




BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

| | | |
|----|--|---|
| 1 | Corporate Identity Number (CIN) of the Listed Entity | L65191KL1931PLC000368 |
| 2 | Name of the Listed Entity | THE FEDERAL BANK LIMITED |
| 3 | Year of incorporation | 1931 |
| 4 | Registered office address | Federal Towers, P B No 103, Aluva, Ernakulam, Kerala, 683101, India |
| 5 | Corporate address | Federal Towers, P B No 103, Aluva, Ernakulam, Kerala, 683101, India |
| 6 | E-mail | secretarial@federalbank.co.in |
| 7 | Telephone | +91-0484-2630996 |
| 8 | Website | www.federalbank.co.in |
| 9 | Financial year for which reporting is being done | 2023-24 |
| 10 | Name of the Stock Exchange(s) where shares are listed | Equity shares of the Bank are listed at: i. BSE Limited (BSE) ii. National Stock Exchange of India Limited (NSE) iii. Global Depository Receipts (GDRs) - London Stock Exchange |
| 11 | Paid-up Capital | ₹ 487.07 Crore as on March 31, 2024 |
| 12 | Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report | Mr. Padmanabhan T M, Head ESG +91-0484-2634120 Email- esg@federalbank.co.in |
| 13 | Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together). | Standalone basis. |
| 14 | Name of assurance provider | M/s. Bureau Veritas Industrial Services (India) Pvt Ltd. |
| 15 | Type of assurance obtained | For the BRSR report, please note that the parameters marked as "right sign"  have been reasonably assured, while the rest of the parameters were subjected to limited assurance. |

II. Products/Services

16. Details of business activities (accounting for 90% of the turnover):

| S. No | Description of Main Activity | Description of Business Activity | % of Turnover of the entity |
|-------|---------------------------------|--|-----------------------------|
| 1 | Financial and Insurance Service | Banking activities by Central, Commercial and Saving Banks | 100% |

17. Product/Service sold by the entity (accounting for 90% of the entity's Turnover);

| S. No | Product/Service | NIC Code | % of total Turnover contributed |
|-------|---|----------|---------------------------------|
| 1 | Banking services and financial services | 64191 | 100% |

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated

| Location | Number of plants | Number of offices | Total |
|---------------|------------------|-------------------|-------|
| National | Not Applicable | 1504 [^] | 1504 |
| International | Not Applicable | 3 [#] | 3 |

[^] No of branches and Extension Counters

[#] This includes IFSC Banking Unit (IBU) in Gujarat International Finance Tec-City (GIFT City) which is considered as overseas branch and two representative offices at Dubai & Abu Dhabi.

19. Markets served by the entity:

a. Number of locations

| Locations | Number |
|----------------------------------|---|
| National (No. of States) | 31 (26 states, Delhi NCT and 4 union territories) |
| International (No. of Countries) | 1* |

*Representative offices in UAE

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Not Applicable

c. A brief on types of customers

Federal Bank is one of the leading private-sector banks in India. The Bank offers a wide range of products and services to retail, micro, small and medium scale enterprises ("MSME"), agricultural and corporate customers through a variety of delivery channels. Bank's principal business activities are divided into five segments, namely Retail banking, SME banking (Business and Commercial Banking), Agricultural banking, Corporate & Institutional Banking and Treasury & other banking operations with a balanced portfolio mix across these segments.

The total number of customers serviced by the Bank as of March 31, 2024, was over 1.82 Crore. During the year Bank added more than 32 Lakh new customers to its fold. Customers in Rural and Semi-Urban branches constitute 74% of Bank's customers. The Bank also has a strong NRI franchise, which enables the Bank to build granular deposits. During the year, Bank added more than 88,000 new NRI customers to the fold.

As of March 31, 2024, retail to wholesale advances ratio stood at 56:44. Bank's advances to Retail (personal) segment accounted for 31%, Agriculture advances accounted for 13%, Business Banking accounted for 8%, Micro Finance & CV/CE accounted for 2% each, Commercial Banking accounted for 10% and Corporate advances accounted for 34% of total gross advances. Bank has given added thrust in building a robust microfinance portfolio which has resulted in a growth of 141% on a YoY basis. Priority Sector lending as a percentage of Adjusted Net Banking Credit (ANBC) stood at 41.09%, a testimony to the Bank's commitment towards inclusive development. Over the years, Bank has built a strong base of distributed clientele, which has helped in building low-cost deposits and has been a source of strength for the liability portfolio. The total deposits in the fiscal year ending March 31, 2024, stood at ₹ 2,52,534 Crore. Total core deposits (Total Deposits excluding deposits from Banks) to total deposits for the year ended March 31, 2024, stood at 98%. A large part of the deposit base is retail which indicates lower concentration risk for the Bank.

IV. Employees

20. Details as at the end of Financial Year:

a. Employees (including differently abled):

| S. No. Particulars | Total (A) | Male | | Female | |
|-----------------------------------|--------------|-------------|--------------|-------------|--------------|
| | | No. (B) | % (B / A) | No. (C) | % (C / A) |
| EMPLOYEES | | | | | |
| 1. Permanent (D) | 14658 | 8544 | 58.29 | 6114 | 41.71 |
| 2. Other than Permanent (E) | 554 | 236 | 42.60 | 318 | 57.40 |
| 3. Total employees (D + E) | 15212 | 8780 | 57.72 | 6432 | 42.28 |

Note: "Employee" defined under Sec 2(l) of the Industrial Relations Code, 2020, includes Officers, Clerical and Sub Staff. To avoid duplication, we have not reported anyone under workers, though Clerical and Sub Staff may also qualify under the definition of worker.

b. Differently abled Employees:

| S. No. Particulars | Total (A) | Male | | Female | |
|---|-----------|----------|------------|----------|------------|
| | | No. (B) | % (B / A) | No. (C) | % (C / A) |
| DIFFERENTLY ABLED EMPLOYEES | | | | | |
| 1. Permanent (D) | 12 | 6 | 50% | 6 | 50% |
| 2. Other than Permanent (E) | -- | -- | -- | -- | -- |
| 3. Total differently abled employees (D + E) | 12 | 6 | 50% | 6 | 50% |



21. Participation/Inclusion/Representation of women

| Particulars | Total (A) | No. and percentage of Females | |
|--------------------------|-----------|-------------------------------|-----------|
| | | No. (B) | % (B / A) |
| Board of Directors | 11 | 2 | 18.18% |
| Key Management Personnel | 5 | 1 | 20.00% |

Besides the Chairman, the Board comprises seven Non-Executive Independent Directors including one-woman Independent Director, a Managing Director & CEO and two Executive Directors including one-woman Executive Director.

22. Turnover rate for permanent employees

(Disclose trends for the past 3 years)

| | FY 2023-24 | | | FY 2022-23 | | | FY 2021-22 | | |
|---------------------|------------|--------|-------|------------|--------|-------|------------|--------|-------|
| | Male | Female | Total | Male | Female | Total | Male | Female | Total |
| Permanent Employees | 5.01 | 4.89 | 4.96 | 7.09 | 5.21 | 6.32 | 6.50 | 4.90 | 5.85 |

Turnover rate of permanent employees based on the exit type:

| | FY 2023-24 | | | FY 2022-23 | | |
|--------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | Male | Female | Total | Male | Female | Total |
| Voluntary | 2.95 | 3.53 | 3.19 | 3.90 | 3.54 | 3.75 |
| Involuntary | 2.06 | 1.36 | 1.77 | 3.19 | 1.67 | 2.57 |
| Total | 5.01 | 4.89 | 4.96 | 7.09 | 5.21 | 6.32 |

Voluntary exit includes resignation, VRS, etc. & Involuntary exit includes dismissal, retirement, or death while in service

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. (a) Names of holding / subsidiary / associate companies / joint ventures

| S. No. | Name of the holding / subsidiary / associate companies / joint ventures (A) | Indicate whether holding/ Subsidiary/ Associate/ Joint Venture | % of shares held by listed entity | Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No) |
|--------|---|--|-----------------------------------|--|
| 1 | Federal Operations and Services Limited | Wholly owned Subsidiary | 100.00% | No |
| 2 | Fedbank Financial Services Limited | Subsidiary | 61.58% | No |
| 3 | Ageas Federal Life Insurance Company Limited | Associate | 26.00% | No |
| 4 | Equirus Capital Private Limited | Associate | 19.59% | No |

VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) – Yes
- (ii) Turnover: ₹ 25,267.53 Crore
- (iii) Net worth: ₹29,089.41 Crore



VII. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

| Stakeholder group from whom complaint is received | Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy) | FY 2023-24 | | | FY 2022-23 | | |
|---|---|--|--|---|--|--|---|
| | | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks |
| Communities | Yes | 0 | - | NIL | 0 | - | NIL |
| Investors (other than shareholders) | Yes | 0 | - | NIL | 0 | - | NIL |
| Shareholders | Yes | 7 | 1 | O/s complaint closed on 03rd April 2024 by NSE. | 8 | 0 | All complaints resolved |
| Employees | Yes, the policy is made available on the Bank's intranet and the same is accessible to internal stakeholders. | 5 | 0 | Bank has initiated timely measures for an effective redressal of grievances | 2 | 0 | Bank has initiated timely measures for an effective redressal of grievances |
| Customers | Yes | 2,60,580 | 6657# | | 1,70,278 | 5,864# | |
| Value Chain Partners | Yes | - | - | - | - | - | - |
| Other (please specify) | - | - | - | - | - | - | - |

#Outstanding complaints are those received in the month of March. Around 99% of outstanding complaints are related to digital transaction disputes which has specific TAT for resolution.

Stakeholders can reach out to us for any grievance redressal through the following options, based on the nature of grievance:

- <https://www.federalbank.co.in/grievance-redressal>
- <https://www.federalbank.co.in/shareholder-information>
- <https://www.federalbank.co.in/documents/10180/45777/Environmental+and+Social+Management+system+%28ESMS%29+Policy+July.pdf/d8b4df0b-d6c6-9dfc-ff77-8903886bd541?t=1690350626600>
- Link to Policy for redressal of Customer grievance is provided below: <https://www.federalbank.co.in/documents/10180/45777/Policy+for+Redressal+of+Customer+Grievances.pdf/60eb733b-3d5b-40ee-9c7f-6cb2fc1b26ee?t=1695792316493>

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

| S. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|--------|---------------------------------|--|--|---|--|
| 1. | Corporate Governance and Ethics | Risk | Governance-related factors can negatively impact the institution's long-term aspirations and visions, potentially causing stakeholder distrust, regulatory and compliance risks. | The Bank ensures continuous improvement in its governance framework and institutionalizes integrity through robust systems and processes by observing regulatory guidelines and industry best practices. The Bank's governance system ensures that environmental and social factors are properly taken into account for long-term sustainability, which ultimately benefits its stakeholders. The Bank has various committees at the Board level that evaluate the grievances of both internal and external stakeholders. Various management-level and Board-level committees are tasked with ensuring accountability and transparency. | Negative |



| S. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|--------|-----------------------------------|--|---|--|--|
| 2. | Economic Performance | Opportunity | It is crucial to maintain both stability and positive momentum in the economic performance. The organization's economic performance is measured by achieving different economic goals. The objective is to achieve profit, customer satisfaction, digital innovations, and efficient & effective utilization of available resources amongst many others. The economic performance indicator assures the business's sustainability and long-term value for its ultimate stakeholders. | | Positive |
| 3. | Regulatory Compliance | Risk | Infringing on regulatory obligations can lead to fines and penalties. This could have a negative impact on the reputation and confidence of stakeholders. | Ensuring compliance helps to identify and address the potential risks which can avoid any reputational damage due to fines and penalties. The Bank prioritizes performing the right actions the first time and possesses a strong compliance culture that surpasses regulatory standards. A strong compliance environment has resulted in stability and sustainability. Any negative comments from the regulators are addressed within the required time frame and corrective actions are taken to ensure that such lapses do not occur again | Negative |
| 4. | Digital Leadership | Opportunity | The Bank is at the forefront of its digital innovation to provide a seamless experience to its digital customers. Bank strives to develop new products and services that delight customers and reduce environmental impacts. The Bank is heavily investing in both innovation and enhancing its talent pool. | | Positive |
| 5. | Employee Well-being & Development | Opportunity | A number of programs are being offered by the Bank to develop and improve the well-being of its employees. Development and well-being programs are specifically tailored to different employee segments. Mentoring programs for new hires, various programs and workshops for women employees, and SMILES- an employee program that aims to provide professional and personal assistance to employees who are in need are some examples. An exclusive program named Maternity Connect is in place to empower expectant mothers. The Bank's HR initiatives have resulted in increased employee efficiency, reduced attrition rates, and increased capabilities and creativity, all of which have a positive impact on customer experience. | | Positive |
| 6. | Customer Privacy & Data Security | Risk | Due to the Bank's increased emphasis on digitalization and the growing dependence of customers on digital modes, it is imperative for the Bank to secure its data and systems against any emerging cybersecurity threats. Bank faces information security risks such as cyber-attacks on its systems via hacking, phishing, and ransomware. This type of risk may result in the disruption of banking services, and the leakage of sensitive internal or customer data, which may lead to various types of risks. In the digital age, Bank is increasingly teaming up with third parties, which can present a variety of security risks. | The Bank employs a multi-layered approach to handle and minimize IT and cybersecurity risks. This involves policies that have been approved by the Board, committees at the Board and Management level to oversee the implementation of IT and Cyber Security systems and processes, and dedicated CISO, among other things. We have implemented layered security controls to prevent cyber-attacks. Controls are put in place to address different aspects of cybersecurity and data privacy risks, such as perimeter security, malware protection, data theft, lateral movements, vendor risks, and so on. A robust disaster recovery mechanism has been put in place by the Bank and they have received certifications from reputed standards like ISO 27001, PCI DSS, etc. The Bank has taken cyber liability insurance coverage to cover losses caused by low-frequency, high-severity cyber security incidents | Negative |

