association for the Handicapped.

In total, more than 550 bottles were made and given out together with hand-written message cards to elderly-in-need, spreading love and care in the community.

Extending Skills-based Volunteering to Social Enterprises Supported by CUHK

DBS partnered with Chinese University of Hong Kong (CUHK), which provides a wide range of support to assist its professors to translate their research into community-based social impact projects with a sustainable model.

Through a business “clinic”, we offered our expertise to overcome some of their business challenges. For example, a team of DBS subject matter experts shared about marketing and customer experience management with 4 CUHK-supported social enterprises. The sharing was beneficial and well-received.

Taiwan

Upcycling for Good

In celebration of DBS’ anniversary, DBS Taiwan partnered with social enterprise, A Time of Glass and non-profit organisation, Dr. Rednose for two mass sewing programmes. 169 PoP volunteers upcycled old t-shirts and transformed them into puppets. These puppets were then donated to Dr. Rednose, which were used during performances by therapy clowns for children at hospitals during the pandemic.

iLab Workshop for Social Enterprises

DBS Taiwan partnered with social enterprise, Insights, to roll out incubator and accelerator programmes for other social enterprises in Taiwan. Four workshops were hosted, focusing on customer relationship management, financial and funding for startups, leadership management, and public relations. 13 PoP volunteers served as mentors for the workshops, and they shared their knowledge and expertise with over 160 participants from social enterprises.

Case Study

China	**Connecting through Curling** 35 PoP volunteers from our Treasury & Market team in China paired up with 15 special buddies from the World of Art Brut Culture (WABC). WABC is a social enterprise that works with persons with autism to enhance their development, education and quality of life. A curling race was planned, which filled the day with meaning, sweat and laughter. Through this initiative, the students had opportunities to connect with the volunteers and the wider community.	**Virtual Teaching for Rural Children** DBS China Tianjin branch partnered with Chi Heng Foundation (CHF), a non-profit organisation that aims to advocate for equal opportunity and eliminate discrimination against minority groups and under-privileged members of society. Through this partnership, DBS volunteers spent their weekends to virtually teach rural children from thousands of miles away, increasing their access to education.
Indonesia	**Daily Breakfast Distribution with Foodbank of Indonesia** In conjunction with the World Food Day 2021, DBS Indonesia employees partnered with The Foodbank of Indonesia to prepare and cook breakfast from the "Public Kitchen", and distributed the meals to daily wage workers in Indonesia. This programme ran for six weeks from November to December 2021, with 2,528 meal portions prepared, benefiting 632 daily wage workers and their families.	**Stellar performance for Skills-based volunteering in Indonesia** As part of the DBS Foundation Social Enterprise Bootcamp in Indonesia, which was organised in partnership with Instellar, PoP volunteers moderated three masterclasses for social enterprises, SMEs, and the public. In addition, four intensive classes for selected social enterprises were held. Each social enterprise was matched with at least one mentor from DBS Indonesia, who then supported the completion of tasks and assignments during the bootcamp.
India	**Interning with Purpose** Gaining more than practical corporate experience and skills, a group of DBS interns also volunteered their time to virtually teach over 25 students from the SOS Children's Village shelter home in Maharashtra, India. The interns worked in groups of four to five volunteers and shared on topics including air, water, and soil pollution. Those sharing sessions were enhanced with the use of slides, pictures and videos.	**Audiobooks for Visually Impaired Children** In 2021, DBS PoP volunteers in India supported four different non-profit organisations, by recording close to 450 audiobooks over more than 15 audiobook recording sessions. Those audiobooks were recorded in English and in India's regional languages. They are used as educational resources to support more than 5,000 visually-challenged children.

INFORMATION ON EMPLOYEES

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

Type of contract	2021			2020			2019		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Permanent of which:	15,630	16,097	31,727	14,355	13,371	27,726	14,356	13,009	27,365
Full time	15,423	16,076	31,499	14,271	13,367	27,638	14,276	13,006	27,282
Part time	207	21	228	84	4	88	80	3	83
Contract/ Temporary[(1)]	612	672	1,284	647	775	1,422	458	703	1,161
Total	**16,242**	**16,769**	**33,011**	**15,002**	**15,146**	**29,148**	**14,814**	**13,712**	**28,526**

Table 2. Total number of employees by geography and gender

Geography	2021			2020			2019		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Singapore	6,835	5,750	12,585	6,811	5,592	12,403	6,764	5,340	12,104
Hong Kong	2,352	2,143	4,495	2,369	2,204	4,573	2,466	2,262	4,728
Rest of Greater China[(2)]	2,713	1,306	4,019	2,755	1,335	4,090	2,881	1,376	4,257
South and Southeast Asia[(3)]	4,193	7,375	11,568	2,923	4,829	7,752	2,573	4,545	7,118
Rest of the World[(4)]	149	195	344	144	186	330	130	189	319
Total	**16,242**	**16,769**	**33,011**	**15,002**	**15,146**	**29,148**	**14,814**	**13,712**	**28,526**

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

Geography	2021			2020			2019		
	Permanent	Contract/ Temporary	Total	Permanent	Contract/ Temporary	Total	Permanent	Contract/ Temporary	Total
Singapore	12,498	87	12,585	12,289	114	12,403	12,003	101	12,104
Hong Kong	4,462	33	4,495	4,517	56	4,573	4,630	98	4,728
Rest of Greater China[(2)]	3,954	65	4,019	4,048	42	4,090	4,216	41	4,257
South and Southeast Asia[(3)]	10,489	1,079	11,568	6,559	1,193	7,752	6,212	906	7,118
Rest of the World[(4)]	324	20	344	313	17	330	304	15	319
Total	**31,727**	**1,284**	**33,011**	**27,726**	**1,422**	**29,148**	**27,365**	**1,161**	**28,526**

