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News Release

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SINGAPORE'S DBS FIRST BANK IN SOUTHEAST ASIA TO ANNOUNCE LANDMARK SET OF DECARBONISATION COMMITMENTS

Interim decarbonisation targets set for 2030, reinforcing commitment to net zero financed emissions by 2050

Represents one of the most comprehensive sets of decarbonisation targets in global banking industry

Bank to report progress against targets in annual Sustainability Report

Singapore, Regional, 13 September 2022 – As part of its commitment to being net zero in its financed emissions by 2050, DBS today announced sectoral targets that are aligned with science-based decarbonisation glidepaths¹ in its report – “*Our Path to Net Zero – Supporting Asia’s Transition to a Low-carbon Economy*”.

¹ The carbon emission pathway to the desired target set

A total of nine industry sectors have been covered by decarbonisation and data coverage targets. Decarbonisation targets have been set for the following seven sectors: 1) Power, 2) Oil & Gas (O&G), 3) Automotive, 4) Aviation, 5) Shipping, 6) Steel, and 7) Real Estate. Data coverage targets have been set for two sectors 1) Food & Agribusiness and 2) Chemicals, paving the way for future sectoral decarbonisation targets.

With the range of sectors covered, DBS' commitment is among the most comprehensive among global banks. The bank's approach to target-setting is also rigorous and science-based, being benchmarked against internationally recognised and industry-accepted glidepaths such as The International Energy Agency's Net Zero Emissions by 2050 Scenario (IEA NZE).

The publication of this clear actionable plan to net zero follows the bank's announcement in October 2021 that it had become a signatory of the Net-Zero Banking Alliance, the first Singapore bank to do so. As a signatory, DBS is required to align its lending and investment portfolios with net zero emissions by 2050.

Net-zero plan covers the most carbon-intensive segments of DBS' lending book and capital market activities

The nine sectors represent the most carbon-intensive institutional banking segments financed by DBS. They represent 31% of the bank's outstanding loans but constitute the vast majority of the Institutional Banking Group's financed emissions.

Amongst the seven decarbonisation targets set, six² of them are set as intensity metrics with the objective to achieve lower emissions per unit of output or activity. This reflects DBS' goal of embarking on a net zero path that is consistent with inclusive and sustainable growth and prosperity.

Acknowledging that the path to net zero requires a lower usage of fossil fuels, an absolute emissions reduction target has been set for the O&G sector. By 2030, the bank has targeted to reduce the absolute emissions in the O&G sector which are attributable to DBS by 28%, fully aligned with the IEA NZE scenario. The bank's O&G target will cover Scope 1, 2 and 3 emissions.

This complements the bank's earlier commitment made in 2019 to progressively phase out thermal coal financing.

In addition, the decarbonisation targets go beyond the bank's institutional banking lending book and will cover capital markets activities as well.

The targets will be reviewed periodically as science and client data evolve. DBS will also update on its progress annually through its Sustainability Report.

Piyush Gupta, Chief Executive Officer, DBS Bank said, "Our firm conviction is that our net zero commitment, made last October, must be supported by a clear and detailed roadmap and plan. However, charting a viable course of action that is constructive and impactful is not easy, given challenges in mapping out suitable industry pathways and realistic medium-term milestones in markets with differing starting points. That is why I

² 1) Power, 2) Automotive, 3) Aviation, 4) Shipping, 5) Steel, and 6) Real Estate

am pleased that we are able to announce today a set of ambitious, broad and measurable actions that we can execute against. The decarbonisation targets will act as the 'north star' for our financing activities guiding us to net zero by 2050 through measurable change.”

Supporting Asia's transition to a low-carbon economy

DBS' commitments are ambitious as there is widespread recognition that many emerging markets in which it operates will move to net zero at slower rates than their developed market counterparts. Despite this, the bank is committed to moving to net zero by 2050, setting the bank on a path that is proactive and anticipatory of its customers' and society's needs.

With the announcement, the bank aims to encourage and enable its institutional banking customers to pivot their business strategies and accelerate their transition journeys. This could be achieved in various ways including by providing them with sustainable and transition finance solutions.

