

Business Responsibility & Sustainability Reporting

SECTION A: GENERAL DISCLOSURES

I. DETAILS OF THE LISTED ENTITY

S. No.	Description	Particulars
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, KL, 683101, IN
5.	Corporate address	Post Box No. 103, Federal Towers, Aluva-683 101, Kerala, 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	FY 2021-22
10.	Name of the Stock Exchange(s) where shares are listed	Equity shares of the Bank are listed at: <ul style="list-style-type: none"> ▪ BSE Ltd (BSE) Address: Phiroze Jeejeebhoy Towers Dalal Street, Mumbai- 400 001 ▪ National Stock Exchange of India Limited (NSE) Address: Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E) ▪ The GDRs issued by the Bank in 2006 have been listed on the London Stock Exchange, 10 Paternoster Sq., London EC4M 7LS, United Kingdom
11.	Paid-up Capital	₹ 420.51 Crores as on March 31, 2022
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 & ESG Mobile: 9769348198 Email: ajithkumara@federalbank.co.in
13.	Reporting boundary	Disclosures made in this report are on a standalone basis and pertain only to 'The Federal Bank Ltd'

II. PRODUCTS/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 services	Banking activities by central, commercial and savings 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*	1282 [^]	1282
International		3 [#]	3

* The Federal Bank Ltd is a scheduled commercial bank and hence does not undertake any manufacturing activity.

[^] No of branches

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

17. Markets served by the entity:

a. Number of locations

Locations	Number
Nationals (No of States/UTs)	29 (24 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 a leading private sector bank in India. Bank's principal business activities are divided into five segments, namely retail banking, SME banking (Business and Commercial Banking), agricultural banking, corporate & wholesale banking and treasury & other banking operations with a balanced portfolio mix across these segments. Bank provides financial support to the weaker sections of society through priority sector lending and supports economic growth through MSME lending.

The total customers serviced by the Bank as on March 31, 2022 was over 1.4 crores with more than 96% being individual customers. During the year Bank added more than 31 lakh new customers to its fold. Customers in Rural and Semi-Urban branches constitute 74% of Bank's customers. The Bank is also having a strong NRI franchise, which enables the Bank to build low cost CASA. During the year, Bank added more than 78,000 new NRI customers to the fold.

As of March 31, 2022, Retail to wholesale advances ratio stood at 55:45. Bank's advances to retail (personal) segment accounted for 32% of total gross advances, agriculture advances accounted for 13%, Business Banking and Commercial Banking (part of SME) both accounted for 10% each and corporate advances accounted for 35% of total gross advances. 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, 2022 stood at ₹181,701 Cr. Total core deposits (Total Deposits excluding deposits from banks) to total deposit for the year ended March 31, 2022 stood at 99.14%. A large part of the deposit base is retail which enables lower concentration risk for the Bank. The CASA ratio increased from 33.81% in fiscal 2021 to 36.94% in fiscal 2022.

IV. EMPLOYEES
18. Details as at the end of Financial Year March 31, 2022
a. Employees and workers (including differently abled):

S No	Particulars	Total (A)	Male		Female	
			No (B)	% (B/A)	No (C)	% (C/A)
EMPLOYEES						
1	Permanent (D)	12641	7502	59.35	5139	40.65
2	Other than permanent (E)	149	47	31.54	102	68.46
3	Total employees (D+E)	12790	7549	59.02	5241	40.98
WORKERS						
4	Permanent (F)	5216	2847	54.58	2369	45.42
5	Other than permanent (G)	-	-	-	-	-
6	Total Workers (F+G)	5216	2847	54.58	2369	45.42

Note: As defined in the guidance note on BRSR, "Employees" include Officers and Award Staff and "Workers" include Award Staff.

b. Differently abled Employees and workers:

S No	Particulars	Total (A)	Male		Female	
			No (B)	% (B/A)	No (C)	% (C/A)
DIFFERENTLY ABLED EMPLOYEES						
1	Permanent (D)	19	12	63.16	7	36.84
2	Other than permanent (E)	-	-	-	-	-
3	Total differently abled employees (D+E)	19	12	63.16	7	36.84
DIFFERENTLY ABLED WORKERS						
4	Permanent (F)	6	4	66.67	2	33.33
5	Other than permanent (G)	-	-	-	-	-
6	Total differently abled Workers (F+G)	6	4	66.67	2	33.33

19. Participation/Inclusion/Representation of women

Particulars	Total (A)	No. & Percentage of females	
		No (B)	% (B/A)
Board of directors	11	2	18.18
Key management personnel	5	1	20.00

20. Turnover rate for permanent employees and workers

Particulars	FY 21-22			FY 20-21			FY 19-20		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	6.50	4.89	5.85	4.14	2.96	3.67	4.91	3.47	4.33
Permanent Workers	5.42	4.19	4.86	3.90	1.59	3.57	4.42	3.24	3.88



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

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

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Federal Operations and Services Limited	Wholly owned Subsidiary	100%	No
2.	Fedbank Financial Services Limited	Subsidiary	73.30%	No
3.	Ageas Federal Life Insurance Company Limited (erstwhile IDBI Federal Life Insurance Company Limited)	Associate	26.00%	No
4.	Equirus Capital Private Limited	Associate	19.89%	No

VI. CSR DETAILS

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

(ii) **Turnover** : ₹15749.85 Crores

(iii) **Net worth** : ₹18660.98 Crores

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			FY2021		
		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	-	-	-	-	-	-
Investors (other than shareholders)	Yes	-	-	-	-	-	-
Shareholders	Yes	3	0		4	0	
Employees and workers	Yes	1	0		1	0	
Customers	Yes	160857	5390	Refer footnote*	147914	3498	
Value Chain Partners	Yes	-	-	-	-	-	-
Other (please specify)	-	-	-	-	-	-	-

* 98% of the outstanding complaints constitutes of Digital transactions which has specific TAT for resolution. Other 2% are complaints received in the month of March 2022.

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

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

<https://www.federalbank.co.in/shareholder-information>

<https://www.federalbank.co.in/documents/10180/45777/Environmental+and+Social+Management+system+%28ESMS%29+Policy.pdf/d8b4df0b-d6c6-9dfc-ff77-8903886bd541?t=1627993730353>

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

S No	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying risk or opportunity	Approach to adapt or mitigate	Positive/ Negative implication
1	Affordable housing	Opportunity	<p>Opportunity</p> <ul style="list-style-type: none"> Immense scope to increase home ownership in the country across all income segments. Govt through PMAY is encouraging house ownership by providing subsidy 	<ul style="list-style-type: none"> Understanding borrower’s ability to repay through interactions, and personal discussion to predict repayment behaviour. Understanding segments and locations to provide the affordable housing finance 	<p>Positive:</p> <ul style="list-style-type: none"> As per statistics, only 8% of Indians own a house. This is a big opportunity with an untapped market higher than the current tapped HL market in India Will continue to support the government’s mission of Housing for All.
2	Priority Sector lending & Microfinance	Opportunity	Aids growth of priority identified sectors.	<ul style="list-style-type: none"> Strong underwriting skills help mitigate credit risks. Agriculture loans are sanctioned by ensuring sufficient water facilities/ assured irrigation facilities are available. Various insurance schemes are being implemented by the government to support farmers and we are strictly insisting the borrower cover the crops under various insurance wherever applicable. 	<p>Positive:</p> <ul style="list-style-type: none"> The growth of the priority sector leads to the enhanced economic growth of the country.
3	Portfolio risk or sensitivity to climate change	Risk and Opportunity	<p>Opportunity:</p> <ul style="list-style-type: none"> Huge untapped opportunity as the country builds resilience to climate risk Greater disclosures on E&S may help increase access to larger pools of green financing at commercially favourable terms <p>Risk:</p> <ul style="list-style-type: none"> Failure to meet emerging regulations and disclosure requirements will result in compliance risk 	<ul style="list-style-type: none"> Bank has put in place a Board-approved ESMS policy to mitigate the E&S risks in its credit portfolio Bank does not take fresh exposures to exclusion list sectors as per the ESMS policy. Continuous training and sensitisation are provided to employees to become more ESG compliant 	<p>Positive:</p> <ul style="list-style-type: none"> Higher growth in green portfolio Reduction in exposure to high E&S risk sectors Financial and non-financial risks related to ESG issues would be avoided Helping the nation transition to a low-carbon economy