(1) Include only 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

2021	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	7,259	22%	2,898	40%	1,598	27%
30 < x < 50	22,038	67%	2,648	12%	2,047	11%
x >= 50	3,714	11%	111	3%	144	5%
By gender						
Female	16,242	49%	2,338	14%	1,644	12%
Male	16,769	51%	3,319	20%	2,145	16%
By geography						
Singapore	12,585	38%	1,969	16%	1,439	12%
Hong Kong	4,495	14%	888	20%	706	16%
Rest of Greater China[2]	4,019	12%	611	15%	466	12%
South and Southeast Asia[3]	11,568	35%	2,125	18%	1,152	17%
Rest of the World[4]	344	1%	64	19%	26	8%
Total	**33,011**	**100%**	**5,657**	**17%**	**3,789**	**14%**

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	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**	**12%**	**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%**

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

2021	SVP to MD	Analyst to VP	Senior Officer and Below[8]	Total
Headcount[5]	2,850	22,306	7,855	33,011
By gender				
Female	40%	49%	54%	49%
Male	60%	51%	46%	51%
By age group (x = age)				
x <= 30	0%	20%	35%	22%
30 < x < 50	74%	70%	55%	67%
x >= 50	26%	10%	10%	11%

2020	SVP to MD	Analyst to VP	Senior Officer and Below[8]	Total
Headcount[5]	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	SVP to MD	Analyst to VP	Senior Officer and Below[8]	Total
Headcount[5]	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%

(5) 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
(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) Includes all contract/ temporary employees

INFORMATION ON ENVIRONMENTAL FOOTPRINT[1]

	2021[2]							
	Singapore	Hong Kong	China	Taiwan	India	Indonesia	International Centres	Total
Energy								
Total energy consumption (MWh)[3]	59,575	9,960	5,311	6,615	6,146	10,455	1,166[4]	99,228
a) From non-renewables (MWh)	58,821	9,960	5,311	6,548	6,121	10,357	1,166	98,284
b) From renewables production (MWh)	754	0	0	67	25	98	0	944
Purchased Renewable Energy Certificates (MWh)	0	10,700	0	0	0	0	0	10,700
Energy from fuels; diesel gensets and cooking LPG (GJ)	482	0	0	4	310	112	0	909
Energy intensity by total income (MWh/ SGD million)	**6.66**	**4.02**	**6.55**	**12.55**	**14.03**	**19.69**	**2.00**	**6.93**
Carbon								
1) Total carbon emissions without offsets (tCO2e)[5][6] = [1a + 1b(ii) + 1c]	**26,221**	**7,243**	**3,734**	**3,359**	**6,183**	**7,910**	**709**	**55,358**
a) Scope 1 (tCO_2e)[7]	566	23	0	0	31	137	0	757
b) Scope 2 (tCO_2e)[8]								
i. Gross (location-based)	15,034	5,912	2,095	2,999	4,701	5,681	697	37,119
ii. Net (market-based)	15,034	0	2,095	2,999	4,701	5,681	697	31,207
c) Operational Scope 3 (tCO_2e)[9]	10,621	1,308	1,639	360	1,451	2,091	12	17,482
i. Data centres (tCO_2e)	8,910	1,060	1,146	333	1,153	1,729	0	14,331
ii. Storage facility energy (tCO_2e)	197	0	0	0	0	0	0	197
iii. Waste (tCO_2e)	266	199	37	23	13	23	0	561
iv. Business flights (tCO_2e)	94	28	451	5	244	3	12	837
v. Ground transport (tCO_2e)	1,154	20	0	0	41	336	0	1,551
vi. Electric shuttlebus (tCO_2e)	0	0	5	0	0	0	0	5
2. Purchased carbon offsets (tCO_2e)								16,727
3. Total carbon equivalent net of total offsets purchased, market-based (tCO_2e) = [1a + 1b(ii) + 1c – 2]								32,719
Total carbon emission intensity without offsets by total income[10] (tCO_2e/ SGD million)	**2.93**	**2.92**	**4.60**	**6.37**	**14.12**	**14.90**	**1.21**	**3.87**

	2021							
	Singapore	Hong Kong	China	Taiwan	India	Indonesia	International Centres	Total
Water								
Total water consumption (m^3)(11)	**37,500**	**11,249**	**5,194**	**38,487**	**9,904**	**36,724**	**0**	**139,058**
a) Municipal water consumption from water stressed regions (m^3)(12)	0	0	3,491	0	8,692	2,349	0	14,532
b) Municipal water consumption from non-water stressed regions (m^3)	37,500	11,249	1,703	38,487	1,212	26,921	0	117,072
c) Well water consumption from water stressed regions (m^3)	0	0	0	0	0	524	0	524
d) Well water consumption from non-water stressed region (m^3)	0	0	0	0	0	6,930	0	6,930
Total water consumption intensity by total income (m^3/ SGD million)	4.19	4.54	6.40	73.03	22.61	69.16	0	9.71
Waste								
Total waste generated (tonnes)	**625.7**	**226.8**	**113.5**	**90.8**	**26.6**	**79.8**	**0**	**1,163.2**
a) Total composted (tonnes)	1.0	0.2	47.7	0.0	0.0	12.5	0	61.4
b) Total recycled (tonnes)	154.8	95.2	15.3	48.1	4.2	30.2	0	347.9
c) Total incinerated (tonnes)	469.9	0.0	0.0	42.6	0.0	29.5	0	542.0
d) Total landfilled (tonnes)	0.0	131.3	50.6	0.0	22.4	7.6	0	211.9
Total repurposed/ donated (tonnes)	*12.1*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0*	*12.1*