| S. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|--------|--------------------------------|--|--|--|--|
| 7. | Sustainable Finance | Opportunity | Integrating environmental, social, and governance (ESG) factors into financial decisions mobilizes investments for sustainable development. This will help protect the Bank's portfolio from potential E&S risks. Integrating ESG into lending will also help gain stakeholder confidence and align with the national commitments on the UNSDGs and Paris Climate Agreement. | | Positive |
| 8. | Fraud Risk Management | Risk | Implementing robust fraud risk management systems safeguards resources, prevents financial losses, and upholds ethical business practices. | Fraud risk is managed by the Bank methodically in line with the robust Fraud Risk Management Policy of the Bank. It covers all significant aspects like various mitigation measures and the surveillance mechanism that complements prevention, detection, investigation and monitoring of both, internal and external frauds. Bank has a fully equipped Transaction Monitoring & Fraud Prevention Department with state-of-the-art monitoring tools working round the clock. The transactions in Core Banking and various online channels are monitored by the Transaction Monitoring team. Specific tools and scenarios are built to take care of risks arising from card transactions, UPI, Fintech platforms and other cyber frauds. Additionally, Bank has an independent Audit team that evaluates the adequacy, completeness, operational effectiveness and efficiency of internal controls, risk management/ governance systems and processes. All activities (including outsourced activities) and all entities (including subsidiary companies) of the Bank fall within the ambit of internal audit. | Negative |
| 9. | Climate Change Risk & Impact | Risk | A pragmatic and far-sighted approach is necessary for both physical and transitional risks posed by climate change. Policy changes, technological advancements and change in customer preference in favour of low-carbon products could have an impact on the bank's portfolio/assets, resulting in financial losses. | <p>The Bank has put restrictions on lending to certain sectors that have a significant impact on the environment, such as coal mining, oil and gas exploration, etc. Bank has also decided to phase out its coal-related subproject exposure by December 2030. The Bank conducts E&S Due Diligence according to evaluate the E&S risks of the proposal before sanctioning it. Bank also has taken cognizance of the actions it needs to take beyond lending decisions to move closer to a low-carbon economy.</p> <p>The following programs aim to reduce the carbon footprint of the Bank:</p> <ol style="list-style-type: none"> 1. Increased usage of renewable energy through in-house solar power generation 2. Implementation of newer and resource-efficient technologies in the premises 3. Increased rainwater harvesting capacities 4. Green certification for premises 5. Supporting CSR activities that help in either climate mitigation or climate adaptation or carbon sequestration. | Negative |
| 10. | Product Innovation | Opportunity | The Bank recognizes the need to develop and deliver cutting-edge Financial products and services to a broad range of customers. The introduction of new products leads to competitiveness, addresses market needs, and enables sustainable consumption and production. | | Positive |
| 11. | Transparency & fair Disclosure | Opportunity | Key disclosures on the Bank's strategy and performance on various important parameters increase the level of confidence for both internal and external stakeholders. Being transparent and prompt in disclosures will enhance the relationship with stakeholders. | | Positive |
| 12. | Customer Satisfaction | Opportunity | Our Bank's success hinges on our customers, who are of utmost importance. Satisfied customers can create long-term relationships, build trust, get referrals, and help the Bank succeed in a competitive market. | | Positive |



| S. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|--------|---------------------------|--|---|--|--|
| 13. | GHG Emission Management | Risk | Climate change risks are increasingly being manifested in the banking industry as physical and transitional risks. If these risks are not properly managed, they could have a negative impact on operations and profitability. Climate change-induced extreme weather events pose a threat to the Bank's operations and the safety and well-being of its employees. | <p>The Bank has initiated the measurement of GHG emissions in some of its operational activities and is planning to gradually increase the scope of measurement. The Bank has an executive-level ESG committee that oversees the progress on a quarterly basis. After the completion of the baseline assessment, the Bank's objective is to identify initiatives and develop a roadmap to reduce GHG emissions and attain a zero-emission roadmap for its operations. The Bank is also planning to measure its financed emissions sequentially.</p> <p>Bank also has taken cognizance of the actions it needs to take beyond lending decisions to move closer to a low-carbon economy.</p> <p>The following programs aim to reduce the carbon footprint of the Bank:</p> <ol style="list-style-type: none"> 1. Increased usage of renewable energy through in-house solar power generation 2. Implementation of newer and resource-efficient technologies in the premises 3. Green certification for premises | Negative |

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements. The nine NGRBC Principles are given below:

| Disclosure Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|--|---|----|----|----|----|----|----|----|----|
| Policy and management processes | | | | | | | | | |
| 1.(a) Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No) | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| (b) Has the policy been approved by the Board? (Yes/No) | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| (c) Web Link of the Policies, if available | <p>Principle-1</p> <ul style="list-style-type: none"> ■ Policy on combating financial crime ■ Anti-Bribery and Anti-Corruption Policy ■ Policy for determination of material subsidiary of events/ information for disclosure to the stock exchanges ■ Policy on related party transactions ■ Code of conduct and code of ethics for the board of directors and management ■ Tax Policy <p>Principle-2</p> <ul style="list-style-type: none"> ■ Environmental and Social Management system (ESMS) Policy ■ Supplier code of conduct ■ ESG Policy <p>Principle-3</p> <ul style="list-style-type: none"> ■ Diversity, equity and inclusion policy ■ Protected Disclosure Scheme (PDS) / Whistle Blower policy ■ ESG Policy <p>Principle-4</p> <ul style="list-style-type: none"> ■ Corporate Social Responsibility Policy ■ Policy on combating financial crime ■ Settlement of claims ■ Customer Compensation Policy ■ Policy on lending to MSME ■ Policy for resolution of loans of Individuals and Small Businesses ■ Code of Bank's Commitment to Micro and Small Enterprises (MSE 2015) | | | | | | | | |



| | |
|---|--|
| | <p>Principle-5</p> <ul style="list-style-type: none"> ■ Policy on Doorstep Banking services for Senior Citizens and differently abled person ■ Supplier code of conduct ■ Environmental and Social Management system (ESMS) Policy ■ ESG Policy ■ Policy on Customer Service <p>Principle-6</p> <ul style="list-style-type: none"> ■ Environmental and Social Management system (ESMS) Policy ■ Supplier code of conduct ■ ESG Policy ■ Corporate Social Responsibility Policy <p>Principle-7</p> <ul style="list-style-type: none"> ■ ESG Policy ■ Code of conduct and code of ethics for the board of directors and management <p>Principle-8</p> <ul style="list-style-type: none"> ■ Policy on Doorstep Banking services for Senior Citizens and differently abled person ■ Corporate Social Responsibility Policy ■ ESG Policy <p>Principle-9</p> <ul style="list-style-type: none"> ■ Policy on combating financial crime ■ Customer Compensation Policy ■ Policy for Redressal of Customer Grievances ■ Customer Rights Policy ■ Policy on Customer Protection – Limiting Liability of Customers in Unauthorized Electronic Banking Transaction (to be read in conjunction with the Customer Compensation policy and Customer Grievance Redressal policy) ■ Code of Bank’s Commitment to Customers |
| 2. Whether the entity has translated the policy into procedures. (Yes / No) | Yes. |
| 3. Do the enlisted policies extend to your value chain partners? (Yes/No) | Yes. ESG policy of the Bank covers the key aspects to be complied with by relevant value chain partners. |
| 4. Name of the national and international codes/certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle. | <ul style="list-style-type: none"> ■ Bank has adopted International Finance Corporation (IFC) Performance Standards for its E&S due diligence of borrowers. ■ Bank has ISO 22301 certification for its Business Continuity Management System (BCMS). ■ Bank has implemented the ISO 27001:2013 standards on Information Security Management Systems (ISMS) for the protection of the systems and information of the Bank. ■ Bank has achieved compliance with PCI DSS standards for the card ecosystem. |
| 5. Specific commitments, goals and targets set by the entity with defined timelines, if any. | <ul style="list-style-type: none"> ■ Bank has committed not to do fresh lending to certain sectors which has significant E&S risks as detailed in the ESMS policy. ■ Bank has committed to reducing its coal-related sub-project exposure to 50% by December 2025 (against the baseline of March 2021) and NIL by December 2030. ■ Bank intends to grow its green portfolio to ₹ 13,000 Crore by December 2025. ■ 500KW of in-house solar power generation capacity by March 2025. ■ Reach One Lakh litre of water conservation capacity by March 2025. ■ Finance at least 10,00L women entrepreneurs through BC Channel by March 2028. ■ At least 10% of the Bank premises to be green certified by March 2028. ■ We aim to maintain a gender diversity ratio of 40% or above at all times. |
| 6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met. | <ul style="list-style-type: none"> ■ Fresh loans to exclusion list activities are restricted as per the ESMS framework ■ Coal-related sub-project exposures as on March 31, 2024, stood at 0.33% of gross advances. (March 2021 baseline is 3.49% of the gross advances). ■ Bank’s green lending portfolio is at ₹ 6,962 Crore as on March 31, 2024. ■ Bank has added 80KW rooftop solar capacity during the year. The Bank has 380KW of solar power generation capacity as of March 31, 2024. ■ Bank has added a storage capacity of 34,500 litres for rainwater harvesting during the year. The Bank has 1,18,500 litre capacity of rainwater harvesting units in its various offices as of March 31, 2024. ■ 8.81L Women entrepreneurs financed through the BC channel as of March 2024. ■ Six of our premises are Green Certified during the financial year. ■ Bank’s present gender diversity ratio is 42.28% |



Governance, leadership and oversight

| | |
|---|--|
| 7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements | <p>Statement by Sudarshan Sen, Chairman of Risk Management Committee of the Board:</p> <p>Federal Bank has identified sustainability as one of the pillars of the Bank's core values framework – CARES . We strive to achieve operational excellence and enhance sustainability in all facets of our business activities. The sustainability agenda is driven by the Board of Directors and closely monitored by the Risk Management Committee of the Board (RMC). On the recommendation of the RMC, the Board has incorporated climate risk into the overall risk appetite framework of the Bank. The Board has also put in place suitable policies to guide the actions of the Bank in promoting sustainability.</p> <p>The Bank's vision is to be recognized as one of the most admired banking institutions in the country. We endeavour to achieve this by embracing a powerful proposition that emphasizes 'Digital at the Fore, Human at the Core'. We have deeply embedded sustainability in our internal operations through a robust governance framework, and by exhibiting strong risk management practices. The Bank has made several commitments on sustainability related aspects. We are one of the first banks in the country to commit to phase out coal related exposures and build a green lending book. The Bank continues to take many initiatives to reduce its carbon footprint. These include</p> <ul style="list-style-type: none">▪ greening our own operations by using energy-efficient devices, increasing solar power usage, conserving water, paperless banking, etc.;▪ enhanced due diligence in lending to sectors having potentially adverse climate impact;▪ an exclusion list of activities which the Bank may not finance;▪ designing green products and offerings to customers;▪ increasing the share of loans to green projects. <p>The Board closely monitors the execution of all these initiatives and commitments. The Bank communicates its performance against these commitments to external stakeholders periodically through its investor presentations and annual report.</p> <p>Our continued efforts to fortify the sustainability practices in our day-to-day banking have earned recognitions from multiple external agencies as given below:</p> <ul style="list-style-type: none">▪ Recognized as 'ESG Champions of India 2024' in the Commercial Banks sector at the Dun & Bradstreet ESG Leadership Summit 2024.▪ Honoured with 'Amity Banking Excellence for Sustainable Banking'.▪ The International Finance Corporation has named Federal Bank among the top financial institutions for climate reporting in 2023.▪ Ranked the 1st Runner-Up in the 'Diversity & Inclusion Excellence Award' in the category of 'Best Employer for Women' (In Large Category) from The Associated Chambers Of Commerce And Industry Of India (ASSOCHAM)▪ Won the Kerala Management Association CSR Award 2024 in Environment Sector as a part of the KMA Sustainability Summit and Awards 2024▪ Recognised as a 'Great Place to Work' in a study conducted by the Great Place to Work Institute <p>The sustainability landscape, including its regulatory framework, is constantly evolving and changing. The Bank communicates its ESG performance through both national and international reporting frameworks such as the Business Responsibility and Sustainability Report since FY 2022 and the Global Reporting Initiative since 2023. We have integrated the financial reporting and non-financial reporting duly aligning with the principles and guidelines of the International Integrated Reporting Council's Integrated Reporting framework. We have also obtained an external assurance for our BRSR report.</p> <p>We, at Federal Bank, remain committed to wholeheartedly participating in the country's journey towards meeting various Nationally Determined Commitments (NDC) against the UNSDGs and its Net Zero commitments. We strongly believe that newer opportunities lie ahead for all sections of the society to be part of India's sustainable growth story. We strive through our various ESG initiatives to make a positive impact on our stakeholders. This, we believe, is an integral part of our journey towards becoming one of the most admired banks.</p> |
| 8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies). | Name: Damodaran C Designation: Chief Risk officer |
| 9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details. | Yes. The Risk Management Committee (RMC) of the Board oversees Environmental, Social and Governance (ESG) aspects in both its own operations and lending operations. All the policies related to ESG/ESMS are approved by the Board. The risks associated with the lending operation are duly factored under ESMS policy and ESG Policy assesses the organization's business practices and performance on various sustainability and ethical issues. Bank is also having an executive-level E&S committee headed by MD&CEO which oversees both ESG and ESMS aspects and reports to RMC of the Board. |



