

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"> • Development Bank of the Philippines (DBP) is the country's premier development bank primarily mandated to finance strategic sectors especially in the areas of infrastructure and logistics, environment, social services, and small and medium enterprises. <p>As a 100% government-owned policy bank, we work hand in-hand with the National Government in providing and sustaining opportunities for economic growth and prosperity countrywide.</p> <p>As a universal-commercial bank, we are also at the forefront of providing increased access to deposit products and other financial services for the Filipino especially the underserved and underbanked.</p> <ul style="list-style-type: none"> • 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. • DBP caters to both public and private enterprises, of which, the main customers served are local government units (LGUs), electric cooperatives (ECs), water districts (WDs), 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. Retail lending accounted for 98.7% while wholesale lending comprised 1.3% of total loan portfolio as of end 2021. 	<ul style="list-style-type: none"> • See 2020 Annual Report: https://www.dbp.ph/wp-content/uploads/2021/10/DBP-2020-Annual-Report.pdf • See DBP Website http://www.dbp.ph
<p>1.2 <i>Describe</i> how your bank has aligned and/or is planning to align its strategy to be consistent</p>	<ul style="list-style-type: none"> • 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, under the DBP Strategy Map for 2022, one of the goals is to integrate 	<ul style="list-style-type: none"> • See 2022 DBP Strategy Map: https://www.dbp.ph/wp-content/uploads/2021/09/Annex

<p>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>	<p>sustainability measures into the Bank's operations and processes.</p> <p>Apart from the compliance obligation under the Bangko Sentral ng Pilipinas' (BSP) Circular No. 1085 (Sustainable Finance Framework) which mandates BSP-Supervised Financial Institutions 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' Principles for Responsible Banking (PRB).</p> <ul style="list-style-type: none"> • Further, 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 their alignment with PDP and SDGs. <p>As of December 2020, DBP has been implementing 23 development lending programs under the Bank's four priority thrusts:</p> <ul style="list-style-type: none"> ✓ Infrastructure and Logistics – 8 programs ✓ Environment and Climate Change – 2 programs ✓ Social Services and Community Development – 5 programs ✓ Micro, Small and Medium Enterprises – 8 programs <p>In CY2021, four (4) new programs were developed, namely:</p> <ol style="list-style-type: none"> 1. Solar Merchant Power Plant (SMPP) Financing Program 2. Sustainable Waste-management for Enhanced Environmental Protection (SWEEP) Financing Program 3. Rural Agro-enterprise Partnership for Inclusive Development and Growth (RAPID Growth) Credit Facility 4. Swine Repopulation, Rehabilitation and Recovery (SWINE R3) 	<p>-A-2022-Strategy-Map.pdf</p> <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 95 to 96 of the 2020 Annual Report: https://www.dbp.ph/wp-content/uploads/2021/10/DBP-2020-Annual-Report.pdf</i>
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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:

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:

- a) Scope: 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.
- b) Scale of Exposure: 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

- Starting this year's reporting, DBP used the UNEP FI Portfolio Impact Analysis Tool for Banks in the conduct of its impact analysis.

- a) The scope of DBP's portfolio impact analysis covers its three (3) key business activities, namely:
 1. Consumer Banking – covers the following Deposit and Loan Products: Current Accounts, Savings Accounts, Term Investments, and Salary Loans
 2. Business Banking – covers loans for mSMEs, LGUs, Water Districts, Electric Cooperatives, and Financial Institutions (FIs)
 3. Corporate Banking – covers loans for Large Enterprises

Shown below is DBP's portfolio per business activity as of December 31, 2021:

Business Activities	Portfolio (in Php' Billion)	Number of Customers
1. Consumer Banking (CASA, Term Investments, Salary Loans)	947.410	1,219,862
2. Business Banking (Loans for mSMEs, LGUs, Water Districts, Electric Cooperatives, FIs)	134.585	2,422
3. Corporate Banking (Loans for Large Enterprises)	326.652	678

Sources: CMISD and CRMD

Investment Banking will be covered in the next reporting to PRB.