	2021						
	Singapore	Hong Kong	China	Taiwan	India	Indonesia	Total
Materials							
Printing paper use (tonnes)(13)	**124.8**	**79.4**	**24.0**	**30.8**	**14.0**	**14.4**	**287.4**
Percentage from eco- friendly sources(14)	100	100	100	100	62	100	98
Bottled water use (tonnes)(15)	**0**	**0**	**0.27**	**0**	**0.15**	**0**	**0.42**
Percentage from renewable sources	0	0	0	0	0	0	0

(1) All environmental footprint data reported here does not include our Lakshmi Vilas Bank's (LVB) portfolio as the environmental data integration is still underway at the point of publication.

(2) In 2021, we have continued the expansion of our data collection and closing of data gaps. We have included additional data in 2021 that was not available in previous years. Accordingly, we do not provide comparative figures for 2020.

(3) Energy consumption includes purchased electricity, purchased chilled water cooling to buildings and outsourced data centres, and combusted energy on site in India. Also includes LPG in Singapore and genset power in Singapore, India, Indonesia and Taiwan

(4) Energy consumption for International Centres is included for the first time in this report. These international offices are located in Malaysia, Myanmar, Philippines, South Korea, Thailand, Vietnam, United Kingdom, and Australia. We were not able to collect any data for our United States and Dubai offices, which accounted for less than 1% of our portfolio area.

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

(6) As with previous years, we report Scope 2 emissions based on both location-based and market-based approaches. Under the market-based approach, our Scope 2 emissions were reduced from purchased RECs in Hong Kong only.

(7) Scope 1 emissions include direct carbon emissions from backup diesel generators, LPG from kitchens, and fugitive emissions from fire retardants and refrigerants including FM200, SF6, R-410a, R-22, R-134a, R132, R-32, and NOVEC-1230 - all converted to CO2 equivalent. We also include both fossil fuel diesel, used cooking oil (UCO) biodiesel genset fuel (new this year), and LPG for cooking in Singapore.

(8) Scope 2 emissions include purchased electricity, purchased chilled water energy - converted using efficiencies from the central chilled water suppliers, and energy for cooling offices and branches. They are converted to CO2 equivalents using NEA GHG Emissions Measurement and Reporting Guidelines 2021, IEA Energy Statistics Manual, IGES_Grid_EF2021 OMEF for India Grid, Singapore Energy Statistics OMEF 2019 Bureau of Energy Ministry of Economic Affairs, GHG Protocol GWP 2016, ACP.Copernicus 2018, GOV.UK

(9) Scope 3 emissions include outsourced shuttle bus travel, inter-office mail transport for Singapore, limousine service (new in 2021), cash loading transport (new in 2021), executive transport (new in 2021), carbon equivalent from electric vehicle transport in China (new in 2021), employee air travel as arranged by travel agencies Ctrip and Egencia, energy used in outsourced data centres, carbon equivalent from waste disposal (new in 2021) including incineration, landfilling, composting, general recycling, and e-waste recycling; carbon equivalents from storage facilities (new in 2021). We do not include any carbon footprint from items that were repurposed, gifted, or sold.

(10) Carbon emission intensity is reported as tCO2e/SGD million in total income, excluding our LVB portfolio

(11) All water consumption reported is considered freshwater according to GRI 303, and as per the GRI requirement, 1,000 cubic metres (m^3) is equivalent to 1 megalitre.

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

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

(14) Eco-friendly paper sources are defined as those with certifications such as Forest Stewardship Council (FSC), Programme for the Endorsement of Forest Certification (PEFC) or equivalent.

(15) Bottled water refers to plastics bottled water purchase 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	Page reference
	Human Rights		
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights	• Responsible financing • Sustainable living	18, 32
Principle 2	Make sure that they are not complicit in human rights abuses	• Financial inclusion • Diversity and equal opportunities • Sustainable procurement	35, 42, 47
	Labour		
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	• Employee well-being and managing talent	39
Principle 4	Elimination of all forms of forced and compulsory labour	• Responsible financing • Sustainable living • Financial inclusion • Diversity and equal opportunities • Sustainable procurement	18, 32, 35, 42, 47
Principle 5	Effective abolition of child labour		
Principle 6	Elimination of discrimination in respect of employment and occupation	• Diversity and equal opportunities	42
	Environment		
Principle 7	Businesses should support a precautionary approach to environmental challenges	• CEO message • Highlights • Responsible financing • Managing our environmental footprint • Sustainable procurement	4, 6, 18, 44, 47
Principle 8	Undertake initiatives to promote greater environmental responsibility		
Principle 9	Encourage the development and diffusion of environmentally friendly technologies		
	Anti-corruption		
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery	• Fair dealing • Preventing financial crime	53, 55