10. Details of Review of NGRBCs by the Company:

| Subject for Review | Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee | | | | | | | | | Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify) | | | | | | | | |
|---|--|----|----|----|----|----|----|----|----|--|----|----|----|----|----|----|----|----|
| | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
| Performance against above policies and follow up action | All the policies are reviewed and approved by the Board on an annual basis. Some of the policies are reviewed first by the sub-committees of the Board and thereafter placed to the Board for approval. | | | | | | | | | | | | | | | | | |
| Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances | The principles are meticulously followed to build up the faith and trust of shareholders, customers, employees, and the market, thus providing a competitive advantage in the industry. The Bank conducts the business in accordance with the statutory and regulatory guidelines to the satisfaction of all our stakeholders. The policies are developed and aligned to applicable compliance requirements, RBI norms and guidelines, requirements of listing agreements with stock exchanges, or the Bank’s internal requirements and best practices, which are reviewed periodically. | | | | | | | | | | | | | | | | | |
| 11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency. | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 | No | | | | | | | | |

12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:

| Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|----------------|----|----|----|----|----|----|----|----|
| The entity does not consider the Principles material to its business (Yes/No) | | | | | | | | | |
| The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No) | | | | | | | | | |
| The entity does not have the financial or/human and technical resources available for the task (Yes/No) | Not Applicable | | | | | | | | |
| It is planned to be done in the next financial year (Yes/No) | | | | | | | | | |
| Any other reason (please specify) | | | | | | | | | |

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY, AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE

Essential Indicators

- Percentage coverage by training and awareness programmes on any of the principles during the financial year:

| Segment | Total number of training and awareness programmes held | Topics/ principles covered under the training and its impact | % age of persons in respective category covered by the awareness programmes |
|----------------------------------|--|--|---|
| Board of Directors | 18 | Principle 1, 2, 3, 4, 6, 7 and 8 | 100% |
| Key Managerial Personnel | 19 | Principle 1, 2, 3, 4, 6, 7 and 8 | 100% |
| Employees other than BoD and MPs | 357 | All the 9 principles | 90.63% |

Details of familiarisation Programmes provided for Independent Directors of the Bank during FY 2023-24 can be accessed from our website: <https://www.federalbank.co.in/documents/10180/816529059/Familiarisation+Program+for+Directors+of+the+Bank-FY+2023-24.pdf/c3688603-6f92-b023-3dd4-0c957d59b097?t=1717222326260>



2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount in in proceedings (by the entity or by directors/KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on entity's website):

| Monetary | | | | | |
|-------------------------------|---|---|-----------------|--|--|
| | NGRBC Principle | Name of the regulatory/ enforcement agencies/ judicial institutions | Amount (In INR) | Brief of the Case | Has an appeal been preferred? (Yes/No) |
| Penalty/ Fine | Principle-1 | RBI | ₹ 0.3 Crore | Reserve Bank of India (RBI) has, by an order dated October 30, 2023, and press release dated November 03, 2023, imposed a monetary penalty of ₹ 30 Lakh (Rupees Thirty lakh only) on the Bank for non-compliance with certain directions contained in 'Reserve Bank of India (Know Your Customer (KYC) Directions, 2016': https://www.bseindia.com/xml-data/corpfiling/AttachHis/8d6f5773-ee8c-49b7-9a49-af7f6ed12d0d.pdf | No |
| Penalty/ Fine | Principle-1 | Maharashtra Goods & Services Tax (GST) Department | ₹ 0.06 Crore | <ul style="list-style-type: none"> Claiming of Input Tax Credit (ITC) from vendors who have not filed GSTR 3B & from those suppliers whose GST registration was cancelled. Mismatch in ITC register and GSTR 2A. https://www.bseindia.com/xml-data/corpfiling/AttachHis/3ca50dc4-2cc8-44c6-87aa-900b276a3e6a.pdf | Yes |
| Settlement Compounding fee | No such incidents during the FY 2023-24 | | | | |

| Non-Monetary | | | | | |
|----------------------------|---|---|-------------------|--|--|
| | NGRBC Principle | Name of the regulatory/ enforcement agencies/ judicial institutions | Brief of the Case | Has an appeal been preferred? (Yes/No) | |
| Imprisonment Punishment | No such incidents during the FY 2023-24 | | | | |

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

| Case Details | Name of the regulatory/ enforcement agencies/ judicial institutions |
|--|---|
| <ul style="list-style-type: none"> Claiming of ITC from vendors who have not filed GSTR 3B & from those suppliers whose GST registration was cancelled. Mismatch in ITC register and GSTR 2A. Bank will be filing the appeal against the order stating that the report for verifying the GSTR 2A for identifying the mismatch details & to check the 3B filing status of the vendors were not available during the FY 2018-19. | Maharashtra Goods & Services Tax (GST) Department |

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes, the Bank has a comprehensive Anti-Bribery and Corruption policy which establishes comprehensive, consistent and effective standards that are to be adhered to in the conduct of Bank's day-to-day operations.

The policy can be accessed through the following link:

<https://www.federalbank.co.in/documents/10180/45777/Policy+on+Anti++Bribery+and+Corruption+%28ABC%29.pdf/10c35a9d-7265-7791-6bd6-d165e648f34a?t=1672122690405>

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption

| | FY 2023-24 | FY 2022-23 |
|-----------|------------|------------|
| Directors | | |
| KMPs | | |
| Employees | | NIL |
| Workers | | |


6. Details of complaints with regard to conflict of interest:

| | FY 2023-24 | FY 2022-23 |
|--|------------|------------|
| Number of complaints received in relation to issues of conflict of interest of directors | NIL | |
| Number of complaints received in relation to issues of conflict of interest of KMPs | | |

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.


Following corrective action was taken on the issues related to fines/penalties:

- Enhancement of the system controls to completely disallow the change of name in the Purchaser Name in the Demand Draft and automatically incorporate the account holder name in all cases of DD purchases for amounts of ₹ 50,000 or more.
- Enhanced training and sensitisation to the frontline and controller staff on compliance and risk themes, with a special focus on money laundering risks and red flag management.

8. Number of days of accounts payables ((Accounts payable *365)/ Cost of goods/ services procured) in the following format: (BRSR Core indicator )

| | FY 2023-24 | FY 2022-23 |
|-----------------------------------|------------|------------|
| Number of days of account payable | 28.00 | 27.00 |

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format: (BRSR Core indicator )

| Parameter | Metrics | FY 2023-24 | FY 2022-23 |
|----------------------------|---|----------------|------------|
| Concentration of Purchases | a. Purchases from trading houses as % of total purchases | Not Applicable | |
| | b. Number of trading houses where purchases are made from | | |
| | c. Purchases from top 10 trading houses as % of total purchases from trading houses | | |
| Concentration of Sales | a. Sales to dealers / distributors as % of total sales | | |
| | b. Number of dealers/distributors to whom sales are made | | |
| | c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors | | |
| Share of RPTs in | a. Purchases (Purchases with related parties / Total Purchases) | 0.97% | 0.93% |
| | b. Sales (Sales to related parties / Total Sales) | 1.06% | 0.99% |
| | c. Loans & advances (Loans & advances given to related parties /Total loans & advances) | 0.57% | 0.32% |
| | d. Investments (Investments in related parties/Total Investments made) | 1.49% | 1.88% |

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

| Total number of awareness programmes held | Topics / principles covered under the training | %age of value chain partners covered (by value of business done with such partners) under the awareness programmes |
|---|--|--|
| Two | Cyber Security Awareness* | - |

*All employees of the vendors who are stationed at our premises and have access to the Bank's systems or networks are provided with the training.

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.

Yes, the Code of Corporate Governance and Code of Conduct for the Board of Directors and Management covers processes to avoid/manage conflict of interests. The Code can be accessed through the following link:

<https://www.federalbank.co.in/documents/10180/816529059/FINAL+CG+CODE+FY24.pdf/8ec158ef-e145-76e8-642b-26e23f6ccb66?t=1713416946738>

Conflict of interest scenarios primarily arise when there is a related party transaction. The Bank also has a Board-approved Policy on Related Party Transactions which can be accessed through the link provided below.



<https://www.federalbank.co.in/documents/10180/45777/Policy+on+Related+Party+Transactions.pdf/29f5964d-5065-4e5d-81b0-e9b456caa290?t=1711859001832>.

During FY 2023-24, the Bank has not entered into any materially significant transactions with its Directors or Relatives of the Directors, which could lead to a potential conflict of interest between the Bank and these parties, other than transactions entered into in the ordinary course of its business.

All the members of the Board of Directors and Senior Management Personnel of the Bank have affirmed compliance with the said Codes as applicable to them for FY2024.

PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE

Essential Indicators

- Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

| | FY 2023-24 | FY 2022-23 | Details of improvements in environmental and social impacts |
|--------|----------------|----------------|---|
| R&D | Not Applicable | Not Applicable | Considering the nature of our operation as a financial service provider, the R&D outlay is NIL. |
| Capex* | 7.83% | 3.64% | Roof top solar installation, rainwater harvesting and purchase of energy-efficient equipment |

*Note: The figures including previous year's figures have been worked out regrouped/reclassified based on the Integrated guide to BRSR (Applicable to Corporate & Retail banking), issued by NSE.

- Does the entity have procedures in place for sustainable sourcing? (Yes/No)?

Yes.

The Bank has formulated a supplier code of conduct that requires suppliers to adhere to laws related to human rights, labor, health and safety, sustainability, environment, and ethics. The Bank has a board-approved Sustainable Procurement Policy, which guides all procurement decisions and processes.

- If yes, what percentage of inputs were sourced sustainably?

Currently, the Bank does not capture the details of vendors who are certified under various environmental standards. Sustainable procurement policy ensures that we procure goods and services that are environmentally and socially sustainable. As we progress in our ESG journey, we will make efforts to capture data on sustainable suppliers.

- Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste

The Bank has a centralized and robust E-waste management system that helps to identify the E-waste generated at its branches/Offices and the same is handed over to an authorized E-waste management company as required under E-Waste (Management) Rules, 2022.

As a financial service provider, we provide products and services that have minimal usage of plastic, E-Waste and other waste. The major share of plastic waste generated by our offices are plastic pouches used for safe keeping of gold ornaments pledged with us.

The plastic and paper waste generated by the branches/Offices are disposed of through local arrangements with respective Corporations/ Municipals/ Panchayats.

- Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Extended Producer Responsibility (EPR) is not applicable to the entity's activities.

