



# Reporting and Self-Assessment

Principles for Responsible Banking

DEVELOPMENT BANK OF THE PHILIPPINES



# 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.

## Business model

Describe (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 across the main geographies in which your bank operates or provides products and services. Please also quantify the information by disclosing e.g. the distribution of your bank's portfolio (%) in terms of geographies, segments (i.e. by balance sheet and/or off-balance sheet) or by disclosing the number of customers and clients served.

### Response

- The Development Bank of the Philippines (DBP) is the country's pre-eminent development financial institution which has taken upon itself the strategic task of influencing and accelerating sustainable economic growth through the provision of resources – for the continued well-being of the Filipino people.
- DBP, under its Charter, is classified as a 100% government-owned development bank and may perform all other functions of a universal bank. Its primary objective is 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 offers a responsive suite of program offerings 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 range of products and services that respond to the deposit, treasury, trade finance, and corporate finance requirements to its stakeholders.
- DBP caters to both public and private enterprises, with focused assistance channelled to key stakeholders comprising local government units (LGUs), electric cooperatives (ECs), water districts (WDs), micro, small, medium enterprises (MSMEs) and large enterprises. The Bank also extends loans to private financial institutions (PFIs) and microfinance institutions (MFIs) through its wholesale lending facility. Outreach to MSMEs covering retail borrowers and wholesale sub-borrowers accounted for 57% of the total number of DBP borrowers.
- The Bank's portfolio in 2022 reflects credit support distributed to the following market segments: Large Enterprises (54.18%); Government (30.40%); Financial Institutions; (6.60%); MSMEs (4.91%); Salary loans (1.58%); ECs (1.30%) and WDs (1.02%). (Source: EIMD)
- Loan portfolio aggregated Php527.0 billion (B). Outstanding Loans to priority industry sectors: Infrastructure and Logistics (Php297.14B) and Social Services and Community Development (Php105.91B) aggregated Php403.05B comprising 76.5% of the total. Environmental portfolio amounted Php54.62B or 10.4% constituting projects across different industry sectors that promote sustainable environment-friendly processes and technologies. Meanwhile, actual exposure to MSMEs under Retail and Wholesale facilities stood at Php32.09B, which was equivalent to 6.09%.
- Deposit level stood at Php825.57B which consisted of Php323.88B Current Account and Savings Account (39%) and Php501.69B Term Deposits (61%). The total number of depositors reached was recorded at 1,190,957 broken down into: 1,136,010 (95%) individuals and 54,947 (5%) corporate customers.

### Links and references

- See 2021 Annual and Sustainable Development Report (ASDR): <https://www.dbp.ph/publication/2021-annual-and-sustainable-development-report/>
- See DBP Website: <http://www.dbp.ph>

## Strategy alignment

**Does your corporate strategy identify and reflect sustainability as strategic priority/ies for your bank?**

- Yes  
 No

Please describe how your bank has aligned and/or is planning to align its strategy to be consistent with the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.

- Sustainability forms part of DBP’s business strategy as reinforced by the Bank’s Sustainability Strategy and Transition Plan (SSTP), which seeks to institutionalize sustainability policies and procedures leading towards a sustainable enterprise. Moreover, DBP Strategy Map for 2022 and 2023 integrate sustainability measures into the Bank’s operations and processes.
- Apart from the compliance obligation under Bangko Sentral ng Pilipinas (BSP) Circular No. 1085 on Sustainable Finance Framework (SFF) that mandates BSP-Supervised Financial Institutions (BSFIs) to embed sustainability principles, including those covering environmental and social risk areas, in their corporate governance framework, risk management system, strategic objectives and overall bank operations, DBP’s SSTP also aligns with the United Nations Environmental Programme – Finance Initiative’s (UNEP-FI’s) Principles for Responsible Banking (PRB).
- To ensure mainstreaming of sustainability principles at DBP even after the end of the implementation of the DBP SSTP in 2023, DBP has crafted its Sustainability Policy Statement (SPS). The SPS outlines DBP’s sustainability commitments and measures in consonance with its purpose, vision and mission. Likewise, the SPS also seeks to ensure the Bank’s compliance with BSP Circular No. 1085 on SFF, while enabling DBP to meet its commitments as a signatory to the UNEP-FI’s PRB.
- As a government financial institution, DBP supports the government’s development thrusts and serves as a catalyst of sustainable economic development. DBP’s business strategy is thus, aligned not only with the Philippine Development Plan (PDP) but also with the SDGs as defined in the Results Frameworks of the different DBP development lending programs.
- As of December 2022, DBP has been implementing 32 development lending programs under the Bank’s four priority thrusts:
  - Infrastructure and Logistics – 7 programs
  - Environment and Climate Change – 4 programs
  - Social Services and Community Development – 7 programs
  - Micro, Small and Medium Enterprises – 14 programs

**Does your bank also reference any of the following frameworks or sustainability regulatory reporting requirements in its strategic priorities or policies to implement these?**

- UN Guiding Principles on Business and Human Rights  
 International Labour Organization fundamental conventions  
 UN Global Compact  
 UN Declaration on the Rights of Indigenous Peoples  
 Any applicable regulatory reporting requirements on environmental risk assessments, e.g. on climate risk - please specify which ones: -----  
 Any applicable regulatory reporting requirements on social risk assessments, e.g. on modern slavery - please specify which ones: -----  
 None of the above

### Response

- BSP Circular 1085 s. 2020 - Sustainable Finance Framework
- BSP Circular 1128 s.2021 - Environmental and Social Risk Management Framework

### Links and references

- BSP Circular No. 1085  
<https://www.bsp.gov.ph/Regulations/Issuances/2020/c1085.pdf>
- BSP Circular No. 1128  
[https://www.bsp.gov.ph/Regulations/Issuances/2021/1128\(Corrected%20Copy\).pdf](https://www.bsp.gov.ph/Regulations/Issuances/2021/1128(Corrected%20Copy).pdf)

## 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.

### 2.1 Impact Analysis (Key Step 1)

Show that your bank has performed an impact analysis of its portfolio/s to identify its most significant impact areas and determine priority areas for target-setting. The impact analysis shall be updated regularly<sup>1</sup> and fulfil the following requirements/elements (a-d)<sup>2</sup>:

- a) **Scope:** *What is the scope of your bank's impact analysis? Please describe which parts of the bank's core business areas, products/services across the main geographies that the bank operates in (as described under 1.1) have been considered in the impact analysis. Please also describe which areas have not yet been included, and why.*

#### Response

DBP used the UNEP-FI Portfolio Impact Analysis Tool for Banks Version 2 in the conduct of its impact analysis for 2022.

a) The scope of DBP's portfolio impact analysis covers three (3) key business activities, namely:

1. Consumer Banking – includes the following Deposit and Loan Products: Current Account (CA), Savings Account (SA), Term Investments, and Salary Loans
2. Business Banking – includes loans for MSMEs, LGUs, Water Districts, Electric Cooperatives, and Financial Institutions (FIs)
3. Corporate Banking – includes loans for Large Enterprises

Shown below is DBP's portfolio per business activity as of December 31, 2022:

Business Activities	Portfolio (in Php' Billion)	No. of Customers
1. Consumer Banking	833.900	1,249,636
2. Business Banking <sup>3</sup>	165.605	510
3. Corporate Banking <sup>3</sup>	353.063	2,665

Sources: EIMD and CRMD

#### Links and references

- b) **Portfolio composition:** Has your bank considered the composition of its portfolio (in %) in the analysis? Please provide proportional composition of your portfolio globally and per geographical scope
- i) by sectors & industries<sup>4</sup> for business, corporate and investment banking portfolios (i.e. sector exposure or industry breakdown in %), and/or
  - ii) by products & services and by types of customers for consumer and retail banking portfolios.