MAPPING TO GRI STANDARDS

No	ESG matters	Coverage	GRI Titles/ Aspects	Topic Boundaries
Pillar 1: Responsible banking				
1	**Responsible financing**	• ESG risk assessment • Net-zero transition • Task Force on Climate-related Financial Disclosures (TCFD) • Sustainable Financing	• Human rights assessment • Product portfolio (Financial Services Sector Disclosure) • Emissions	• Customers • Employees • Shareholders • Society
2	**Sustainable living**	• Financial health • ESG investing	• Indirect economic impacts • Product and service labelling (Financial Services Sector Disclosure)	• Customers • Society
3	**Financial inclusion**	• Sustainable development • Access to financial services	• Indirect economic impacts • Product and service labelling (Financial Services Sector Disclosure) • Local communities (Financial Services Sector Disclosure)	• Customers • Employees • Society
Pillar 2: Responsible business practices				
4	**Employee well-being and managing talent**	• Talent development • Training • Medical coverage • Mental well-being • Workplace health and safety	• Employment • Training and education • Occupational health and safety	• Employees
5	**Diversity and equal opportunities**	• Anti-discrimination • Diversity	• Diversity and equal opportunity	• Employees
6	**Managing our environmental footprint**	• Energy consumption • Water consumption • Carbon emissions • Recycling	• Energy • Water • Emissions • Waste	• Employees • Society
7	**Sustainable procurement**	• Supplier assessments • Sustainable procurement principles	• Supplier environmental standard • Supplier social assessments • Human rights assessment	• Society
8	**Preventing financial crime**	• Anti-money laundering • Countering the financing of terrorism • Fraud • Anti-bribery and corruption • Regulatory compliance	• Anti-corruption	• Customers • Employees • Regulators and policy makers • Shareholders • Society
9	**Data governance**	• Responsible use and protection of data • Regulatory compliance	• Customer privacy	• Customers • Employees • Regulators and policy makers • Shareholders
10	**Cyber security**	• Cyber security • Regulatory compliance		

11	**Fair dealing**	• Product suitability • Grievance management	• Marketing and labelling • Product and service labelling (Financial Services Sector Disclosure)	• Customers • Employees • Regulators and policy makers • Shareholders • Society
12	**Responsible tax management**	• Regulatory compliance	• Economic performance	• Regulators and policy makers • Shareholders • Society
Pillar 3: Impact beyond banking				
13	**Social entrepreneurship**	• Support for social enterprises	• Indirect economic impacts • Local communities	• Employees • Society
14	**Employee volunteerism**	• Volunteerism	• Local communities • Product and service labelling (Financial Services Sector Disclosure)	• 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.

√	Disclosure requirements	Reference & Response	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 95	
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 118	
102-8	Information on employees and other workers	Information on employees, page 70	√
102-9	Supply chain	Sustainable procurement, page 47	√
102-10	Significant changes to the organisation and its supply chain	There were no significant changes to our organisational profile and supply chain during the reporting period.	
102-10	Location of headquarters	Location of headquarters	
101-11	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 92	
102-13	Membership of associations	Commitments and memberships, page 92	
102-14	Statement from senior decision-maker	CEO message, page 4	
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 Governance, page 11	
102-40	List of stakeholder groups	Stakeholder engagement, page 13	

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 2021, 901 of our employees are eligible for collective bargaining under the Memorandum of Understanding between DBS and DBS Staff Union. Separately, there were no employees who are officers and below in DBS Vickers, thus none were eligible under the Collective Agreement between DBS Vickers and The Singapore Manual and Mercantile Workers' Union.	√
102-42	Identifying and selecting stakeholders	Stakeholder engagement, page 13	
102-43	Approach to stakeholder engagement	Stakeholder engagement, page 13	
102-44	Key topics and concerns raised	Stakeholder engagement, page 13	
102-45	Entities included in consolidated financial statements	Subsidiaries and consolidated structured entities, Annual report page 147. Associates and Joint Ventures, Annual report page 148	
102-46	Defining report content and topic boundaries	Mapping to GRI Standards, page 76	
102-47	List of GRI topics	Mapping to GRI Standards, page 76	
102-48	Restatements of information		
102-49	Changes in reporting	Responsible financing, page 18	
102-50	Reporting period	Coverage, page 3	
102-51	Date of most recent report	9 March 2021	
102-52	Reporting cycle	Annual	
102-53	Contact point for questions regarding the report	Feedback, page 3	
102-54	Claims of reporting in accordance with the GRI Standards	About this report, page 3	
102-55	GRI content index	GRI Content Index, page 78	
102-56	External assurance	Assurance statement, page 93	

GRI Standard	Disclosure requirements	Reference & Response	External Assurance
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 How we create value, Annual report page 66 How we distribute value created, Annual report page 70 Note 45.2, Geographical segment reporting (Profit before tax), Annual report page 183 Responsible tax management, page 60	
103-2	The management approach and its components		
103-3	Evaluation of the management approach		
201-1	Direct economic value generated and distributed		√
201-2	Financial implications and other risks and opportunities due to climate change	Responsible Financing, page 18	
Indirect Economic Impact			
GRI 103: Management Approach 2016 / GRI 203: Indirect Economic Impact 2016			
103-1	Explanation of material topic and its boundary	Sustainable Living, page 32 Financial inclusion, page 35 Social entrepreneurship, page 63	
103-2	The management approach and its components		
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 55	
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		

Tax Transparency			
GRI 103: Management Approach 2016 / GRI 207: Tax 2019			
103-1	Explanation of material topic and its boundary	Responsible tax management, page 60	
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	Refer to Financial Statement Note 45.2 for the geographical segment reporting of our tax position as reported in accordance with Singapore Financial Reporting Standards (International). Additional narrative on our tax contributions (the taxes we pay and collect as we do business) are also provided in our enhanced tax chapter, Responsible tax management, on page 60.	

