



POLICY ON ENVIRONMENTAL, SOCIAL AND GOVERNANCE

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Contents

1	Introduction	4
2	Purpose and Scope	4
3	Principles of Reference	4
4	The objective of the Policy	4
5	Definitions	5
6	Governance Framework & Structure	6
6.1	Board of Directors	7
6.2	CSR Committee of the Board	7
6.3	ESG committee	7
7	Key Focus Areas for Sustainability	7
8	Policy Framework	7
8.1	Environment	7
8.1.1	Energy	8
8.1.2	GHG Emissions	8
8.1.3	Effluent and Waste Management	8
8.1.4	Compliance on environmental related regulations	8
8.1.5	Sustainable Sourcing & Procurement Practices	8
8.2	Social	8
8.2.1	Equal Employment Opportunity	8
8.2.2	Freedom of Expression	8
8.2.3	Health and Safety	8
8.2.4	Learning and Development	9
8.2.5	Diversity and Equal Opportunity	9
8.2.6	Prevention of Sexual Harassment	9
8.2.7	Community	9
8.2.8	Minimum Wage	9
8.2.9	Responsible Lending	9
8.2.10	Public Advocacy	9
8.2.11	Cyber Security and Information Security	9
8.2.12	Human Rights Advocacy	9
8.3	Governance	10
8.3.1	Discrimination and Harassment – Escalation & Disciplinary Action	11
8.3.2	Whistle Blower Policy	11
8.3.3	Grievance Redressal Mechanism & Escalation Process	11
8.3.4	Anti-corruption and Anti-bribery policy	11
9	Responsible Business Activities	12
9.1	Due Diligence Process	12
9.2	Due Diligence Principles	12
9.3	Project Categorization:	13
9.4	Exclusion List:	13
10	Reporting and Transparency	14
11	Custodian and Review of Policy	14

Environmental, Social and Governance Policy

1 Introduction

CSB Bank Ltd (herein referred to as “The Bank”) recognises the importance of integrating environmental, social and governance considerations into its business operations and decision-making processes. This ESG Policy (“The Policy”) outlines the Bank’s commitment to sustainability, responsible banking practices, and creating long-term value for our stakeholders.

The Bank recognizes the potential to offer banking services that can meet the needs and expectations of a society that is increasingly demanding sustainable solutions from businesses due to the rapid depletion of natural resources. By offering loans and sensibly promoting trade and investment flows, the Bank wants to alleviate the Environmental, Social and Governance (ESG) issues. It describes pledges and the standards which the Bank holds for both for its clients and itself. The Bank wholeheartedly embraces the ESG principles, seamlessly integrating them into its business operations.

The Bank demonstrates its dedication to promoting economic growth in our country by providing sustainable and ethical financing through the implementation of an Environmental Social & Governance Policy.

2 Purpose and Scope

The purpose of this policy is to outline the Bank’s commitment and approach towards integrating ESG aspects into its key activities and decision-making process and set out its ESG guidelines and management and control objectives. The Bank will, where deemed necessary, implement more detailed policies and procedures, which are designed to support the Bank’s ongoing compliance with, among other things, within this framework.

3 Principles of Reference

The Bank’s ESG Policy is in cognizance of the following Standards for Environment & Social Risk Assessment.

- Rules and principles established by the authorities, applicable Indian national, state and local regulatory requirements;
- The International Finance Corporation (IFC) Performance Standards (PS1 to PS8) Framework 2012 for Environmental and Social Sustainability;
- Relevant multilateral environmental, social, labour and biodiversity conventions ratified by India;
- The National Guidelines on Responsible Business Conduct, 2018 (NGRBC);
- SEBI guidelines on Business Responsibility and Sustainability Reporting Framework (BRSR) read with SEBI (LODR) Regulations requirements.
- Asian Development Bank Rapid Environmental Assessment (REA) Checklist, Social Safeguards Screening Checklists, Indigenous Peoples Impact Screening Checklist which will be periodically reviewed.

4 The objective of the Policy

The objective of ESG policy is to integrate sustainability principles into its operations and decision-making processes with a 360-degree approach involving all internal and external stakeholders of the Bank including customers, employees, investors, regulators, channel/business partners and community in the vicinity.

In brief, the policy aims to:

- **Promote Environmental Responsibility:** By implementing practices that mitigate environmental risks, reduce carbon footprint, and support sustainable development through green finance.
- **Enhance Social Impact:** By fostering inclusivity, diversity, and fair treatment within the Bank's workforce and in its interactions with customers, suppliers, and communities.

- **Strengthen Governance Frameworks:** By ensuring transparency, accountability, and ethical conduct across all levels of the organization, including management, board members, and stakeholders, thereby improving the qualitative and quantitative disclosure standards to the satisfaction of all stakeholders.
- **Integrate ESG risks** into existing risk management framework
- **Provide guidance to sustainable lending and responsible banking practices** to ensure commitment to applicable laws and relevant international standards on environmental and social sustainability and governance principles.

Overall, the policy seeks to align its financial objectives with broader societal and environmental goals, ultimately contributing to long-term sustainability and resilience in both financial and non-financial aspects.

5 Definitions

In this policy, unless the context states otherwise, the terms herein shall bear the meaning assigned to them below:

- a) **“Climate-related financial risks”** means the potential risks that may arise from climate change or from efforts to mitigate climate change, their related impacts and economic and financial consequences.
- b) **“Climate resilience”** means the capacity of the Bank to adjust to climate-related changes, developments or uncertainties. It involves the capacity to manage climate-related risks and benefits from climate-related opportunities, including the ability to respond and adapt to climate-related physical and transition risks. It includes both strategic and operational resilience of the Bank to climate-related changes, developments or uncertainties.
- c) **“CO₂ equivalent”** means the universal unit of measurement to indicate the global warming potential of each greenhouse gas, expressed in terms of the global warming potential of one unit of carbon dioxide. This unit is used to evaluate releasing of (or avoiding releasing of) different greenhouse gases against a common basis.
- d) **“Financed emissions”** are the portion of gross greenhouse gas emissions of an investee or counterparty attributed to the loans and investments made by the Bank to the investee or counterparty.
- e) **“Greenhouse gases (GHGs)”** are those gaseous constituents of the atmosphere, both natural and anthropogenic, that absorb and emit radiation at specific wavelengths within the spectrum of thermal infrared radiation emitted by the earth’s surface, by the atmosphere itself, and by clouds. This property causes the greenhouse effect. Carbon dioxide (CO₂), methane (CH₄), and nitrous oxide (N₂O) are the primary greenhouse gases in the earth’s atmosphere.
- f) **“Physical risk”** means the economic costs and financial losses resulting from the increasing severity and frequency of:
 - extreme climate change-related weather events such as floods, heatwaves, landslides, storms and wildfires known as acute physical risks;
 - longer-term gradual shift of the climate such as changes in precipitation, extreme weather variability, ocean acidification, and rising sea levels and average temperatures known as chronic physical risks; and
 - indirect effects of climate change such as loss of ecosystem services (e.g., water shortage, degradation of soil quality, or marine ecology).

- g) **“Transition risk”** means the risks related to the process of adjustment towards a low carbon economy, viz. (i) Changes in climate-related policies and regulations, (ii) Emergence of newer technologies (iii) Shift in customers’ preferences and behaviour.
- h) **“Scope 1 Greenhouse gas emissions”** are direct greenhouse gas emissions that occur from sources that are owned or controlled by the Bank.
- i) **“Scope 2 Greenhouse gas emissions”** are indirect greenhouse gas emissions from the generation of purchased or acquired electricity, steam, heating or cooling consumed by the Bank. Purchased and acquired electricity is electricity that is purchased or otherwise brought into the Bank’s boundary. These emissions physically occur at the facility where electricity is generated.
- j) **“Scope 3 Greenhouse gas emissions”** are indirect greenhouse gas emissions (not included in Scope 2 greenhouse gas emissions) that occur in the value chain of an entity, including both upstream and downstream emissions.