Tan Su Shan, Group Head, Institutional Banking Group said, “Our ability to achieve our net zero ambition relies heavily upon the success of our clients in delivering their own transition plans. In the past few years, we have seen a significant increase in the demand for green and sustainable finance solutions. To accelerate the transition and meet the vast investment needs in the next few decades, we will proactively partner our customers, providing them with financial advisory and transition finance solutions, as we collectively work towards a low-carbon future.”

Gupta added, “Decarbonisation cannot be achieved in silos – the global banking and business community, and world leaders have a part to play in balancing the climate agenda, social equity and economic development. Collectively, we must exercise leadership by working towards a balanced, sustainable and just transition.”

DBS’ decarbonisation commitments can be found in its report at the following link: go.dbs.com/our-path-to-net-zero. The report was put together by DBS with support from Oliver Wyman.

DBS’ steady progress to tackle climate change

DBS has been proactively adopting measures to tackle climate change for several years. The bank has been making steady progress across several areas as part of its broader sustainability efforts.

1) Scaling positive ESG impact through sustainable finance

DBS continued to build on its sustainable financing business, growing its sustainable finance portfolio to SGD52.7 billion as at 30 June 2022, exceeding its SGD50 billion target well ahead of 2024.

2) Tracking steadily towards zero thermal coal commitment

In April 2019, the bank ceased financing new thermal coal assets. Since then, it has continued to progressively phase down its thermal coal exposure.

At the same time, the bank continues to ramp up support towards the renewables sector as evidenced by its increased exposure to renewable energy projects of SGD5.9 billion in 2021, from SGD4.2 billion in 2020.

3) *Achieving net zero operational carbon emissions by end-2022*

DBS is committed to achieving net zero operational carbon emissions across the bank by end-2022 and continues to reduce the bank's carbon footprint while advancing its sustainable procurement agenda. As at end 2021, 100% of DBS' new suppliers have signed their commitment to the bank's Sustainability Sourcing Principles.

In November 2017, DBS became a signatory to RE100 – the first Asian bank and Singapore company to join the global renewable energy initiative. The bank is committed to using 100% renewable energy for its Singapore operations by 2030.

4) *Committing to transparent disclosures*

In 2019, DBS became the first bank in Singapore and Southeast Asia to adopt the Equator Principles. The Equator Principles is a globally recognised risk management framework adopted by financial institutions for determining, assessing and managing environment and social risk in infrastructure projects.

DBS is also among early adopters of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), on voluntary disclosures around climate-related risks and opportunities. The Task Force's recommendations will help secure more complete, meaningful, reliable and consistent data across all

companies and sectors for climate-related financial disclosures. This provides stakeholders with more meaningful and transparent climate-related financial information, enabling market forces to drive efficient allocation of capital and support a smooth transition to a low-carbon economy.

About DBS

DBS is a leading financial services group in Asia with a presence in 18 markets. Headquartered and listed in Singapore, DBS is in the three key Asian axes of growth: Greater China, Southeast Asia and South Asia. The bank's "AA-" and "Aa1" credit ratings are among the highest in the world.

Recognised for its global leadership, DBS has been named "[World's Best Bank](#)" by Global Finance, "[World's Best Bank](#)" by Euromoney and "[Global Bank of the Year](#)" by The Banker. The bank is at the forefront of leveraging digital technology to shape the future of banking, having been named "[World's Best Digital Bank](#)" by Euromoney and the world's "[Most Innovative in Digital Banking](#)" by The Banker. In addition, DBS has been accorded the "[Safest Bank in Asia](#)" award by Global Finance for 13 consecutive years from 2009 to 2021.

DBS provides a full range of services in consumer, SME and corporate banking. As a bank born and bred in Asia, DBS understands the intricacies of doing business in the region's most dynamic markets. DBS is committed to building lasting relationships with customers, as it banks the Asian way. Through the DBS Foundation, the bank creates impact beyond banking by supporting social enterprises: businesses with a double bottom-line of profit and social and/or environmental impact. DBS Foundation also gives back to society in various ways, including equipping communities with future-ready skills and building food resilience.

With its extensive network of operations in Asia and emphasis on engaging and empowering its staff, DBS presents exciting career opportunities. For more information, please visit www.dbs.com.

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