S No	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying risk or opportunity	Approach to adapt or mitigate	Positive/ Negative implication
			<ul style="list-style-type: none"> Climate risk may entail physical risks i.e. damage to the Bank's physical assets in case of climate-related disasters Real estate market collapse in low-lying areas, coastal real-estate losses, land redundancy, and forced adaptation of sites or closure. Vulnerability to value erosion undermining their credit status 	<ul style="list-style-type: none"> Climate resilience assessment through scenario analyses. Specific business targets for green financing. 	<p>Negative</p> <ul style="list-style-type: none"> There could be transition risks i.e. increased expenses in transiting towards meeting new environmental-related standards.
4	Digitalization and paperless banking	Opportunity and Risk	<p>Opportunity:</p> <ul style="list-style-type: none"> In the reporting year, the bank has undertaken digital innovation & Paperless Banking initiatives <p>Risks:</p> <ul style="list-style-type: none"> Banking services can anytime be disrupted, or leaks of information can happen due to cyber-attacks on the Bank's systems through ransomware, hacking, phishing, and other means. 	<ul style="list-style-type: none"> We have undertaken digital initiatives to spread awareness among our customers and employees. The bank is having a cyber security team who are trying to anticipate and defend against cyber security threats and respond to security breaches when they do happen. 	<p>Positive:</p> <ul style="list-style-type: none"> Customer acquisitions are done digitally Greater efficiency in processes is observed.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

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

P1	Businesses should conduct and govern themselves with integrity in a manner that is ethical, transparent and accountable
P2	Businesses should provide goods and services in a manner that is sustainable and safe
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains
P4	Businesses should respect the interests of and be responsive towards all its stakeholders
P5	Businesses should respect and promote human rights
P6	Businesses should respect, protect and make efforts to restore the environment
P7	Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
P8	Businesses should promote inclusive growth and equitable development
P9	Businesses should engage with and provide value to their consumers in a responsible manner

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	N	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	N	Y	Y
c. Web Link of the Policies, if available	Bank has published various policies that relate to its business conduct, customer rights, customer service and grievance redressal, fair practices, ESMS, CSR, etc on the website. Stakeholders can access them through https://www.federalbank.co.in/our-commitments 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. All policy stipulations are converted into SOPs with proper checks and controls and monitoring mechanisms and disseminated to the stakeholders.								
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes. Some of the policies which have impacts on customer service, customer conduct, etc extend to our partners as well.								
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.	Bank has adopted IFC Performance Standards for its ESMS in lending operations. Bank has ISO 22301 certification on Business Continuity Management System (BCMS) and is ISO 27001 certified in certain aspects of Information Security Management System (ISMS). Bank has been recognized as Great Place to Work by the GPTW® Institute.								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	<ul style="list-style-type: none"> ▪ Bank has committed not to do fresh lending to certain sectors which has significant E&S risks. ESMS policy can be accessed through https://www.federalbank.co.in/our-commitments ▪ Bank has committed to reducing its coal related sub project exposure to 50% by 2025 (against the baseline of 2021) and NIL by December 2030 ▪ Bank intends to grow its green portfolio to ₹130 Bn by 2025. ▪ 500KW of solar power generation capacity by 2025 ▪ One lakh liter of water conservation capacity. 								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	<ul style="list-style-type: none"> ▪ Fresh loans to exclusion list activities are restricted. ▪ Coal related sub project exposures as of March 31, 2022 stands at 1.87%. (March 2021 baseline is 3.49% of the gross advances) ▪ Bank's green lending portfolio is at ₹2502 Crores as on March 31, 2022 ▪ Bank has installed solar capacity of 170 KW ▪ Bank has installed 75,000-liter capacity of rainwater harvesting units in its various offices 								



Governance, leadership and oversight

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements

Objectives	Achievements
<ul style="list-style-type: none"> ESMS –Comprehensive Policy framework. 	<ul style="list-style-type: none"> Bank has put in place a comprehensive ESMS policy framework duly approved by the Board. The ESMS policy is effective from July 01, 2021 in a phased manner. Bank has established an E&S division to look after the affairs related to ESMS. The ESMS policy is also in alignment with the IFC Standards and expectation.
<ul style="list-style-type: none"> Creating ESG awareness amongst the employees and bringing in ESG Culture which has links to value creation like Top-line growth, Cost reductions, reduced regulatory and legal interventions, employee productivity uplifts, and investment and asset optimization. 	<ul style="list-style-type: none"> The following actions were implemented to improve the ESG awareness amongst the employees: <ol style="list-style-type: none"> Micro Learning module in Employee learning program Monthly publication of ESG theme ESG related KPIs to all senior officials of the Bank Training programs to credit, business and E&S team Improved awareness of ESG and the ESG opportunities resulted in the following Business improvements: <ol style="list-style-type: none"> Launched Green Deposit scheme in Feb22. The total outstanding is ₹ 265 Crore. Focus on Green Finance resulting in the building a portfolio of ₹ 2502 Crore. Aligning CSR projects to UNSDGs Various digital initiatives resulting in a significant reduction in paper usage and costs.
<ul style="list-style-type: none"> Conducting workshops for different user groups to disseminate the ESG objectives. 	<ul style="list-style-type: none"> Attended and ensured that the ESG team had participated in various training conducted by CAFRAL FICCI, etc. Internal Workshops were conducted for business and credit teams on ESMS and Green financing.
<ul style="list-style-type: none"> Equip the bank to come out with ESG disclosures in the form of Business Responsibility and Sustainability Report (BRSR) as mandated by SEBI. This has to improve the ESG risk ranking of the institution and create a positive influence on reputation and brand value of the bank. 	<ul style="list-style-type: none"> Bank has engaged one of the leading firms to handhold us in ESG reporting. Necessary inputs and guidance were provided to the ESG team. Bank will voluntarily start BRSR reporting from the Annual report of FY22. Bank will also participate in the ESG rating by reputed agencies.
<ul style="list-style-type: none"> Improving the efficiency in usage of resources such as energy/water/paper and thereby reducing the wastage in the organization. Data cleaning and proper record keeping included. 	<ul style="list-style-type: none"> Various digital initiatives are taken from an ESG perspective to reduce paper usage both in our operations and by the customer. Millions of sheets are saved annually due to the same. There is an increase of 50KW installed capacity on solar power generation during the fiscal. Various renewable energy and rainwater harvesting projects are in progress to increase the overall capacity.
<ul style="list-style-type: none"> To prepare the bank to be the preferred investment target for funds seeking ESG complied investments. 	<ul style="list-style-type: none"> As per the CRISIL rating on ESG for FY 2020 and FY 2021 our bank has been categorised as "STRONG". IFC Group has invested ₹ 916 crores as green equity in July -2021(FY22) acquiring nearly 5% stake in our bank.
<ul style="list-style-type: none"> Pivot the bank efficiently to deliver on our ESG Goals/Commitments to the strategic investors. 	<ul style="list-style-type: none"> Bank has volunteered to make disclosures under BRSR in Annual Report of FY 22 itself, which SEBI has made mandatory from FY 2023. Also, multi-pronged approach is being taken to meet ESG goals through ESMS policy, climate, social and governance related initiatives viz. rainwater, harvesting, installation, eco-friendly, air conditioners, LED lights, higher share of female employees, Board constitution etc. As a result of some of these initiatives, our Bank has been selected as one of the top 10 "High governance" by NSE Prime out of their universe of 1000 old companies. We have already started receiving enquiries to raise resources through issuance of "Blue Bonds", "Green Bonds", etc.
<ul style="list-style-type: none"> Review and revisit the capital and ownership structure of the bank and build a fit-for-purpose model to get strategically important investors with appropriate governance involvement 	<ul style="list-style-type: none"> Equity investment by IFC in our Bank brings a strategically important investor with appropriate Governance involvement through ESG covenants.