If your bank has taken another approach to determine the bank's scale of exposure, please elaborate, to show how you have considered where the bank's core business/major activities lie in terms of industries or sectors.

<sup>1</sup> That means that where the initial impact analysis has been carried out in a previous period, the information should be updated accordingly, the scope expanded as well as the quality of the impact analysis improved over time.

<sup>2</sup> Further guidance can be found in the [Interactive Guidance on impact analysis and target setting](#).

<sup>3</sup> Subject to further validation by CRMD and EIMD

<sup>4</sup> 'Key sectors' relative to different impact areas, i.e. those sectors whose positive and negative impacts are particularly strong, are particularly relevant here.

**Response**

Yes, DBP considered the composition of its portfolio in the impact analysis. The following shows DBP's portfolio composition as of December 31, 2022:

**By industry:**

Industry	Portfolio (in Php' Billion) <sup>5</sup>	% Share
1. Electricity, Gas, Steam and Air-conditioning Supply	115.649	21.94%
2. Public Administrative and Defense	68.644	13.03%
3. Real Estate Activities	56.241	10.67%
4. Construction	51.872	9.84%
5. Agriculture, Forestry and Fishing	38.561	7.32%
6. Manufacturing	35.584	6.75%
7. Financial and Insurance Activities	34.785	6.60%
8. Information and Communication	27.831	5.28%
9. Transportation and Storage	25.031	4.75%
10. Human Health and Social Work Activities	20.916	3.97%
11. Others	51.884	9.84%

Source: CRMD

**By deposit product:**

Type	Deposits		Number of Customers	% Share
	Volume (in Php' Billion)	% Share		
1. Savings Account	57.308	6.94%	1,144,332	95.10%
2. Current Account	266.576	32.29%	48,672	4.04%
3. Term	501.685	60.77%	10,290	0.86%
Total	<b>825.569</b>	<b>100.00%</b>	<b>1,203,294</b>	<b>100%</b>

Source: EIMD

**Links and references**

- See UNEP-FI Portfolio Impact Analysis Tool for Banks: <https://www.unepfi.org/impact/uune-fi-impact-analysis-tools/portfolio-tool>

c) **Context:** What are the main challenges and priorities related to sustainable development in the main countries/regions in which your bank and/or your clients operate?<sup>6</sup> Please describe how these have been considered, including what stakeholders you have engaged to help inform this element of the impact analysis.

*This step aims to put your bank's portfolio impacts into the context of society's needs.*

**Response**

- Using the country needs resource in the UNEP-FI Portfolio Impact Analysis Tool for Banks, the main challenges and priorities related to sustainable development in the Philippines are the following: Climate Stability, Healthcare and Sanitation, Housing, Water, Mobility, Connectivity, among others. These challenges were considered/shared during meetings/discussions with clients/partner agencies/Management about the various development lending programs of the Bank.
- The Philippines is a signatory to the Paris Climate Agreement wherein the country committed a 75% reduction in its greenhouse gas (GHG) emission by 2030. The GHG reduction is expected to come from the following sectors: Energy, Waste, Transport, Industry and Agriculture.

**Links and references**

- See UNEP-FI Portfolio Impact Analysis Tool for Banks: <https://www.unepfi.org/impact/uune-fi-impact-analysis-tools/portfolio-tool>

Based on these first 3 elements of an impact analysis, what positive and negative impact areas has your bank identified? Which (at least two) significant impact areas did you prioritize to pursue your target setting strategy (see 2.2)7? Please disclose.

<sup>5</sup> Subject to further validation by CRMD and EIMD

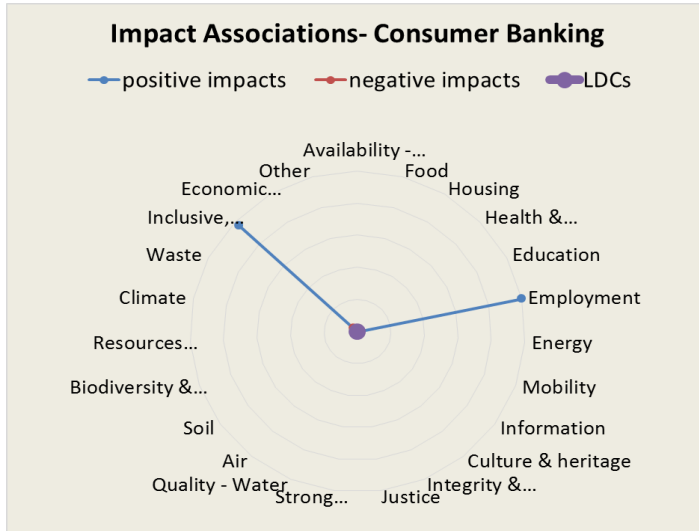
<sup>6</sup> Global priorities might alternatively be considered for banks with highly diversified and international portfolios.

<sup>7</sup> To prioritize the areas of most significant impact, a qualitative overlay to the quantitative analysis as described in a), b) and c) will be important, e.g. through stakeholder engagement and further geographic contextualisation.

**Response**

Following is the result of the impact analysis per DBP’s business activity that shows the positive and negative impact areas under environmental, social, and economic as generated by the UNEP-FI Portfolio Impact Analysis Tool for Banks:

**On Consumer Banking**



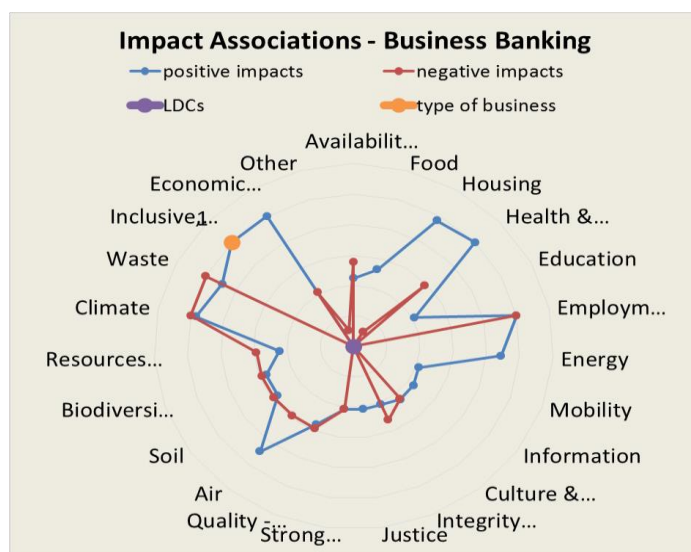
Positive Impact Areas: Employment and Inclusive, Healthy economies  
Negative Impact Areas: Inclusive, Healthy economies

The high level and volume of clients for salary loans (Php8.33B or 46,342 borrowers) and CASA/Term investments are positive signs of addressing the Philippines’ high impact area of employment (1.0) and inclusive, healthy economies (0.96). These positive impact areas show the Bank’s contribution to developing conducive strategies that build on the key strengths of local economies nearest to the households.

