



Live more,
Bank less

The role of banks to drive the sustainability agenda

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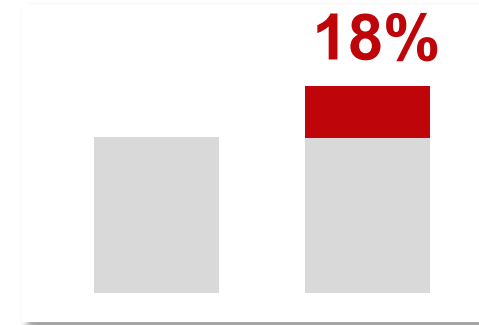
The Importance of Sustainability in Business

Sustainability makes commercial sense for businesses

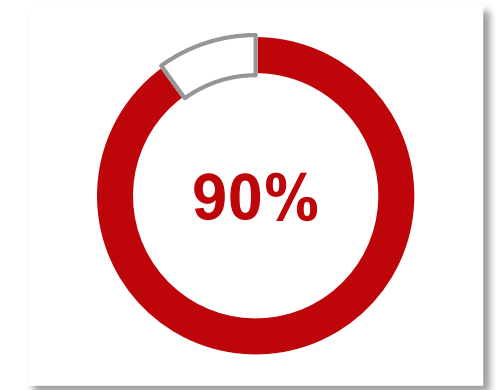
- As the expectations on corporate responsibility increase, and as transparency becomes more prevalent, companies are recognizing the need to act on sustainability.
- While it is recognized that sustainability is important for a company's reputation, common misconceptions about sustainability persist, such as sustainability being expensive, or that investors do not care.
- However, evidence increasingly points towards the fact that business sustainability not improves a company's reputation, but also its returns and profitability.

With a global shift in focus towards more environmentally sustainable ways of working, businesses have begun to embrace sustainability – as many as **90%** of S&P 500 index companies published sustainability/responsibility reports in 2019⁵.

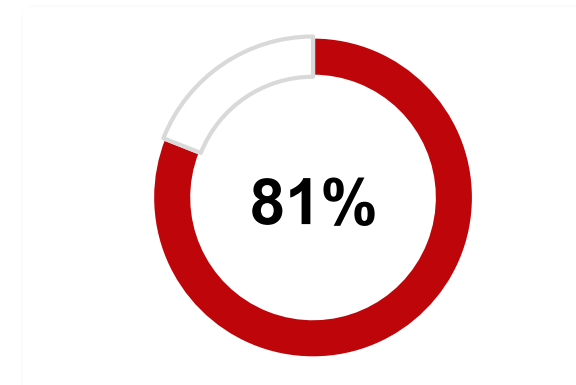
1. Source: CDP S&P 500 Climate Change Report 2014.
2. Source: Global Research Institute, ESG & Corporate Financial Performance: Mapping the global landscape, 2015.
3. Source: SmartestEnergy, subsidiary of Marubeni.
4. Source: Global study by the MIT Sloan Management Review (MIT SMR) and the Boston Consulting Group (BCG).
5. Source: Governance & Accountability Institute, Inc.



*Corporations that actively plan with climate change in mind secure an **18%** higher return on investment (ROI) than companies that do not¹.*



~90% of companies with strong ESG profiles achieved equal or better financial performance than companies that had weaker ESG profiles².



81% of consumers prefer to buy from sustainable sellers³.



*As many as **one in two** companies have adapted their business model to take advantage of sustainability opportunities⁴.*

The Importance of Sustainability in Businesses

A strong ESG proposition drives value creation in five essential ways

In addition to an enhanced corporate reputation, businesses with a strong ESG proposition can also yield benefits from improved profitability, regulatory benefits, increased productivity and investment/asset optimisation.

