

# BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING

## SECTION: A GENERAL DISCLOSURE

### I. DETAILS OF 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, ERANAKULAM, KERALA, 683101, INDIA
5	Corporate address	FEDERAL TOWERS, P B NO 103, ALUVA, ERANAKULAM, KERALA 683101, INDIA
6	E-mail	secretarial@federalbank.co.in
7	Telephone	+91-484 2623620-29
8	Website	www.federalbank.co.in
9	Financial year for which reporting is being done	2022-23
10	Name of the Stock Exchange(s) where shares are listed	Equity shares of the Bank are listed at: 1. Bombay Stock Exchange Limited (BSE) 2. National Stock Exchange of India Limited (NSE) 3. The Global Depository Receipts (GDRs) issued by the Bank in 2006 have been listed on the London Stock Exchange
11	Paid-up Capital	₹ 423.24 Crore as on March 31, 2023
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. Ajithkumar A Vice President & Head- Market Risk and ESG 0484-2634305 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

### II. PRODUCTS AND SERVICES

14. 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%

15. Products/Services 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

16. 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	1355 <sup>^</sup>	1355
International	Not Applicable	3 <sup>#</sup>	3

<sup>^</sup> No of branches

<sup>#</sup> 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.





17. Market served by the entity

a. Number of Locations

Locations	Number
National (No. of States)	30 (25 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 customers serviced by the Bank as on March 31, 2023, was over 1.60 Crore. During the year Bank added more than 35 Lakh new customers to its fold. Customers in Rural and Semi-Urban branches constitute 75% of Bank's customers. The Bank is also having a strong NRI franchise, which enables the Bank to build granular deposits. During the year, Bank added more than 90,000 new NRI customers to the fold.

As of March 31, 2023, retail to wholesale advances ratio stood at 54:46. Bank's advances to Retail (personal) segment accounted for 32%, Agriculture advances accounted for 13%, Business Banking accounted for 8%, Commercial Banking accounted for 10%, CV/CE accounted for 1% and Corporate advances accounted for 36% of total gross advances. Bank has given added thrust in building a robust micro finance portfolio which has resulted in a growth of 223% on a YoY basis. Priority Sector lending as a percentage of Adjusted Net Banking Credit (ANBC) stood at 42.7%, 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, 2023, stood at ₹ 2,13,386 Crore. Total core deposits (Total Deposits excluding deposits from banks) to total deposit for the year ended March 31, 2023, stood at 98.8%. A large part of the deposit base is retail which indicates lower concentration risk for the Bank.

#### IV. EMPLOYEES

18. 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)
<b>Employees</b>						
1	Permanent (D)	13,106	7,730	58.98	5,376	41.02
2	Other than Permanent (E)	351	161	45.87	190	54.13
3	<b>Total employees (D + E)</b>	<b>13,457</b>	<b>7,891</b>	<b>58.64</b>	<b>5,566</b>	<b>41.36</b>

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)
<b>Differently Abled Employees</b>						
1	Permanent (D)	8	5	62.5	3	37.5
2	Other than Permanent (E)	-	-	-	-	-
3	<b>Total employees (D + E)</b>	<b>8</b>	<b>5</b>	<b>62.5</b>	<b>3</b>	<b>37.5</b>

19. Participation/Inclusion/Representation of women

	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.

20. Turnover rate for permanent employees. (Disclosure trends for the past 3 years)

	FY 2022-23			FY 2021-22			FY 2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	7.09	5.21	6.32	6.50	4.90	5.85	4.14	2.96	3.67

**Turnover rate of permanent employees based on exit type:**

	FY 2022-23			FY 2021-22			FY 2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Voluntary	3.90	3.54	3.75	2.80	2.71	2.76	1.42	1.53	1.47
Involuntary	3.19	1.67	2.57	3.70	2.19	3.09	2.72	1.43	2.20
<b>Total</b>	<b>7.09</b>	<b>5.21</b>	<b>6.32</b>	<b>6.50</b>	<b>4.90</b>	<b>5.85</b>	<b>4.14</b>	<b>2.96</b>	<b>3.67</b>

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

**V. HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES)**

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

Sl. 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	Subsidiary	100.00%	No
2	Fedbank Financial Services Limited	Subsidiary	73.21%	No
3	Ageas Federal Life Insurance Company Limited	Associate	26.00%	No
4	Equirus Capital Private Limited	Associate	19.79%	No





## VI. CSR DETAILS

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) - Yes  
(ii) Turnover: ₹ 19,133.64 Crore  
(iii) Net worth: ₹ 21,419.49 Crore

## VII. TRANSPARENCY AND DISCLOSURES COMPLIANCES

23. 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 2022-23			FY 2021-22		
		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	8	0	All the complaints received in FY'23 are resolved.	3	0	All the complaints received in FY'22 were resolved.
Employees	Yes, the policy is made available on the Bank's intranet and the same is accessible to internal stakeholders.	2	0	Bank has initiated timely measures for an effective redressal of grievances.	1	0	NIL
Customers	Yes	170,278	5,864	Outstanding complaints are those received in the month of March 2023. 99% of outstanding complaints are related to digital transaction disputes which has specific TAT for resolution	160,857	5,390	98 % of The Outstanding complaints constitutes of Digital, transaction which has specific TAT for resolution. Other 2% are complaints received in the last month of March 2022
Value Chain Partners	Yes	--	--	--	--	--	--
Other (please specify)	--	--	--	--	--	--	--