- b) In terms of scale of exposure, on a per industry loan portfolio, the top four main industries financed by DBP in CY 2021 are the following:

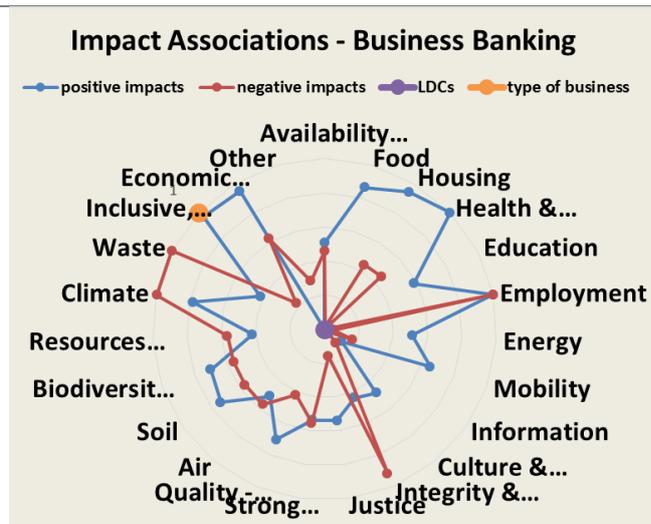
<p>geographies.</p> <p>c) <u>Context & Relevance:</u> Your bank has taken into account the most relevant challenges and priorities related to sustainable development in the countries/ regions in which it operates.</p> <p>d) <u>Scale and intensity/salience of impact:</u> In identifying its areas of most 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>	<table border="1" data-bbox="603 315 1267 714"> <thead> <tr> <th>Industry</th> <th>Portfolio (in Php' Billion)</th> <th>% Share</th> </tr> </thead> <tbody> <tr> <td>1. Electricity, Gas, Steam and Airconditioning Supply</td> <td>97.71</td> <td>20.82</td> </tr> <tr> <td>2. Real Estate Activities</td> <td>54.16</td> <td>11.54</td> </tr> <tr> <td>3. Public Administrative and Defense; Compulsory Social Security</td> <td>51.55</td> <td>10.98</td> </tr> <tr> <td>4. Agriculture, Forestry and Fishing</td> <td>50.33</td> <td>10.72</td> </tr> </tbody> </table> <p>Source: CRMD</p> <p>c) On <u>context and relevance</u>, using the country needs resource in the UNEP FI Portfolio Impact Analysis Tool for Banks, the most relevant challenges and priorities related to sustainable development in the Philippines are the following: Access to water, Slum dwelling, Traffic congestion, Use of internet, and Climate risk, among others.</p> <p>d) On the <u>scale and intensity/salience of impact</u>, the 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:</p> <ul style="list-style-type: none"> • On Consumer Banking <ul style="list-style-type: none"> - Positive Impact Areas: Employment and Inclusive, Healthy economies - Negative Impact Area: Inclusive, Healthy economies. Note that the negative impact areas need further granular data for validation. 	Industry	Portfolio (in Php' Billion)	% Share	1. Electricity, Gas, Steam and Airconditioning Supply	97.71	20.82	2. Real Estate Activities	54.16	11.54	3. Public Administrative and Defense; Compulsory Social Security	51.55	10.98	4. Agriculture, Forestry and Fishing	50.33	10.72	
Industry	Portfolio (in Php' Billion)	% Share															
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3. Public Administrative and Defense; Compulsory Social Security	51.55	10.98															
4. Agriculture, Forestry and Fishing	50.33	10.72															

Show that building on this analysis, the bank has

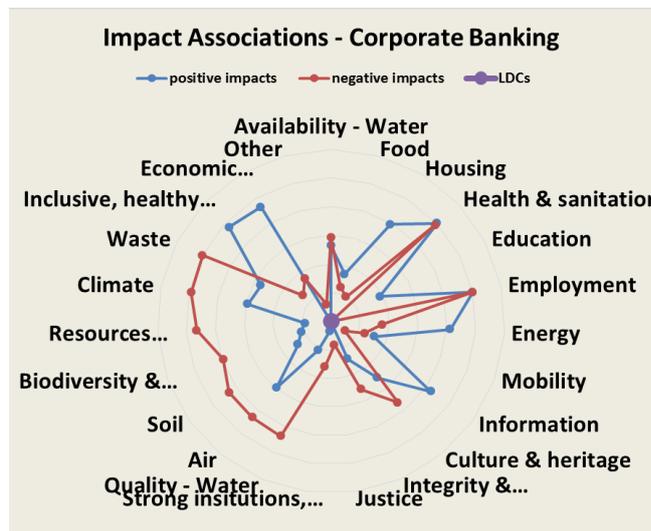
- Identified and disclosed its areas of most significant (potential) positive and negative impact
- Identified strategic business opportunities in relation to the increase of positive impacts / reduction of negative impacts



- On Business Banking
 - Positive Impact Areas: Inclusive, healthy economies; Employment; Strong institutions, peace & stability; Health and Sanitation; Climate; Soil; Food; and Economic convergence, among others
 - Negative Impact Areas: Climate; Waste; Resources efficiency/security; Strong institutions, peace & stability; and Soil, among others. Note that the negative impact areas need further granular data for validation.



