सेन्ट्रल बैंक ऑफ़ इंडिया
Central Bank of India
1911 से आपके लिए "केंद्रित" "CENTRAL" TO YOU SINCE 1911

VISION DOCUMENT ON ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG)

TOWARDS NET ZERO (SCOPE 1) BY 2028

CENTRAL BANK OF INDIA – ENABLING SUSTAINABLE FUTURE

- Developed & Mentored by ESG Task Force

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Central Bank of India's ESG Efforts for Moving Towards Net Zero

The Central Bank of India was the first visionary bank of the Country established in the independent India in 1911 by its founder Sir Sorabji Pochkhanawala. As the first swadeshi bank, CBI has been instrumental in furthering values and interests of the nation, and since has been a key player in the banking sector's reforms and transformations. The century old history of the bank is marked by many trials and triumphs through which shines its unrelenting commitment to greater good. With a view to sustain this, the Bank has voluntarily pledged to achieve Net Zero by 2028 as part of its Scope 1 target. This decision is in furtherance of Government of India's 2070 Net Zero goals. To reach the said aims, the Bank seeks to actively promote financing of sectors implementing climate change adaption measures. By introducing Environment, Social and Governance parameters in its operations the Bank is striving to improve all the ways it serves its customers.

Mr. M. V. Rao, the MD and CEO of the Bank, underscores the pivotal insights from the UNEP Adaption Gap Report 2022 and states, *"According to the [UNEP 2022] report, developing countries may require over US $ 200 billion per year by 2030 to effectively address adaption needs. In recognition of the crucial role of finance in the global implementation, advancement, and sustainability of adaption efforts in both human systems and ecosystems, the Bank is committed to addressing this challenge."* He reveals, *"During the commendable increase in climate finance over the past decade, the funding allocated for adaption falls significantly short of the actual requirements. In light of this, our institution has embarked on a journey towards sustainability. Through a series of strategic initiatives, the Central Bank plans to make substantial economic, environmental, and social interventions and investments aligned with our sustainability vision."*

The Bank is resolute in its commitment to leverage digital processes and technologies while adhering to both national and international frameworks. Furthermore, the institution is dedicated to proactively addressing and mitigating the impacts of climate change. Navigating the challenge of ESG standards implementation across the value chain, the institution is dedicated to leveraging best-in-class data centers, producing carbon-neutral products, and introducing innovative and new ESG-compliant products for its customers. This multifaceted approach reflects our unwavering commitment to sustainable practices and responsible banking.

Anticipated consequences of climate change are expected to escalate significantly in the future, surpassing previously projected scenarios. Consequently, it becomes imperative to take swift and decisive measures to enhance and expedite the provision of adaption finance. This proactive approach is critical to bridging the widening gap in climate adaption and effectively mitigating or averting potential risks associated with climate change.

Executive Summary

Addressing climate change is one of the greatest challenges today. International agreements, such as the Paris Agreement and the Glasgow Climate Pact, have garnered international consensus around the urgency of addressing this challenge by setting a clear goal of limiting global warming to 1.5°C above pre-industrial levels, halting and reversing global warming through reaching a net zero level of greenhouse gas (GHG) emissions by 2050. International agencies have spelled out the scale of this challenge, which requires an overhaul of all elements of the global economy, and time is of essence here.

In India, norms for, Environmental, Social and Governance (ESG) were introduced in 2020 by market regulator-SEBI for the top 1000 listed firms by market capitalization. At the same time understanding its value perspective, ESG funds are gaining popularity in the Bond markets and Mutual Fund. How an organization is handling the risk related to sustainability and its impact on future cash flow becomes a deciding factor for accessing resources and investment apart influencing their decisions.

Our country always acts as a thought leader and believes in Vasudev Kutumbkum. We are the country who believes that while pacing with growth, we need to create balance in development and ecological eco-system. Looking into this aspect that we must achieve Net Zero and as a country and it is our responsibility that each one of us assumes accountability and set our targets for Net Zero at the earliest.

Central Bank of India while understanding that in its journey of Net Zero though primarily focused on Scope 1, also initiated various steps to Measure, Monitor and Control the Scope 3 emissions. This Document will enumerate the various steps to be initiated by the Central Bank of India not only for Environmental aspect to achieve Net Zero emissions under Scope1 by 2028 but also towards Social and Governance aspects of ESG.

