DBSA

DEVELOPMENT BANK OF SOUTHERN AFRICA

Building Africa's Prosperity

2026

SUSTAINABILITY REVIEW

DELIVERING IMPACT IN A CHALLENGING ENVIRONMENT

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Despite economic pressures, fiscal limitations, and broader socio-political challenges, DBSA continues to deliver meaningful developmental outcomes and sustainable infrastructure impact where it is needed most. This reflects DBSA's resilience, adaptability, and unwavering commitment to its developmental mandate amid a complex and evolving operating environment.

The theme underscores DBSA's role as a resilient and responsive development finance institution that remains steadfast in purpose, agile in execution, and committed to driving growth and development despite challenging circumstances.

TABLE OF CONTENTS

OVERVIEW

NAVIGATING OUR REPORT

Our Capitals

The six capitals reflect the full spectrum of resources and relationships that the Bank leverages and transforms through its value creation process. By considering these capitals collectively, this report presents a more integrated and forward-looking view of the Bank's capacity to create and preserve value over the short, medium, and long term.

The capitals comprise Financial Capital, Intellectual Capital, Human Capital, Social and Relationship Capital, Manufactured Capital, and Natural Capital. Refer to page 34 and pages 52 - 53 of the Integrated Annual Report (IAR) for further details on each capital and its contribution to value creation for stakeholders.

Our Strategic Goals

To remain an effective Development Finance Institution (DFI) in a rapidly evolving global, continental and national context, the Development Bank of Southern Africa (DBSA) has adopted a refreshed, forward-looking strategy, designed to respond to emerging trends while strengthening the Bank's ability to deliver sustainable development impact. Refer to page 14 of the IAR for an overview of the Decadal Strategy.

Anchored in the Bank's purpose statement to ***"bend the arc of history toward shared prosperity"***, the DBSA is focused on ensuring financial sustainability and strong governance, while achieving a trajectory of accelerated and enhanced development impact, i.e., "growing the DBSA to maximise development impact". The strategy is guided by four strategic goals, namely: Financial Sustainability, Accelerating Development Impact, Future-fit DBSA, and Smart Partnerships. These goals are described in more detail in Section 2 of this report.

Our Material Matters

Our material matters underpin the value-creation narrative by linking stakeholder priorities to strategy, performance and outcomes. They provide a structured view of the factors that most influence the Bank's ability to create, sustain, or diminish value over time. Our material issues are as follows:

1	Cost of funding	6	Navigating the Just Transition
2	Country/Sovereign risk	7	Reliability of digital infrastructure and cybersecurity
3	Increased focus on geopolitical impact on South Africa	8	Employee skills attraction, retention and development
4	Strategic, executive and business risks	9	Employee engagement and culture
5	Environmental, Social and Governance risks		

ABOUT THIS REPORT

The DBSA Sustainability Review complements the 2026 IAR by providing a focused account of how sustainability is embedded in the Bank's strategy, financing activities and infrastructure delivery. While the IAR outlines the Bank's mandate, performance and value creation, this report explains how sustainability considerations inform decision-making and translate into measurable development impact across economic, social and natural capital outcomes.

Scope and Boundary

This report covers the DBSA's sustainability-related activities for the year ended 31 March 2026. It outlines the Bank's approach to integrating environmental, social and governance considerations into its operations, investments and development programmes. The scope includes:

- Infrastructure financing and delivery across priority sectors
- Development impact achieved through funded projects
- Environmental and social performance across operations and the investment value chain

The report reflects activities in South Africa and the broader region where the Bank supports infrastructure-led development and regional integration.

Policymakers, regulators, bond investors, analysts, experts in sustainable development, and other stakeholders eager to understand the Bank's development impact and sustainability performance may find this report useful.

The report is prepared in alignment with leading sustainability and governance frameworks, and further reflects the Bank's approach to identifying and disclosing material sustainability matters:

- Global Reporting Initiative (GRI) Standards (Core)
- King IV Code of Governance Principles for South Africa, with consideration of emerging King V principles
- The Amended Financial Sector Code (FSC)
- IFRS Sustainability Disclosure Standards (IFRS S1 and S2)
- The Johannesburg Stock Exchange (JSE) Sustainability and Climate Disclosure Guidance
- The United Nations Sustainable Development Goals (SDGs)

Alignment with IFRS S1 and S2 strengthens the disclosure of sustainability-related risks and opportunities, including climate-related risks. It reinforces the link between sustainability performance, financial resilience and long-term value creation.

These frameworks are applied as guiding references rather than compliance checklists. They inform how the DBSA identifies, assesses and manages sustainability-related risks and opportunities across its lending, investment and advisory activities, and how these are integrated into strategy, decision-making and external reporting.

Combined Assurance

Sustainability-related disclosures are prepared in line with the Bank's combined assurance framework to support the credibility and reliability of reported information.

The Bank's Internal Audit has reviewed selected sustainability disclosures and key performance indicators, applying procedures consistent with those used for financial reporting where appropriate. External assurance is applied to specific disclosures as required, and the outcomes are reported in the Annual Financial Statements.

Materiality

The report reflects the Bank's application of double materiality in determining which sustainability matters to disclose.

Double materiality focuses on:

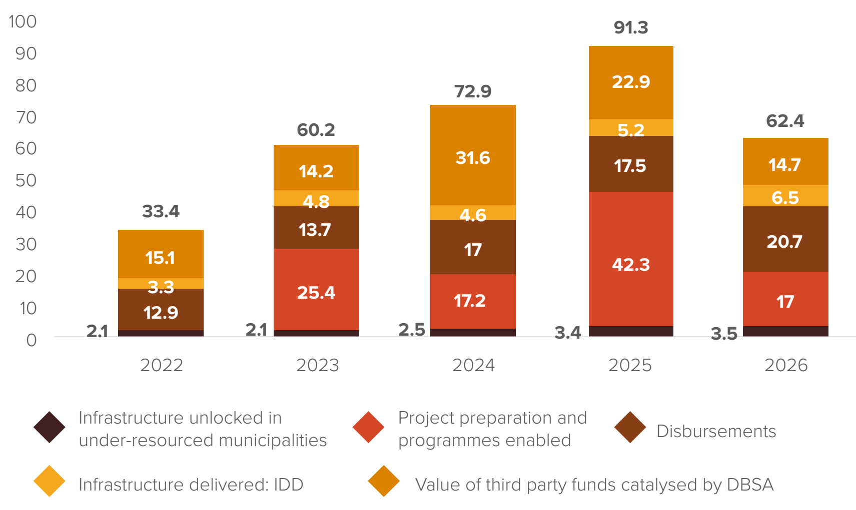
- **Impact Materiality (inside-out):** How the Bank's activities affect society and the environment, including infrastructure delivery, service access and development outcomes.
- **Financial Materiality (outside-in):** How sustainability-related risks and opportunities, such as climate change, influence financial performance, risk exposure and long-term resilience.

This approach ensures alignment between sustainability priorities, risk management and value creation.

This report should be read together with the IAR, which provides a detailed overview of the DBSA's strategy and mandate.

PERFORMANCE HIGHLIGHTS

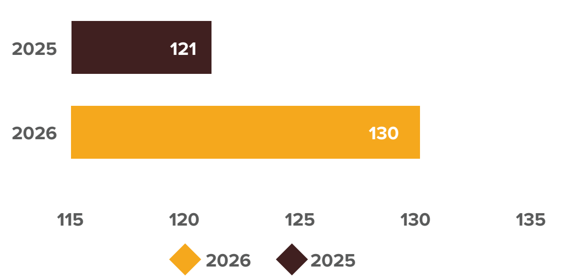
Five-year infrastructure development support (R billion)



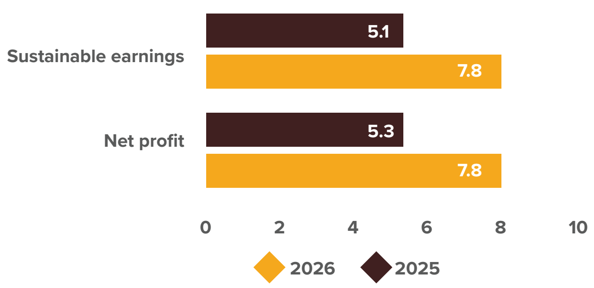
Total infrastructure development support (FY2021/22 - FY2025/26)

Value of infrastructure delivered	**R24.4 billion**
Value of funds catalysed	**R98.5 billion**
Total disbursements	**R81.8 billion**
Project preparation and programmes enabled	**R102 billion**
Infrastructure unlocked in under-resourced municipalities	**R13.6 billion**

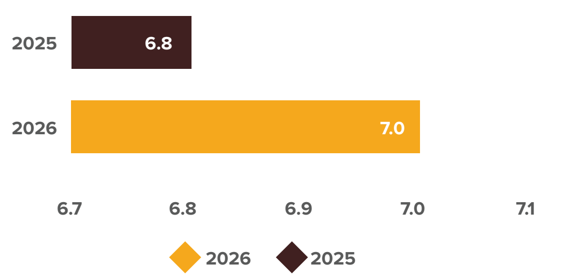
Total Assets (R billion)



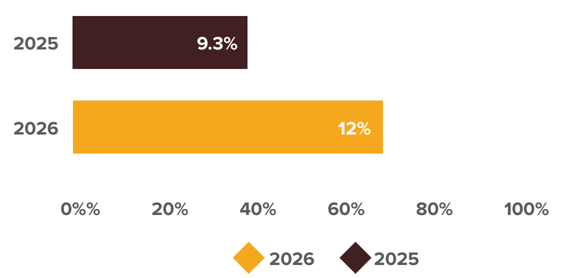
Sustainable Earnings and Net Profit (R billion)



Cash generated from operating activities (R billion)



ROE based on sustainable earnings



Delivering Infrastructure. Transforming Lives.

Our investment in infrastructure drives inclusive growth and lasting impact.

24 556
Learners Impacted:
through new and refurbished schools

9 159
Learners Impacted:
through improved sanitation across 101 schools

A Expanding Access to Quality Education

Newly Built Schools
11 867
Learners benefitted
27
New schools

Refurbished Schools
12 869
Learners benefitted
20
Refurbished schools

B Improving Sanitation, Enhancing Dignity

DBE SAFE Programme
6 854
Learners benefitted
83
Schools

Provincial Budget Allocations
2 606
Learners benefitted
18
Schools

C Driving Inclusive Economic Growth

Value of Infrastructure Delivered by Black-Owned Entities

R5.3 billion of which

- **R4.0 billion** delivered by black women-owned entities
- **R1.3 billion** black owned entities with less than 30% shareholding

SMME Participation

586
Local SMMEs and subcontractors contracted

R510 million
in benefit accrued to SMMEs and subcontractors

D Financing a Sustainable Future

Loan Disbursements to B-BBEE Entities for Renewable Energy Projects

R1.3 billion

E Creating Jobs and Building Future Skills

92 995
jobs facilitated through investment activities in RSA and rest of Africa

1 026
jobs facilitated through investment in DLABs programme

5 056
jobs facilitated through infrastructure delivered

Governance

- Unqualified audit opinion maintained since inception
- DBSA boasts a robust, ethical and diverse leadership
- Reported 0.0% in irregular, fruitless and wasteful expenditure during the financial year

Ratings and Accreditations

- A Ba2 foreign currency rating by Moody's
- BB foreign currency rating by S&P
- An AA rating by the Association for African Development Finance Institutions (AADFI)
- Global Environmental Facility accreditation since August 2014
- Green Climate Fund EU 6-pillar accreditation (valid until 2026)

Accolades and Awards

Merit award under the State-Owned Company category at the Chartered Governance Institute of Southern Africa's Integrated Reporting Awards 2025

MESSAGE FROM OUR CEO

Over the past year, we have strengthened our position as an institution that operates across the full infrastructure value chain, with a clear focus on closing the gap between financing and delivery. This has required a deliberate shift towards programme-based approaches that enable coordinated implementation across sectors and geographies. By structuring interventions at scale and aligning planning, preparation, financing and delivery, the Bank is increasingly positioned to address systemic constraints that have historically limited the effectiveness of infrastructure investment, particularly at municipal level.

From Financing to Delivery: Enabling Sustainable Infrastructure Impact

Infrastructure delivery in South Africa is not constrained by intent or planning alone. The central challenge lies in execution, in the ability to translate approved projects and committed funding into infrastructure that is delivered at scale, on time and with sustained impact. It is within this context that the DBSA continues to define its role.

Sustainability and Risk in a Challenging Operating Environment

Our approach to sustainability is anchored in the reality that we operate in a challenging environment with several uncertainties, both domestically in South Africa and internationally. For DBSA, sustainability is not a separate agenda, but an integral component of development impact, financial resilience and long-term value creation.

This is reflected in the way environmental, social and governance considerations are embedded in our investment decisions, risk management processes and operational practices.

DBSA's development mandate requires a differentiated approach to risk. The Bank operates in segments of the infrastructure market where risk is inherently higher, project pipelines are less mature, and returns are not always immediately realised. This necessitates a deliberate and disciplined risk posture, one that balances financial sustainability with developmental impact. Our approach is therefore not to avoid risk but to understand, structure, and manage it in ways that enable investment in areas critical to long-term economic and social progress.

A key area of focus remains the transition to a lower-carbon economy. We are clear that this transition must be both credible and practical. South Africa's energy system, and the broader economic structures that depend on it, require a pathway that balances decarbonisation with energy security, affordability and economic inclusion. Our financing approach reflects this balance. The revised net zero statement serves as a strategic anchor, shaping our transition pathways and reinforcing our commitment to long-term sustainability.

We are scaling investment in climate-aligned infrastructure while managing legacy exposures and applying disciplined decision-making to ensure alignment with Just Transition objectives.

Scaling Impact through Capability and Partnerships

Strengthening execution capability remains central to our strategy. Infrastructure delivery at scale requires not only capital, but also technical capacity, institutional coordination and effective programme management. Through our implementation role, supported by partnerships and targeted innovation, we are working to expand delivery capacity and improve the translation of investment into measurable outcomes.

Initiatives such as the Development Laboratories (DLABS) form part of this broader effort to strengthen participation within infrastructure value chains and support more inclusive development.

The environment in which we operate remains complex and, in many respects, increasingly demanding. Infrastructure delivery is affected by capacity constraints, evolving stakeholder expectations and the growing impact of climate-related risks. These dynamics require a disciplined approach to governance, risk management and accountability. DBSA's governance framework and integrated risk management processes remain central to maintaining institutional resilience and supporting decision-making in this context.

Looking ahead, our focus is clear. We will continue to strengthen the Bank's ability to deliver infrastructure at scale, deepen the integration of sustainability into our operations and expand the partnerships required to mobilise both capital and capability. This includes continued investment in project preparation, programme structuring and the systems required to support delivery across the infrastructure lifecycle.

The progress reflected in this report is the result of sustained effort across the organisation, supported by the Board, management, employees and partners. It is through this collective commitment that DBSA continues to contribute to sustainable infrastructure development and to support inclusive economic growth.

Ms Boitumelo Mosako
Chief Executive Officer

"Together, we are building Africa's development future".

Board Approval

The Board retains ultimate accountability for the integrity of this report. Oversight is exercised through the Audit and Risk Committee and relevant governance structures, with Executive Management responsible for preparation. The Board is satisfied that this report presents a balanced and accurate view of the Bank's sustainability performance and development impact, and that it aligns with the principles of the <IR> Framework. The report was approved by the Board of Directors on 30 June 2026.

Mr David Makhura
Chairman of the Board

Mr Kenneth Brown
Chairman: Sustainability and Ethics Committee

Ms Boitumelo Mosako
Chief Executive Officer

OUR DEVELOPMENT POSITION

Our commitment to Environmental, Social and Governance (ESG) principles is embedded in our mandate and reflected in our Development Position, which sets out the Bank's ambition to drive sustainable development and long-term impact. It underpins the Bank's shift towards a more developmental role, including a higher risk appetite, moderated return expectations, increased use of co-funding, targeted grant support, expanded support for Black and women-owned enterprises, and direct involvement in project implementation. In several of these areas, the Bank continues to demonstrate leadership.

The Development Position provides the foundation for delivering on the DBSA's mandate by advancing sustainability through innovative solutions, maintaining financial resilience and accelerating development outcomes. The Development Position of the DBSA is as follows:

The DBSA contributes to a Just Transition towards a renewed and inclusive economy and society that embodies resilience, regeneration, and transcends current trajectories. As a sanctuary for development practitioners, the DBSA holds this to be the transformative change needed to realise a prosperous, integrated, and a resource-efficient continent. This stance progressively advances the common goals for sustainable and equitable wellbeing. The DBSA will work in partnerships to co-produce impactful development solutions and the sustained platforms of an enabling environment for participation, a sense of purpose, empowerment, and deep connections. The DBSA will bend the arc of history through its continued multifaceted investments in sustainable infrastructure and human capacity development.

OUR VALUE PROPOSITION

The DBSA's mandate focuses on maximising development impact through infrastructure financing, delivery and capacity support across South Africa and the broader African continent. The Bank operates across key sectors, including energy, transport and logistics, water and sanitation, ICT, education, health and human settlements. Its role spans the full infrastructure value chain, from planning and preparation through to financing, implementation and ongoing asset support.

Advance sustainable development impact in infrastructure development, financing and capacity development both in South Africa and across the African continent

LEAD AND RESPOND
Focus on addressing factors in the macro- and micro-environments and capitalise on the successes and strengths of the Bank

CONCEPTUALISE
Focus on identifying and crafting development programmes which direct concerted action by a diverse range of actors to foster an enabling environment

CATALYSE
Focus on coordination of multiple actors and on raising investment levels through innovative mechanisms

IMPLEMENT
Focus on the implementation of key priority projects to deliver tangible solutions

ECONOMIC AND SOCIAL INFRASTRUCTURE
Energy, transport, water, ICT, health, housing and education, and sectors that promote biodiversity or are nature-based

PLAN
- Infrastructure needs assessment
- Bulk infrastructure plans
- Infrastructure planning advice

PREPARE
- Project identification
- Feasibility assessment
- Technical assistance
- Programme development
- Project preparation functions

FINANCE
- Long-term senior and subordinated debt
- Corporate and project finance
- Mezzanine finance
- Structured finance solutions
- Equity support for B-BBEE entities

BUILD
- Design and manage construction of projects
- Project management support

MAINTAIN
- Support maintenance and improvement of social and economic infrastructure projects

MOBILISE
Focus on cementing and strengthening smart partnerships

Financial sustainability through balance sheet growth, income growth and cost production

OUR STRATEGY

OUR VALUE CREATION APPROACH

Building on a Strong Foundation

The DBSA shapes infrastructure investment by originating, catalysing and delivering sustainable projects through strong partnerships.

The Bank continues to implement a growth strategy to scale development impact while maintaining financial sustainability. Biodiversity initiatives are supported through dedicated funding mechanisms. Delivering across this breadth requires a proactive, solution-driven and efficient approach, with strong coordination across the value chain.

The DBSA's Corporate Strategy is centred on enabling world-class infrastructure delivery in a competitive and uncertain environment. It seeks to leverage the Bank's capabilities, experience and partnerships to scale impact and support resilient, sustainable development outcomes.

Strategic Goals for Realising Our Ambition

The DBSA's strategy is anchored in four strategic goals that guide the translation of financial capacity into development impact.

Financial Sustainability

Financial sustainability is driven through income growth, disciplined balance sheet management and cost optimisation. Delivery against disbursement and credit extension targets is central to expanding the asset base and sustaining the Bank's development role.

Focus areas include scaling quality disbursements, supporting regional integration, delivering sustainable infrastructure solutions, strengthening municipal capability and improving operational efficiency. Lending performance directly influences the scale of future development impact.

Accelerating Development Impact

The DBSA prioritises investments that deliver measurable outcomes in reducing unemployment, poverty and inequality. This is achieved through high-quality transactions and a programmatic approach to infrastructure delivery, enabling scale across core sectors and municipalities. The focus is on creating an integrated development environment that responds to evolving infrastructure and service delivery needs.

Future-Fit DBSA

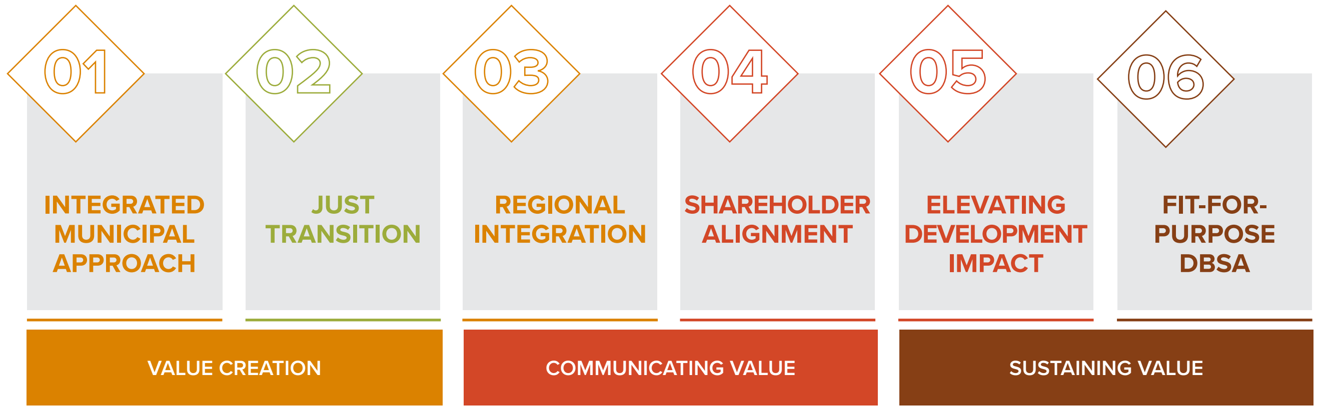
The Bank is strengthening its operating model to better support delivery. This includes improving internal integration, advancing digital enablement and embedding more coordinated, outcome-based ways of working. Ongoing adjustments to structure, processes and capabilities are aimed at improving execution and responsiveness.

Smart Partnerships

Smart Partnerships are a core delivery mechanism for infrastructure development. The DBSA works with public and private sector partners to mobilise funding, structure transactions and overcome implementation constraints. These collaborations enable greater private sector participation and support the delivery of infrastructure at scale, both domestically and across the continent.

Delivering on Our Strategic Goals

Strategic initiatives translate the DBSA's strategy into execution and provide the basis for implementation and performance monitoring. These initiatives are informed by the Bank's ongoing assessment of the operating environment, including key risks, constraints and emerging opportunities. During the 2025/26 financial year, the Bank focused on six strategic initiatives aligned to its strategic goals, as illustrated below.



Our Guiding Principles for Value Creation and Preservation

The DBSA's guiding principles shape how strategy is executed and how value is created and sustained. They reflect a balanced approach to development impact, financial sustainability and institutional effectiveness through:

- Driving economic expansion and development, as well as being a catalyst for transformative change
- Emphasising social equity and Just Transition in every development initiative by addressing inequalities and creating opportunities for marginalised communities
- Prioritising green growth as a key economic opportunity, as well as ensuring a greener and more sustainable future for all
- Maximising development impact without compromising financial sustainability
- Championing a comprehensive and integrated approach to development that extends beyond municipal projects and covers all spheres of influence
- Building capable public institutions that extends a dedication to enhance project management capacity and assist in improving the financial health of municipalities and public institutions
- Rigorous project preparation and quality assurance
- Strategic partnering and holistic stakeholder engagement
- Digital transformation and organisational effectiveness
- Skills enhancement and employee empowerment

THE DBSA'S SUSTAINABILITY CONTEXT

Our Approach to Sustainability

The DBSA Sustainability Framework demonstrates a structured and integrated approach to sustainability governance. The framework establishes sustainability as a strategic institutional objective, supported by a comprehensive policy universe and implemented through environmental and social management systems that cover both internal operations and investment activities. Through this approach, the DBSA seeks to manage ESG-related risks and opportunities responsibly while supporting sustainable infrastructure development, climate resilience and inclusive economic growth.

LEVEL ONE

DBSA
Sustainability Framework

DBSA
Sustainability Policy Universe

LEVEL TWO

DBSA
Environmental Policy

Operations Pillar

Environmental and social management system for DBSA operations

Investments Pillar

Environmental and social risk management through investments

The DBSA requires all clients to comply with its Environmental and Social Safeguards and with applicable environmental, social, and human rights legislation in their host countries. The Bank's safeguards are aligned with international Environmental and Social Performance Standards and Environmental, Health and Safety Guidelines. The DBSA recognises that sustainability, climate resilience and inclusive economic development are interconnected and therefore adopts an integrated approach that balances environmental stewardship, social inclusion, economic resilience and good governance to support long-term development outcomes.

To support this approach, the DBSA integrates ESG principles into its organisational structures, investment decision-making and risk management processes. The Bank further supports a Just Transition approach that promotes a fair and inclusive transition to a low-carbon and climate-resilient economy while addressing socio-economic priorities such as job creation, reduced inequality and community resilience. Through the DBSA Sustainability Framework, the Bank embeds sustainability, ESG integration and Just Transition principles across its financing activities to manage environmental and social risks responsibly and promote sustainable and inclusive development outcomes.

In line with our mandate, we aim to advance development impact across the African continent by expanding access to development finance and integrating sustainable development solutions into its financing and delivery activities. This enables the Bank to:

- Improve the quality of life through the development of social infrastructure
- Support economic growth through investment in economic and social infrastructure
- Support regional integration
- Promote sustainable use of scarce resources

We understand that sustainability is achieved through a balanced approach that integrates environmental, social, economic and governance considerations across all activities and aligns with the Bank's commitment to the Responsible Finance Principles.

The DBSA's sustainability approach is structured around three interconnected pillars: Environment (planet), Social (people) and Economic (profit), all underpinned by ESG principles. These are operationalised through established ESG due diligence, monitoring and stakeholder engagement processes as demonstrated below:

PLANET

Environment

- Energy efficiency
- Climate change strategy
- Waste reduction
- Biodiversity
- Greenhouse gas emissions

PEOPLE

Social

- Social licence
- Equal employment opportunity
- Employee benefits
- Health and safety
- Community development
- Responsible supply chain partnerships
- Adhering to labour laws
- Gender equality

PROFIT

Economic

- Corporate governance
- Risk management
- Compliance
- Ethical business practices
- Avoiding conflicts of interest
- Accounting integrity and transparency
- Sustainable financing

To provide a clear framework for how the DBSA addresses issues such as ensuring that internal and external stakeholders' human rights are respected, protected and promoted in the Bank's operations, we undertook a thorough process to put the Human Rights Policy Framework and Statement in place. The policy framework addresses salient risks and opportunities such as harmful and unlawful child labour, fair labour practices violations of international labour standards, and a zero tolerance for bribery and corruption. Human rights considerations are now integrated into our investment decision-making processes. Work on providing guidance on embedding Ethics and Human Rights Principles is currently underway to assist with effectively implementing the approved policy framework throughout the Bank's operations. The key risk areas identified included human capital (employees and recruitment candidates), suppliers (including third parties and contractors), frontline operations (Programmes, IDD, Chief Investment Office, IFISA and IPPO), and responsible stakeholder relationship building (relating to gifts, entertainment, hospitality, sponsorships and donations).