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	DIN Number : 05154975 Name : Mr. Ashutosh Khajuria Designation : Executive Director
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details	Yes. CSR Committee of the Board is responsible for Overseeing Environmental, Social and Governance (ESG) Reporting and review of various activities of the Bank under the prescribed ESG Framework. Risk Management Committee (RMC) of the Board has the overall responsibility to ensure effective implementation of Environmental and Social Management System (ESMS) across the bank.

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 on an annual basis by the Board. Some of the policies are reviewed and recommended by the subcommittee of the Board and placed before the Board for approval. For example, credit policies are placed before Risk Management Committee (RMC) before placing to Board for its final approval.																	
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Bank follows all the applicable statutory and regulatory guidelines.																	
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	P1	P2	P3	P4	P5	P6	P7	P8	P9	Bank takes the help of consultants to benchmark some of its policies and practices on a need basis. The internal audit team checks the compliance to various policies on an ongoing basis. In addition, concurrent audit is conducted on select locations/ processes/ departments on an ongoing basis. Statutory auditors inspect the compliances to guidelines on a periodic basis. Bank is also subjected to regulatory supervision on an annual basis. The policies are reviewed periodically (At least annually) by the Department Heads based on the changes in external environment, revised guidelines, industry best practices and placed before the Board for its approval.								

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

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

* Bank generally undertakes policy advocacy only through trade and industry chambers and associations, and other similar collective platforms.



SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

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

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

Essential Indicators

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

Segment	Total number of training and awareness programmes held	Topics/ principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	10	Principle 1, 2, 4, 6 and 7	55%
Key Managerial Personnel	06	Principle 1, 2, 3, 6, 7 and 8	100%
Employees other than BoD and MPs	225	All the 9 principles	86%
Workers	61	All the 9 principles	69%

Details of familiarisation Programmes provided for Independent Directors of the Bank during FY 2021-22 can be accessed from our website: <https://www.federalbank.co.in/documents/10180/63602/Familiarisation+Program+for+Directors+of+the+Bank-FY+2021-22.pdf/b8bab2df-6d84-9959-a0a8-ab0c9104b5ca?t=1652961381383>

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 INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	Principle-1	RBI	16,59,505/-	(1) Reserve Bank of India (RBI) has levied Penalties of ₹56005/- on various dates during FY 2021-22 on account of error in the count/rare instances of mixed bundles of mutilated notes, forged notes, soiled notes etc and other deficiencies observed during inspection of Federal Bank Currency Chests and discrepancies detected in CVPS during processing of Soiled Note Remittances. (2) RBI has levied penalty of ₹30,000 on March 29, 2022 and ₹10,000 dated March 31, 2022 due to non-replenishment of cash in ATMs. (3) NPCI has levied an amount of ₹15,63,500/- as penalty charged for delay in updating of TCC/RET on January 02, 2022 within the TAT for UPI transactions.	Yes, for point number (2)
Settlement	NA	NA	NA	NA	NA
Compounding fee	NA	NA	NA	NA	NA

Non-Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA

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
RBI has levied penalty of ₹30,000 on March 29, 2022 and ₹10,000 dated March 31, 2022 due to non-replenishment of cash in ATMs.	RBI
Bank has sought waiver for the cases reported, as the downtime of ATMs was due to machine issues which had dependency on the vendor for taking appropriate actions.	

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.

The Bank has put in place a Board approved Anti Bribery and Corruption (ABC) Policy. The key principles of ABC policy are given below.

- The Bank prohibits its employees and Associated Persons from offering, promising, accepting or requesting any bribe or being involved in any activity or participating in corruption in any form, whether directly or via third parties.
- Prohibits its staff from making or receiving Facilitation Payments, even where this represents local practice or custom. "Facilitation Payment" is a payment which is not officially required or sanctioned but which is made to a Public Official to speed up or otherwise facilitate the performance of duty or function, which the Official is required to perform in any case.
- Prohibits the offering, promising, transferring or acceptance of Anything of Value including gifts, hospitality or entertainment as an inducement to anyone including Public Officials to act improperly so as to obtain or retain business or a business advantage for the group.
- Prohibits making of political donations undertaken by or on behalf of the Bank.
- Requires that appropriate risk assessment and /or due diligence must be conducted in respect to Associated Persons, who are Service Providers for the Bank and appropriate contractual terms and governance arrangements must be applied to Associated Persons on a risk – sensitive basis.
- Prohibits the use of employment opportunities- whether permanent or temporary – as an inducement to act improperly to obtain or retain business or business advantage for the Bank, or to influence a Public Official for this purpose. Care must be taken where employment opportunities are referred by or extended to Public officials, close associates of Public Officials and those closely associated with customers (current or prospective).
- Requires maintenance of books and records of transactions and decisions.
- Will not sanction or otherwise disadvantage any employee or Associated Person for refusing to commit (or assist others in committing) Bribery or Corruption.



The policy is accessible to all employees through our intranet. Bank's stance on anti-bribery and corruption as provided to Wolfsberg Questionnaire can also be obtained from our website <https://www.federalbank.co.in/anti-money-laundering>

Bank also has a Protected Disclosure Scheme/Whistle Blower Policy, and the policy is available at <https://www.federalbank.co.in/documents/10180/45777/Whistle+Blower+policy.pdf/558aea51-1335-4546-9c9a-28c5030377a1?t=1624965099030>

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

	FY 2022	FY 2021
Directors	NIL	NIL
KMPs	NIL	NIL
Employees	NIL	NIL
Workers	NIL	NIL

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

	FY 2022	FY 2021
Number of complaints received in relation to issues of conflict of interest of directors	NIL	NIL
Number of complaints received in relation to issues of conflict of interest of 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

There were no such cases related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Leadership Indicators

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

Bank ensures that the people working in 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 provided a specific training programme on Information Security Awareness to all our outsourced staff members who have access to Bank's network/systems. Over 1000 plus channel partners/ vendor representatives have been trained and an assessment has been conducted separately.