However, these economic developments also create pressures on public services that adversely impact the poorest economies, local services sustainability, local government units’ capacities and NGOs/POs drive to push for local economic development. It should be noted that places with higher deprivations (i.e., poverty, low employment opportunities and low human development) are also adversely affected, which may compromise the basic conditions for inclusive growth; thus, the minimal 0.04 negative impact.

**Links and references**

## On Business Banking



**Positive Impact Areas:** Climate, Inclusive, Healthy economies, Energy, Air, Economic convergence, among others

**Negative Impact Areas:** Quality – Water, Availability – Water, Air, Biodiversity & ecosystems, Resources efficiency / security, among others

Industry	Amount (in Php Mn) <sup>8</sup>	%
D - Electricity, Gas, Steam and Air-conditioning Supply	73,181.43	44.19%
O - Public Administrative and Defense; Compulsory Social Security	68,644.28	41.45%
A - Agriculture, Forestry and Fishing	18,319.98	11.06%
E - Water Supply, Sewerage, Waste Management and Remediation Activities	5,399.91	3.26%
P - Education	59.27	0.04%
Total	165,604.86	100%

The major industry of Electric, Gas, Steam and Air-conditioning Supply (Php 73.18 B), which is mostly Electric power generation, transmission and distribution, provided a positive impact to the country’s priority sector on energy (0.89 out of 1.00 country needs). Likewise, the industry involving Water Supply, Sewerage, Waste Management and Remediation Activities (Php 5.40B or 3.26% of the Business Banking portfolio) posted a positive impact on climate (0.97), as one of its identified priority impact sectors. Bank loans to this industry serve the following loan purposes: collection of hazardous and non-hazardous waste; remediation of waste and other waste management services; treatment and disposal of hazardous waste; and water collection treatment and supply. These specific loan purposes are directly related to addressing wastewater management including remediation of hazardous waste, thus are posing positive impacts on the country’s high-priority area on climate (0.97).

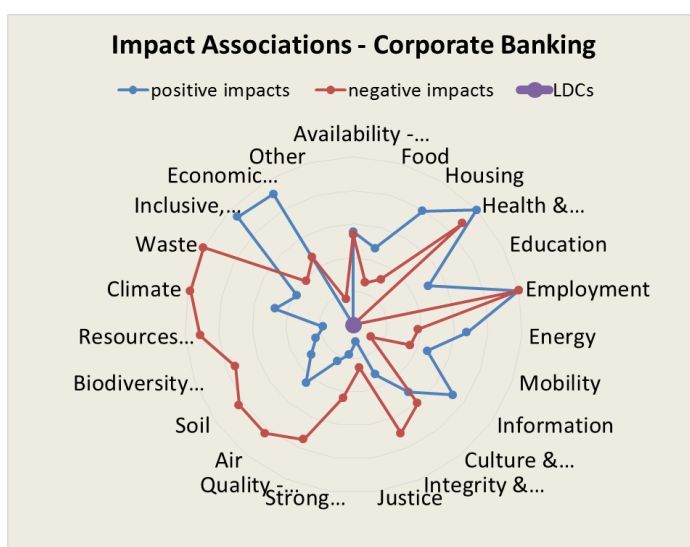
The above Business Banking impact radar also presents a strengthening of the social economy which supports inclusive growth as contributed by loans to Electricity (Php73.18B), Public Administration (Php68.64B), Agriculture (Php

<sup>8</sup> Subject to further validation by CRMD and EIMD

18.32B), Water Supply (Php5.4B) and Education (Php0.06B) that tend to be rooted in local areas, create local jobs and businesses, and promote the country's key sectors on inclusive, healthy economies (1.00). These loans to social services translate to direct benefits to the local communities

On the other hand, these movements in Electricity, Public Administration and Agriculture, comprising 96.77% of the total Business Banking Portfolio, also create pressure on the environment that poses a negative impact on the country's priority sector on quality (-0.59) and availability of water (-0.59) and utilization of resources (-0.59), affecting biodiversity and ecosystem (-0.59) in the localities, especially the rural areas.

**On Corporate Banking**



**Positive Impact Areas:** Economic convergence, Health & sanitation, Inclusive, healthy economies, Employment, Mobility, among others

**Negative Impact Areas:** Climate, Waste, Culture and Heritage, Resource efficiency/security, Biodiversity and ecosystems, among others

Industry	Total Exposure (OPB in Php Mn) <sup>9</sup>	% to total
L – Real Estate Activities	56,240.90	15.93%
F – Construction	51,871.88	14.69%
D – Electricity, Gas, Steam & Air-conditioning Supply	42,468.06	12.03%
C – Manufacturing	35,584.07	10.08%
K – Financial and Insurance Activities	34,784.80	9.85%
J – Information and Communication	27,830.50	7.88%
H – Transportation and Storage	25,031.46	7.09%
Q – Human Health & Social Work Activities	20,916.14	5.92%
A – Agriculture, Forestry and Fishing	20,241.07	5.73%
G – Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	16,201.98	4.59%
E – Water Supply, Sewerage, Waste Management and Remediation Activities	10,318.99	2.92%
P – Education	6,085.13	1.72%
I – Accommodation & Food Service Activities	3,963.40	1.12%

<sup>9</sup> Subject to further validation by CRMD and EIMD



N – Admin. & Support Service Activities	600.04	0.17%
B – Mining and Quarrying	463.63	0.13%
S – Other Service Activities	248.33	0.07%
M – Prof., Scientific & Technical Services	164.20	0.05%
R – Arts, Entertainment and Recreation	48.20	0.01%
Total	353,062.76	100%

The high-contributing industries of Real Estate (Php56.24B), Construction (Php51.87B), Electricity (Php42.47B), Manufacturing (Php35.58B), Financial Activities (Php34.78B), Information (Php27.83B), and Human Health (Php20.92B) have created an economic convergence (0.91 out of 1.00 country needs) sustaining and stimulating inclusive, healthy economies (0.94), health (1.0) and employment (1.0), which address the Philippines' priority positive impact sectors. The strong connectedness between the local and regional economies through loans to Transportation (P25.03 B) has helped meet the country's priority sector on Mobility (0.47). However, this overall economic convergence has created pressure on the country's priority key sectors, namely: Climate (-0.99), Waste (-1.00), and Resources (-0.91).

This strong connectedness, however, deflects the regional Culture and Heritage (-0.60) and Biodiversity and Ecosystems (-0.74), where depressed regions may become more dependent on highly urbanized regions. The Bank's existing E&S policies have full respect for the culture and properties of the Indigenous Peoples (IPs) such that a certification issued by the National Commission on Indigenous Peoples (NCIP) is necessary should there be potential displacement of IPs and to be able to use their cultural property/heritage.

d) For these (min. two prioritized impact areas): **Performance measurement:** Has your bank identified which sectors & industries as well as types of customers financed or invested in are causing the strongest actual positive or negative impacts? Please describe how you assessed the performance of these, using appropriate indicators related to significant impact areas that apply to your bank's context.

In determining priority areas for target-setting among its areas of most significant impact, you should consider the bank's current performance levels, i.e. qualitative and/or quantitative indicators and/or proxies of the social, economic and environmental impacts resulting from the bank's activities and provision of products and services. If you have identified climate and/or financial health & inclusion as your most significant impact areas, please also refer to the applicable indicators in the [Annex](#).