Materials			
GRI 103: Management Approach 2016 / GRI 301: Materials 2016			
103-1	Explanation of material topic and its boundary	Sustainable procurement, page 47	
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 environmental footprint, page 74	√

Energy			
GRI 103: Management Approach 2016 / GRI 302: Energy 2016			
103-1	Explanation of material topic and its boundary	Managing our environmental footprint, page 44	
103-2	The management approach and its components		
103-3	Evaluation of the management approach		
302-1	Energy consumption within the organization	Information on environmental footprint, page 73	√
302-3	Energy intensity		
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 44	
103-2	The management approach and its components		
103-3	Evaluation of the management approach		
303-3	Water withdrawal	Information on environmental footprint, page 74	√

Emissions

GRI 103: Management Approach 2016 / GRI 305: Emissions 2016

103-1	Explanation of material topic and its boundary	Responsible financing, page 18 Managing our environmental footprint, page 44	
103-2	The management approach and its components		
103-3	Evaluation of the management approach		
305-1	Direct (Scope 1) GHG Emissions	Information on environmental footprint, page 73	√
305-2	Energy indirect (Scope 2) GHG emissions		√
305-3	Other indirect (Scope 3) GHG emissions		√
305-4	GHG emissions intensity		

Effluents & Waste

GRI 103: Management Approach 2016 / GRI 306: Waste 2020

103-1	Explanation of material topic and its boundary	Managing our environmental footprint, page 44	
103-2	The management approach and its components		
103-3	Evaluation of the management approach		
306-3	Waste generated	Information on environmental footprint, page 74	√

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 48	
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	Employee well-being and managing talent, page 39	
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 71	√

Occupational Health & Safety

GRI 103: Management Approach 2016 / GRI 403: Occupational Health and Safety 2018

103-1	Explanation of material topic and its boundary	Employee well-being and managing talent, page 39	
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	Employee well-being and managing talent, page 39	
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 opportunities, page 42 Board of directors, Annual report page 47 Information on employees, page 70	
103-2	The management approach and its components		
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		

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 18 Sustainable procurement, page 47	
103-2	The management approach and its components		
103-3	Evaluation of the management approach		
412-1	Operations that have been subject to human rights reviews or impact assessments		
412-2	Employee training on human rights policies or procedures		

Local Communities			
GRI 103: Management Approach 2016 / GRI 413: Local Communities 2016			
103-1	Explanation of material topic and its boundary	Social entrepreneurship, page 63 Employee volunteerism, page 67	
103-2	The management approach and its components		
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 35	

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 48	
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 55	
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 53
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 53
FS16	Initiatives to enhance financial literacy by type of beneficiary	Financial inclusion, page 35 Employee volunteerism, page 67

Customer Privacy		
GRI 103: Management Approach 2016 / GRI 418: Customer Privacy 2016		
103-1	Explanation of material topic and its boundary	Cyber security, page 58 Data governance, page 50
103-2	The management approach and its components	
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 2016		
103-1	Explanation of material topic and its boundary	Preventing financial crime, page 55 Responsible tax management, page 60
103-2	The management approach and its components	
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 18 Sustainable living, page 32 Financial inclusion, page 35
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 11 Responsible financing, page 18 Sustainable procurement, page 47

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 conformance 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. Unless otherwise noted, all information included in the SASB disclosure is presented for DBS Group and our subsidiaries.

SASB Code	Topic	Accounting Metrics	Response & References	Source
Across multiple standards				
FN-CB-230a.2 **FN-CF-230a.3**	Data security	Description of approach to identifying and addressing security risks	Refer to "Our approach" under pillar 2, Cyber security and Data governance	Sustainability report, pages 50 - 52, 58 - 59
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	Annual Report, page 42
			Refer to "Initiatives" under pillar 1, Financial inclusion	Sustainability report, pages 35 - 37
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 "Case Study" under pillar 1, Financial inclusion	Sustainability report, pages 35 - 37
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 177
FN-CB-410a.2		Description of approach to incorporation of ESG factors in credit analysis	Refer to "Our approach" under pillar 1, Responsible financing	Sustainability report, pages 18 - 31
FN-CB-510a.2	Business ethics	Description of whistle-blower policies and procedures	Refer to pillar 2, Preventing financial crime	Sustainability report, pages 55 - 57
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 101
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 Capital Management and Planning	Annual Report, page 81, 97

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 152
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 customer -analysed by product. We do not disclose this by segments.	Annual Report, page 143

Commercial Banks				
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 62

Mortgage Finance				
FN-MF-270a.4	Lending practices	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 177
FN-MF-000.B		(1) Number and (2) value of mortgages purchased 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 177

MAPPING TO TCFD 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 11
	b. Describe management's role in assessing and managing climate-related risks and opportunities	Refer to Governance Refer to "Our progress" in Responsible financing	Sustainability Report, page 18
Strategy	a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term	Refer to Our strategy Refer to "Our progress" in Responsible financing	Sustainability Report, page 18
	b. Describe the impact of climate-related risks and opportunities on the organisation's business, strategy and financial planning		
	c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario		
Risk Management	a. Describe the organisation's process for identifying and assessing climate-related risks.	Refer to "Our progress" in Responsible financing	Sustainability Report, page 18
	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 progress" in Responsible financing Refer to "Credit risk management at DBS" in Risk management	Sustainability Report, page 18 Annual Report, page 82
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 "Our progress" in Responsible financing	
	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 "Our progress" in Responsible financing	Sustainability Report, page 44 Sustainability Report, page 18
	c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	Refer to "Our progress" and "Performance and targets" in Responsible financing	Sustainability Report, page 18 - 31