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. We also have 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=>

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

Essential Indicators

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

	FY2022	FY2021	Details of improvements in environmental and social impacts
R&D	Nil	Nil	Being a financial organisation, our R&D is limited to designing new products & services/ digitisation of processes, the cost of which is included in Capex, wherever applicable
Capex	88.45 %	87.12%	The CAPEX is incurred for digitalisation of the customer end to end journey. It eliminates the collection and filing of physical documents which considerably involves time and effort. The following results were achieved during the year. <ul style="list-style-type: none"> 88% of the transactions done digitally 93.75 lakh sheets of paper saved. 132.25 lakh litres of fuel saved by eliminating the need to travel to branches.

- Does the entity have procedures in place for sustainable sourcing? If yes, what percentage of inputs were sourced sustainably?**

Being a financial institution, consumption of resources is limited to running the operations. Bank takes various initiatives to reduce usage of resources such as energy, water, paper etc. Bank has an installed solar power generation capacity of 170Kw. Bank has also installed rainwater harvesting units in various branches/ offices. Bank is also cognisant of the need to reduce the energy usage through adaptation of energy efficient methodologies. The ESG pages in Annual Report contains more details on the initiatives taken by the Bank to optimise the resource utilisation.

Bank also purchases consumables for its daily operations. Preference is given to local suppliers while purchasing the consumables.

- 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**

Given the nature of the business, there is limited scope to reclaim the products for reusing, recycling and disposing. E-waste from our data center is collected by a reputed vendor and disposed at the vendor’s Recycling and Recovery Unit at Bengaluru.

- 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.**

Not applicable

Leadership Indicators

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

Loans:

The Banks credit life cycle can be summarised as follows

Bank offers various loan products to cater to the credit requirements of different type of borrowers such as Individuals, MSMEs, Corporates etc. Branches and Relationship Managers (RMs) source credit proposals which comply the scheme norms and policy guidelines stipulated by the Bank. Preliminary scrutiny is carried out by Branches / RMs through inspection of the business unit, market enquiries and discussions with the customer. After preliminary scrutiny and collection of all the documents mandated by the Bank, the credit proposal is sent to Credit Hubs authorised to process the loans (Selected Branches are authorised to sanction small ticket Business and Retail loans). A comprehensive assessment of the credit proposal is carried out by Hubs such as verification of Bureau records, CFR check, financial and commercial viability, ascertaining managerial competence and creditworthiness etc. Internal rating of the credit proposal is also carried out and it is ensured that the rating is above the threshold grade / score fixed by the Bank. Bank also obtains the services of empanelled advocates and valuers to ensure that the property offered as security to the Bank is marketable and can be enforced by the bank in case of need.



While sanctioning the credit proposal, sanctioning authority stipulates suitable covenants (pre disbursement and post disbursement) which shall be complied by the borrower. Credit Administration Department after ensuring compliance of pre disbursement covenants prepare loan agreements / documents. Branch officials / RMs engage with the borrowers for execution of loan documents and the loan is disbursed after completing the documentation formalities. The post disbursement covenants are monitored by Credit Administration Department/Credit Monitoring Department for timely compliance. In addition, Credit Monitoring Department tracks the performance of the loan account based on the transaction based behaviour and early warning signals observed. The property / other securities charged to the bank will be released after closure of the loan.

Deposits:

The deposit lifecycle begins with sourcing of customers through branches/ offices/ partners or walk-in customers. The requisite KYC checks and other information of customers are collected and reviewed to ensure compliance with extant regulations. KYC complied customers can open deposits either through digital channels such as mobile banking/ internet banking or through submission of application form in the branches. Deposit advice is provided to the customer who opens Fixed Deposits and the details can also be viewed through the digital channels, irrespective of the mode of opening. Upon maturity, fixed deposits are either closed and the proceeds transferred to the operative account or renewed. Customers can also open operative accounts such as Savings Bank or Current Account. The customers would be provided various facilities such as cheque books and debit cards for operative accounts. The accounts can be closed by the customer upon submission of a request.

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, as per the following format:**

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)	
Permanent Employees											
Male	7502	7502	100.00	7502	100.00	NA	NA	7502	100.00	1751	23.34
Female	5139	5139	100.00	5139	100.00	5139	100.00	NA	NA	955	18.58
Total	12641	12641	100.00	12641	100.00	5139	40.65	7502	59.35	2706	21.41
Other than permanent employees											
Male	47	0	0.00	43	91.49	NA	NA	0	0.00	0	0.00
Female	102	0	0.00	102	100.00	102	100.00	NA	NA	0	0.00
Total	149	0	0.00	145	97.32	102	68.46	0	0.00	0	0.00

b. Details of measures for the well-being of workers:

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)
Permanent workers											
Male	2847	2847	100	2847	100	NA	NA	2847	100	226	7.94
Female	2369	2369	100	2369	100	2369	100	NA	NA	234	9.88
Total	5216	5216	100	5216	100	2369	45.42	2847	54.58	460	8.82
Other than permanent workers											
Male	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Female	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Total	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00

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

Benefits	FY 21-22			FY 20-21		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF/Pension/NPS	98.84	100	Y	100	100	Y
Gratuity	98.84	100	Y	100	100	NA
ESI	NA	NA	NA	NA	NA	NA

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

3. Accessibility of workplaces

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

Many of the offices are located in commercial premises which are on the ground floor or have elevators and infrastructure for differently abled employees. Newly opened banking outlets in general are provided with easy access for differently abled employees.

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.

Yes. The Bank has adopted an Equal Opportunity Policy and ensures that individuals of all age, religion, race, region, ethnicity, gender, ability, and sexual orientation work collectively in an environment that flourishes on originality. The policy is published on the Bank's intranet and is available to internal stakeholders.

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

Gender	Permanent employees		Permanent workers	
	Return to Work rate	Retention rate	Return to Work rate	Retention rate
Male	100.00%	98.12%	100%	99.11%
Female	99.60%	98.05%	100%	98.40%
Total	99.80%	98.10%	100%	98.76%



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

Category	Yes/ No (If yes, then give details of the mechanism in brief)
Permanent Workers	Yes, Permanent workers 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 workers	Not applicable
Permanent employees	Yes, Permanent 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 other than permanent 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 as a mail to the dedicated mail id (care@federalbank.co.in)

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

Category	FY 21-22			FY 20-21		
	Total employees/ workers in respective category (A)	No of employees/ workers in respective category who are part of associations or Union (B)	% (B/A)	Total employees/ workers in respective category (C)	No of employees/ workers in respective category who are part of associations or Union (D)	% (D/C)
Total Permanent Employees	12641	10043	79.45%	12592	10247	81.38%
- Male	7502	5697	75.94%	7543	5873	77.86%
- Female	5139	4346	84.57%	5049	4374	86.63%
Total Permanent Workers	5216	5026	96.36%	5358	5173	96.55%
- Male	2847	2722	95.61%	2951	2822	95.63%
- Female	2369	2304	97.26%	2407	2351	97.67%

8. Details of training given to employees and workers:

Category	FY 2022					FY 2021				
	Total (A)	On health and safety measures		On skill upgradation		Total (D)	On health and safety measures		On skill upgradation	
		No (B)	% (B/A)	No (C)	% (C/A)		No (E)	% (E/D)	No (F)	% (F/D)
Employees										
Male	7549	6188	81.97	6495	86.04	7543	4591	60.86	6301	83.53
Female	5241	4367	83.32	4525	86.34	5049	2738	54.23	4300	85.17
Total	12790	10555	82.53	11020	86.16	12592	7329	58.20	10601	84.19
Workers										
Male	2847	1567	55.04	1850	64.98	2951	164	5.56	1712	58.01
Female	2369	1619	68.34	1755	74.08	2407	197	8.18	1660	68.97
Total	5216	3186	61.08	3605	69.11	5358	361	6.74	3372	62.93