We are committed to protecting the biophysical environment affected by the Bank's operations and investments. Through our standard due diligence processes applied prior to lending, we work with clients to strengthen environmental and social performance and improve governance practices.

We seek to advance a more sustainable and inclusive economy, while strengthening transparency and accountability in decision-making. This approach aligns with international best practice frameworks, including IFRS Sustainability Disclosure Standards S1 and S2.

As part of our long-term sustainability ambition, we aim to contribute to a future in which people can live within planetary boundaries, while supporting inclusive economic growth and addressing structural inequalities. This includes maintaining a lower greenhouse gas emission trajectory and integrating climate-resilient development approaches tailored to the contexts in which the Bank operates.

We continue to contribute to the Sustainable Development Goals (SDGs) by creating shared value for clients and society, while minimising adverse environmental impacts. Where impacts do occur, the Bank's Environmental and Social Safeguards require appropriate mitigation, restoration or rehabilitation measures.

Guiding Principles for Sustainability

Our approach to partnerships, project development and lending activities is guided by five principles:

1. Maintaining and respecting human health and safety through the quality of the built environment and its immediate surrounding biophysical environment.
2. Supporting a Just Transition approach towards a lower-carbon world, while balancing society's basic need for access to power.
3. Guiding projects where we provide advisory and origination lending solutions or finance planning activities for our clients through our project preparation facilities to adopt circular economy and sustainable design principles to ensure their longer-term resilience.
4. Augmenting communities' resilience to climate change and risks within our spheres of influence.
5. Managing any negative impact on nature and respecting planetary boundaries.

These principles inform the Bank's investment approach and guide the execution of each project. We aim to play a catalytic role within a broader development ecosystem, working through partnerships to deliver sustainable outcomes and support the emergence of new, sustainable industries.

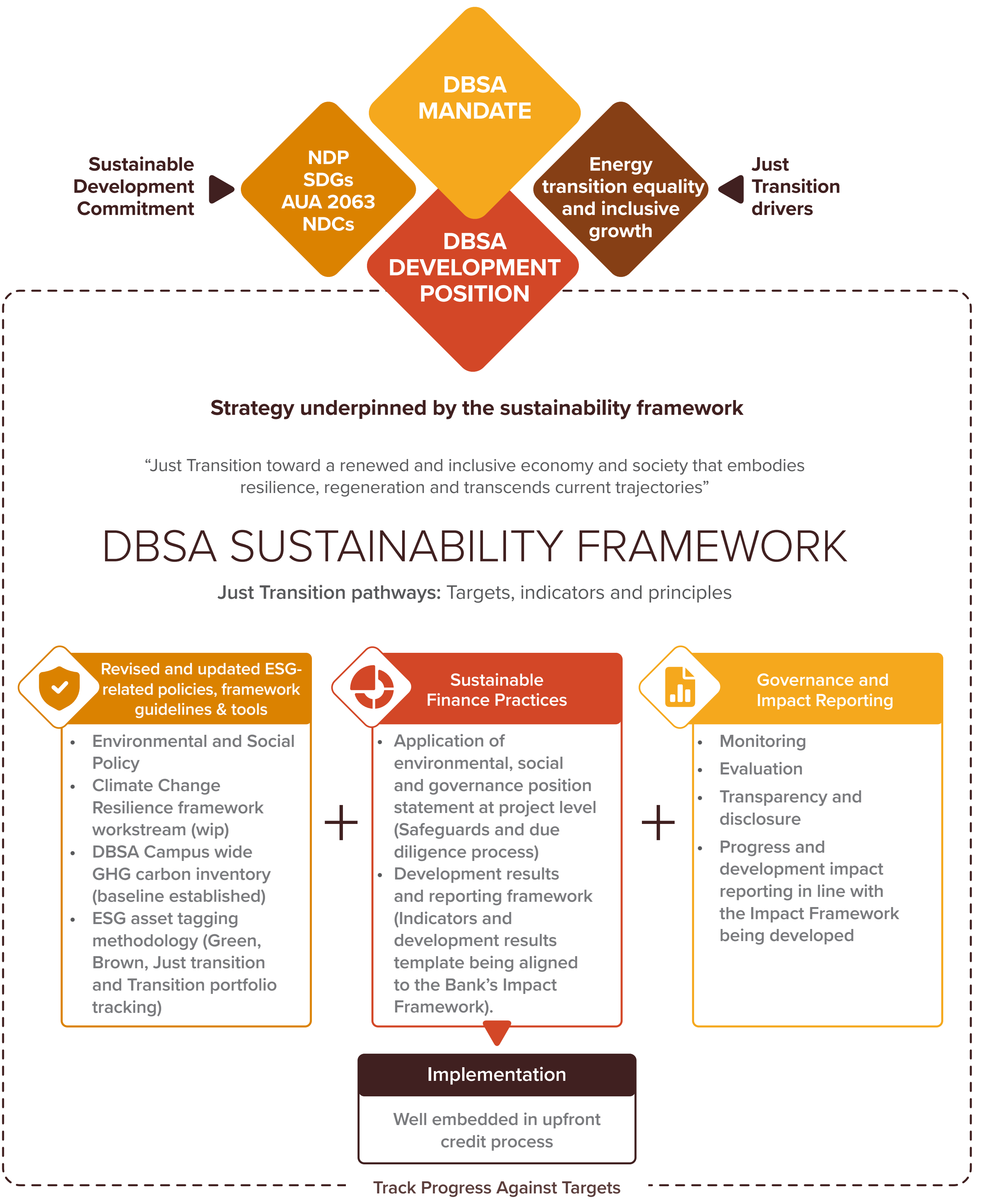
Our Sustainability Framework

The DBSA's Environmental and Social Policy aligns with its mandate and positions sustainability as integral to long-term value creation. It reflects the Bank's view that economic development must advance both human wellbeing and environmental integrity, recognising that sustainable development is inseparable from social inclusion, environmental restoration and broader development outcomes.

The policy acknowledges the role of development finance in addressing climate change, ecosystem degradation and social inequality, while strengthening resilience across communities and systems. It embeds sustainability, equity and resource efficiency into the Bank's strategy, capital allocation and operations.

This approach supports a Just Transition towards a more inclusive and resilient economy and society. It guides the DBSA in managing ESG risks, evaluating project impacts, and balancing trade-offs across financial, environmental, and social priorities.

Our Environmental and Social Policy



Overall, the Environmental and Social Policy provides the basis for integrating environmental and social considerations across all activities. It is informed by the Bank's development position, which frames its role in advancing a Just Transition that promotes resilience, regeneration and long-term sustainability. During the 2025/26 financial year, the Social and Ethics Committee (SEC) approved the Bank's ESG asset-tagging framework, which enables measurement of greenhouse gas intensity across the portfolio over time. The framework is being embedded across the organisation, including at management and Board levels. It has two primary objectives:

- To assess clients' sustainability and transition risks and opportunities; and
- To track the migration of the loan book across brown, transition and green asset categories

The framework provides a structured view of sustainability exposure across the loan portfolio, with only 19.6% of the portfolio tagged as brown.

DBSA's Approach to Just Transition

The DBSA's approach to Just Transition is framed within its Bank-Wide Climate Resilience Management Framework illustrated above, which sets out how climate-related risks and opportunities are identified, assessed and managed across the institution. This workstream supports the Bank's alignment with IFRS Sustainability Disclosure Standard S2 and strengthens the integration of climate considerations into strategy, risk management and investment decisions.

During the 2025/26 financial year, the DBSA Board and Management team revised the Bank's Net Zero Statement, first adopted nearly four years ago. The Bank remains committed to achieving net-zero emissions by 2050 through a transition pathway that reflects South Africa's development context, balancing decarbonisation with economic growth, social equity and regional development.

Our Net Zero Statement

The DBSA is committed to achieving **net zero emissions by 2050** through enabling a **just transition**, that prioritises the development imperatives of economic and social equity in South Africa, and across the African continent.

Our transition trajectory to support this commitment is informed by the **DBSA's Sustainability Framework**, climate and risk policies and practices, as well as science-based frameworks relevant to the African context.

For this reason, the DBSA will deploy **financial and non-financial interventions** to advance a just transition and support sustainable development across the region.

DBSA Climate Resilience Management Framework

RISKS	POTENTIAL FINANCIAL IMPACTS	OUR BUILDING BLOCKS FOR CLIMATE ACTION	OPPORTUNITIES Examples across industries
Transition Risks • Policy and Legal • Technology • Market • Reputation	**Early retirement** of existing assets due to transition/ technological risk	**NET ZERO BY 2050**	**Infrastructure & Climate** • Renewable energy generation • Electric transport infrastructure • Climate-resilience and low-carbon water infrastructures
Physical Risks • **Acute:** extreme weather events • **Chronic:** Gradual shifts of the climate such as rising average temperatures changes in precipitation	**Impairments** and early retirement of assets due to damages from extreme weather events	=	**Smart** • Green and climate-resilient buildings • Adaptation and resilience-enabling solutions • Manufacturing of clean technologies (including enablement of critical minerals strategy i.e. green industrialisation)
	Downgrade of credit risk rating as a result of increased capital costs and reduced revenues as a result of climate-induced business disruptions	Just Transition + Adaptation and Mitigation	**Financial Services** • Green & climate- resilient lending • Carbon markets and sustainability bonds/loans

DBSA Transition Plan and Net Zero Strategy

MANAGING ESG RISK

ESG Risk at Investment Level

The DBSA's ESG lending procedure operationalises its Sustainability Framework within credit and investment decision-making. The procedure sets out how environmental, social and governance risks are identified and managed across the investment lifecycle, while supporting clients to strengthen their ESG practices.

The procedure is embedded within the Bank's credit governance processes and applied across the lending portfolio to support consistent, risk-informed decisions. It is iterative and refined over time in response to emerging risks, regulatory developments and stakeholder input through established credit policy processes. Where the Bank's role in certain transactions limits direct influence, ESG requirements are applied to the extent practicable to safeguard stakeholder interests and support responsible investment.

All clients are required to comply with the DBSA's Environmental and Social Safeguards, as well as applicable environmental, social and human rights legislation in their jurisdictions. These Safeguards are aligned with the International Finance Corporation's Environmental and Social Performance Standards and the World Bank Group Environmental, Health and Safety Guidelines. ESG specialists work with clients to manage risks and improve environmental and social performance.

The DBSA applies an integrated assessment approach across environmental, social, gender, economic, financial and sector dimensions for each investment, embedding sustainability considerations from origination through to monitoring and reporting.

The DBSA's Environmental and Social Safeguard Standards (ESSS) are applied across the investment value chain

1 PREPARE PROJECT FOR BANKABILITY

- Identify key environmental and social issues for project design
- Incorporate ESSS issues in a bankable feasibility study
- Include indicators

2 DEAL SCREENING

- Identify high level environmental, social and gender risks and impacts in line with DBSA ESSS
- Categorise project risk (Categories, 1-3, Financial and Intermediary)
- Categorise projects on the Gender Markers system
- Identify projects for Green House Gas emissions

3 STRUCTURE DEAL AND APPRAISAL - Assess Project Feasibility and Sustainability

- Identify environmental, social and gender project risk. Propose mitigants and determine project risk impact after mitigants
- Social and gender appraisal to identify project affected communities, assess level of community organisation and representation, identify project impact on affected communities and beneficiaries, and assess community readiness to receive the project
- Identify indicators for Development Results Template (DRT)

4 CREDIT APPROVAL

- Link environmental, gender and social appraisal to credit approval processes

5 CONTRACT NEGOTIATION SETTLEMENT

- Determine risk mitigants that may be necessary
- Client informed of environmental, gender and social compliance expectations

6 MONITORING

- Monitor indicators as per DRT
- Support annual monitoring and client compliance to ESSS obligations

7 DEVELOPMENT IMPACT

- Report on environmental and social outcomes as per the Development Results Report Framework (DRRF)

The approach reflected in the figure above enables:

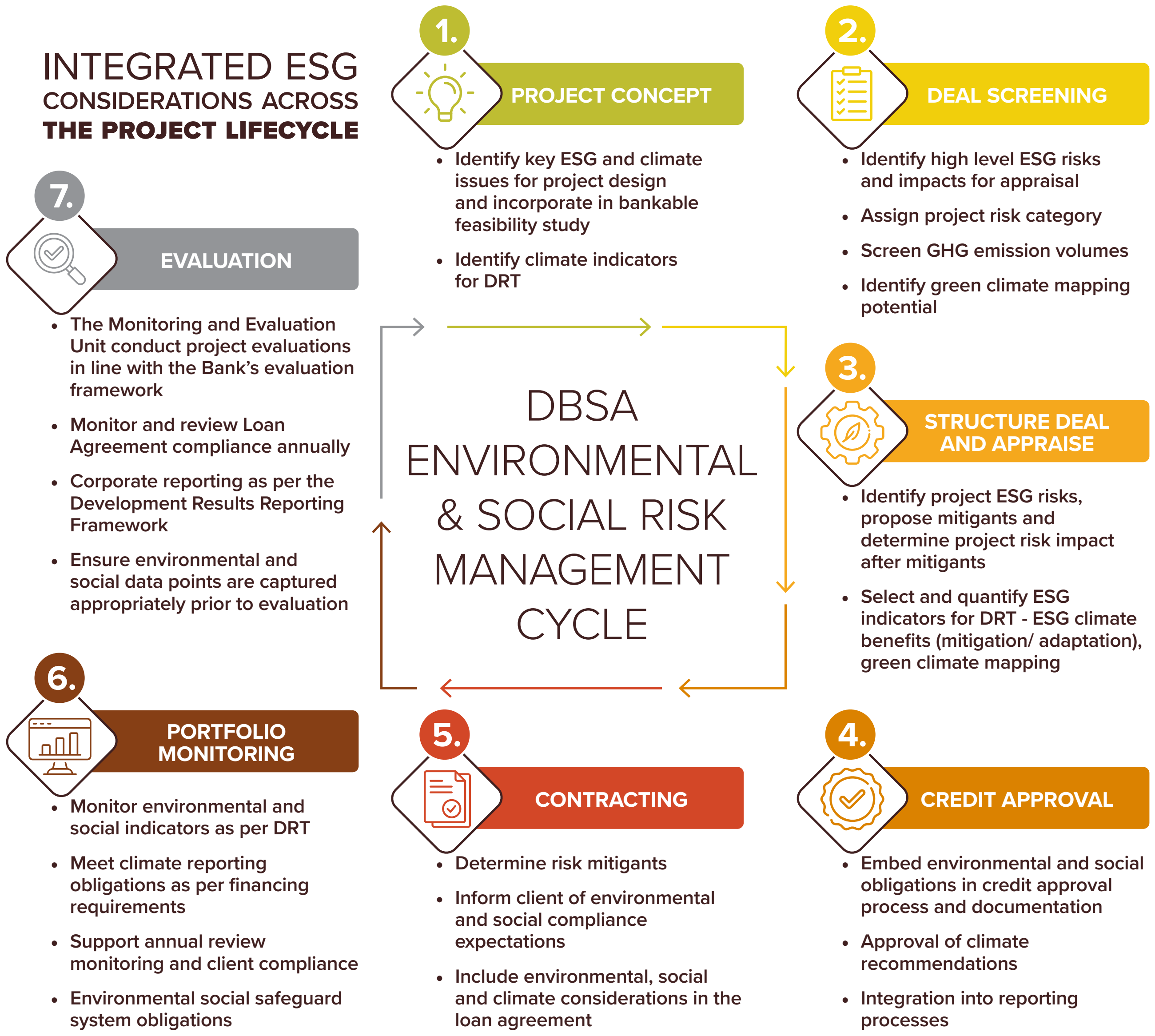
- early identification of ESG risks and trade-offs at project design stage
- alignment of ESG considerations with credit approval and structuring
- ongoing monitoring of compliance and performance against defined indicators
- reporting on environmental and social outcomes as part of development impact measurement

The Bank continues to strengthen its climate-related risk management, and is incorporating a Just Transition approach into the broader internal climate risk and opportunities framework currently under development.

Embedding ESG in the Investment Lifecycle

The DBSA's investment framework integrates environmental, social and governance considerations across all transactions. ESG screening, appraisal and monitoring are embedded at each stage of the investment lifecycle, enabling early risk identification, informed credit decisions and ongoing performance tracking. This approach translates ESG policies and safeguards into practice by linking project preparation, structuring and monitoring to measurable environmental and social outcomes.

Over the past few years, the Bank has significantly improved efforts to establish our high-risk investments in the loan book. Understanding these ESG-risky investments also provides for improved credit and reputational risk management. The figure below shows how the DBSA embeds ESG in the investment lifecycle.



The following references our ESG Lending Procedure:

DBSA ENVIRONMENTAL AND SOCIAL SAFEGUARDS

From a compliance perspective, no material ESG-related incidents were recorded during the reporting period. This includes no instances of legal non-compliance (whether under investigation, pending finalisation or concluded), regulatory directives, compliance notices, warnings, investigations or public controversies.

No fines, settlements, penalties or other monetary losses were incurred in relation to ESG incidents or breaches during the reporting period. The Bank did, however, receive and investigated two project-related grievances, concerning allegations of social, community, and human rights violations.

At the investment level, our Human Rights processes are underpinned by the DBSA's Environmental and Social Safeguards, which are largely based on the IFC Performance Standards and the Equator Principles (which are voluntary for the Bank). These standards incorporate Human Rights principles and requirements. Human Rights due diligence processes are deemed necessary and are commissioned, particularly where human rights violations are prevalent.

The project company is thereafter required to take all necessary steps in line with the recommendations made during the process. Furthermore, the Bank provides reporting mechanisms, such as a whistleblowing line and grievance redress mechanisms, for internal and external stakeholders to report any actual or suspected bribery and corruption, human rights violations, and/or discrimination.

Our Transition Risk Approach

The DBSA's transition risk approach is anchored in its Just Transition framework, which seeks to maximise the social and economic opportunities of climate action while managing associated risks.

In the South African context, this approach aligns with the Climate Change Act (No. 22 of 2024), which defines a Just Transition as a shift towards a low-carbon, climate-resilient, and inclusive economy that supports decent work, social inclusion, and poverty reduction. The Act further emphasises distributive, redistributive and procedural justice, underpinned by principles of environmental justice and resilience.

Within this framework, transition risk is assessed as part of the Bank's investment decision-making process, ensuring that climate considerations are balanced with socio-economic outcomes.

As part of the Bank's Just Transition journey, over the reporting period, the DBSA launched a new report in conjunction with the World Economic Forum, highlighting the urgent need to unlock investment in Southern Africa's critical minerals to meet surging global demand for clean energy and low-carbon technologies. It identified key financing gaps facing the region and showcased applications that can inform efforts to accelerate investment, drive inclusive local growth and position Southern Africa as a cornerstone of the global energy transition.

As part of the Securing Minerals for the Energy Transition initiative (SMET), the report focuses on 10 countries: Angola, Botswana, the Democratic Republic of the Congo (DRC), Madagascar, Mozambique, Namibia, South Africa, Tanzania, Zambia and Zimbabwe. Collectively, Sub-Saharan Africa holds nearly 30% of known global reserves of the critical minerals key to low-carbon technologies – including copper, cobalt, lithium, graphite, manganese, chromium, vanadium and platinum-group metals. Despite this potential, Africa currently attracts less than 10% of global exploration spending, revealing a stark gap between potential and capital flows.

Drawing on consultations with local and international experts led by SMET, the report identified eight core financing barriers affecting the region: policy uncertainty, investment risks, energy access, transport barriers, innovation lag, the pace of industrialisation, skills gaps and demand volatility. It set out the scale of the financing gap and practical, proven ways to close it.

Just Transition Criteria in Investment Assessment

When reviewing new investments, the DBSA considers the following:

- Contribution to the reduction of greenhouse gas emissions.
- Integration of climate adaptation into project design and implementation.
- Consideration of the decommissioning of obsolete infrastructure and environmental restoration.
- Provision of support for affected workers and communities, including job opportunities, reskilling and transition support.
- Inclusion of initiatives that build human capital in low-carbon sectors.
- Consideration of biodiversity and natural capital impacts.
- Alignment with human rights policies.
- Availability of independently verified transition plans, including social impact considerations.

The DBSA differentiates its investment approach based on carbon intensity and transition profile, balancing support for low-carbon activities with the managed transition of emission-intensive sectors. This approach is outlined in the figure below.

GREEN AND LOW-CARBON ACTIVITIES

Providing capital to projects, companies or sectors that support the low-carbon transition and are aligned with the Paris Agreement

- Engage with clients and investees to promote respect for **labour and human rights** as well as **social safeguards** in their operations
- Strive to generate opportunities for the creation of **decent green jobs**
- Assess and **mitigate potential negative impacts** on affected people and communities
- Aim for **gender and generational balance; skills and technology transfer**; local workforce integration

EMISSION-INTENSIVE AND HARD-TO-ABATE ACTIVITIES

Providing capital to companies in high-emitting and hard-to-abate sectors undergoing key transformations and phasing down emission-intensive economic activities

- Engage with clients to minimise unintended social impacts by promoting **early identification of adverse effects** (e.g. job losses, deteriorating quality of jobs, disruption of supply chains) and planning measures to address them (retraining, redeployment, retirement
- Engage with investees and clients on development of **transition plans** that cover operational changes necessary to reduce emissions, workforce skills development on transformed practices and careful consideration of impacts on local communities and suppliers
- Provide funds for location-specific **Just Transition priorities** including products targeting vulnerable population segments and SMME development in the affected regions
- Collaborate with peers and local authorities around financing **Paris-aligned economic diversification and transformation projects**

Mainstreaming Natural Capital Risk and Opportunities Across Our Investments

The DBSA recognises that nature loss presents material risks to investments, while nature-positive solutions create opportunities for resilient, sustainable development. Biodiversity loss and water stress directly affect infrastructure performance and long-term project viability. The Bank integrates natural capital considerations into its investment processes, managing biodiversity risks in line with its Environmental and Social Safeguards and aligning with global frameworks, including the SDGs and the Global Biodiversity Framework.

Over the review period, the Bank continued its focus on the Bioeconomy, specifically from a Digital Sequencing Information (DSI) perspective. DSI is emerging as a critical link between biodiversity, scientific research, and high-value bioeconomy sectors such as biotechnology, agriculture, and pharmaceuticals. In effect, this refers to biodiversity intersecting with digital representation, shifting value creation toward data, research, and intellectual capital. This shift has direct implications for nature finance. Under the Convention on Biological Diversity, countries have agreed to establish a multilateral DSI benefit-sharing mechanism, the Cali Fund, which aims to channel financial contributions from companies using DSI toward biodiversity conservation and stewardship ("beneficiation").

Global investment in biodiversity-linked and bioeconomy sectors is expanding, creating increasing demand for credible, investable nature-positive value chains. Realising these opportunities, however, will depend on more than scientific capacity alone. It requires financial readiness, the governance frameworks, institutional arrangements, financing mechanisms, and partnerships needed to translate DSI-enabled innovation into credible, scalable nature-finance outcomes. Focus on DSI was directly linked to DBSA engagements held at COP30, in which the DBSA committed to supporting the Global Bio-economy Framework, which directly aligns with its commitments surrounding the Just Transition. We are strategically tracking this workstream into the Biodiversity COP, to be held in October 2026.

Natural Capital Initiatives in FY2025/26

PRIORITY 1: ADVANCE OVERARCHING BIODIVERSITY CAPABILITIES	
Aim	**Achievements**
Integrate nature-based risk tools within the Bank's screening and decision-making tools	• Ongoing integration as opportunities arise to mainstream nature into the Bank's Environmental and Social Due Diligence.
Conduct biodiversity, water risk and opportunity assessment across the Bank's loan book using methods aligned with the Task Force for Natural Finance Disclosures (TNFD) guidelines	• Establishing this baseline remains a work in progress. • Next steps include integration of findings into the development of a sustainability database.
Capacity building and training: In-house and external training on ESG	• In-house ESG training course for analysts, by analysts to improve mainstreaming biodiversity, was developed by the DBSA Sustainability team in August 2024. In 2025, the Bank invested R358,854 in ESG-related training. • The International Development Finance Club (IDFC) Making Finance Work for Biodiversity Working Group, which included the Board Committee Chairs, developed a biodiversity training programme for 2025. The programme is aimed at various levels of accountability within DFIs.
Capacity building for partners and clients	• Technical assistance, research support and policy dialogues were provided. This was facilitated through strategic partners such as the IAIA, IDFC, and TNFD.

PRIORITY 2: GOVERNANCE STRUCTURE	
Aim	**Achievements**
Board oversight of nature through Infrastructure Delivery and Knowledge Management Committee (IDKC)/Sustainability and Ethics Committee (SEC)	• Reporting on Natural Capital to the Board through SEC/IDKC on-going since 2020.
Board committee responsibility and escalation procedure	• Social Ethics Environmental Climate Risk Committee (SEECR) established and fully operationalised. • Reporting on Natural Capital to the Board through SEECR/ Investment Committee (IC)/Board Credit and Investment Committee (BCIC).
Management and Board roles and responsibilities clarified	• Ongoing through SEC and ARC.
Risk appetite	DBSA is actively pursuing investments in Natural Capital across its loan and green finance facilities and is engaged in a range of nature-positive initiatives, including financing green and greening finance (mainstreaming). • Establishing the Biodiversity Investment Facility through which all nature-related projects will be funded. • DBSA supported the issuance of Africa's first nature-linked outcomes-based bond in partnership with Rand Merchant Bank (RMB). • Completed a project application with the Global Environment Facility (GEF) for climate adaptation in Malawi that focused on wetland conservation and piloting nature-positive infrastructure. • Completed an application for GEF for a nature conservation project in Côte d'Ivoire. • Working with the private sector to mobilise substantial resources for nature-related impact bonds. • DBSA led an Emissions Reductions Traditional Fire Management (ER TFM) project spanning three countries: Angola, Mozambique, and Zambia, aimed at implementing ER TFM to reduce greenhouse gas emissions while delivering multiple adaptation benefits for vulnerable communities and ecosystem services.