	Strong ESG proposition (Examples)	Weak ESG proposition (Examples)
Top-line growth	<ul style="list-style-type: none">• Attract B2B and B2C customers with more sustainable products• Achieve better access to resources through stronger community and government relations	<ul style="list-style-type: none">• Lose customers through poor sustainability practices (e.g. human rights, supply chain) or a perception of unsustainable/ unsafe products• Lose access to resources (including from operational shutdowns) as a result of poor community and labour relations
Cost reductions	<ul style="list-style-type: none">• Lower energy consumption• Reduce water intake	<ul style="list-style-type: none">• Generate unnecessary waste and pay correspondingly higher waste – disposal costs• Expend more in packaging costs
Regulatory and legal interventions	<ul style="list-style-type: none">• Achieve greater strategic freedom through deregulation• Earn subsidies and government support	<ul style="list-style-type: none">• Suffer restrictions on advertising and point of sale• Incur fines, penalties and enforcement actions
Productivity uplift	<ul style="list-style-type: none">• Best employee motivation• Attract talent through greater social credibility	<ul style="list-style-type: none">• Deal with “social stigma”, which restricts talent pool• Lose talent as a result of weak purpose
Investment and asset optimisation	<ul style="list-style-type: none">• Enhance investment returns by better allocating capital for the long term (e.g. more sustainable plant and equipment)• Avoid investments that may not pay off because of longer-term environmental issues	<ul style="list-style-type: none">• Suffer stranded assets as a result of premature write-downs• Fall behind competitors that have invested to be less “energy hungry”

Our Approach: Three Sustainability Pillars

Responsible Banking

Sustainable Finance

- We have raised our sustainable finance target to SGD 50billion by 2024
- Launched the world's first Sustainable and Transition Finance Framework and Taxonomy
- We have closed SGD9.6billion in sustainable financing transactions
- Concluded HKD32.8 billion sustainability-linked financing and bond/swap in the past 18 months
- Completed HK's first-ever interest rate swap linked to the UNSDGs with New World Development

Social Enterprise Banking Package

- Special privileges and fee waivers

Promote Sustainable Consumption

- 20% discount via DBS Card+ App at



Responsible Business Practices

Managing Environmental Footprint

- Committed to reducing our real estate footprint in the next 3 years & incorporate green building features
- Recycling initiatives, e.g., mobile devices, coffee grounds, beverage containers, newspapers and magazines recycling, and red packets
- Rooftop farm at DBS Digihub office

Sustainable Procurement

- 100% of new vendors signed Sustainability Sourcing Principles
- "Sustainability" as compulsory criterion in Requests for Proposals

Staff Engagement

- Sustainability Week, Giving Trees, Ideation Challenge for Social Enterprises



Creating Social Impact

DBS Stronger Together Regional Fund

- S\$10.5m fund to support communities hard hit by COVID-19 across Asia

Supporting Social Enterprises

- Awarded over HK\$8 million through DBS Foundation to 13 social enterprises across Asia, including two based in HK
- Donated 40,000 surgical masks to benefit more than 200 local social enterprises

Corporate Volunteering

- Impacted 14,000 lives by contributing 9,000 volunteer hours

Towards Zero Food Waste

- Sponsoring a van that is used by Foodlink Foundation which has collected over 26 tonnes of surplus food for redistribution





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Responsible Banking

Why is Transition Finance Important?

TRANSITION IS AN IMPORTANT JOURNEY FROM
A HIGH CARBON ECONOMY TO A LOW CARBON
ECONOMY

DECARBONISATION

A LONG-TERM, STRATEGIC AND
INCREMENTAL CHANGE TO BECOME
GREENER AND MORE RESILIENT

CHANGE

COMMITMENT

AN INVESTMENT IN TRANSITIONAL ACTIVITIES
DEMONSTRATES YOUR COMMITMENT TO A
LOW CARBON ECONOMY

COMMUNICATION

TRANSITION FINANCE – A FORWARD LOOKING
ACTION THAT SPEAKS LOUDER THAN WORDS



Metal Production



Oil & Gas



Aviation

The Most Powerful Financial Tool That Supports Carbon Heavy Industries and Their Transition Journey



Chemicals



Power



Shipping

What can DBS do?