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

Category	FY 2022			FY 2021		
	Total (A)	No (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	7549	7346	97.31	7543	7343	97.35
Female	5241	5008	95.55	5049	4936	97.76
Total	12790	12354	96.59	12592	12279	97.51
Workers						
Male	2847	2748	96.52	2951	2844	96.37
Female	2369	2308	97.43	2407	2371	98.50
Total	5216	5056	96.93	5358	5215	97.33

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 - Bank is having a Business Continuity Management Policy and one of the objectives is to ensure safety of the employees. Employees are periodically instructed to report issues/incidents happened in the workplace. Reported issues are analysed and corrective actions are taken to avoid the recurrence of such incidents. Bank is having an emergency response procedure and detailed SOPs that covers the steps to be taken in case of emergencies like fire, floods, earthquake etc and the same is published in intranet on Bank for ready reference. Periodic Communications are issued to employees for creating awareness on these steps. Fire and evacuation drill is conducted in administrative locations where the number of employees working is on a higher side. Awareness session and training on usage of fire safety equipment is provided to the employees in these locations. In the wake of Covid19 Pandemic, utmost importance is given to implement the Covid best practices in branches/ offices. Periodic advisories were issued on preventive measures against COVID 19, as well as on actions to be taken on occurrence of any case. A Work from Anywhere policy was introduced, and necessary infrastructure was created to ensure that the employees can handle the activities from any location, ensuring personal safety, and thereby ensuring business continuity.

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

Periodic Communications are issued to employees for reporting issues /events happened in Branches/ Offices that could have resulted in disruption of normal operations or employee safety. Reported issues are analysed and corrective actions are taken to avoid the recurrence of such incidents. Bank has designated employees like Chief Security Officer (CSO) and BC Coordinator. They are subscribed to different advisories for getting alerts related to incidents/issues that can affect normal operations or employee safety. Proactive measures are taken to avoid/minimise the impact due to such incidents. Outbreak of pandemic -(Covid 19, NIPAH), Cyclones etc were few instances where Bank has initiated proactive measures, which has helped to ensure safety of employees and its assets. In addition, Bank is conducting periodic electrical inspection in its Branches/ Offices to check the health of the electrical infrastructure. The Bank is also having Central Crisis Management Teams (CCTM) at corporate offices, Crisis Management Teams (CMT) at Zonal Level and Business Continuity Planning (BCP) Committees at branch level.

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

Owing to the nature of the business, work related hazards affecting employees is limited. Adequate measures are taken by the Bank to ensure a safe and healthy workplace. Bank has a platform to report incidents related to disruption of normal operations or employee safety. Reported issues are analysed and corrective actions are taken to avoid the recurrence of such incidents. Crisis Management Teams are formed at Head Office and all Zonal Offices. Bank has authorized Zonal leaders to take decisions on matters in their locality, depending on the local requirements/ adhering to the local guidelines. HR Department arranges programs to ensure employee wellness on a periodic basis.



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

Yes. Bank has a comprehensive insurance policy for its employees

e. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY2022	FY2021
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees/ Workers	Nil	Nil
Total recordable work-related injuries	Employees/ Workers	Nil	Nil
No. of fatalities	Employees/ Workers	Nil	Nil
High consequence work-related injury or ill-health (excluding fatalities)	Employees/ Workers	Nil	Nil

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

Bank organised preventive wellness programs /campaigns/ webinars through tie-ups with Hospitals and other organizations. Bank also reimburses cost for Annual Health Check-ups for employees above 40 years and their spouses. Bank also provides insurance coverage for its employees and dependant family members.

In order to take care of the stress related issues during the COVID times, Bank continued with the facility of SMILES, the employee counselling program. Other major activities of the Bank in the wellness and welfare front included conducting for COVID 19 vaccination drives pan India for all employees and their families. All the meetings were done in virtual platforms as webinars and interactions, which seldom required people movement. This helped curbing the possible chances of COVID infection for employees. Doctor e-consultation is facilitated for employees and their families. All medical expenses incurred in connection with COVID -19, including testing and vaccination of employee and dependent family members, are covered either through Medical Insurance Scheme or reimbursed through the Medical Welfare Trusts. Crisis Management Teams are formed at Head Office and all Zonal Offices and the Bank authorized Zonal leaders to take decisions on matters in their locality, depending on the local requirements/ adhering to the local guidelines.

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 in various large premises to ensure maintenance of safety standards.

g. Number of Complaints on the following made by employees and workers:

Category	FY 2022			FY 2021		
	Filled During the year	Pending resolution at the end of the year	Remarks	Filled During the year	Pending resolution at the end of the year	Remarks
Working Conditions	Nil	NA	NA	Nil	NA	NA
Health & Safety	Nil	NA	NA	Nil	NA	NA

h. Assessments for the year:

of your plant and offices that were assessed (by entity or statutory authorities or third parties)	
Health and safety practices	We are carrying out electrical inspection of our premises through third party professional once in every 2 years. During FY22 electrical inspection of 505 offices were carried out. Corrective actions in the form of electrical 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® 2021-2022. One of the key parameters for certification is 'Fairness' which measures the extent to which employees feels 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.

i. 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

Major activities of the Bank in the wellness and welfare front during the COVID 19 pandemic includes vaccination drives pan India for all employees and their families. All the meetings were done in virtual platforms as webinars and interactions, which seldom required people movement. This helped curbing the possible chances of COVID infection for employees. Doctor e-consultation is facilitated for employees and their families. All medical expenses incurred in connection with COVID -19, including testing and vaccination of employee and dependent family members, are covered either through Medical Insurance Scheme or reimbursed through the Medical Welfare Trusts. Crisis Management Teams are formed at Head Office and all Zonal Offices. Bank authorized Zonal leaders to take decisions on matters in their locality, depending on the local requirements/ adhering to the local guidelines.

Leadership Indicators

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

Yes. Bank provides life insurance and compensatory package in the event of death of Permanent employees and workers

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

Bank ensures that statutory dues as applicable to the transactions are deducted and deposited in accordance with extant regulations. This activity is also reviewed as part of the internal and statutory audit. The Bank expects its value chain partners to uphold business responsibility principles and values of transparency and accountability.

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

Category	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022	FY 2021	FY 2022	FY 2021
Employees	Not applicable. There were no work-related injuries.			
Workers				

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

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

5. Details on assessment of value chain partners:

	% of value chains partners (by value of business done with such partners that were assessed)
Health and safety	Bank expects all its partners to ensure that they follow the applicable standards of working conditions and employee health and safety is taken care. Bank, as part of implementation of ESMS policy in lending conducts E&S due diligence for Corporate & Institutional Banking credit proposals. Bank has adopted IFC Performance Standards for its E&S due diligence (ESDD). Performance Standard 2 of IFC refers to labour and working conditions. We ensure that the client is meeting the required standards in the same
Working conditions	



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

No corrective action was warranted with any of value chain partners during the fiscal. In case of loan proposals where ESDD outcome suggests the need for corrective action plan, we include the same as loan covenant with agreed timelines for rectification. The same is monitored for its compliance and breach of covenants will lead to actions including recall of the facility, if needed.

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.