6 **Governance Framework & Structure**

The ESG Governance framework is as follows:



The Bank recognizes that for the ESG policy to be properly integrated, effective governance structures must be implemented to ensure accountability and appropriate controls. The Bank upholds a resilient governance structure fortified by an experienced Board. It is believed that the Bank’s robust corporate governance culture plays a pivotal role in cultivating and nurturing investor confidence. Adhering to the highest standards, the Bank consistently embraces best practices in corporate governance, exemplifying an unwavering commitment to transparency, integrity, and regulatory compliance.

In order to do this, the Bank has set up an ESG Governance Structure that is led by the Board of Directors ("BoD") and consists of the CSR Committee of the Board. Apart from this a ESG Committee (ESGC) is formed at the executive level. The ESGC shall be responsible for leading the Bank's ESG integration and keeping an eye on the organization's ESG performance.

The roles and responsibilities of the various ESG governance bodies are summarized below:

6.1 Board of Directors

The Board shall be responsible for:

- Endorsing ESG policy statements and ensure to put in place an effective governance mechanism;
- Ensure appropriate resource allocation to enable the effective operation and continual improvement of the ESG integration;
- Review and approve the ESG risk mitigation plan and activities undertaken by the Bank;
- Ensure that transparent reporting on ESG is undertaken continuously.

6.2 CSR Committee of the Board

- Overseeing the development and implementation of the Bank's ESG framework.
- Oversee compliance with applicable ESG related regulatory requirements
- Review the Bank's ESG disclosures.

6.3 ESG committee

ESG Committee will have the responsibility and authority according to its charter to:

- Monitor the implementation of ESG initiatives in conjunction with business units/functions;
- Review reports presented by the Risk Management team on various ESG risks;
- Drive internal communication of ESG factors between management and employees;

7 Key Focus Areas for Sustainability

The Bank is committed to the principles elucidated in the NGRBC as prescribed by the Ministry of Corporate Affairs. Accordingly, the Bank shall ensure that:

- Businesses should conduct and govern themselves with integrity and in a manner that is ethical, transparent, and accountable;
- Businesses should provide goods and services in a manner that is sustainable and safe;
- Businesses should respect and promote the well-being of all employees, including those in their value chains;
- Businesses should respect the interests of, and be responsive towards all its stakeholders;
- Businesses should respect and promote human rights;
- Businesses should respect and make efforts to protect and restore the environment;
- Businesses, when engaging with influencing public and/or any regulatory policy/body, should do so in a manner that is responsible and transparent;
- Businesses should promote inclusive growth and equitable development; and
- Businesses should engage with and provide value to customers in a responsible manner.

8 Policy Framework

The Bank is committed to implement, evaluate its ESG performance on a continuous basis in the following pattern.

8.1 Environment

Environment is the first pillar among three pillars of ESG. Bank has visualised its commitment towards the nature and environment by putting forth right action across the sectors, from premises to lending and through constant and continuous evaluation the Bank tries to improve the impact on environment. Actions have been initiated for reduction of Green House Gas (GHG) emissions. The Bank's policy shall focus on strategies to incorporate climate changes and its impacts, through proper dissemination at all levels aiming for desired results.

8.1.1 Energy

The Bank has already put in place a mechanism for measuring energy consumption across its offices and the same is being monitored on a periodical basis. The policy aims for improvement in energy usages across its offices and thereby increasing contribution to carbon positivity.

The Bank focus on the following in order to improve its energy utilisation/consumption.

- Encouraging the use of energy efficient equipment at all its offices
- Reducing the usage of electrical/electronic equipment
- Reduction in fuel consumption
- Monitoring the energy usage through periodical collection of data from all offices

8.1.2 GHG Emissions

The Bank as a way forward in future will initiate for a for a carbon footprint audit and implement initiatives for effective energy management so as to reduce the GHG emissions in a phased manner.

8.1.3 Effluent and Waste Management

Reduce, Reuse and Recycle shall be the 'mantra' and Bank shall sensitize its workforce and other stakeholders associated for reduction in waste and proper management of wastes. Plastic wastes generated out of normal /routine operations are disposed through local bodies or vendors. E-waste are returned to the respective vendors in most of the locations. No hazardous waste is generated due to the nature of activity being banking. Periodical data is collected from all offices.

8.1.4 Compliance on environmental related regulations

The Bank shall comply with all the applicable environmental laws and regulations in its premises and operations.

8.1.5 Sustainable Sourcing & Procurement Practices

The Bank shall put in place with true spirits the best practices while dealing with sourcing and procuring involving vendors. The Bank expects its vendors and suppliers to share the same values and principles as the Bank itself. The Bank's suppliers must at a minimum conduct their business lawfully with integrity, must respect human rights, rights of indigenous peoples and labour rights. The Bank strives to ensure that the operations of its material vendors and suppliers are conducted in a manner that minimizes harm to the environment.

8.2 Social

The Bank pledges its commitment to serve the community by providing equal employment opportunities. The Bank believes that its strength depends on the well-being of its employees, their health and safety. Bank encourages people from diverse backgrounds and provide them with equal opportunities wherever possible. The following are the initiatives driven by the Bank for the care of its workforce.

8.2.1 Equal Employment Opportunity

The Bank is providing equal employment opportunity for all employees with a work environment free of discrimination and harassment. The decisions at the Bank are based on business needs, without regard to race, colour, religion, social or ethnic origin, sex, age, marital status, family medical history or genetic information, family or parental status, or any other status protected by the laws or regulations in the locations where the Bank's offices function.

8.2.2 Freedom of Expression

The Bank has laid down a policy on code of conduct which in line with the fundamental rights and freedom of expression.

8.2.3 Health and Safety

The Bank is committed to provide healthy and safe working conditions to all its employees. The Bank has put in place measures to take care of employee health and safeguard.

8.2.4 Learning and Development

The Bank is continuously engaged in improving the focus of its employees on linking their actions with the corporate goals. The Bank has set up a Learning & Development (ILD) division to develop skillsets for employees. ILD has achieved its highest coverage of employees, through online virtual classes and e-learning methodology. Bank is constantly on the look-out for innovation and technological improvements. The L&D Department has retained its ISO 9001:2015 certification obtained during the previous year.

8.2.5 Diversity and Equal Opportunity

The Bank is committed to create a workplace in which every individual, regardless of disability, can do meaningful work as required under the Rights of Persons with Disabilities Act, 2016. The Bank shall provide fair and equal employment and advancement opportunities to all its employees, irrespective of race, caste, colour, age, sex, disability and socioeconomic status.

8.2.6 Prevention of Sexual Harassment

Women Employees are offered protection against sexual harassment at workplace, in accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

8.2.7 Community

Bank has systems in place to receive and redress grievances of various stakeholder groups including customer complaints through various modes as per the requirements. The Bank has a mechanism in place to monitor the implementation of the CSR projects and the concerns of the beneficiary community.

8.2.8 Minimum Wage

The Bank strictly adhere to the State and Central Government norms on minimum wages to employees and contract workers.

8.2.9 Responsible Lending

Bank pays a focussed attention towards priority sector lending, meant for the overall development of the economy. By extending the credit facilities to primary players of the economy such as farmers, micro & small enterprises, education, housing, social infrastructure, etc., as part of priority sector lending, the Bank upholds its commitment towards the society. Bank adopted various measures with reinforced focus on lending to small & marginal farmers, micro enterprises and weaker sections of the Country. Towards this end, the bank has formed separate verticals to cater to these segments with the support of experienced and specialised teams under the verticals.

The Bank also extends advances to renewable energy sources, viz. windmills and solar panels, as part of its initiative to green finance. The Bank extends loan facilities for procuring Electric Vehicles as part of its environmental and social commitment.

8.2.10 Public Advocacy

The Bank is committed to engage in public advocacy process in a responsible and ethical way by participating in discussions with the governments, policymakers, regulators, industry bodies and other stakeholders on matters related to ESG. The Bank shall effectively leverage its public advocacy platforms to promote integration and implementation of ESG norms/ guidelines in the banking space.

8.2.11 Cyber Security and Information Security

The Bank, guided by its Cyber Security Policy, has established a comprehensive and robust mechanism in place to ensure highest degree of data protection. The Bank, guided by Information Security Policy, shall continue to adhere to the principles of Confidentiality, Integrity and Availability (CIA) with respect to information security.

