



PRINCIPLES FOR
RESPONSIBLE
BANKING

Reporting and Self-Assessment Template

The following table sets out the reporting and self-assessment requirements for Signatories of the Principles for Responsible Banking. Signatory banks need to report on their implementation of the Principles the first time within latest 18 months after signing and annually thereafter (in line with their annual reporting cycle).

How to use this template?

This template does NOT require your bank to produce an additional report. Rather, this template is designed for your bank to provide references/links to where in your existing reporting/public domains the required information can be found. The aim is to keep additional reporting burden to a minimum while ensuring transparency and accountability as set out in Principle 6.

Within this reporting template, there are six areas for self-assessment that are key to showing that your bank is fulfilling its commitments as a signatory of the Principles for Responsible Banking. They are highlighted.

1. Impact Analysis
2. Target Setting
3. Plans for Target Implementation and Monitoring
4. Progress on Implementing Targets
5. Governance Structure for Implementation of the Principles
6. Progress on Implementing the Principles for Responsible Banking

Only for these six highlighted items, it is required that:

- a) An assurer provides limited assurance of your self-assessment. You can do this by including it in your existing assured reporting. Where third-party assurance is not feasible, an independent review may be conducted.
- b) You provide your bank's conclusion/statement if it has fulfilled the respective requirements.

Accommodating different starting points:

Banks have different starting points and operate in different contexts. Your bank may not be able to provide all information required in this template the first time you report. That is fine. Your bank has up to four years from signing to bring its reporting fully in line with the requirements. Feedback, support and peer learning are available to all signatory banks to help them progress with both implementation and reporting.

Reporting and Self-Assessment Requirements	High-level summary of bank’s response (limited assurance required for responses to highlighted items)	Reference(s)/ Link(s) to bank’s full response/ relevant information
<p>Principle 1: Alignment We will align our business strategy to be consistent with and contribute to individuals’ needs and society’s goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.</p>		
<p>1.1 <i>Describe</i>(high-level) your bank’s business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities, and where relevant the technologies financed across the main geographies in which your bank has operations or provides products and services.</p>	<ul style="list-style-type: none"> • The Development Bank of the Philippines (DBP) is mandated to provide banking services principally to cater to the medium and long-term needs of agricultural and industrial enterprises with emphasis on small and medium-scale industries. • DBP is the country’s premiere development bank primarily tasked to undertake financing and investments in strategic sectors especially in the areas of infrastructure and logistics, environment, social and community services, and small and medium enterprises. Moreover, as a 100% government-owned policy bank, DBP works hand-in-hand with the National Government in providing and sustaining opportunities for economic growth and prosperity countrywide. Likewise, as a universal-commercial bank, DBP is also in the forefront of providing increased access to deposit products and other financial services for the underserved and underbanked. • The DBP offers a wide range of products and services that address the funding and banking needs of its various clients – from project financing through the Bank’s wholesale and retail lending operations to a wide choice of deposit and investment products and services, treasury products and services, trade finance products, and corporate finance services. • Retail lending constitutes almost 93% while wholesale lending accounts for around 7% of total loan portfolio as of end 2019. • DBP caters to both public and private enterprises, of which, the main customers served are local government units (LGUs), electric cooperatives, water 	<ul style="list-style-type: none"> • See page 1 of the 2019 DBP Annual Report https://www.dbp.ph/publication/2019-annual-report/ • See the DBP Strategy Map https://www.dbp.ph/wp-content/uploads/2020/10/Annex-A-2021-Strategy-Map.pdf • See the DBP Website http://www.dbp.ph