Leadership Indicators

- Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)?

| NIC Code | Name of Product / Service | % of total Turnover contributed | Boundary for which the Life Cycle Perspective / Assessment was conducted | Whether conducted by independent external agency (Yes/No) | Results communicated in public domain (Yes/No) If yes, provide the web-link. |
|---|---------------------------|---------------------------------|--|---|--|
| Life Cycle Assessment of products is not applicable for the Bank's products and services. | | | | | |

- If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products/ services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

| Name of Product / Service | Description of the risk / concern | Action Taken |
|---|-----------------------------------|--------------|
| Life Cycle Assessment of products is not applicable for the Bank's products and services. | | |

- Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

| Indicate input material | Recycled or re-used input material to total material | |
|--|--|------------|
| | FY 2023-24 | FY 2022-23 |
| Considering the nature of operation, the above Leadership Indicator is not material to banking Industry. However, Bank is committed to reducing the usage of plastic and paper in its operations | | |

- Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

| | FY 2023-24 | | | FY 2022-23 | | |
|--|------------|----------|-----------------|------------|----------|-----------------|
| | Re-Used | Recycled | Safely Disposed | Re-Used | Recycled | Safely Disposed |
| Plastics (including packaging) | | | | | | |
| E-waste | | | | | | |
| Hazardous waste | | | | | | |
| Other waste | | | | | | |
| The Leadership Indicator is Not Applicable considering our nature of operations. | | | | | | |

- Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

| Indicate product category | Reclaimed products and their packaging materials as % of total products sold in respective category |
|--|---|
| The Leadership Indicator is Not Applicable considering our nature of operations. | |


PRINCIPLE 3: BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS.

Essential Indicators

- (a) Details of measures for the well-being of employees:

| Category | Total (A) | Health Insurance | | Accident Insurance | | Maternity Benefits | | Paternity Benefits | | Day care facilities | |
|---------------------------------------|---------------|------------------|--------------|--------------------|--------------|--------------------|--------------|--------------------|--------------|---------------------|--------------|
| | | Number (B) | % (B/A) | Number (C) | % (C/A) | Number (D) | % (D/A) | Number (E) | % (E/A) | Number (F) | % (F/A) |
| Permanent Employees | | | | | | | | | | | |
| Male | 8,544 | 8,544 | 100 | 8,544 | 100 | - | - | 8,544 | 100 | 1675 | 19.60 |
| Female | 6,114 | 6,114 | 100 | 6,114 | 100 | 6,114 | 100 | - | - | 963 | 15.75 |
| Total | 14,658 | 14,658 | 100 | 14,658 | 100 | 6,114 | 41.71 | 8,544 | 58.29 | 2638 | 18.00 |
| Other than Permanent Employees | | | | | | | | | | | |
| Male | 236 | 46 | 19.49 | 234 | 99.15 | - | - | - | - | - | - |
| Female | 318 | 13 | 4.09 | 318 | 100 | 318 | 100 | - | - | - | - |
| Total | 554 | 59 | 10.65 | 552 | 99.64 | 318 | 57.40 | - | - | - | - |



(b) Spending on measures towards well-being of employees (including permanent and other than permanent) in the following format: (BRSR Core indicator )

| | FY 2023-24 | FY 2022-23 |
|---|------------|------------|
| Cost incurred on well-being measures as a % of total revenue of the company | 0.39% | 0.43% |

2. Details of retirement benefits, for Current FY and Previous Financial Year

| Benefits | FY 2023-24 | | FY 2022-23 | |
|--------------------------|--|--|--|--|
| | No. of employees covered as a % of total employees | Deducted and deposited with the authority. (Y/N/N.A.)* | No. of employees covered as a % of total employees | Deducted and deposited with the authority (Y/N/N.A.) |
| PF/Pension/NPS | 96.36 | Y | 97.40 | Y |
| Gratuity | 96.36 | Y | 97.39 | Y |
| ESI | NA | NA | NA | NA |
| Others- Leave Encashment | 96.36 | NA | 97.39 | NA |

* Bank has a separate Provident Fund Trust and Gratuity Trust.

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Branch/ offices are generally designed and provided for easy access to differently abled employees. The employees with differently-abled needs are posted in branches/ offices that have the required facilities.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

The Bank is committed to fostering diversity, equity, and inclusion as a culture that enables all employees to bring their authentic selves to work and to fully participate with their knowledge, experience, and viewpoint to provide incomparable value for all stakeholders. The Bank also recognises that each employee has varying access to resources and privileges and is working towards taking steps to ensure that every employee is provided with the unique resources they need to have access to opportunities at a given organisation. The diversity, equity, and inclusion policy (the 'DE&I policy') aims to set out Federal Bank's commitment to providing a workplace free from discrimination for employees. The policy also sets out Bank's expectations, where each employee is responsible for adhering to and upholding the policy. The policy can be accessed at-

[Diversity, equity and inclusion policy](#)

5. Return to work and Retention rates of permanent employees that took parental leave.

| Gender | Permanent employees | |
|--------------|---------------------|----------------|
| | Return to Work rate | Retention rate |
| Male | 100.00 | 98.65 |
| Female | 99.30 | 95.66 |
| Total | 99.70 | 97.29 |

6. Is there a mechanism available to receive and redress grievances for the following categories of employees? If yes, give details of the mechanism in brief.

| | Yes/ No (If yes, then give details of the mechanism in brief) |
|--------------------------------|---|
| Permanent employees | Yes, Employees can raise their workplace grievances to Employee Grievance Redressal Forum that comprises of the two Senior executives of the Bank and one external expert. The grievance can be raised via email to the dedicated email ID available on the Bank's intranet and freely accessible to all employees. |
| Other than permanent employees | Yes, Employees can raise their workplace grievances to Employee Grievance Redressal Forum that comprises of the two Senior executives of the Bank and one external expert. The grievance can be raised via email to the dedicated email ID available on the Bank's intranet and freely accessible to all employees. |

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

| Category | FY 2023-24 | | | FY 2022-23 | | |
|----------------------------------|--|--|--------------|--|--|--------------|
| | Total employees in respective category (A) | No of employees in respective category who are part of associations or Union (B) | % (B/A) | Total employees in respective category (C) | No of employees in respective category who are part of associations or Union (D) | % (D/C) |
| Total Permanent Employees | 14,658 | 9,685 | 66.07 | 13,106 | 10,137 | 77.35 |
| Male | 8,544 | 5,423 | 63.47 | 7,730 | 5,700 | 73.74 |
| Female | 6,114 | 4,262 | 69.71 | 5,376 | 4,437 | 82.53 |

8. Details of training given to employees:

| Category | FY 2023-24 | | | | | FY 2022-23 | | | | |
|------------------|---------------|-------------------------------|--------------|----------------------|--------------|---------------|-------------------------------|--------------|----------------------|--------------|
| | Total (A) | On health and safety measures | | On skill upgradation | | Total (D) | On health and safety measures | | On skill upgradation | |
| | | No (B) | % (B/A) | No (C) | % (C/A) | | No (E) | % (E/D) | No (F) | % (F/D) |
| Employees | | | | | | | | | | |
| Male | 8,780 | 7,915 | 90.15 | 8,037 | 91.54 | 7,891 | 6,821 | 86.44 | 7,018 | 88.94 |
| Female | 6,432 | 5,773 | 89.75 | 5,802 | 90.21 | 5,566 | 4,887 | 87.80 | 4,979 | 89.45 |
| Total | 15,212 | 13,688 | 89.98 | 13,839 | 90.97 | 13,457 | 11,708 | 87.00 | 11,997 | 89.15 |

9. Details of performance and career development reviews of employees:

| Category | FY 2023-24 | | | FY 2022-23 | | |
|------------------|---------------|---------------|--------------|---------------|---------------|--------------|
| | Total (A) | No (B) | % (B/A) | Total (C) | No. (D) | % (D/C) |
| Employees | | | | | | |
| Male | 8,780 | 8,439 | 96.12 | 7,891 | 7,874 | 99.78 |
| Female | 6,432 | 6,046 | 94.00 | 5,566 | 5,525 | 99.26 |
| Total | 15,212 | 14,485 | 95.22 | 13,457 | 13,399 | 99.57 |

10. Health and safety management system:

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes. Considering the nature of the business, occupational health and safety risks are quite limited. While the Bank is developing an exhaustive Occupational Health and Safety Management System, many steps have been taken for improvement of workplace safety and the elimination of possible workplace injury and illness. The Bank has adopted a Business Continuity Management System accredited through ISO 22301. Detailed SOPs are issued on the Dos and Don'ts to ensure the safety and wellbeing of all its employees. The steps taken by the Bank in this regard are:

- Periodic training on fire safety, firefighting and evacuation.
- Periodic training on handling medical emergencies, in partnership with reputed hospitals.
- Nomination of an Emergency Response Team for each location.
- Deployment of access control measures and physical guarding as per risk assessment.
- Periodic communications to employees for creating awareness on OHS aspects.
- Advisories regarding adverse weather situations and action to be taken to safeguard own life and assets.
- Regular conduct of Fire and evacuation drills at all locations.



- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Though work-related hazards are minimal considering the nature of business, the Bank has put in place risk mitigation measures which include –

- Access control systems for administrative offices and highly secure facilities.
- CCTV linked to a Central Remote Monitoring Centre which carries out e-surveillance 24x7.
- Physical Security.
- Fire alarm system consisting of smoke and heat detectors and alert mechanism.


The Bank has SLAs in place with all vendors to ensure regular preventive maintenance and health check-up. In addition, the Bank has nominated employees comprising the Emergency Response Team (ERT) for each location who are responsible for reporting work-related hazards, if any. Advisories on various safety related aspects including weather warnings are issued from time to time.

- c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Not Applicable

- d. Do the employees of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes. The Bank has in place a Medical Insurance Scheme to address the non-occupational medical and healthcare needs of its employees. Employees are educated about this during the induction, and the policy is made available on the Bank's internal portal for ready reference.

11. Details of safety related incidents, in the following format: (BRSR Core indicator )

| Safety Incident/Number | Category | FY 2023-24 | FY 2022-23 |
|---|-----------|------------|------------|
| Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) | Employees | 0.029 | Nil |
| Total recordable work-related injuries | Employees | 1 | Nil |
| No. of fatalities | Employees | Nil | Nil |
| High consequence work-related injury or ill-health (excluding fatalities) | Employees | Nil | Nil |

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

The Bank constantly works on improving its policies and processes to ensure a safe and healthy workplace for its employees. Bank organised preventive wellness programs/campaigns/webinars through tie-ups with Hospitals and other organizations. Bank also reimburses the cost of Annual Health Check-ups for employees and their spouses above 40 years.

In order to take care of the stress-related issues; Bank continued with the facilities of SMILES, the employee counselling program. Doctor e-consultation is facilitated for employees and their families.

The Bank has adopted the Business Continuity Management System under the framework of ISO 22301 and has taken a number of measures as part of its risk mitigation strategy. Periodic internal communication and alerts are sent out to employees and awareness sessions are conducted on safety-related aspects. Wherever applicable, employees are designated as Floor Marshals and are given training on fire safety and evacuation drills. Mock drills are conducted periodically in various large premises to ensure the maintenance of safety standards. Crisis Management Teams are in place at Head Office and all Zonal Offices. Bank has also authorized Zonal leaders to make quick decisions on matters in their locality, depending on the local requirements/ adhering to the local guidelines and within the overall framework put in place.

13. Number of Complaints on the following made by employees:

| Category | FY 2023-24 | | | FY 2022-23 | | |
|--------------------|------------------------|---|---------|------------------------|---|---------|
| | Filled During the year | Pending resolution at the end of the year | Remarks | Filled During the year | Pending resolution at the end of the year | Remarks |
| Working Conditions | NIL | | | | | |
| Health & Safety | | | | | | |



14. Assessments for the year:

| % of your plants and offices that were assessed (by entity or statutory authorities or third parties) | |
|--|---|
| Health and safety practices | We carry out electrical safety inspections of all our premises through professional third-party agencies once every two years. During the past two years, the Bank has conducted electrical inspections at 1322 locations. Corrective actions in the form of rectification works are performed on the premises whenever required. |
| Working Conditions | - |

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions

There were no major work and safety-related incidents reported during the fiscal. Bank has ensured a safe working atmosphere for all its employees and safety of the employees is paramount to the Bank.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N)

Yes (for Permanent Employee).

“Diya” is an initiative to cater to the immediate financial needs of the family grieved by the unfortunate loss of the employee. In the event of an untimely demise, a nominal contribution from every serving employee along with a contribution from the Bank will be pooled and handed over to the bereaved family.

A Group Personal Accident Insurance is in place to provide accident death insurance coverage to all employees of the Bank. The premium of the policy is borne by the Bank and the dependents are paid the sum assured on the unfortunate death of an employee in an accident while in service.

Additionally, the Compassionate Payment Scheme provides ad hoc payment of a fixed amount to the family in case of death while in service. It is intended to give immediate relief to the family of the deceased in meeting the funeral and other related expenses.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Bank ensures that statutory dues applicable to the transactions within the remit of the Bank are deducted and deposited in accordance with extant regulations. The Bank also sets clear expectations with vendors and suppliers through its Supplier Code of Conduct documents. Preferences are given for the Suppliers who comply with the Supplier Code of Conduct over other firms with similar competence.