8.2.12 Human Rights Advocacy

The Bank realizes and respects the human rights of all its stakeholders. The Bank does not promote any kind of discrimination between its employees, customers, shareholders and other stakeholders on the basis of

race, caste, religion, sex, etc. The Bank is committed to uphold the dignity of every individual engaged or associated with them. All employees are required to follow code of ethics and business conduct, which also documents the ethical practices to be followed by them. There are separate mechanisms to address the grievances of employees/customers and also on the complaints of sexual harassment at workplace. An Internal Complaints Committee (“ICC”) has been in force in order to receive and address the complaints of any sort of sexual harassment from women in a time bound and extremely confidential manner. Bank has various ICC’s constituted at different locations. Bank also encourages the employees and directors to report genuine concerns including about illegal or unethical practices or behaviour and also maintain complete confidentiality. Further, the Bank sensitise the employees through internal communications and training programmes on a periodical basis for prevention of sexual harassment at workplaces. The grievance of Employees in various aspects are attended by appropriate authorities entrusted by the Bank. The Bank pays equal remuneration to men and women employees as enacted in the Equal Remuneration Act, 1976 for prevention of discrimination on the ground of sex, against women in the matter of employment and for matters connected therewith or incidental thereto.

8.3 Governance

The Bank believes that high standards of corporate governance combined with ethical and transparent business process lead to greater effectiveness and efficiency and superior business outcomes. The Bank’s corporate governance processes are in compliance with the Companies Act, 2013, the Securities and Exchange Board of India (listing obligations and disclosure requirements) Regulations, 2015, various guidelines/circulars/regulations issued by the Reserve Bank of India from time to time and other applicable regulatory guidelines.

The Bank has the following sub-committees of the Board for ensuring effective control of various ESG related functions of the Bank.

Committees of the Board	Executive Level Committee
Corporate Social Responsibility (CSR) Committee	ESG Committee
Audit Committee	Audit Committee of Executives
Committee for Monitoring and Follow-up of cases of Frauds	Fraud Review Council on Cyber Frauds
Risk Management Committee	Asset Liability Management Committee
	Information Security Committee
	Operational Risk Management Committee
	Credit Risk Management Committee
Stakeholders Relationship Committee	
Customer Service Committee	Standing Committee on Customer Services
Nomination and Remuneration Committee	

Additionally, Internal Review Forums help providing governance across functions.

The Bank is determined to adhere to its strong code of conduct for its business to nurture sustainability. The Bank has integrated ESG factors into its operating structure required for the effective attainment of the commitments to achieving long-term sustainability and improvement in the ESG aspects.

Compliance with regulatory laws, corporate governance and ethical integrity are the foundational pillars of Bank’s overall governance structure. Among Board-approved policies, the following key policies support the ESG framework.

- Whistle-Blower Policy
- Fraud Risk Management Policy
- Anti-bribery and anti-corruption Policy
- Policy to deal with staff who are directly or incidentally part of fraud related accounts
- Anti-money laundering Policy
- Information Security Policy

- BCP policy
- Outsourcing Policy
- Grievance Redressal Policy
- Prevention of sexual harassment Policy
- Corporate Social Responsibility Policy
- Policies on Risk Management
- Group Risk policy
- Privacy Policy
- Customer Rights Policy
- Sustainable Development Policy
- Human Rights Policy
- Protected Disclosure Scheme

8.3.1 Discrimination and Harassment – Escalation & Disciplinary Action

For cases relating to Sexual harassment, the Bank has established an Internal Complaints Committee (ICC) as required by the law that investigates cases of sexual misconduct and investigates them through a fair and transparent process and takes action against erring employees. For cases related to non-sexual harassment and other forms of discrimination and unethical conduct, the Bank encourages reporting of all perceived incidents of discrimination, harassment or retaliation, regardless of the offender's identity or position. The Bank shall maintain confidentiality throughout the investigatory process to the extent consistent with adequate investigation and appropriate corrective action. Upon conclusion of the investigation, any misconduct affirmed constituting harassment, discrimination or retaliation will be dealt with appropriately. False and malicious complaints of harassment, discrimination or retaliation (as opposed to complaints that, even if erroneous, are made in good faith) may be the subject of appropriate disciplinary action.

8.3.2 Whistle Blower Policy

The Bank has a Whistle Blower Policy termed as Protected Disclosure Scheme (PDS) with a view to enhance public confidence in the Bank and in compliance of RBI directions in this regard. The policy aims at establishing an effective vigil mechanism in the Bank to quickly spot aberrations and deal with it at the earliest. It is disseminated among the employees assuring confidentiality and protection to the whistle blower against any personal vindictive actions such as humiliation, harassment or any other form of unfair treatment. Directors and Employees of the Bank, employee representative bodies, customers, stakeholders, non-governmental organizations (NGO) and members of the public can lodge complaints / disclosures under this scheme. A dedicated e-mail ID is provided for sending complaints/disclosures under PDS. The detailed policy is available in the Bank's website for reference.

8.3.3 Grievance Redressal Mechanism & Escalation Process

The Bank has a transparent Grievance Redressal Mechanism in place to ensure that complaints are resolved quickly and effectively. All stakeholders including customers can contact the Bank via a variety of channels, including call center, phone banking applications, website, net banking applications and branches.

The customer/stakeholder is having full right to register a complaint if they are not satisfied with the services provided by the Bank. If the complaint is not resolved within the prescribed time or if the complainant is not satisfied with the solution provided by the Bank, they can approach Banking Ombudsman with their complaint or other legal avenues available for grievance redressal. The detailed policy is available in the Bank's website for reference. Bank has also constituted an Internal Banking Ombudsman as per RBI guidelines.

8.3.4 Anti-corruption and Anti-bribery policy

The Bank expects its stakeholders to adhere with the principles of integrity, ethics, and responsibility. Charitable contributions and political donations are not allowed to retain business. The Bank has a zero-tolerance approach to acts of bribery and corruption, by employees or anyone acting on behalf of the Bank. Any breach of this policy, for e.g., any kind of bribe, gift, fee, coupons, sponsoring entertainment and luxury

activity will be regarded as a serious matter by the Bank of which is likely to result in disciplinary action. The Bank will continue to strengthen its internal controls to ensure that it effectively prevents, detects, and investigate such practices.