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



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

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	Inadequate corporate governance could reduce stakeholders' confidence and damage reputation which will have negative impact on Business. Any gaps in Corporate Governance and Ethical standards can also result in regulatory and compliance risks.	Bank has put in place strong corporate governance framework as per regulatory guidelines. Bank has also put in place a Board approved Code of Conduct and Code of Corporate Governance & Code of Conduct. Adherence to core values of the Bank- C.A.R.E.S also ensure that Bank upholds highest standards of Corporate Governance and Ethics in all its dealings.  Bank has also implemented the three lines of defence model to improve the risk and compliance culture. There is an effective grievance redressal mechanism for stakeholders to address their concerns.	Negative
2.	Economic Performance	Opportunity	Financial performance and stability are crucial for business continuity, investment, and economic growth, contributing to sustainable development.	-	Positive
3.	Regulatory Compliance	Risk	Non-Compliance with laws, regulations, and standards can lead to penalties, business disruption, increased scrutiny and reputational risk.	Robust Governance framework ensures compliances with all the current & emerging regulations. Every branch/ office has a Compliance Monitoring Officer who ensures that the regulatory requirements are complied with. Detailed Compliance testing is also conducted at periodic intervals and monitored by Compliance Department. All new and changes in existing product/ process needs compliance vetting as a pre-requisite for approval.	Negative
4.	Digital Leadership	Opportunity	Effective digital leadership enables organisations to adapt to technological advancements, drive innovation, and create competitive advantages.	-	Positive
5.	Employee Well-being and Development	Opportunity	Promoting employee well-being and providing opportunities for growth enhance productivity, job satisfaction, and talent retention.	-	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)
6.	Customer Privacy and Data Security	Risk	Any violation of the Bank's security policy or threats (or potential threats) affecting the confidentiality, integrity, availability or non-repudiation of the information systems and data is considered as a security incident. Information and cyber security incidents may result in severe operational and reputational losses along with legal and regulatory impacts.	Bank has a multi-layered approach to manage and mitigate the IT & cyber security risks. This includes Board approved policies, various committees at Board and Management level for overseeing the implementation of IT & Cyber Security systems and processes, dedicated CISO etc. We have implemented layered security controls for prevention of attacks from the cyber world. Controls are deployed to manage various aspects of cyber security and data privacy risks such as perimeter security, malware protection, data theft, lateral movements, vendor risks etc. Bank has also implemented robust Disaster Recovery mechanism and obtained certifications under reputed standards such as ISO 27001, PCI DSS etc. Bank has also obtained Cyber Liability Insurance Cover for transferring losses arising out of low frequency – high severity cyber security incidents.	Negative
7.	Sustainable Finance	Opportunity	Integrating environmental, social, and governance (ESG) factors into financial decisions mobilises investments for sustainable development. This will help protect Bank's portfolio insulated from potential E&S risks. Integrating ESG into lending will also help gain stakeholder confidence and align with the national commitments on UNSDGs and Paris Climate Agreement.		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)
8.	Fraud Risk Management	Risk	Implementing robust fraud risk management systems safeguards resources, prevents financial losses, and upholds ethical business practices.	<p>Fraud risk is managed by the Bank methodically in line with the robust Fraud Risk Management Policy of the Bank which 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.</p> <p>Bank has a fully equipped Transaction Monitoring &amp; 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.</p> <p>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.</p>	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)
9.	Climate Change Risk and Impact	Risk	Assessing and mitigating climate change risks, including greenhouse gas (GHG) emissions, help combating global warming and its adverse effects.	Climate risk is identified as a material risk under ICAAP, and the stress testing scenarios include climate related stress testing. We have conducted stress testing of our existing portfolios to certain physical and transition risk shocks, to measure climate related risks embedded in the portfolio. Bank has put in restrictions in lending to certain sectors which has significant impact on environment such as coal mining, oil & gas exploration etc. Bank also conducts detailed E&S Due Diligence as per the ESMS policy to assess the E&S risks of the proposal before sanctioning. The ESMS policy is available on the website of the Bank.	Negative
10.	Product innovation	Opportunity	Continuous product innovation drives competitiveness, addresses market needs, and enables sustainable consumption and production.		Positive
11.	Transparency and Fair disclosure	Opportunity	Transparent and fair disclosure practices promote accountability, stakeholder engagement, and informed decision-making.	-	Positive
12.	Customer Satisfaction	Opportunity	The success of any organisation depends on its ability to satisfy its customers and it also helps to widen the customer base.	-	Positive
13.	GHG Emission Management	Risk	Risks associated with climate change are increasingly manifesting in the banking industry as physical risks and transitional risks. If these risks are not properly managed, they could negatively impact the operations and profitability. Extreme weather events brought on by climate change put the Company's operations, as well as the security and well-being of its employees, at risk.	The Bank is has started measuring the GHG emissions in some of its operational activities and is planning to improve the scope of measurement in a phased manner. Bank has an executive level ESG committee which oversees the progress on a quarterly basis. Once the baseline assessment is completed, the Bank intends to identify initiatives and develop a roadmap to reduce the GHG emissions and to arrive at a net-zero emissions roadmap in its operations. Bank is also planning to measure its financed emissions in a phased manner.	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.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>Policy and management processes</b>									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/ No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies, if available	The Policy on Environment, Social and Governance (ESG), Diversity, Equity and inclusion policy, Policy on Anti - Bribery and Corruption, Environmental and Social Management system (ESMS) Policy, CSR policy, Customer Grievance Redressal Policy and various other policies available on bank's website can be accessed through <a href="https://www.federalbank.co.in/our-commitments">https://www.federalbank.co.in/our-commitments</a> . Certain policies which relate to employees are available in the intranet of the Bank and freely accessible for all the employees.								
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 by material 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"> <li>Bank has adopted International Finance Corporation (IFC) Performance Standards for its E&amp;S due diligence of borrowers.</li> <li>Bank has ISO 22301 certification for its Business Continuity Management System (BCMS).</li> <li>Bank has implemented the ISO 27001:2013 standards on Information Security Management System (ISMS) for protection of the systems and information of the Bank.</li> <li>Bank has achieved compliance to PCI DSS standards for card ecosystem.</li> </ul>								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	<ol style="list-style-type: none"> <li>Bank has committed not to do fresh lending to certain sectors which has significant E&amp;S risks. ESMS policy can be accessed through <a href="https://www.federalbank.co.in/our-commitments">https://www.federalbank.co.in/our-commitments</a>.</li> <li>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.</li> <li>Bank intends to grow its green portfolio to ₹ 13,000 Crore by December 2025.</li> <li>500KW of inhouse solar power generation capacity by March 2025.</li> <li>Reach one Lakh litre of water conservation capacity by March 2025.</li> <li>Finance at least 10.00L women entrepreneurs through BC Channel by March 2028.</li> <li>At least 10% of the bank branches to be green certified by March 2028.</li> <li>We aim to maintain a gender diversity ratio of 40% or above.</li> </ol>								





Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
6. Performance of the entity against the specific commitments, goals, and targets along-with reasons in case the same are not met.	1. Fresh loans to exclusion list activities are restricted.	2. Coal related sub project exposures as of March 31, 2023, stands at 0.76% of gross advances. (March 2021 baseline is 3.49% of the gross advances).	3. Bank's green lending portfolio is at ₹ 3,222 Crore as on March 31, 2023.	4. Bank has an installed solar capacity of 300 KW.	5. Bank has installed 84,000-liter capacity of rainwater harvesting units in its various offices.	6. Bank has financed 3.50L women entrepreneurs through BC channel as of March 2023.	7. Bank's present gender diversity ratio is 41%.		
<b>Governance, leadership, and oversight</b>									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets, and achievements (listed entity has flexibility regarding the placement of this disclosure)	<p>Bank has been constantly reengineering its systems and process and adopted a comprehensive approach to meet the evolving needs of various internal &amp; external stakeholders. Sustainability is one of the core values of the Bank and in the current context it takes the centre of attention for variety of stakeholders across the spectrum.</p> <p>Bank is supporting both corporate clients and retail clients transition to greener business models. We assist retail customers and staff members in buying electric vehicles by offering attractive interest rate. Corporate clients are provided financing for green building development, renewable energy and climate special projects at incentivised rates. As on March 31, 2023, our green loan outstanding stood at ₹ 3222 Crore, and we intend to increase it to ₹ 13,000 Crore by December 2025.</p> <p>Bank is also investing in various technologies to reduce the carbon footprint from its own operations and improve the ESG culture. We have started capturing Scope-1 and 2 GHG emission and is in the process of building systems and processes to improve the same. We have also improved our GHG reporting mechanism when compared to last year.</p> <p>As a responsible institution, Bank has also integrated ESG considerations into its Credit Appraisal process. Bank has put in place an 'Environmental and Social Management System (ESMS) Policy' for all lending activities as part of strengthening Bank's commitment for the cause of sustainable development as desired by the government, regulators and other stakeholders. ESMS policy enables Bank to minimise environmental and social impacts posed by the lending activities. The policy prescribes an exclusion list i.e., the list of activities prohibited for lending operations considering its impact on the environment and the society. The policy ensures more focus on funding to the borrowers whose projects are sustainable and environment friendly. This is achieved by your Bank through meticulous risk categorisation of the borrowers and by ensuring that the funds lent by Bank will be used for purposes / activities which have minimal impact on the environment and the society.</p> <p>During the year, Bank has also put in place a Board approved ESG policy to establish Bank's conscientious banking approach to clients, employees, business partners, and other stakeholders.</p>								



Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
	<p>One of the prime focus areas of CSR is aiding for the projects which support UN SDGs. During the year there were a number of CSR initiatives which focused on community development along with embarking the journey of Sustainability.</p> <p>We have been recognised as Climate Financing Leadership by International Finance Corporation (IFC) for disbursing the largest amount of Climate loans during the FY 2022. The recognition by IFC shows our commitments towards sustainability and gives us an added responsibility to reach greater heights.</p> <p>The ESG rating/ scores provided by various rating agencies also show considerable improvement over the previous financial year. The Bank has been recognised for 'Top 20 Most Innovative Practices - DivHERsity Hiring' in the 'AccelHERate &amp; DivHERsity Awards 2023'. These recognitions evidence that the Bank clearly focuses on being sustainable in its journey.</p>								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	<p>DIN Number: 05154975            Name: Ashutosh Khajuria            Designation: Executive Director</p>								
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.	<p>Yes. 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 is duly factored under ESMS policy and ESG Policy assess organisation's business practices and performance on various sustainability and ethical issues. Bank is also having a management level E&amp;S committee headed by MD&amp;CEO which oversees both ESG and ESMS aspects and the committee is reporting to RMC of the Board.</p>								

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 policies are developed and aligned to applicable compliance requirements, RBI norms and guidelines, requirements of listing agreement with stock exchanges, or the Bank's internal requirements and best practices, which are reviewed on a Periodic and need basis.																	





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.	<b>P1</b>	<b>P2</b>	<b>P3</b>	<b>P4</b>	<b>P5</b>	<b>P6</b>	<b>P7</b>	<b>P8</b>	<b>P9</b>
	No.								

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

<b>Questions</b>	<b>P1</b>	<b>P2</b>	<b>P3</b>	<b>P4</b>	<b>P5</b>	<b>P6</b>	<b>P7</b>	<b>P8</b>	<b>P9</b>
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)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

**SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE**

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

**Essential Indicator**

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

<b>Segment</b>	<b>Total number of training and awareness programmes held</b>	<b>Topics / principles covered under the training and its impact</b>	<b>%age of persons in respective category covered by the awareness programmes</b>
Board of Directors	18	Principle 1,2,4,6, and 7	100.00%
Key Managerial Personnel	29	Principle 1,2,3,6,7,8, and 9	100.00%
Employees other than BoD and KMPs	256	All 9 Principles	89.10%



2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid 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 the entity's website):

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	Principle-1	RBI	₹5.72 Crore (Rupees Five Crore and seventy-two Lakh only)	Reserve Bank of India (RBI) has, by an order dated July 07, 2022, imposed a monetary penalty of ₹5.72 Crore (Rupees Five Crore and seventy-two Lakh only) on the Bank for non-adherence with the provision of Reserve Bank of India (Financial Services provided by Banks) Directions, dated May 26, 2016 to an extent that the Bank failed to ensure that no incentive (cash or non-cash) was paid to its staff engaged in insurance broking/ corporate agency services by the insurance company.	No
Settlement	NIL	NIL	NIL	NIL	NIL
Compounding fee	NIL	NIL	NIL	NIL	NIL

Non-monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions		Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	NIL	NIL		NIL	NIL
Punishment	NIL	NIL		NIL	NIL

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
NIL	NIL

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 and same can be accessed by going to Federal Bank's official website. The policy can be accessed through the following link :

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 against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption :

	FY 2022-23	FY 2021-22
Directors	NIL	NIL
KMPs	NIL	NIL
Employees	NIL	NIL





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

	FY 2022-23		FY 2021-22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	NIL	--	NIL	--
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	NIL	--	NIL	--

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 :

- Robust controls have been brought in, to stop any incentivisation for sale of insurance products.
- Insurance partners were alerted to stop any such practices and report immediately to the Bank, if identified.
- Periodic confirmation is taken from all relevant employees confirming the non-receipt of any incentives from the insurance partners.
- Ensured all priority RMs conducting insurance sale have requisite qualification prescribed by IRDAI.
- Developed monitory framework for identification of receipt of any such payments by the staff.
- A campaign approval framework is put in place.

**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
One	<ul style="list-style-type: none"> <li>Cyber Security Awareness</li> <li>Social Engineering Attacks like Phishing, Vishing, Smishing</li> <li>Safe browsing practises</li> <li>Password security best practices</li> <li>Other cyber threats and preventive measures</li> </ul>	100% The training is provided to all staff members of the vendors posted at our premises and has access to Bank's systems or networks.

Bank ensures that the people working in the contact centres are trained on matters such as ethics, transparency, responsible customer engagements. Detailed code of conduct is put in place for such tele callers and collection agencies. Further, Bank has provided a specific training programme on Information Security awareness to all our staff members who have access to Bank's network/systems. Over 1000 plus channel partners/vendors representatives have been trained and an assessment has been conducted specifically.

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.