3. Provide the number of employees having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

| | Total no. of affected employees | | No. of employees that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment | |
|-----------|--|-------------------|--|-------------------|
| | FY 2023-24 | FY 2022-23 | FY 2023-24 | FY 2022-23 |
| Employees | 0 | 0 | 0 | 0 |

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

Yes. The Bank provides a wide range programs such as leadership development programs, Mentoring, Executive Coaching, etc. to build a future-ready workforce.

Odyssey is an exclusive program dedicated to helping employees nearing retirement for preparing for a change in life as well as providing them with various financial (like tax planning) and well-being support.



5. Details on assessment of value chain partners:

| % of value chains partners (by value of business done with such partners that were assessed up) | |
|---|---|
| Health and safety | Vendor onboarding is mandatory in case of all vendors engaged by the Bank. Assessment of the ESG preparedness of the Vendor is done (at the time of vendor onboarding) along with Risk/Materiality assessment and vendor due diligence based on the internal policy guidelines. Bank follows a scoring-based method for Risk/Materiality/ESG assessments to decide whether a vendor is suitable or not. |
| Working conditions | |

6. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners.

There were no work and safety-related incidents reported during the fiscal from our value chain partners.

PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

Bank follows a structured process for identification and prioritisation of stakeholder groups. The Bank’s policy on the Code of Corporate Governance and the Code of Conduct for the Board of Directors and Management has identified six key stakeholder groups as given below. The Code also guides the process to balance the interests of the identified stakeholder groups in all strategic decision-making processes and timely respond to their concerns, if any.

- a. Shareholders & Investors
- b. Customers
- c. Vendors & Service Providers
- d. Employee
- e. Ecosystem & Society
- f. Government & Regulatory Bodies

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

| Stakeholder Group | Whether identified as Vulnerable & Marginalized Group (Yes/No) | Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Others | Frequency of engagement (Annually/Half yearly/ Quarterly / others – please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement |
|--------------------------------|--|---|---|--|
| Shareholders & Investors | No | <ul style="list-style-type: none"> ■ Investors meets ■ Analyst meets/ Earnings calls ■ General meetings/ Postal Ballot ■ Stock Exchange filings ■ Media- Print and digital ■ Email to stakeholders ■ Website publications/ announcements | Frequent, Need-based, Quarterly and Annually | To update on developments, business activity, new initiatives, schemes, Quarterly & Annual audited results, Annual Reports, Investors presentations. |
| Employee | No | <ul style="list-style-type: none"> ■ Town Hall meet ■ Branch visits ■ Quarterly calls by top management ■ Employee engagement platform ■ Circulars and emails communications ■ Training programme | Frequent and need based | To exchange ideas and suggestions, provide merit based opportunity for professional growth and to create an inclusive workplace |
| Customers | No | <ul style="list-style-type: none"> ■ Customer visits & meets ■ Social Media/ digital Communications ■ Customer surveys ■ Customer care channels ■ Website publishing | Frequent and need based | Business-related discussions, product and service awareness, safe banking practices, and grievance redressal. |
| Government & Regulatory Bodies | No | <ul style="list-style-type: none"> ■ Various Inspections by the regulators ■ Submission of periodical reports/ returns ■ Meetings- Physical and Digital ■ Stock Exchange filings | Frequent and need based | Discussions regarding various regulations and amendments, policies and processes. Corporate Governance and Compliance standards. |

| Stakeholder Group | Whether identified as Vulnerable & Marginalized Group (Yes/No) | Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Others | Frequency of engagement (Annually/Half yearly/ Quarterly / others – please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement |
|--------------------------------|--|--|---|---|
| Ecosystem, and Society | Yes | <ul style="list-style-type: none"> ■ Meeting various communities/ vulnerable groups through CSR initiatives ■ Improving ecosystems through various CSR activities ■ Meeting with associations/ NGOs | Need-based | Support CSR projects, Financial inclusion and other relevant matters affecting the communities. |
| Vendors, and Service Providers | No | <ul style="list-style-type: none"> ■ Assessment of suppliers and vendors ■ Email communication and calls ■ Project review meeting | Frequent and need based | Business related discussions, Techno-commercial discussions, grievance redressal. |

Leadership Indicators:

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The consultation with different stakeholders happens at different levels from branches/ offices and departments to Senior Management. For example, Customer Service Committee is held in all branches at periodic intervals. Customers can share their opinions, comments, feedback, concerns etc in such committees. The outcome of such meetings is consolidated centrally at the corporate level. An executive-level 'Standing Committee on Customer Service' ensures implementation of various initiatives/ guidelines related to customer service. Board level 'Customer Service, Marketing Strategy and Digital Banking Committee' of the Board review, on an overall basis, the customer service aspects in the Bank and report to the Board of Directors thereafter. Similarly, each stakeholder group is mapped to functional owners who act as the first line of contact. The details of consultation with the stakeholders including their inputs and feedback are monitored by the management through functional departments/ executive-level committees. The departments/ executive-level committees ensure that the feedback from the stakeholders is communicated to the Board level committees/ Board as the case may be.

The table below details the Board level and Executive level authorities who has specific KPIs related to engagement with the key stakeholders.

| Key Stakeholder | Board Level Committee | Key Functional Department/ Authority |
|--|---|---|
| Shareholders & Investors | ■ Stakeholders Relationship Committee | ■ Secretarial Department |
| | ■ Credit, Investment & Raising Capital Committee | ■ Investor Relations |
| Customers | ■ Customer Service, Marketing Strategy and Digital Banking Committee | ■ Service Quality Department |
| | ■ Review Committee of the Board on Non- Cooperative Borrowers and Identification of Wilful Defaulters | ■ Business Departments |
| | ■ Special Committee of the Board for monitoring and follow up of cases of frauds | ■ Loan Collection & Recovery Dept |
| | ■ Credit, Investment & Raising Capital Committee | ■ Credit Monitoring Department |
| Employees | ■ Human Resources Committee of the Board | ■ Vigilance Dept |
| | ■ Nomination, Remuneration, Ethics and Compensation Committee | ■ LCH/ CIB/ LCRD |
| Government and regulatory bodies | ■ Risk Management Committee | ■ HR Department |
| | ■ Audit Committee | ■ Compliance Department |
| | ■ Nomination, Remuneration, Ethics and Compensation Committee | ■ Internal Audit |
| Vendors, Suppliers and Service Providers | ■ Information Technology & Operations Committee | ■ Integrated Risk Management Department |
| | ■ Risk Management Committee | ■ HR Dept. |
| | ■ Audit Committee | ■ Service Provider Review Committee |
| | | ■ Various Project Steering Committees |
| Ecosystem & Society | ■ Corporate Social Responsibility Committee | ■ Corporate Services Department |
| | ■ Stakeholders Relationship Committee | ■ Information Technology Department |
| | ■ Risk Management Committee | ■ CSR Department |
| | | ■ ESG Committee |



- Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes, inputs provided by various stakeholders are being incorporated into various policies and processes wherever it is material to the Bank. Any changes, be it in terms of regulatory guidelines, industry best practices, market feedback etc are factored in the annual policy review process along with the rationale for such changes proposed.

- Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups

Our mantra is to be the 'Most Admired Bank' by catering to the needs of various segments of society. With the motto of 'extending credit where credit is due', we have always prioritised Financial Inclusion, especially upliftment and empowerment of women by facilitating financial emancipation through financial education, credit counselling, provision of credit for establishment of sustainable livelihood through various initiatives driven through both Branch and Business Correspondent (BC) channels. We understand that a greater emphasis on women-oriented projects and the availability of means to ensure a secure future goes a long way in ensuring that the core value of our Bank, our belief in holistic development and our legacy are carried forward.

Bank has a network of twenty Corporate Business Correspondents tie-ups across selected geographies, exclusively for sourcing and servicing Microlending offerings to women customers. Bank has financed 8.81 Lakh women customers as of March 2024 through these Business Correspondent tie-ups.

PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS.

Essential Indicators

- Employees who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

| Category | FY 2023-24 | | | FY 2022-23 | | |
|------------------------|---------------|------------------------------|--------------|---------------|------------------------------|--------------|
| | Total (A) | No. of employees covered (B) | % (B/A) | Total (C) | No. of employees covered (D) | % (D/C) |
| EMPLOYEES | | | | | | |
| Permanent | 14,658 | 8,997 | 61.38 | 13,106 | 7,959 | 60.73 |
| Other than Permanent | 554 | - | - | 351 | - | - |
| Total Employees | 15,212 | 8,997 | 59.14 | 13,457 | 7,959 | 59.14 |

- Details of minimum wages paid to employees and workers, in the following format

| Category | FY 2023-24 | | | | | FY 2022-23 | | | | |
|-----------------------------|---------------|-------------------|----------|--------------------|------------|---------------|-------------------|----------|--------------------|------------|
| | Total (A) | Equal to min wage | | More than min wage | | Total (D) | Equal to min wage | | More than min wage | |
| | | No. (B) | % (B/A) | No. (C) | % (C/A) | | No (E) | % (E/D) | No. (F) | % (F/D) |
| Employees | | | | | | | | | | |
| Permanent | 14,658 | 0 | 0 | 14,658 | 100 | 13,106 | 0 | 0 | 13,106 | 100 |
| Male | 8,544 | 0 | 0 | 8,544 | 100 | 7,730 | 0 | 0 | 7,730 | 100 |
| Female | 6,114 | 0 | 0 | 6,114 | 100 | 5,376 | 0 | 0 | 5,376 | 100 |
| Other than permanent | 554 | 0 | 0 | 554 | 100 | 351 | 0 | 0 | 351 | 100 |
| Male | 236 | 0 | 0 | 236 | 100 | 161 | 0 | 0 | 161 | 100 |
| Female | 318 | 0 | 0 | 318 | 100 | 190 | 0 | 0 | 190 | 100 |


3. Details of remuneration/salary/wages

a. Median remuneration / wages

| | Male | | Female | |
|---|------|---|--------|---|
| | No. | Median remuneration/ salary/ wages of respective category | No. | Median remuneration/ salary/ wages of respective category |
| Board of Directors (BoD) (Whole-time directors) * | 2 | 8619680.00 | 1 | 12762400.00 |
| Key Managerial Personnel (Other than BoD) | 2 | 9275260.28 | 0 | 0 |
| Employees (other than BoD and KMP) | 8776 | 1101816.66 | 6431 | 1025631.80 |

*Mr. Ashutosh Khajuria ceased from the services of the Bank as Executive Director upon completion of his term of office from end of the date, April 30, 2023 and Mr. Harsh Dugar was appointed as Executive Director w.e.f. 23/06/2023. The remuneration considered above includes the actual amount paid in the capacity of Executive Directors.

Note: The Bank do not discriminate remuneration based on gender. The difference in median remuneration is mainly on account of various factors such as average number in different Scale/Cadre, seniority in service, etc.

b. Gross wages paid to females as % of total wages paid by the entity, in the following format: (BRSR Core indicator )

| | FY 2023-24 | FY 2022-23 |
|---|------------|------------|
| Gross wages paid to females as % of total wages | 37.89% | 37.41% |

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes. MD & CEO oversees addressing the human rights impacts or issues. In addition, the Chief Human Resource Officer ensures that any human rights impact or issues caused or contributed to by the business are properly addressed.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Ethics is one of the Core Values of the Bank and the Bank upholds fairness in all acts, words and deeds to all its stakeholders. The Bank has zero tolerance towards and prohibits all forms of slavery, coerced labour, child labour, human trafficking, violence or physical, sexual, psychological or verbal abuse. Bank ensures compliance with various statutory requirements such as payment of minimum wages and the Sexual Harassment at Workplace (Prevention, Prohibition and Redressal) Act, 2013.


Bank has a grievance handling mechanism in the name of Federal Bank Employee's Grievance Redressal Forum. Employees, irrespective of their cadre can submit their grievances related to employment and difficulties experienced at workplaces directly to this Forum. An external expert is also nominated as a member of the Forum, to ensure independent views on the grievance.

Bank has in place a Policy for prevention of Sexual Harassment at the Workplace in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Committee (IC) been set up at all the nine zones and Head Office to redress complaints received regarding sexual harassment. The Bank is committed to ensure that sexual harassment instances and incidents can be reported without fear. Such instances/and or complaints are promptly, and discreetly addressed and appropriate action is initiated.