	<p>districts, and micro, small, medium and large enterprises. The bank also extends loans to private financial institutions (PFIs) and microfinance institutions (MFIs) through our wholesale lending facility.</p>	
<p>1.2 Describe how your bank has aligned and/or is planning to align its strategy to be consistent with and contribute to society's goals, as expressed in the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.</p>	<ul style="list-style-type: none"> • As a government financial institution, DBP supports the government's development thrusts and serves as a catalyst for sustainable economic development. Thus, DBP's business strategy is aligned not only with the Philippine Development Plan (PDP) but also with the Sustainable Development Goals (SDGs). The Results Frameworks of the different development lending programs define the alignment with PDP and SDGs. • As of December 2019, the bank is implementing 18 development lending programs under the four priority thrusts: <ul style="list-style-type: none"> ✓ Infrastructure and Logistics – As the country's Infrastructure Bank, DBP is committed to support the government's flagship "Build, Build, Build" Program under five lending programs covering transport, power, logistics and construction. ✓ Environment and Climate Change - DBP is at the forefront of the government's efforts to protect the environment and effect sustainable development. Under this thrust are four development lending programs that cover energy efficiency, solid and hazardous waste, air and water pollution prevention, water supply, and other climate change adaptation and mitigation projects. ✓ Social Services and Community Development - To ensure that development is felt and shared by all, DBP allots financing to key sectors such as health care, education, real estate development and overall community development through the implementation of four programs. ✓ Micro, Small and Medium Enterprises - To generate growth and enable expansion for local MSMEs, the bank extends financing under five lending programs focusing on agribusiness and livelihood. 	<ul style="list-style-type: none"> • <i>DBP Circular No. 4, dated January 14, 2020, on DBP Policy on the Monitoring and Evaluation of Developmental Loan Portfolio</i> • <i>See pages 8 to 11 of the 2019 DBP Annual Report https://www.dbp.ph/publication/2019-annual-report/</i>

	<ul style="list-style-type: none"> • Furthermore, the different development lending programs are also aligned with the National Climate Change Action Plan (NCCAP) that supports Philippine Government’s commitment as signatory to the Paris Agreement. The commitment of the Philippines, as reflected in the country’s Intended Nationally Determined Contribution (INDC), is to substantially reduce GHG emission by about 70% relative to the business as usual scenario for 2000-2030. The GHG target reduction is expected to come from the following sectors: Agriculture, Wastes, Industries, Transport, Forestry, and Energy. DBP, being the National Government’s development partner towards attaining its commitment, is providing financing windows for the said sectors. • In support of the sustainability initiatives, DBP issued the Php18.125 Billion Sustainability Bond in November 2019, which is aligned with the ASEAN Sustainability standards. The funds were fully allocated to eligible green and social projects in accordance with the DBP Sustainability Framework. The Framework lists eligible DBP Lending Programs and the SDG it qualifies under. • Part of the business strategy is addressing social inclusion. In 2019, DBP intensified its efforts to expand financial inclusion and ensure that deposit products and transaction banking services are accessible to all segments of society such as the indigenous peoples and those in the geographically isolated and disadvantaged areas. This was achieved through innovations made to DBP’s range of products and services and to its stronger network of branches which brought these products and services directly to the customers. 	<ul style="list-style-type: none"> • <i>National Climate Change Action Plan (NCCAP)</i> • <i>See DBP Sustainability Financing Framework https://www.dbp.ph/wp-content/uploads/2019/10/Framework.pdf</i> • <i>See page 12 of the 2019 DBP Annual Report https://www.dbp.ph/publication/2019-annual-report/</i>
<p>Principle 2: Impact and Target Setting We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.</p>		