Code of Corporate Governance and code of conduct for the Board of Directors and Management covers processes to avoid/ manage of conflict of interests. The Code can be accessed through the following link <https://www.federalbank.co.in/documents/10180/35398801/Code+of+Conduct+and+Code+of+Ethics+for+Board+of+Directors+and+Management.pdf/fa8dd6d2-7718-a8ed-302c-2036e2920c18?t=1652439306986>

Conflict of interest scenario 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=>

During FY 2023, the Bank has not entered into any materially significant transactions with its Directors or Relatives of the Directors, which could lead to 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 FY2023.



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

### Essential Indicators

1. 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.

Considering the nature of operation as a financial service provider, R&D outlay and capital expenditure were restricted to investments made in Information Technology systems. Bank has made investments for addition of IT capital assets for improving the Bank's digital initiatives, (Like Internet banking, Mobile banking, ATM Channels), software licences, building various IT applications, and improving security and network infrastructures of the Bank along with Data centres. 82.87% (88.45% in FY2022) of the total IT capex investments was to improve the digital banking infrastructure.

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

Yes.

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

As a responsible institution, Bank emphasises on optimising its resource consumption efficiency and reducing waste generation. Various digital initiatives of the Bank have ensured there is a significant reduction in the use of paper. Bank has a Board approved Sustainable Procurement Policy, which guides all the procurement decisions and processes. For procurement of equipment that are necessary to run the banking operations, such as computer hardware, lighting devices, air conditioners, other electronic items, etc. energy efficiency standards are duly considered during the purchase. Other procurement such as stationery items are done locally by the offices/ branches based on the requirement.

3. 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 centralised and robust E-waste management system that helps to identify the E-waste generated at its branches/Offices and the same is collected by a reputed vendor and disposed at the vendor's Recycling and Recovery Unit.

As a financial service provider, plastic waste is very minimal. The major share of plastic waste generated by our branches are plastic pouches used for safe keeping of gold ornaments pledged with us. We have started accounting for this plastic waste from the FY 2022-23. The plastic waste generated by the branches/Offices are disposed of through local arrangements with respective Corporations/ Municipals/ Panchayats.

4. 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.

Considering the nature of banking products which is service-oriented and not in to manufacturing activity, EPR is not applicable.

### Leadership Indicators

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

Life Cycle Assessment of products is not applicable for the Bank's products and services.

2. 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.

Not Applicable

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

Not Applicable

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed.

Not Applicable

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

Not Applicable





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

**Essential Indicators**

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day care facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
<b>Permanent Employees</b>											
Male	7,730	7,730	100.00	7,730	100.00	-	-	7,730	100.00	1778	23.00
Female	5,376	5,376	100.00	5,376	100.00	5,376	100.00	-	-	929	17.28
<b>Total</b>	<b>13,106</b>	<b>13,106</b>	<b>100.00</b>	<b>13,106</b>	<b>100.00</b>	<b>5,376</b>	<b>41.02</b>	<b>7,730</b>	<b>58.98</b>	<b>2707</b>	<b>20.65</b>
<b>Other than permanent employees</b>											
Male	161	-	-	160	99.38	-	-	-	-	-	-
Female	190	-	-	190	100.00	190	100.00	-	-	-	-
<b>Total</b>	<b>351</b>	<b>-</b>	<b>-</b>	<b>350</b>	<b>99.72</b>	<b>190</b>	<b>54.13</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

Benefits	FY 2022-23		FY 2021-22	
	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	97.40	Y	98.85	Y
Gratuity	97.39	Y	98.84	Y
ESI	NA	NA	NA	NA
Others- Leave Encashment	97.39	NA	98.84	NA

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently-abled employees 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 which 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-

<https://www.federalbank.co.in/documents/10180/45777/Diversity%2C+Equity+%26+Inclusion+Policy.pdf/a7d0b3d5-dc0d-7485-a5ec-7ca4aba5eb23?t=1683351345782>





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 %	100.00 %
Female	99.19 %	99.33 %
<b>Total</b>	<b>99.63 %</b>	<b>99.65%</b>

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 which comprises of the two Executive Directors of the Bank and one external expert. The grievance can be raised through HRMS and also as a mail to the dedicated mail id (care@federalbank.co.in)
Other than permanent employees	Yes, Employees can raise their workplace grievances to the Employee Grievance Redressal Forum which comprises of two Executive Directors of the Bank and one external expert. The grievance can be raised as a mail to the dedicated mail id (care@federalbank.co.in)

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

Category	FY 2022-23			FY 2021-22		
	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)
<b>Total Permanent Employees</b>	<b>13,106</b>	<b>10,137</b>	<b>77.35</b>	<b>12,641</b>	<b>10,043</b>	<b>79.45</b>
- Male	7,730	5,700	73.74	7,502	5,697	75.94
- Female	5,376	4,437	82.53	5,139	4,346	84.57

8. Details of training given to employees:

Category	FY 2022-23					FY 2021-22				
	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)
<b>Employees</b>										
Male	7,891	6,821	86.44	7,018	88.94	7,549	6,188	81.97	6,495	86.04
Female	5,566	4,887	87.80	4,979	89.45	5,241	4,367	83.32	4,525	86.34
<b>Total</b>	<b>13,457</b>	<b>11,708</b>	<b>87.00</b>	<b>11,997</b>	<b>89.15</b>	<b>12,790</b>	<b>10,555</b>	<b>82.53</b>	<b>11,020</b>	<b>86.16</b>

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

Category	FY 2022-23			FY 2021-22		
	Total (A)	No (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
<b>Employees</b>						
Male	7,891	7,874	99.78	7,549	7,346	97.31
Female	5,566	5,525	99.26	5,241	5,008	95.55
<b>Total</b>	<b>13,457</b>	<b>13,399</b>	<b>99.57</b>	<b>12,790</b>	<b>12,354</b>	<b>96.59</b>





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. The Bank is dedicated to the improvement of workplace safety and the elimination of possible workplace injury and illness. This is achieved through detailed SOPs that cover the steps to be taken in case of emergencies like fire, floods, earthquake etc. In addition, the Bank has implemented the Business Continuity Management Policy wherein one of the primary objectives is to ensure safety of the employees. The steps taken by the Bank in this regard are:

- a. Deployment of access control systems and security guards as per risk assessment.
  - b. Nomination of an Emergency Response Team for each location.
  - c. Conduct hands-on training on fire safety, firefighting and evacuation.
  - d. Conduct hands-on training on handling medical emergencies at the workplace.
  - e. Periodic Communications to employees for creating awareness on these aspects.
  - f. Advisories regarding adverse weather situations and action to be taken to safeguard own life and assets.
  - g. 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?