6. Number of Complaints on the following made by employees:

| | FY 2023-24 | | | FY 2022-23 | | |
|-----------------------------------|------------------------|---|----------|------------------------|---|----------|
| | Filled during the year | Pending resolution at the end of the year | Remarks | Filled during the year | Pending resolution at the end of the year | Remarks |
| Sexual Harassments | 2 | Nil | Resolved | 1 | Nil | Resolved |
| Discrimination at Workplace | | | | | | |
| Child Labour | | | | | | |
| Forced labour/ Involuntary Labour | | | | | | NIL |
| Wages | | | | | | |
| Other human rights related issues | | | | | | |



7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format: (BRSR Core indicator )

| | FY 2023-24 | FY 2022-23 |
|---|------------|------------|
| Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH) | 2 | 1 |
| Complaints on POSH as a % of female employees | 0.031 | 0.017 |
| Complaints on POSH upheld | 2 | 1 |

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases

Bank is an Equal Opportunity Employer and has zero tolerance towards discrimination and harassment of any kind. The Bank is committed to creating a healthy, safe, and secure work environment for employees to work free from offensive and discriminatory behaviour. The aim is to enable employees to deliver their best at work without fear of prejudice, gender bias and sexual harassment.

The Bank is committed to ensure that sexual harassment instances and incidents can be reported without fear. Internal Complaints Committee has been constituted at all Zones and Head Office. The Bank will enquire about instances/and or complaints of sexual harassment promptly and discreetly and will initiate action as per the details provided in the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 wherever required.

Protected Disclosure Scheme (PDS) / Whistle Blower Policy in the Bank aim to establish an efficient vigil mechanism in the Bank to quickly spot aberrations and deal with them at the earliest. The Policy ensures assurance of confidentiality and protection to the complainant/ whistle-blower against any personnel vindictive actions such as humiliation, harassment or any other form of unfair treatment.

9. Do human rights requirements form part of your business agreements and contracts?

Service Level Agreement/Master Service Agreement of the Bank which is executed with the vendors contains the covenants related to human rights, labour standards, forced labour, child labour, non-discrimination, and harassment including sexual harassment amongst many others.

10. Assessment for the year:

| % of offices that were assessed (by entity or statutory authorities or third parties) | |
|---|-----|
| Child labour | |
| Forced/involuntary labour | |
| Sexual harassment | NIL |
| Discrimination at workplace | |
| Wages | |
| Others – please specify | |

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above

This parameter is Not Applicable basis question No 10 above.

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

The Bank is committed to the principle of equal opportunity for all employees and to providing employees with a work environment free of discrimination and harassment. The Bank will not tolerate discrimination or harassment based on race, color, religion or belief, social or ethnic origin, sex, age, physical, mental or sensory disability, HIV Status, sexual orientation, gender identity and/ or expression, marital status, family medical history or genetic information, family or parental status.

The Bank has a Code of Ethics and Business Conduct, which provides guidelines on standards of business conduct. The primary focus of the Code of Ethics and Business Conduct is achieving business success in ways that demonstrate respect for people and the planet and uphold the values and high standards of ethics. The Bank sensitises its employees on the Code of Conduct through various training programmes as well.

The Bank upholds the basic principles of human rights in all its dealings.

2. Details of the scope and coverage of any Human rights due-diligence conducted

The Bank is committed to the principle of equal opportunity for all employees and to providing employees with a work environment free of discrimination and harassment. The Bank will not tolerate discrimination or harassment based on race, color, religion or belief, social or ethnic origin, sex, age, physical, mental or sensory disability, HIV Status, sexual orientation, gender identity and/ or expression, marital status, family medical history or genetic information, family or parental status. The Bank has a Code of Ethics and Business Conduct, which provides guidelines on standards of business conduct. The primary focus of the Code of Ethics and Business Conduct is achieving business success in ways that demonstrate respect for people and the planet and uphold the values and high standards of ethics. The Bank sensitises its employees on the Code of Conduct through various training programmes as well.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

New branches/offices are generally designed and provided for easy access to differently abled visitors such as ramp facilities/ elevators. Bank is also providing door-step services for the elder and differently abled people.

4. Details on assessment of value chain partners:

| | % of value chain partners (by value of business done with such partners) that were assessed |
|----------------------------------|--|
| Sexual Harassment | |
| Discrimination at workplace | |
| Child Labour | The Bank's expectations from its vendors are outlined in the Supplier Code of Conduct document. Preference is given to vendors who adhere to the guidelines specified in the Supplier Code of Conduct during onboarding. |
| Forced Labour/Involuntary Labour | We have started screening the vendors based on various ESG parameters during the onboarding process. |
| Wages | |
| Others – please specify | |

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

This parameter is Not Applicable basis question No 4 above.

PRINCIPLE 6: BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format: (BRSR Core indicator)

| Parameter | FY 2023-24 (GJ) | FY 2022-23 (GJ) |
|---|-----------------|-----------------|
| From renewable sources | | |
| Total electricity consumption (A) | 1,458.00 | 824.65 |
| Total fuel consumption (B) | - | - |
| Energy consumption through other Sources (C) | - | - |
| Total energy consumed from renewable sources (A+B+C) | 1,458.00 | 824.65 |
| From non-renewable sources | | |
| Total electricity consumption (D) | 1,41,168.11 | 1,49,754.75 |
| Total fuel consumption (E) | 47,570.56 | 37,227.00 |
| Energy consumption through other Sources (F) | | |
| Total energy consumed from non- renewable sources (D+E+F) | 1,88,738.67 | 1,86,981.75 |
| Total energy consumed (A+B+C+D+E+F) | 1,90,196.67 | 1,87,806.40 |
| Energy intensity (In GJ) per Crore rupee of turnover (Total energy consumed / Revenue from operations) | 7.53 | 9.81 |
| Energy intensity (In GJ) per USD Crore of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP) | 172.24 | 224.60 |
| Energy intensity (In GJ) per full time employee | 12.50 | 13.96 |

PPP considered for the calculation is 22.882 INR/USD as per the data available in OCED.


Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. Reasonable assurance undertaken by Bureau Veritas Industrial Services (India) Pvt for the indicator for FY 2023-24.



2. Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.


Not Applicable

3. Provide details of the following disclosures related to water, in the following format: (BRSR Core indicator )

| Parameter | FY 2023-24 | FY 2022-23 |
|---|---------------|---------------|
| Water withdrawal by source (in kilolitres) | | |
| (i) Surface water | Not available | Not available |
| (ii) Groundwater | Not available | Not available |
| (iii) Third party water | Not available | Not available |
| (iv) Seawater / desalinated water | Not available | Not available |
| (v) Others (Estimated as per NBC 2016 guidelines) | 191671.20 | 181669.50 |
| Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v) | 191671.20 | 181669.50 |
| Total volume of water consumption (in Kilolitres-Estimated as per CPCB guidelines) | 38334.24 | 181669.50 |
| Water intensity (In KL) per Crore rupee of turnover (Total water consumption / Revenue from operations) | 1.52 | 9.49 |
| Water intensity (In KL) per USD Crore of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption/Revenue from operations adjusted for PPP) | 34.72 | 217.25 |
| Water intensity (In KL) per full time employee | 2.52 | 13.50 |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. Reasonable assurance undertaken by Bureau Veritas Industrial Services (India) Pvt for the indicator for FY 2023-24.

4. Provide the following details related to water discharged: (BRSR Core indicator )

| Parameter | FY 2023-24 | FY 2022-23 |
|--|------------|------------|
| Water discharge by destination and level of treatment (in kilolitres) | | |
| (i) To Surface water | - | - |
| No treatment | - | - |
| With treatment – please specify level of treatment | - | - |
| (ii) To Groundwater | - | - |
| No treatment | - | - |
| With treatment – please specify level of treatment | - | - |
| (iii) To Seawater | - | - |
| No treatment | - | - |
| With treatment – please specify level of treatment | - | - |
| (iv) Sent to third-parties | - | - |
| No treatment | - | - |
| With treatment – please specify level of treatment | - | - |
| (v) Others (in Kilolitres-Estimated as per CPCB guidelines) | 153336.96 | - |
| No treatment | 153336.96 | - |
| With treatment – please specify level of treatment | - | - |
| Total water discharged (in kilolitres) | 153336.96 | - |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. Reasonable Assurance undertaken by Bureau Veritas Industrial Services (India) Pvt for the indicator for FY 2023-24.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.


Not applicable.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

| Parameter | Please specify unit | FY 2023-24 | FY 2022-23 |
|-------------------------------------|--|------------|------------|
| Nox | | | |
| Sox | | | |
| Particulate matter (PM) | Owing to the nature of the business, air emission parameters provided here are not material for the Bank. GHG emission is the only material emission for the Bank. Details of GHG emissions are provided in this report as required. | | |
| Persistent organic pollutants (POP) | | | |
| Volatile organic compounds (VOC) | | | |
| Hazardous air pollutants (HAP) | | | |
| Others – please specify | | | |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Not Applicable

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format: (BRSR Core indicator )

| Parameter | Unit | FY 2023-24 | FY 2022-23 |
|---|--|------------|------------|
| Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available) | Metric tonnes of CO ₂ equivalent | 3866.67 | 2774.86 |
| Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available) | Metric tonnes of CO ₂ equivalent | 28076.77 | 32862.90 |
| Total Scope 1 and Scope 2 emission intensity per crore of turnover (Total Scope 1 and Scope 2 GHG emissions /Revenue from operations) | Metric tonnes of CO ₂ equivalent per Crore rupee of turnover | 1.26 | 1.86 |
| Total Scope 1 and Scope 2 emission intensity per USD Crore of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP) | Metric tonnes of CO ₂ equivalent per USD Crore of turnover adjusted PPP | 28.93 | 42.62 |
| Total Scope 1 and Scope 2 emission per full time employees | Metric tonnes of CO ₂ equivalent per full time employee | 2.10 | 2.65 |


Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. Reasonable assurance undertaken by Bureau Veritas Industrial Services (India) Pvt for the indicator for FY 2023-24.

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

| S. No. | Initiative undertaken | Details of the initiative | Outcome of the initiative |
|--------|--|---|--|
| 1. | Installation of roof top solar panels | The Bank has built an in-house solar power generation capacity of 380 kW. | Solar power generated during FY- 4,04,995 kWh |
| 2. | Installation of IOT based energy savings Device for AC units | Bank has deployed IOT based energy savings device for AC units in 50 ATM Sites | Energy savings due to installation of Device- 27231 kWh during the FY which helped to mitigate 24 tCO ₂ e |
| 3. | Green Interiors Certification | Bank has obtained IGBC Green Interiors certification for 6 premises | The IGBC certified premises are resource efficient thus ensuring optimum utilisation of resources. |
| 4. | Energy Conservation | Switching to energy efficient ACs in offices | Energy Consumption reduced to the extent of 881860 kWh |
| 5. | Water Conservation | Bank has built in water conservation capacity of 118,500 litres. | Water saved -2,50,000 Lakh Litres |
| 6. | Paper saved through processing of Digital requests | As part of delivering seamless banking experience to customers, the Bank digitised many processes such as client onboarding/ request handling etc the Bank thereby avoiding the need for customer visit to branch as well as the usage of paper | These initiatives resulted in an estimated saving of 84.15 Tonnes of paper and 3.73 Lakh litres of fuel during FY24. |
| 7. | E-waste management | The Bank ensures that E-waste generated by its operation in data centres is disposed-off properly as per the e-waste norms. Bank has also extended E-waste collection to pan India offices from FY 2023-24. | 135.52 tonnes of E-waste & battery waste generated disposed-off in a responsible manner. |
| 8. | Trees plantation | To reduce the Green House Gas effect, Bank is focusing on tree planting and conservation through CSR initiatives | During the year, Bank has planted 0.61L saplings and cumulatively Bank has planted around 10.21 lakh trees |
| 9. | Green Financing | Bank is promoting green financing to reduce its finance emissions. | Green loans outstanding as of March 2024 is ₹ 6962 Crore which helped reduce the financed emission. |



9. Provide details related to waste management by the entity, in the following format: (BRSR Core indicator )

| Parameter | FY 2023-24 | FY 2022-23 |
|--|-------------------------|----------------|
| Total Waste generated (in metric tonnes) | | |
| Plastic waste (A) | 28.66 | 15.04 |
| E-waste (B) | 10.09 | 26.39 |
| Bio-medical waste (C) | Not Applicable | Not Applicable |
| Construction and demolition waste (D) | Not Applicable | Not Applicable |
| Battery waste (E) | 125.43 | 3.40 |
| Radioactive waste (F) | Not Applicable | Not Applicable |
| Other Hazardous waste. Please specify, if any. (G) | Not Applicable | Not Applicable |
| Other Non-hazardous waste generated (H). | 112.58 | - |
| Paper waste (A4 sheets consumed) | | |
| Total (A+B + C + D + E + F + G + H) | 276.76 | 44.83 |
| Metric Tonnes of Waste intensity per Crore rupee of turnover (Total waste generated/ Revenue from operations) | 0.010 | 0.002 |
| Metric Tonnes Waste intensity per USD Crore of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP) | 0.251 | 0.054 |
| Metric Tonnes Waste intensity per full time employee | 0.018 | 0.003 |
| For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes) | | |
| Category of waste | E-waste & Battery waste | - |
| (i) Recycled | - | 26.39 |
| (ii) Re-used | - | - |
| (iii) Other recovery operations | 135.52 | 3.40 |
| Total | 135.52 | 29.79 |
| For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes) | | |
| Category of waste | Paper & Plastic | - |
| (i) Incineration | - | - |
| (ii) Landfilling | - | - |
| (iii) Other disposal operations in Metric tonnes | 141.24 | 15.04 |
| Total | 141.24 | 15.04 |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. Reasonable Assurance undertaken by Bureau Veritas Industrial Services (India) Pvt for the indicator for FY 2023-24.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Being a service industry, which is providing banking products and services, we do not generate any hazardous and toxic chemicals in our day-to-day activities. Bank largely consumes resources for running its operations which include, purchased electricity, use of DGs, stationeries, etc. Bank has taken steps in all its offices to ensure dry waste and wet waste are segregated at the source. The waste is handed over to the waste collection agencies as per the arrangements prevailing in the localities.