The bank's strategy has been developed in accordance with different regulatory frameworks such as guidelines issued by SEBI on BRSR (Business Responsibility and Sustainability Reporting), as well as the Green Fixed Deposit framework issued by RBI (Reserve Bank of India), Principles for Responsible Banking (PRB) developed by United Nations Environment Programme (UNEP) Finance Initiative and Taskforce on Climate related Financial Disclosures (TCFD).

The report gives brief on each framework followed by the ESG practices implemented with the Bank. Next section explains the components of the framework and how it will be guided by the policy framed by the Bank. Net Zero Targets and other goals towards sustainability are enumerated with the timeline. It also lays out the disclosures to be made by the Bank at periodic intervals.

Introduction to Sustainability

UN Principles of Responsible Banking

United Nations Environment Programme (UNEP) was founded in 1972 following the landmark UN Conference on the Human Environment. It was conceived to monitor the state of the environment, inform policy making with science, and coordinate responses to the world's environmental challenges and worked closely with industry in developing environmental management strategies.

UNEP Finance Initiative 1992, brings together a large network of banks, insurers and investors and provides a practical approach to effectively establish industry norms and provides a blueprint for the finance sector to tackle global challenges and set strategies and operations on a sustainable pathway. In 2019, a coalition of 132 banks convened by UNEP FI developed the first global sustainability framework for the banking industry when they launched the Principles for Responsible Banking. The Principles for Responsible Banking consists of 6 Principles and are designed as a unique framework for banks' so that their strategy and practices align with the vision, society has set out for its future in the Sustainable Development Goals and the Paris Climate Agreement. The Principles for Responsible Banking include the Net-Zero Banking Alliance, which is the climate-focused initiative of this global framework.

ALIGNMENT- We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.

IMPACT & TARGET SETTING- We will continuously increase our positive impacts while reducing the negative impacts, and managing the risks to people and environment resulting from our activities, products and services. To this end we will set and publish targets where we can have the most significant impacts.

CLIENTS & CUSTOMERS- We will work responsibly with our clients and customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

STAKEHOLDERS- We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.

GOVERNANCE & CULTURE - We will implement our commitment to these Principles through effective governance and a culture of responsible banking.

TRANSPARENCY & ACCOUNTABILITY- We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.

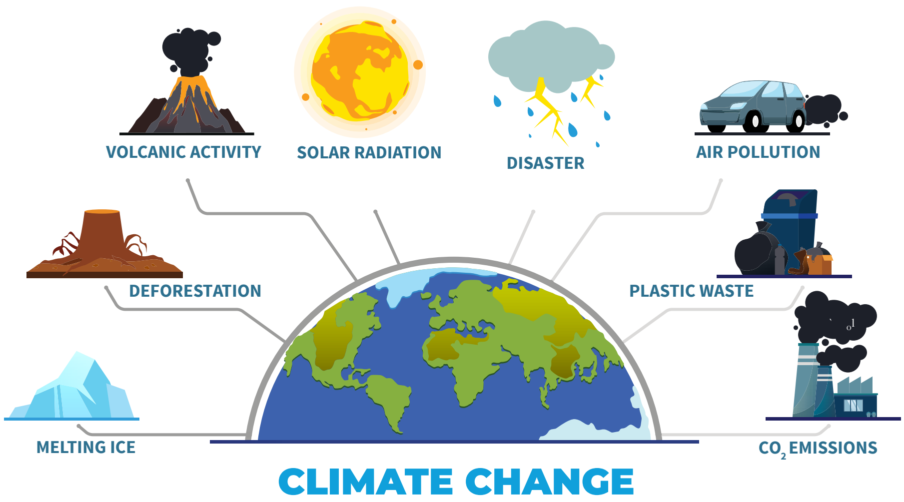
Sustainable Development Goals

The 17 Sustainable Development Goals (SDGs) are interrelated goals and represent an ambitious agenda to achieve a Sustainable Future by 2030 which were adopted by 193 Member States of the United Nations on September 25, 2015. Achieving the ESG Goals in a way contributes towards setting the agenda for "a comprehensive plan of action for people, prosperity, planet, partnership and peace".