Bespoke financial solutions tailored to suit your needs and support your transition journey



Technical advisory that guides clients to adapt and build resilience in the face of climate change, resource scarcity, and address critical global issues such as social inequality



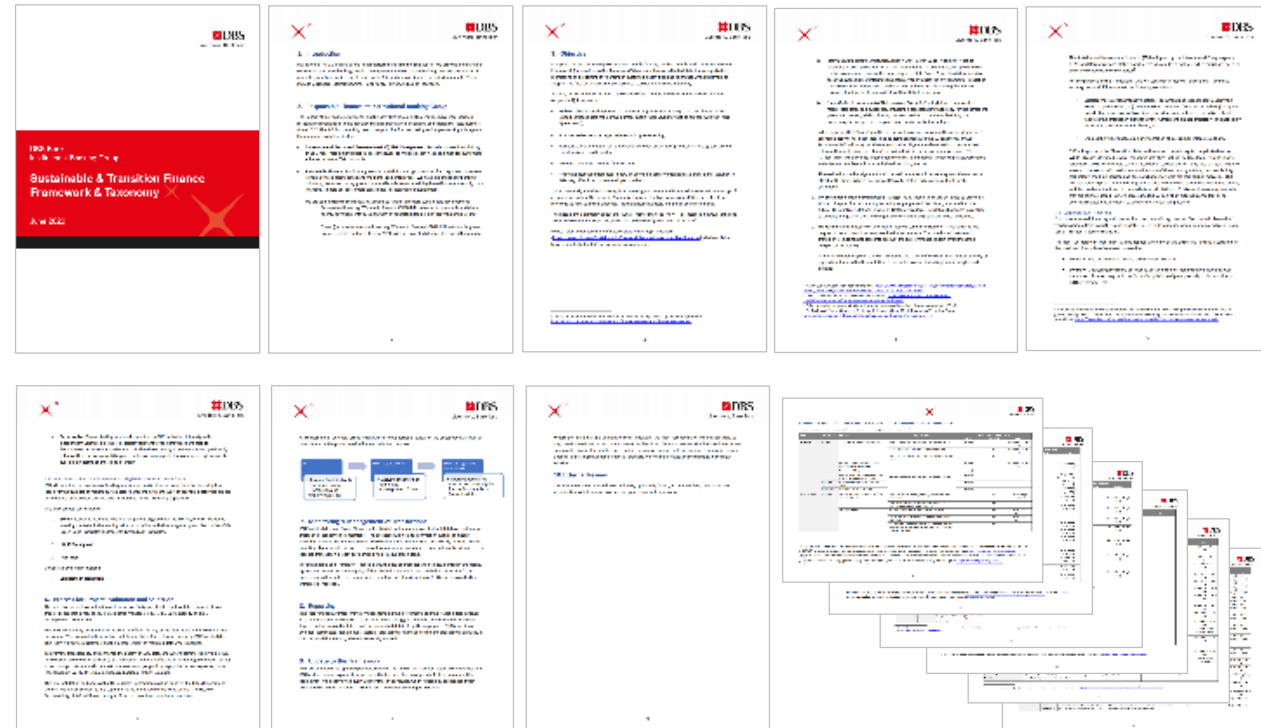
Introduce network of subject matter experts fit to undertake the evaluation that helps ensure robustness of the selected transition assets

And we delivered a 'global first' with our development of a Sustainable & Transition Finance Framework

We were the first commercial bank to publish a **Sustainable and Transition Finance Framework and Taxonomy**

This serves as a reference guide to clients to adapt and build resilience in the face of **climate change** and **resource scarcity**, and **social inequality**

- It comes with a taxonomy used to encourage **greater transparency** in financing sustainable and transition economic activities, and
- Adopts a **scientific** and **principles-based** approach to describe what transition finance should demand in a low-carbon future



DBS x New World Development Group

HK's first-ever interest rate swap linked to the UN SDGs!