9 **Responsible Business Activities**

9.1 **Due Diligence Process**

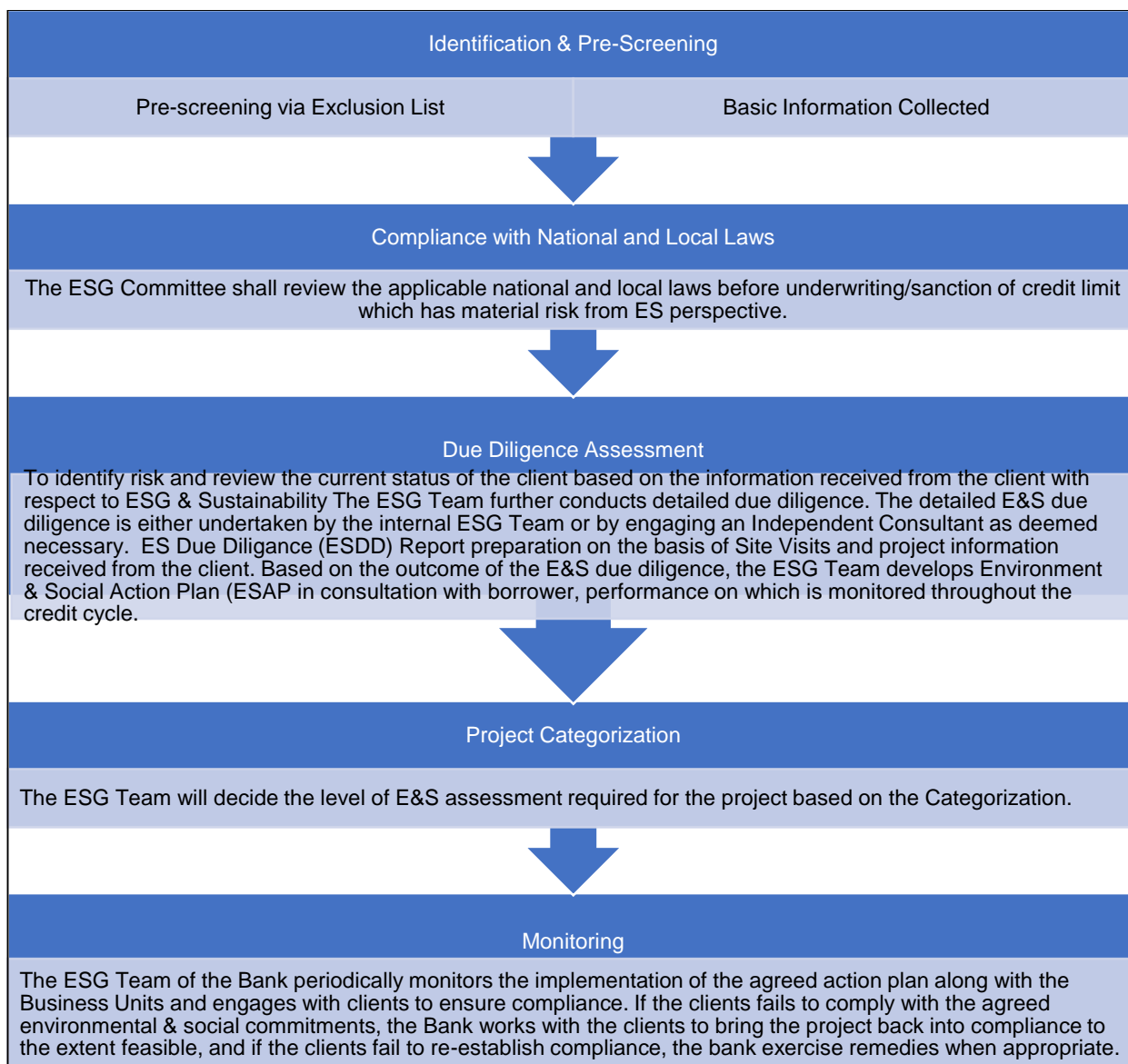
Bank would conduct a due diligence on all business and non-business activities through an ESG lens, wherever such analyses are deemed necessary. To promote responsible business activities based on ESG criteria, the Bank has defined activities and indicators for analysis that are required to be taken into consideration in making its assessment. Such due diligence shall be performed on its customers, products and processes.

The Environmental & Social (ES) due diligence process includes a discussion of critical issues with clients and remediation actions. The final ES risk profile includes an evaluation of the materiality of the identified ES risks and associated reputational risks.

9.2 **Due Diligence Principles**

The Bank expects, as a minimum criterion, that stakeholders, especially customers with credit limits, vendors, etc meet applicable ES laws and regulations relevant to their business processes, consider international best practice approaches, and hold relevant licenses and permits.

E&S Due Diligence Process



Assessment of ESG Risk to be carried out for all credit proposals of Rs. 50 crore and above.

9.3 Project Categorization:

Category	Description
A	Projects with potential significant adverse environmental and social risks and/or impacts that are diverse, irreversible, or unprecedented including Energy, Agriculture and other sectors. Indicative sectors are National Highways and other Roads, Airports and Seaports, Cement, Power (including renewable energy of large sized), Mining and Quarrying, Petroleum and allied products, large plantations, Railways, Iron and steel plants, shipping and harbor, pipelines and terminals, pulp and paper products, tanneries, large group of hospitals (chain of hospitals), large chemicals and metallurgical units.
B	The project / sub-projects / investment with potential limited adverse social or environmental impacts that are few in number, generally site-specific, largely reversible, and readily addressed through mitigation measures including Construction, Forestry and other indicative sectors, viz. general manufacturing, service sector companies, hospitality, pharmaceuticals, hospitals (standalone basis), small and mid-sized constructions, craft paper, leather without tannery units.
C	The project is likely to have minimal or no adverse environmental impacts. No further environmental assessment is required for e.g. Technology and all other sectors which are not classified as category A or category B.

9.4 Exclusion List:

The bank commits to ensuring that funds will not be used to finance the following types of activities and/or end use for all project and corporate loans under the scope of the ESG Policy:

1.	Construction of new and extension of any existing coal-fired thermal power plants that do not have proper emission treatment/pollution control facilities as per the pollution control board/government bodies stipulated standards.
2.	Production of, or trade-in, any product or activity deemed illegal under applicable local or national laws or regulations or subject to internationally agreed on phase-outs or bans
3.	Production or activities involving forced labour or child labour
4.	Trade in wildlife or wildlife products regulated under CITES (Convention on International Trade in Endangered Species or Wild Fauna and Flora)
5.	Drift net fishing in the marine environment using nets in excess of 2.5 km in length.
6.	Destruction of Critical Habitat and any forest project under which no sustainable development and managing plan are carried out.
7.	Production or trade in arms, weapons, and ammunitions, other than as a supplier to a national army
8.	Gambling and casinos
9.	Pornography or prostitution.
10.	Extractive industries, including metals and mining violating government regulations and environmental standards.
11.	Production or trade in radioactive or nuclear materials for the purpose of nuclear weapons
12.	Production or trade in Tobacco
13.	Businesses engaged in human cloning
14.	Manufacturing and marketing of banned drugs including dealing in narcotics.
15.	Industries producing /consuming Ozone Depleting Substances (ODS)

16.	Production or trade in pesticides/herbicides subject to international phase outs or bans
17.	Production or trade in pharmaceuticals subject to international phase outs or bans
18.	Production or trade in or use of un-bonded asbestos fibres subject to international phase outs or bans
19.	Production or trade in or use of hazardous chemicals subject to international phase outs or bans

10 Reporting and Transparency

The Bank will enhance the disclosures on ESG/Non-Financial parameters through a combination of statutory and voluntary reporting. This disclosure shall form part of the bank's Annual Report/any other reports as required under various applicable statutory laws/regulations/guidelines from time to time.

11 Custodian and Review of Policy

Integrated Risk Management Department of the Bank shall be the custodian of this policy. This policy shall be reviewed and approved by the Board of Directors on an annual basis.

Annexure I

ESG Committee Members

1. MD & CEO
2. Executive Director
3. Chief Risk Officer
4. Chief Compliance Officer
5. Chief Financial Officer
6. Chief Human Resources Officer
7. Company Secretary
8. Head – Retail Banking
9. Chief Credit Officer
10. Head – Operations
11. Head – Strategy & Planning
12. Head - Treasury
13. Head – Wholesale Banking
14. Head - SME
15. Head - CRMD
16. Head – Audit & Inspection
17. Head – Admin & Facilities
18. Head – Agri & FI
19. Head – Law
20. Chief Information Security Officer
21. Chief Internal Vigilance Officer
22. Head – BSQIG

Quorum – any 7 members

Annexure – II

Rapid Environmental Assessment (REA) Checklist for Project Finance

Location:

Subproject Title:

Preparer/Date:

SCREENING QUESTIONS	Yes	No	REMARKS
A. Subproject Siting			
Is the Subproject area adjacent to or within any of the following environmentally sensitive areas?			
• Cultural heritage site	<input type="checkbox"/>	<input type="checkbox"/>	
• Legally protected area (core zone or buffer zone)	<input type="checkbox"/>	<input type="checkbox"/>	
• Wetland	<input type="checkbox"/>	<input type="checkbox"/>	
• Mangrove	<input type="checkbox"/>	<input type="checkbox"/>	
• Estuarine	<input type="checkbox"/>	<input type="checkbox"/>	
• Special area for protecting biodiversity	<input type="checkbox"/>	<input type="checkbox"/>	
B. Potential Environmental Impacts			
Will the Subproject cause...			
• impairment of historical/cultural areas; disfiguration of landscape or potential loss/damage to physical cultural resources?	<input type="checkbox"/>	<input type="checkbox"/>	
• disturbance to precious ecology (e.g. sensitive or protected areas)?	<input type="checkbox"/>	<input type="checkbox"/>	
• alteration of surface water hydrology of waterways resulting in increased sediment in streams affected by increased soil erosion at construction site?	<input type="checkbox"/>	<input type="checkbox"/>	
• deterioration of surface water quality due to silt runoff and sanitary wastes from worker-based camps and chemicals used in construction?	<input type="checkbox"/>	<input type="checkbox"/>	
• increased air pollution due to subproject construction and operation?	<input type="checkbox"/>	<input type="checkbox"/>	
• noise and vibration due to subproject construction or operation?	<input type="checkbox"/>	<input type="checkbox"/>	
• involuntary resettlement of people? (physical displacement and/or economic displacement)	<input type="checkbox"/>	<input type="checkbox"/>	

