



DBSA LEVEL 1
SUSTAINABILITY FRAMEWORK

2025 — VERSION 1

DBSA



DBSA SUSTAINABILITY COMMITMENT

The DBSA is firmly committed to sustainability, which is inclusive of social equity and a Just Transition, to ensure that all its investments, regardless of scale, contributes towards a more resilient society.

As part of its sustainability vision, the DBSA aims to contribute toward a world where, by 2050, more than nine billion people can live well within planetary boundaries. This vision is driven by the acceleration of Net-Positive Impact, achieved through supporting inclusive and sustainable economic growth, while simultaneously addressing inequalities that contribute to poverty. At the same time, the DBSA remains committed to a lower greenhouse gas emission trajectory, integrating climate-resilient development imperatives and solutions that align with the specific contexts in which the Bank operates.

It continues to contribute purposefully towards the UN Sustainable Development Goals (SDGs), creating shared value for its clients and society while minimising negative impact to the biophysical environment caused by its investments. Notwithstanding these residual negative impacts to the environment, the Bank through its Environmental and Social Safeguards, shall ensure a restorative/rehabilitative approach is taken where damage to the environment occurs caused by the projects it invests in.

The DBSA advocates itself as an Infrastructure Bank that does good. Through provision of infrastructure finance and its other investments, the Bank endeavours to bring dignity and social justice to the markets in which it operates. Social Justice in the context of South Africa refers directly to The South African Constitution which was designed to establish a society based on democratic values, including social justice, and fundamental human rights. The Constitution guarantees rights such as dignity, equality, and access to basic needs such as education, healthcare, food, water and social security, all of which are crucial for achieving social justice.

It views positive Developmental Impact as a long-term intentional change caused by its investments across its own operations as well as its lending footprint. An Impact Framework that measures material impact indices shall support this Sustainability Framework and be revised from time to time. Through elevation of such Impact Framework the Bank shall remain accountable to its stakeholders to demonstrate Impact in line with its Corporate identity.

AIMS

The DBSA's partnerships, projects and financing solutions are guided by five principles that ensure infrastructure development delivers long-term social, economic and environmental impact.



Health & Safety

Protect human wellbeing through safe built environments.



Just Energy Transition

Support equitable access to energy while advancing low-carbon systems.



Sustainable Infrastructure Design

Embed circular economy principles into project planning.



Climate & Environmental Resilience

Strengthen communities while protecting planetary boundaries.



Purposeful Development Impact

Ensure investments create measurable societal value.

How DBSA Applies These Principles

These five principles guide DBSA investment decisions, partnerships, and business development strategies. They enable the Bank to play a catalytic role in building sustainable infrastructure ecosystems across Africa.



DBSA'S OWN OPERATION



The Bank strives to target carbon neutrality in all its operational activities in line with its NET ZERO ambitions through investments in energy, water and waste efficiency measures on its campus. In its supply chain, the Bank will endeavour (where practically reasonable to do so), to employ ESG related terms and conditions of employment of the contractors working in its facilities and to minimise environmental impact of resources such as paper supplied to the DBSA's facilities.



The Bank is subject to governance practices as prescribed through the Public Finances Management Act (PFMA), South African legislation and its own Code of Ethics based on the South African Constitution. It has fully promoted Diversity and Inclusivity practices across its recruitment, career development and management development processes



The Bank recognises the dynamic ESG Financial Reporting landscape and continues to provide access to ESG relevant training to all permanent and contracted staff around the contents of the DBSA Sustainability Framework and its obligations against the Sustainability Policy Universe.



Being a South African head quartered entity, the Bank fully appreciates the complexity and importance of human rights matters and is committed to its protection, promotion, and preservation. This is further enshrined in the Bank's core values and principles, outlined in the DBSA Code of Ethics. Holistically the Code of Ethics guides the Banks behaviour and actions through ethics-based decisions and subscribes the DBSA to the highest standards of corporate governance, integrity and values. These values are: High performance, Shared Vision, Integrity, Innovation and Service Orientation, while its principles are Integrity, Loyalty, Equity, Tolerance, Impartiality, and Discretion. Conduct contrary to the core values and principles of the Bank is not acceptable and is not tolerated by the Bank.

DBSA'S INVESTMENT ACTIVITIES

- As part of its lending solutions, the organisation continues to seek sustainable / climate finance linked opportunities in all its prospective investments ensuring maximum leverage of its “Green” Partnerships globally and regionally.
- Through the Banks’ investments in programmes such as the D’Labs, it continues to invest in research and development to continually improve the knowledge and skills its people and wider society need, to deliver sustainable development.
- The Bank endeavours to assist civil society through its Corporate Social Investments in a targeted and meaningful manner. It is on this basis that the Bank’s CSI programmes are strategically aligned to its Core focus sectors.
- The DBSA contractually agrees performance improvements related to most important Environmental, Social and Governance (ESG) risks with its clients and partners. By continuously improving its ESG related performance, its clients’ potential adverse impacts on environmental and social issues are materially reduced.
- The Bank requests from its own people, clients and counterparties to adhere to the letter and spirit of the laws and regulations they are subject to and maintain the highest ethical standards as per its Code of Ethics
- As far as its lending practices are concerned, the Bank does not proceed to finance projects that have not undergone rigorous public participation processes as part of the underlying projects environmental and social authorisation processes. Should there be deficiencies in such approval processes in host countries, the DBSA will reserve its rights to ensure minimum standards are met in line with its own Environmental and Social Policy and Safeguards based on international standards

DBSA's commitment towards Disclosure and Transparency

- The DBSA believes that transparency and accountability in its financing and investments are imperative to fulfilment of its developmental mandate. Increasing its transparency will allow the DBSA to build trust amongst its valued stakeholders about whether the DBSA is achieving its strategic intent and mission.
- The Bank commits to financing clients whom are intentional and willing to work with the DBSA on improving their approach to manage environmental, social, and human rights risks and impacts, as well as improving their governance.
- In addition, the Bank continues to aspire to align to international best practise of disclosure to various ESG related matters within its annual reports, press releases and corporate- and policy- related disclosure on its website.
- To expediate the above, the DBSA developed a Grievance Redress platform, to allow for interaction with its external stakeholders as it enhances its non-financial disclosure journey.

LEVERAGING COLLABORATIVE PARTNERSHIPS

The Bank is committed to working beneficially with other stakeholders, other Development Financial Institutions (DFI's) and financial sector actors to:

- scale up efforts around sustainable finance,
- developing a mutual understanding of ESG risks (including best practicable options around impact and mitigation strategy,
- co-financing and engaging with its clients.
- engage with civil society through various platforms in line with our Communications and Stakeholder engagement strategy

Furthermore, the DBSA is a founding member of the IDFC (the International Development Finance Club) and has signed several Memorandums of Understanding's (MOA's) with key Southern African developmental banks which allows for extensive cross collaboration efforts across various ESG related matters.

This Framework endorses the Banks' commitment towards Responsible Banking principles and its continuous strive, to integrate sustainable development principles across its corporate practices via its Sustainability Policy Universe (Environmental and Social , Health & Safety; Code of Ethics; Equality, Diversity and Inclusion; Human Rights Policy Framework) and it continues to report on progress of the above mentioned most material Environmental, Social and Governance (ESG) indices via its Annual Sustainability Report.

End.



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