- On Corporate Banking
 - Positive Impact Areas: Economic convergence; Climate; Health and sanitation; Energy; Air; Mobility; Housing; and Education, among others
 - Negative Impact Areas: Climate; Waste; Resources efficiency/security; Health and Sanitation; and Air, among others. Note that the negative impact areas need further granular data for validation.



Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Impact Analysis.

DBP has undertaken an impact analysis and identified the most significant areas associated with its consumer, business, and corporate banking activities using the UNEP FI Portfolio Impact Analysis Tool for Banks. Efforts are being undertaken to gather granular data to have a better result on impact associations (positive and or negative) of the business activities.

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 analysed and acknowledged significant (potential) negative impacts of the set targets on other dimensions of the SDG/climate change/society’s goals

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

1. On Consumer Banking, the following are the Bank’s targets for CY2022:

	Target for CY2021	Target for CY2022
Countryside Reach (municipalities/cities in the countryside with DBP branches, branch lite units, ATMs and/or loans)	NA	Additional 60 sites/areas
Number of Customer Touchpoints (branches, branch lite units, ATMs, POS terminals, Cash@POS, DBP2 and Internet Payment Gateway)	2,489	Increase of 5% from end 2021 count

Source: DBP GCG CY2022 Performance Scorecard

2. On Business Banking and Corporate Banking, shown below is the loan portfolio target (as indicated in the 1st PRB Report) on per priority thrusts: Environment, Infrastructure and Logistics, Social Services, and mSMEs. For CY2022, DBP targeted a 10% increase in CY2021 portfolio.

Thrust	Target for CY2021 (Php in Billion)	Target for CY2022 (Php in Billion)
Environment	47.952	10% increase in CY2021 portfolio.
Infrastructure and logistics	181.807	
Social Infrastructure	84.788	
mSMEs	32.573	

Source: DBP GCG CY2022 Performance Scorecard

• All 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.

• Based on the identified top two (2) sectors with highest loan portfolio, namely: Electricity and Real Estate activities as well as the 2 most significant

• See 2022 DBP Performance Scorecard (for approval by GCG): <https://www.dbp.ph/wp-content/uploads/2022/02/Annex-B-DBP-Signed-Revised-CY-2022-Performance-Scorecard-Form-2.pdf>

• See pages 9 to 14 of the 2020 DBP Annual Report: <https://www.dbp.ph/wp-content/uploads/2021/10/DBP->

<p>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>	<p>negative impact areas, namely: climate and waste, DBP will identify 2 development lending programs that will be used to measure the GHG emission reduction. Targets will be set and impacts will be assessed on a development lending program level.</p>	<p>2020-Annual-Report.pdf</p>
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Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Target Setting.

Having identified DBP's key significant impact areas using the UNEP FI Portfolio Impact Analysis Tool, the Bank had identified its initial targets on Countryside Reach, Number of Customer Touchpoints, and Portfolio. Additional targets, such as GHG emission reduction on a development lending program level will be included in the next reporting.

<p>2.3 Plans for Target Implementation and Monitoring</p> <p>Show that your bank has defined actions and milestones to meet the set targets.</p> <p>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 baselines should be transparent.</p>	<ul style="list-style-type: none"> •The targets for countryside reach, number of customer touchpoints as well as portfolio were cascaded to the various marketing units of the Bank. Performance is being monitored quarterly and annually. •Furthermore, DBP has already identified the performance indicators in all the 23 Development Lending Programs of the Bank as contained in the corresponding Program Results Framework. •The target realization rate as well as the impacts were reported through the annual program review reports prepared by Program Development and Management Departments. •DBP is also 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 manually on project level as guided by Circular No. 4 on Policy on the Monitoring and Evaluation of Developmental Loan Portfolio as well as by the recently enhanced Credit Policy and Credit Guidelines No. 112 on Project Evaluation (now amended to Environmental and Social (E&S) Due Diligence). •Furthermore, report on industry loan exposure is integrated in the monthly Credit Risk Management Report to the Risk Oversight Committee (ROC). 	<ul style="list-style-type: none"> • <i>Program Review Reports</i>
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Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Plans for Target Implementation and Monitoring.