E-waste and battery wastes have been handed over to authorised agencies as per the requirements of E-Waste (Management) Rules 2022/ Battery Waste Management Rules 2022.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format.

| S. No. | Location of operations/offices | Type of operations | Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any. |
|--------|--------------------------------|--------------------|--|
| | | | Not Applicable |



12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

| Name and brief details of project | EIA Notification No. | Date | Whether conducted by independent external agency (Yes / No) | Results communicated in public domain (Yes / No) | Relevant Web link |
|-----------------------------------|----------------------|------|---|--|-------------------|
| Not Applicable | | | | | |

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances.

| Specify the law / regulation S. No. / guidelines which was not complied with | Provide details of the non-compliance | Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts | Corrective action taken, if any |
|--|---------------------------------------|---|---------------------------------|
| The entity complies with all applicable regulatory requirements and no such non-compliance was reported during reporting period. | | | |

Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

- (i) Name of the area
- (ii) Nature of operations
- (iii) Water withdrawal, consumption and discharge in the following format:

| Parameter | FY 2023-24 | FY 2022-23 |
|---|------------|----------------|
| Water withdrawal by source (in kilolitres) | | |
| (i) Surface water | | |
| (ii) Groundwater | | |
| (iii) Third party water | | |
| (iv) Seawater / desalinated water | | |
| (v) Others | | Not Applicable |
| Total volume of water withdrawal (in kilolitres) | | |
| Total volume of water consumption (in kilolitres) | | |
| Water intensity per rupee of turnover (Water consumed / turnover) | | |
| Water intensity (optional) – the relevant metric may be selected by the entity | | |
| Water discharge by destination and level of treatment (in kilolitres) | | |
| (i) Into Surface water | | |
| No treatment | | |
| With treatment – please specify level of treatment | | |
| (ii) Into Groundwater | | |
| No treatment | | |
| With treatment – please specify level of treatment | | |
| (iii) Into Seawater | | |
| No treatment | | |
| With treatment – please specify level of treatment | | Not Applicable |
| (iv) Sent to third-parties | | |
| No treatment | | |
| With treatment – please specify level of treatment | | |
| (v) Others | | |
| No treatment | | |
| With treatment – please specify level of treatment | | |
| Total water discharged (in kilolitres) | | |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Not Applicable



2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

| Parameter | Unit | FY 2023-24 | FY 2022-23 |
|---|---|------------|------------|
| Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available) | Metric tonnes of CO ₂ equivalent | 15375.84 | 18473.83 |
| Total Scope 3 emissions per Crore rupee of turnover | Metric tonnes of CO ₂ equivalent per Crore rupee of turnover | 0.60 | 0.96 |
| Total Scope 3 emission intensity per full time employee (optional) – the relevant metric may be selected by the entity | Metric tonnes of CO ₂ per full time employee | 1.01 | 1.37 |

Select items under categories 1, 6, and 7 of Scope 3 emissions as per GHG protocol are reported. We are working to improve its scope and coverage in a gradual manner.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

Yes, M/s. Bureau Veritas Industrial Service (India) Pvt Ltd

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

As an institution providing financial services, the Bank does not cause any significant, direct impact on biodiversity. However, as a part of our ESMS Policy for lending, we conduct a thorough ESDD of the projects we lend to.

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

| S. No. Initiative undertaken | Details of the initiative (Web-link, if any, may be provided along-with summary) | Outcome of the initiative |
|---|--|---------------------------|
| Details of the Initiatives taken by the Bank is already provided in essential indicator- question No-8. | | |

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Bank has a BCM Policy, approved by the Board of Directors. The policy sets out the framework for managing Bank's overall capability to manage incidents that affect normal functioning. The policy is reviewed at least on a yearly basis taking into account the changes in the technology and operating environment, regulatory requirements and industry best practices. The overall business continuity preparedness is overseen by the executive-level Operational Risk Management Committee (ORMC), chaired by the Managing Director and CEO, which meets at least on a quarterly basis.

There is a Central Crisis Management Team (CCMT) that takes responsibility and acts swiftly in the event of any breakdown/ failure of critical systems, natural disaster/ accident or any other event affecting business continuity. The contact details of the CCMT members are communicated to all the business units in the Bank to enable them to seek assistance in case of an emergency.

At every Branch/ Office, Business Continuity Management Committees are constituted to act as the primary team to ensure Business continuity preparedness of the respective unit.

Business continuity/ disaster recovery plans and procedures detailing the steps to be taken at various levels of an incident are in place. The documents are reviewed at least on an annual basis.

Business Impact Analysis (BIA) is conducted at least on a yearly basis for prioritising the applications and processes of the Bank based on criticality. Based on the BIA results, business continuity arrangements including disaster recovery measures are put in place. Business continuity/ disaster recovery plans are periodically reviewed, at least on a yearly basis. Exercises like DR Drills, Component testing, Tabletop testing etc are done to test the effectiveness of Business Continuity Plan. Bank has also received ISO 22301 certification for the Business Continuity Management System implemented in its IT, centralized operations and centralised clearing operations

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

Not Applicable.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

Not Applicable.

PRINCIPLE 7: BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT

Essential Indicators

- (a) Number of affiliations with trade and industry chambers/ associations.
Bank is member of ten (10) trade and industry chambers/ associations.
- (b) List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

| S. No. | Name of the trade and industry chambers/ associations | Reach of trade and industry chambers/ associations (State/National) |
|--------|---|---|
| 1 | Confederation of Indian Industry | National |
| 2 | Indian Banks Association | National |
| 3 | Equalifi | National |
| 4 | Fixed Income Money Market and Derivatives Association of India (FIMMDA) | National |
| 5 | Foreign Exchange Dealers Association of India (FEDAI) | National |
| 6 | Forex Association of India (FAI) | National |
| 7 | International Chamber of Commerce | International |
| 8 | Cochin Chamber of Commerce | State |
| 9 | Madras Chamber of Commerce and Industry | State |
| 10 | Indian Chamber of Commerce and Industry | State |

- Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities

| Name of authority | Brief of the case | Corrective action taken |
|---|-------------------|-------------------------|
| We have not received any adverse order from any regulatory authorities regarding any issue on anti-competitive conduct for FY-2023-24 | | |

Leadership Indicators

- Details of public policy positions advocated by the entity:

| S. No. | Public policy advocated | Method resorted for such advocacy | Whether information available in public domain? (Yes/No) | Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify) | Web Link, if available |
|--------|-------------------------|-----------------------------------|--|---|------------------------|
| NIL | | | | | |

PRINCIPLE 8: BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

Essential Indicators

- Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

| Name and brief details of project | SIA Notification No | Date of Notification | Whether conducted by independent external agency (Yes / No) | Results communicated in public domain (Yes / No) | Relevant Web link |
|--|---------------------|----------------------|---|--|---|
| Sanjeevani -A shot of life- COVID19 Awareness campaign | Not Applicable | Not Applicable | Yes | Yes | https://www.federalbank.co.in/documents/10180/343953/Ex+summary_FB_Sanjeevani_E18_FY2022-23.pdf/6860652f-d7bc-29cc-430b-d03b05c2bb92?t=1717239690426 |
| Sanjeevani -A Shot of life -Vaccination in 5 districts Pan India | Not Applicable | Not Applicable | Yes | Yes | https://www.federalbank.co.in/documents/10180/343953/Ex+summary_FB_Sanjeevani_FY2022-23.pdf/b337ef9c-f99d-dc5e-9def-5bae12840e4a?t=1717239693280 |




2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

| S. No | Name of Project for which R&R is ongoing | State | District | No. of Project Affected Families (PAFs) | % of PAFs covered by R&R | Amounts paid to PAFs in the FY (In INR) |
|--|--|-------|----------|---|--------------------------|---|
| Owing to the nature of business, this is not applicable to the Bank. | | | | | | |


3. Describe the mechanisms to receive and redress grievances of the community.

The Bank has a system in place to receive and redress grievances from various stakeholder groups, including the community. Communities can report their grievances through the grievance redressal portal available on the Bank's website, and they will be addressed appropriately. The grievance redressal mechanism explained in the ESMS policy can be used by communities for cases related to our lending operations.

<https://www.federalbank.co.in/grievance-redressal>

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers: (BRSR Core indicator )

| | FY 2023-24 | FY 2022-23 |
|--|------------|------------|
| Directly sourced from MSME / small producers | 19.00% | 17.00% |
| Directly from within India | 100.00% | 100.00% |

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost: (BRSR Core indicator )

| Location | FY 2023-24 | FY 2022-23 |
|--------------|------------|------------|
| Rural | 4.98% | 4.82% |
| Semi-urban | 32.48% | 33.85% |
| Urban | 37.72% | 37.30% |
| Metropolitan | 24.82% | 24.03% |

Place to be categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

| Details of negative social impact identified | Corrective action taken |
|---|-------------------------|
| Owing to the nature of business, this is not applicable to the Bank | |

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

| S. No. | State | Aspirational District | Amount spent (In ₹ Lakhs) |
|--------------|------------|-----------------------|---------------------------|
| 1 | Tamil Nadu | Ramanathapuram | 0.33 |
| 2 | Tamil Nadu | Virudhunagar | 11.86 |
| 3 | Assam | Barpeta | 43.93 |
| Total | | | 56.12 |

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

As a Financial Institution, our inputs are primarily in the form of technological infrastructure, platforms and services. Thus, the Procurement Policy of the Bank focuses on the ability of the service provider/ supplier to adhere to the standards/requirements set by the Bank. However, 100% of the consumables/ stationery required for day-to-day activities at the branches/ offices are purchased locally. We have a sustainable procurement policy, which guides our procurement practices.



- (b) From which marginalized /vulnerable groups do you procure?
A preferential procurement process is not implemented by the Bank.
- (c) What percentage of total procurement (by value) does it constitute?
Not Applicable.

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

| S. No | Intellectual Property based on traditional knowledge | Owned/ Acquired (Yes/No) | Benefit shared (Yes / No) | Basis of calculating benefit share |
|--|--|--------------------------|---------------------------|------------------------------------|
| Owing to the nature of business, this is not applicable for the Bank | | | | |

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

| Name of authority | Brief of the Case | Corrective action taken |
|--|-------------------|-------------------------|
| Owing to the nature of business, this is not applicable for the Bank | | |

6. Details of beneficiaries of CSR Projects:

| S. No | CSR Subhead | No of persons benefitted | No of institutions benefitted | % of beneficiaries from vulnerable and marginalized groups |
|--------------|---|--------------------------|-------------------------------|--|
| 1 | Promoting Education -Scholarship, Skilling and others | 7026 | 151 | 100 |
| 2 | Promoting Education-Youth Engagement | 200000 | 5000 | support to public |
| 3 | Healthcare | 16393 | 26 | 100 |
| 4 | Welfare and Women Empowerment | 21383 | 33 | 100 |
| 5 | Clean water solutions | 5700 | 168 | support to public |
| 6 | Ensuring Environmental Sustainability | 3841958 | 6470 | support to student community |
| 7 | Disaster Relief | 3330 | 3 | 100 |
| Total | | 4095790 | 11851 | |

PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The grievance redressal mechanism of the Bank operates in the following manner:

- a. A customer experiencing any deficiency in the services of the Bank can raise a complaint through:
 - 24-hour customer care of the Bank where the executives of the Bank will contact the customer and the issue will be redressed at the earliest.
 - Customer can visit the branch of the Bank directly and give a written complaint. The branch manager shall record the complaint and record the same in the complaint register. If redressed it shall be updated in the complaint register. The branch manager shall respond to the customer within a maximum of 10 days of the receipt of the complaint. The branch manager shall escalate the matter to Head Office /Zonal Office in case he wants the interference of higher authorities.
- b. If the complainant does not receive a response from the branch within 10 days or the complaint is not redressed to the satisfaction of the customer, the matter may be taken up with the Zonal Level Code Compliance Officer (Nodal Officer) at the respective Zonal Office. The Zonal level code compliance officer shall also register the complaint in the complaints register maintained at Zonal office and shall try to redress the complaint. The Code Compliance Officer at the Zonal office shall respond to the complainant within a maximum period of 10 days of receipt of the complaint.