If your bank has taken another approach to assess the intensity of impact resulting from the bank's activities and provision of products and services, please describe this.

The outcome of this step will then also provide the baseline (incl. indicators) you can use for setting targets in two areas of most significant impact.

**Response**

- The two priority impact areas are (1) Climate and (2) Resource Efficiency.
- DBP has identified the following industries: (1) Electricity, Gas, Steam and Air-conditioning Supply and (2) Public Administrative and Defense as well as the following customers: (1) power generation/distribution companies and (2) LGUs as those causing the strongest negative impacts.
- Based on the identified industries with highest loan portfolio, namely, Electricity and Public Administrative and Defense as well as the most significant negative impact areas, namely, climate and resource efficiency, DBP identified two (2) development lending programs that will measure the reduction in GHG emission. These are the Financing Utilities for Sustainable Energy Development (FUSED) and Energy Efficiency Savings (E2SAVE) Financing Program.
- DBP's carbon emission is measured by its external and internal operations, wherein the largest carbon emission comes from lending to the energy sector. DBP previously financed 5 coal and 3 diesel/bunker power plants with an

*Links and references*

aggregate capacity of 1,651.75 MW that would generate a projected CO<sub>2</sub> emission of 9,401,357.44 tons of CO<sub>2</sub> equivalent. In 2017, DBP placed power generation from coal activities under its negative list. On the other hand, as of 2022, 15 renewable energy (RE) projects were financed with a total capacity of 373.25 MW that would result to GHG emission reduction of 411,500.43 tons CO<sub>2</sub> equivalent. Under a Business as Usual Scenario, it is expected that the Bank will attain net zero emission on its energy loan portfolio by CY2033. But to be conservative, DBP is targeting attainment of net zero emission by CY2040.

- In terms of DBP’s contribution to the attainment of SDGs, the Bank implements various developmental lending programs (e.g., WATER, LINIS, BAHAY, ESKWELA, and SHIELD) wherein it intends to double its contributions by 2040 based on the 2021 baseline data.

### Self-assessment summary:

Which of the following components of impact analysis has your bank completed, in order to identify the areas in which your bank has its most significant (potential) positive and negative impacts?<sup>10</sup>

Scope:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No
Portfolio composition:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No
Context:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No
Performance measurement:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> In progress	<input type="checkbox"/> No

Which most significant impact areas have you identified for your bank, as a result of the impact analysis?

*Climate change mitigation, resource efficiency & circular economy, biodiversity, financial health & inclusion, human rights, gender equality, decent employment, water, pollution, climate change adaptation, other: please specify*

How recent is the data used for and disclosed in the impact analysis?

- Up to 6 months prior to publication
- Up to 12 months prior to publication
- Up to 18 months prior to publication
- Longer than 18 months prior to publication

Open text field to describe potential challenges, aspects not covered by the above etc.: (optional)

## 2.2 Target Setting (Key Step 2)

Show that your bank has set and published a minimum of two targets which address at least two different areas of most significant impact that you identified in your impact analysis.

The targets have to be Specific, Measurable (qualitative or quantitative), Achievable, Relevant and Time-bound (SMART). Please disclose the following elements of target setting (a-d), for each target separately:

- a) Alignment:** which international, regional or national policy frameworks to align your bank’s portfolio with<sup>11</sup> have you identified as relevant? Show that the selected indicators and targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the

<sup>10</sup> You can respond “Yes” to a question if you have completed one of the described steps, e.g. the initial impact analysis has been carried out, a pilot has been conducted.

<sup>11</sup> Your bank should consider the main challenges and priorities in terms of sustainable development in your main country/ies of operation for the purpose of setting targets. These can be found in National Development Plans and strategies, international goals such as the SDGs or the Paris Climate Agreement, and regional frameworks. Aligning means there should be a clear link between the bank’s targets and these frameworks and priorities, therefore showing how the target supports and drives contributions to the national and global goals.

Paris Agreement, and other relevant international, national or regional frameworks.  
*You can build upon the context items under 2.1.*

**Response**

DBP has set and published in its website, the following targets:

1. On Consumer Banking, the following are the Bank’s targets and accomplishments:

	Target for CY 2021	Actual for CY2021	Target for CY 2022	Actual for CY2022	Target for CY2023
Countryside Reach (municipalities/cities in the countryside with DBP branches, branch lite units, ATMs and/or loans)	65%	60.10%	65%	61.33%	80%
Number of Customer Touchpoints (branches, branch lite units, ATMs, POS terminals, Cash@POS, DBP2 and Internet Payment Gateway)	2,655	2,797	2,937	2,854	N/A

Source: DBP GCG CY2022 Performance Scorecard

2. On Business Banking and Corporate Banking, shown below are the loan portfolio targets on per priority thrusts: Environment, Infrastructure and Logistics, Social Services, and MSMEs.

Thrust	Target for CY 2021 (Php in Billion)	Actual for CY2021 (Php in Billion)	Target for CY 2022 (Php in Billion)	Actual for CY2022 (Php in Billion)	Target for CY2023 (Php in Billion)
Environment	47.95	49.714	54.68	54.62	54.62
Infrastructure and Logistics	181.81	250.914	276.00	297.14	297.14
Social Infrastructure	84.79	90.717	99.78	105.91	106.91
MSMEs	42.57	32.731	36.00	32.09	32.09

Source: DBP GCG CY2022 Performance Scorecard

- The Development Lending Programs under the abovementioned thrusts also have annual portfolio targets and impacts linked to and aligned with the PDP and the SDGs.
- As stated/stipulated in its SPS, the Bank commits to align its business strategies with the tenets of the United Nations (UN) SDGs, the Paris Agreement, United Nations Environment Programme – Finance Initiative’s (UNEP-FI’s) Principles for Responsible Banking (PRB), Philippine Development Plan (PDP), Sustainable Finance Framework (SFF) of the Bangko Sentral ng Pilipinas (BSP), and other relevant national and regional frameworks and agreements.

**b) Baseline:** Have you determined a baseline for selected indicators and assessed the current level of alignment? Please disclose the indicators used as well as the year of the baseline.

*You can build upon the performance measurement undertaken in 2.1 to determine the baseline for your target.*

*A package of indicators has been developed for climate change mitigation and financial health & inclusion to guide and support banks in their target setting and implementation journey. The overview of indicators can be found in the [Annex](#) of this template.*

If your bank has prioritized climate mitigation and/or financial health & inclusion as (one of) your most significant impact areas, it is strongly recommended to report on the indicators in the Annex, using an overview table like below including the impact area, all relevant indicators and the corresponding indicator

*Links and references*

codes:

Impact area	Indicator code	Response
Climate change mitigation	...	
	...	
	...	

Impact area	Indicator code	Response
Financial health & inclusion	...	
	...	
	...	

In case you have identified other and/or additional indicators as relevant to determine the baseline and assess the level of alignment towards impact driven targets, please disclose these.

**Response**

• Yes, DBP has determined the baseline for its net zero emissions target for the energy sector by 2040 as well as for the contributions of the Bank's various development lending programs (e.g. FUSED, E2SAVE, WATER, LINIS, BAHAY, ESKWELA, and SHIELD to the attainment of SDGs). It intends to double its contributions by 2040 based on the 2021 baseline data.