PRIORITY 3: BIODIVERSITY POLICY/ STRATEGY/ ACTION PLANS	
Aim	**Achievements**
Alignment of DBSA road map/ strategy with the Global Biodiversity Framework and other global and national goals and guidelines and standards, such as the South African national biodiversity action plan (SANBAP), TNFD, International Financial Reporting Standards and South African Reserve Bank	• The DBSA pledge to support conservation and restoration efforts through the African Natural Capital Alliance (ANCA). • The DBSA focused on efforts through ANCA on Digital Sequencing Information (DSI) within the African context. This was directly in line with the commitments made by the DBSA at the COP held in Belem in November 2025, which sought to strongly promote the African regional Bio-economy agenda.
Visioning a nature-positive economy and supporting global and local policy	• DBSA participated in various dialogue sessions, such as the International Association for Impact Assessment South Africa (IAIA SA) COP30. The DBSA also held a Thematic Investor Roundtable on Nature Finance jointly hosted by the International Sustainability Standards Board (ISSB) and the Companies and Intellectual Properties Commission (CIPC) (see Priority 4).
Embedding nature in the strategy process	• Work is underway internally to ensure that nature-related risks are incorporated into the Bank's appropriate climate models.
Participate in policy advocacy on nature	• DBSA has been involved in advocacy work since its involvement on the Ecological Infrastructure for Water Security Project (EI4WS) Programme in South Africa, and continues to collaborate with its strategic partners, such as SANBI.
Highlighting links between social, biodiversity and climate finance	• DBSA has initiated several climate workstreams in economic modelling and climate change strategy and is exploring integrating biodiversity into economic models. • Water Reuse Programme has successfully developed climate and water fact sheets for approximately 46 municipalities in water-stressed areas of South Africa, which analysts can use for appraisals. • The Cape water bond project focuses on landscape restoration and water outcomes-based bond initiatives, where restoring ecosystems, such as clearing invasive alien plants, improving water security and carbon sequestration, while simultaneously creating jobs and livelihoods for local communities, thereby structuring the intervention as a bankable, outcomes-based investment that attracts private capital.
Allocating a substantive part of climate finance to projects with positive impacts on nature/ biodiversity	• The Green Climate Fund (GCF) Water Reuse Programme has developed opportunities for nature-based solutions.

PRIORITY 4: THOUGHT LEADERSHIP SUPPORTING THE DEVELOPMENT OF BIODIVERSITY/NATURE STRATEGIES AT CLIENT/ SECTOR LEVEL	
Publication of policy paper on DBSA Nature Journey data (April 2024)	• Thematic Investor Roundtable on Nature Finance held at DBSA attended by about 80 representatives from Industry, Government, CIPC, ISSB, Adoption Readiness Working Group and NBI. • Presentations made to various private and public sector forums, such as the commercial banking sector within South Africa.
Active engagement in global events such as COP30	• Participated and made several presentations at COP30. • Participated in the Regional Business and Biodiversity Forum hosted by the United Nations Convention on Biological Diversity, SANBI and the Department of Forestry Fisheries and the Environment (DFFE).
Leveraging private sector finance	• Ongoing through DBSA loans and grants, facilitated the submission of four projects to ANCA for accelerated support for bio credits.

PRIORITY 5: ADDRESSING THE DIRECT DRIVERS OF BIODIVERSITY LOSS BY MANAGING NATURE-RELATED RISKS, IMPACTS AND DEPENDENCIES USING A RANGE OF APPROACHES	
Manage risks	• Nature risks are managed through a range of units in DBSA. • Ongoing, as part of the DBSA safeguard process.

PRIORITY 6: METRICS AND TARGETS: MEASURING, TRACKING, REPORTING AND DISCLOSING NATURE-RELATED RISKS, IMPACTS, DEPENDENCIES AND OPPORTUNITIES, THROUGH RELEVANT AND (WHEREVER POSSIBLE) COMMON METHODOLOGIES OR FRAMEWORKS, SUCH AS TNFD/IFSD AND THE NEW GRI STANDARD (GRI 101: BIODIVERSITY 2024)	
Set internal/external targets	• Target setting is still in progress.

PRIORITY 7: PARTNERSHIPS	
Aim	**Achievements**
Member of African Natural Capital Alliance (ANCA)	• Signed a Biodiversity pledge in September 2023 and continued to work with the ANCA up to 31 March 2026 on strategic interventions related to the African Bioeconomy.
Biodiversity and business network	• DBSA partnered with the Endangered Wildlife Trust (EWT) on business and biodiversity initiatives. • DBSA actively engaged in dialogues and forums with Endangered Wildlife Trust (EWT), such as the Nature Action Accelerator. • Member of the Biodiversity Credit Alliance.
Nature dependencies and impact tools	• WWF – Water Risk and Biodiversity Risk Filter. • ENCORE- Agence Française de Développement (AFD) SANBI study of the economic sector in South Africa
SANBI	• Continued to work with SANBI on various strategic opportunities over the review period.
International Development Finance Club (IDFC)	• In 2025/26, priority was given to optimising the free training opportunities under the IDFC programme, as and where appropriate to DBSA needs and resources available.
Agency programmes, GEF, GCF and credit lines	• Ongoing submissions and management of existing portfolio and new projects.
Mainstreaming Climate in Financial Institutions	• Ongoing member of the working group and planned several biodiversity projects.

PRIORITY 8: KNOWLEDGE SHARING	
Leveraging partnerships with IDFC, SANBI, EWT, ANCA/FSD	• Capacity building and training with IDFC, including ongoing participation in webinars. • TNFD: DBSA has contributed significantly to supporting TNFD in piloting its approach to the Low Emissions Analysis Platform (LEAP) and presenting key events such as the Thematic Nature Finance Roundtable event held at the end of 2025, leading up to COP30 discussions. • ANCA provides an ongoing platform to share biodiversity knowledge across African financial institutions. • SANBI: Catchment Management Indaba. • The DBSA provided inputs to the TNFD Nature Transition Plan work.

SUSTAINABLE FINANCE

3

OUR APPROACH TO SUSTAINABLE FINANCING

The DBSA defines sustainable finance as the mobilisation of capital towards projects and assets that deliver measurable environmental and social outcomes and are aligned with its development mandate.

DBSA SUSTAINABLE FINANCE FRAMEWORK

TRANSACTING

- Eskom transmission
- Renewable energy assets
- Critical minerals enablement
- Green hydrogen
- Municipal support on JET

+

PROJECT PREPARATION FINANCE AND MARKET ENABLEMENT

- Mitigation and nature-based solutions; GEF and GCF
- Programmes include Eskom Transmission, Approach to Distribution Asset Management (ADAM), Eskom mini grids, Water Re-use carbon markets and "Green" Project Preparation facilities

+

TREASURY

- Lines of credit dedicated to Green and Just Transition, and social development, including the Sustainable Finance Framework.

D-Labs play an enabling role across the Sustainable/ Just Transition financing value chain

DBSA Sustainable Finance Issuance Framework

During the year under review, the DBSA updated its Sustainable Finance Issuance Framework, which governs the issuance of use-of-proceeds instruments, including green, social and sustainability bonds and loans.

The Framework sets out how proceeds are allocated to eligible projects aligned with the Bank's sustainable development priorities and the SDGs. It integrates both environmental and social criteria, with defined eligibility categories and associated impact indicators to support transparent reporting. The Framework is aligned with recognised international market standards, including:

- International Capital Market Association (ICMA) Green Bond Principles (2025)
- ICMA Social Bond Principles (2025)
- ICMA Sustainability Bond Guidelines (2021)
- Asia Pacific Loan Market Association (APLMA), Loan Market Association (LMA) and Loan Syndications and Training Association (LSTA), Green Loan Principles (2025)
- APLMA, LMA and LSTA Social Loan Principles (2025)

An independent Second Party Opinion was obtained from IBIS ESG Consulting Africa (SLR), confirming alignment with these principles in accordance with ISAE 3000 (revised).

The update included a review of:

- The DBSA's existing Sustainability and ESG strategies and their rationale for issuing the instrument
- The framework against the requirements of the four pillars of the relevant ICMA and LMA principles, which included an assessment of the:
  - use of proceeds
  - project evaluation and selection
  - management of proceeds
  - reporting
- The eligibility criteria and evaluation of the environmental or social impact of the eligible projects, including the DBSA Safeguards, Impact Categorisation and approach to Integrated Environmental and Social Sustainability.

SUSTAINABLE FINANCE SOLUTIONS

The DBSA structures and deploys sustainable finance solutions to support low-carbon, climate-resilient and inclusive infrastructure development. These solutions combine project preparation, blended finance and targeted investment programmes to mobilise capital, address market constraints and accelerate the transition to a sustainable economy.

Mitigation Initiatives

The Bank supports a portfolio of initiatives that avoid emissions and promote resource-efficient development across key sectors. These initiatives prioritise avoidance, rather than reduction, with emissions reduction addressed through adaptation and transition.

Initiatives Supported

- **Coega "Grow a Car" Project –** development of natural fibre and plant-based leather for automotive manufacturing, supporting circular economy principles and reducing chemical-intensive processes in a key industrial sector.
- **Zero Carbon Charge –** rollout of green energy-powered electric vehicle charging infrastructure, enabling long-distance e-mobility and supporting decarbonisation of the transport sector.
- **Embedded Generation Investment Programme (EGIP) –** a financing mechanism for renewable energy projects under non-sovereign Power Purchase Agreements (PPAs), mobilising private sector investment into clean energy for commercial and industrial users. To date, the DBSA has an EGIP portfolio of 11 renewable energy projects, with a total capacity of 1.7GW and an investment of R10.9 billion (thus surpassing the initial target).
- **Climate Finance Facility –** blended finance platform to catalyse private investment in climate mitigation and adaptation infrastructure across the Common Monetary Area, including Eswatini, Lesotho and Namibia.
- **Linbro Gardens Project –** development of a net-zero mixed-income precinct, advancing green buildings and sustainable urban infrastructure.
- **Private Sector Energy Efficiency Programme, non-grant instruments (PSEEP NGI) –** guarantee instrument to de-risk small-scale energy efficiency investments, supporting Small, Medium and Micro Enterprises (SMMEs) and enabling decarbonisation in sectors such as mining and agriculture.
- **Small Independent Power Producers (IPP) Equity Fund –** addressing financing constraints in small-scale renewable energy projects, contributing to increased energy supply and emissions reduction.
- **Electric Mobility Project –** demonstration of electric bus systems in major metros, supporting policy reform and accelerating the shift to low-carbon public transport.
- **Green Hydrogen Blended Finance Fund –** supporting development of the green hydrogen value chain in South Africa and Namibia, including project preparation and infrastructure financing for hard-to-abate sectors.

These initiatives collectively demonstrate how the DBSA deploys capital to accelerate decarbonisation, strengthen resilience and unlock new economic opportunities.

Adaptation Initiatives

The Bank also supports a portfolio of initiatives that reduce emissions and enable the energy transition.

Initiatives Supported

- **Eskom Mini Grids Project –** deployment of containerised mini-grids to expand rural electrification, including repurposing decommissioned coal infrastructure and supporting Just Energy Transition outcomes.
- **Energy Efficiency Market Transformation (LEDs and Transformers) –** accelerating adoption of high-efficiency technologies across demand and supply-side electricity systems, improving energy stability and reducing emissions.
- **Valuing Resilience Project –** supports farmers and SMMEs in Ethiopia, Tanzania and Kenya by enabling access to climate adaptation finance. The project develops outcomes-based financing mechanisms to monetise resilience benefits, de-risk rural enterprises and improve access to financial services, with potential for replication in South Africa.

Natural Capital-Related Funding

The DBSA supports nature-based and resilience-focused investments that protect ecosystems, strengthen climate adaptation and unlock nature-positive financing opportunities. These initiatives combine community-based approaches, innovative financing mechanisms and ecosystem restoration to enhance resilience and support sustainable livelihoods.

Initiatives Supported

- **Emissions Reductions through Traditional Fire Management (ER-TFM) –** a community-led wildfire management initiative in Mozambique, Angola and Zambia that shifts fire patterns to reduce emissions. The project applies science-based and indigenous fire management practices, delivering biodiversity protection, reduced forest degradation and improved food security. Verified emissions reductions create potential for carbon market participation.
- **Unlocking Biodiversity Benefits through Development Finance in Critical Catchments –** leverages development finance to support nature-positive investments in priority ecosystems. The project strengthens policy, planning, and financing frameworks to integrate the value of biodiversity into land-use and investment decisions, including the development of Natural Capital Accounts and the protection of water-related ecosystem services across approximately 200,000 hectares.
- **Greater N'Zi Voluntary Nature Reserve (Côte d'Ivoire) –** a large-scale conservation initiative covering over 35,000 hectares of woodland, savannah and forest ecosystems. The project focuses on restoring degraded land, strengthening biodiversity management and supporting community-led conservation through sustainable financing and capacity building. It aims to restore over 10,000 hectares, improve management across 24,000 hectares and support sustainable livelihoods for local communities.

These initiatives demonstrate the Bank's role in mobilising finance towards nature-positive outcomes while strengthening resilience across ecosystems and communities.

Municipal Mitigation and Adaptation Initiatives

The DBSA supports municipalities in implementing climate mitigation and adaptation interventions that strengthen service delivery, improve resource efficiency, and enhance resilience. These initiatives focus on energy, water, waste and integrated urban planning, enabling municipalities to respond to climate risks while advancing sustainable infrastructure development.

Initiatives Supported

- **Municipal Solid Waste Programme –** implementation of organic waste treatment solutions across six pilot municipalities, with plans to scale to 24 more. The programme reduces methane emissions from landfill sites, with an estimated avoidance of 6.3 million tonnes of CO_2 equivalent emissions.
- **Water Reuse Programme –** supports the development of water reuse infrastructure to improve water security and adaptive capacity in a water-scarce context. The programme promotes efficient, sustainable and financially viable reuse of wastewater to address projected supply constraints.
- **Sustainable Cities Integrated Programme (IP) –** advances climate-responsive urban planning in secondary municipalities by integrating climate and biodiversity considerations into master plans, including support for renewable energy projects such as a 200MW solar initiative in Johannesburg.
- **City of Johannesburg Resilient and Resource-efficient City Project –** supports improved access to urban services through integrated planning, area-based interventions and systems analysis, contributing to enhanced resilience and resource efficiency at city level.
- **UK Partnering for Accelerated Climate Transitions (PACT) –** Alternative Finance for Municipal Embedded Generation supports municipalities to prepare feasibility studies for renewable energy projects, enabling access to the Embedded Generation Investment Programme and unlocking climate finance for local energy transition initiatives.

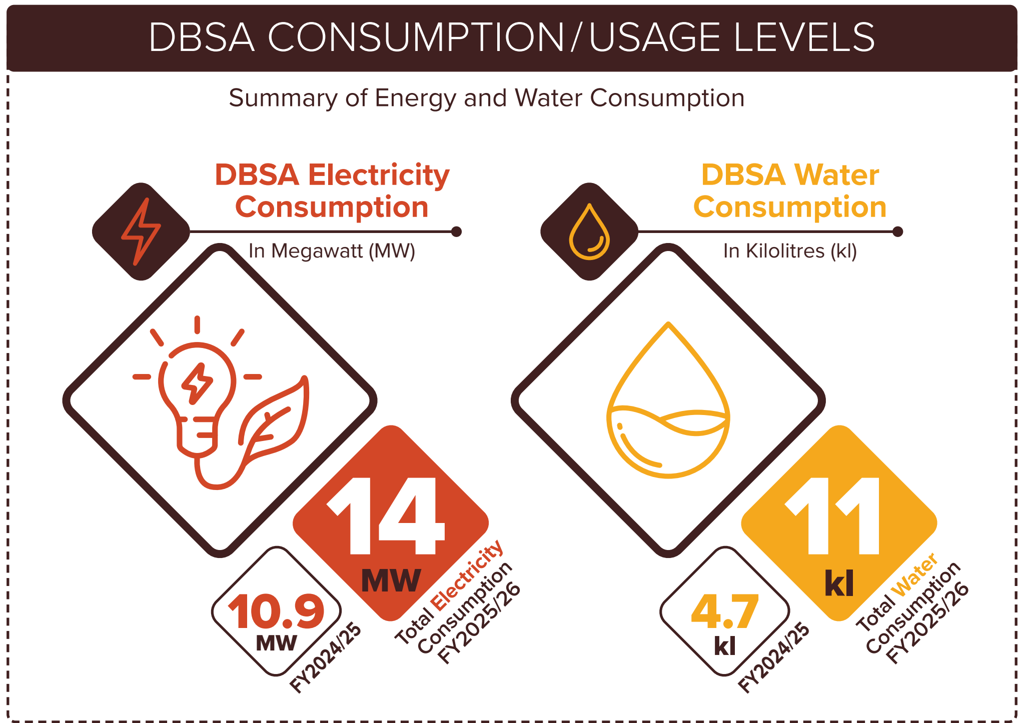
- **International Climate Initiative (IKI) –** supports climate adaptation and mitigation measures in municipalities through international collaboration, including strengthening natural carbon sinks and aligning municipal climate finance approaches with global commitments.

Supporting Environmentally Oriented Infrastructure Programmes

The DBSA supports internal initiatives to reduce carbon emissions, water use, and waste generation, maintaining a sustainable and environmentally responsible campus for its operations.

These efforts reflect the Bank's commitment to embedding sustainability within its own business practices and reducing its environmental footprint. Beyond internal operations, the Bank advances climate action by supporting climate-friendly projects through the development of products that promote environmental responsibility and by co-investing with other financial institutions in sustainable infrastructure initiatives. This approach strengthens the transition to a low-carbon economy while contributing to long-term environmental resilience and sustainable development.

The figure below provides the consumption levels for DBSA's campus during the 2025/26 financial year. Compared with the 2024/25 financial year, the graph indicates an increase in consumption in 2025/26, attributed to DBSA staff returning to the office for 80% of the month during the financial year.



OUR DEVELOPMENT IMPACT

The DBSA finances infrastructure to support socio-economic development across South Africa, the Southern African Development Community (SADC) region and the broader African continent. Its investment approach is aligned with key national, regional and global development frameworks, ensuring that financing decisions support coordinated and sustained development outcomes.

Key Frameworks Informing the Bank's activities are as follows:

- **United Nations Sustainable Development Goals (SDGs) –** The DBSA directly contributes to SDGs 6, 7, 9, 11, 13 and 17, with indirect contributions to SDGs 1, 3, 4 and 5 through its infrastructure financing and development activities.
- **SADC Vision 2050 and Infrastructure Vision 2027 –** These frameworks guide regional integration and infrastructure development across sectors such as energy, transport, ICT, water and tourism, with a focus on enabling seamless and cost-effective cross-border systems.
- **African Union Agenda 2063 –** The Bank supports Africa's long-term development agenda, including flagship initiatives such as the African Continental Free Trade Area (AfCFTA) and strategic corridors that enable regional trade and economic integration.
- **South Africa's National Development Plan (NDP) 2030 and Medium-Term Development Plan (MTDP) –** The DBSA contributes to national priorities of economic growth, job creation, poverty reduction and inequality mitigation through large-scale infrastructure investment. The MTDP (2024–2029) further guides implementation towards inclusive growth and a capable state.

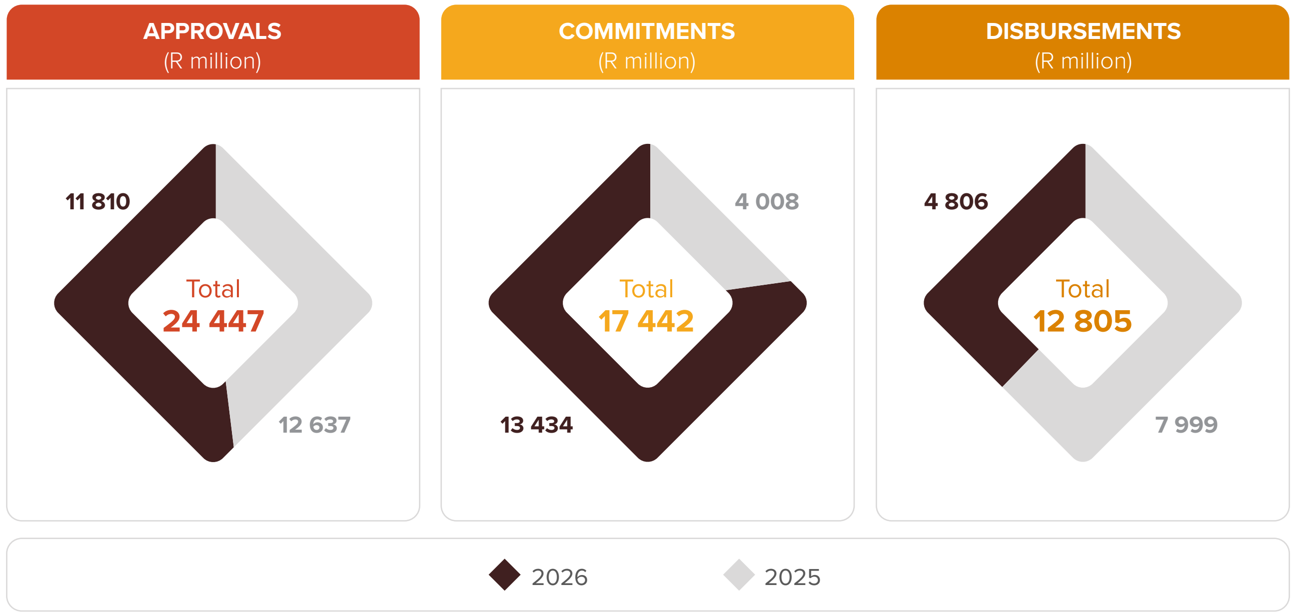
The DBSA evaluates selected funded projects to support, accountability, continuous learning and alignment with these development priorities. We monitor and evaluate the development impact of the projects we finance, implement and support through capacity building, enabling the Bank to assess the longer-term effects of its interventions and maintain accountability to stakeholders. This section presents the development results of projects implemented by DBSA over the years, as well as case studies across different sectors.

Sectoral Highlights

Economic Infrastructure and Growth in South Africa

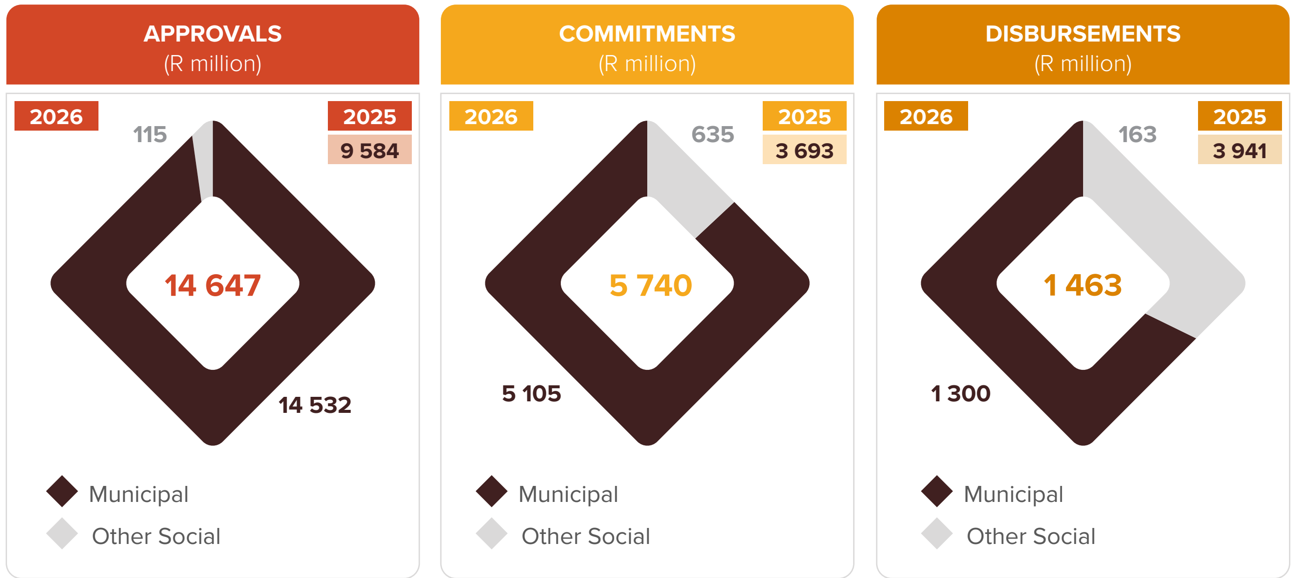
The DBSA accelerates sustainable socio-economic development by funding economic infrastructure across the energy, transport, water and sanitation, and ICT sectors. The Bank also supports key social infrastructure projects in education, healthcare and human settlements.

Economic Sector Approvals, Commitments and Disbursements



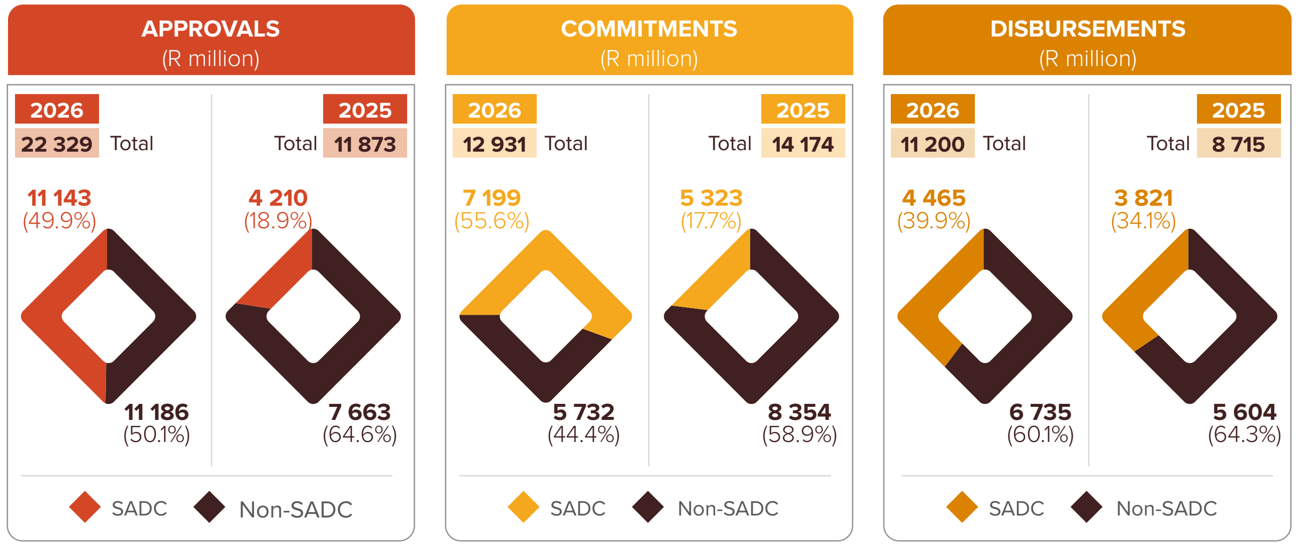
Supporting Social Development and Service Delivery in South Africa

The DBSA supports government priorities by strengthening local governments' ability to deliver basic services to communities. As the only national DFI in South Africa that provides dedicated infrastructure support to municipalities and metros, the Bank plays a critical role in financing and accelerating infrastructure programmes at both metro and municipal levels, enabling improved service delivery and sustainable social development.