- c. The Executive Director in charge of Service Quality Department would be the Principal Code Compliance Officer of the Bank and Principal Nodal Officer for redressal of customer complaints. If the complainant does not receive a response from the Code Compliance Officer at the Zonal office within 10 days or if the complainant still feels unsatisfied with the response received, he/she can address the complaint to the Principal Code Compliance Officer of the Bank with full details. The complaints received at Head office would be probed by the Service Quality Department and suitable measures would be taken to redress the grievance. Service Quality Department also examines the nature of complaints and initiates necessary corrective measures to prevent recurrence of such complaints. All Offices of the Bank are required to attend to correspondence on matters related to customer complaints with utmost promptness and help redress of the complaints. The Code Compliance Officer at Head office responds to the Complainant within a maximum period of 10 days of receipt of the complaint.
- d. Customers also have the option to register their complaints online through the Bank's Website. There is also a dedicated e-mail ID for sending grievances to the Principal Code Compliance Officer (support@federalbank.co.in). Complaints received through these channels will be dealt with as described in item (c) above.
- e. The Bank has also appointed an Internal Ombudsman (IO) with the objective of enabling a proper and speedy resolution of complaints of Bank's customers at the Bank level by an independent apex-level authority within the Bank. The IO scheme provides a settlement that may be acceptable to the Bank as well as customer. The customer, if not satisfied with the settlement offer, will however be at liberty to appeal to the Banking ombudsman of Reserve Bank of India.
- f. The Bank has also formed two committees to ensure that quality services are rendered to the customer:
 - Customer Service Committee of the Board
 - Standing Committee on Customer Service

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

| As a percentage to total turnover | |
|---|----------------|
| Environmental and social parameters relevant to the product | |
| Safe and responsible usage | Not Applicable |
| Recycling and/or safe disposal | |

3. Number of consumer complaints in respect of the following:

| | FY 2023-24 | | | FY 2022-23 | | |
|--------------------------------|--------------------------|-----------------------------------|---------|--------------------------|-----------------------------------|---------|
| | Received during the year | Pending resolution at end of year | Remarks | Received during the year | Pending resolution at end of year | Remarks |
| Data privacy | 0 | -- | -- | 0 | -- | -- |
| Advertising | 0 | -- | -- | 0 | -- | -- |
| Cyber-security | 0 | -- | -- | 0 | -- | -- |
| Delivery of essential services | 0 | -- | -- | 0 | -- | -- |
| Restrictive Trade Practices | 0 | -- | -- | 0 | -- | -- |
| Unfair Trade Practices | 0 | -- | -- | 0 | -- | -- |
| Other | 2,60,580 | 6657# | | 1,70,278 | 5,864# | |

#Outstanding complaints are those received in the month of March. Around 99% of outstanding complaints are related to digital transaction disputes which has specific TAT for resolution.

4. Details of instances of product recalls on account of safety issues:

| Number | Reasons for recall |
|-------------------|--------------------|
| Voluntary recalls | |
| Forced recalls | Not Applicable |

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.


Yes, Bank has formulated an Information Systems Security Policy (ISSP) and a Cyber Security Policy (CSP). Data privacy-related aspects are broadly covered in ISSP. The policies are reviewed on an annual basis.

The privacy policy is available on our website. Please refer to the below URL:

<https://www.federalbank.co.in/privacy-policy>

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

Bank's systems were not subjected to any incidents affecting cyber security or the privacy of customers. Also, Bank has not been subjected to any penalty by regulatory authorities on the safety of products/services during the fiscal

7. Provide the following information relating to data breaches: (BRSR Core indicator )
- Number of instances of data breaches : NIL
 - Percentage of data breaches involving personally identifiable information of customers: NIL
 - Impact, if any, of the data breaches: Not Applicable

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

A few key channels where customers can find the details of our products/ services include:

- Branches:** The Bank's mantra is 'digital at the fore and human at the core' and we exemplify relationship banking. Our branches are open during office hours, when customers can contact us to know more about the services/products.
- Mobile Apps:** Customers increasingly use mobile apps for banking. These apps provide a convenient way to check balances, transfer funds, pay bills, and access other services.
- Websites:** The Bank's website offers a user-friendly interface, allowing customers to easily navigate and explore a wide range of services. Visitors can access detailed information about various products, open new accounts, and find up-to-date interest rates and charges. Additionally, the site provides comprehensive resources on careers, policies, annual reports, and financial results, ensuring transparency and accessibility for all users.
- Contact Centres:** While digital channels are popular, some customers still prefer human interaction. Contact centres handle queries, resolve issues, and provide assistance over the phone.
- Feddy (Virtual Assistant):** Feddy is a virtual assistant powered by artificial intelligence that can help customers with banking needs. Feddy can help check balance, transfer funds, pay bills, and more. Feddy is available 24/7 and can be accessed through the Federal Bank website, mobile app, or WhatsApp.

Website <https://www.federalbank.co.in/>

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

Proactive measures are taken to keep the customers updated about financial cyber safety. A campaign called 'Twice is Wise' with video snippets and creative posts on safe banking practices were posted on social media. Emails and SMS are sent to customers asking them not to click/act on suspicious links. Cyber security-related blogs are published on the website of the Bank.



3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.
 - a. **Notifications on Websites.** These messages inform customers about scheduled maintenance, system upgrades, or any potential disruptions.
 - b. **Notifications via Mobile Apps**
 - c. **Email Alerts:** Email notifications regarding service interruptions, changes in policies, or upcoming maintenance based on the duration and affected customers.
 - d. **SMS (Text) Alerts:** Bank sends SMS alerts to customers' registered mobile numbers. These messages provide timely information about service disruptions, security updates, or other relevant matters.
4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Bank believes in being transparent with all the stakeholders by providing all the required information in detail. All the important notices such as service charges, interest rates, grievance redressal mechanisms etc. are prominently displayed in the Notice Board of Branches/ Offices and on the website of the Bank. Details of the various products and services offered are also available on the website of the Bank.

Assessing and enhancing customer satisfaction involves gathering feedback and implementing strategies to meet and exceed customer expectations. Feedback is collected across various touchpoints to grasp the overall sentiment of the customers.

Our Bank uses Net Promoter Score (NPS) as the metric for gauging customer satisfaction. The current programs designed in line with this have been shown below.

- a. **NPCI Products:** Customer who uses UPI, IMPS, RuPay Debit & Credit Card products are being surveyed and the results are analysed monthly. The feedback from the customers is shared with the respective business teams to improve the product design, customer awareness, etc. Service recovery calls are initiated to customers to resolve their concerns. This holistic approach has resulted in measurable improvements in the NPS.
- b. **Contact Centre:** We have implemented a system to collect NPS from customers who interact with our Contact Centre. The results are monitored and analysed to gain insight into customer perceptions and preferences. This feedback mechanism allows us to identify areas for improvement in our services and training programs for our contact centre staff.

Apart from this, we also conduct surveys for customer SB account onboarding journeys via various channels like IAO, Tab Banking, and Web-Based Account Opening Solutions.



INDEPENDENT PRACTITIONER'S ASSURANCE REPORT

To

The Board of Directors of Federal Bank Limited

Introduction and objectives of work

The Board of Directors of Federal Bank Limited (the 'Company') have engaged us for providing Assurance Report on identified sustainability information in the Business Responsibility & Sustainability Report (BRSR) of the Company for the year ended March 31, 2024.

Intended User

The assurance statement is made solely for "Federal Bank Limited (FBL) and its stakeholders" as per the governing contractual terms and conditions of the assurance engagement contract between "FBL" and "Bureau Veritas". To the extent that the law permits, we owe no responsibility and do not accept any liability to any party other than "FBL" for the work we have performed for this assurance report or our conclusions stated in the paragraph below.

Scope of Work

We have performed the *Reasonable Assurance engagement for BRSR (Core) parameters and Limited Assurance for non-core parameters* in accordance with International Standard on Assurance Engagements (ISAE) 3000(Revised) and in line with the requirements of Bureau Veritas's standard procedures and guidelines for external Assurance of Sustainability Reports, based on current best practice in independent assurance.

The reporting boundaries considered for this reporting period are as follows:

Federal Bank branches located in India.

As part of its independent Reasonable assurance, we assessed the appropriateness and robustness of underlying reporting systems and processes, used to collect, analyse and review the information reported. In this process, we undertook the following activities:

The assessment was conducted by means of physical site visits at Head office located at Aluva, Kochi, Kerala and remote verification of other branches. Bureau Veritas interviewed personnel of Federal Bank Limited's including Environment, Health & Safety (EHS) team, HR, Finance and Accounts, Engineering, Purchase, Accounts and other relevant departments.

- The assurance process involved carrying out an Assessment by experienced assessors from Bureau Veritas.
- The Company had submitted performance data on reported BRSR (core) topics and non-core topics.
- Data on various BRSR (core) and non-core disclosures were assessed for the locations as mentioned above. Later, it was confirmed that the same assessed the data went into preparation of the final data within the BRSR Report 2023-24.

Management Responsibility

The Selection of reporting criteria, reporting period, reporting boundary, monitoring and measurement of data, preparation, and presentation of information in the BRSR report are the sole responsibility of the Company and its management. We are not involved in drafting or preparation of BRSR Report. Our sole responsibility is to provide independent Reasonable assurance and Limited assurance on the BRSR core and BRSR non-core parameters respectively for the financial year ended 31st March 2024.



Our Findings

On the basis of our methodology and the activities described above,

- Nothing has come to our attention to indicate that the BRSR disclosures are inaccurate or that the information included therein is not fairly stated.
- It is our opinion that Company has established appropriate systems for the collection, aggregation, and analysis of data on Sustainability/Non-Financial performance disclosures in the BRSR.
- The BRSR Report provides a fair representation of the Company's activities as included therein.
- The information is presented in a clear, understandable, and accessible manner, and allows readers to form a balanced opinion over the Company and status during the reporting period.

Limitations and Exclusions

Excluded from the scope of our work is any assurance of information relating to:

- Activities outside the defined assurance period.
- Positional statements (expressions of opinion, belief, aim or future intention) by Federal Bank Limited and statements of future commitment.
- Competitive claims in the report claiming, "first company in India", "First time in India", "first of its kind", etc.

Our assurance does not extend to the activities and operations of Federal Bank Limited outside of the scope and geographical boundaries as well as the operations undertaken by any subsidiaries or joint ventures of the Company.

This independent statement should not be relied upon to detect all errors, omissions or misstatements that may exist within the Report.

Statement of Independence, Integrity, and Competence

Bureau Veritas is an independent professional services company that specialises in quality, environmental, health, safety, and social accountability with over 185 years history. Its assurance team has extensive experience in conducting assessment over environmental, social, ethical and health and safety information, systems and processes.

Bureau Veritas operates a certified Quality Management System which complies with the requirements of ISO 9001:2015, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Bureau Veritas has implemented and applies a Code of Ethics, which meets the requirements of the International Federation of Inspections Agencies (IFIA), across the business to ensure that its employees maintain integrity, objectivity, professional competence and due care, confidentiality, professional behaviour, and high ethical standards in their day-to-day business activities.

The assurance team for this work does not have any involvement in any other Bureau Veritas projects with Federal Bank Limited.



Competence

The assurance team has extensive experience in conducting assurance over environmental, social, ethical, and health & safety information, systems and processes an excellent understanding of Bureau Veritas standard methodology for the Assurance of Sustainability Reports.

Restriction on use of Our Report

Our assurance report has been prepared and addressed to the Board of Directors of the Federal Bank Limited at the request of the company solely to assist the company in reporting on the Company's Sustainability performance and activities. Accordingly, we accept no liability to anyone, other than the Company. Our deliverables should not be used for any other purpose or by any person other than the addressees of our deliverables. The Firm neither accepts nor assumes any duty of care or liability for any other purpose or to any other party to whom our Deliverables are shown or into whose hands it may come without our prior consent in writing.

Nagabhushan Biliangadi
 Digitally signed by Nagabhushan Biliangadi
 Date: 2024.07.30 18:34:39 +05'30'
Nagabhushan B Biliangadi
Lead Assurer

Bengaluru, India
DT: July 30th, 2024

MUNI RAMA MOHAN RAO
 Digitally signed by MUNI RAMA MOHAN RAO
 Date: 2024.07.30 17:48:23 +05'30'
Munji Rama Mohan Rao
Technical Reviewer

Hyderabad, India