<p>2.1 Impact Analysis: Show that your bank has identified the areas in which it has its most significant (potential) positive and negative impact through an impact analysis that fulfills the following elements:</p> <p>a) <u>Scope</u>: The bank's core business areas, products/services across the main geographies that the bank operates in have been as described under 1.1. have been considered in the scope of the analysis.</p> <p>b) <u>Scale of Exposure</u>: In identifying its areas of most significant impact the bank has considered where its core business/its major activities lie in terms of industries, technologies and geographies.</p> <p>c) <u>Context & Relevance</u>: Your bank has taken into account the most relevant challenges and priorities related to sustainable development in the countries/regions in which it operates.</p> <p>d) <u>Scale and</u></p>	<ul style="list-style-type: none"> On a per industry loan portfolio, the top four main industries financed by DBP in CY 2020 are the following: <table border="1" data-bbox="646 468 1289 800"> <thead> <tr> <th>Industry</th> <th>Portfolio (in P' Billion)</th> <th>% Share</th> </tr> </thead> <tbody> <tr> <td>1. Electricity, Gas, Steam and Airconditioning Supply</td> <td>91.3</td> <td>21.4</td> </tr> <tr> <td>2. Wholesale and Retail Trade; Repair of Motor Vehicles</td> <td>50.7</td> <td>11.9</td> </tr> <tr> <td>3. Real Estate Activities</td> <td>50.3</td> <td>11.8</td> </tr> <tr> <td>4. Construction</td> <td>41.4</td> <td>9.7</td> </tr> </tbody> </table> <ul style="list-style-type: none"> Electricity, Gas, Steam and Airconditioning Supply consists of, among others, power generation from both renewable energy (RE) sources (e.g. solar, hydro, wind, and biomass) and conventional sources (e.g. coal, bunker and diesel) and power distribution. <table border="1" data-bbox="623 1052 1289 1377"> <thead> <tr> <th></th> <th>December 2020 In Million Pesos</th> </tr> </thead> <tbody> <tr> <td>DBP's Total Loan Portfolio</td> <td>426,608</td> </tr> <tr> <td>Total Power Generation Loan Portfolio</td> <td>32,077</td> </tr> <tr> <td>% share of power generation</td> <td>7.51%</td> </tr> <tr> <td>• Conventional Energy Loan Portfolio</td> <td>13,645</td> </tr> <tr> <td>• % share of conventional energy</td> <td>3.20%</td> </tr> <tr> <td>• Renewable Energy Loan Portfolio</td> <td>18,432</td> </tr> <tr> <td>• % share of renewable energy</td> <td>4.32%</td> </tr> </tbody> </table> <ul style="list-style-type: none"> In terms of DBP's total loan portfolio, power generation's share in 2020 was 7.51%. On the other hand, in terms of specific technology, renewable energy accounted for 4.31% while conventional energy had 3.20% share. DBP maintained bigger loan portfolio on renewable energy over conventional energy. The Bank recognized that power generation from conventional sources was generating high environmental impacts such as greenhouse gas emission, air pollution, water pollution, and wastes. The involvement of DBP in financing conventional power plants was in view of the power crisis in 2013 to 2016 which cannot be ignored. While it is DBP's desire 	Industry	Portfolio (in P' Billion)	% Share	1. Electricity, Gas, Steam and Airconditioning Supply	91.3	21.4	2. Wholesale and Retail Trade; Repair of Motor Vehicles	50.7	11.9	3. Real Estate Activities	50.3	11.8	4. Construction	41.4	9.7		December 2020 In Million Pesos	DBP's Total Loan Portfolio	426,608	Total Power Generation Loan Portfolio	32,077	% share of power generation	7.51%	• Conventional Energy Loan Portfolio	13,645	• % share of conventional energy	3.20%	• Renewable Energy Loan Portfolio	18,432	• % share of renewable energy	4.32%	<ul style="list-style-type: none"> DBP Report on Industry Loan Exposure
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<p><u>intensity/salience of impact:</u> In identifying its areas of most significant impact, the bank has considered the scale and intensity/salience of the (potential) social, economic and environmental impacts resulting from the bank's activities and provision of products and services. (your bank should have engaged with relevant stakeholders to help inform your analysis under elements c) and d))</p> <p>Show that building on this analysis, the bank has</p> <ul style="list-style-type: none"> • Identified and disclosed its areas of most significant (potential) positive and negative impact • Identified strategic business opportunities in relation to the increase of positive impacts / reduction of negative impacts 	<p>to finance more renewable energy projects during that time, the situation demanded for an immediate augmentation of the baseload requirements and thus, the need to develop coal power plants. According to our Department of Energy, in 2016, several yellow and red alerts were declared by the System Operator in Luzon and Visayas in addition to the major grid disturbances and load dropping incidence. Among the three major grids, Mindanao was adversely affected by El Niño which caused the decline in hydropower generation and curtailment of supply of electricity. The entry of large coal-fired power plants has addressed these supply shortfalls. Nevertheless, DBP has stopped financing coal power plants after year 2016 upon knowing that there is already ample supply of baseload power plants. This action was eventually formalized into a Board approved policy in September 2018 putting power generation from non-renewable energy in the negative list of borrowers and loan purposes.</p> <ul style="list-style-type: none"> • DBP conducts due diligence as part of its lending process to ensure that environmental and social risks associated with the proposed projects for financing are identified, analyzed, managed, and mitigated. • To address the gap, DBP shall do the following measures as stipulated under the recently approved DBP Sustainability Strategy and Sustainability Transition Plan: (a) develop guidelines and procedures on portfolio risk impact analysis and (b) conduct an impact analysis, starting on its lending portfolio. DBP shall make use of UNEP's Guidance Document on Impact Analysis and Portfolio Impact Identification Tool to be able to fulfil the prescribed elements of Impact Analysis. 	<ul style="list-style-type: none"> • DBP Credit Policy No. 129 dated February 21, 2018 on Negative Lists of Borrowers and Loan Purposes • Credit Policy and Credit Guidelines 112 on Project Evaluation • DBP Sustainability Strategy and Transition Plan
<p>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Impact Analysis.</p>		
<p><i>DBP has mainstreamed in its credit process the identification and evaluation of environmental and social impact on a per project level. DBP is working in expanding its impact analysis to obtain an objective</i></p>		