Driving Regional Integration Through Strategic Infrastructure Investment

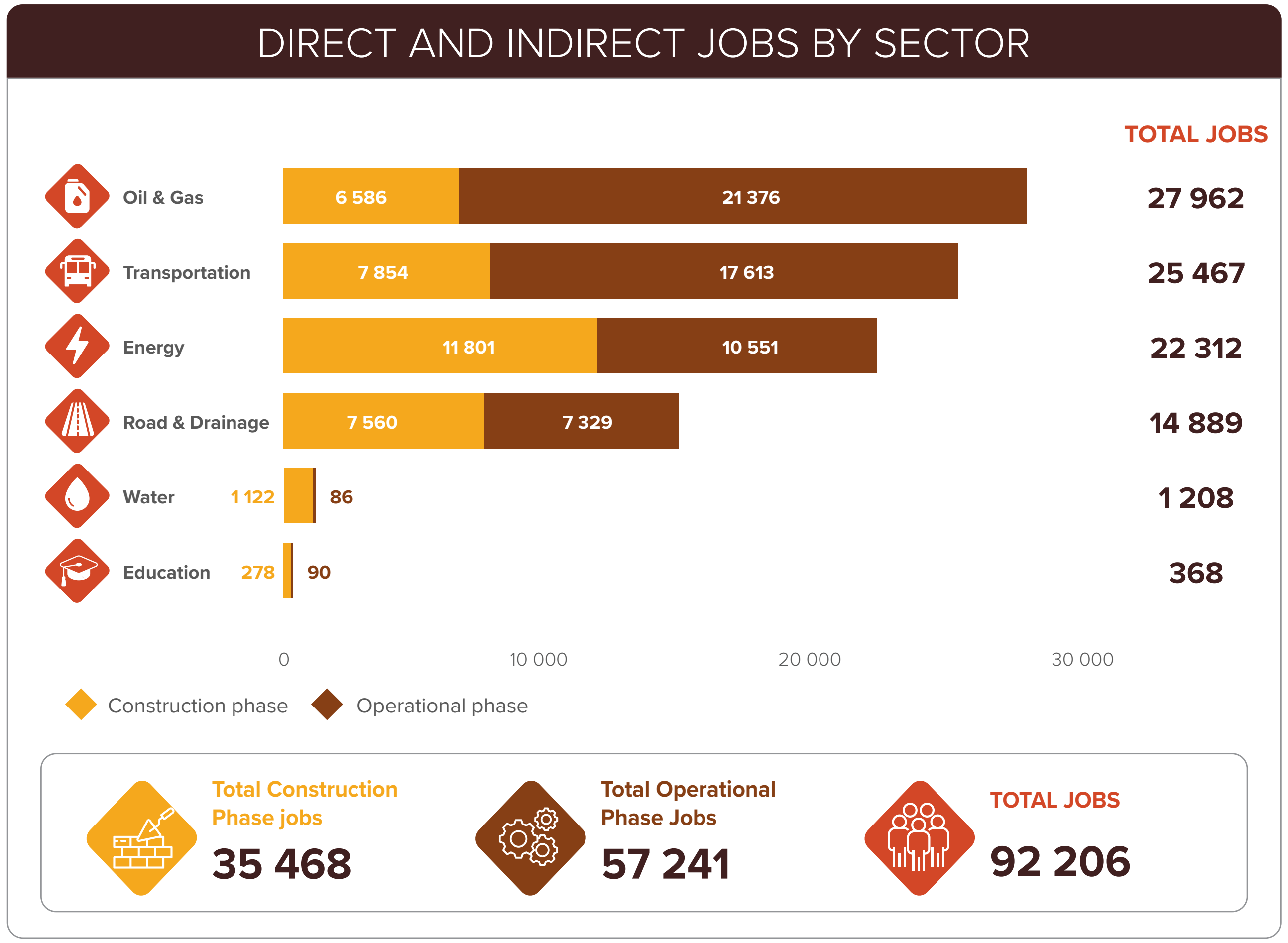
Regional integration is essential to the sustainable growth of both the South African economy and the broader African continent. By investing in strategic infrastructure projects that strengthen cross-border connectivity, facilitate trade, and improve economic cooperation, the DBSA plays a key role in supporting regional development and integration. These investments enhance Africa's global competitiveness by improving access to energy, transport networks, water infrastructure, digital connectivity, and other critical economic enablers. The funded sectors and their associated values are shown below.



Infrastructure Investment Driving Job Creation

Based on commitments across the continent, infrastructure investment demonstrated significant development impact across key sectors. A total of 35,468 direct and indirect jobs were facilitated during the construction phase. In comparison, 57,241 jobs are anticipated to be sustained during the operational phase, bringing the total employment impact to 92,206 jobs.

Oil and Gas recorded the highest overall employment impact, with 27,962 jobs across both construction and operational phases, followed by Transportation (25,467), Energy (22,312), and Road and Drainage (14,889). The stronger employment impact during the operational phase highlights that infrastructure investment not only creates short-term construction jobs, but also supports sustained economic participation, strengthens livelihoods and improves long-term productivity.



OUR AGGREGATED DEVELOPMENT RESULTS

The figure below presents aggregated development results from the case studies featured in this report across the sectors in which the DBSA operates.

	EDUCATION & STUDENT ACCOMMODATION	MUNICIPAL SUPPORT & INFRASTRUCTURE PLANNING	WATER & ECOLOGICAL INFRASTRUCTURE	ENERGY
OUTPUTS	• 4 education facilities and student accommodations projects supported • Schools, laboratories, boarding facilities, sports infrastructure and 1,200+ beds installed • Sustainable infrastructure systems incorporated	• Electricity, roads and stormwater master plans developed • Municipal PMUs and technical support structures established • Infrastructure investment pipelines developed 454.91 metres of security fencing installed at reservoirs and water treatment works • 4 new fenced production boreholes drilled	• Reservoirs, boreholes, wetlands and ecological infrastructure interventions implemented • 454.91 metres of security fencing installed at reservoirs and water treatment works • 4 new fenced production boreholes drilled • 16 wetlands restored • 200,000+ hectares of river ecosystems improved	• Over 3,000 MW renewable energy capacity added • Cryogenic storage tanks (10,000 m3 butane and 30,000 m2 propane) under construction • Gas conditioning plants, pipelines and export infrastructure developed • Renewable energy and gas infrastructure expanded acrossthe region
OUTCOMES	• Improved access to quality education for over 3,000 learners and students • More than 2,300 construction jobs created • SMME participation and youth/women employment enhanced • Improved learner support and operational resilience	• Improved municipal planning, investment readiness and service delivery • Enhanced financial sustainability and infrastructure prioritisation • Potential to unlock over R16 billion in infrastructure investment Improved asset security and water source reliability	• Improved water security and ecosystem resilience • Reliable water supply provided to -196,170 households • Community skills development and youth participation enhanced • Reduced water losses and improved service responsiveness	• More than 10,000 construction jobs created • Improved industrial energy reliability and reduced reliance on diesel • Enhanced local procurement, enterprise development and community participation
IMPACT	Expanded access to quality, safe and sustainable education infrastructure	Strengthened municipal resilience, infrastructure planning and service delivery integration	Improved water security, climate resilience and sustainable resource management	Improved energy security and supported the transition towards lower-carbon energy systems

	TRANSPORT & LOGISTICS	HUMAN SETTLEMENTS	ECONOMIC DEVELOPMENT & TOURISM	SOCIAL INFRASTRUCTURE & COMMUNITY DEVELOPMENT
OUTPUTS	• 1,295 km rail rehabilitated • Logistics terminals and airport operational facilities upgraded • Cross-border logistics infrastructure strengthened	• 333 social housing units and associated community infrastructure developed	• Agricultural productivity and tourism infrastructure programmes implemented • Agroforestry, rehabilitation and tourism facility upgrades delivered • 71 infrastructure projects advanced through a coordinated national programme (51 completed)	• Increased participation in future skills training, with 607 participants reached • 2,209 youth engaged in sports, arts and culture programmes • 480 children completed Early Childhood Development (ECD) programmes
OUTCOMES	• Reduced freight transit times and improved operational efficiency • Strengthened regional trade connectivity • Increased participation of local contractors and SMMEs	• Improved access to affordable, well-located housing • Construction employment and SMME participation supported • Improved proximity to economic opportunities and transport nodes	• Over 33,000 operational jobs created • Increased household income and government revenue generated • SMMEs and local contractors supported	• Improved ECD compliance and safer learning environments • Community wellbeing and volunteer-driven support strengthened
IMPACT	Enhanced regional integration, mobility and trade efficiency	Strengthened spatial integration and inclusive urban development	Strengthened economic resilience, livelihoods and inclusive growth	Improved socio- economic participation, youth empowerment and community resilience

COLLECTIVE IMPACT ACROSS THESE SECTORS

- Jobs created and local economic participation strengthened
- Infrastructure investment unlocked and service delivery improved
- Community resilience and environmental sustainability enhanced
- Inclusive growth and long-term socio-economic development advanced
- Building sustainable infrastructure and inclusive growth through development finance

OUR CONTRIBUTION TO CAPABLE AND STRENGTHENED MUNICIPALITIES

The ongoing challenges facing South Africa's municipal sector present both a significant concern and a unique opportunity for intervention for the DBSA. Municipalities are demonstrably vulnerable to climate risk, and their limited capacity severely impedes effective recovery from climate-related disasters.

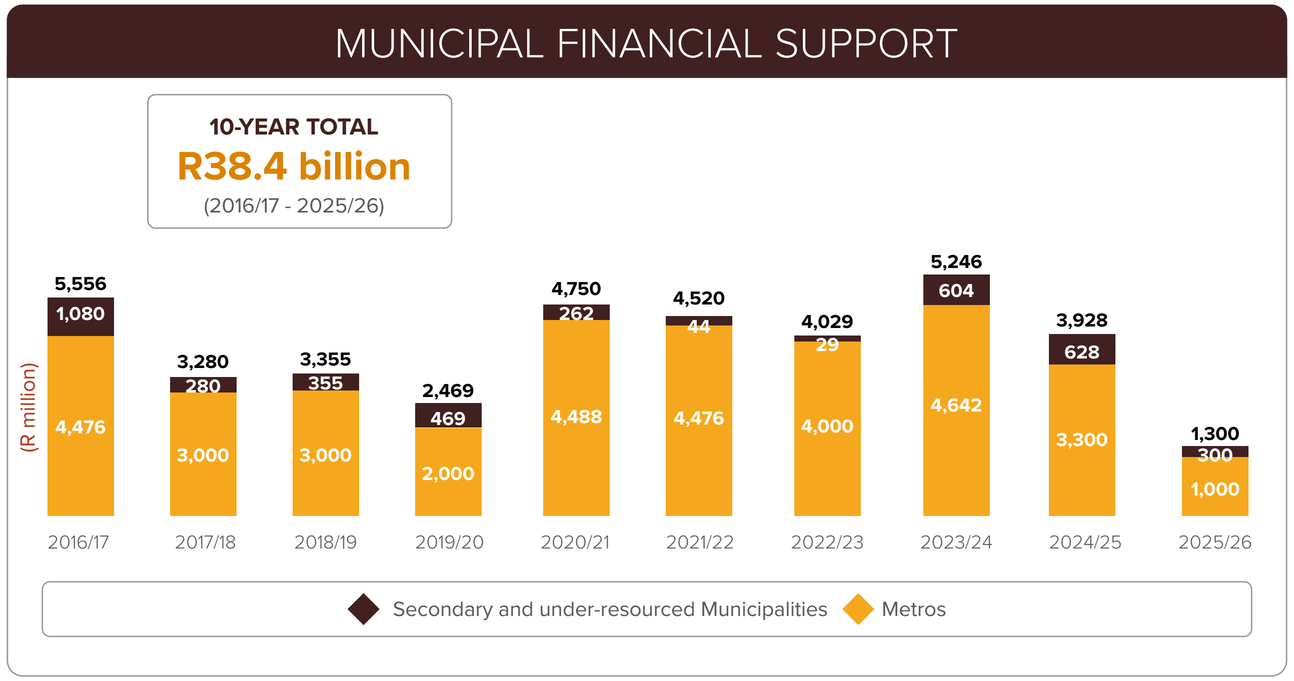
Driving economic development and building capacity for its clients remains central to the Bank's mandate. Strengthening the municipal sector is both a pressing challenge and a critical opportunity. Many South African municipalities face deep-rooted issues, including poor governance, limited capacity and financial constraints, vulnerabilities that are further exacerbated by climate change. As municipalities struggle to recover from climate-related shocks, our role in supporting their resilience and service delivery becomes even more vital.

The DBSA is committed to strengthening public institutions, particularly municipalities, and enhancing service delivery. This commitment involves improving project management capacity and reinforcing the financial health and capability of municipalities and African cities. The focus includes supporting economic growth and spatial development in municipal areas and cities, offering planning and implementation assistance to secondary cities and under-resourced municipalities, providing support to large state-owned companies, expanding the Integrated Municipal Approach for strategy execution alignment, developing a service delivery model aligned with the integrated approach, and determining financial resource requirements and budgets for the Partner-A-District (PAD) Programme.

Disbursing for Impact: A Decade of Transformative Development Impact

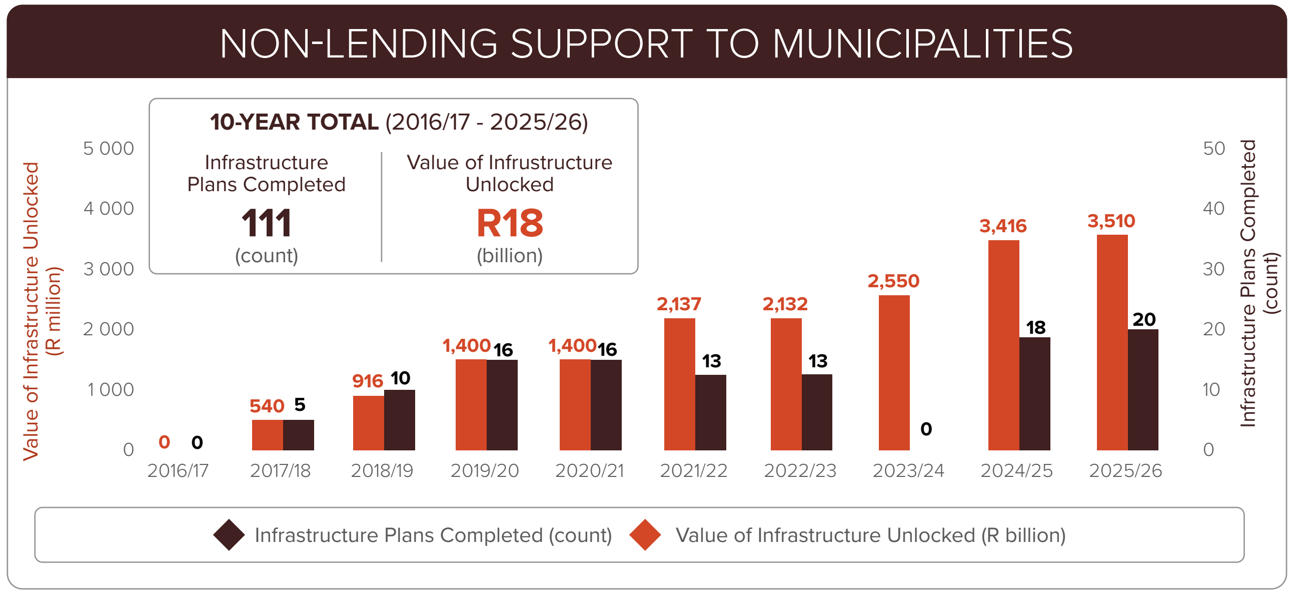
The figure below illustrates the financial support provided to municipalities through loan disbursements over the past 10 years, totalling R38.4 billion. This investment has translated into tangible development results, including key outcomes and lessons learnt.

In the 2025/26 financial year, the Bank disbursed R1.3 billion to municipalities, comprising R1.0 billion to metros and R300 million to M2/M3 municipalities. The funding supported the implementation of projects across the energy, water, sanitation, ICT and asset management sectors.

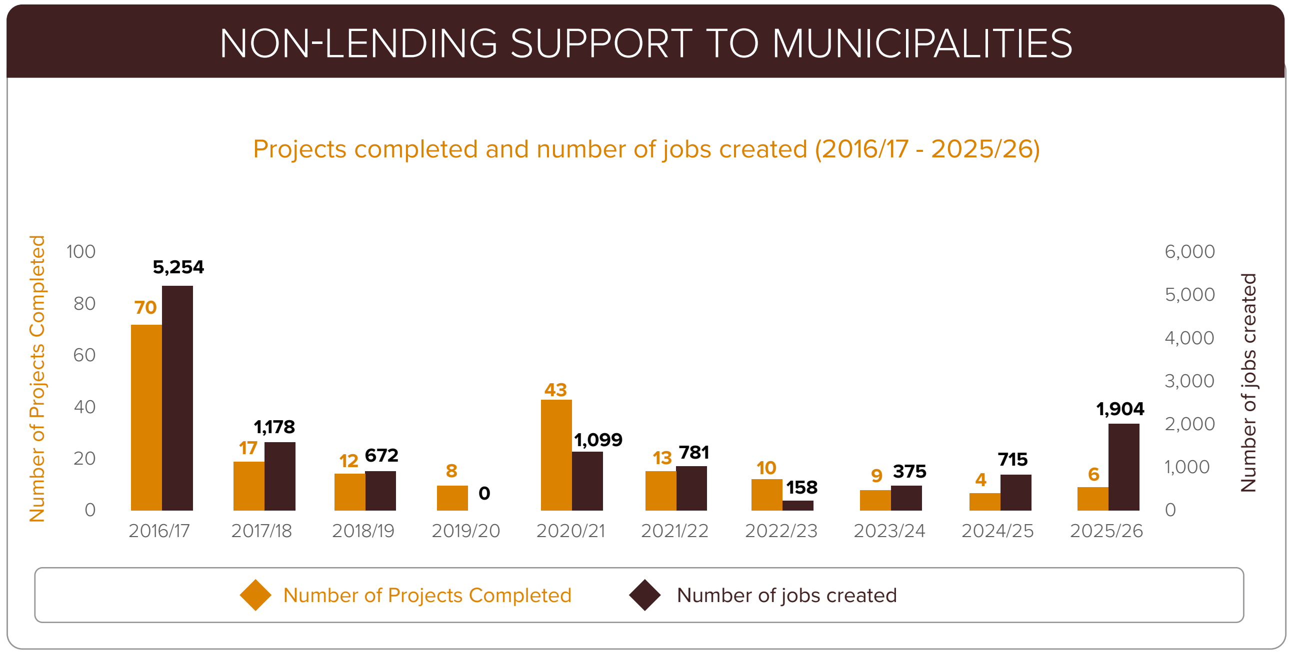


Non-Lending Support: Enabling Development Impact Beyond Financing

Beyond the financial support the Bank provides, support is also extended through planning support, project preparation, institutional capacity building, and targeted interventions such as the PaD Programme. These interventions aim to strengthen municipal capacity, improve infrastructure planning and delivery, and ensure that projects are prepared to a bankable stage for sustainable implementation. The following graph illustrates how the Bank's expertise in supporting municipalities translates into tangible development results, including key outcomes and lessons learnt.



From 2016/17 to 2025/26, the DBSA's infrastructure planning support has resulted in the completion of 111 infrastructure plans across various sectors, unlocking approximately R18 billion in infrastructure investment for municipalities. These unlocked funds, consisting mainly of conditional grants from fiscal allocations, have strengthened municipalities' ability to move projects from planning to implementation, improving service delivery and enabling more sustainable and coordinated infrastructure development. The increasing value of infrastructure unlocked over the period demonstrates the growing impact of the Bank's non-financial support in building municipal capacity and accelerating development outcomes.



From 2016/17 to 2025/26, the Bank has assisted under-resourced municipalities in implementing and completing 122 infrastructure projects, demonstrating sustained support in strengthening municipal capacity and improving service delivery across local government. These projects span critical infrastructure sectors and reflect the Bank's role in supporting municipalities to move projects from planning to execution.

The graph shows that the highest number of projects completed were recorded in 2016/17 (70 projects) and 2020/21 (43 projects), with continued implementation support provided in subsequent years. This support helped unlock approximately R18 billion in infrastructure value over the period, with significant peaks in 2025/26 (R3.5 billion), 2024/25 (R3.4 billion), and 2023/24 (R1.9 billion), illustrating the long-term development impact of the Bank's interventions.

As a result of this implementation support, 7,569 temporary job opportunities have been created since the 2016/17 financial year, contributing to local economic participation and livelihoods in beneficiary communities. In addition, 2,1 million households have benefited from the completed projects, demonstrating the scale of DBSA's contribution to improving access to infrastructure and essential services. This highlights how non-financial support, including planning, project preparation and implementation assistance, translates into tangible and inclusive development outcomes for municipalities.

Municipal Projects Case Studies

Despite Africa's significant infrastructure gap, a shortage of bankable projects continues to constrain investment. The DBSA addresses this by providing risk capital and technical support for sustainable infrastructure planning and project preparation.

The Bank's planning and project preparation team supports governments, municipalities and state-owned entities by strengthening capacity and improving the quality of infrastructure planning. This enables the development of viable project pipelines that support service delivery and economic growth. Activities span the full project preparation lifecycle, including establishing enabling environments, defining projects, conducting pre-feasibility and bankable feasibility studies, and structuring transactions. Through these interventions and strategic partnerships, the DBSA enhances project bankability and unlocks investment opportunities. Project preparation is focused across four key areas: planning, project development, programme development, and climate and environmental finance.

In addition, cross-cutting institutional support plays a critical role in strengthening infrastructure planning and unlocking investment across multiple sectors. The following case studies illustrate how the Bank's municipal support has translated into tangible development results, highlighting key outcomes and lessons learnt.

CASE STUDY: M13 ESSEX TERRACE INTERCHANGE UPGRADE, ETHEKWINI MUNICIPALITY

Enabling improved mobility, safety and economic development through strategic transport infrastructure

Background	Intervention
The DBSA provided eThekwini Municipality with a R1 billion loan facility to support its 2020/21 capital expenditure programme, aimed at rehabilitating ageing infrastructure, addressing service delivery backlogs and accommodating future growth. Within this programme, the M13 Essex Terrace Interchange Upgrade was identified as a priority transport infrastructure project due to increasing congestion and safety concerns in the Westwood area. The interchange serves as a critical link supporting key developments, including Westwood Mall and the University of KwaZulu-Natal's Westville campus. Implemented over the period 2022 to 2025, the project was designed to alleviate congestion, improve road safety, and enhance connectivity while unlocking the potential for mixed-use development in the surrounding area.	The intervention involved the upgrade of the M13 Essex Terrace Interchange, including: • Extension of bridge structures • Realignment of access ramps • Integration of road networks • Upgrades to pedestrian infrastructure The project incorporated innovative engineering approaches in the refurbishment of existing bridge structures, enabling improved functionality while optimising existing infrastructure. The intervention forms part of broader municipal and provincial transport strategies, including alignment with the eThekwini Integrated Development Plan (IDP), long-term transport master planning and the GO!Durban multimodal strategy.

Development Results

Contribution to SDGs	Output
	M13 Essex Terrace Interchange upgraded and expanded

Outcomes

- Significant improvement in traffic flow through vehicle throughput increased from approximately 1,200 to 2,500 vehicles per hour
- Reduction in peak-hour delays from approximately 15–25 minutes to 5–10 minutes
- Improved road safety, leading to a reduction in accident frequency by approximately 60%, with improved connectivity to key economic and social nodes

Impact

- Improved urban mobility through reduced congestion and enhanced traffic efficiency

Key Insights and Lessons Learnt

- Structured stakeholder engagement, including community liaison mechanisms, reduces disruption and strengthens project acceptance
- Contractor development and mentorship programmes are effective in advancing inclusive participation and should be replicated

CASE STUDY: ELECTRICITY MASTER PLAN (EMP) AND NON-REVENUE ELECTRICITY REDUCTION PLAN FOR THE MATLOSANA LOCAL MUNICIPALITY

Strengthening infrastructure planning and financial sustainability through integrated electricity system reform

Background

The City of Matlosana Local Municipality faces significant infrastructure and service delivery challenges stemming from historical underinvestment, ageing infrastructure and fragmented planning systems. The municipality was formed through the amalgamation of four previously independent municipalities, resulting in uneven infrastructure development and service disparities across its jurisdiction.

Much of the electricity infrastructure is over 60 years old, with limited upgrades over the past two decades due to funding constraints and the absence of strategic infrastructure planning. As a result, the municipality has experienced:

- Frequent infrastructure breakdowns and service interruptions
- High electricity distribution losses (up to 28–40%)
- Significant financial strain, including substantial debt to Eskom
- Inefficient and *ad hoc* infrastructure development
- Limited capacity to respond to growing demand and new developments

The absence of an Electricity Master Plan (EMP) and a Master Plan to Reduce Non-Revenue Electricity (MPNRE) meant the municipality lacked the strategic tools to plan, prioritise, and manage its electricity infrastructure effectively.

Intervention

DBSA provided technical and financial support to develop a comprehensive EMP and MPNRE. The intervention aimed to establish a structured, evidence-based framework to:

- Assess current infrastructure condition and capacity
- Identify and quantify electricity losses
- Determine root causes of non-revenue electricity
- Prioritise infrastructure investments and interventions
- Align infrastructure planning with municipal budgeting and IDP processes

The project was implemented through a structured governance framework, including a Project Steering Committee, and supported by a professional services provider appointed through DBSA processes. The project was valued at R2.7 million and was 100% grant-funded by the DBSA.