International Developments

The UN Climate Change Conference in Glasgow (COP26) brought together 120 world leaders in 2021 and the world was riveted on all facets of climate change — the science, the solutions, the political will to act, and clear indications of action. India also participated and presented the following five nectar elements (Panchamrit) of India's climate action:

- Reach 500GWNon-fossil energy capacity by 2030.
- 50 per cent of its energy requirements from renewable energy by 2030.
- Reduction of total projected carbon emissions by one billion tonnes from now to 2030.
- Reduction of the carbon intensity of the economy by 45 per cent by 2030, over 2005 levels.
- Achieving the target of Net Zero emissions by 2070.



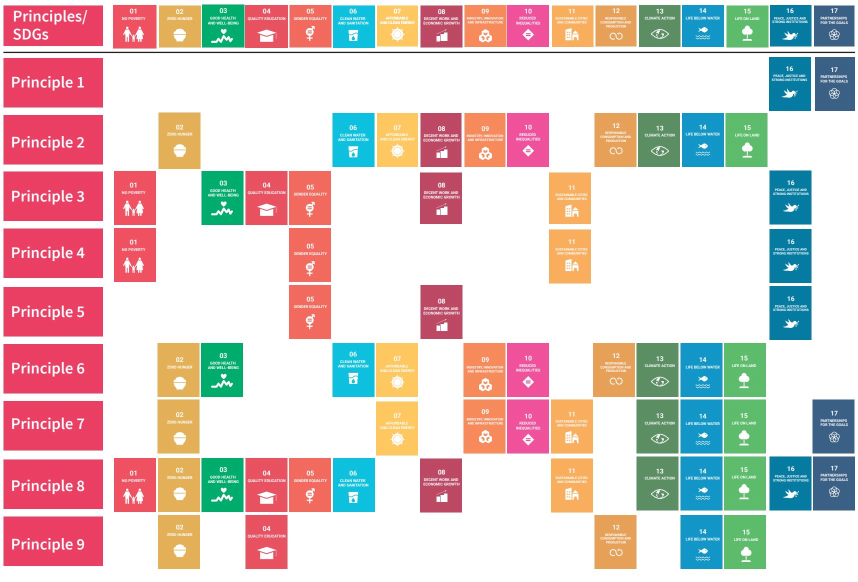
ESG Reporting frameworks and Standards

Business Responsibility & Sustainability Reporting

Voluntary frameworks by countries, multilateral institutions and financial community are on the rise. In India, the RBI circular of 2007 brought home the need for Non-Financial Reporting and urged FIs to integrate sustainable development in their practices. The 2011 guidelines on sustainability released by the Ministry of Corporate Affairs, known as the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) explained the gamut of risks and opportunities for business action spread across nine ESG principles. Subsequently in 2012, SEBI's requirement of mandatory reporting on the NVGs for the top 100 listed businesses through Business Responsibility reports (BRRs) gave disclosures or non-financial reporting a regulatory push.

As per SEBI Notification dated May 2021, Business Responsibility and Sustainability Reporting (BRSR) Reporting is mandatory for the top 1,000 listed companies (by market capitalization) from FY2022–23, while disclosure was voluntary for FY2021–22. BRSR is also based on the National Guidelines on Responsible Business Conduct (NGRBC) principles issued by the Ministry of Corporate Affairs (MCA), Govt. of India. BRSR Principles have been aligned with SDGs so as to collectively respond to the persistent challenges arising out of Environmental, Social and Governance.