METHODOLOGY FOR TCFD

Methodologies to climate change credit risk modelling

Physical risk scenario analyses

Physical risk scenario analysis mainly leverages locational hazard mapping methodologies to develop initial insights on the potential physical risk impacts to DBS Hong Kong property-secured lending portfolios, which has been piloted in the 2021 Hong Kong Monetary Authority (HKMA) Climate Risk Stress Test.

The pilot analysis leveraged the historical weather event data from the Hong Kong Observatory, and the projected financial impacts are overlaid to the GPS coordinates of the property collaterals in DBS Hong Kong portfolios. Key drivers of potential physical risk impacts arise from the estimated economic damage to the property valuation arising from acute weather events like cyclones and chronic climate changes such as sea level rise.

The climate scenario used was prescribed by the HKMA calibrated on historical data from the Hong Kong Observatory, and adapted from the Representative Concentration Pathway (RCP) 8.5 scenario from Intergovernmental Panel on Climate Change (IPCC).

The map illustrates the likelihood of frequency of acute weather events across the locations projected under the High Emission scenario by 2060. Properties located in certain coastal areas of Hong Kong Island, Lantau Island, West Kowloon are forecasted to experience acute physical risk impacts once in a 5-year return period (i.e. 20% probability of occurrence).

High likelihood: 1:5 year return period

Medium likelihood: 1:10 year return period

Low likelihood: Less than 1:10 year return period

Transition risk scenario analyses

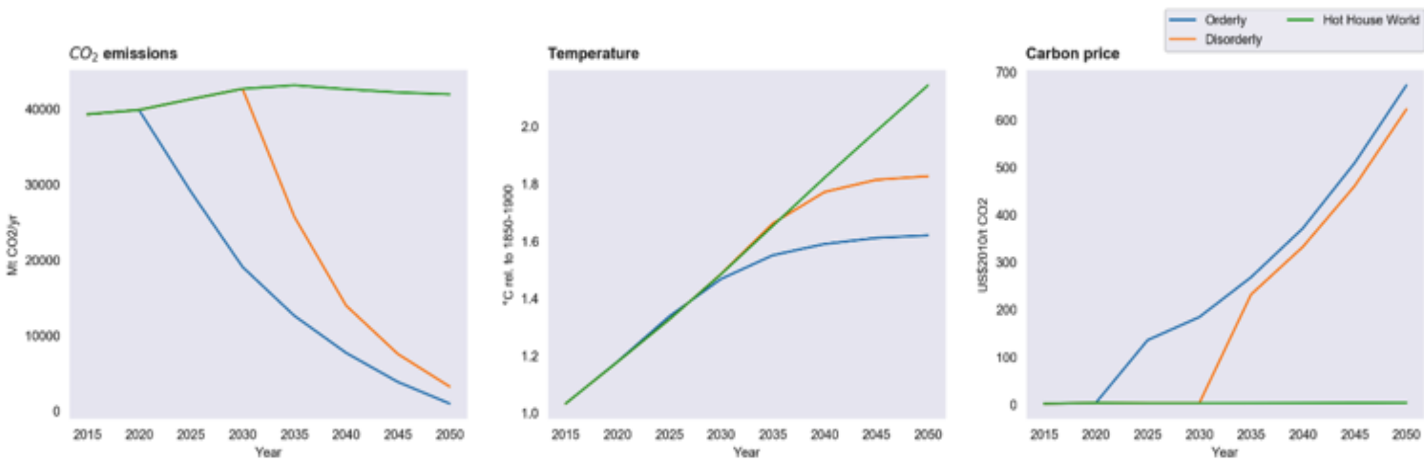
Transition risk scenario analysis is conducted in DBS using a suite of Climate Scenario Analysis (CSA) models. The CSA translates the effects of policy and regulation changes, technology development and changes in consumer preferences as defined by a set of standard climate scenarios (for example, from the Network of Greening the Financial System (NGFS)) into impacts to key financial drivers identified for each sector.

The NGFS scenarios employed in this analysis may be classified into the following categories:

i. **Orderly** scenarios assume climate policies are introduced early and become gradually more stringent. Both physical and transition risks are relatively subdued.

ii. **Disorderly** scenarios explore higher transition risk due to policies being delayed or divergent across countries and sectors. For example, carbon prices would have to increase abruptly after a period of delay.

iii. **Hot house world** scenarios assume that some climate policies are implemented in some jurisdictions, but global efforts are insufficient to halt significant global warming. The scenarios result in severe physical risk, including irreversible impacts such as sea level rise.