Any individual, group of individuals or entity which adds value to the business chain of the Bank or is being significantly impacted due to the services provided by the Bank is identified as key stakeholder group of the entity. This includes employees, shareholders, investors, regulator, customers, partners, communities, research analysts, non-government organisations, suppliers amongst the others.

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), Others	Frequency of engagement (Annually/Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	Both direct and digital means	Continuous	Both business and non-business aspects including employee wellbeing
Regulators	No	Email, one-on-one meetings, concalls, videoconference	Need based	Discussions with regard to various regulations and amendments, inspections, approvals
Customers	Yes, if they qualify certain criteria	Multiple channels- Physical and digital	Frequent and need basis	Customer awareness, intimation and information sharing throughout the customer lifecycle
Shareholders/ Investors	No	Email, SMS, newspaper advertisement, notice board, website, Annual General Meetings, intimation to stock exchanges, annual/ quarterly financials, and investor meetings/ conferences	Frequent and need basis	To discuss and communicate latest developments in the Bank
Partners	No	Multiple channels- Physical and digital	Frequent and need basis	Performance optimisation and business enhancement
Research Analysts	No	Email, Concalls, meetings, conferences	Frequent and need basis	To discuss and communicate latest developments in the Bank
NGOs and communities	Yes	Directly or through Federal Bank Hormis Memorial Foundation	Frequent and need basis	Support environmentally and socially high impact projects

Leadership Indicators:

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

Bank believes in constant engagement with all its stakeholders and using the feedback to improve its products, services and conduct. Various sub committees of the Board oversee the progress and considers feedbacks based on their terms of reference. Periodic presentations and policy reviews, notes are submitted to the respective committee of the Board by the Heads of

Departments considering the latest developments and feedback received from the stakeholders. Code of corporate governance and code of conduct for the Board of Directors and Management published on the website of the Bank elaborates the aspects looked into by various committees of the Board. The document 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>

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.

Bank has considered the feedback from shareholders/ investors while formulating the ESMS Policy of the Bank. Inputs from various ESG rating agencies/ investor groups/ external consultants are also factored while reviewing some of the existing policies of the Bank. Bank recognises that ESG reporting, and climate risk assessment is still in its development phase and consultations with various stakeholders on a continuous basis will help the Bank progress further.

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

Bank supports the economically weaker sections of the society and MSMEs through various lending schemes and financial inclusion schemes. Bank believes that priority sector lending is a business responsibility as well as business opportunity.

The Bank imparts financial literacy to the general public through rural branches and Financial Literacy Centres (FLCs). Bank has established a Trust named "Federal Ashwas Trust" to establish and run "Federal Ashwas Financial Literacy Centres" (FAFLCs) to provide unbiased, fair, and coordinated financial education through financial literacy classes and credit counselling. Federal Bank has currently 22 Federal Ashwas Financial Literacy Centres pan India, with 19 centres functioning in the state of Kerala and one each in Tamil Nadu, Maharashtra & Gujarat. During FY 2021-22, around 1113 literacy camps (including 408 online sessions) and 845 counselling sessions (including Tele counselling) were undertaken by Federal Ashwas Financial Literacy Centres, benefitting more than 36,000 people.

Bank actively supports various environmental and social projects through its CSR activities. Bank strives to align its CSR goals with that of UN-SDGs. More details on the CSR activities are given in <https://www.federalbank.co.in/corporate-social-responsibility>

PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS.

Essential Indicators

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

Category	FY 2022			FY 2021		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
Employees						
Permanent	12641	7750	61	12592	7786	62
Other than Permanent	149	0	0	0	0	0
Total Employees	12790	7750	61	12592	7786	62
Workers						
Permanent	5216	708	14	5358	807	15
Other than permanent	0	0	0	0	0	0
Total Workers	5216	708	14	5358	807	15


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

Category	FY 2022					FY 2021				
	Total (A)	Equal to min wage		More than min wage		Total (D)	Equal to min wage		More than min wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	12641	0	0.00	12641	100.00	12592	0	0.00	12592	100.00
Male	7502	0	0.00	7502	100.00	7543	0	0.00	7543	100.00
Female	5139	0	0.00	5139	100.00	5049	0	0.00	5049	100.00
Other than permanent	149	0	0.00	149	100.00	0	0	0.00	0	0.00
Male	47	0	0.00	47	100.00	0	0	0.00	0	0.00
Female	102	0	0.00	102	100.00	0	0	0.00	0	0.00
Workers										
Permanent	5216	0	0.00	5216	100.00	5358	0	0.00	5358	100.00
Male	2847	0	0.00	2847	100.00	2951	0	0.00	2951	100.00
Female	2369	0	0.00	2369	100.00	2407	0	0.00	2407	100.00
Other than permanent	0	0	0.00	0	0.00	0	0	0.00	0	0.00
Male	0	0	0.00	0	0.00	0	0	0.00	0	0.00
Female	0	0	0.00	0	0.00	0	0	0.00	0	0.00

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

	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	2,05,48,269.00	1	1,10,66,271.00
Key Managerial Personnel (Other than BoD)	2	65,48,849.00	-	-
Employees (other than BoD and KMP)	7,545	10,85,979.00	5,240	10,07,181.00
Workers	2,847	6,66,197.00	2,369	7,15,832.00

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

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) ensures that any human rights impact or issues caused or contributed to by the business are properly addressed.

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

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

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

Bank has put 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 is promptly, and discreetly addressed and appropriate action is initiated.

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

Category	FY 2022			FY 2021		
	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 in creating a healthy, safe, secure work environment for employees to work free from offensive and discriminatory behavior. The aim is to enable employees to deliver their best at work without fear of prejudice, gender bias and sexual harassment.

The Bank is committed to ensure that sexual harassment instances and incidents can be reported without fear. Internal Complaints Committee has been constituted at all Zones and Head Office. The Bank will enquire 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 it 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. The nature of agreements/contracts that we enter in the ordinary course of business involves the loan agreements executed with the borrowers as well as the SLAs/MSAs executed with the vendors. Pursuant to the adoption of ESMS Policy, we have stipulated execution of ESMS Annex with the borrowers carrying out specific activities as prescribed in the ESMS Policy, whereby the borrowers are required to comply with the applicable laws (including environmental laws) and IFC's Performance Standards (which also cover human rights requirements). Further, the standard formats of the SLA/MSA we enter with the vendors contains covenants for (a) compliance of applicable laws, (b) responsibility of the Vendor to wages, salaries, insurance, and other legal dues to its employees, (c) responsibility of the Vendor to ensure that its employees/personnel conduct themselves within the parameters of law and do not commit, abet or permit the commission of illegal acts.



9. Assessment for the year:

	% of offices that were assessed (by entity or statutory authorities or third parties)
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.

There have been no instances of human rights grievances requiring modification of processes during the year.

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

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

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

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

The Bank upholds 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® 2021-2022. One of the key parameters for certification is 'Fairness' which measures the extent to which employees feels 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?

The registered and corporate office of the Bank have ramps for easy movement of differently abled visitors. Many of the offices are located in commercial premises which are on the ground floor or have elevators and infrastructure for differently abled visitors. Newly opened banking outlets in general are provided with easy access for differently abled visitors.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	
Discrimination at workplace	Bank expects all its partners to ensure that they follow the applicable standards of working conditions and employee health, and safety is taken care. 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.
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.