DBP has fulfilled the requirements regarding plans for Target Implementation and Monitoring. Plans,

however, for additional targets such as on GHG emission reduction will still be developed.

2.4 Progress on Implementing Targets

For each target separately:

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

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. (where feasible and appropriate, banks should include quantitative disclosures)

- The Development Lending Programs that were developed and implemented in support of the PDP and SDGs contributed significantly to the realization of the portfolio targets for CY2021. The portfolio generated under the four major thrusts exceeded the CY2021 target as shown below:

Thrust	Target for CY2021 (Php in Billion)	Actual for CY2021 (Php in Billion)	Realization Rate (%)
Environment	47.952	49.714	103
Infrastructure and logistics	181.807	250.914	138
Social Infrastructure	84.788	90.717	107
mSMEs	32.573	32.731	101

- Target will still be set on GHG emission reduction in relation to the most significant areas identified using the UNEP FI Portfolio Impact Analysis Tool for Banks.

Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing Targets

In terms of loan portfolio and financial inclusion, DBP had fulfilled the requirements but in terms of measuring its target on GHG emission reduction, baseline and target on the selected development lending programs is still being determined. Thus, DBP will report on the progress on this target in the next reporting period.



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>3.1 <i>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.</i></p>	<ul style="list-style-type: none"> • DBP has in place a Financial Consumer Protection Framework (FCPF) 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. Core to an effective implementation of the DBP FCPF is an accessible and fully functioning Customer Assistance Management System (CAMS) to provide a mechanism anchored on quality service and customer satisfaction through the effective management of customer complaints and feedback. 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. • 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 Bank’s FCPF. 	<ul style="list-style-type: none"> • <i>See page 78 of the 2020 DBP Annual Report: https://www.dbp.ph/wp-content/uploads/2021/10/DBP-2020-Annual-Report.pdf</i>
<p>3.2 <i>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.</i></p>	<ul style="list-style-type: none"> • In 2021, DBP developed its Stakeholder Engagement Strategy and Plan (SESP) that encompasses the Client Engagement Plan. The SESP 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. Further, 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. • Using the result of portfolio impact analysis, DBP will identify clients exposed in sectors and activities associated with significant impact areas under selected development lending programs and support the clients’ transition towards a more sustainable and resilient business model. Furthermore, a client engagement plan will be prepared. 	<ul style="list-style-type: none"> • <i>DBP Stakeholder Engagement Strategy and Plan</i>



Principle 4: Stakeholders

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

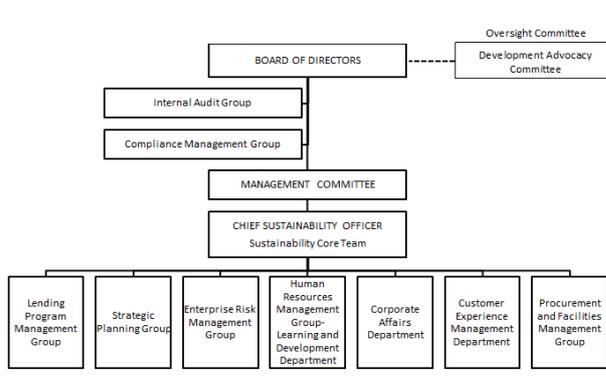
4.1 Describe which stakeholders (or groups/types of stakeholders) your bank has consulted, engaged, collaborated or partnered with for the purpose of implementing these Principles and improving your bank’s impacts. This should include a high-level overview of how your bank has identified relevant stakeholders and what issues were addressed/results achieved.