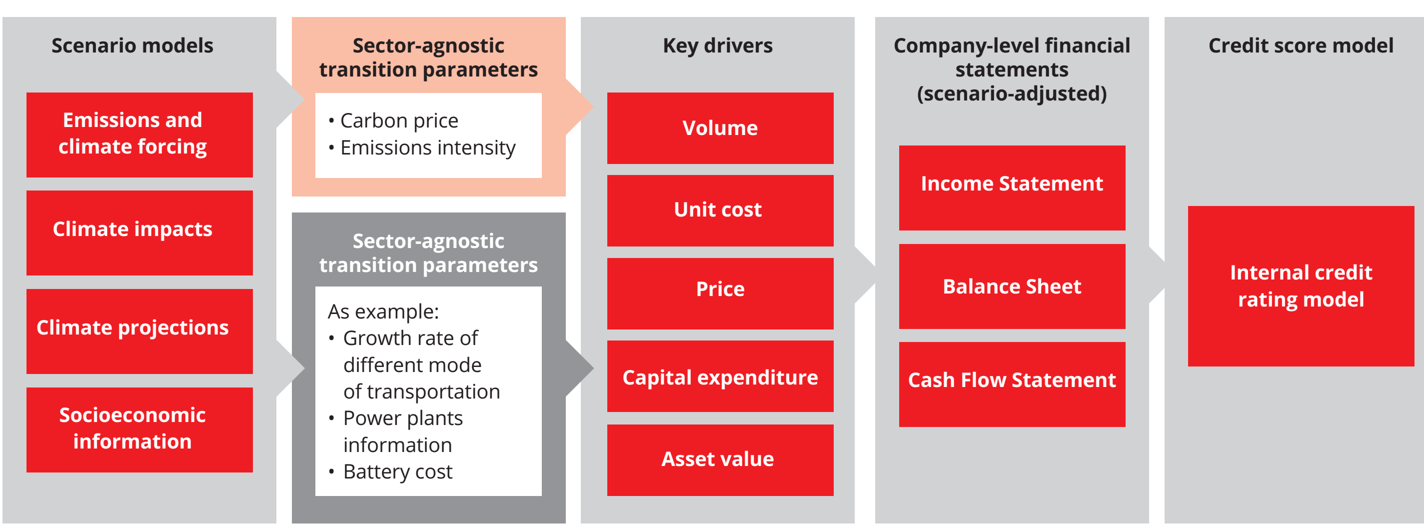


Source: NGFS

The CSA is based on a bottom-up approach where relevant company and industry information such as company financials and emissions data are used to determine the impact on the company's credit rating, leveraging on the NGFS scenarios described above.

Scenario data include primary, secondary, and final energy consumption, emissions data, carbon price, price indices for key energy variables. The data used are sector specific and may be further expanded to capture key dynamics of specific sectors. A total of nine sectors, selected based on its significance in the IBG portfolio and to carbon emissions, were included in the transition risk scenario analyses, including Power and Automotive.

We used relevant company financials and industry-specific data to perform the bottom-up modelling for each company. The methodology identifies and assesses how key drivers such as production volume, unit cost of production, selling price, capital expenditure and asset value, translates into impact to the company's financial statements, and finally into changes to credit ratings over the forecast horizon.



To stress the rest of the portfolio not covered by the CSA models, a top-down analysis is conducted whereby companies were selected based on their materiality, data availability and representativeness of the sector. Key insights derived from these companies in the bottom-up analysis were then extrapolated to the rest of the corporate lending portfolio.

Limitations of climate risk scenario analysis

Climate risk scenario analysis is an important tool to assess the resilience of a bank's business models and strategies to a range of plausible climate related pathways, and to determine the impact of climate related risk drivers on overall risk profile. Outcome of scenario analysis can also be used to assess the risk implications of various decarbonisation pathways and deviations therefrom.

Meanwhile, since the area of climate scenario analysis and the associated modelling is still at a relatively early stage of development and an industry standard is yet to emerge, it is important that the uncertainties and limitations associated with climate scenario analysis are understood to ensure that the results are interpreted and used appropriately:

1) Extended horizon: Time horizon of over 30 years is typical of scenario analysis (e.g. transition risk analysis typically goes to at least 2050 to align with net zero goal horizon, while physical risk analysis can be of longer horizon). This is much longer than typical business planning horizon, with uncertainties arising from technological development, demographic change and climate tipping point events etc.
2) Scenario Definition: Granularity of climate scenarios from common sources such as NGFS or IEA for various sectors and countries differs, thus necessitating the use of further assumptions to down-scale the scenarios to suit the bespoke exposure profile of different bank.
3) Data: Bottom-up firm level analysis requires granular data such as absolute emissions or intensity for various scope of a firm's activities, which currently varies in terms of availability, granularity, and accuracy.

With the focus on climate risk scenario analysis by the industry and regulators, it is expected that significant effort will be invested to address such limitations over the next couple of years.

SELECTED ESG-RELATED AWARDS, INDICES AND RATINGS

A. Selected sustainability awards

Global/ Regional

Best ESG Transaction Bank (Asia Pacific)

Outstanding Leadership in Sustainability Transparency (Regional)

SEAL Business Sustainability Awards 2021 (Global)

Singapore

Large Corporations - Overall

FinanceAsia Best Sustainable Bank

President's Award for the Environment

GreenDNA

Green Deal of the Year

Volunteer Partner Award

Charity Platinum Award

Charity Silver Award

Best Sustainability-linked Bond

Best Green Bond (Corporate)

China

- Best SDG Panda Bond - China Onshore, *The Asset*
- Best Sustainability Bond (Real Estate) - China Offshore, *The Asset*

Hong Kong

- Best Bank for Corporate Social Responsibility, *Asiamoney*
- Corporate Social Responsibility, *Bloomberg Businessweek*
- Caring Company 2021-2022, *Hong Kong Council of Social Services*