*Links and references*

SDG	Developmental Lending Programs and Indicators	Baseline (2021)	Target (2040)
No. 6: Clean Water and Sanitation	WATER FOR EVERY RESIDENT (WATER) PROGRAM • Water Supply Capacity (m3 /year) • Number of Service connections	744,981,127 718,756	1,489,962,255 1,437,512
	LENDING INITIATIVES FOR SANITATION (LINIS) PROGRAM a. Septage Treatment Projects • Number of households / establishments served	500	1,000
	• Volume of treated effluent discharged and/or re-used (m <sup>3</sup> /day)	11,879	23,758
	b. Sewerage Treatment Projects • Number of households / establishments served or connected	85	170
	• Volume of treated effluent discharged and/or re-used (m <sup>3</sup> /year)	171,818	343,636
No. 11: Sustainable Cities and Communities	BUILDING AFFORDABLE HOMES ACCESSIBLE TO EVERY FILIPINO (BAHAY) PROGRAM • Number of housing units financed	24,123	48,246
No. 4: Quality Education	EDUCATION SECTOR SUPPORT FOR KNOWLEDGE, WISDOM AND EMPOWERMENT THROUGH LENDING ASSISTANCE (ESKWELA) PROGRAM • Number of classrooms constructed • Number of student borrowers who graduated	1,664 25	3,328 50
No. 3 – Good Health and Well-Being	DBP STRATEGIC HEALTHCARE INVESTMENTS FOR ENHANCED LENDING AND DEVELOPMENT (SHIELD) PROGRAM • Number of Beds Financed • Number of Healthcare Facilities	2,278 39	4,556 78

**c) SMART targets** (incl. key performance indicators (KPIs)<sup>12</sup>): Please disclose the targets for your first and your second area of most significant impact, if already in place (as well as further impact areas, if in place). Which KPIs are you using to monitor progress towards reaching the target? Please disclose.

<sup>12</sup> Key Performance Indicators are chosen indicators by the bank for the purpose of monitoring progress towards targets.

Response

• DBP has a long-term sustainability target of attaining net zero emissions by 2040 in its lending operation, specifically for the energy sector. The following programs contribute to DBP's attainment of the net zero target:

1. Financing Utilities for Sustainable Energy Development (FUSED) Program

FUSED is DBP's platform for power generation and distribution sectors that aims to contribute to the increased access to electricity services through financing to help achieve inclusive growth and poverty reduction. The FUSED Program is aligned with the Philippine Energy Plan 2012-2030 of the Department of Energy.

PDP /SDG Alignment:

- PDP 19 – Accelerating Infrastructure Development;
- SDG 7 – Affordable and Clean Energy

Developmental Lending Programs and Indicators	Baseline (2021)	Target (2040)
FUSED Program		
• Installed capacity (MW) from RE Powerplants <sup>13</sup>	326	652
• Electricity generated (kWh) from RE Powerplants <sup>14</sup>	503,777,734	1,007,555,468
• GHG emissions avoided (tons of CO <sub>2</sub> equivalent)	242,441	484,882

2. Energy Efficiency Savings (E2SAVE) Financing Program

E2SAVE was designed to support of Republic Act (R.A.) 11285 or Energy Efficiency and Conservation Act that aims to institutionalize energy efficiency and conservation as a national way of life. By harnessing new technologies, E2SAVE seeks to improve productivity in public and private institutions towards promoting the efficient and judicious utilization of energy. The Program provides credit assistance to both private and public sectors' energy efficiency and renewable energy (RE) projects for own-use or net metering to enable them to harness available new technologies and thus, contribute to the reduction of greenhouse gas emissions. Credit assistance is also provided to eligible Energy Service Companies or Energy Service Providers (ESPs) to further promote the development of energy efficiency and RE projects.

PDP /SDG Alignment:

- PDP 20 – Ensuring Ecological Integrity, Clean and Healthy Environment;
- SDG 7 – Affordable and Clean Energy;
- SDG 13 – Climate Action

Developmental Lending Programs and Indicators	Baseline (2021)	Target (2040)
E2SAVE Program		
• Solar PV Capacity Installed (kW)	21,298	42,596
• Estimated electricity generated/saved (kWh)	26,236,184	52,472,368
• GHG emissions avoided (tons of CO <sub>2</sub> equivalent)	11,914	23,828

**d) Action plan:** which actions including milestones have you defined to meet the set targets? Please describe.

Links and references

- See FUSED Program:  
<https://www.dbp.ph/developmental-banking/infrastructure-and-logistics/financing-utilities-for-sustainable-energy-development-fused/>

- See E2SAVE Program:  
<https://www.dbp.ph/developmental-banking/environment-initiatives/energy-efficiency-savings-e2save-financing-program/>

<sup>13</sup> Based on the 21 RE accounts under the FUSED program

<sup>14</sup> Based on the 21 RE accounts under the FUSED program

Please also show that your bank has analysed and acknowledged significant (potential) indirect impacts of the set targets within the impact area or on other impact areas and that it has set out relevant actions to avoid, mitigate, or compensate potential negative impacts.

**Response**

- DBP issued Credit Policy and Credit Guidelines (CP & CG) No. 112 on Environmental and Social (E&S) Due Diligence to avoid/mitigate potential negative impacts of DBP-funded projects.
- Credit Policy No. 129 on Negative List of Borrowers and Loan Purposes has tagged **power generation using coal as fuel** as a **negative loan purpose**. In addition to its contribution to the energy sector, the list was further amended to incorporate social dimensions to include the following industries in the negative list of loan purposes:
  - Casino, cockpit, online gambling/gaming, and strip club/ prostitution dens;
  - Production or activities involving forced labor, debt bondage, slavery, involuntary servitude, violence against women, sexual exploitation, human trafficking, pornography, and child labor; and
  - Production of or trade in materials that are considered as health hazards, i.e., asbestos fibers, hazardous and nuclear wastes.

*Links and references*

**Self-assessment summary**

Which of the following components of target setting in line with the PRB requirements has your bank completed or is currently in a process of assessing for your...

	... first area of most significant impact: ... <i>(please name it)</i>  <i>CLIMATE</i>	... second area of most significant impact: ... <i>(please name it)</i>  <i>RESOURCE EFFICIENCY</i>	<i>(If you are setting targets in more impact areas) ... your third (and subsequent) area(s) of impact: ... (please name it)</i>
Alignment	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No
Baseline	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No
SMART targets	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No
Action plan	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No

## 2.3 Target implementation and monitoring (Key Step 2)

For each target separately:

Show that your bank has implemented the actions it had previously defined to meet the set target.

Report on your bank's progress since the last report towards achieving each of the set targets and the impact your progress resulted in, using the indicators and KPIs to monitor progress you have defined under 2.2.

**Or, in case of changes to implementation plans (relevant for 2<sup>nd</sup> and subsequent reports only):** describe the potential changes (changes to priority impact areas, changes to indicators, acceleration/review of targets, introduction of new milestones or revisions of action plans) and explain why those changes have become necessary.

Response

- The targets on (1) Countryside Reach, (2) Number of Customer Touchpoints, and (3) Loan Portfolio were monitored and reported as posted in the DBP Website.
- The development lending programs targets and impacts were reported in the 2021 ASDR and the updates will be reported in the 2022 Annual and Sustainability Report (ASR).