Alignment of BRSR Principles with the SDGs

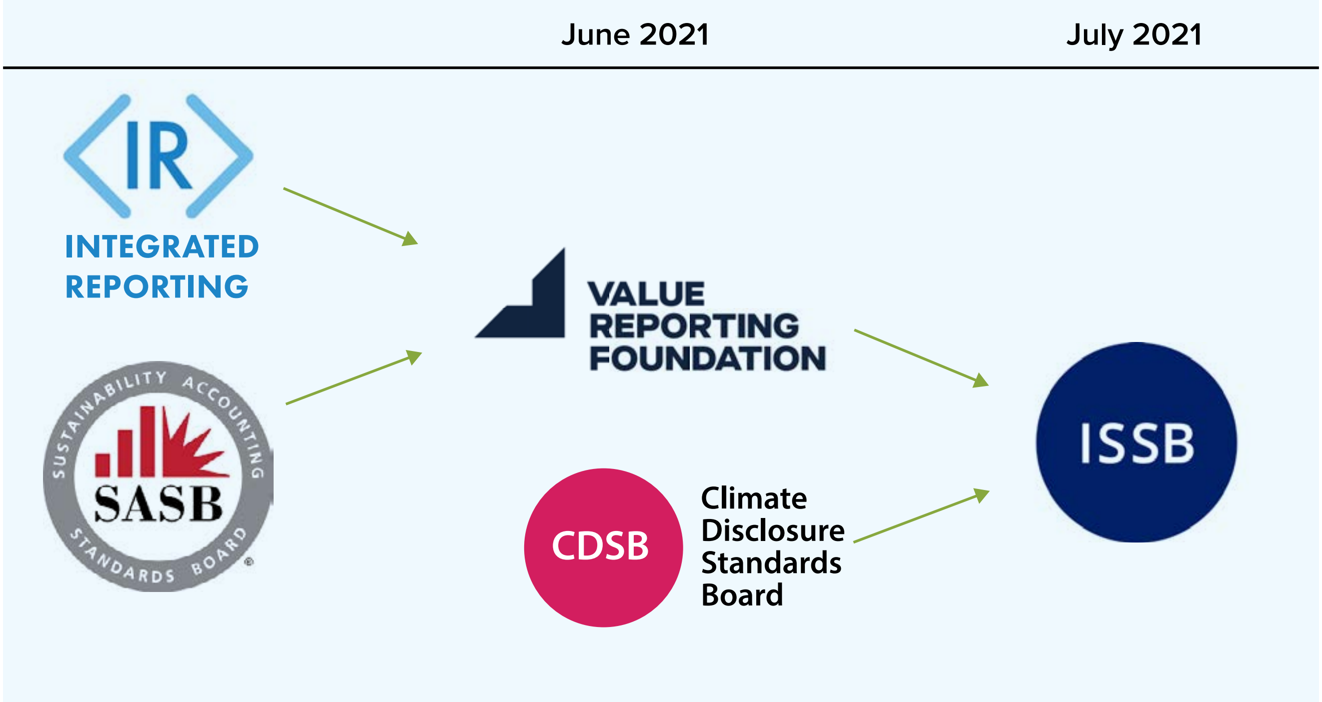


IFRS-International Sustainability Standards Board (ISSB)

Effective August 1, 2022, the Value Reporting Foundation home to the SASB Standards–consolidated into the IFRS Foundation, which established the first International Sustainability Standards Board (ISSB). It works in collaboration with various international bodies including International Federation of Accountants (IFAC).

The IFRS (International Financial Reporting Standards) Foundation is a not-for-profit, public interest organization established to develop high-quality, understandable, enforceable and globally accepted accounting and sustainability disclosure standards.

The Foundation developed the International Accounting Standards Board (IASB) and in 2021 International Sustainability Standards Board (ISSB) as a sister board to the IASB— responsible for developing a truly global baseline of sustainability disclosures to further inform economic and investment decisions.



Sourse: Breckinridge Capital Advisors, December 21, 2021

IFRS S1 Standard requires an entity to disclose information about all sustainability related risks and opportunities that could reasonably be expected to affect the entity's cash flows, its access to finance or cost of capital over the short, medium or long term. For the purposes of this Standard, these risks and opportunities are collectively referred to as 'sustainability-related risks and opportunities that could reasonably be expected to affect the entity's prospects. The S2 framework of IFRS is on climate related physical risk and opportunities, it also impact entities' cash flows and mirrors the adherence to TCFD guidelines.

Task Force on Climate related Financial Disclosures (TCFD)

Climate related Financial Disclosures are a set of recommendations which aim to support consistent, comparable, reliable, clear and efficient climate related disclosures. The TCFD was launched in 2015 by the Financial Stability Board (FSB). The TCFD was tasked with developing a set of voluntary, financially relevant, climate disclosure recommendations that could promote informed investment, credit, and insurance underwriting decisions that could in turn enable stakeholders to better understand assets exposed to climate related risks. Its aim is to enable stakeholders to allocate capital efficiently through the transition to a low-carbon economy without a potential dislocation of capital in the financial markets

Eco-system of Bank's Initiative for Net Zero Journey- Governance

The Bank shall put in place a Governance structure as required under global mandate for understanding the sustainability related risks as well as opportunities shall supervise the journey towards Net Zero.

