

DBP Environmental Policy

Policy Statement:

The DBP, in its developmental mission and initiatives, is committed to environmental protection and sustainable development and shall integrate and implement environmental considerations into all aspects of its operations and services, asset management, and business decisions.

In pursuit of this policy, DBP commits to:

- Develop, implement and continually improve an Environmental Management System;
- Encourage other institutions to pursue environmental protection and pollution prevention through the Bank's lending and technical assistance programs, and pursue environmental management practices, including environmental due diligence inquiry in risk assessment and management;
- Comply with relevant environmental laws, regulations and agreements to which DBP subscribes;
- Set and review environmental objectives and targets along identified significant environmental aspects; and
- Ensure that all employees at all levels are made aware of and are actively involved in the Bank's Environmental Policy and programs through appropriate training and information.

In fulfilment of our environmental commitments, we focus our efforts on the following goals:

- Minimize the environmental impact of our internal operation thru efficient use of resources
- Identify and manage environmental risks of our business
- Promote projects that contribute to environmental protection thru our lending activities, CSR and other advocacy projects

The table below summarizes the significant reduction in our general consumption of electricity, water, fuel and paper of DBP's Environmental Policy implementation.

Environmental Management Programs and Practices	Environmental Benefits	Business Benefits/Savings (in PhP)
Energy Conservation		
Reduced operating time for air-conditioning (AC) units, lights and elevators Thermostat setting of AC units to required working temperature of 25oC Auto shut-off setting of personal computer monitors when idle for 20 minutes Energy efficient lighting Lights off during lunch break and when not in use Use of liquefied petroleum gas for transport fuel vs gasoline	<ul style="list-style-type: none"> • Reduced 2,641,670 kwh (baseline year: 2007) • Reduced 1,345 MT of GHG emission 167 MT of GHG emission	P4.32 million savings P1.6 million savings (2003-2013)
Water Conservation		
Regular checking for water leakages Installation of Waterless Urinal and Sensor Lavatory faucets Paper Lite Program	Reduced 59,534 cu.m (baseline year: 2007) 9,336 kgs of paper consumed in 2013	

Environmental Impact of DBP's Banking Activities

In principle, our projects and term loans all have environmental aspects or considerations (e.g., location, use of natural resources, production process involved), and we make a conscientious effort to assess their impacts, both positive and negative, to be able to make a sound decision on a proposed development project. We screen the environmental risks of all projects into three classifications:

- **Category A (High risk):** Projects with potential significant adverse environmental impacts
 - Shall be automatically endorsed to Program Development (PD) to undergo Project Evaluation and Endorsement Report (PEER) procedure
- **Category B (Medium risk):** Projects judged to have some adverse environmental impacts but of lesser significance than those of Category A.
 - May be endorsed to PD for further assessment but PD shall decide whether the endorsed project need to be subjected to PEER procedure using a Rapid Environmental Assessment (REA)
- **Category C (Low risk):** Projects unlikely to have adverse environmental impacts
 - Do not need to undergo further environmental assessments but shall need to comply with required environmental permits and clearances such as discharge permits, ECC, etc.

In the cases of Category A and B projects, our PD teams are set to verify the environmental requirements and risk levels of a project, and in the PEER summarize it together with the following points of evaluation: technical eligibility of the project for funding, appropriateness of proposed technology, environmental requirements, managerial and technical competence, socio-economic impacts and safeguards and consistency with regional/provincial/local development plans and programs.

To ensure that DBP-financed projects conform to the Bank's requirement in environmental protection, we advise our borrowers on standard Environmental Covenants contained in the Bank's General Conditions such as the submission of the environmental compliance certificate and compliance with its conditions, payment of environmental fees levied upon, submission of duly certified environmental statement and the conduct of regular self-monitoring and to maintain an adequate and accurate records of pollution parameters

Climate Change Risk Mitigation

As a development financial institution, we prefer to work around these climate change risks and view them as opportunities to finance projects that seek to mitigate their impacts. As a matter of principle, we seek to provide credit facilities where funding gaps exist, i.e., in environmental management and protection projects such as cleaner production technologies, air and water pollution control systems and facilities, clean development mechanism (CDM), power projects, water supply and sanitation, watershed management, resource recovery, solid and hazardous waste management projects, health care and the like.

Renewable Energy

We continued to fund hydropower projects approved prior to 2013, releasing P154.72 million for hydropower projects as a means to help the country address its energy demand and security concerns. These projects have a projected 3.54 megawatts (MW) capacity outcome, with an equivalent reduction in carbon dioxide (CO₂) of 10,962.88 tons, or 36,004.52 barrels of fuel oil saved. There are other projects in the pipeline related to the construction of hydropower and wind energy harnessing facilities, with projected 9.50 MW capacity and 36.0 MW capacity outcomes, respectively, which will contribute to the global effort of reducing CO₂ emissions.