Links and references

- See 2021 ASDR: <https://www.dbp.ph/publication/2021-annual-and-sustainable-development-report/>

## 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.

### 3.1 Client engagement

Does your bank have a policy or engagement process with clients and customers<sup>15</sup> in place to encourage sustainable practices?

- Yes       In progress       No

Does your bank have a policy for sectors in which you have identified the highest (potential) negative impacts?

- Yes       In progress       No

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<sup>16</sup>. It should include information on relevant policies, actions planned/implemented to support clients' transition, selected indicators on client engagement and, where possible, the impacts achieved.

*This should be based on and in line with the impact analysis, target-setting and action plans put in place by the bank (see P2).*

Response

- Sustainable economic growth and service to others are inherent in DBP's philosophy and core values. DBP as the Philippines' pre-eminent development financial institution play a pivotal role in the quest for sustainable growth and development. To influence and accelerate sustainable economic growth, the Bank works with its customers and clients, who are fellow travelers on the road to sustainability. DBP has put in place policies, guidelines, standards and

Links and references

- See 2021 ASDR: <https://www.dbp.ph/publication/2021-annual-and-sustainable->

<sup>15</sup> A client engagement process is a process of supporting clients towards transitioning their business models in line with sustainability goals by strategically accompanying them through a variety of customer relationship channels.

<sup>16</sup> Sustainable economic activities promote the transition to a low-carbon, more resource-efficient and sustainable economy.

systems to elevate its services at every step of customer journey.

- DBP's credit policy and guidelines on environmental and social (E&S) due diligence set forth the step-by-step process and implementing arrangements for assessing the E&S sustainability soundness of DBP-funded retail loan projects. Our lending officers determine the project's potential E&S impacts, possible mitigation measures, required E&S-related permits/clearances, and engage the borrower on how to address the project's risks as well as meet Philippine statutory requirements.
- In 2022, DBP engaged selected clients to share their banking experience with DBP and how their projects and operations assisted by DBP made impact to the community and to the environment. Their stories were featured in the 2021 DBP Annual and Sustainability Report to promote sustainable business practices. Featured clients come from as far north as Pagudpud, Ilocos Norte, and as far south as Tupi, South Cotabato in Mindanao.
- DBP has in place a Financial Consumer Protection (FCP) Framework consistent with the BSP Financial Consumer Protection Regulations, which sets out clear and well-defined rules and standards of conduct aimed at ensuring the appropriate handling of customer requirements and promote ethical and responsible provision of banking services. DBP has institutionalized an accessible and fully functioning Customer Assistance Management System (CAMS) for the effective implementation of its FCP Framework to provide a mechanism anchored on quality service and customer satisfaction through the effective management of customer complaints, feedback, and other concerns. This set of policies and procedures aims to promote an environment that protects and serves the interest of the Bank's customers. This similarly guides our stakeholders towards the effective and timely resolution of consumer concerns and issues including provision of redress, where warranted, following an established system based on identified responsibilities and specific course of action to ensure compliance with BSP regulations and other related regulatory issuances.
- An E & S Grievance Mechanism is instituted under DBP's Customer Complaints Handling Program as an avenue to raise concerns on the E & S performance of DBP-funded projects.
- To further understand the needs and manage the expectations of DBP customers while improving the Bank's service delivery, the following activities were undertaken in 2022:
  - The Bank conducted a nationwide Sustainability Assessment Survey in December 2022 among 161 retail borrowers using a systematic sampling procedure to (i) understand their expectations on sustainability practices and initiatives and how these impact their banking preferences and decision-making process; (ii) establish the current level of their awareness of the Bank's commitment to sustainable principles and practices; (iii) determine their perceived level of effectiveness of the sustainability efforts employed by the Bank and how these efforts meet or exceed their expectations; and (iv) solicit their feedback on the potential areas/product and service offerings for sustainable development that may be covered by the Bank.
  - In 2022, DBP crafted its Client Engagement Plan (CEP) that describes how the Bank has worked with and is planning to work with its clients/customers to encourage sustainable practices. Further, the CEP lays down DBP's approach to help clients exposed in sector/s associated with significant impacts to transition in order to reduce negative impact to the environment and society.

[development-report/](#)

- See CP & CG No.112
- *Sustainability Assessment Survey Report of CEMD dated 31 January 2023*
- *Sustainability / Responsible Banking Survey (a 19-item questionnaire)*



### 3.2 Business opportunities

Describe what strategic business opportunities in relation to the increase of positive and the reduction of negative impacts your bank has identified and/or how you have worked on these in the reporting period. Provide information on existing products and services, information on sustainable products developed in terms of value (USD or local currency) and/or as a % of your portfolio, and which SDGs or impact areas you are striving to make a positive impact on (e.g. green mortgages – climate, social bonds – financial inclusion, etc.).

**Response**

• Recommendations from customers on the potential areas/product and service offerings of sustainable development that may be covered by the Bank were presented in the Sustainability Assessment Survey Report of CEMD. The survey report has yielded valuable results from which the Bank can generate customer insights in its continuing efforts to develop and enhance sustainable bank products, services and programs.

*Links and references*

- *Sustainability Assessment Survey Report of CEMD dated 31 January 2023*

## Principle 4: Stakeholders



We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.

### 4.1 Stakeholder identification and consultation

Does your bank have a process to identify and regularly consult, engage, collaborate and partner with stakeholders (or stakeholder groups<sup>17</sup>) you have identified as relevant in relation to the impact analysis and target setting process?

- Yes       In progress       No

Please describe which stakeholders (or groups/types of stakeholders) you have identified, consulted, engaged, collaborated or partnered with for the purpose of implementing the Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders, what issues were addressed/results achieved and how they fed into the action planning process.

**Response**

- In 2021, DBP developed its Stakeholder Engagement Strategy and Plan (SESP) that maps out DBP's approach to engaging its identified stakeholders to gain deeper understanding of what stakeholders expect from DBP and how the Bank can effectively respond to their needs and concerns. It identifies DBP's key stakeholders, describes sustainability products that will be offered and services that will be rendered, and the methods of engagement that will be used for each stakeholder group, among others.
- Out of the 335 existing retail borrowers nationwide (against total customer base of 2,045 as of survey date) invited, 161 borrowers agreed to participate to participate in the December 2022 Sustainability/Responsible Banking Survey.
- Using the result of portfolio impact analysis, DBP identified clients exposed in sectors and activities associated with significant impact areas under FUSED and E2SAVE financing programs and support these clients' transition towards a more sustainable and resilient business model.
- DBP offers financing assistance to the electricity / power generation and

*Links and references*

- *Sustainability Assessment Survey Report of CEMD dated 31 January 2023*

<sup>17</sup> Such as regulators, investors, governments, suppliers, customers and clients, academia, civil society institutions, communities, representatives of indigenous population and non-profit organizations

distribution and energy efficiency sectors. These have been identified as two areas where DBP's lending portfolio can drive significant impact to society and environment.

- a) Thirty-five (35) loan applications were assessed under the Financing Utilities for Sustainable Energy Development (FUSED) Program totaling Php8.352B. Nineteen (19) were approved with total loan amount of Php3.999B. Loan releases amounted to Php320.90 Million (M).
- b) Seven (7) loan applications were assessed under Energy Efficiency Savings (E2SAVE) Financing Program with total amount of PHP588.95M. Three (3) were approved with total loan amount of Php90Mn. Loan releases amounted to Php52.59M.