understanding of the significant impacts of DBP’s core services at a portfolio level. Taking off from the identified top four (4) sectors with the highest loan portfolio, DBP will deepen the impact analysis of these sectors and identify at least two (2) most significant areas.

2.2 Target Setting

Show that the bank has set and published a minimum of two **Specific, Measurable** (can be qualitative or quantitative), **Achievable, Relevant** and **Time-bound** (SMART) targets, which address at least two of the identified “areas of most significant impact”, resulting from the bank’s activities and provision of products and services.

Show that these targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks. The bank should have identified a baseline (assessed against a particular year) and have set targets against this baseline.

Show that the bank has

- Shown below is the loan portfolio target on per priority thrusts: Environment, Infrastructure and Logistics, Social Services, and mSMEs.

Thrust	Baseline 2020 (Actual 1 st half) (Php in Billion)	Target 2021 (Php in Billion)
Environment	Php 43.593	Php 47.952
Infrastructure and logistics	Php 165.279	Php 181.807
Social Infrastructure	Php 77.080	Php 84.788
mSMEs	Php 29.612	Php 32.573

- Target of Expansion of countryside reach

KPI	Baseline 2020 (Actual 1 st half)	Target 2021
Percentage of municipalities/cities in the countryside with DBP branches, branch lite units, ATMs and /or loans	55.41%	65%

- The abovementioned targets are cascaded to the concerned business units of the Bank and the performance are monitored quarterly.
- The 18 Developmental Financing Programs have also annual portfolio targets aligned with the PDP and the SDGs.
- The target realization rate as well as the impacts were reported through the annual program review reports prepared by Program Development and Management Departments.