SCREENING QUESTIONS	Yes	No	REMARKS
• disproportionate impacts on the poor, women and children, Indigenous Peoples, or other vulnerable groups?	<input type="checkbox"/>	<input type="checkbox"/>	
• poor sanitation and solid waste disposal in construction camps and work sites, and possible transmission of communicable diseases (such as STI's and HIV/AIDS) from workers to local populations?	<input type="checkbox"/>	<input type="checkbox"/>	
• creation of temporary breeding habitats for diseases such as those transmitted by mosquitoes and rodents?	<input type="checkbox"/>	<input type="checkbox"/>	
• social conflicts if workers from other regions or countries are hired?	<input type="checkbox"/>	<input type="checkbox"/>	
• large population influx during subproject construction and operation that causes increased burden on social infrastructure and services (such as water supply and sanitation systems)?	<input type="checkbox"/>	<input type="checkbox"/>	
• risks and vulnerabilities related to occupational health and safety due to physical, chemical, biological, and radiological hazards during subproject construction and operation?	<input type="checkbox"/>	<input type="checkbox"/>	
• risks to community health and safety due to the transport, storage, and use and/or disposal of materials such as explosives, fuel and other chemicals during construction and operation?	<input type="checkbox"/>	<input type="checkbox"/>	
• community safety risks due to both accidental and natural causes, especially where the structural elements or components of the subproject are accessible to members of the affected community or where their failure could result in injury to the community throughout subproject construction, operation, and decommissioning?	<input type="checkbox"/>	<input type="checkbox"/>	
• generation of solid waste and/or hazardous waste?	<input type="checkbox"/>	<input type="checkbox"/>	
• use of chemicals or hazardous materials?	<input type="checkbox"/>	<input type="checkbox"/>	
• generation of wastewater during construction or operation?	<input type="checkbox"/>	<input type="checkbox"/>	

Overall conclusion on Environment Category (circle one):

A

B

C

Reason for conclusion:

12 SOCIAL SAFEGUARDS SCREENING CHECKLISTS

ADB Social Safeguards Screening Checklists

I. Involuntary Resettlement Impact Checklist

Probable Involuntary Resettlement Effects (Please elaborate in the Remarks column)	Yes	No	Not Known	Remarks
Involuntary Acquisition of Land				
1. Will there be land acquisition?				
2. Is the site for land acquisition known?				
3. Is the ownership status and current usage of land to be acquired known?				
4. Will easement be utilized within an existing right of way (ROW)?				
5. Will there be loss of shelter and residential land due to land acquisition?				
6. Will there be loss of agricultural and other productive assets due to land acquisition?				
7. Will there be losses of crops, trees, and fixed assets due to land acquisition?				
8. Will there be loss of businesses or enterprises due to land acquisition?				
9. Will there be loss of income sources and means of livelihoods due to land acquisition?				
Involuntary Restrictions on Land Use or on Access to Legally Designated Parks and Protected Areas				
10. Will people lose access to natural resources, communal facilities and services?				
11. If land use is changed, will it have an adverse impact on social and economic activities?				
12. Will access to land and resources owned communally or by the state be restricted?				
Information on Displaced Persons:				
Any estimate of the likely number of persons that will be displaced by the Subproject? [] No [] Yes If yes, approximately how many? _____				
Are any of them poor, female-heads of households, or vulnerable to poverty risks? [] No [] Yes				
Are any displaced persons from indigenous or ethnic minority groups? [] No [] Yes				

Overall conclusion on Involuntary Resettlement Category (circle one):

A

B

C

Reason for conclusion:

II. Indigenous Peoples Impact Screening Checklist

KEY CONCERNS (Please provide elaborations on the Remarks column)	YES	NO	NOT KNOWN	Remarks
A. Indigenous Peoples Identification				
1. Are there socio-cultural groups present in or use the subproject area who may be considered as "tribes" (hill tribes, scheduled tribes, tribal peoples), "minorities" (ethnic or national minorities), or "indigenous communities" in the subproject area?				
2. Are there national or local laws or policies as well as anthropological researches/studies that consider these groups present in or using the subproject area as belonging to "ethnic minorities", scheduled tribes, tribal peoples, national minorities, or cultural communities?				
3. Do such groups self-identify as being part of a distinct social and cultural group?				
4. Do such groups maintain collective attachments to distinct habitats or ancestral territories and/or to the natural resources in these habitats and territories?				
5. Do such groups maintain cultural, economic, social, and political institutions distinct from the dominant society and culture?				
6. Do such groups speak a distinct language or dialect?				
7. Have such groups been historically, socially and economically marginalized, disempowered, excluded, and/or discriminated against?				

8. Are such groups represented as "Indigenous Peoples" or as "ethnic minorities" or "scheduled tribes" or "tribal populations" in any formal decision-making bodies at the national or local levels?				
B. Identification of Potential Impacts				
9. Will the subproject directly or indirectly benefit or target Indigenous Peoples?				
10. Will the subproject directly or indirectly affect Indigenous Peoples' traditional socio-cultural and belief practices? (e.g. child-rearing, health, education, arts, and governance)?				
11. Will the subproject affect the livelihood systems of Indigenous Peoples? (e.g., food production system, natural resource management, crafts and trade, employment status)?				
12. Will the subproject be in an area (land or territory) occupied, owned, or used by Indigenous Peoples, and/or claimed as ancestral domain?				
C. Identification of Special Requirements <i>Will the subproject activities include:</i>				
13. Commercial development of the cultural resources and knowledge of Indigenous Peoples?				
14. Physical displacement from traditional or customary lands?				
15. Commercial development of natural resources (such as minerals, hydrocarbons, forests, water, hunting or fishing grounds) within customary lands under use that would impact the livelihoods or the cultural, ceremonial, spiritual uses that define the identity and community of Indigenous Peoples?				
16. Establishing legal recognition of rights to lands and territories that are traditionally owned or customarily used, occupied or claimed by Indigenous Peoples?				
17. Acquisition of lands that are traditionally owned or customarily used, occupied or claimed by Indigenous Peoples?				

D. Anticipated subproject impacts on Indigenous Peoples

Subproject Component/ Activity/ Output	Anticipated Positive Effect	Anticipated Negative Effect
1.		
2.		
3.		
4.		
5.		

Overall conclusion on Indigenous Peoples Category (circle one):

A

B

C

Reason for conclusion:

Annexure III**E & S Checklist - Annexure A**

Checklist for Green category industry (With Pollution Index (PI) score up to 40 as per Pollution Control Board certification OR List (Annexure III) as per Classification of Industries)	
Name and address of Project/borrower:	
Name (s) of Senior Managers (Point of Contact):	
Date and place of discussion:	
Discussion/review point	Observation and next steps
<ul style="list-style-type: none"> Does the establishment have developed a formal HR Policy / Procedures or any similar procedure to manage the workforce? 	
<ul style="list-style-type: none"> Clauses pertaining to Entitlement to and payment of wages along with details of permissible wage deductions have been defined in the procedures? 	
<ul style="list-style-type: none"> Clauses pertaining to overtime payments; hours of work and any legal maximums have been defined in the procedures? 	
<ul style="list-style-type: none"> Any indication of child or forced labour? 	
<ul style="list-style-type: none"> Does the policy also include sexual harassment, employee grievance redressal? 	
<ul style="list-style-type: none"> Has the policy defined disciplinary and termination procedures and rights? 	
Other points: Health and safety <ul style="list-style-type: none"> What fire safety provisions have been made? What accident/first aid measures are made available? Does the company provide adequate protective equipments like nose mask, earplugs, helmets, eye protection (as appropriate for the type of job and industry) Proper provisioning for safe drinking water, sanitation facilities, place to eat 	
Does the establishment have the following- <ul style="list-style-type: none"> A prior NOC /consent from State Pollution Control Board (SPCB) Valid labour license Valid registration of establishment under shops and establishment act or factories act. Valid Fire NOC 	Where not applicable- identify the same; where pending identify a date for achieving the same.
Assessment undertaken by: Name: Signature:	