## Principle 5: Governance & Culture



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

### 5.1 Governance Structure for Implementation of the Principles

Does your bank have a governance system in place that incorporates the PRB?

- Yes       In progress       No

Please 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 the effective implementation of the Principles. This includes information about

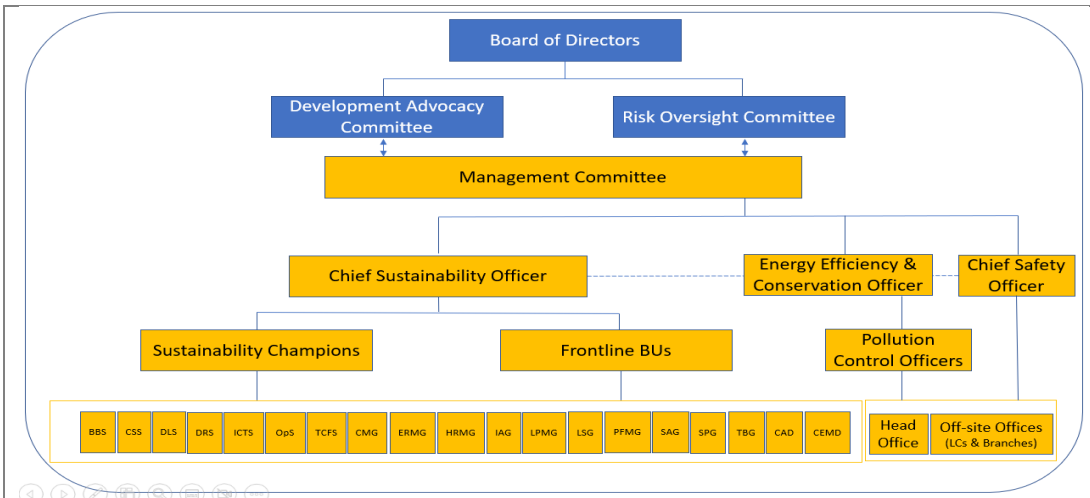
- which committee has responsibility over the sustainability strategy as well as targets approval and monitoring (including information about the highest level of governance the PRB is subjected to),
- details about the chair of the committee and the process and frequency for the board having oversight of PRB implementation (including remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected), as well as
- remuneration practices linked to sustainability targets.

Response

- Overseeing the Bank's adoption of sustainability principles including those covering E&S risk areas, the DBP Board of Directors and Senior Management promote and ensure the implementation of the Bank's long-term financial interest and influence on the environment, society, and economy. The Senior Management also facilitates the identification, assessment, monitoring, and mitigation of E&S risks taking a holistic approach in managing these risks aligned with the E&S strategic objectives.

Links and references

- See Circular No. 08 dated March 13, 2023 – DBP Sustainability Management System Framework with ESRMS



- The Development Advocacy Committee serves as oversight committee of the Board in the exercise of governance and policy direction setting relative to DBP’s sustainability mandate.
- The Risk Oversight Committee is the BOD’s representative in the risk governance that also includes E&S risk oversight function.
- The Management Committee leads the management review of sustainability matters with the Chief Sustainability Officer performing oversight and supervision of the Sustainable Finance Framework and other related management frameworks such as PRB.
- Details of the governance structure for sustainability management is in DBP’s Sustainability Management System Framework- Cir.8 s. 2023 Section II – Governance structure and Section IV- Controls, defining the roles and responsibilities of various governing bodies.
- Monitoring of accomplishments relative to the Bank’s Strategic Objectives on Sustainability and SSTP is done at least quarterly, with status reported to Management for notation / decision-making, as applicable. Related policies are elevated to the Board, e.g. Sustainability Policy, Environmental and Social Risk Management System (ESRMS) Policy, for its approval.
- DBP’s attainment of its annual targets is being monitored internally by the Bank’s Strategic Planning Group - Corporate Planning Department. Sustainability accomplishments are being monitored, reviewed and confirmed by regulatory bodies and 3rd party external auditors, e.g. BSP, GCG, ISO 14001:2015 (EMS) 3rd party auditor.
- Sustainability-related accomplishments based on defined special tasks done simultaneously with other planned targets are incentivized through additional numerical performance point scores as part of the annual individual performance rating, based on the clear involvement of Bank personnel concerned, as designated through an Office Order. The final individual performance ratings shall be used as basis, among others, for promotion, training and scholarship grants and other personnel actions.

**5.2 Promoting a culture of responsible banking:**

Describe the initiatives and measures of your bank to foster a culture of responsible banking among its employees (e.g., capacity building, e-learning, sustainability trainings for client-facing roles, inclusion in remuneration structures and performance management and leadership communication, amongst others).

**Response**

- DBP developed a 5-Year Capability Building “CapBuild” Strategy (2021 – 2025) as well as a 3-Year Sustain DBP Learning and Development Plan (SustainDBP) that included sustainability programs to foster responsible banking.
- Inclusion of Key Performance Indicators (KPIs) / metrics in organizational and

*Links and references*

<p>individual target setting</p> <ul style="list-style-type: none"> <li>• Mapping and aligning the Bank’s Sustainability and Responsible Roadmap with the Bank’s Integrated Management System</li> <li>• Information campaign on sustainability and responsible banking through internal and external communication</li> </ul>	
<p><b>5.3 Policies and due diligence processes</b></p> <p>Does your bank have policies in place that address environmental and social risks within your portfolio?<sup>18</sup> Please describe.</p> <p>Please describe what due diligence processes your bank has installed to identify and manage environmental and social risks associated with your portfolio. This can include aspects such as identification of significant/salient risks, environmental and social risks mitigation and definition of action plans, monitoring and reporting on risks and any existing grievance mechanism, as well as the governance structures you have in place to oversee these risks.</p>	
<p>Response</p> <ul style="list-style-type: none"> <li>• DBP has policies in place that address environmental and social risks within its portfolio, namely: <ul style="list-style-type: none"> <li>a) Credit Policy and Credit Guidelines (CP &amp; CG) No. 112 on Project Evaluation (now amended to Environmental and Social Due Diligence) were enhanced to improve on the credit risk assessment process of the Bank. This ensures the environmental and social soundness of DBP-funded projects. Ultimately, DBP aims to shape and accelerate sustainable economic growth for the continued well-being of the Filipino people by upholding the principles of ecological integrity and social equity as highlighted in the Bank’s Environmental Policy Statement, Social Policy Statement, and Gender and Development (GAD) Policy Statement.</li> <li>b) DBP Sustainability Management System (SMS) Framework with Environmental and Social Risk Management System (ESRMS) <ul style="list-style-type: none"> <li>- With the SPS serving as anchor for DBP’s Sustainability journey, the Bank has established its SMS Framework. The SMS Framework shall apply to all DBP products and services, and all operating processes that impact the environment and sustainability in all DBP offices/sites. It shall apply to all DBP officers and employees and extend to stakeholders such as clients, funders, regulatory bodies, suppliers, communities and the national government.</li> <li>- The DBP Environmental and Social Risk Management (ESRM) Policy, as an integral component of the overall DBP SMS Framework, provides the guidelines governing the integration of E&amp;S risks in the Bank’s enterprise-risk management frameworks. The ESRM Policy reinforces adherence to sustainable development embodied in its mission and vision and institutionalizes sustainability policies as articulated in its Environmental Policy Statement, Social Policy Statement, and Gender and Development (GAD) Policy Statement.</li> <li>- The ESRM Policy aligns with existing Philippine laws and regulations, particularly the abovementioned regulatory issuances of the BSP, DBP policies and procedures, and international standards such as the UNEP-FI and International Finance Corporation (IFC) Performance Standards (PS), which shall be considered as baseline/benchmarks as the Bank embarks on improving its environmental and social sustainability.</li> </ul> </li> </ul> </li> <li>• DBP is currently adopting the IFC Performance Standard under the Green Climate Fund (GCF) to enhance environmental and social due diligence. DBP is</li> </ul>	<p><i>Links and references</i></p> <ul style="list-style-type: none"> <li>• See CP &amp; CG No.112</li> <li>• See Circular No. 08 dated March 13, 2023 – DBP SMS Framework with ESRMS</li> </ul>