No such instances warranting a corrective action plan was necessitated during the fiscal

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

Essential Indicators

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

Parameter	FY2022	FY2021
Total electricity consumption (A)	155,296.80 GJ*	Not available
Total fuel consumption (B)	33,583.24 GJ**	Not available
Energy consumption through other sources (C)	NIL	Not available
Total energy consumption (A+B+C)	188,880.04 GJ	Not available
Energy intensity per rupee of turnover (Total energy consumption / turnover in rupees)	1199.31 Joules/INR	Not available
Energy intensity (optional) – the relevant metric may be selected by the entity Per employee	14.77 GJ/employee	Not available

* The report is based on the data captured for 60 % of the branches and balance 40% was arrived based on approximation.

** Data for vehicle owned by the Bank and used by executive arrived based on allowance provided to Executives.

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 independent assessment is conducted by any external agency

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:

- Being a financial services institution, we do not use water for any industrial purpose and our water usage is limited to drinking and domestic usage. We are making efforts to ensure that water is consumed judiciously in the office premises. Most of our water consumption is through municipal water supply or third-party potable water suppliers.

Parameter	FY2022	FY2021
Water withdrawal by source (in kilolitres)		
(i) Surface water	Not available	Not available
(ii) Groundwater	Not available	Not available
(iii) Third party water	Not available	Not available
(iv) Seawater / desalinated water	Not available	Not available
(v) Others	Not available	Not available
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	172,665*	Not available
Total volume of water consumption (in kilolitres)	172,665**	Not available
Water intensity per rupee of turnover (Water consumed / turnover)	Not available	Not available
Water intensity (optional) – the relevant metric may be selected by the entity	Not available	Not available

* Estimated based on NBC 2016

** Same as water withdrawal

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.

- None of our operating locations are having a requirement of implementing a mechanism for Zero Liquid Discharge. However, as a responsible institution we put our best efforts to ensure minimal usage of water.

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

- Some of the Bank's operating locations using backup generators do emit some air emissions, however, the emissions are not materially significant.

Parameter	Please specify unit	FY2022	FY2021
Nox	-	Not available	Not available
Sox	-	Not available	Not available
Particulate matter (PM)	-	Not available	Not available
Persistent organic pollutants (POP)	-	Not available	Not available
Volatile organic compounds (VOC)	-	Not available	Not available
Hazardous air pollutants (HAP)	-	Not available	Not available
Others – please specify	-	Not available	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

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

Parameter	Unit	FY2022			FY2021
		CO ₂ Emissions (Tonnes)	CH ₄ Emissions (Tonnes)	N ₂ O Emissions (Tonnes)	
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	2488.52	0.34	0.02	Not available
		Total = 2503.26 tCO ₂ e*			
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	122.23 tCO ₂ e			Not available
Total Scope 1 and Scope 2 emissions per rupee of turnover	Gram of CO ₂ equivalent per unit turnover in rupee	0.02 grams per Rupee turnover			Not available
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	tCO ₂ e per Full Time Employee	0.21			Not available

* Our Scope 1 emission includes emissions from consumption of fuels in backup generators and Bank owned vehicles for which allowances is provided to executives by the Bank. We are in the process of establishing systems to collect information on other Scope 1 and 2 emissions.

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 has been undertaking several GHG reduction projects not only in its operations, but also along with value chain through its CSR activities, as well as through its financed projects. Some of these initiatives are described below:

- As on date, the Bank has an installed solar capacity of 170 kW at its operational locations. In FY 2022 alone, the Bank added 50 kW of solar rooftop capacity at its operating locations and has plans to further scale-up solar roof top projects at its premises.
- There is a considerable savings in energy usage for FY 2022 due to usage of LED lights. Approximately, the Bank could save 380,000 kWh during the fiscal by switching to LED lights.
- The Bank has installed six-hundred and ninety-one (691) Air conditioners of star rated inverter /VRF at both existing and new premises during the FY. This has saved electricity of around 2,52,000 kWh. The Bank could also save approximately 80,000 kWh due to the already installed inverter air conditioner during the FY 2021.
- The Bank has switched to using low GHG, zero-Ozone Depletion Potential refrigerants in all new Air conditioners.
- The Bank is promoting Green Finance to reduce its financed emissions. The Bank has financed ₹2502 crores of green loans as on March 2022, which resulted in emission reduction to the tune of 486467.60 tCO₂e/yr.
- The Bank is also implementing projects which helps to reduce GHG emissions as a part of its CSR portfolio :
 - 7050 saplings were planted under the Student Empowerment for Environment Development (SEED) project in FY 2022.
 - The Bank has provided infrastructural support under the CSR initiatives to Miyawaki Forest, for 150 tree saplings in FY 2022.


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

Parameter	FY2022	FY2021
Total Waste generated (in metric tonnes)		
Plastic waste (A)	Not available*	Not available*
E-waste (B)	18 tonnes (including battery waste) **	23.26 tonnes (including battery waste) *
Bio-medical waste (C)	Not applicable	Not applicable
Construction and demolition waste (D)	Not applicable	Not applicable
Battery waste (E)	Included with (B)	Included with (B)
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 available	Not available
Total (A + B + C + D + E + F + G + H)	Not available	Not available
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	Not available	Not available
(ii) Re-used	Not available	Not available
(iii) Other recovery operations	Not available	Not available
Total	Not available	Not available

* For Data centre e-waste is disposed through certified agencies.

** Plastic waste is collected by municipal authorities/local vendors at individual locations (Quantitative data 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 Financial Services Institution, our operations do not use any hazardous and toxic chemicals. As such, we do not create any such wastes. Our major waste categories include e-waste and paper waste. We are progressively and continuously making efforts to streamline collection and disposal of e-waste. All of our e-wastes in data centre are disposed through approved agencies. Paper waste is disposed through local vendors. We do not generate significant quantities of plastic wastes. Wherever generated, plastic waste is disposed through local municipal authorities.

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, please specify details in the following format:

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

- No non-compliance reported.

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	FY2022	FY2021
From renewable sources		
Total electricity consumption (A)	572.40 GJ*	432 GJ
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	572.40 GJ	432.00 GJ
From non-renewable sources		
Total electricity consumption (D)	154,724.40 GJ**	Not available
Total fuel consumption (E)	33,583.24 GJ	Not available
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+E+F)	188,307.64 GJ	Not available

* From solar energy

** Sourced from electricity grid.

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:

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 reported this year, the quantities are not expected to be materially significant.

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:

- Name of the area
- Nature of operations
- Water withdrawal, consumption and discharge in the following format:

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 reported this year, the quantities are not expected to be materially significant as our operations do not involve water extraction for any industrial purposes. Our water consumption is limited to drinking and domestic consumption.



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

Parameter	Unit	FY 2022	FY2021
Total Scope 3 emissions	MT of CO2 equivalent	24,959.35	Not available
<i>Of which:</i>			
▪ Business travel reimbursement	MT of CO2 equivalent	204.48	Not available
▪ Fuel allowance to employees		24,754.87	
Total Scope 3 emissions per rupee of turnover	MT CO2e per INR Crore income	1.5848	Not available
Total Scope 3 emission intensity	MT CO2e/employee	1.9515	

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.

- Being a Financial Services Institution, our operations have no direct impact on Biodiversity. For our lending operations, we have put in place an Environmental and Social Management System which helps us assess E&S risks in the credit portfolio of Bank and minimise them. As a policy, we do not finance projects in production or trade in wood or other forestry products other than from sustainably managed forests.