The Bank has already formulated Task force on ESG to design Bank's strategy and frame the Vision Document that shall provide the framework to accomplish the same. The Task Force will also be responsible to oversee the implementation which shall be carried out by the Nodal Officer identified in each department at Central office and the steering sub-committee at the Zonal level.

The Bank shall establish a dedicated Central Level Committee on ESG including the Top Management to do periodical review of implementation of the strategy. The ESG task Force will provide regular updates to the Top Management Central Level Committee.

The Central Level Committee shall be responsible for oversight of sustainability-related risks and opportunities and journey towards Net Zero. The Committee shall entrust the task through its Terms of Reference (TOR) covering mandates, role descriptions and other related policies applicable, it shall determine whether appropriate skills and competencies are available in the organization, oversee capacity building measures, Bank's strategy and setting of targets related to sustainability-related risks and opportunities and shall monitor progress towards those targets regularly.

ESG Framework

Apart from achieving Net Zero, the Bank understands that mitigating sustainability related risks is of utmost importance as it impacts its sustainability of operations. Accordingly, the Bank has prepared its Strategy on how to mitigate sustainability related risks and opportunities available which are material to the organization and priorities have been outlined accordingly.

In order to continually monitor the ESG risks, the identification and monitoring of the indicators related to ESG risks is the key and hence the Bank has developed a metrics listing all relevant factors which could have an impact on the Bank's functioning. Specific measurable department-wise goals shall be formulated and shall be reviewed by the governance structure. Relevant information on the performance on these metrics shall be disclosed annually for consideration of various stakeholders.

The said framework will include the strategy of reaching towards net zero of scope 1 GHG emission by 2028 and also the implementation roadmap for other social governance aspects in the organization. The Bank shall design the framework to report on emission from own operations to limit the impact on climate. The GHG emission under Scope 1 and 2 shall be calculated as per industry specific acceptable formula and the same will be published in its report annually.

The Bank shall conduct an analysis of climate-risk to better comprehend and classify borrowers. This analysis will involve implementing both preventative and reactive measures to minimize the associated risks. The preventative measures will encompass considering environmental, social, and governance (ESG) risks in all core operations, such as product and process design, as well as evaluating the credit exposure in relation to ESG exposure. On the other hand, the reactive measures will involve addressing materialized ESG risks, including operational, compliance, and reputational risks. Additionally, the Bank will re-evaluate portfolios in response to physical and transitional risks arising from changes in industry, legal, and climate conditions.

The framework shall also entail the guideline for sustainable sourcing and future prospects to raise green/ sustainability /social bonds. This framework shall also lay the measures for issuance and usage of proceeds from Green, Social, or Sustainable instruments such as Bonds and/or Loans. The amount raised from such instruments will be utilized to financing or refinancing eligible assets or projects that have environmental or social benefits.

The framework will be supported by various policies like Corporate Social Responsibility, Code of Ethics, Customer Rights, social media, Press Media, Corporate Communications, and Compliance etc. Further, the Bank provides a wide range of products and services to personal, commercial enterprise, large corporate, public body and institutional customers through its branches and outlets, joint ventures and subsidiaries.

The Environment, Social & Governance (ESG) Policy of the Bank shall help in aligning the Bank's sustainability strategy with its business strategy and will identify the key environmental and social areas in line with IFRS S1- Sustainability Risk and Opportunities. Further, it shall outlines towards managing economic, environmental and social performance in an integrated approach.

The Bank will periodically assess this Framework, ensuring its alignment with the latest versions of relevant Principles or Guidelines upon their release, with the objective of adhering to the latest market best practices. The Bank will publish its status report annually, on the progress made towards factors under Scope 1 and Scope 2 emissions to begin with, and in due course of time related to Scope 3 emissions also.

Way Forward

- The bank will make efforts to reduce emission from its own operation under Scope 1 and 2. While the Bank identifies strategy to bring Scope 1 emission to Net Zero by 2028, it will try to reduce scope 2 emissions also to 50% during the same period either by reducing usage or compensating through positive efforts. The GHG emissions are divided into two categories which are further divided into three scopes for regulatory purposes.
- Similarly, for sustainability of bank's operation, risks related to sustainability would be identified (called as Sustainable risk and opportunity as per ISSB). These risks may include within the operation, Value chain suppliers and borrowers. These risks shall be quantified by data collection or data available publicly to develop the strategy to mitigate those risks. The same will ensure the initiative for reducing emissions from Scope 3. For Scope 3 the Bank will work on Strategy "Aware-Monitor-Reward" to move towards reducing emission and adhere to ESG values in Value Chain Suppliers and Borrowers thus to target Net Zero for Scope 3 as well. The same shall be published in Sustainability Report annually.
- Along with Environment, there shall be continuous efforts and review on the Social and Governance front of ESG, to comply with the guidelines by BRSR, IBA and RBI, ensuring the policy initiatives are in consonance with the same.