Development Results

Contribution to SDGs	Outputs
	• Comprehensive EMP developed • MPNRE developed

Outcomes

- Enhanced financial sustainability model, which:
  - Provides mechanisms to reduce non-revenue electricity
  - Improves cost recovery and tariff alignment
  - Addresses inefficiencies in electricity distribution
- Improved project prioritisation and delivery readiness framework, which:
  - Establishes a pipeline of implementation-ready projects
  - Aligns infrastructure investment with development priorities

Impact

- Improved reliability and sustainability of electricity supply infrastructure
- Strengthened municipal financial resilience

Key Insights and Lessons Learnt

- Reliable data and diagnostics support effective infrastructure planning and reduce inefficiencies
- Addressing non-revenue electricity requires integrated technical, governance and financial interventions
- Strong coordination and alignment with municipal planning improve investment confidence and future funding opportunities

CASE STUDY: ROADS AND STORMWATER MASTER PLAN (RSWMP) FOR THULAMELA MUNICIPALITY

Enabling integrated infrastructure planning, improved mobility and catalytic investment through strategic municipal support

Background

The Thulamela Local Municipality faces significant infrastructure challenges that constrain mobility, service delivery and economic development. The municipality is responsible for an extensive road network comprising approximately 255 km of paved roads and 6,565 km of gravel roads. Much of this infrastructure is over 30 years old, has exceeded its design lifespan and has deteriorated significantly due to inadequate maintenance and limited funding.

As a result:

- Many roads, particularly in rural areas, become inaccessible during rainy seasons
- Communities face reduced access to essential services such as schools, clinics and economic opportunities
- Infrastructure backlogs are growing, with current delivery rates indicating that it could take up to 10 years to address them
- The absence of a Roads and Stormwater Master Plan (RSWMP) has resulted in fragmented, ad hoc infrastructure development

These challenges limited the municipality's ability to plan, prioritise and implement infrastructure investments in a systematic, cost-effective and sustainable manner.

Intervention

DBSA provided grant funding for technical support to develop an RSWMP for the municipality. The intervention established an evidence-based framework to:

- Assess the current condition of roads and stormwater infrastructure
- Quantify infrastructure backlogs and future demand
- Prioritise projects based on functionality, socio-economic impact, risk and affordability
- Develop costed infrastructure investment plans
- Align infrastructure planning with the municipality's IDP and funding mechanisms

The project was implemented through a structured governance framework, including a Project Steering Committee, and supported by a professional services provider. The project was valued at R3.32 million and was 100% grant-funded by the DBSA.

Development Results

Contribution to SDGs	Outputs
7 AFFORDABLE AND CLEAN ENERGY; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 11 SUSTAINABLE CITIES AND COMMUNITIES	• Comprehensive RSWMP developed • Prioritised and costed the infrastructure investment pipeline established

Outcomes

- Improved infrastructure planning capability, enabling proactive and long-term decision-making
- Improved service delivery through better mobility, accessibility and prioritised infrastructure upgrades
- Strengthened investment readiness through bankable projects and alignment with funding frameworks and IDPs
- Catalytic funding potential, which will unlock an estimated R680 million in infrastructure investment over the medium- to long-term

Impact

- Improved mobility and accessibility to service delivery for approximately 130,320 households

Key Insights and Lessons Learnt

- Compliance with all applicable regulations must always be maintained during project delivery to avoid reputational damage and consequential project delays
- Appropriate pricing and other strategies should be explored upfront to mitigate cost escalation in project delivery
- Development processes require time, with long lead times between planning and implementation

CASE STUDY: WATER INFRASTRUCTURE PROGRAMME FOR THE OVERSTRAND LOCAL MUNICIPALITY

Enabling water security and climate resilience through integrated municipal infrastructure

Background

The Overstrand Local Municipality faced several infrastructure challenges that compromised the reliability, security and sustainability of its water supply system across Hermanus, Kleinmond and Gansbaai.

Critical water assets, including reservoirs and water treatment works, were vulnerable to vandalism, theft and unauthorised access, posing risks to water quality and operational continuity. These challenges threatened water quality, service delivery, and the municipality's ability to support economic growth and community well-being.

Intervention

The DBSA supported the municipality through a R162 million infrastructure loan to support capital infrastructure across water, electricity and sanitation, under which targeted water infrastructure projects were implemented between the 2018/19 and 2020/21 financial years. The intervention comprised three key projects:

- Installation of security fencing at reservoirs and water treatment works in Hermanus and Kleinmond
- Phase 1 upgrade of the Hermanus wellfields to improve groundwater abstraction and monitoring capacity
- Construction of a new four megalitre reservoir in Gansbaai to increase bulk water storage

The projects were implemented through competitively procured contractors in line with municipal supply chain regulations, with a focus on strengthening infrastructure security, improving supply reliability and enhancing system resilience. The project was valued at R23.3 million and was funded through a DBSA loan.

Development Results

Contribution to SDGs	Outputs
8 DECENT WORK AND ECONOMIC GROWTH; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	• 454.91 metres of security fencing installed at reservoirs and water treatment works • 2 reservoirs and 1 water treatment facility secured • 4 new megalitre reservoirs constructed • 4 new fenced production boreholes drilled

Outcomes

- Improved protection of critical water infrastructure, reducing risks of vandalism, theft and water contamination
- 76 construction jobs created
- 23 operational jobs at the Municipal Resilience Fund (MRF), and 5 permanent jobs for municipal workers at the Project Development and Origination Facility (PDOF) and GCF
- 5 SMMEs contracted for recycling, who created 25 job opportunities
- Enhanced groundwater abstraction and monitoring capacity
- Improved provision of reliable water supply to approximately 196,170 households

Impact

- Improved water security through infrastructure and storage expansion

Key Insights and Lessons Learnt

- Phased implementation approaches support management of technical and regulatory risks in water infrastructure projects
- Ongoing technical and implementation support enhances development outcomes beyond financing
- Flexible financing structures support municipalities in managing delays and maintaining project momentum

CASE STUDY: ECOLOGICAL INFRASTRUCTURE FOR WATER SECURITY (EI4WS): WESTERN CAPE AND KWAZULU-NATAL PROVINCES, SOUTH AFRICA

Enabling water security and climate resilience through nature-based infrastructure and innovative finance

Background

Water security is a critical constraint to sustainable development in South Africa, with increasing pressure from climate variability, ecosystem degradation and growing demand. Traditional infrastructure approaches alone are insufficient to address these challenges, necessitating the integration of ecological infrastructure and nature-based solutions into water resource management.

The DBSA, in partnership with the Global Environment Facility (GEF), has positioned itself as a key conduit for climate and environmental finance, supporting initiatives that integrate environmental sustainability with infrastructure development.

The Ecological Infrastructure for Water Security (EI4WS) project was developed to demonstrate how ecosystem restoration and natural capital approaches can enhance water security, strengthen resilience and support sustainable economic development.

Intervention

The DBSA acted as the implementing agent and development partner, leveraging its GEF accreditation to access concessional funding and support project implementation. The Bank's role included:

- Structuring and deploying blended finance mechanisms
- Supporting project preparation and implementation
- Facilitating partnerships across government, research institutions and communities
- Advancing policy and institutional reforms in ecological infrastructure and water management

The EI4WS project was implemented by DBSA in partnership with SANBI and the Department of Water and Sanitation. The intervention focused on scaling nature-based solutions in priority catchments through:

- Restoration of degraded ecosystems, including wetlands and river systems
- Integration of Natural Capital Accounting into water sector planning and decision-making
- Development of policy, institutional and financial frameworks to support ecological infrastructure

The project was valued at USD7.2 million and funded by the GEF, with additional co-financing.

Development Results

Contribution to SDGs

Outputs

- 36,000 hectares of land rehabilitated
- 16 wetlands restored
- 200,000+ hectares of river ecosystems improved

Outcomes

- Improved ecosystem functionality, including enhanced water flow regulation, reduced sedimentation and improved water quality
- Contribution to national policy development, including wetland management frameworks
- Social and economic contribution through engagement of more than 1,000 young people, predominantly women, in environmental programmes
- Enhanced skills development and employment opportunities through initiatives such as EnviroChamps and the Social Employment Fund
- Strengthened community participation and stewardship of natural resources

Impact

- Improved water security through restoration and protection of critical ecological infrastructure

Key Insights and Lessons Learnt

- Nature-based solutions strengthen water security and climate resilience
- Integrating natural capital into planning supports sustainable investment
- Blended finance enables complex environmental projects
- Community participation and local stewardship improve long-term sustainability

CASE STUDY: PROGRAMME MANAGEMENT UNIT (PMU) MUNICIPAL SUPPORT PROGRAMME

Enabling municipal capacity, infrastructure planning and catalytic investment through an integrated support model

Background

South Africa's local government sphere faces persistent structural challenges, including weak governance, financial distress, infrastructure backlogs and limited technical capacity. These constraints have undermined municipalities' ability to plan, finance and implement infrastructure projects, resulting in low capital expenditure, poor audit outcomes and constrained service delivery.

These challenges are consistently reflected across multiple provincial contexts, including Limpopo, Northern Cape, Eastern Cape, Western Cape, and Mpumalanga, reinforcing the systemic nature of constraints in municipal capacity and infrastructure delivery. The DBSA partnered with provincial Departments of Cooperative Governance to establish the Programme Management Unit (PMU) Municipal Support Programme.

Intervention

DBSA acted as programme funder, coordinator and technical partner for the period 2020 to 2025. The Bank's contribution included:

- Funding and appointing Professional Service Providers to operationalise PMUs
- Providing technical advisory support across infrastructure planning
- Establishing governance and oversight structures

The PMU model was implemented across five provinces through DBSA-funded PMUs embedded within provincial structures. The intervention focused on:

- Deployment of multidisciplinary technical experts (engineering, financial and planning)
- Coordination of DBSA lending and non-lending support
- Support for infrastructure planning, project preparation and implementation
- Capacity building for municipalities and provincial departments

The PMUs operated through structured governance frameworks, including Programme Steering Committees and Technical Committees, enabling alignment across DBSA, provincial governments and municipalities. The project was valued at approximately R470 million and was allocated to non-lending support and PMU operations.

Development Results

Contribution to SDGs

Outputs

- PMUs established across five provinces, providing structured municipal support
- Multidisciplinary technical teams to support municipalities and provincial departments deployed
- Infrastructure master plans, spatial frameworks and revenue enhancement strategies developed

Outcomes

- Improved municipal planning and investment readiness, consistently evidenced across all five participating provinces, strengthened by project pipelines, planning frameworks and funding alignment
- Potential to unlock over R5.5 billion in infrastructure investment identified

Impact

- Optimising service delivery through institutional and infrastructure integration

Key Insights and Lessons Learnt

- Centralised technical support helps address municipal capacity gaps and accelerate infrastructure planning
- Sustainable impact depends on effective skills transfer within government institutions
- Systemic municipal challenges require coordinated, multi-level interventions

POWERING SUSTAINABLE DEVELOPMENT: OUR IMPACT ON THE ENERGY SECTOR

The DBSA advances economic development and regional integration through infrastructure financing and development. It provides a range of funding solutions to municipalities, state-owned entities, private-sector clients, and public-private partnerships across South Africa and the broader region.

These include senior and mezzanine debt across balance-sheet and project-finance structures, as well as tailored instruments designed to meet the specific requirements of infrastructure projects. Through these financing solutions, the DBSA enables the implementation of infrastructure projects that support service delivery, economic growth and long-term resilience. Interventions are structured to address sector-specific constraints, mobilise additional capital and ensure that infrastructure investments translate into measurable development outcomes.

The Bank's infrastructure financing activities are deployed across priority sectors, reflecting the diverse infrastructure requirements of the economies in which it operates. Financing interventions in the energy sector focus on expanding generation capacity, strengthening energy security and supporting the transition towards a lower-carbon energy system.

The case studies below illustrate how targeted financing interventions are applied across sectors to enable the delivery of infrastructure at scale.

CASE STUDY: DBSA SUPPORT FOR THE RENEWABLE ENERGY PROGRAMME

Enabling Africa's Just Energy Transition through large-scale renewable energy investment

Background

Reliable, affordable and sustainable energy is a fundamental enabler of economic growth, social development and climate resilience. Across Africa, energy deficits, ageing infrastructure, and reliance on carbon-intensive energy sources have constrained development and increased vulnerability to climate change.

To address these challenges, the DBSA has played a catalytic role in financing renewable energy projects under the Renewable Energy Independent Power Producer Procurement Programme (REIPPPP) and across the SADC region.

DBSA's renewable energy programme comprises a portfolio of investments aimed at increasing energy generation capacity, improving energy security and supporting a transition to low-carbon energy systems.

Intervention

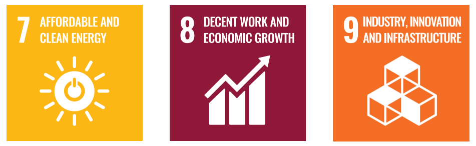
Between 2013 and 2023, DBSA supported a diversified portfolio of renewable energy projects comprising hydropower, solar photovoltaic, concentrated solar power and wind technologies, contributing to the expansion of clean energy infrastructure across multiple countries.

The support was delivered through a blended finance model that combined senior and subordinated debt, equity facilitation, and catalytic financing instruments to mobilise private-sector investment and de-risk large-scale infrastructure projects.

Projects were implemented in partnership with independent power producers, governments, community trusts, and private-sector stakeholders, enabling integrated development outcomes across energy, infrastructure, and socio-economic development. The intervention also supported localisation, enterprise development and community participation through inclusive ownership structures and targeted development programmes. The project was valued at approximately R21.8 billion, with DBSA contributing approximately R4.3 billion.

Development Results

Contribution to SDGs



Outputs

- Over 3,000 MW of renewable energy capacity added to regional grids
- Large-scale energy infrastructure, including solar plants, wind farms and hydropower facilities installed

Outcomes

- 10,000+ jobs created during construction phases across the projects
- Strengthened local economic participation through local procurement and enterprise development programmes
- Enhanced community development through community trusts funded from project dividends

Impact

- Improved energy security through diversification of energy sources and increased generation capacity

Key Insights and Lessons Learnt

- Blended finance models are critical to mobilising private capital and scaling renewable energy investments
- Climate variability and environmental risks must be integrated into project design, particularly for hydropower projects
- Localisation strategies should be strengthened to reduce reliance on imported components and maximise domestic economic benefits
- Grid infrastructure and integration capacity remain key constraints to scaling renewable energy deployment

CASE STUDY: PRESTEA GAS CONDITIONING PLANT, GHANA

Enabling energy security and early socio-economic impact through gas infrastructure development

Background

Limited access to reliable and affordable energy continues to constrain economic growth and industrial development across many African economies. In Ghana, persistent energy supply constraints, particularly in key industrial regions, have been driven by rising demand from industrial sectors and insufficient energy infrastructure.

These constraints have put pressure on sectors such as mining and manufacturing, which require a stable, cost-effective energy supply to sustain operations and support growth.

Intervention

To address these challenges, the Government of Ghana partnered with Genser Energy Ghana Limited to expand domestic gas infrastructure and reduce reliance on imported fuels. This includes the development of integrated gas pipelines, processing facilities and storage infrastructure.

As part of this programme, the DBSA supported the development of the Prestea Gas Conditioning Plant, a central processing facility designed to condition natural gas from the national pipeline and extract natural gas liquids for downstream use. DBSA provided long-term debt financing to support Phase III of Genser Energy's capital expansion programme, which includes the development of the Prestea Gas Conditioning Plant, along with associated pipeline and storage infrastructure. The Bank's role includes investment structuring, due diligence and ongoing monitoring through its Monitoring and Evaluation function. The project implementation period is from 2022 to 2026.

The intervention forms part of a broader integrated gas value chain linking upstream supply, processing and downstream industrial consumption, enabling more reliable and cost-effective energy delivery. The DBSA contributed USD100 million of the project value through a loan.

Development Results

Contribution to SDGs

Outputs

- 150 million cubic standard feet per day gas conditioning plant constructed
- Integrated gas processing and distribution infrastructure developed

Outcomes

- 145 workers employed in the process facility construction
- 113 jobs created from the cryogenic tanks construction
- Improved lives of community members were achieved through several Corporate Social Responsibility (CSR) interventions implemented

Impact

- Improved energy security through increased availability of domestically processed natural gas

Key Insights and Lessons Learnt

- Formalised partnerships with traditional authorities are critical to ensuring community alignment and long-term project legitimacy
- Cultural sensitivity and respect for local practices are key enablers of trust and successful project implementation

CASE STUDY: KUMASI NATURAL GAS PIPELINE, GHANA

Strengthening energy security and enabling inclusive development through gas infrastructure expansion

Background

Reliable and affordable energy is fundamental to economic development, yet many African countries continue to face persistent energy constraints. In Ghana, rising demand driven by industrial expansion, urbanisation and population growth has outpaced electricity supply, particularly affecting energy-intensive sectors such as mining.

The instability of grid-based electricity has historically constrained industrial productivity and increased operational costs, prompting businesses to rely on expensive, less efficient alternatives. To address this structural challenge, the Government of Ghana partnered with independent power producers, including Genser Energy Ghana Limited, to strengthen energy infrastructure and improve supply reliability.

Intervention

As part of its Phase III expansion programme, Genser Energy undertook the development of a 105 km natural gas pipeline from Dawusaso to Kumasi in the Ashanti Region. This formed a core component of a broader expansion aimed at increasing energy supply capacity and extending gas infrastructure to key industrial zones.

The DBSA participated in a USD325 million senior debt financing arrangement, with funding supporting three key infrastructure components, including the Kumasi Pipeline.

The pipeline connects gas supply to industrial demand centres, enabling consistent and efficient delivery of natural gas to power plants and mining operations. The intervention was designed not only to improve energy security but also to deliver socio-economic benefits to affected communities along the pipeline corridor.

Development Results

Contribution to SDGs

8 Decent work and economic growth; 9 Industry, innovation and infrastructure

Output

- 105 km, 24-inch natural gas pipeline connecting Dawusaso to Kumasi constructed and commissioned

Outcomes

- Employment of over 500 workers during construction and approximately 50 personnel during operations
- Reduced reliance on diesel and alternative energy sources, lowering operational costs

Impact

- Improved energy security through stable and continuous gas supply to key industrial sectors

Key Insights and Lessons Learnt

- Social and governance mechanisms, including grievance redress systems, must be actively monitored to ensure effectiveness
- Community engagement must be culturally sensitive and aligned with local governance structures, including traditional leadership systems
- Greater emphasis should be placed on supporting local enterprises and small businesses to maximise inclusive economic growth

CASE STUDY: TAKORADI NATURAL GAS EXPORT TERMINAL, GHANA

Positioning Ghana as a regional energy hub while delivering early socio-economic gains

Background

Access to reliable energy is a fundamental driver of economic growth, with strong empirical evidence linking electricity consumption to industrial development. In Ghana, rapid economic expansion, urbanisation and increasing industrial activity have intensified pressure on existing energy infrastructure, resulting in supply constraints that hinder productivity and growth.

Intervention

The Takoradi Natural Gas Export Terminal forms part of Genser Energy's Phase III expansion programme, supported through a USD325 million senior debt financing arrangement in which DBSA participated.

The intervention, spanning the period 2021 to 2026, focuses on the development of natural gas liquid storage and export infrastructure at the Port of Takoradi. The project includes the construction of cryogenic storage tanks and associated marine infrastructure to enable the processing, storage and export of propane and butane derived from offshore gas fields.

The terminal is designed to strengthen Ghana's midstream energy infrastructure, enable the export of natural gas liquids, and position Takoradi as a regional oil and gas logistics hub.

Development Results

Contribution to SDGs

8 Decent work and economic growth; 9 Industry, innovation and infrastructure

Outputs

- Cryogenic storage tanks (10,000 m^3 butane and 30,000 m^3 propane) under construction
- Land reclamation and coastal protection work completed to support terminal footprint

Outcomes

- Creation of employment opportunities during construction:
  - 19 workers during land reclamation (majority local)
  - 96 workers in civil works
  - Additional employment in welding, piling and security services
- Delivery of targeted community development initiatives, including:
  - Infrastructure upgrades (roads, drainage, water access)
  - Education and training programmes
  - Health and safety interventions for workers and communities

Impact

- Scaled Ghana's natural gas export capability to drive revenue

Key Insights and Lessons Learnt

- Early and sustained stakeholder engagement is critical to managing social impacts and avoiding delays
- Compensation and livelihood restoration are essential for maintaining social licence to operate
- Local procurement and support to small businesses enhance economic impact and should be prioritised

CONNECTING ECONOMIES: OUR IMPACT ON TRANSPORT AND LOGISTICS

Financing interventions enable the development, rehabilitation and modernisation of strategic transport infrastructure, improving connectivity, mobility and trade efficiency across regions. By supporting critical assets such as roads, rail, ports and logistics corridors, these investments strengthen supply chains, reduce transport costs and enhance access to markets. This contributes to economic growth, regional integration and improved service delivery, while supporting long-term infrastructure resilience and sustainable development.

CASE STUDY: LOBITO ATLANTIC RAILWAY CORRIDOR PROJECT

Enabling regional integration and critical minerals trade through strategic rail infrastructure

Background

Efficient transport infrastructure is a critical enabler of economic development, regional integration and global trade. In Southern and Central Africa, limited rail capacity, high logistics costs and inefficient cross-border transport systems have constrained the movement of goods, particularly critical minerals, from the Copperbelt region.

The Lobito Corridor represents a strategic trade route connecting the mineral-rich regions of the Democratic Republic of Congo (DRC) and Zambia to the Port of Lobito in Angola, providing a direct link to international markets. However, ageing infrastructure, limited rolling stock and underutilisation of existing rail assets have restricted the corridor's full economic potential.

Intervention

The Lobito Atlantic Railway Corridor Project is a large-scale brownfield rail infrastructure investment focused on the rehabilitation, modernisation and long-term operation of the existing 1,289 km rail line linking Lobito and Luau in Angola, with onward connectivity into the DRC. With the implementation period of 2024–2026, the project includes upgrading the rail infrastructure and the Lobito Mineral Terminal, acquiring rolling stock, and providing operations and maintenance under a long-term concession agreement.

The intervention is designed to increase rail capacity, improve freight efficiency and reduce transit times, enabling cost-effective and reliable transportation of critical minerals to global markets. DBSA serves as a key financier for the project. The Bank's role includes:

- Supporting the mobilisation of capital for large-scale regional infrastructure
- Participating in complex cross-border infrastructure financing
- Applying ESG, credit and legal expertise in structuring the transaction
- Supporting infrastructure that enables regional economic integration and trade

The project was valued at USD786.4 million, with DBSA contributing USD200 million.

Development Results

Contribution to SDGs

Outputs

- 1,295 km of rail infrastructure rehabilitated
- Lobito Mineral Terminal modernised
- Cross-border rail logistics corridor linking Angola and the DRC established

Outcomes

- Improved rail transport capacity and operational efficiency
- Reduced freight transit times for mineral exports
- Strengthened trade linkages between Angola and the DRC
- 400 construction jobs created
- Increased utilisation of rail infrastructure as a cost-effective alternative to road transport

Impact

- Integrated landlocked mineral-producing regions into international export markets

Key Insights and Lessons Learnt

- Large-scale cross-border infrastructure projects require strong coordination between governments, financiers and private sector partners
- Brownfield rehabilitation projects can unlock significant value by leveraging existing infrastructure assets
- Strategic infrastructure investments play a critical role in unlocking regional trade and economic integration

CASE STUDY: OR TAMBO INTERNATIONAL AIRPORT AIRSIDE AND BIDAIR BUILDINGS UPGRADE

Enabling safe, compliant and efficient airport operations through infrastructure refurbishment

Background

Airside infrastructure is critical to the safe and efficient operation of airports, particularly in high-traffic environments such as OR Tambo International Airport. Over time, key facilities, including fire stations, workshops and operational buildings, reach the end of their useful design lifecycle, resulting in increased maintenance costs, requirements and potential operational risks.

At OR Tambo International Airport, several airside buildings had reached the end of their 20-year lifecycle. While still operational, ageing infrastructure posed risks to regulatory compliance, operational efficiency and service delivery, particularly in a highly regulated aviation environment governed by the Civil Aviation Authority and international standards.

Intervention

Airports Company South Africa (ACSA), with DBSA support, refurbished critical airside infrastructure, including the fire station complex, electrical workshop, and the BidAir Tug Workshop Building. The R48.7 million project upgraded structural and operational facilities to improve functionality and regulatory compliance, forming part of DBSA's broader R810 million support for 59 Capex projects.