Checklist for Orange and Red category industry (With Pollution Index (PI) score 41 and above as per Pollution Control Board certification OR List (Annexure III) as per Classification of Industries)	
Name and address of Project/borrower:	
Name (s) of Senior Managers (Point of Contact):	
Date and place of discussion:	
Discussion/review point	Observation and next steps
<ul style="list-style-type: none"> Does the entity have a policy which also include sexual harassment, employee grievance redressal? 	
<ul style="list-style-type: none"> Has the entity have a policy defined disciplinary and termination procedures and rights? 	
<ul style="list-style-type: none"> Clauses pertaining to entitlement to leave for holidays, vacation, illness, injury, and maternity and other reasons have been defined in the procedures? 	
<ul style="list-style-type: none"> Conditions of work, Occupational safety, hygiene and emergency preparedness has been covered in policy and procedures? 	
<ul style="list-style-type: none"> Vocational training opportunities has been defined in the policy and procedures? 	
Health and safety <ul style="list-style-type: none"> What fire safety provisions have been made? What accident/first aid measures are made available? Does the company provide adequate protective equipments like nose mask, earplugs, helmets, eye protection (as appropriate for the type of job and industry) Proper provisioning for safe drinking water, sanitation facilities, place to eat 	
Does the establishment have the following- <ul style="list-style-type: none"> A valid Consent to Operate from State Pollution Control Board (SPCB) Valid Environment Clearance Valid labour license Valid registration of establishment under shops and establishment act or factories act. Valid Fire NOC 	
Does the establishment have systems/resources for the following; <ul style="list-style-type: none"> Monitoring ongoing compliance with national laws Reporting accidents/incidents EHS /Safety officer (s) Any Management System certification? 	
Have there been any of the following incidents in past 3 years <ul style="list-style-type: none"> Adverse findings in the audit by Factories inspector Showcause notices by PCB or Factories inspector or labour department Any major fire incident/ fatal accident/ labour strike Any court case/ labour dispute 	
Summary of risk and corrective action plan	

Assessment undertaken by:

Name:

Signature:

Annexure B

(in cases where Annexure A is not applicable, i.e. Pollution Control Board certification not available/applicable)

Date:

.....Name of the FI.....

Sir,

Loan facility of upto Rs. _____ /- sanctioned to me/us.

With reference to the subject loan / credit facility sanctioned to me/us, I/we hereby declare and confirm that my/our

The purpose of the above loan is:-

- 1) Purchase of equipment
- 2) Purchase of machinery
- 3) Purchase of Vehicles
- 4) Working Capital in respect of my/our business
- 5) Others -

I/We also declare that we do not –

- a) Employ any Child or Forced Labour in our business
- b) Indulge in any prohibited activities & Polluting High Risk business as prescribed by State Pollution Control Board without appropriate license to operate
- c) Indulge in business without appropriate license and documents as required by Law to operate
- d) Involved in activities mentioned in negative industry list of FI

Borrower

Sign:

Name:

Annexure C

Classification of industries [Red, Orange & Green Categories]

I. List of Industries under 'RED' Category

A. Industries identified by Ministry of Environment & Forests, Govt. of India as heavily polluting and covered under Central Action Plan, viz.

(1)	Distillery including Fermentation industry.
(2)	Sugar (excluding Khandsari)
(3)	Fertiliser.
(4)	Pulp & Paper (Paper manufacturing with or without pulping).
(5)	Chlor alkali
(6)	Pharmaceuticals (Basic) (excluding formulation).
(7)	Dyes and Dye-intermediates.
(8)	Pesticides (Technical) (excluding formulation).
(9)	Oil refinery (Mineral oil or Petro refineries).
(10)	Tanneries
(11)	Petrochemicals (Manufacture of and not merely use of as raw material).
(12)	Cement
(13)	Thermal power plants
(14)	Iron and Steel (Involving processing from ore/ scrap/Integrated steel plants)
(15)	Zinc smelter
(16)	Copper smelter
(17)	Aluminium smelter

B. Industries manufacturing following products or carrying out following activities

(1)	Tyres and tubes Vulcanisation/Retreading/ moulding).
(2)	Synthetic rubber.
(3)	Glass and fibre glass production and processing.
(4)	Industrial carbon including electrodes and graphite blocks, activated carbon, carbon black etc.
(5)	Paints and varnishes (excluding blending/mixing).
(6)	Pigments and intermediates.
(7)	Synthetic resins.
(8)	Petroleum products involving storage, transfer or processing.
(9)	Lubricating oils, greases or petroleum - based products.
(10)	Synthetic fibre including rayon, tyre cord, polyester filament yarn.
(11)	Surgical and medical products involving prophylactics and latex.
(12)	Synthetic detergent and soap.

(13)	Photographic films and chemicals.
(14)	Chemical, petrochemical and electrochemicals including manufacture of acids such as Sulphuric Acid, Nitric Acid, Phosphoric Acid etc.
(15)	Industrial or inorganic gases.
(16)	Chlorates, perchlorates and peroxides.
(17)	Glue and gelatine.
(18)	Yarn and textile processing involving scouring, bleaching, dyeing, printing or any effluent/emission generating process.
(19)	Vegetable oils including solvent extracted oils, hydro-generated oils.
(20)	Industry or process involving metal treatment or process such as picking, surface coating, paint baking, paint stripping, heat treatment, phosphating or finishing etc.
(21)	Industry or process involving electroplating operations.
(22)	Asbestos and asbestos-based industries.
(23)	Slaughter houses and meat processing units.
(24)	Fermentation industry including manufacture of yeast, beer etc.
(25)	Steel and steel products including coke plants involving use of any of the equipment's such as blast furnaces, open hearth furnance, induction furnance
(26)	Incineration plants
(27)	Power generating plants (excluding D.G. Sets).
(28)	Lime manufacturing
(29)	Tobacco products including cigarettes and tobacco processing.
(30)	Dry coat processing/ Mineral processing industries like ore sintering, palletization, etc.
(31)	Phosphate rock processing plants.
(32)	Coke making, coal liquefaction, coaltar distillation or fuel gas making.
(33)	Phosphorous and its compounds.
(34)	Explosives including detonators, fuses etc.
(35)	Fire crackers.
(36)	Processes involving chlorinated hydrocarbons.
(37)	Chlorine, fluorine, bromine, iodine and their compounds.
(38)	Hydrocyanic acid and its derivatives.
(39)	Milk processing and dairy products (Integrated Project).
(40)	Industry or process involving foundry operations.
(41)	Potable alcohol (IMFL) by blending or distillation of alcohol.
(42)	Anodizing.
(43)	Ceramic/ refractories.
(44)	Lead processing and battery reconditioning & manufacturing including lead smelting.
(45)	Hot Mix plants
(46)	Hospitals
(47)	Mining and ore-beneficiation

II. List of Industries 'ORANGE" Category.

(1)	Manufacture of mirror from sheet glass and photoframing.
(2)	Cotton spinning and weaving.
(3)	Automobile servicing and repairs stations.
(4)	Hotels and restaurants.
(5)	Flour mills (excluding Domestic Aatta Chakki)
(6)	Malted food.
(7)	Food including fruits and vegetable processing.
(8)	Pulping and fermenting of coffee beans.
(9)	Instant tea/coffee, coffee processing.
(10)	Non-alcoholic beverages (soft drinks)
(11)	Fragrances and industrial perfumes.
(12)	Food additives, nutrients and flavours.
(13)	Fish processing.
(14)	Organic nutrients.
(15)	Surgical and medical products not involving effluent/ e mission generating processes.
(16)	Laboratory-wares.
(17)	Wire drawing (cold process) and bailing straps.
(18)	Stone crushers.
(19)	Laboratory chemicals involving distillation, purification process.
(20)	Tyres and tubes vulcanisation, vutcanisation, retreading, moulding.
(21)	Pesticides/Insecticides/ Fungicides/ Herbicides/ Agro chemical formulation.
(22)	NPK Fertilisers/ Granulation.
(23)	Pharmaceuticals formulation.
(24)	Khandsari sugar.
(25)	Pulverizing units.