- See <https://www.dbp.ph/wp-content/uploads/2020/10/Annex-B-PES-Form-2-2021-Scorecard-Signed.pdf>

<p>analysed and acknowledged significant (potential) negative impacts of the set targets on other dimensions of the SDG/climate change/society's goals and that it has set out relevant actions to mitigate those as far as feasible to maximize the net positive impact of the set targets.</p>	<ul style="list-style-type: none"> • Taking off from the identified top four sectors with highest loan portfolio, DBP will identify at least 2 industries/areas of most significant impact resulting from the bank's activities and provision of developmental loans. After which, targets linked to and aligned with SDGs, the goals of Paris Agreement and national or regional frameworks will be set, and impacts will be assessed. 	<ul style="list-style-type: none"> • <i>DBP Circular No. 4, dated January 14, 2020, on DBP Policy on the Monitoring and Evaluation of Developmental Loan Portfolio</i> • <i>Program Review Reports</i>
<p>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Target Setting.</p>		
<p><i>DBP sets targets on its key priority thrusts that are aligned with the Philippine Development Plan and Sustainable Development Goals. Taking off from the identified top four sectors with the highest loan portfolio, DBP will deepen the impact analysis of these sectors and identify at least 2 industries/areas of most significant impact. After which, targets linked to and aligned with SDGs, the goals of Paris Agreement and national or regional frameworks will be set, and impacts will be assessed.</i></p>		
<p>2.3 Plans for Target Implementation and Monitoring</p> <p><i>Show that your bank has defined actions and milestones to meet the set targets.</i></p> <p><i>Show that your bank has put in place the means to measure and monitor progress against the set targets. Definitions of key performance indicators, any changes in these definitions, and any rebasing of</i></p>	<ul style="list-style-type: none"> • DBP had put in place 18 Developmental Financing Programs that aim to increase positive impacts of DBP's portfolio and support attainment of PDP and SDGs. • Furthermore, DBP has already identified the performance indicators in all the developmental lending programs of the bank as contained in the corresponding Program Results Framework. • DBP is developing the Development Impact Monitoring System (DIMoS) that defines the processes involved in identifying impact indicators as well as monitoring and evaluation of impacts derived from the DBP funded projects. • At present, DBP's Impact Monitoring and Evaluation is done on project level as guided by Circular No. 4 on Policy on the Monitoring and Evaluation of Developmental Loan Portfolio as well as by Credit Policy and Credit Guidelines No. 112 on Project 	<ul style="list-style-type: none"> • <i>Program Results Framework</i> • <i>DBP Circular No. 4, dated January 14, 2020, on DBP Policy on the Monitoring and Evaluation of Developmental Loan Portfolio</i>

<p>baselines should be transparent.</p>	<p>Evaluation. Furthermore, reports on industry loan exposure are regularly prepared and submitted to the Management. Impact Analysis, however, is not included in the reports.</p>	<ul style="list-style-type: none"> • <i>Credit Policy and Credit Guidelines 112 on Project Evaluation</i>
<p>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Plans for Target Implementation and Monitoring.</p>		
<p>DBP has identified performance indicators for each of its developmental lending programs. These indicators may be adjusted or refined as DBP gains a better understanding of their significant impacts and align them with the targets that will be set to address the identified significant impacts.</p>		
<p>2.4 Progress on Implementing Targets</p> <p><u>For each target separately:</u></p> <p><i>Show that your bank has implemented the actions it had previously defined to meet the set target.</i></p> <p>Or explain why actions could not be implemented / needed to be changed and how your bank is adapting its plan to meet its set target.</p> <p><i>Report on your bank's progress over the last 12 months (up to 18 months in your first reporting after becoming a signatory) towards achieving each of the set targets and the impact your progress resulted in.</i></p>	<p>To be accomplished in the next reporting period</p>	