Owing to the nature of the Business, Bank has considerably lesser work-related hazards and risks on a routine and non-routine basis. Notwithstanding the above, the Bank has put in place an effective security mechanism designed to deter miscreants and protect employees. Some of the risk mitigation measures in place include –

- a. Access control systems
- b. CCTV linked to a Central Monitoring and Command Centre
- c. Physical Security
- d. Adequate lighting arrangements
- e. Fire-fighting arrangements including fire hydrants and fire sprinkler systems

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.

The Bank conducts periodic electrical inspections in its Branches/ Offices to check the health of the electrical infrastructure. The Bank is also having Central Crisis Management Teams (CCMT) at corporate offices, Crisis Management Teams (CMT) at Zonal Level and Business Continuity Planning (BCP) Committees at branch level. Bank also conducts health check-ups in coordination with major hospitals regularly to encourage employees to prioritise their own well-being.

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

Yes. Employees have access to an internal portal on which any suggestions, work-related hazards etc. can be reported. In addition, internal SOPs guide actions to be taken in the event of a workplace emergency. The members of the Incident Response Team act as the First Responders in case of an emergency and thereafter intimate the Crisis Management Team which thereafter takes charge and provides guidance. The Bank also has a 24x7 functional Remote Monitoring Station which intimates the appropriate functionaries in the event of any emergency.

- 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:

Safety Incident/Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one Million-person hours worked)	Employees	NIL	NIL
Total recordable work-related injuries	Employees	NIL	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.

Bank organises preventive wellness programmes /campaigns/ webinars through tie-ups with Hospitals and other organisations. Bank also reimburses cost for Annual Health Check-ups for employees above 40 years and their spouses.

In order to take care of stress-related issues; Bank has the facility of SMILES, the employee counselling programme. E-consultation of doctors are facilitated for employees and their families.

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.

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

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	NIL	NIL	--	NIL	NIL	--
Health & Safety	NIL	NIL	--	NIL	NIL	--

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 are carrying out electrical safety inspections of all our premises through professional third-party agencies once every two years. During FY 23, electrical inspections at 890 premises were carried out. Corrective actions in the form of rectification works are carried out in the premises wherever necessary.
Working Conditions	Bank has been certified with the reputed 'Employer-of-Choice' recognition - Great Place to Work®2022-2023. One of the key parameters for certification is 'Fairness' which measures the extent to which employees feel that management practices are fair by assessing the equity, impartiality, and justice employees perceive in the workplace, for which the Bank has scored a high Survey Score.

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 work and safety-related incidents reported during the fiscal. Bank has ensured a safe working atmosphere for all its employees and safety of the employee is paramount to the Bank.





**Leadership Indicators**

- Does the entity extend any life insurance or any compensatory package in the event of death of 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 Bank. The premium of the policy is borne by the Bank and the dependents are paid the sum assured on 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 deceased in meeting the funeral and other related expenses.

- 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. This activity is also reviewed as part of the internal and statutory audit. The Bank also sets clear expectations with vendors and suppliers through its contracts to abide by labour laws, human rights and regulations in their regions of business.

- 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 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	FY 2022	FY 2023	FY 2022
Employees	Not applicable. There were no work-related injuries.			

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

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

- Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	Service Level Agreement/Master Service Agreements that we enter with the vendors contains the covenants related to health and safety practices and working conditions.
Working Conditions	

- 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.

Bank has not conducted any assessment 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. We are also working on integrating ESG parameters into Vendor Management in a phased manner.



**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 & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	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"> <li>√ Investors meets</li> <li>√ Analyst meets/ Earnings calls</li> <li>√ General meetings/ Postal Ballot</li> <li>√ Stock Exchange filings</li> <li>√ Media- Print and digital</li> <li>√ Email to stakeholders</li> <li>√ Website publications/ announcements</li> </ul>	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"> <li>√ Town Hall meet</li> <li>√ Branch visits</li> <li>√ Quarterly calls by top management</li> <li>√ Employee engagement platform</li> <li>√ Circulars and emails communications</li> <li>√ Training programme</li> </ul>	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"> <li>√ Customer visits &amp; meets</li> <li>√ Social Media/ digital Communications</li> <li>√ Customer surveys</li> <li>√ Customer care channels</li> <li>√ Website publishing</li> </ul>	Frequent and need based	Business-related discussions, product and service awareness, safe banking practices, and grievance redressal.





Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Government & Regulatory Bodies	No.	<ul style="list-style-type: none"> <li>√ Various Inspections by the regulators</li> <li>√ Submission of periodical reports/ returns</li> <li>√ Meetings- Physical and Digital</li> <li>√ Stock Exchange filings</li> </ul>	Frequent and need based	Discussions regarding various regulations and amendments, policies and processes. Corporate Governance and Compliance standards.
Ecosystem, and Society	Yes.	<ul style="list-style-type: none"> <li>√ Meeting various communities/ vulnerable groups through CSR initiatives</li> <li>√ Improving ecosystems through various CSR activities</li> <li>√ Meeting with associations/ NGOs</li> </ul>	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"> <li>√ Assessment of suppliers and vendors</li> <li>√ Email communication and calls</li> <li>√ Project review meeting</li> </ul>	Frequent and need based	Business related discussions, Techno-commercial discussions, grievance redressal.

### Leadership Indicator

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 happen 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	<ul style="list-style-type: none"> <li>▪ Stakeholders Relationship Committee</li> <li>▪ Credit, Investment &amp; Raising Capital Committee</li> </ul>	<ul style="list-style-type: none"> <li>▪ Secretarial Department</li> <li>▪ Investor Relations</li> </ul>
Customers	<ul style="list-style-type: none"> <li>▪ Customer Service, Marketing Strategy and Digital Banking Committee</li> <li>▪ Review Committee of the Board on Non-Cooperative Borrowers and Identification of Wilful Defaulters</li> <li>▪ Special Committee of the Board for monitoring and follow up of cases of frauds</li> </ul>	<ul style="list-style-type: none"> <li>▪ Service Quality Department</li> <li>▪ Business Departments</li> <li>▪ Vigilance Dept</li> </ul>



Key Stakeholder	Board Level Committee	Key Functional Department/ Authority
Employees	<ul style="list-style-type: none"> <li>Human Resources Committee of the Board</li> <li>Nomination, Remuneration, Ethics and Compensation Committee</li> </ul>	<ul style="list-style-type: none"> <li>HR Department</li> </ul>
Government and regulatory bodies	<ul style="list-style-type: none"> <li>Risk Management Committee</li> <li>Audit Committee</li> <li>Nomination, Remuneration, Ethics and Compensation Committee</li> </ul>	<ul style="list-style-type: none"> <li>Compliance Department</li> <li>Internal Audit</li> <li>Integrated Risk Management Department</li> <li>HR Dept.</li> </ul>
Vendors, Suppliers and Service Providers	<ul style="list-style-type: none"> <li>Information Technology &amp; Operations Committee</li> <li>Risk Management Committee</li> <li>Audit Committee</li> </ul>	<ul style="list-style-type: none"> <li>Service Provider Review Committee</li> <li>Various Project Steering Committees</li> <li>Corporate Services Department</li> <li>Information Technology Department</li> </ul>
Ecosystem & Society	<ul style="list-style-type: none"> <li>Corporate Social Responsibility Committee</li> <li>Stakeholders Relationship Committee</li> <li>Risk Management Committee</li> </ul>	<ul style="list-style-type: none"> <li>CSR Department</li> <li>ESG Committee</li> </ul>

2. 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 in 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.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalised 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 secured future goes a long way in ensuring that the core value of our Bank, our belief in holistic development and our legacy is carried forward.