Indonesia

- Best Sustainability-linked Bond - Indonesia, *The Asset*
- Best Social PR Program, *MIX Magazine Indonesia*
- CSR Program: Business Sustainability, *PR Indonesia*

Taiwan

- Renewable Energy Deal of the Year - Floating Solar, *The Asset*
- Renewable Energy Deal of the Year - Ground Mounted Solar, *The Asset*
- Best CSR Award, *Wealth Magazine*

India

- Excellence in Communication: CSR Activity, *Adgully*
- Excellence in Communication: Environmental, *Adgully*
- Best Covid-19 Solution for Community Care, *Ministry of Corporate Affairs, India*

B. ESG Indices

Bloomberg Gender Equality Index Constituent

FTSE4Good Global Index Constituent

C. Ratings

Rating Agency	Score
CDP (Formerly the Carbon Disclosure Project)	For the Climate Change assessment, DBS received the following scores: • **B in December 2021** • B- in December 2020 • B in 2019
RobecoSAM Corporate Sustainability Assessment	DBS received the following overall scores and rankings in the Banking industry: • **64/100 | 80th percentile in November 2021** • 68/100 | 83rd percentile in November 2020 • 64/100 | 73rd percentile in September 2019
MSCI	In the MSCI ESG Ratings assessment(1) (on a scale of AAA-CCC), DBS received the following ratings: • **AA in December 2021** • AA in December 2020 • AA in October 2019
Sustainalytics	DBS was assessed by Sustainalytics(2) and received the following ESG Risk Ratings and rankings in the Banking industry: • **19.9 (Low risk) | 18th percentile in October 2021** • 20.7 (Medium risk) | 15th percentile in December 2020 • 25.1 (Medium risk) | 19th percentile in December 2019

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COMMITMENTS AND MEMBERSHIPS

Name	Description
Digital-related	
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	
Environment and Resources Standards Committee (ERSC) (Enterprise Singapore)	DBS is a member of the committee.
Institute of International Finance (IIF)	DBS is a member institution.
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 former CSO, Mr. Mikkel Larsen, co-leading one of the workstreams
RE100	DBS is a member of the RE100, our commitment can be found in Managing our environmental footprint.
United for Wildlife Financial Taskforce	DBS is a signatory to the taskforce.
Reporting	
Banking for Impact (BFI)	DBS is part of the founding alliance
Global Reporting Initiative (GRI)	DBS reports in accordance with the global reporting initiative standard. Refer to Mapping to GRI Standards and GRI Content Index.
Integrated Reporting <IR>	DBS reports in accordance with the International Integrated Reporting Framework. Refer to our Annual Report, page 2. Our Chief Financial Officer, Mrs. Chng Sok Hui, was a member under the International Integrated Reporting Council, which has been merged to form the Value Reporting Foundation.
Net-Zero Banking Alliance (NZBA)	In 2021 we became the first Singapore bank, to become a signatory on the United Nations-convened NZBA
Task Force on Climate-related Financial Disclosures (TCFD)	DBS reports in line with the recommendations by the task force. Refer to Responsible financing, TCFD Index and Methodology for TCFD.
Task Force on Nature-related Financial Disclosures (TNFD) Forum	DBS is a member of the TNFD Forum.
Risk Management	
Equator Principles (EP)	DBS signed up to the principles in 2019. Refer to Responsible Financing for our annual disclosure 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 to the GCNS.
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, and is the vice-chair of WBCSD appointed as of October 2021
United Nation Global Compact (UNGC)	DBS is a signatory to the UNGC.

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 (the "Company" or "DBS") to undertake a limited assurance engagement in respect of the selected sustainability information from the 2021 Sustainability Report of the Company described below for the year ended 31 December 2021 ("the Identified Sustainability Information").

Identified Sustainability Information

The respective Identified Sustainability Information for the year ended 31 December 2021 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 organization
- GRI 303-3: Water withdrawal
- GRI 305-1: Direct (Scope 1) GHG emissions
- GRI 305-2: Energy indirect (Scope 2) GHG emissions
- GRI 305-3: Other indirect (Scope 3) GHG emissions
- GRI 306-3: Waste generated
- 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 414-1: New suppliers that were screened using social criteria

Our assurance engagement was with respect to the year ended 31 December 2021. We have not performed any procedures with respect to (i) earlier periods and (ii) any other elements included in the Company's 2021 Sustainability Report, 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 2020 ("the Reporting Criteria").

Management's Responsibility for the Identified Sustainability Information

Management of the Company 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 and, in respect of greenhouse gas emissions included in the Identified Sustainability Information, Singapore Standard on Assurance Engagements 3410 – Assurance Engagements on Greenhouse Gas Statements ("SSAE 3410") (collectively the "Standards"). These Standards require 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 the Company's 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 the Company's 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.

The absence of a commonly used generally accepted reporting framework or a significant body of established practice on which to draw to evaluate and measure subject matter allows for different, but acceptable, measurement techniques that can affect comparability between entities.

The quantification of the greenhouse gas emissions data underlying the Identified Sustainability Information is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases, and the estimation uncertainty from the measurement and calculation processes used to quantify emissions within the bounds of existing scientific knowledge. This can affect the ability to draw meaningful comparison of the Company's greenhouse gas emissions over time.

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 2021 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 the Company in accordance with the letter of engagement between us. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our work or this report.

Yours faithfully

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants

Singapore
8 March 2022