(where feasible and appropriate, banks should include quantitative disclosures)		
Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing Targets		
<i>DBP is in the process of improving its impact analysis based on the requirements of Principle 2. Targets and action plans will be set based on the result of impact analysis. DBP will report the progress it makes in its succeeding reports.</i>		
<p>Principle 3: Clients and Customers We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.</p>		
<p>3.1 Provide an overview of the policies and practices your bank has in place and/or is planning to put in place to promote responsible relationships with its customers. This should include high-level information on any programmes and actions implemented (and/or planned), their scale and, where possible, the results thereof.</p>	<ul style="list-style-type: none"> As part of the Bank's policies on effective recourse, stakeholders are provided with accessible, affordable, fair, independent, accountable and efficient means for resolving their concerns or complaints. Thus, varied channels are made available for filing of customer concerns, such as our offices nationwide, email and social media accounts, and telephone hotlines. The detailed procedures may be found at the Bank's premises, Citizen's Charter, and the corporate website. The Customer Experience Management Department (CEMD) regularly consolidates all feedback and complaints at the enterprise level and ensures that they are handled appropriately in compliance with the escalation procedures and prescribed timelines of the Bank's Financial Consumer Protection Framework-CAMS (Customer Assistance Management System). Recurring complaints are identified for root cause analysis and resolution recommendation, which form part of the consolidated reports submitted to the Management Committee, the Board and BSP. 	<ul style="list-style-type: none"> See pages 56 to 57 of the 2019 DBP Annual Report https://www.dbp.ph/publication/2019-annual-report/

<p>3.2 Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities. This should include information on actions planned/implemented, products and services developed, and, where possible, the impacts achieved.</p>	<ul style="list-style-type: none"> • Apart from DBP’s developmental lending programs, DBP has an established corporate social responsibility (CSR) program that enables it to share the benefits of development, as well as its continued viability, with the marginalized sectors of society. The Bank’s CSR initiatives are focused on the following areas: education; environment; and other outreach activities including support to communities adversely affected by calamities/ disasters in the form of relief assistance. • Another sustainable development initiative is the issuance of the Bank’s first ever DBP ASEAN Sustainability Bonds which aims to raise funds to finance the Bank’s green and sustainable projects. It is the first ever DBP’s listing in the Philippine Dealing and Exchange Corporation. • Part of the Stakeholder Engagement Strategy to be developed for 2021 is a Client Engagement Plan. Prior to the implementation of Client Engagement Plan by 2022, DBP shall build up environmental and social safeguards due diligence capacity, including transition and physical risks, of our Account Officers to enable them to engage with clients, especially those in high impact sectors. • Using the result of portfolio impact analysis, DBP shall assess clients exposed in sectors and activities associated with significant impacts and support the clients’ transition towards a more sustainable and resilient business model. These shall be done through continuous monitoring of environment and social safeguards compliances of existing projects. On the other hand, DBP shall continue to promote existing environmental programs and source clients to increase environmental portfolio. 	<ul style="list-style-type: none"> • See https://www.dbp.ph/corporate-social-responsibility-programs/ • See https://www.dbp.ph/publication/dbp-asean-sustainability-bonds/ • DBP Sustainability Strategy and Transition Plan
<p>Principle 4: Stakeholders We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society’s goals.</p>		

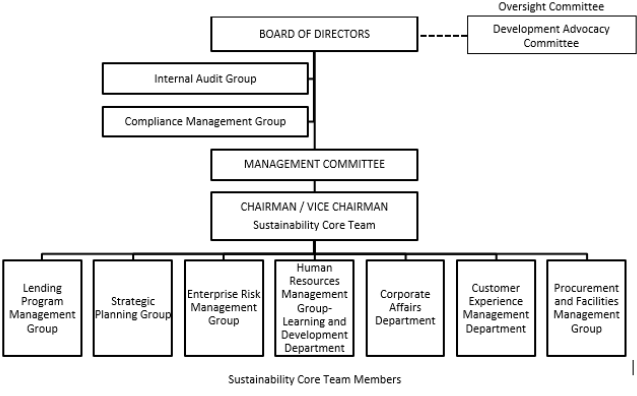
<p>4.1 Describe which stakeholders (or groups/types of stakeholders) your bank has consulted, engaged, collaborated or partnered with for the purpose of implementing these Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders and what issues were addressed/results achieved.</p>	<ul style="list-style-type: none"> As part of the Sustainability Strategy and Transition Plan, DBP shall develop Stakeholder Engagement Plan to identify key external stakeholders through stakeholders mapping exercise. The method of engagement shall also be defined. 	<ul style="list-style-type: none"> DBP Sustainability Strategy and Transition Plan
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Principle 5: Governance & Culture