Development Results

Contribution to SDGs

Outputs

- Fire station complex, including structural upgrades and roofing replacement, was refurbished
- Electrical workshop, including internal facilities and roofing, was renovated
- The BidAir Tug Workshop Building was renovated, and a new roof was installed

Outcomes

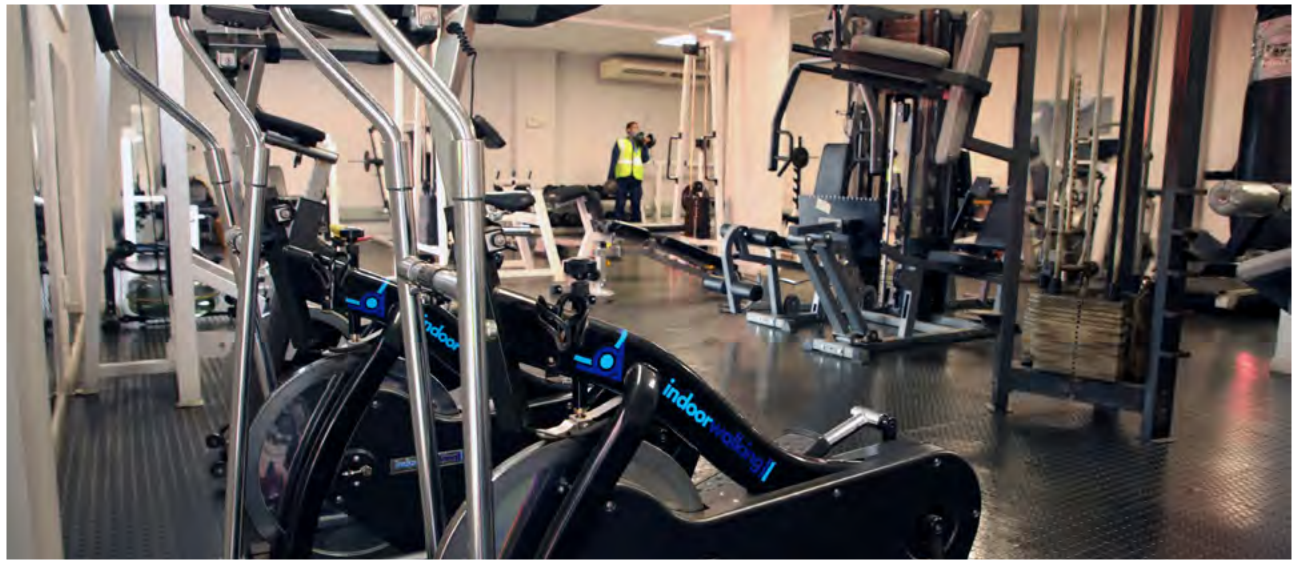
- Creation of 152 construction and consultancy jobs
- Sustained employment of approximately 120 operational staff across the upgraded facilities
- Improved operational efficiency of airport support services, including firefighting, electrical maintenance, ground operations and BidAir tug workshop
- Increased participation of local subcontractors, with 23 SMMEs benefiting from approximately 51% of the contract value
- Assets' life cycle increased by 20 years

Impact

- Improved aviation safety through integrated emergency response and operational capacity

Key Insights and Lessons Learnt

- Early stakeholder engagement helps minimise scope changes and design revisions in brownfield projects
- Strong project administration and contract management improve delivery timelines
- Clear, time-bound dispute resolution mechanisms reduce delays and cost escalations



BUILDING INCLUSIVE COMMUNITIES: OUR IMPACT ON HUMAN SETTLEMENTS

Infrastructure financing supports the development of integrated human settlements and improved access to well-located housing, creating safer, more connected and sustainable communities. By investing in housing infrastructure and related services, the Bank helps improve quality of life, strengthen spatial transformation and promote inclusive economic participation for underserved communities.

CASE STUDY: PRINCESS PLOT SOCIAL HOUSING PROJECT, CITY OF JOHANNESBURG

Enabling access to well-located affordable housing while highlighting the complexity of urban socio-economic outcomes

Background

Access to affordable, well-located housing remains a critical challenge in South Africa's urban centres, with rising living costs, spatial inequality and limited access to economic opportunities affecting low- to middle-income households.

The DBSA supported the City of Johannesburg's capital infrastructure programme, which included investment in social housing as part of the integrated development of human settlements. The Princess Plot Social Housing Project forms part of this programme, which aims to deliver affordable rental housing in proximity to economic nodes and transport infrastructure.

Intervention

DBSA provided financing as part of a broader capital infrastructure programme supporting the development of integrated human settlements. The Bank's role enabled:

- Delivery of affordable housing infrastructure, including 333 social housing units
- Support for municipal service provision and urban development
- Contribution to spatial integration and improved access to economic opportunities, including:
  - Laundry areas
  - Parking infrastructure
  - Recreational and community spaces
  - Early childhood play areas

The project was valued at R8.5 billion, with DBSA providing 35% of the loan funding.

Development Results

Contribution to SDGs	Outputs
	• 333 high-density social housing units constructed • Communal and support facilities, including 210 parking bays, laundry facilities, communal spaces, recreational and early childhood development areas developed

Outcomes

- Improved access to formal, well-located housing with proximity to economic and transport nodes
- 398 construction jobs created, of which 11 are permanent
- 29 SMMEs supported
- Enhanced living conditions, including better location near jobs and transport

Impact

- Integrated housing and economic opportunities through strategic location

Key Insights and Lessons Learnt

- Housing affordability is income-relative and remains vulnerable to broader cost-of-living pressures
- Safety and maintenance are critical determinants of perceived quality of life in high-density housing environments
- Integrated human settlements require alignment between housing, economic opportunities and social services
- Future projects should incorporate affordability modelling, social support mechanisms and urban management strategies to enhance outcomes

DRIVING ECONOMIC RESILIENCE: OUR IMPACT ON THE ECONOMIC SECTOR

Financing interventions also support sector-wide programmes that strengthen productivity, livelihoods and economic resilience. By enabling investment across key productive sectors, the Bank supports job creation, enterprise growth and improved economic participation. These interventions help unlock sustainable development opportunities, strengthen local economies and enhance long-term socio-economic impact.

CASE STUDY: GHANA COCOA BOARD (COCOBOD) PRODUCTIVITY ENHANCEMENT PROGRAMME

Enabling agricultural productivity and rural livelihood resilience through large-scale sector intervention

Background

Cocoa production is a cornerstone of Ghana's economy, supporting approximately 800,000 farming households and contributing significantly to export earnings and gross domestic product.

However, the sector has faced persistent productivity challenges, including ageing farms, declining soil fertility, pest and disease pressures, limited irrigation and constrained access to inputs and extension services. As a result, average yields have remained below optimal levels, limiting farmer incomes and reducing the sector's global competitiveness.

Addressing these structural constraints required a coordinated, large-scale intervention to improve productivity, strengthen resilience and support long-term sustainability within the cocoa sector.

Intervention

In response, the Government of Ghana, through the Ghana Cocoa Board (COCOBOD), implemented the Productivity Enhancement Programmes (PEPs) – a suite of capital-intensive interventions aimed at improving cocoa yields and strengthening sector performance. The intervention focused on:

- Farm rehabilitation and replanting initiatives
- Distribution of agricultural inputs and fertilisers
- Pest and disease management programmes
- Provision of technical support and extension services
- Strengthening institutional capacity within the cocoa sector

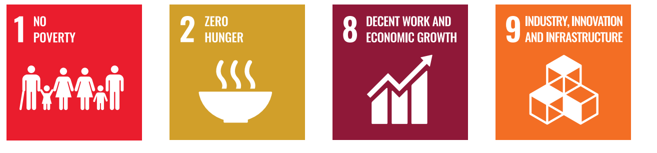
DBSA supported the programme through co-financing as part of a multi-lender funding arrangement, enabling:

- Mobilisation of capital for large-scale agricultural interventions
- Implementation of productivity enhancement measures across the cocoa value chain
- Support for sector-wide programmes aimed at improving farmer livelihoods and production outcomes

The total facility size was USD600 million through multi-lender financing, with DBSA committing USD44 million and disbursing USD25.67 million.

Development Results

Contribution to SDGs



Outputs

- 66,967 hectares (69,671 farms) established with plantain suckers
- 1,035,751 economic shade trees planted across 66,924 hectares to support agroforestry
- Farm rehabilitation and productivity improvement programmes initiated

Outcomes

- Increased economic activity resulting in an estimated USD800.3 million additional income for households
- USD258.6 million increased revenue for the Government of Ghana from taxes
- USD72.8 million contributed to local SMMEs
- 33,183 operational jobs created

Impact

- Improved agricultural productivity through targeted, large-scale sector interventions

Key Insights and Lessons Learnt

- Large-scale agricultural transformation requires coordinated interventions across inputs, infrastructure, financing and institutional capacity
- Multi-lender financing structures can mobilise significant capital but require strong coordination and risk management
- External shocks, including global market disruptions and economic pressures, can significantly affect programme implementation and sustainability

CASE STUDY: NATIONAL DEPARTMENT OF TOURISM PROGRAMME

Enabling inclusive economic development through tourism infrastructure delivery

Background

Tourism is a key driver of economic growth and job creation in South Africa, particularly in rural and underserved areas. However, the sector faces infrastructure gaps, including ageing facilities, underdeveloped tourism nodes and limited maintenance of state-owned attractions.

Intervention

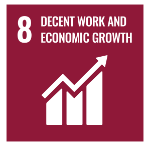
To address these challenges, the DBSA entered into a Memorandum of Agreement (MOA) with the National Department of Tourism. The MOA mandates DBSA to serve as an implementing agent. The programme comprises 71 tourism infrastructure projects across all provinces, including:

- Construction and upgrading of tourism facilities
- Renovation of museums and heritage sites
- Development of community tourism infrastructure
- Maintenance and beautification of state-owned attractions

The intervention aims to enhance tourism assets, improve visitor experience and unlock local economic opportunities through improved infrastructure. To date, 51 projects have been completed, with 20 outstanding.

Development Results

Contribution to SDGs



Outputs

- Delivered 71 infrastructure projects, with 51 completed, through a coordinated national programme
- Tourism attractions maintained and enhanced

Outcomes

- Creation of 1,363 employment opportunities
- 293 SMMEs and local contractors supported

Impact

- Improved quality and accessibility of tourism infrastructure

Key Insights and Lessons Learnt

- Programme-level implementation enables scale and broader development impact
- Integration of community tourism projects enhances inclusivity and local benefit
- Maintenance of tourism infrastructure is critical to long-term sustainability

BUILDING STRONGER COMMUNITIES: OUR IMPACT IN SOCIAL INFRASTRUCTURE

Infrastructure financing supports the development of essential social infrastructure that improves quality of life and strengthens community wellbeing. By investing in schools, healthcare facilities, sanitation, and other public services, the Bank helps expand access to basic services, promote inclusive development, and create safer, healthier, and more resilient communities. The DBSA also implements social infrastructure projects through its Infrastructure Delivery Division, ensuring that projects move efficiently from planning to execution and deliver measurable on-the-ground impact.

Across the Bank's social infrastructure portfolio, significant progress has been made in expanding access to quality education, student accommodation, public services, and inclusive community development. Through infrastructure financing and implementation support, the DBSA continues to strengthen the delivery of social infrastructure while generating measurable development impact across communities. The following page shows an aggregate of development results based on the case studies presented in this section.

SOCIAL INFRASTRUCTURE PORTFOLIO

Aggregate Development Results

Building stronger communities through sustainable infrastructure, inclusive participation and lasting impact.

OUR AGGREGATE IMPACT

3 170+
Learners and students With improved access
to quality education and student accommodation

2 618+
Employment opportunities created and facilitated
including youth and women

4
Major education and student accommodation projects delivered
across Gauteng, KwaZulu-Natal

OUR KEY SOCIAL INFRASTRUCTURE PROJECTS

Project	Location	Results	Description
Ratanang Primary School	Hammanskraal West, Gauteng	1 270 Learners	New primary school constructed to improve access to quality education.
Sefako Makgatho Health Sciences University Student Housing	Ga-Rankuwa, Gauteng	1 200 Beds delivered	On-campus student residence improving access to safe and affordable accommodation.
Windmill Park Secondary School	Boksburg, Gauteng	30 Classrooms delivered	Modern secondary school enhancing teaching, learning & learner outcomes.
Maritime School of Excellence	Durban CBD, KwaZulu-Natal	700 Learners; 400 Boarding Facilities	Specialised school with boarding facilities and sports infrastructure.
Government Printing Works Admin HQ Refurbishment	Durban Cbd, Kwazulu-Natal	277 Jobs Created; 20 SMMEs & Local Contractors	Refurbished administrative facility improving operational efficiency.

INCLUSIVE ECONOMIC PARTICIPATION

55+ SMMEs and Local Contractors Supported

44+ Women Employed

185+ Youth Employed

1 128+ Individuals Attended DLAB Programmes

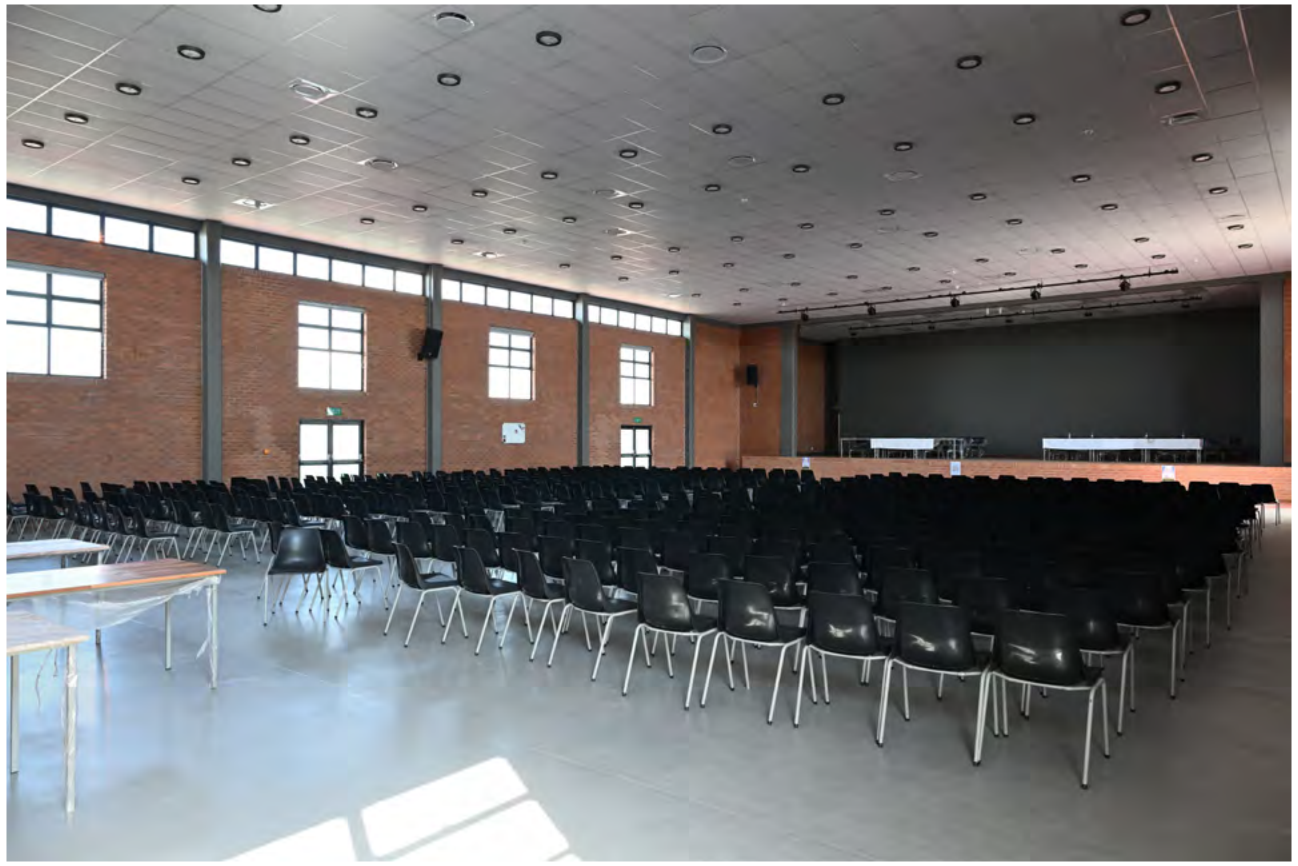
Driving inclusive economic growth and strengthening local economies.

CONTRIBUTION TO THE SDGs

1 NO POVERTY
4 QUALITY EDUCATION
8 DECENT WORK AND ECONOMIC GROWTH
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
10 REDUCED INEQUALITIES
17 PARTNERSHIPS FOR THE GOALS

OUR IMPACT

Through targeted investments in social infrastructure, skills development and enterprise support, the DBSA continues to expand access to essential services, enable inclusive economic participation and strengthen community resilience.



CASE STUDY: THE CONSTRUCTION OF RATANANG PRIMARY SCHOOL, GAUTENG

Enabling access to quality education through sustainable school infrastructure

Background

Rapid population growth in Gauteng province has increased demand for education infrastructure, particularly in areas such as Hammanskraal West. Existing school capacity has been insufficient to accommodate the growing number of learners, placing pressure on the delivery of education.

To address this, the Gauteng Department of Education partnered with the DBSA to implement a mega school infrastructure programme. Through a Memorandum of Agreement signed with the Gauteng Department of Education (GDE) in November 2021 and extended to November 2027, the DBSA was mandated to deliver 15 mega schools for the GDE. Ratanang Primary School was identified as a key project to address learner capacity constraints in Hammanskraal West.

Intervention

The Ratanang Primary School project involved constructing a new school to accommodate 1,270 learners. The project, implemented from 2023 to 2025, incorporated sustainable design features, including energy-efficient systems and alternative energy and water solutions.

Development Results

Contribution to SDGs	Output
	• Fully equipped primary school constructed

Outcomes

- Creation of 341 employment opportunities, including youth and women
- Participation of 21 SMMEs and local contractors
- Improved access to quality education for 1,270 learners

Impact

- Improved access to quality education for local communities

Key Insights and Lessons Learnt

- Integrated infrastructure planning is essential to meet growing education demand
- Sustainable design features enhance the long-term resilience of public infrastructure

CASE STUDY: SEFAKO MAKGATHO HEALTH SCIENCES UNIVERSITY STUDENT HOUSING PROGRAMME

Enabling improved access to higher education through student accommodation infrastructure

Background

Access to safe, affordable, and well-located student accommodation is a critical enabler of academic success, wellbeing, and equitable participation in higher education.

In South Africa, a significant shortfall of over 500,000 student beds exists, and historically disadvantaged institutions face the greatest challenges.

Inadequate housing conditions, including overcrowding, long commuting distances and non-compliance with minimum standards, negatively affect students' performance, health and overall learning outcomes.

In response, the DBSA, in partnership with the Department of Higher Education and Training (DHET), launched the Student Housing Infrastructure Programme to expand access to quality student accommodation across the country.

Intervention

DBSA provided loan financing and initial implementation support through its Infrastructure Delivery Division. The Bank's role included financing infrastructure development, supporting project implementation and delivery, and assessing development outcomes through evaluation processes.

The Sefako Makgatho Health Sciences University (SMU) Student Housing Programme is part of a national initiative to develop on-campus student housing.

The project was initially implemented through DBSA's Infrastructure Delivery Division before being ceded to SMU, with DBSA providing financing and ongoing monitoring support. The total project value amounted to R665 million, with the DBSA contributing R245 million through loan financing.

Development Results

Contribution to SDGs

Output

- 1,200-bed on-campus student residence aligned with DHET norms and standards constructed

Outcomes

- 1,200 construction jobs created
- Improved access to on-campus residence, reducing dependence on off-campus accommodation

Impact

- Improved access to safe and affordable student accommodation, supporting equitable participation in higher education

Key Insights and Lessons Learnt

- Large-scale infrastructure projects require strengthened contract management and deliverable-based contracting to mitigate delays
- Early alignment of procurement, zoning and regulatory approvals is critical to avoid implementation bottlenecks
- Standardised and verifiable data collection systems are essential for measuring development outcomes

CASE STUDY: CONSTRUCTION OF THE WINDMILL PARK SECONDARY SCHOOL

Expanding access to quality education through sustainable school infrastructure delivery

Background

Access to quality education infrastructure remains critical to improving learning outcomes and supporting inclusive social development in South Africa. In response to growing learner demand and the need for modern, well-equipped public education facilities, the DBSA continues to support the delivery of strategic school infrastructure projects in partnership with the Gauteng Department of Education (GED).

Windmill Park Secondary School project forms part of the broader effort to strengthen access to quality education and improve learning environments for communities in Gauteng.

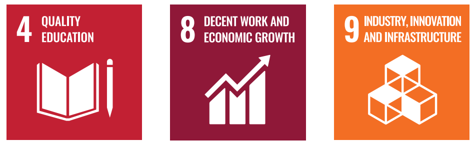
Intervention

Windmill Park Secondary School was developed as one of 15 Mega Schools constructed by the DBSA on behalf of the GED under the existing MOA valid until November 2027. The project involved the construction of a fully equipped secondary school comprising 30 classrooms, laboratories, a multipurpose hall, sports facilities, a nutrition centre, and supporting operational infrastructure.

Construction commenced on 24 February 2024 and reached practical completion on 08 October 2025. To enhance sustainability and resilience, the project incorporated HDPE reticulation systems suited to dolomitic site conditions, as well as backup power and water infrastructure, including a diesel generator and four water storage tanks with a combined capacity of 40,000 litres.

Development Results

Contribution to SDGs



Outputs

- 1 fully equipped Mega Secondary School constructed
- 30 classrooms across two academic blocks delivered
- 4 water storage tanks with a total capacity of 40,000 litres constructed
- 2 multi-purpose (combi) courts and sports facilities constructed
- Delivery of laboratories, a multipurpose hall, and a nutrition centre to support learner development

Outcomes

- Improved access to quality education infrastructure for thousands of learners in the surrounding community
- Creation of 667 employment opportunities during construction
- Inclusion of 308 youth and 122 women in new employment opportunities
- Enhanced operational resilience through backup water and power systems
- Improved sustainability through HDPE reticulation systems designed for dolomitic site conditions

Impact

- Expanded access to quality public education through safe infrastructure

Key Insights and Lessons Learnt

- Early integration of sustainability considerations improves long-term infrastructure resilience
- Infrastructure design must respond to site-specific environmental conditions, particularly in dolomitic areas
- Backup utilities such as water storage and power generation are critical for uninterrupted school operations
- Large-scale education infrastructure projects create both immediate construction employment and long-term social development benefits
- Programme-based delivery strengthens implementation efficiency and supports government priorities in public education infrastructure

CASE STUDY: CONSTRUCTION OF THE MARITIME SCHOOL OF EXCELLENCE

Advancing specialised education through integrated school infrastructure delivery

Background

Access to specialised, future-focused educational infrastructure is critical to preparing learners to participate in a modern, evolving economy. In support of this objective, the KwaZulu-Natal Department of Education embarked on implementing a three-stream education model comprising academic, technical-vocational, and technical-occupational pathways. This model includes career-focused institutions such as agriculture high schools, science and technology schools, technical high schools, and maritime high schools.

The Maritime School of Excellence was developed as part of this strategic intervention to provide affordable access to quality education while supporting specialised skills development within the maritime sector. Located in the Central Business District of the City of Durban, the school was designed to accommodate 700 learners, including boarding facilities for 400 learners, creating greater access for learners from diverse geographic areas

Intervention

The project involved the construction of a fully equipped specialised education facility designed to support both academic and technical learning.

Development Results

Contribution to SDGs

4 QUALITY EDUCATION

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Outputs

- 1 specialised Maritime School of Excellence constructed with 24 classrooms, 10 multipurpose rooms, and 400 boarding facilities for boys and girls
- 1 regional swimming pool, sports facilities, and technical learning spaces constructed
- Internal roads, transport access zones, and full learner support infrastructure delivered

Outcomes

- Improved access to specialised quality education for 700 learners
- 183 employment opportunities created during construction
- 24 women and 90 youth were included in created employment opportunities
- 14 SMMEs and local contractors participated in project delivery
- Strengthened learner support through boarding, technical learning and recreational facilities

Impact

- Long-term development secured through specialised education infrastructure

Key Insights and Lessons Learnt

- Integrated school infrastructure improves both academic outcomes and learner wellbeing
- Boarding facilities significantly improve access for learners from distant and underserved communities
- Local contractor participation strengthens economic inclusion and enterprise development
- Specialised technical schools support long-term skills development aligned to economic sector needs
- Programme-based infrastructure delivery strengthens implementation efficiency and supports provincial education priorities

CASE STUDY: GOVERNMENT PRINTING WORKS ADMINISTRATIVE HEADQUARTERS REFURBISHMENT

Strengthening public sector infrastructure through strategic refurbishment delivery

Background

Efficient and functional public sector infrastructure is essential for effective service delivery and institutional performance. The DBSA continues to support government departments by delivering and refurbishing strategic public infrastructure that improves operational efficiency and long-term asset sustainability. The project formed part of broader efforts to modernise government infrastructure and improve the functionality of administrative facilities.

Intervention

The project involved the refurbishment of the Government Printing Works Administrative Headquarters, including associated enabling infrastructure, such as temporary parking facilities.

Site handover took place on 5 September 2024, with construction commencing on the same day. The refurbishment of the administrative building reached practical completion on 19 September 2025, followed by the issuance of the Certificate of Occupancy on 13 October 2025. Temporary parking facilities achieved practical completion on 27 October 2025.

Development Results

Contribution to SDGs

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

11 SUSTAINABLE CITIES AND COMMUNITIES

Outputs

- 1 Administrative Headquarters building refurbished
- Temporary parking facilities to support operational continuity constructed
- Supporting site infrastructure delivered to enhance accessibility and operational efficiency

Outcomes

- 227 employment opportunities created during construction
- Inclusion of 44 women and 185 youth in created employment opportunities
- Participation of 20 SMMEs and local contractors in project delivery
- 6 Black women-owned enterprises supported through project implementation
- Improved operational efficiency and institutional resilience within Government Printing Works

Impact

- Strengthened public sector service delivery through refurbished strategic government infrastructure

Key Insights and Lessons Learnt

- Refurbishment of existing public assets can deliver significant operational value while reducing replacement costs
- Early scope alignment is critical to minimise project changes and descoping during implementation
- Temporary enabling infrastructure supports business continuity during refurbishment projects
- Local contractor participation strengthens economic inclusion and supports transformation objectives
- Strategic public infrastructure delivery improves institutional efficiency and long-term sustainability

CASE STUDY: DBSA DEVELOPMENT LABORATORIES (DLAB) PROGRAMME

From innovation to implementation and impact

Background

The DBSA DLAB Programme is a strategic expression of the Bank's Development Position, which reflects its commitment to investing in sustainable development and driving long-term social impact. The programme shifts DBSA into a stronger catalytic developmental role by embracing a higher risk appetite and moderate financial returns, prioritising development outcomes and social investment as the primary return.

By deploying the DBSA's Development Dividend, the DLAB Programme supports targeted and accelerated development impact through innovative solutions, community ecosystems, and smart partnerships. A core objective of the programme is to move away from traditional dependency on grant funding and towards long-term financial sustainability through integrated development models.

Intervention

The DLAB Programme delivers physical social infrastructure through DLAB Precincts, integrated community hubs that create access to services, opportunity pathways, economic participation, and social upliftment. These precincts are designed to empower communities, particularly youth, through inclusive local economic development and ecosystem-based interventions.

DBSA plays a convening and catalytic role by working with strategic partners, including non-profit organisations, development partners, government institutions, and investors, to ensure implementation and long-term sustainability. The programme focuses on four strategic areas: Operations, Social Sustainable Investments, Development Returns, and Smart Partnerships.

Beyond infrastructure delivery, DLAB supports innovators and social enterprises by refining innovations, strengthening operational capacity, building measurable evidence of impact, and connecting solutions to broader development ecosystems. This enables innovations to be adopted, scaled, and integrated into national and regional development initiatives.