Climate Resilience -Pillars

Greenhouse Gases

Greenhouse gases (GHGs) are primarily responsible for trapping heat in the atmosphere. GHGs absorb infrared radiation emitted from the earth's surface and redirect it back into earth, contribute to greenhouse effect and eventually to global warming. Carbon Dioxide (CO_2) and Methane (CH_4) are the main greenhouse gases. Nitrous oxides, fluorinated gases and surface level Ozone also trap heat at a lesser extent.

Sources of Greenhouse Gases

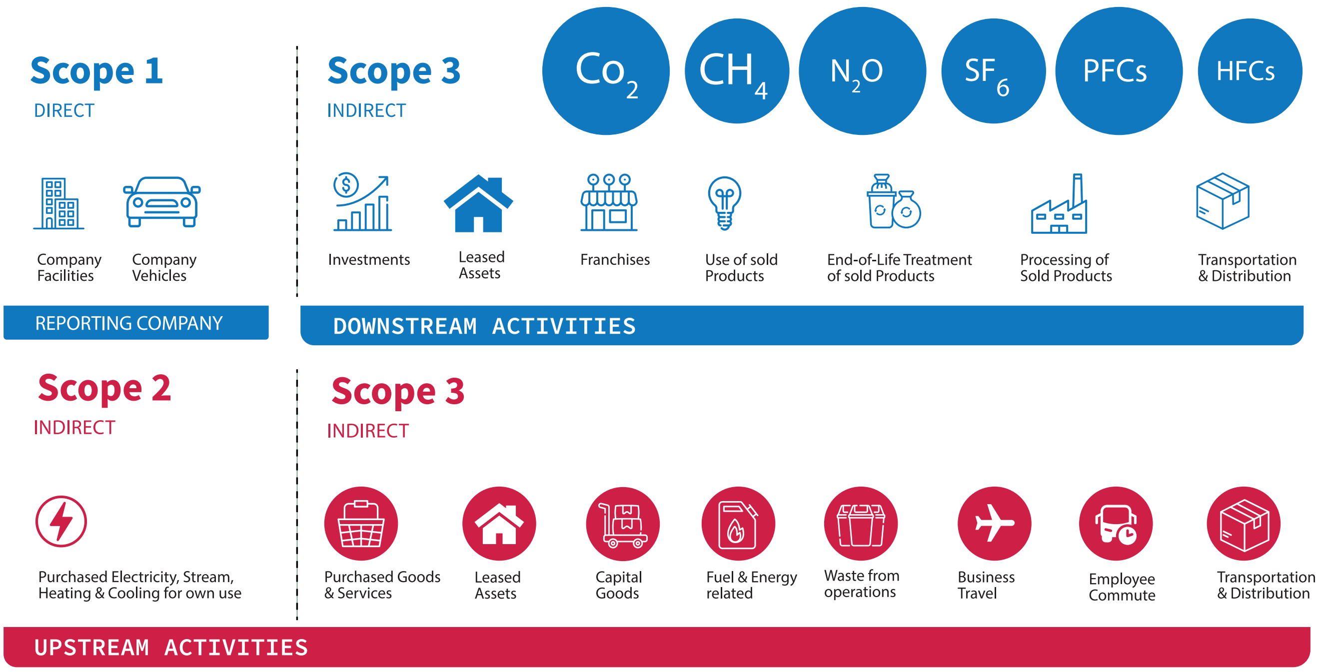
Greenhouse gases are released from a variety of activities both natural and anthropogenic, such as fossil fuel burning, forest destruction and other human activities and if we have to prevent our planet from harmful irreversible changes, we have to reduce these emissions.

Carbon Dioxide (CO_2) is emitted naturally from many processes as well as from combustion of fossil fuels; methane is emitted from agriculture (paddy fields), land-use changes, waste management and industrial processes. Hydrofluorocarbons (HFCs) and Nitrous Oxide (N_2O) are released from the transportation sector in small concentrations and the fluorinated gases (HFCs) are used in the refrigeration and cooling sector, which are released due to leakage. N_2O is emitted from agricultural activity.