We will implement our commitment to these Principles through effective governance and a culture of responsible banking

<p>5.1 Describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support effective implementation of the Principles.</p>	<ul style="list-style-type: none"> DBP has a Corporate Governance Committee in place that oversees the compliance to the governance policies and procedures of the bank. Under the DBP Manual of Corporate Governance, the Board provides the corporate leadership subject to the rule of law and the objectives set by the National Government, including establishing the vision and mission, risk governance and strategic objectives. The corporate governance structure allows the Bank to shape the future of the organization and ensure its stability. The Development Advocacy Committee (DAC) serves as the oversight Committee of the DBP Board of Directors in advocating and driving DBP's sustainable development mandate and vision of inclusive growth. The core responsibilities of the DAC are to: <ol style="list-style-type: none"> Shape the Committee's work plan and agenda towards the fulfilment of its mission/role. Periodically review the Bank's lending themes vis-a-vis national objectives to ensure alignment with 	<ul style="list-style-type: none"> See page 34 of the 2019 DBP Annual Report https://www.dbp.ph/publication/2019-annual-report/ DBP Manual of Corporate Governance See DBP Development Advocacy Committee
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	<p>the National Socio-Economic agenda and the Administration's priorities and make the necessary recommendation to the Board for adjustments or refinements.</p> <ol style="list-style-type: none"> 3) Serve as discussion forum and sounding board for possible interventions and ensure attainment of the Bank's development imperatives. Identify strategies, programs and policies that will lead to better implementation and interface with other Board standing committees whenever necessary. 4) Keep abreast with ongoing and emerging fields affecting the Bank's developmental path. 5) Inform the various stakeholders about the Bank's developmental endeavors and programs. 	<p><i>Charter</i> https://www.dbp.ph/wp-content/uploads/2018/04/DAC-CHAR-TER.pdf</p>
<p>5.2 Describe the initiatives and measures your bank has implemented or is planning to implement to foster a culture of responsible banking among its employees. This should include a high-level overview of capacity building, inclusion in remuneration structures and performance management and leadership communication, amongst others.</p>	<ul style="list-style-type: none"> • Included in the Sustainability Strategy and Transition Plan is the development and conduct of IEC to build shared understanding of DBP's sustainability goals, technical training to build internal expertise and employee engagement programs to foster a culture of sustainability. 	<ul style="list-style-type: none"> • <i>DBP Sustainability Strategy and Transition Plan</i>
<p>5.3 Governance Structure for Implementation of the Principles</p> <p>Show that your bank has a governance structure in place for the implementation of the PRB, including:</p> <ol style="list-style-type: none"> a) target-setting and actions to achieve 	<ul style="list-style-type: none"> • The following is the organizational structure for the implementation of the Principles for Responsible Banking as reflected in the DBP Sustainability Strategy and Transition Plan: 	<ul style="list-style-type: none"> • <i>DBP Sustainability Strategy and Transition Plan</i>

<p>targets set b) remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected.</p>	 <p style="text-align: center;">Sustainability Core Team Members</p> <ul style="list-style-type: none"> • A Chief Sustainability Officer was also designated to ensure that sustainability programs of the Bank are implemented. • Targets and actions to achieve targets set are defined in the DBP Sustainability Strategy and Transition Plan. • Remedial actions are undertaken by the DBP Incident Response Team (IRT). The IRT is designated to Business Unit (BU) Heads depending on the type of incident e.g. IT related incidents, IT security. The IRT investigates the incident, identifies root causes, and recommends controls and other courses of action. The IRT is guided by DBP’s Integrated Incident Management Framework which was established per Circular No. 8 dated January 24, 2018. • The DBP also has Internal Audit Group that audits the Bank’s performance. 	<ul style="list-style-type: none"> • DBP Circular No. 8 dated January 24, 2018 on Integrated Incident Management Framework
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Please provide your bank’s conclusion/ statement if it has fulfilled the requirements regarding Governance Structure for Implementation of the Principles.