Development Results

Contribution to SDGs

Outputs

- Integrated DLAB Precincts delivered
- Skills development and entrepreneurship programmes delivered
- Partnerships with social enterprises and innovation actors developed

Outcomes

- 1,026 jobs created and facilitated against a target of 550
- 1,128 individuals attended programmes against a target of 1,100
- 52 Inclusive Local Economic Development (ILED) start-up enterprises incubated against a target of 20
- 304 ILED start-up enterprises supported against a target of 165
- Increased non-financial co-investments through strategic partnerships and G20 legacy commitments

Impact

- Strengthened inclusive local economic development through community-based infrastructure

Key Insights and Lessons Learnt

- Catalytic funding plays a critical role in crowding in third-party capital and de-risking development investments
- Community-based infrastructure creates stronger and more sustainable local economic ecosystems
- Strategic partnerships are essential for scale, sustainability, and broader development impact
- Social innovation requires both infrastructure investment and ecosystem support to achieve measurable outcomes
- Long-term success depends on moving beyond grant dependency towards financially sustainable development models

CASE STUDY: JABULANI DLAB (DIGITAL LEARNING AND INNOVATION HUB), SOWETO

Enabling integrated youth development while strengthening pathways to sustainable economic participation

Background

South Africa continues to face persistent challenges related to youth unemployment, socio-economic exclusion and limited access to skills development opportunities, particularly in underserved urban communities.

The DBSA established the DLAB Programme as part of its "Moonshot" innovation initiatives to deliver integrated, community-based development solutions. The Jabulani DLAB, located in Soweto, is one of the programme's pilot precincts and serves as a flagship implementation site for the DLAB model.

The precinct-based approach combines skills development, enterprise support, employment facilitation and social services within a single, accessible community hub to create pathways for youth and community members to participate in the economy.

Intervention

The Jabulani DLAB operates as an integrated development precinct, delivering a coordinated set of programmes through partnerships with implementing and collaborative organisations.

The intervention focuses on:

- Digital skills development and access to ICT infrastructure
- Youth development programmes, including sports, arts and psychosocial support
- Enterprise development and entrepreneurship support
- Employment facilitation and work readiness programmes
- Health and wellbeing services

The precinct is delivered through a partnership model involving DBSA, an implementing partner and multiple collaborative partners, enabling coordinated service delivery within a single development ecosystem.

Development Results

Contribution to SDGs

Outputs

- Increased participation in future skills training, with 607 participants reached
- 2,209 youth engaged in sports, arts and culture programmes
- 480 children completed Early Childhood Development (ECD) programmes
- 1,656 participants supported through personal development and opportunity pathways

Outcomes

- Improved access to digital skills, training, and employability opportunities for youth
- Stronger youth engagement through structured programmes and safe community spaces

Impact

- Enhanced youth development through integrated skills and social support

Key Insights and Lessons Learnt

- Integrated, precinct-based models are effective in delivering holistic youth development outcomes
- Access to digital infrastructure plays a key role in addressing inequality and improving employability
- Long-term sustainability requires strengthened enterprise development pathways, diversified funding and revenue models, and improved monitoring of economic outcomes
- Site-level risks, including land tenure arrangements, must be addressed to ensure long-term programme continuity
- Digital technologies are increasingly embedded within broader economic and infrastructure systems

RESPONSIBLE CORPORATE CITIZENSHIP

Corporate Social Investment

DBSA's Corporate Social Investment (CSI) initiatives extend beyond infrastructure delivery, recognising that sustainable development requires investment in people alongside physical assets. The Bank's CSI strategy is increasingly positioned as a strategic enabler of its broader development mandate by aligning social investment initiatives with infrastructure outcomes, community preparedness, and socio-economic resilience.

Guided by stakeholder engagement and community participation, DBSA continues to strengthen the responsiveness and relevance of its CSI interventions, particularly within underserved and vulnerable communities affected by infrastructure and socio-economic challenges. This enables the Bank to implement targeted programmes that contribute to sustainable and inclusive development outcomes.

Anchored in the principles of King V on corporate governance, particularly ethical leadership, responsible corporate citizenship, and stakeholder inclusivity, DBSA's CSI approach is embedded within a broader governance framework that promotes integrity, accountability, transparency, and sustainable value creation. This reinforces the Bank's commitment to delivering development activities that are ethically grounded and socially responsive.

The Bank is placing greater emphasis on measuring the long-term impact and sustainability of CSI interventions, moving beyond output-based reporting to focus on tangible developmental outcomes that create lasting value for communities. In response to emerging risks, DBSA's CSI programme is also evolving to incorporate climate resilience, environmental sustainability, disaster preparedness, and community responsiveness, alongside its continued focus on education, health, early childhood development, youth empowerment, and skills development.

Through innovative partnerships and catalytic funding models, DBSA aims to expand the scale and impact of its CSI initiatives while strengthening visibility, transparency, and accountability. These efforts demonstrate the Bank's contribution to long-term, inclusive, and resilient development aligned with South Africa's national priorities and the SDGs.

CORPORATE CITIZENSHIP SNAPSHOT:

DBSA's Social Investment in Action

Investing in early childhood development. Building stronger communities. Creating lasting impact.

Over **R35m**	**Disbursed** to high-impact social programmes.
1 200	ECD centres upgraded with new infrastructure-unlocking access for **1 000+ children.**
Over **8 000**	**Children** are supported within our growing ECD ecosystem.
140	**Short-term jobs** created through construction and programme delivery through the entire CSI value chain.
146	**ECDs** and **Playgroups** strengthened with infrastructure, nutrition, and training.
25	**ECD food gardens** and **300** household gardens established to fight hunger and promote sustainability.
Over **750 000**	**Meals** served to children in our ECD network.
40	**Practitioners trained** in governance and ECD management.
265	**Safe toilets** constructed. Replacing pit latrines and improving child health and dignity.
1 200	**Children** received health checks, including dental, vision and hearing screenings.

Stronger foundations. Brighter futures.

Together, we're building resilient communities-one child, one family, one future at a time.

CASE STUDY: ASIVIKELANE COMMUNITY PLUMBERS INITIATIVE (CAPE TOWN AND KNYSNA, WESTERN CAPE PROVINCE, SOUTH AFRICA)

Enabling community resilience and organisational purpose through structured employee volunteerism

Background

Access to reliable water and sanitation services remains a critical challenge in South Africa's informal settlements, where nearly 14 million people face daily constraints in accessing basic infrastructure.

Overburdened and poorly maintained infrastructure often results in broken taps, blocked toilets and prolonged service interruptions. In many cases, up to 50 people share a single toilet, while multiple households depend on a single water point. Faults are frequently reported to municipalities, but response times are often slow, leaving communities without reliable access to essential services. Data collected through the Asivikelane initiative revealed that:

- 87% of taps and 89% of communal toilets in assessed areas had faults
- 89% of residents waited more than a week for repairs
- 72% waited over a month for issues to be resolved

Intervention

In partnership with DBSA, CSI, and local government stakeholders, a community plumbers initiative was implemented to address maintenance gaps through a local community-driven model. The intervention focused on:

- Training community members in basic plumbing and infrastructure maintenance
- Providing tools and materials to enable immediate repairs and save water.
- Establishing collaboration between residents, municipalities and technical partners
- Creating a decentralised maintenance system where communities play an active role in service delivery
- Enabling residents to take ownership of local infrastructure, shifting from passive beneficiaries to active custodians

The initiative was implemented in Cape Town and Knysna, with plans for expansion to additional municipalities.

Development Results

Contribution to SDGs

8 Decent Work and Economic Growth; 9 Industry, Innovation and Infrastructure; 10 Reduced Inequalities; 11 Sustainable Cities and Communities; 13 Climate Action

Outputs

- 110 community members trained in basic plumbing skills
- Community-based maintenance model for water and sanitation infrastructure established

Outcomes

- Improved service delivery responsiveness through faster repair of minor faults and reduced downtime of water and sanitation infrastructure
- Improved infrastructure performance through increased functionality of taps and toilets, supported by routine maintenance that extended infrastructure lifespan
- Water and cost savings through reduced water losses from leaks and lower household water costs

Impact

- Improved access to reliable water and sanitation services in informal settlements

Key Insights and Lessons Learnt

- Community-led solutions can significantly improve service delivery outcomes when supported by institutional partnerships
- Skills development linked to service delivery creates both economic and social value
- Strong collaboration between communities, municipalities and development partners is essential for sustainability

CASE STUDY: EARLY CARE FOUNDATION (ECF) BANA PELE ECD INFRASTRUCTURE PILOT

Enabling compliance, quality early learning environments and sustainable ECD service delivery through targeted infrastructure investment

Background

ECD plays a critical role in human capital development, yet many centres in South Africa operate in under-resourced environments that do not meet regulatory standards. These challenges are multifaceted and include inadequate infrastructure, poor sanitation and safety conditions, limited compliance with Department of Basic Education (DBE) requirements, and weak governance and administrative capacity. Collectively, these constraints limit ECD centres' ability to provide safe, supportive, and high-quality early learning environments, ultimately affecting children's developmental outcomes. They also hinder centres from achieving formal registration and accessing government subsidies, thereby constraining the delivery of quality early learning programmes.

Intervention

The Bana Pele ECD Infrastructure Pilot, implemented by the Early Care Foundation (ECF) in partnership with DBSA, aimed to improve infrastructure compliance and strengthen ECD centre readiness for formal registration. The intervention focused on:

- Conducting infrastructure assessments aligned with DBE compliance requirements
- Implementing targeted renovations to address critical safety and infrastructure gaps
- Supporting centres through the Bana Pele DBE Mass Registration Drive (MRD) process
- Strengthening governance, administrative systems and operational capacity
- Facilitating inspections and compliance processes

The pilot targeted 20 ECD centres across multiple provinces, focusing on cost-effective, high-impact infrastructure interventions.

Development Results

Contribution to SDGs

3 Good Health and Well-Being; 4 Quality Education; 8 Decent Work and Economic Growth; 10 Reduced Inequalities

Outputs

- Infrastructure upgrades across 13 ECD centres
- 91 local jobs created in construction trades

Outcomes

- 600 children enrolled and 52 ECD staff employed
- Improved compliance readiness with:
  - Enhanced ability of centres to meet DBE registration requirements
  - Progress towards formal registration (Silver status readiness)
- Improved learning environments through safer spaces, better hygiene and stronger child protection

Impact

- Improved access to safe, compliant and quality early learning environments

Key Insights and Lessons Learnt

- Local job creation enhances community ownership and long-term sustainability
- ECD quality requires a holistic approach that integrates infrastructure, governance and curriculum support to ensure effective ECD outcomes

CASE STUDY: DBSA MANDELA MONTH VOLUNTEER PROGRAMME

Enabling community resilience and organisational purpose through structured employee volunteerism

Background

Corporate Social Investment (CSI) plays an important role in supporting vulnerable communities while strengthening institutional alignment to development objectives. However, traditional CSI approaches are often limited to financial contributions and once-off interventions, with less emphasis on sustained engagement and the mobilisation of internal capacity.

Recognising the potential of employee volunteerism to drive both social impact and organisational culture, the DBSA implemented a structured Mandela Month volunteer programme in July 2025. The initiative aimed to extend the Bank's development mandate by leveraging the time, skills and commitment of its employees.

Intervention

DBSA coordinated and implemented the volunteer programme by mobilising staff participation and partnering with established community organisations. The Bank's contribution extended beyond financial support to include:

- Employee time and skills
- Coordination of partnerships with NGOs and community organisations
- Design and implementation of structured volunteer activities
- Collection of data and feedback to inform future CSI strategy

This integrated approach enabled DBSA to leverage both financial and human capital to deliver meaningful development impact. The project was valued at R750,000, with participation from 110 DBSA staff members.

Development Results

Contribution to SDGs

Outputs

- 7 structured volunteer activations across multiple community sites delivered
- 6 charities and 4 NGO partners engaged

Outcomes

- Positive community outcomes through practical support that improved food security, enhanced safety, and strengthened community facilities

Impact

- Improved community wellbeing through targeted support to vulnerable groups

Key Insights and Lessons Learnt

- Employee volunteerism is a powerful driver of organisational culture, strengthening alignment to institutional purpose and values
- Blending immediate relief with longer-term capacity-building interventions enhances overall development impact
- Skills-based volunteering presents an opportunity to leverage DBSA's intellectual capital alongside financial resources

CASE STUDY: RLABS AGRI-TECH PRECINCT, MITCHELLS PLAIN

Enabling youth empowerment and sustainable livelihoods through integrated Agri-tech infrastructure

Background

Youth unemployment, food insecurity and limited access to economic opportunities remain persistent challenges in many South African communities. At the same time, agriculture is often perceived as a low-skill, labour-intensive sector, limiting its appeal to younger generations.

The RLabs Agri-Tech Precinct, located in Westridge, Mitchells Plain, is a flagship initiative developed through a partnership between RLab and the DBSA under the DLAB Programme.

The project redefines infrastructure, not as a static asset, but as a dynamic platform that enables innovation, skills development, and local economic activity. By combining agriculture with 4IR technologies, the precinct serves as a living laboratory for youth-driven Agri-tech solutions.

Intervention

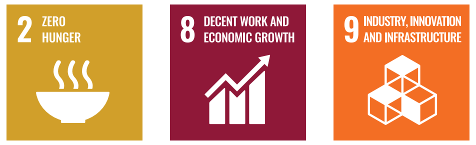
The DBSA, through its CSI and DLAB programmes, partnered with RLabs to support the development of the Westridge DLAB Agri-Tech Precinct. The intervention involved introducing agricultural infrastructure, including high-density orchards and bio-intensive gardening systems, and integrating it with digital technologies.

The precinct functions as a "living laboratory", enabling:

- Application of digital skills in real-world agricultural settings
- Development of Agri-Tech solutions, including sensor-based monitoring and automated irrigation systems
- Integration of coding, data analysis and technology into food production systems

The intervention builds on RLabs' existing strengths in youth training by adding physical infrastructure that enables practical application and innovation. The project was valued at R180,000.

Development Results

Contribution to SDGs	Outputs
	• Approximately 100 meals per month are provided for surrounding beneficiaries, including vulnerable households and nearby ECD centres • Agri-Tech precinct that integrates high-density orchards and bio-intensive gardens with advanced, technology-enabled infrastructure established • A "living lab" environment enabling the practical application of digital skills created • A platform for Agri-Tech innovation and experimentation has been developed

Outcomes

- Increased youth engagement in agriculture through integration with technology-based learning
- Enhanced ability to design, implement, and manage technology-driven, sustainable food production systems using data-driven decision-making and Agri-Tech tools

Impact

- Improved youth participation in emerging sectors, which links digital skills with Agri-Tech innovation

Key Insights and Lessons Learnt

- Integrating digital and physical infrastructure creates new pathways for youth engagement and economic participation
- Agri-tech solutions provide a practical entry point for youth into both the digital and green economies
- Demonstration sites and "living labs" are effective tools for stakeholder engagement and scaling innovation

5 STRATEGIC STAKEHOLDER RELATIONSHIPS DRIVING DEVELOPMENT IMPACT

The DBSA applies a structured and adaptive stakeholder engagement approach to ensure that stakeholder inputs meaningfully inform decision-making, strengthen delivery, and enhance development outcomes across the investment value chain. Through engagement with national and local government, the private sector, development finance institutions, and civil society, the Bank aligns its investments with national development priorities while responding to the needs and realities of communities.

Consistent with the King V Report on Corporate Governance for South Africa, stakeholder relationships are recognised as fundamental to ethical leadership, responsible corporate citizenship, and sustainable value creation. Stakeholder engagement is therefore embedded within the Bank's strategy, governance, and operations.

During the year under review, the Sustainability and Ethics Committee placed increased emphasis on strengthening the quality, intentionality, and impact of stakeholder engagement. While robust frameworks and protocols remain in place, the Bank continues to enhance action-oriented engagement across the investment lifecycle, from project origination and implementation to impact assessment. Particular focus is being placed on strengthening local-level engagement to ensure that investments result in visible, meaningful, and sustainable improvements in communities, especially those facing infrastructure and service delivery challenges.

The figure below illustrates how the DBSA's structured stakeholder engagement approach is operationalised across the investment value chain, translating stakeholder inputs into actionable insights, informed decision-making and measurable development impact.

STAKEHOLDER ENGAGEMENT VALUE CHAIN

1.

We engage a diverse range of stakeholders across our investment value chain through structured and targeted channels.

- Formal governance structures
- Project-level interactions
- Partnership forums
- Surveys and feedback mechanisms
- Targeted outreach and consultations
- Transparent and ongoing communication

Stakeholder: Government, clients, communities, investors, DFIs, regulators, partners, employees and other development actors.

2.

Engagement provides valuable insights that inform our strategic priorities and operational decisions.

- Development needs and service delivery constraints
- Investment risks, including ESG and Just Transition considerations
- Client and community expectations on impact and inclusion
- Market conditions affecting infrastructure financing and delivery

Insights enable better understanding of risks, opportunities and stakeholder priorities.

3.

Insights are integrated into decision-making to improve our response and enhance value creation.

- Inform project design and preparation
- Develop financing solutions and instruments
- Strengthen ESG risk management and safeguards application
- Enhance client support and partnership models
- Implement targeted interventions in municipalities and communities

Action drivers better decisions, stronger partnerships and more effective implementation.

4.

Effective engagement leads to measurable outcomes and sustainable development impact.

- Improved client experience and partnership outcomes
- Enhanced project design and implementation
- Strengthened ESG performance and risk mitigation
- Greater alignment with national and regional development priorities
- Maximised development impact and long-term value

Creating sustainable infrastructure that delivers inclusive and lasting development impact.

Continuous feedback and learning strengthen our engagement and impact over time

For more information on our stakeholder relationship management, please refer to pages 62 - 73 of our Integrated Annual Report. For details of our sustainability-specific interactions with stakeholders and partners, please refer to Biodiversity initiatives on pages 27 - 31 of this report.

OUR PEOPLE

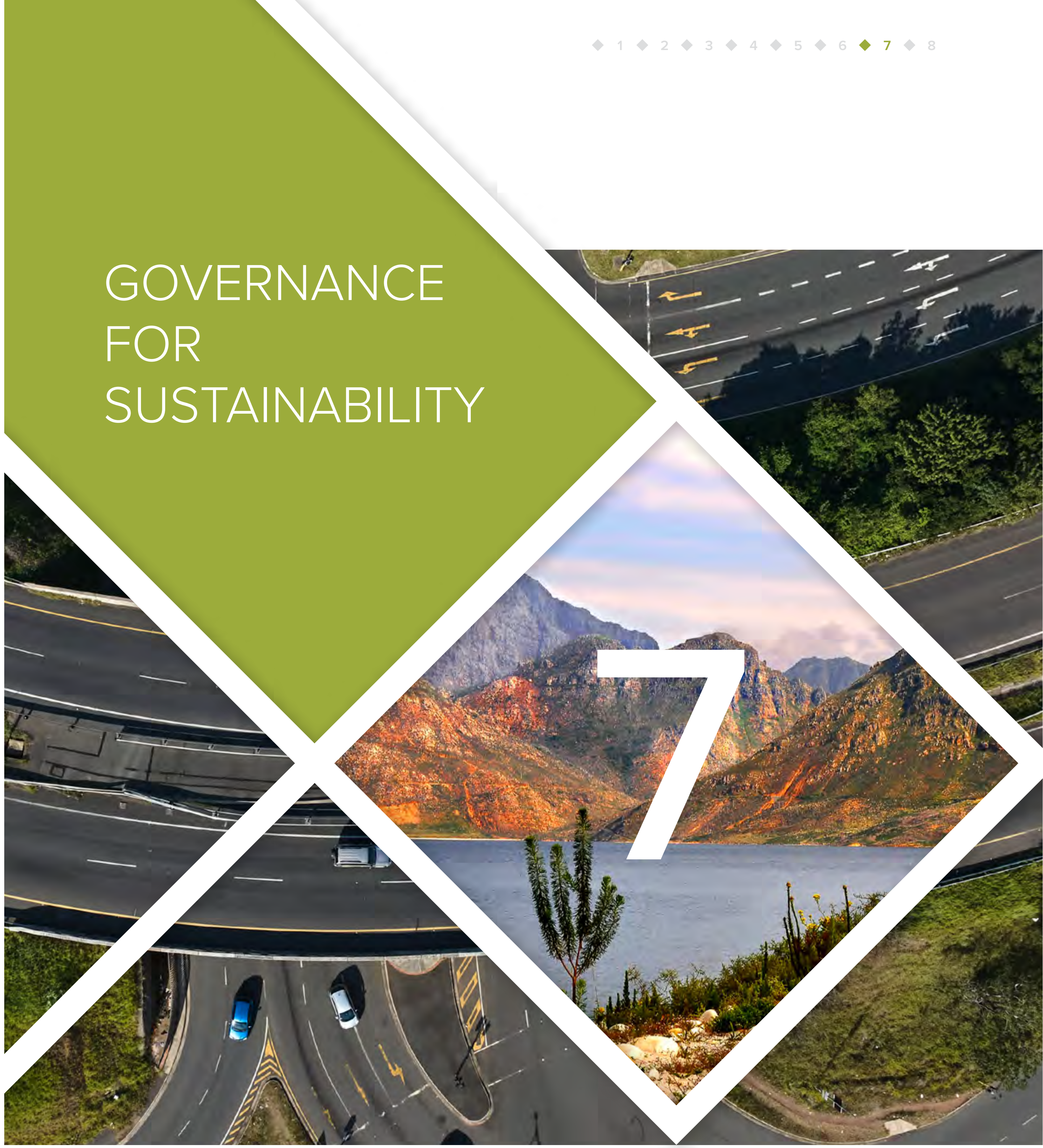
The DBSA's people are central to delivering sustainable infrastructure and long-term development impact. As development practitioners, they ensure that investments are environmentally responsible, socially inclusive and aligned with community needs. In line with the principles of the King V Report on Corporate Governance for South Africa, the Bank recognises its workforce as a key enabler of ethical leadership, effective governance and sustainable value creation.

The Bank continues to invest in organisational capability through targeted learning, skills development and ESG-related training, supporting the attraction and retention of specialised talent. Focus has also been placed on employee wellbeing and organisational alignment, particularly within the Target Operating Model, to sustain performance and enable delivery at scale.

A key priority remains embedding sustainability and ethical conduct in organisational culture. The Bank maintains a zero-tolerance approach to unethical behaviour, supported by strong governance frameworks and internal controls.

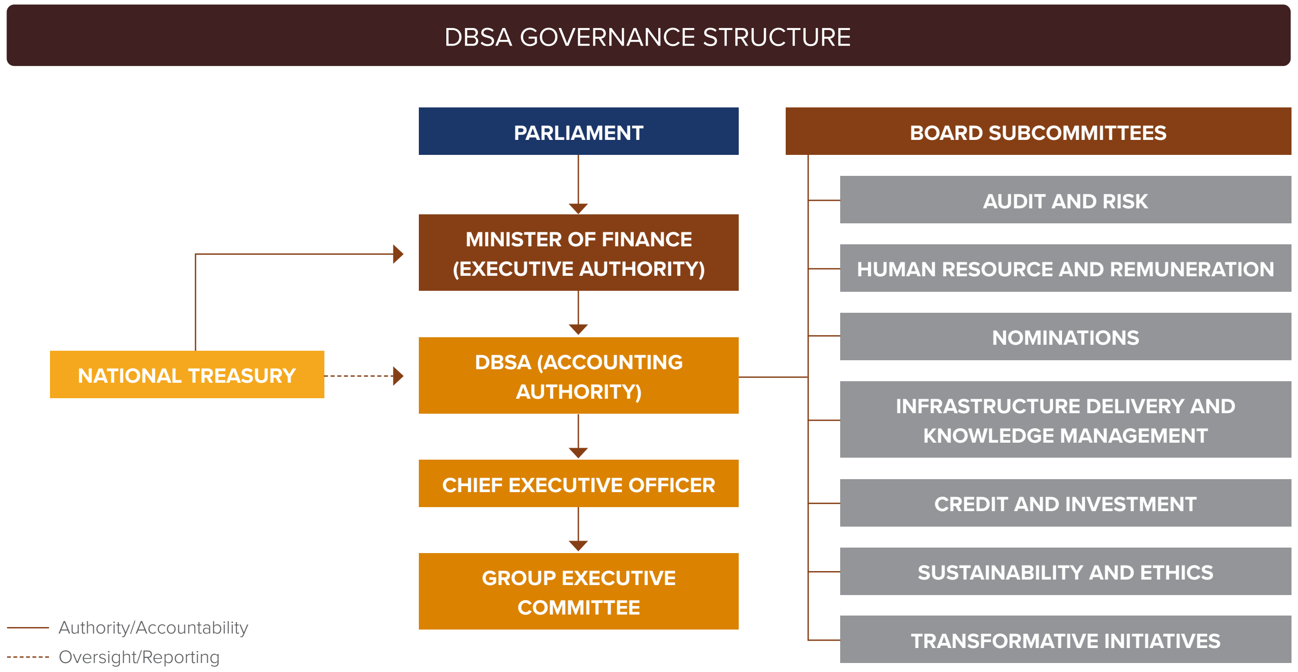
Looking ahead, the DBSA is strengthening workforce agility to respond to a rapidly changing environment, including through digital capability, innovation and responsiveness to climate and development challenges. Ultimately, delivering meaningful and inclusive development outcomes depends on the strength, capability and commitment of its people. For further information on human capital management, refer to pages 108 - 112 of the Integrated Annual Report.

GOVERNANCE FOR SUSTAINABILITY



The DBSA's governance framework supports the integration of sustainability into decision-making, risk management and operations, enabling accountable and resilient delivery of development impact. The Board exercises oversight and cascades through executive management, ensuring consistent application of governance principles across the organisation. Board committees provide focused oversight on key areas, including audit and risk, human capital, credit, infrastructure delivery and sustainability.

The Bank operates within a defined framework of legislation, policies and procedures that guide accountability, strengthen controls and support responsible decision-making. The Governance Structure of the Bank is shown in the figure below:



For further details on governance structures, policies and committee mandates, refer to pages 120 to 128 of the Integrated Annual Report.

Embedding Sustainability Considerations

The DBSA adopts a dynamic approach to governance, risk management and environmental and social sustainability, reflecting the Board's commitment to continuous improvement. Governance practices are regularly reviewed and refined to remain responsive to evolving regulatory requirements, stakeholder expectations and development priorities.

During the year under review, the Bank strengthened the integration of sustainability into governance structures and investment decision-making. ESG considerations, including climate-related risks and opportunities, were embedded across Board committee oversight. This supported increased focus on climate-resilient infrastructure, particularly in the water and energy sectors.