- Through DBP’s partnerships with government agencies, DBP has cemented its role as a major intermediary in the distribution of subsidies, aid, and loans that are badly needed by Filipinos during this time of crisis. The following are some of the transactions of DBP with partner agencies:
 - After completing the distribution of the Department of Agriculture’s (DA’s) Rice Farmers’ Financial Assistance (RFFA) of Php1.49 billion of subsidies to 297,000 farmers, DBP started the distribution of DA’s Cash and Food Subsidy for Marginal Farmers/Fishers (CFSMFF) Program in November 2021, this time distributing Php4.58 billion to 906,635 eligible farmers, fisherfolk and indigenous people.
 - When Social Security System (SSS) completed the Small Business Wage Subsidy (SBWS) program, where Php50 billion was given by the SSS through DBP and other cash pay-out partners, SSS exclusively partnered with DBP for the distribution of their members’ benefits, loans, and monthly pensions to all their retirees, which started on September 30, 2020.
- Further, in support of the government’s objective of providing affordable housing to low-income and underserved sectors, the DBP Trust Banking Group (TBG) was appointed Administrator to the Building Adequate Livable Affordable and Inclusive (BALAI) Filipino Communities Bonds 2 Special Purpose Trust. BALAI Bonds 2 is the fourth securitization arrangement engineered by the National Home Mortgage Finance Corporation (NHMFC). This engagement solidifies DBP’s reputation as a constant partner and top-of-mind institution for the government’s securitization programs.
- DBP’s Branch Banking Sector provided a strong and dependable transaction processing platform and the day-to-day nurturing of the Bank’s relationship with their clients, which resulted in the strong deposit inflows that powered DBP’s Trillion-Peso Asset

• See page 15 of the 2020 DBP Annual Report: <https://www.dbp.ph/wp-content/uploads/2021/10/DBP-2020-Annual-Report.pdf>

• See page 15 of the 2020 DBP Annual Report: <https://www.dbp.ph/wp-content/uploads/2021/10/DBP-2020-Annual-Report.pdf>

	achievement.	
 <p>Principle 5: Governance & Culture We will implement our commitment to these Principles through effective governance and a culture of responsible banking</p>		
<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 Governance Committee in place that oversees the Bank’s compliance to governance policies and procedures. • The Governance Committee is composed of three members of the Board of Directors, two of whom must be independent directors including the Chairperson of the Committee. The Governance Committee ensures the Board’s effectiveness in fulfilling its corporate governance responsibilities. <p>In 2020, the Governance Committee raised the bar for integrity, accountability, and efficiency in the public service through the adoption of the Conflict of Interest Disclosure Form for the Conduct of Review of Outside Activities of Senior Management, Revised Guidelines on Nominations of DBP Representatives to the Governing Board of its Subsidiaries, Affiliates and other Related Entities, Revised DBP Corporate Governance Self-Assessment System, and the Customer Experience Strategy Roadmap.</p> <ul style="list-style-type: none"> • 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 manual will be updated to incorporate the roles and responsibilities of the Board and the Senior Management in line with the BSP Circular No. 1085. • The DBP Code of Ethics reiterates the standards of ethics expected from all civil servants working in the government, including the members of the Board. Thus, all members of the Board, officers, and employees shall observe the norms of conduct embodied in the code by ensuring that they discharge their duties with utmost responsibility, integrity, competence, and loyalty, act with 	<ul style="list-style-type: none"> • See page 46 of the 2020 DBP Annual Report: https://www.dbp.ph/wp-content/uploads/2021/10/DBP-2020-Annual-Report.pdf • DBP Manual of Corporate Governance • See page 51 of the 2020 DBP Annual Report: https://www.dbp.ph/wp-content/uploads/2021/10/DBP-2020-Annual-Report.pdf

	<p>patriotism and justice, lead modest lives and uphold public interest over personal interest. Corporate principles and values are likewise enshrined in the Code of Ethics where the duties and obligations of the Bank towards its stakeholders, and the duties and responsibilities of the officers and employees towards the Bank are laid down for clear understanding and appreciation.</p>	<p>Report.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"> • 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. • The Bank continues to encourage open and transparent communication between the Management and the stakeholders. All officers and employees can freely report irregularities, violations of laws, rules and regulations, or even corrupt practices or non-observance of the Bank’s Code of Ethics without fear of retaliation through the DBP Whistleblower Protection Policy. Interference, retaliation and other forms of retribution against whistleblowers or witnesses to a protected disclosure are considered grave administrative offenses and is dealt with in accordance with DBP Circular No. 8, series of 2020 or the Implementing Guidelines of the 2017 Revised Rules on Administrative Cases. The Bank also maintained its dedicated hotline for internal and external reporting under the Whistleblower Policy. 	<ul style="list-style-type: none"> • <i>DBP CapBuild Strategy</i> • <i>SustainDBP</i> • <i>See page 51 of the 2020 DBP Annual Report: https://www.dbp.ph/wp-content/uploads/2021/10/DBP-2020-Annual-Report.pdf</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"> target-setting and actions to achieve targets set remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being 	<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"> • The Board of Directors is mandated to foster the long-term success of the Bank and secure its 	<ul style="list-style-type: none"> • <i>DBP Sustainability Strategy and Transition Plan</i> • <i>See page 43 of the 2020 DBP Annual Report:</i>