200+	ACTIVELY INVOLVED NEW WORLD AND PARTNER STAKEHOLDERS
5000+	STAKEHOLDERS IMPACTED
2750	KILOGRAMS OF CONSTRUCTION WOOD WASTE DIVERTED
5000+	RECYCLABLES COLLECTED
14	UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS TACKLED

Sponsorship to NWD Impact Kommons

NWD's social innovation initiatives include Impact Kommons, Asia's first UNSDGs-focused business accelerator programme, of which DBS is a social impact partner.

Impact Kommons identifies NWD and DBS' business pain points and formulate problem statements with pilot solutions related to sustainable development.

HK\$32.8 billion sustainability financing and bond/swap in the past 18 months!



Webinars and press releases are organised to improve awareness



Green Bank Guarantee



Sustainability-linked Loans



Sustainability-linked Loans



Sustainability-linked Loans



Sustainability-linked Loans



Sustainability-linked Loans



*Mr. Cheung joins as
WGO new Board of Governor*



Sustainability-linked Loans

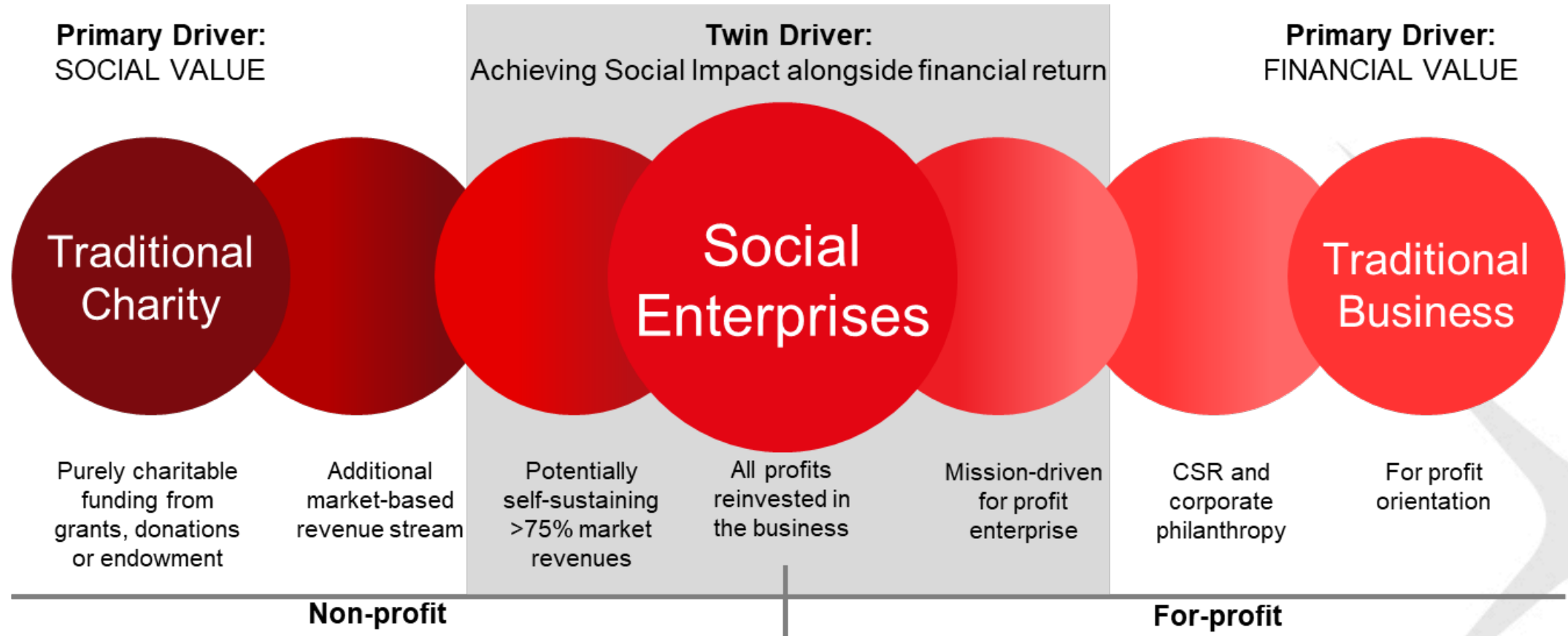


Championing Social Entrepreneurship

With a strong belief that businesses play a central role in contributing to a more sustainable and inclusive society, DBS established DBS Foundation (DBSF) in 2014 with SGD 50 million to champion social entrepreneurship. DBSF nurtures social enterprises (SEs) to enable them to scale their social impact through their innovative and sustainable businesses.