III. List of Industries under "GREEN" category.

- A. Industries in Small Scale, Cottage/Village category suggested under notification of the State Government/Union Territory for issuance of simplified NOC/Consent from State Pollution Control Board/Pollution Control Committee, as the case may be.
- B. All those industries or processes which are not covered under the "Red" and/or "Orange" category; An illustrative list is provided below.

(1)	Wasting of used sand by hydraulic discharge.
(2)	Atta-chakkies.
(3)	Rice mull.ors.
(4)	Steeping and processing of grains.
(5)	Mineralised water.
(6)	Dal mills.
(7)	Bakery products, biscuits confectionery.
(8)	Groundnut decorticating (dry).
(9)	Supari (Betelnut) and masala grinding.
(10)	Chilling plants and cold storages.

(11)	Ice-cream or Ice-making.
(12)	Tailoring and garment making.
(13)	Cotton and woolen hosiery.
(14)	Apparel making
(15)	Handloom weaving
(16)	Shoelace manufacturing
(17)	Gold and silver thread zari work.
(18)	Gold and silver smithy.
(19)	Leather footwear and leather products excluding tanning and hide processing.
(20)	Musical instruments manufacturing.
(21)	Sports goods.
(22)	Bamboo and cane products (only dry operations)
(23)	Cardboard or corrugated box and paper products (Paper or pulp manufacturing excluded).
(24)	Insulation and other coated papers (Paper or pulp manufacturing excluded).
(25)	Scientific and mathematical instruments.
(26)	Furniture (wooden and steel).
(27)	Assembly of domestic electrical appliances.
(28)	Radio assembling.
(29)	Fountain pens.
(30)	Polythene, plastic and P.V.C. goods through extrusion moulding.
(31)	Rope (cotton and plastic).
(32)	Carpet weaving.
(33)	Assembly of air coolers, conditioners.
(34)	Assembly of bicycles, baby carriage and other small non-motorised vehicles.
(35)	Electronics equipment (Assembly).
(36)	Toys.
(37)	Water softening and demineralised plants.
(38)	Paint (by mixing process only).
(39)	Candles.
(40)	Carpentry (excluding saw mill).
(41)	Oil ginning/expelling (no hydrogenation/refining).
(42)	Jobbing and machining.
(43)	Manufacture of steel trunks and suitcases.
(44)	Paper pins and U-clips.
(45)	Block making for printing.
(46)	Optical frames.
(47)	Powerlooms./handlooms (without dyeing & bleaching).
(48)	Printing press.
(49)	Garments stitching, tailoring.

(50)	Thermometer making.
(51)	Footwear (rubber).
(52)	Plastic processed goods.
(53)	Medical and surgical instruments
(54)	Electronic and electrical goods.
(55)	Rubber goods industry.

Annexure IV

The National Guidelines for Responsible Business Conduct (NGRBC) as prescribed by the Ministry of Corporate Affairs advocates nine principles referred are as given below:

Principle 1	Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent, and accountable.
Principle 2	Businesses should provide goods and services in a manner that is sustainable and safe.
Principle 3	Businesses should respect and promote the well-being of all employees., including those in their value chains.
Principle 4	Businesses should respect the interests of, and be responsive to all its stakeholders.
Principle 5	Businesses should respect and promote human rights.
Principle 6	Business should respect and make efforts to protect and restore the environment.
Principle 7	Businesses, when engaging with influencing public and/or any regulatory policy/body, should do so in a manner that is responsible and transparent
Principle 8	Businesses should promote inclusive growth and equitable development.
Principle 9	Businesses should engage with and provide value to their consumers in a responsible manner.

Principle 1: Businesses should conduct and govern themselves with integrity and in a manner that is ethical, transparent, and accountable.

The principle aims to adopt, implement, and make disclosures about company performance in a fair manner. The principle emphasizes the use of ethical business practices across the value chain of the company and is put into practice using the company governance structure by defining economic, social, and environmental responsibilities.

Key components of Principle 1

- Under this indicator, detailed disclosure on fines, penalties, punishments, awards, compounding fees, and settlement sums paid in proceedings by the entity or by directors or KMPs to the regulator during the fiscal year is to be reported.
- Disclosure on steps taken to establish or review internal controls and for handling corruption and bribery complaints like reports of an anti-corruption training sessions is provided.

- Report on conflict of interest and corrective actions at each reportable level; providing information on the number of complaints received regarding conflicts of interest involving the directors or KMPs.
- Description on the procedures used to manage conflicts of interest involving board members can be disclosed under this indicator

Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe.

The principle emphasises that companies should put safety and resource efficiency first when designing and producing their goods. The goods must be produced in such a way that, from the time of their conception until their final disposal, they minimize and mitigate their negative effects on the environment and society while also adding value. This principle pushes organizations to comprehend all material sustainability challenges throughout the life cycle and value chain of their products

Key components of Principle 2:

- Details of resource allocation by capital investments and the R&D budget to enhance the effects that a company's products have on society and the environment.
- Specification of strategy for calculating and reducing the company's products, if any unfavourable effects on the environment and society at large.
- Guidelines for sustainable sourcing by determining the sources of sustainable inputs and additionally report details of the products acquired sustainably and otherwise.
- Details of EPR applicable and waste collection that is submitted to the Pollution Control Board.
- Details of choosing the product line and level, up to which LCA will be undertaken is step one in the LCA process.
- Disclosure of the proportion of recycled input materials used in manufacturing including the quantity of reclaimed products and their packaging material used in the process as an input.

Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains.

- The principle encompasses all practices and policies that promote equity, dignity, and well-being for all workers who are involved in a company's value chain or within its own organisation, without discrimination and in a way that respects diversity, as well as the provision of decent work for all of them. A worker's welfare and the welfare of his or her family are both mentioned in the principle.
- Key components of Principle 3:
- Included in this indicator are specifications of actions taken and policies framed to promote the health and welfare of workers and employees.
- Details of retirement benefits, for the present and prior fiscal year that are given to workers and/or employees for the current and the prior fiscal year.
- Disclosure of details to assure regarding the action taken by businesses for their offices and premises to make it accessible to workers and employees with disabilities
- Information on the percentages of permanent employees who returned to the workplace and those who took parental leave.
- Details of training imparted to the employees and workers on health and safety measures and on skill upgradation
- Reporting on performance and career development reviews of employees and worker by establishing a process to receive and address grievances from permanent employees and other workers.
- Details of life insurance and compensatory package to permanent and contractual employees.

- Providing details of the number of employees/workers having suffered high-consequence work-related injury/ illhealth / fatalities, who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment.
- Report on transition assistance program and its frequencies to facilitate continued employability by formulation of the program based on the requirements of the reporting entity.

Principle 4: Businesses should respect the interests of and be responsive to all their stakeholders.

This principle acknowledges that businesses operate in an eco-system that includes some stakeholders, such as shareholders and investors, and that their activities have an impact on natural resources, habitats, communities, and the environment. The principle emphasizes that businesses have a responsibility to maximize the positive effects while minimizing and mitigating the negative effects of their products, operations, and practices on their stakeholders.

Key components of Principle 4 :

- Details on identifying key stakeholders based on the total number of stakeholders identified and categorization as groups to identify priority of engagement.
- Report on understanding the level and scope of engagement required with each type of stakeholder and whether they to a vulnerable/marginalized group.
- Report on formulation of processes for consultation between stakeholders and the Board on economic, environmental, and social topics- and subsequent feedback that are received during the activity.
- Details of concerns of vulnerable/ marginalized group of stakeholders addressed by establishing the framework for utilizing the inputs collected during policy formulation and determine the arrangements required to address the worries of marginalized or vulnerable stakeholders.

Principle 5: Businesses should respect and promote human rights.