<sup>18</sup> Applicable examples of types of policies are: exclusion policies for certain sectors/activities; zero-deforestation policies; zero-tolerance policies; gender-related policies; social due diligence policies; stakeholder engagement policies; whistle-blower policies etc., or any applicable national guidelines related to social risks.

an accredited entity under the GCF, an international fund created by the United Nations Framework Convention on Climate Change (UNFCCC) to support climate mitigation and adaptation initiatives in developing countries.

- The Sustainability/Responsible Banking Survey covered the customers' level of awareness and satisfaction on the following risk assessment and governance structure of the Bank, among others:
  1. Compliance with environmental and social (E&S) principles and standards;
  2. Reasonability of the E&S-related loan requirements; and
 Accessibility and effectiveness of the E&S Grievance Mechanism.

### Self-assessment summary

Does the CEO or other C-suite officers have regular oversight over the implementation of the Principles through the bank's governance system?

- Yes  No

Does the governance system entail structures to oversee PRB implementation (e.g. incl. impact analysis and target setting, actions to achieve these targets and processes of remedial action in the event targets/milestones are not achieved or unexpected neg. impacts are detected)?

- Yes  No

Does your bank have measures in place to promote a culture of sustainability among employees (as described in 5.2)?

- Yes  In progress  No

## 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.

### 6.1 Assurance

Has this publicly disclosed information on your PRB commitments been assured by an independent assurer?

- Yes  Partially  No

If applicable, please include the link or description of the assurance statement.

Response

- This self-assessment report shall be incorporated in the 2022 Annual and Sustainability Report (ASR) which shall be subjected to external assurance. Target publication of the externally assured ASR 2022 is within 4<sup>th</sup> Quarter 2023.

*Links and references*

### 6.2 Reporting on other frameworks

Does your bank disclose sustainability information in any of the listed below standards and frameworks?

- GRI
- SASB
- CDP
- IFRS Sustainability Disclosure Standards (to be published)
- TCFD
- Other: ....

<i>Response</i>	<i>Links and references</i>																
<p><b>6.3 Outlook</b></p> <p>What are the next steps your bank will undertake in next 12 month-reporting period (particularly on impact analysis<sup>19</sup>, target setting<sup>20</sup> and governance structure for implementing the PRB)? Please describe briefly.</p>																	
<p><i>Response</i></p> <ul style="list-style-type: none"> <li>• Drafting of sustainability roadmap to cover operationalization of SMS, ESRMS and SPS that would entail impact analysis, target setting and governance, among others.</li> </ul>	<i>Links and references</i>																
<p><b>6.4 Challenges</b></p> <p>Here is a short section to find out about challenges your bank is possibly facing regarding the implementation of the Principles for Responsible Banking. Your feedback will be helpful to contextualise the collective progress of PRB signatory banks.</p> <p>What challenges have you prioritized to address when implementing the Principles for Responsible Banking? Please choose what you consider the top three challenges your bank has prioritized to address in the last 12 months (optional question).</p> <p>If desired, you can elaborate on challenges and how you are tackling these:</p> <table border="0"> <tr> <td><input type="checkbox"/> Embedding PRB oversight into governance</td> <td><input type="checkbox"/> Customer engagement</td> </tr> <tr> <td><input type="checkbox"/> Gaining or maintaining momentum in the bank</td> <td><input type="checkbox"/> Stakeholder engagement</td> </tr> <tr> <td><input type="checkbox"/> Getting started: where to start and what to focus on in the beginning</td> <td><input checked="" type="checkbox"/> Data availability</td> </tr> <tr> <td><input checked="" type="checkbox"/> Conducting an impact analysis</td> <td><input type="checkbox"/> Data quality</td> </tr> <tr> <td><input type="checkbox"/> Assessing negative environmental and social impacts</td> <td><input type="checkbox"/> Access to resources</td> </tr> <tr> <td><input checked="" type="checkbox"/> Choosing the right performance measurement methodology/ies</td> <td><input type="checkbox"/> Reporting</td> </tr> <tr> <td><input type="checkbox"/> Setting targets</td> <td><input type="checkbox"/> Assurance</td> </tr> <tr> <td><input type="checkbox"/> Other: ...</td> <td><input type="checkbox"/> Prioritizing actions internally</td> </tr> </table> <p>If desired, you can elaborate on challenges and how you are tackling these:</p>		<input type="checkbox"/> Embedding PRB oversight into governance	<input type="checkbox"/> Customer engagement	<input type="checkbox"/> Gaining or maintaining momentum in the bank	<input type="checkbox"/> Stakeholder engagement	<input type="checkbox"/> Getting started: where to start and what to focus on in the beginning	<input checked="" type="checkbox"/> Data availability	<input checked="" type="checkbox"/> Conducting an impact analysis	<input type="checkbox"/> Data quality	<input type="checkbox"/> Assessing negative environmental and social impacts	<input type="checkbox"/> Access to resources	<input checked="" type="checkbox"/> Choosing the right performance measurement methodology/ies	<input type="checkbox"/> Reporting	<input type="checkbox"/> Setting targets	<input type="checkbox"/> Assurance	<input type="checkbox"/> Other: ...	<input type="checkbox"/> Prioritizing actions internally
<input type="checkbox"/> Embedding PRB oversight into governance	<input type="checkbox"/> Customer engagement																
<input type="checkbox"/> Gaining or maintaining momentum in the bank	<input type="checkbox"/> Stakeholder engagement																
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<input checked="" type="checkbox"/> Conducting an impact analysis	<input type="checkbox"/> Data quality																
<input type="checkbox"/> Assessing negative environmental and social impacts	<input type="checkbox"/> Access to resources																
<input checked="" type="checkbox"/> Choosing the right performance measurement methodology/ies	<input type="checkbox"/> Reporting																
<input type="checkbox"/> Setting targets	<input type="checkbox"/> Assurance																
<input type="checkbox"/> Other: ...	<input type="checkbox"/> Prioritizing actions internally																

<sup>19</sup> For example outlining plans for increasing the scope by including areas that have not yet been covered, or planned steps in terms of portfolio composition, context and performance measurement

<sup>20</sup> For example outlining plans for baseline measurement, developing targets for (more) impact areas, setting interim targets, developing action plans etc.