Social Dimension: What is Social Enterprise?



Adapted from J. Kingston Venturesome, CAF Venturesome & European Venture Philanthropy Association

Social Dimension: Supporting Social Enterprises



1. DBS Social Enterprise Banking Package

Business packaged account specially designed for SEs, with special privileges such as fee waivers and preferential interest rate on Loan programme

Eligible for over 700 SEs on HKCSS SEBC Directory



2. DBS Credit Card privileges at Social Enterprises

To encourage sustainable consumption, we introduced 8 SEs tackling diversified social issues to our customers by offering up to 20% InstaRedeem shopping discount via DBS Card+ App

Eligible for over 1 million DBS Credit Cardholders



Social Dimension: Supporting Social Enterprises

3. DBS Foundation Grant Programme

In view of the pandemic, DBS Foundation has stepped up our support through the regional Grant Programme for 13 SEs across Asia with over **HK\$8 million** in 2020, including two based in HK...

GreenPrice Supermarket mitigates food waste by retailing surplus or short-dated stock passing its best before date with big discounts. The grant will support the automation and digitalisation of supply chain and expansion of retail stores.

HelperChoice offers a platform connecting foreign domestic workers to employers through technology, eradicating the culture of placement fees and ensuring fair working conditions. The grant will support HelperChoice to expand to Singapore.



Environmental Dimension: Rooftop Farming at DBS Offices

As part of our plan to achieve **net zero operational carbon emissions by 2022**, we are very delighted to collaborate with Rooftop Republic Urban Farming – our DBS Foundation Social Enterprise Grant Awardee - to manage our first **Rooftop Farm at DBS Digihub Office** in Kwun Tong since Dec 2020.



Environmental Dimension: Rooftop Farming at DBS Offices

We have harvested over **60kg of vegetables**, of which is enough to provide greens in **200+ free lunchboxes for those who are in need**.

All the harvest were donated to a **Pei Ho (Ming Gor) Charity Foundation**, they have been providing free meals to the needy all over Hong Kong for more than 10 years.

In the future, we will explore to build more rooftop farms and engage our staff to try urban farming there and encourage them to grow edible plants at home to **promote sustainable lifestyle**.



Business Integration: Portraits of Purpose

At DBS, sustainability is at the core of our purpose-driven DNA.
We're driven to create the portraits of purpose.
One of courage, perseverance and generosity.

Supporting businesses to help them fight another day.

Working with partners to put food on the tables of the hardest-hit among us.

Taking care of our people so they can continue to give of their best.

To bring more of what the world needs today.

For all of us.

For all our tomorrows.

Together.



Business Integration: Portraits of Purpose

100% Loan Guarantee under the government's SME Financing Guarantee Scheme for SE



Full story on:

<https://www.dbs.com/livemore/hk-en/inspirations/dbs-void-story.html>

Void is a HK Social Enterprise which delivers corporate training and has developed a meditation app, which aim to protect people's wellbeing

Like many SMEs, Void's operations suffered under the pandemic. Sang (DBS RM) recommended the Special 100% Loan Guarantee under the government's SME Financing Guarantee Scheme (SFGS) to Void.

To help Void's team focus on his business, Sang even went the extra miles to offer help to handle the complicated paperwork. Sang believes in Void as their goals are beyond profit!

Food Waste in Hong Kong



Towards Zero Food Waste



- We are sponsoring a new refrigerated van that is used by **Foodlink Foundation** to help collect safe-to-eat surplus food from F&B outlets all over the community and deliver it to the underprivileged.
- Yearly Target: Redistribute **40 tonnes of surplus food**, which would provide **90,000 meals** for the underprivileged.