<p>detected.</p>	<p>sustained competitiveness in a manner consistent with its fiduciary responsibility taking into consideration the best interest of the Bank, the Filipino people, and other stakeholders. The Board is primarily responsible for the governance of the Bank as it is accountable to the State for the Bank's operations and performance.</p> <ul style="list-style-type: none"> •The Board of Directors and the Management continually espouse the Bank's Corporate Governance framework and commitment to its core values and principles in dealing with all stakeholders. Mindful of its fiduciary duty as a state-owned bank, and in keeping abreast with legal and regulatory requirements, changing business climate, and corporate culture, the Board has identified priorities, pursued policies, and agreed on actions aligned with existing laws and the National Government's strategic goals and objectives. •A Chief Sustainability Officer was designated to ensure that sustainability programs of the Bank are implemented. Furthermore, Office Order No. 181 dated May 26, 2021 was also issued by the DBP President to ensure smooth implementation of the Board-approved SSTP, which also covers DBP's commitments to the United Nations Environment Programme Finance Initiative's (UNEP FI) PRB. Under the said Office Order, the Sustainability Core Team, Champions and Alternates were designated and their roles and responsibilities were defined relative to the planning, operationalization, assessment, monitoring, and reporting of the SSTP activities. •Targets and actions to achieve targets set are defined in the DBP Sustainability Strategy and Transition Plan which was further enhanced by establishing the SFF and PRB Roadmaps. LPMG monitors the status of compliance by concerned business units via submission of quarterly status report, including remedial action. 	<p>https://www.dbp.ph/wp-content/uploads/2021/10/DBP-2020-Annual-Report.pdf</p>
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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 that ensures 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. Further, through the issuance of Office Order No. 181, Sustainability Core Team, Champions, and Alternates were designated to ensure the smooth implementation of the SSTP, which also covers DBP's commitments to the PRB. We have also 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</p> <p>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).</p> <p>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.</p> <p>Show that your bank has implemented/is working on implementing changes in existing practices to reflect and be in line with existing and emerging international/regional good practices and has made progress on its</p>	<ul style="list-style-type: none"> • On 20 December 2020, DBP developed its Sustainability Strategy and Transition Plan (SSTP) that provides the platform and structure to enable the Bank to further demonstrate its commitment to sustainable development as aligned with BSP Circular 1085 on Sustainable Finance Framework. 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 • Through the implementation of the DBP SSTP, the following were achieved as aligned with the implementation of the six principles: <ul style="list-style-type: none"> - Alignment of programs to the SDGs and PDP were identified - SFF and PRB roadmaps were established - New programs developed integrated sustainability principles - DBP's Portfolio Impact Analysis used the UNEP FI Portfolio Impact Analysis Tool for Banks - Stakeholder Engagement Strategy and Plan that encompasses the Client Engagement Plan was developed - Sustainability Core Team, Champions, and Alternates were designated to beef up the Governance Structure • DBP is currently adopting the IFC Performance Standard under the Green Climate Fund (GCF) to enhance environmental and social due diligence. • DBP is 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. • Credit Policy and Credit Guidelines 112 on Project Evaluation (now amended to Environmental and Social Due Diligence) were enhanced to improve on 	<ul style="list-style-type: none"> • DBP Sustainability Strategy and Transition Plan • See https://www.bsp.gov.ph/Regulations/Issuances/2020/c1085.pdf • See https://www.dbp.ph/newsroom/un-climate-fund-body-taps-dbp-for-climate-mitigation-and-adaptation-financing/ • CP & CG 112 on Project Evaluation
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<p>implementation of these Principles.</p>	<p>the credit risk assessment process of the Bank. This is to ensure the environmental and social soundness of DBP-funded projects. Because DBP, ultimately, 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.</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>DBP has taken key steps in fulfilling the requirements regarding progress on implementing the Principles for Responsible Banking. DBP’s Sustainability Strategy considers the requirements of the Bangko Sentral ng Pilipinas on Sustainable Finance Framework (SFF) as well as 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. Furthermore, DBP already conducted a Portfolio Impact Analysis, developed Stakeholder Engagement Strategy and Plan, and a Governance Structure is in place for the implementation of the PRB.</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”.