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, as per the following format:

S. No.	Initiative undertaken	Details of the initiative	Outcome of the initiative
1	LED-ification	We have switched to LED Lights in branch/office premises.	380 MWh power saved
2	Energy Efficiency	We are procuring only Energy efficient Invertor AC units from this FY 2022. Also, all the AC procured from this FY are using low-GHG, Zero-ODP refrigerants	332 MWh of power saved
3	Solar Energy	We are setting up Roof-top solar power plants at our branch premises.	159 MWh of solar power generated

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

- The Bank has a Board approved Business Continuity Management Policy which details the business continuity and disaster management plans for each contingent scenario.

The Business Continuity Management Policy, approved by the Board of Directors, describes the roles and responsibilities of different units of the Bank, operational groups and personnel during emergency situations. The emergency procedures are designed to protect lives, property, and data through effective use of organizational resources. Since an emergency may be sudden and without any prior warning, these procedures are designed to be flexible in order to accommodate contingencies of various types and magnitudes. 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.

- The Bank is cognizant of the potential adverse environmental impacts that could arise from its value chain through its lending operations. Therefore, to mitigate the same, the Bank has put a board-approved Environmental and Social Management System (ESMS) policy for its lending operations. Adoption of ESG practices in lending will enable the Bank to remain committed to the cause of Sustainable Development. Bank has chosen Performance Standards set by International Finance Corporation (IFC) to assess E&S risks associated with lending.

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

Exclusion list covers the entire lending portfolio of the Bank.

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 8 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	Indian Banks Association	National
2	Confederation of Indian Industry and CII Indian Women Network	State
3	Cochin Chamber of Commerce	State
4	Madras Chamber of Commerce and Industry	State
5	Indian Chamber of Commerce & Industry, Cochin	State
6	Fixed Income Money Market and Derivatives Association of India (FIMMDA)	National
7	Foreign Exchange Dealers Association of India (FEDAI)	National
8	Forex Association of India (FAI)	National

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

We have not received any adverse order from any regulatory authorities w.r.t, any issue on anti-competitive conduct for FY-2021-22.

Leadership Indicators

1. Details of public policy positions advocated by the entity:

Bank generally undertakes policy advocacy only through trade and industry chambers and associations, and other similar collective platforms. Bank is a member of IBA and actively provides feedback to the regulator through IBA. Representatives of the Bank has associated with various working groups of the regulator as well as industry bodies which will help in strengthening the Indian financial ecosystem.



PRINCIPLE 8: BUSINESSES 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.**

Owing to the nature of business, this is not applicable to the Bank

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

Owing to the nature of business, this is not applicable to the Bank

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

Bank has put in place mechanisms to receive and redress grievances of various stakeholders. All the complaints related to the community will be redressed as per Grievance redressal policy of the Bank which is available in the corporate website link <https://www.federalbank.co.in/our-commitments>

<https://www.federalbank.co.in/documents/10180/45777/Environmental+and+Social+Management+system+%28ESMS%29+Policy.pdf/d8b4df0b-d6c6-9dfc-ff77-8903886bd541?t=1627993730353>

- 4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

Owing to the nature of business, this is not applicable to the Bank

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):**

Owing to the nature of business, this is not applicable to the Bank

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

S. No.	State	Aspirational District	Amount spent (In ₹)
1	Tamil Nadu	Virudhunagar	3,100,000
2	Kerala	Wayanad	200,000

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

Being in the service sector, except for technology related services, Bank has limited procurement needs. Bank purchases consumables for its daily operations. Such purchases are decentralised, and preference is given to local suppliers.

- (b) From which marginalized /vulnerable groups do you procure?**

Not tracked during the year.

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

Not tracked during the year.

- 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:**

Owing to the nature of business, this is not applicable for the Bank

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

Owing to the nature of business, this is not applicable for the Bank

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1.	Federal Bank Hormis Memorial Foundation Scholarships	492	100
2.	Federal Skill Academies	416	100
3.	Sanjeevani – A shot of Life & Vaccination in 5 districts Pan India	24,25,924	Promoting Covid19 Vaccination Pan India.
4.	SEED Project-Student Empowerment for Environment Development.	3.84 million students	Sustainable support to school students
5.	Livelihood Enhancement Projects	571	100
6.	Projects Promoting Education	1420 students, 6 Govt Schools, 22 Tribal Schools	100
7.	Support to Differently Abled	170	100
8.	Eradicating Hunger Projects	50730	100
9.	Healthcare Projects	8145	Sustainable support to general public
10.	Welfare & Poverty Alleviation Projects	632	100
11.	Women Empowerment & Girl Child Education Projects	69	100
12.	Swatch Bharat Initiatives	7435	Sustainable support to general public
13.	Environmental Sustainability & Renewable Energy Supports	15050	Sustainable support to general public
14.	Projects Promoting Rural Sports	180	100

PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER
Essential Indicators
1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

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

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



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

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

As a percentage to total turnover	
Environmental and social parameters relevant to the product	
Safe and responsible usage	Being a financial institution, applicability of the same is limited.
Recycling and/or safe disposal	

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

	FY 2022			FY 2021		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	Nil			Nil		
Advertising	Nil			Nil		
Cyber-security	Nil			Nil		
Delivery of essential services	Nil			Nil		
Restrictive Trade Practices	Nil			Nil		
Unfair Trade Practices	Nil			Nil		
Other	160857	5390		147914	3498	

Customer complaints are tracked internally based on the RBI categorisations for complaints

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

	Number	Reasons for recall
Voluntary recalls	Nil	
Forced recalls	Nil	

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. Policy guidelines related to data protection & privacy to the extent required under the prevailing Indian laws is covered under the Information Systems Security Policy of the Board. The privacy policy for users of Bank's services is displayed in our bank's corporate website.

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

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

Bank's systems were not subject 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.

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. Website link includes <https://www.federalbank.co.in>. In addition, Bank actively uses various social media and digital platforms to disseminate information on its products and services.

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 social media channels, SMS, banners/ push notifications in our mobile banking app and Website. We had initiated SMS to customers related to phishing attacks to avoid falling to fraud call or victim of a scam. Customers are intimated not to share the OTP, UPI PIN, or any personal information through push notifications. We had also published multiple social media posts related to Fraud attacks with Feddy as the theme to educate customers the need of keeping the personal information safely and securely. Articles are published in our website at the below links <https://www.federalbank.co.in/rbi-advisory-messages> ; <https://www.federalbank.co.in/safe-zindagi-learning-center> ; <https://www.federalbank.co.in/blog>

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

Depending on the severity/ period of the disruption, communication is sent via emails/ SMS/ scrolls in Website/ push notifications via Mobile Banking.

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.

Bank has transparently disclosed all the relevant details of its products and services.

5. 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)

Yes.

We are conducting Customer satisfaction survey, where the satisfaction of customers is measured in terms of NPS (Net Promoter Score) metrics. The survey for FY21-22 is in progress and is being conducted among retail resident HNI customers across 9 major locations. Based on last FY21 survey results, action planning workshops for internal stakeholders were conducted. It had one-to-one interactions followed by an engaging group session spread across two days that helped to deconstruct the issues that we are currently facing and to come up with novel solutions. Apart from this, a dedicated training programme spanning across 3 months was arranged for our Contact Centre employees.

6. Provide the following information relating to data breaches:

- a. Number of instances of data breaches along-with impact - **NIL**
- b. Percentage of data breaches involving personally identifiable information of customers - **NIL**