The principle acknowledges that businesses operate in an ecosystem that includes some stakeholders, including shareholders and investors, and that these operations have an impact on the environment, natural resources, ecosystems, and communities. It emphasizes that businesses must maximize the positive effects of their operations, behaviours, and products on their stakeholders minimize and manage the negative effects. These rights are viewed as being inherent, unalienable, interconnected, and indivisible.

Key components of Principle 5:

- Details of training on human rights issues and policies to the employees and stakeholders in current and previous fiscal year.
- Details of minimum wage paid to employees and workers under the terms of the labour code. The information on the salaries, remuneration, and wages paid to directors, KMPs, employees, and workers. Calculation of the median salary, remuneration, and salary paid for reporting are also reported.
- Details of grievance mechanism for HR issues that is established internally to address complaints about human rights violations.
- Information on the percentage of the company's offices and factories that were evaluated for: sexual harassment, employment discrimination, forced or involuntary labour, child labour, wages, and other issues are reported as well.
- Disclosure of the corrective measures that have been taken or are being considered to address major risks or concerns identified by the assessments
- Details of Business Process Modification to address human rights grievances/ complaints including any alteration in business procedure as a remedial action.
- Details of human rights due diligence by defining the extent and use of such due diligence.

- Reports on evaluations of VCPs on the following topics: sexual harassment, workplace discrimination, child labour, forced labour/involuntary labour, wages, and other topics

Principle 6: Businesses should respect and make efforts to protect and restore the environment.

According to this principle, efforts should be made to address problems like pollution, biodiversity conservation, sustainable resource use, and climate change in a thorough and methodical manner. It also gives preference to environmental issues that are interconnected at the local, regional, and global levels. The guiding principle pushes businesses to implement environmental procedures and practices that reduce or eliminate the negative consequences of their activities across the value chain. Additionally, it persuades companies to act in accordance with the precautionary principle at all times.

Key components of Principle 6

- Details of energy consumption, GHG emission, water, air, waste, etc by calculating the company's total energy consumption and total energy intensity for the current fiscal year and the prior fiscal year.
- Details of obtaining environmental approvals or permissions if the business has operations or offices in or close to environmentally sensitive areas.
- Report on environmental impact assessments of projects, the company is working on based on the laws that are in effect during the current fiscal year.
- Details of energy consumed from Renewable Energy and non-renewable energy consume for the current fiscal year and the prior fiscal year.
- Details related to water discharged including, information on the use, leakage, and treatment of water/other liquids.
- Details of water withdrawal, consumption, and discharge in areas of water stress (in kilolitres). • Source-wise scope 3 emissions detail in the format specified in guidelines given by BRSR.
- Details of evaluation of the company's value chain to identify the materials that can cause environmental harm.
- Disclosure on development of a framework to implement strategies to prevent or reduce the adverse effects in case of any disaster

Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

This principle acknowledges that business functions are under national and international regulatory and policy frameworks that direct their growth and give distinct limits and bounds. The idea acknowledges that corporations can legitimately interact with governments to have their complaints heard or to have their opinions heard in the formulation of public policy. Additionally, public policy advocacy must advance the common good according to the law.

Key components of Principle 7

- Details of the chambers and associations with which to affiliate based on the industry in which the entity conducts business.
- Report on corrective actions taken in case of anti-competitive behaviour.
- Details of public policy positions advocated by the entity by identifying the areas of improvement based on existing laws and guidelines.

Principle 8: Businesses should promote inclusive growth and equitable development.

The principle highlights the national and development agenda in accordance with the goals and priorities of the government, while identifying the country's social and economic development difficulties. This is important in areas where social unrest and low human development are prevalent. In this development

agenda, the principle underlined the importance of commercial, governmental, and civil society collaboration. This idea affirms the interdependence between economic success, inclusive growth, and equitable development.

Key components of Principle 8

- Details of SIA undertaken during land acquisition that includes disclosure of frequency of assessments and resulting corrective measures that were taken by the businesses, if they were needed.
- Details on projects for which rehabilitation and resettlement are ongoing projects of the entity in an eco-sensitive area.
- Report on community grievance mechanism for resolution of local community complaints
- Details of percentage and types the materials that should be purchased from MSMEs and small enterprises.
- Disclosure on identification of Beneficiaries of CSR Projects and the actions taken to mitigate negative social impacts to them.
- Details on ongoing CSR projects in aspirational districts and procurement from marginalized/vulnerable groups.
- Details of benefit and corrective action taken from intellectual properties owned based on conventional knowledge by entity.

Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner.

The underlying tenet of the principle is that a company's main goal is to provide safe products and services to its customers, thereby generating value for both parties. In recognition of the fact that consumers have a wide range of options for the products and services they use, businesses work hard to offer their customers products that are secure, reasonably priced, simple to use, and safe to discard. Businesses, together with other important stakeholders, play a key role in reducing the negative impacts of excessive consumption of their products on the society's general well-being.

Key components of Principle 9

- Details of the procedures for receiving and handling customer complaints and feedback.
- Details of instances of product recalls which were voluntary or compulsory.
- Report of attention on the cyber-related threat to data privacy by the employees and stakeholders.
- Details of number of consumer complaints received in current fiscal year and previous fiscal year on advertising, data privacy, cyber security, provision of basic services, restrictive trade practices, unfair trade practices, and others.
- Disclosure about method and extent of product information on a product is required by local laws to consumers in case of discontinuation of product.
- Information of number and percentages of data breaches of customer information in identifiable categories.

Annexure V

CLIMATE RISK MEASUREMENT AND MANAGEMENT

RBI has advised Banks to have processes to identify, assess, prioritize and monitor climate-related financial risks and opportunities, including whether and how those processes are integrated into and inform the Bank's overall risk management process.

Accordingly, Bank has identified the following risk possibilities and its significance:

Risk Type	Risk Metrics	Micro -level: How do climate risk drivers cause Bank-specific risks	Macro-level: Potential for climate to cause systemic/financial stability risk?
Operational Risk	Proportion of facilities in risky areas Level of preparedness by Bank	Physical Risk – leading to more frequent, more severe extreme weather can cause property damage and business interruption, both to a business own facilities and to supply chains. Transition Risk can transmit risk in case of abrupt policy changes leading to facility shutdowns.	Limited – Only under a specific set of circumstances, such as where a sector has high geographic concentration.
Credit Risk	Probability of default (PD) Loss given default (LGD) Exposure at default (EAD)	Physical Risk causing property damage and business interruption can lead to loss of revenues and lower profits, worsening a firm's financial position and increasing PD. Transition Risk causing asset stranding can worsen a firm's financial position increasing its PD and increasing the LGD for a lender given the lower asset valuations.	Significant – Sector wise asset stranding or changes in demand can impact sector revenues and increase sector-level PD, posing financial stability risks in the case of important sectors and for exposed financial institutions.
Liquidity Risk	Credit Deposit Ratio Liquidity Ratios	Abrupt Physical and Transition risks – related events such as natural disasters or abrupt policy changes can prompt sharp repricing and sudden	Significant – A “climate Minsky moment” could cause abrupt and wide enough repricing and dislocation to

	Bid-ask risk	market re-evaluation of firms' viability leading to widening of bid-ask spreads. Abrupt climate events can prompt large demand for deposit withdrawals at banks, raising their credit deposit ratio.	constitute a market liquidity shock.
Underwriting/insurance risk	Change in insurance premiums	Physical risk can lead to higher insurance premiums for corporations, or, in more severe cases, for certain facilities in extremely vulnerable areas to become uninsurable, with no insurance available.	Significant – If a number of insurers withdraw or refuse coverage, this might leave firms completely without coverage, potentially amplifying risks to financial stability.
	Availability of insurance	Transition Risk can lead to less insurance availability, as some insurers refuse to underwrite certain kinds of activities and facilities, such as thermal coal power plants.	
Market Risk	(Weighted average) carbon intensity (Climate) value at risk Portfolio risk scores	Physical and Transition Risk can become more widely incorporated in asset prices, both through abrupt repricing as well as more gradually. Large-scale shifts in input and product markets affect non-financial corporations. Shifts in asset prices increase the risk of financial institutions' portfolios.	Significant – Climate Risk is expected to produce sector and market wide repricing of many if not most assets and commodities, causing dislocation and potential systemic risks.