The Bank has established a governance structure to ensure that the Principles are implemented effectively. We have our Chief Sustainability Officer who is responsible for the oversight implementation of DBP’s sustainability programs and initiatives. We have identified Business Units and their responsibilities in achieving the Bank’s targets under its sustainability programs.

Principle 6: Transparency & Accountability

We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.

<p>6.1 Progress on Implementing the Principles for Responsible Banking</p> <p><i>Show that your bank has progressed on implementing the six Principles over the last 12 months (up to 18 months in your first reporting after becoming a signatory) in addition to the setting and implementation of targets in minimum two areas (see 2.1-2.4).</i></p> <p><i>Show that your bank has considered existing and emerging international/regional good practices relevant for the implementation of the six Principles for Responsible Banking. Based on this, it has defined priorities and ambitions to align with good practice.</i></p> <p><i>Show that your bank has implemented/is working on implementing changes in existing practices to reflect and be in line with existing and emerging</i></p>	<ul style="list-style-type: none"> • Recent sustainable development initiative of the Bank is the issuance of the Bank's first ever DBP ASEAN Sustainability Bonds which aims to raise funds to finance the Bank's green and sustainable projects. (Refer to DBP ASEAN Sustainability Bond Allocation of Proceeds and Impact Report.) • DBP developed its Sustainability Strategy and Transition Plan, which was approved by the DBP Board on December 20, 2020. It provides the platform and structure to enable the Bank to further demonstrate its commitment to sustainable development. It focuses on the following areas: <ul style="list-style-type: none"> ✓ Sustainable Finance ✓ Environmental and Social Risk Management System ✓ Operational Resource Management ✓ Governance and Culture ✓ Stakeholder Engagement • DBP's Sustainability Strategy considers the requirements of the Bangko Sentral ng Pilipinas (Central Bank of the Philippines) Circular No. 1085 on Sustainable Finance Framework (SFF). Furthermore, it is in line with DBP's commitment to strategically align its business with the Sustainable Development Goals and the Paris Climate Agreement, being one of the Founding Signatories of the Principles for Responsible Banking of UNEP. • Baseline and target of Development Indicators are being established and are expected to be completed within CY 2021. • Program tagging and reconciliation of data are ongoing to ensure data integrity. • DBP is currently adopting the IFC Performance Standard under the Green Climate Fund. DBP is applying as an accredited entity which is now at Stage 2 – Board approval. 	<ul style="list-style-type: none"> • See DBP ASEAN Sustainability Bonds https://www.dbp.ph/publication/dbp-asean-sustainability-bonds/ • Sustainability Strategy and Transition Plan • See https://www.bsp.gov.ph/Regulations/Issuances/2020/c1085.pdf
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<p>international/regional good practices and has made progress on its implementation of these Principles.</p>		
<p>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing the Principles for Responsible Banking</p>		
<p>Through the Bank's Sustainability Strategy and Transition Plan, DBP laid out its plans and timelines to further improve its sustainability implementation to fully comply with the requirements of these Principles.</p>		

Annex: Definitions

- a. Impact: An impact is commonly understood as being a change in outcome for a stakeholder. In the context of these Principles this means (aligned with GRI definition) the effect a bank has on people/the society, the economy and the environment and with that on sustainable development. Impacts may be positive or negative, direct or indirect, actual or potential, intended or unintended, short-term or long-term.
- b. Significant Impact: Impact that in terms of scale and/or intensity/salience results in a particularly strong/relevant change in outcome for a stakeholder. In the context of these Principles, the concept of *significant* impact is used to ensure banks focus where their actions/business (can) matter most for people, economy and environment and to provide a reasonable and practical threshold for what issues need to be considered/included, similar to the concept of "materiality".