Bank has a network of eleven Corporate Business Correspondents tie-ups across selected geographies, exclusively for sourcing and servicing Microlending offerings to women customers. Bank has financed 3.5 Lakh women customers as of March 2023 through these Business Correspondent tie-ups.

## PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

### Essential Indicators

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

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. of employees covered (B)	% (B/A)	Total (C)	No. of employees covered (D)	% (D/C)
<b>EMPLOYEES</b>						
Permanent	13,106	7,959	60.73	12,641	7,750	61.31
Other than Permanent	351	-	-	149	-	-
<b>Total Employees</b>	<b>13,457</b>	<b>7,959</b>	<b>59.14</b>	<b>12,790</b>	<b>7,750</b>	<b>60.59</b>





2. Details of minimum wages paid to employees in the following format:

Category	FY 2022-23					FY 2021-22				
	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										
<b>Permanent</b>	<b>13,106</b>	<b>0</b>	<b>0</b>	<b>13,106</b>	<b>100.00</b>	<b>12641</b>	<b>0</b>	<b>0.00</b>	<b>12641</b>	<b>100.00</b>
Male	7,730	0	0	7,730	100.00	7502	0	0.00	7502	100.00
Female	5,376	0	0	5,376	100.00	5139	0	0.00	5139	100.00
<b>Other than permanent</b>	<b>351</b>	<b>0</b>	<b>0</b>	<b>351</b>	<b>100.00</b>	<b>149</b>	<b>0</b>	<b>0.00</b>	<b>149</b>	<b>100.00</b>
Male	161	0	0	161	100.00	47	0	0.00	47	100.00
Female	190	0	0	190	100.00	102	0	0.00	102	100.00

3. Details of remuneration/salary/wages, in the following format:

Gender	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	22595113	1	15304332
Key Managerial Personnel (Other than BoD)	2	8202743	0	0
Employees (Other than BoD and KMP)	7887	1101581	5565	1016299

Note: The Bank does 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.

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, Executive Director (overseeing the Business Responsibility) and Chief Human Resource Officer (overseeing Human Resources function) ensure 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 to various statutory requirements such as payment of minimum wages and the Sexual Harassment at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Bank has put in place 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 workplace 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 Complaints Committee (ICC) has 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 2022-23			FY 2021-22		
	Filled during the year	Pending resolution at the end of the year	Remarks	Filled during the year	Pending resolution at the end of year	Remarks
Sexual Harassments	1	Nil	Resolved	1	Nil	Resolved
Discrimination at Workplace	Nil	Nil	NA	Nil	Nil	NA
Child Labour	Nil	Nil	NA	Nil	Nil	NA
Forced labour/ Involuntary Labour	Nil	Nil	NA	Nil	Nil	NA
Wages	Nil	Nil	NA	Nil	Nil	NA
Other human rights related issues	Nil	Nil	NA	Nil	Nil	NA

7. 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 ensuring 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 aims at establishing 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.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes.

Service Level Agreement/Master Service Agreements that we enter 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.

9. Assessments for the year:

	<b>% of your plants and offices that were assessed (by entity or statutory authorities or third parties)</b>
Child labour	The Bank is in compliance with the laws, as applicable
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

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

Not Applicable





### Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.  
The agreements with all service providers have been enhanced with additional covenants related to human rights. Bank's commitment to protect human rights across the value chain has been elaborated in the Board-approved ESG policy and made public.
2. Details of the scope and coverage of any Human rights due diligence conducted.  
The Bank upheld the basic principles of human rights in all its dealings. Bank has been certified with the reputed 'Employer-of-Choice' recognition - Great Place to Work® 2022-2023. One of the key parameters for certification is 'Fairness' which measures the extent to which employees feel that management practices are fair, by assessing the equity, impartiality, and justice employees perceive in the workplace, for which the Bank has scored a high Survey Score.
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:

	<b>% of value chain partners (by value of business done with such partners) that were assessed</b>
Sexual Harassment	Bank expects all its partners to ensure that they follow the applicable standards of working conditions and employee health, and safety are taken care of. Bank, as part of implementation of ESMS policy in lending, conducts E&S due diligence for certain credit proposals. We ensure that the client is meeting the required standards in the same.
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
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.  
Not Applicable.

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

#### Essential Indicator

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

<b>Parameter</b>	<b>FY 2022-23</b>	<b>FY 2021-22</b>
Total electricity consumption (A)- GJ	150579.40	155296.80
Total fuel consumption (B)- GJ	37227.00	33583.24
Energy consumption through other sources (C)	0	0
Total energy consumption (A+B+C)- GJ	187806.40	188880.04
Energy intensity per rupee of turnover (Total energy consumption (GJ)/ turnover in rupees Crore)	9.81	11.99
Energy intensity (optional) – the relevant metric may be selected by the entity (GJ/Full time Employee)	13.96	14.77

Electricity consumption data for FY23 is estimated based on the data covering more than 80% of branches. Fuel consumption includes fuel used in DG sets and Company-owned vehicles including those allotted to senior executives.

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.

No



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:

Parameter	FY 2022-23	FY 2021-22
<b>Water withdrawal by source (in kilolitres)</b>		
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*	181669.5	172665
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>	181669.5	172665
<b>Total volume of water consumption (in kilolitres)</b>	181669.5	172665
Water intensity per rupee of turnover (Kilo litres/ Turnover in ₹ Crore)	9.49	10.96
Water intensity (optional)- the relevant metrics may be selected (KL/Full time employee)	13.50	13.50

# Estimated based on NBC 2016.

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.

No

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

Not Applicable.

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

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.

Parameter	Please specify unit	FY 2022-23	FY 2021-22
NOx	As a provider of financial services, Air emissions other than GHG emissions are not material to the Bank		
SOx			
Particulate matter (PM)			
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.