Board Committee Snapshots: Sustainability Focus Areas in FY2025/26

The Board committees play a central role in embedding sustainability across governance, risk management and investment decision-making. Key focus areas during the year under review included:

Board committees play a central role in embedding sustainability across governance, risk management and investment decision-making.

Audit and Risk Committee

- Strengthened oversight of reputational risk, internal controls and financial resilience.
- Ensured sustainability-related risks are identified early and managed effectively.
- Supported long-term sustainability through oversight of capital adequacy and funding strategies aligned with the Bank's growth trajectory.

Board Credit and Investment Committee

- Advanced the integration of Just Transition considerations into investment decisions, recognising the transition as a broader socio-economic shift.
- Promoted green building practices and strengthened local supply chains.
- Enhanced the measurement and reporting of development impact

Sustainability and Ethics Committee

- Finalised the Human Rights Policy and embedded human rights considerations into investment decision-making.
- Strengthened mechanisms to monitor ESG compliance and escalate risks.
- Emphasised the transition from compliance-based ESG reporting towards integrated, impact-driven reporting across the full investment lifecycle.
- Supported the development of a pipeline of sustainability-aligned, high-impact projects.

Infrastructure Development and Knowledge Management Committee

- Emphasised long-term infrastructure performance and resilience, ensuring assets deliver sustained value over their lifecycle.
- Contributed to sustainability through research and thought leadership on infrastructure development, financing models and sector transitions.

Through focused oversight and strategic guidance, our Board committees ensure that sustainability is embedded in governance, investments and operations to drive long-term development impact.

Governance at Exco Level

Sustainability is embedded at executive level through the Social, Environmental, Ethics and Climate Risk Management Committee, which integrates ESG considerations into strategy, risk management and performance. The focus areas below illustrate how this is operationalised.

Social, Environmental, Ethics and Climate Risk Management Committee

The Committee supports the CEO in executing the mandate of the Sustainability and Ethics Committee, with a specific focus on integrating ESG considerations into executive-level decision-making.

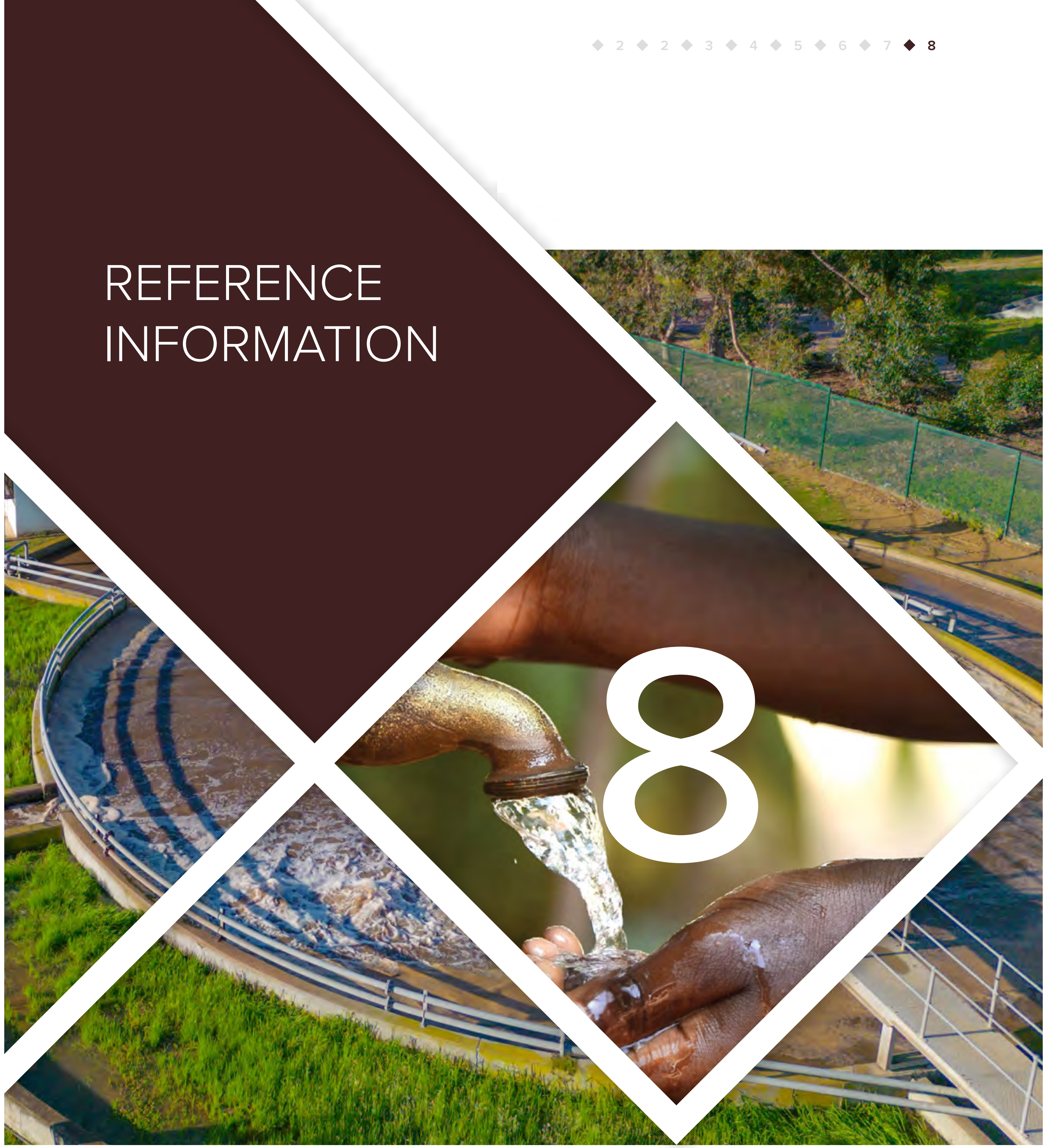
KEY RESPONSIBILITIES

- Develop the Bank's environmental (including climate) and social **strategy**.
- Implement **governance and risk management frameworks** to support ESG integration.
- Ensure **monitoring, reporting and disclosure** processes are aligned with relevant international standards.
- Strengthen **data management systems**, including ESG metrics, to track progress against defined targets.

The Committee plays a key role in ensuring that the DBSA effectively **identifies, manages and responds to evolving** environmental, social, governance and climate risks, while also supporting the identification of **opportunities that advance long-term sustainability and institutional resilience.**

INTEGRATED GOVERNANCE	EFFECTIVE RISK MANAGEMENT	TRANSPARENCY & ACCOUNTABILITY	DATA-DRIVEN INSIGHTS	SUSTAINABLE VALUE CREATION
Embedding ESG in decision-making	Anticipating risks and strengthening resilience	Robust reporting aligned with global standards	Quality data to track performance and impact	Driving opportunities for lasting impact

REFERENCE INFORMATION



GLOBAL REPORTING INITIATIVE TABLE

The DBSA 2026 GRI index			
Disclosure	**GRI disclosure title**	**GRI option**	**Reference**
GRI 2: General Disclosures 2021			
2-1	Organisational details	Core	Refer to page 167 of the 2026 Integrated Annual Report.
2-2	Entities included in the organisation's sustainability reporting	Core	The DBSA is a single entity with no subsidiaries
2-3	Reporting period, frequency and contact point	Core	Refer to 2026 Integrated Annual Report pages 7 - 9.
2-4	Restatements of information	Core	There was no restatement of information during the financial year.
2-5	External assurance	Core	Refer to page 5 of the 2026 Integrated Annual Report and page 5 of this report.
2-6	Activities, value chain and other business relationships	Core	Refer to 2026 Integrated Annual Report pages 37 - 39.
2-7	Employees	Core	Refer to 2026 Integrated Annual Report pages 108 - 111.
2-8	Workers who are not employees	Core	Not applicable
2-9	Governance structure and composition	Core	Refer to 2026 Integrated Annual Report pages 16 - 24 and 120 - 128.
2-10	Nomination and selection of the highest governance body	Core	Refer to pages 129 - 130 of the 2026 Integrated Annual Report.
2-11	Chairman of the highest governance body	Core	Refer to 2026 Integrated Annual Report pages 14 - 15.
2-12	Role of the highest governance body in overseeing the management of impacts	Core	Refer to 2026 Integrated Annual Report pages 120 - 128.
2-13	Delegation of responsibility for managing impacts	Core	Refer to 2026 Integrated Annual Report pages 121 - 123.
2-14	Role of the highest governance body in sustainability reporting	Core	Refer to 2026 Integrated Annual Report pages 114 - 115.
2-15	Conflicts of interest	Core	Refer to 2026 Integrated Annual Report pages 133 - 135.
2-16	Communication of critical concerns	Core	Refer to 2026 Integrated Annual Report pages 62 - 73.
2-17	Collective knowledge of the highest governance body	Core	Refer to 2026 Integrated Annual Report pages 16 - 21.

Disclosure	GRI disclosure title	GRI option	Reference
GRI 2: General Disclosures 2021 continued			
2-18	Evaluation of the performance of the highest governance body	Core	Refer to 2026 Integrated Annual Report pages 127 - 128.
2-19	Remuneration policies	Core	Refer to 2026 Integrated Annual Report pages 111 - 112.
2-20	Process to determine remuneration	Core	Refer to 2026 Integrated Annual Report pages 109 - 110.
2-21	Annual total compensation ratio	Core	The DBSA supports the principle of fair and equitable remuneration, including equal pay for work of equal value, in accordance with the Employment Equity Act.
2-22	Statement on sustainable development strategy	Core	Refer to 2026 Integrated Annual Report pages 30 - 39 and the Sustainability Review on pages 18 - 21.
2-23	Policy commitments	Core	Refer to 2026 Integrated Annual Report pages 113, 121, 133 - 135, 154 - 155, 162 - 163 and the Sustainability Review on pages 16 - 17, 27, 29 and 34.
2-24	Embedding policy commitments	Core	Refer to 2026 Sustainability Review on pages 30 - 39.
2-25	Processes to remediate negative impacts	Core	Refer to 2026 Sustainability Review pages 30 - 39 and pages 53, 77 and 101.
2-26	Mechanisms for seeking advice and raising concerns	Core	Refer to 2026 Integrated Annual Report pages 62 - 73 and the Sustainability Review on page 100.
2-27	Compliance with laws and regulations	Core	Refer to 2026 Integrated Annual Report pages 121 - 122.
2-28	Membership associations	Core	Refer to 2026 Integrated Annual Report page 113.
2-29	Approach to stakeholder engagement	Core	Refer to 2026 Integrated Annual Report pages 62 - 73.
2-30	Collective bargaining agreements	Core	The DBSA does not have an agreement with any union that regulates collective bargaining. The Public Services Association (PSA) has organisational rights at the DBSA under a recognition agreement, but no bargaining rights.

Disclosure	GRI disclosure title	GRI option	Reference
GRI 3: Material Topics 2021			
3-1	Process to determine material topics	Core	Refer to 2026 Integrated Annual Report pages 64 - 72.
3-2	List of material topics	Core	Refer to 2026 Integrated Annual Report pages 74 - 78.
3-3	Management of material topics	Core	Refer to 2026 Integrated Annual Report pages 74 - 78.
GRI 201: Economic Performance 2016			
201-1	Direct economic value generated and distributed	Core	Refer to 2026 Integrated Annual Report pages 12 - 13 and 52 - 53.
201-2	Financial implications and other risks and opportunities due to climate change	Core	Refer to 2026 Integrated Annual Report page 76.
201-3	Defined benefit plan obligations and other retirement plans	Core	Refer to 2026 Integrated Annual Report pages 109 - 110.
201-4	Financial assistance received from government	Core	Not applicable
GRI 202: Market Presence 2016			
202-1	Ratios of standard entry-level wages by gender compared to local minimum wage		Refer to 2026 Integrated Annual Report pages 109 - 110.
202-2	Proportion of senior management hired from the local community		Refer to 2026 Integrated Annual Report pages 22 - 23.
GRI 203: Indirect Economic Impacts 2016			
203-1	Infrastructure investments and services supported	Core	Refer to 2026 Integrated Annual Report pages 52 - 53.
203-2	Significant indirect economic impacts	Core	Refer to 2026 Integrated Annual Report pages 52 - 53.
GRI 204: Procurement Practices 2016			
204-1	Proportion of spending on local suppliers	Core	Refer to 2026 Integrated Annual Report page 41.
GRI 205: Anti-corruption 2016			
205-1	Operations assessed for risks related to corruption	Core	Refer to 2026 Integrated Annual Report pages 133 - 135.
205-2	Communication and training about anti-corruption policies and procedures	Core	Refer to 2026 Integrated Annual Report pages 133 - 135.
205-3	Confirmed incidents of corruption and actions taken	Core	Refer to 2026 Integrated Annual Report page 160 - 163.

Disclosure	GRI disclosure title	GRI option	Reference
GRI 206: Anti-competitive Behaviour 2016			
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Core	Not applicable
GRI 207: Tax 2019			
207-1	Approach to tax	Core	Refer to 2026 Annual Financial Statements page 15.
207-2	Tax governance, control, and risk management	Core	Refer to 2026 Annual Financial Statements page 15.
207-3	Stakeholder engagement and management of concerns related to tax	Core	Refer to 2026 Annual Financial Statements page 15.
GRI 301: Materials 2016			
301-1	Materials used by weight or volume	Core	Not applicable
301-2	Recycled input materials used	Core	Not applicable
301-3	Reclaimed products and their packaging materials	Core	Not applicable
GRI 302: Energy 2016			
302-1	Energy consumption within the organisation	Core	Refer to 2026 Integrated Annual Report pages 116 - 117.
302-2	Energy consumption outside of the organisation	Core	Refer to 2026 Integrated Annual Report pages 116 - 117.
302-3	Energy intensity	Core	Not applicable
302-4	Reduction of energy consumption	Core	Refer to 2026 Integrated Annual Report page 116.
302-5	Reductions in energy requirements of products and services	Core	Not applicable
GRI 303: Water and Effluents 2018			
303-1	Interactions with water as a shared resource	Core	Not applicable
303-2	Management of water discharge-related impacts	Core	Not applicable
303-3	Water withdrawal	Core	Not applicable
303-4	Water discharge	Core	Not applicable
303-5	Water consumption	Core	Refer to 2026 Integrated Annual Report page 116.

Disclosure	GRI disclosure title	GRI option	Reference
GRI 304: Biodiversity 2016			
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Core	Not applicable
304-2	Significant impacts of activities, products and services on biodiversity	Core	Not applicable
304-3	Habitats protected or restored	Core	Not applicable
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Core	Not applicable
GRI 305: Emissions 2016			
305-1	Direct (Scope 1) GHG emissions	Core	Refer to 2026 Integrated Annual Report pages 116 - 117 and 24 - 26 of the Sustainability Review report.
305-2	Energy indirect (Scope 2) GHG emissions	Core	Refer to 2026 Integrated Annual Report pages 116 - 117.
305-3	Other indirect (Scope 3) GHG emissions	Core	Refer to 2026 Integrated Annual Report pages 116 - 117.
305-4	GHG emissions intensity	Core	Refer to 2026 Integrated Annual Report pages 116 - 117.
305-5	Reduction of GHG emissions	Core	Refer to 2026 Integrated Annual Report pages 116 - 117.
305-6	Emissions of ozone-depleting substances (ODS)	Core	Refer to 2026 Integrated Annual Report pages 116 - 117.
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Core	Refer to 2026 Integrated Annual Report pages 116 - 117.
GRI 306: Waste 2020			
306-1	Waste generation and significant waste-related impacts	Core	Refer to 2026 Integrated Annual Report page 118.
306-2	Management of significant waste-related impacts	Core	Not applicable
306-3	Waste generated	Core	Not applicable
306-4	Waste diverted from disposal	Core	Not applicable
306-5	Waste directed to disposal	Core	Not applicable

Disclosure	GRI disclosure title	GRI option	Reference
GRI 308: Supplier Environmental Assessment 2016			
308-1	New suppliers that were screened using environmental criteria	Core	Not applicable
308-2	Negative environmental impacts in the supply chain and actions taken	Core	Not applicable
GRI 401: Employment 2016			
401-1	New employee hires and employee turnover	Core	Not applicable
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Core	Refer to 2026 Integrated Annual Report pages 110 - 112.
401-3	Parental leave	Core	Refer to 2026 Integrated Annual Report pages 110 - 112.
GRI 402: Labour/Management Relations 2016			
402-1	Minimum notice periods regarding operational changes	Core	Refer to 2026 Integrated Annual Report pages 110 - 112.
GRI 403: Occupational Health and Safety 2018			
403-1	Occupational health and safety management system	Core	The DBSA has an Occupational Health and Safety Policy that was approved by its Governance Structures. The Occupational Health and Safety (OHS) Team reports on a quarterly basis to the Bank's Governance Structures on OHS matters. The DBSA reports to the Department of Employment and Labour when there are reportable OHS incidents. Refer to 2026 Integrated Annual Report pages 62 - 72 and 109.
403-2	Hazard identification, risk assessment, and incident investigation	Core	
403-3	Occupational health services	Core	
403-4	Worker participation, consultation, and communication on occupational health and safety	Core	
403-5	Worker training on occupational health and safety	Core	
403-6	Promotion of worker health	Core	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Core	
403-8	Workers covered by an occupational health and safety management system	Core	
403-9	Work-related injuries	Core	
403-10	Work-related ill health	Core	

Disclosure	GRI disclosure title	GRI option	Reference
GRI 404: Training and Education 2016			
404-1	Average hours of training per year per employee	Core	Refer to 2026 Integrated Annual Report pages 108 - 110.
404-2	Programmes for upgrading employee skills and transition assistance programs	Core	Refer to 2026 Integrated Annual Report pages 108 - 110.
404-3	Percentage of employees receiving regular performance and career development reviews	Core	Refer to 2026 Integrated Annual Report pages 108 - 110.
GRI 405: Diversity and Equal Opportunity 2016			
405-1	Diversity of governance bodies and employees	Core	Refer to 2026 Integrated Annual Report pages 108 - 110.
405-2	Ratio of basic salary and remuneration of women to men	Core	Refer to 2026 Integrated Annual Report pages 108 - 110.
GRI 406: Non-discrimination 2016			
406-1	Incidents of discrimination and corrective actions taken	Core	Not applicable
GRI 407: Freedom of Association and Collective Bargaining 2016			
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Core	The DBSA does not have an agreement with any union that regulates collective bargaining. PSA has organisational rights at the DBSA under a recognition agreement, but no bargaining rights.
GRI 408: Child Labour 2016			
408-1	Operations and suppliers at significant risk for incidents of child labour	Core	Not applicable
GRI 409: Forced or Compulsory Labour 2016			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Core	Not applicable
GRI 410: Security Practices 2016			
410-1	Security personnel trained in human rights policies or procedures	Core	Not applicable
GRI 411: Rights of Indigenous Peoples 2016			
411-1	Incidents of violations involving the rights of indigenous peoples	Core	Not applicable

Disclosure	GRI disclosure title	GRI option	Reference
GRI 413: Local Communities 2016			
413-1	Operations with local community engagement, impact assessments, and development programmes	Core	Refer to 2026 Integrated Annual Report pages 62 - 92.
413-2	Operations with significant actual and potential negative impacts on local communities	Core	Not applicable
GRI 414: Supplier Social Assessment 2016			
414-1	New suppliers that were screened using social criteria	Core	Not applicable
414-2	Negative social impacts in the supply chain and actions taken	Core	Not applicable
GRI 415: Public Policy 2016			
415-1	Political contributions	Core	Not applicable
GRI 416: Customer Health and Safety 2016			
416-1	Assessment of the health and safety impacts of product and service categories	Core	Not applicable
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Core	Not applicable
GRI 417: Marketing and Labelling 2016			
417-1	Requirements for product and service information and labelling	Core	Not applicable
417-2	Incidents of non-compliance concerning product and service information and labelling	Core	Not applicable
417-3	Incidents of non-compliance concerning marketing communications	Core	Not applicable
GRI 418: Customer Privacy 2016			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Core	Not applicable

UNITED NATIONS GLOBAL COMPACT

The United Nations Global Compact (UNGC) is a UN initiative that encourages businesses worldwide to adopt sustainable and socially responsible policies and report on their implementation. The UNGC is a principle-based framework for businesses and the world's largest corporate sustainability initiative, with 13,000 corporate participants and other stakeholders across more than 170 countries.

The DBSA became a signatory to the UNGC on 9 September 2014, committing the organisation to the 10 universal principles of the UNGC and reflecting the importance that the DBSA Board and management place on good corporate citizenship. During the reporting period, the DBSA renewed its membership with the UNGCSA. The DBSA is committed to upholding fundamental human rights, ensuring fair labour practices, combating corruption in all its forms, and protecting the natural environment in which it operates. This is exemplified by its ongoing efforts to build its human rights programme.

UNGC Principle	DBSA's support of the UNGC Principle	The DBSA Policy
Human Rights		
Businesses should: • support and respect the protection of internationally proclaimed human rights; and • make sure that they are not complicit in human rights abuses.	The DBSA supports the United Nations' Universal Declaration of Human Rights. We are bound by the Constitution of the Republic of South Africa, which contains the Bill of Rights. All DBSA employees are bound by the DBSA's Code of Ethics and are guided in their behaviour in terms of integrity, loyalty, equity, tolerance, impartiality and discretion. Our service providers, suppliers and trade partners are also bound by the Code. At a project investment level, the DBSA considers the advancement and protection of human rights an imperative. Various social safeguards are built into our due diligence process.	• Code of Ethics • Employment Policy • Human Rights Policy Framework
Labour		
Businesses should uphold: • the freedom of association and the effective recognition of the right to collective bargaining; • the elimination of all forms of forced and compulsory labour; • the effective abolition of child labour; and the elimination of discrimination in respect of employment and occupation.	The DBSA is committed to fair employment opportunities for all and to creating an environment that permits such equal opportunities for advancement. This is imperative to redress past imbalances and to improve the conditions of individuals and groups who have been previously disadvantaged on the grounds of race, gender and disability. In the spirit of promoting organisational policies and practices that are fair and equitable, we affirm our commitment to comply with the spirit of the Employment Equity Act, No. 55 of 1998, for the strategic benefit of the DBSA. South Africa is a signatory to the International Labour Organization convention, as applicable to fair labour practices, and South Africa has a plethora of labour legislation that reflects the standards. The DBSA's Employment Policy incorporates these legislative provisions. South African law prohibits forced, compulsory and child labour. The DBSA practises freedom of association and recognises the right to collective bargaining as prescribed in the Constitution of the Republic of South Africa and set out specifically in the South African Labour Relations Act, No. 66 of 1995. For the past two financial years, no collective bargaining agreement has been in place.	• Employment Policy • Human Rights Policy Framework

UNGC Principle	DBSA's support of the UNGC Principle	The DBSA Policy
Environment		
Businesses should: • support a precautionary approach to environmental challenges; • undertake initiatives to promote greater responsibility; and • encourage the development and diffusion of environmentally friendly technologies.	The DBSA recognises the importance of placing poverty eradication and achievement of sustainable development at the centre of its development agenda. The DBSA is legally obliged to promote sustainable development through its operations, and this is integrated into our strategy, which highlights the need for effective integration of sustainability issues as the key to ensuring sustainable economic and social development. The DBSA supports the precautionary approach to environmental challenges. Environmental and sustainability considerations at the DBSA are founded on the following key documents, systems and processes: the DBSA Environmental Sustainability Strategy; the DBSA Environmental Policy; the environmental management system; and the DBSA environmental appraisal procedures. These documents combine to form the DBSA environmental management framework, which provides the structure that ensures all our operations, programmes, and projects are socially responsible, environmentally sound, and aligned with government requirements.	• Sustainability Framework • Environmental Policy • Human Rights Policy Framework
Anti-corruption		
Businesses should work against corruption in all its forms, including extortion and bribery.	The DBSA has adopted a Code of Ethics that articulates the values and ethical standards to which all persons associated with the Bank are required to adhere. This notwithstanding, the DBSA acknowledges that in today's business environment, fraud is prevalent, and all business organisations are susceptible to the risk of fraud. In this regard, our Fraud Prevention Plan reinforces our policy of zero tolerance towards fraud and corruption, as well as management's commitment to combating all forms of fraud inherent in our operations. The DBSA's fraud hotline forms an integral part of its anti-fraud and anticorruption efforts. The toll-free hotline is independently managed and administered. The Conflict-of-Interest Policy for the DBSA Board and employees require the disclosure of all direct or indirect personal or private business interests. All employees sign confidentiality and Declaration of Interest forms when adjudicating on procurement panels.	• Code of Ethics • Anti-Bribery and Corruption Policy • Gift and Hospitality Policy • Human Rights Policy Framework • Fraud Prevention Plan • Conflict of Interest Policy • Whistle-Blowing Policy

ACRONYMS AND ABBREVIATIONS

B-BBEE	Broad-Based Black Economic Empowerment
CEO	Chief Executive Officer
CIPC	Companies and Intellectual Property Commission
CSI	Corporate Social Investment
DBSA	Development Bank of Southern Africa
DFI	Development Finance Institution
DHET	Department of Higher Education and Training
DLAB	Development Lab
DRC	Democratic Republic of Congo
ECD	Early Childhood Development
EI4WS	Ecological Infrastructure for Water Security
EMP	Electricity Master Plan
ER TFM	Emissions Reductions through Traditional Fire Management
ESG	Environmental, Social, Governance
EWT	Endangered Wildlife Trust
GCF	Green Climate Fund
GDE	Gauteng Department of Education
GEF	Global Environment Facility
GHG	Greenhouse Gas
IAR	Integrated Annual Report
ICT	Information and Communications Technology
IDFC	International Development Finance Club
IDP	Integrated Development Plan
IFRS	International Financial Reporting Standards
ILED	Inclusive Local Economic Development
IPP	Independent Power Producers
ISSB	International Sustainability Standards Board
IUCN	International Union for Conservation of Nature
JSE	Johannesburg Stock Exchange
King IV	King IV™ Report on Corporate Governance for South Africa
MoA	Memorandum of Agreement
MPRNRE	Management Plan to Reduce Non-Revenue Electricity
MTDP	Medium-Term Development Plan
NGO	Non-Governmental Organisation
PAD	Partner-A-District
PMU	Project Management Unit
RSWMP	Roads and Stormwater Master Plan
SADC	Southern African Development Community
SDG	Sustainable Development Goal
SMME	Small, Medium and Micro Enterprises
SMU	Sefako Makgatho University
TNFD	Taskforce for Natural Finance Disclosures
UNGC	United Nations Global Compact

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Building Africa's Prosperity

DELIVERING IMPACT IN A CHALLENGING ENVIRONMENT

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