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

Parameter	Unit	FY 2022-23			FY 2021-22		
		CO2 Emission (MT)	CH4 Emissions (MT)	N2O Emissions (MT)	CO2 Emission (MT)	CH4 Emissions (MT)	N2O Emissions (MT)
<b>Total Scope 1 emissions</b> (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes (MT) of CO2 equivalent	2758.51	10.42	5.92	2488.52	9.40	5.34
		2774.86			2503.26		
<b>Total Scope 2 emissions</b> (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes (MT) of CO2 equivalent	32862.90			33953.41*		
Total Scope 1 and Scope 2 emissions per rupee of turnover	Metric tonnes (MT) of CO2 equivalent per Rupee crore of turnover	1.86			2.31		
<b>Total Scope 1 and Scope 2 emission intensity</b> (optional) – the relevant metric may be selected by the entity	tCO2e per Full Time Employee	2.65			2.85		

\*The Scope 2 emissions reported for FY22 has been restated due to a change in the conversion factor used.

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.

No

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

The Bank is committed to investing in digital technologies and in energy-conserving initiatives to further our commitments to reduce GHG emissions. Bank is actively pursuing various initiatives to inculcate ESG culture, i.e. Sustainability which is one of the core values of the Bank. Some of the key initiatives include:

Sl. No	Initiative	Particulars	Outcome
1.	Installation of Solar roof top	Bank has built an inhouse solar power generation capacity of 300kW	Solar power generated- 2,29,000 KWh
2.	Energy Conservation	By switching to energy efficient ACs and LED lights	Energy Consumption reduced to the extent of 10,74,000 KWh
3.	Water Conservation	Bank has built in water conservation capacity of 84,000 litres	Water saved ~2,00,000 Litres
4.	Paper saving and Emission reduction through Digital Banking	By digitalisation of various products and services	Due to Digitalisation- a. Paper consumption reduced to the extent of 107.81 Lakh b. Fuel saving was tune to 152.09 Lakh litres
5.	E-waste recycling	The Bank ensures that E-waste generated by its operation in data centres is disposed-off as per the e-waste norms. Bank has also extended E-waste collection to pan India offices from FY 2023-24	26.39 tonnes of E-waste generated disposed-off in an environmentally friendly manner



Sl. No	Initiative	Particulars	Outcome
6.	Sewage Treatment plant (STP)	The Bank installed STP in its Head office during the year	STP ensures recycling of the wastewater generated at Head office
7.	Green Financing	Bank is promoting green financing to reduce its financed emissions	The green loan outstanding as of March 2023 is 3222.15 Crore. The cumulative sanctions of green loans so far by the Bank supported in reduction of 1.8 Million tonnes of CO2 emission
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 15000 saplings and cumulatively Bank has planted around 9.6 lakh trees

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2022-23	FY 2021-22
Total Waste generated (in metric tonnes-MT)		
Plastic waste (A) (in MT)	15.04	Not Available
E-waste (B) (in MT)	26.39	18.00
Bio-medical waste (C)	Not Applicable	Not Applicable
Construction and demolition waste (D)	Not Applicable	Not Applicable
Battery waste (E) (MT)	3.40	Not Available
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). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	Not Applicable	Not Applicable
<b>Total (A+B + C + D + E + F + G + H) (in MT)</b>	<b>44.83</b>	<b>18.00</b>
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled (in MT)	26.39	18.00
(ii) Re-used	Not Available	Not Available
(iii) Other recovery operations (MT)	3.40	Not Available
Total	29.79	18.00
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	Not Available	Not Available
(ii) Landfilling	Not Available	Not Available
(iii) Other disposal operations (MT)	15.04	Not Available
Total	15.04	Not Available

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.

No

9. 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, Bank does 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 Diesel Generators, stationeries, etc. Bank has provided waste segregation bins for all branches/ offices to ensure dry waste and wet waste are segregated at the source. Arrangements are also made for collecting such waste by local Municipal/Panchayat offices.

The Bank engages with authorised E-waste recycling vendors to ensure E-waste generated is disposed of in compliance with pertinent government regulations. As a policy, Bank has stopped using Single Use Plastic bottles in its premises. Bank is exploring various options to reduce its generation of paper and plastic waste.

10. 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.

Not Applicable.

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

Not Applicable.

12. 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.

The Entity complies with all applicable regulatory requirements and no such non-compliance was reported during reporting period.

### Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2022-23	FY 2021-22
<b>From renewable sources</b>		
Total electricity consumption (A)- GJ	824.65	572.40
Total fuel consumption (B)	--	--
Energy consumption through other sources (C)	--	--
<b>Total energy consumed from renewable sources (A+B+C)- GJ</b>	824.65	572.40
<b>From non-renewable sources</b>		
Total electricity consumption (D)- GJ	149754.75	154724.40
Total fuel consumption (E)- GJ	37227.00	33583.24
Energy consumption through other sources (F)	--	--
<b>Total energy consumed from non-renewable sources (D+E+F)- GJ</b>	186981.75	188307.64

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.

No.

2. Provide the following details related to water discharged:

Bank's operations are outside the purview of any manufacturing/ factory activity, and hence the water discharge is limited to normal domestic discharges out of office and personal use only. Hence, water discharge is not material to the Bank.

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.

3. 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: Not Applicable.



- (ii) Nature of operations: Not Applicable.
- (iii) Water withdrawal, consumption and discharge in the following format: Not Applicable.

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.

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

Parameter	Unit	FY 2022-23	FY 2021-22
<b>Total Scope 3 emissions</b> (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	18473.83	24959.35
<b>Total Scope 3 emissions per rupee of turnover</b>	Metric Tonne CO2/ turnover in Rupees Crore	0.96	1.58
<b>Total Scope 3 emission intensity</b> (optional) – the relevant metric may be selected by the entity	tCO2/Full time employee	1.37	1.95

Presently Bank has estimated the Scope 3 emissions for the following categories:

- a) Electricity consumption in vendor-operated ATMs
- b) Fuel usage in vehicles used by contractors for cash transfer to Currency Chests and ATMs
- c) Business Travels
- d) Employee commute to and from work

Bank is in the process of improving the scope of measurement to other Scope 3 categories as well.

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.

No.

5. With respect to the ecologically sensitive areas reported at Question 10 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 per the requirements of our ESMS Policy, we conduct a thorough Environmental and Social Due Diligence (ESDD) for the projects we lend to.

6. 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.

Details of the Initiatives taken by the Bank are already provided in essential indicator- question No-7.

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

Bank is having a Business Continuity Management (BCM) Policy, approved by the Board of Directors. The policy sets out a framework for managing Bank's overall capability to manage disruptive incidents. The policy is reviewed at least on an annual basis considering the changes in the technology and operating environment, regulatory requirements and industry best practices. Business Impact Analysis (BIA) is conducted at least on a yearly basis for identifying the critical applications and processes. 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. Bank has also received ISO 22301 certification for the Business Continuity Management System implemented in its IT, centralised operations and centralised clearing functions. More information on our business continuity plan can be found at: <https://www.federalbank.co.in/documents/10180/45777/Business+Continuity+Management+%28BCM%29+Disclosure+Statement.pdf/9ef0ca1b-d03c-497c-b3bf-3df26f1cc5df?t=1614773524873>

8. 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.

9. 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**

1. a. Number of affiliations with trade and industry chambers/ associations:  
Bank is member of eleven (11) 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.	Cochin Chamber of Commerce	State
2.	Madras Chamber of Commerce and Industry	State
3.	Indian Chamber of Commerce & Industry, Cochin	State
4.	Indian Banks Association	National
5.	Confederation of Indian Industry	National
6.	Equalifi	National
7.	Fixed Income Money Market and Derivatives Association of India (FIMMDA)	National
8.	Foreign Exchange Dealers Association of India (FEDAI)	National
9.	Forex Association of India (FAI)	National
10.	International Chamber of Commerce	International
11.	Indo-American Chamber of Commerce (IACC)	International

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

Not Applicable.

**Leadership Indicators**

1. 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: BUSINESS SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT**

**Essential Indicators**

1. 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
Not Applicable					





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 ₹)
Not Applicable						

3. Describe the mechanisms to receive and redress grievances of the community.  
 Bank has a system in place to receive and redress the grievances of various stakeholder groups, including community. Communities can report their grievances through the grievance redressal portal available on the website of the Bank and the same would be addressed appropriately. Communities can also use the grievance redressal mechanism as explained in the ESMS policy, 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:

Parameter	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/ small producers	As a Financial Institution, our inputs are primarily in the form of technological infrastructure, platforms and services. Thus, options to procure locally for an organisation like ours is limited. However, our branches are spread across the country, and we procure the consumables such as stationery items from the local suppliers who are in the surrounding area.	
Sourced directly from within the district and neighbouring districts		

### 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
Not Applicable	

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 ₹)
1.	Kerala	Wayanad	₹ 29,38,582
2.	Tamil Nadu	Virudhunagar	₹ 9,850

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

No. As a Financial Institution, our inputs are primarily in the form of technological infrastructure, platforms and services. Thus, 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 Bank branches/ offices are purchased locally.

(b) From which marginalised /vulnerable groups do you procure?

No.

(c) What percentage of total procurement (by value) does it constitute?

No.





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
Not Applicable				

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
Not Applicable		

6. Details of beneficiaries of CSR Projects:

S No.	CSR Activity	Individuals Benefitted	Institutions Benefitted
1	Promoting Education -Scholarships and Others	15845	26
2	Promoting Education-Youth Engagement	200000	5350
3	Promoting Education-Promoting Vocational Skills/Skill Development	9094	66
4	Healthcare	20222	797
5	Women Empowerment & Girl Child Education	935	35
6	Clean Water Solutions	4060	32
7	Ensuring Environmental Sustainability	2900000	8563
	<b>Total</b>	<b>3150156</b>	<b>14869</b>

**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.  
Customers have the option to lodge any complaint through multiple channels such as customer care, digital channels or even by visiting the branches. Bank has provided an online platform for customers and other stakeholders who are experiencing any deficiency in the services of the Bank to lodge complaints and to provide feedback on the services of the Bank.

The same can be accessed through the below link:

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

Customer Grievance Redressal Policy can be accessed through the below link:

<https://www.federalbank.co.in/documents/10180/45777/Customer+grievance+redressal+policy.pdf/60eb733b-3d5b-40ee-9c7f-6cb2fc1b26ee?t=1657807972624>

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	Not Applicable
Safe and responsible usage	
Recycling and/or safe disposal	



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

	FY 2022-23		Remarks	FY 2021-22		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
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	1,70,278	5864	The outstanding complaints are those received in the month of March 2023. 99% of outstanding complaints relate to digital disputes which has specific TAT for resolution	1,60,857	5,390	98 % of The Outstanding complaints constitutes of Digital, transaction which has specific TAT for resolution. Other 2% are complaints received in the last month of March 2022

\*Please refer to the section on customer complaints in Annual report (Notes to Accounts) for the top 5 categories of complaints.

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

	Number	Reasons for recall
Voluntary recalls		Not Applicable
Forced recalls		

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.

We have a Board approved Cyber Security Policy based on the RBI circular on Cyber Security Framework in Banks dated 02/06/2016. The policy is periodically reviewed considering the industry best practices and regulatory guidelines.

The Cyber Security Policy covers the overall organisational structure for aspects relating to cyber security of the Bank. It clearly lays down the roles and responsibilities of various stakeholders starting from the Board of Directors to the lower level. The policy also details the aspects governing the protection of critical information infrastructure, Cyber security management and the user and customer management. The CSP articulates the control mechanism put in place by the Bank for addressing the cyber incidents. On classifying an incident as a Cyber Crisis by CCMT (Cyber Crisis Management Team) there is a laid down plan to be followed to respond effectively and efficiently against the incident.

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 safety of products / services during the fiscal.





## Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).  
Information on products/services can be accessed from our Website, Call-Centre and at Branches/Offices. In addition, Bank actively uses various social media and digital platforms to disseminate information on its products and services.  
<https://www.federalbank.co.in>.
2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.  
Customers are educated about safe banking practices via emails, social media channels, SMS, banners/ push notifications in our mobile banking app and Website. There were campaigns called 'Twice is Wise' and 'Common Man'; that combined humour to impart awareness on responsible and safe banking practices. We initiated SMSes to customers educating them about phishing attacks and to safeguard them from becoming a victim of any fraud call or a scam. Customers are intimated through push notifications, not to share the OTP, UPI PIN, or any personal information.
3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.  
Bank informs the customers of any risk of disruption/ discontinuation of essential services through channels such as scroll in website, SMS, FedMobile Push Notifications, Emails, notice board publication etc. depending on the services interrupted and duration of the interruption.
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 mechanism etc. are prominently displayed in Notice Board of Branches/ Offices and also on the website of the Bank. Details of the various products and services offered are also available on the website of the Bank.  
The Bank conducts customer satisfaction surveys to seek feedback from its customers. This feedback is used to improve systems & processes and develop/ modify suitable product offerings. The feedback is also considered while framing the capacity-building initiatives for the employees.
5. Provide the following information relating to data breaches:
  - a. Number of instances of data breaches along-with impact  
There are no incidents related to data breaches in FY 2022-23.
  - b. Percentage of data breaches involving personally identifiable information of customers  
Not applicable. No such incidents reported.