As per GHG Protocol, emissions are divided into two categories - Direct and Indirect emissions for improving transparency and providing utility for different types of organizations.

Under direct emissions, Scope1 category refers to the emissions caused within an organization due to its various operations. Under Indirect Emissions, Scope 2 accounts for GHG emissions from the generation of purchased electricity consumed by the entity.

Whereas the Scope 3 emissions are a result of the activities of the entity, but these occur from sources not owned or controlled by the entity. For example, emissions from extraction and production of purchased materials; transportation with purchased fuels; and use of products and services supplied come under scope 3. It includes 15 categories of activities.



GHG Protocol Standards: Corporate Scope - 1 and 2, Value Chain - Scope 3

S.no.	Emission source category		Explanation
		Total Scope 1	
1	Direct emissions arising from owned or controlled stationary sources that use fossil fuels and/ or emit fugitive emissions	Fuels	Fuels used for boilers, furnace, burner, turbines engine etc.
		Refrigerants	Hydro fluorocarbon (HFC) emissions during the use of refrigeration and air conditioning equipment;
2	Direct emissions from owned or controlled mobile sources	Passenger vehicles	Transportation of materials, products, waste, and employees. These emissions result from the combustion of fuels in company owned/ controlled mobile combustion sources (e.g., trucks, trains, ships, airplanes, buses, and cars)
		Delivery vehicles	
		Total Scope 2	
3	Location-based emissions from the generation of purchased electricity, heat, steam or cooling	Electricity	Emissions from the generation of purchased electricity that is consumed in its owned or controlled equipment or operations
		Electricity for EVs	Electricity utilized to charge vehicle
		Total Scope 3	
1	Purchased goods	Waste water	Disposal of waste generated in operations
		Material use	
2	Business travel	All transportation by air Emissions arising from hotel accommodation associated with business travel All transportation by land, public transport, rented/leased vehicle and taxi	Employee business travel
3	Employees commuting		Employees commuting to and from work
4	Leased assets		Leased assets, franchises, and outsourced activities— emissions from such contractual arrangements are only classified as scope 3
Total Emission			

The UN Climate Change secretariat, also known as the UNFCCC secretariat, is responsible for facilitating the worldwide efforts to combat climate change. The UNFCCC, which stands for United Nations Framework Convention on Climate Change, has nearly all countries as its members (198 Parties) and serves as the foundational agreement for the 2015 Paris Agreement. The secretariat offers specialized knowledge and aids in the examination and evaluation of climate change data, which shall be utilized by the Bank to determine its emissions under Scope 1 and 2.

A- Strategies for reducing Scope 1 Emission

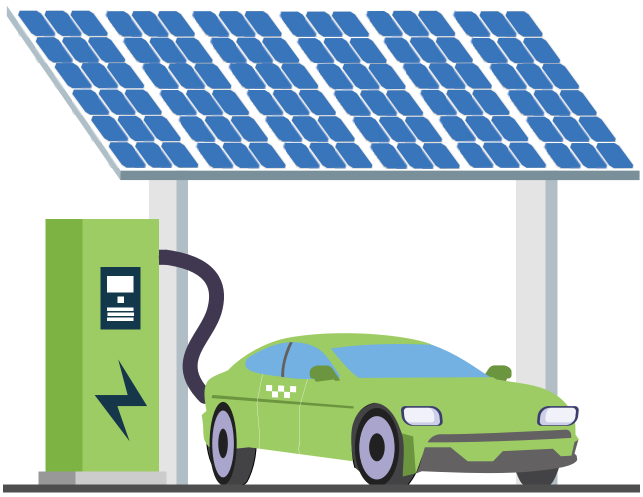
While the Bank is dedicatedly spearheading transition towards a low carbon economy, however, efforts are dependent on developments in the industry, subject to risks in geographical market conditions, enactment of Government regulations, laws, etc.

The GHG emissions as explained under Scope 1 are those from directly emitting sources that are controlled by a company. Scope 2 emissions are those from the consumption of purchased electricity. Scope 3 emissions are all other emissions associated with a company's operations that are not directly owned or controlled by the company.

A-1 Replacement of DG Sets with Inverters

DG sets installed in the Bank's premises will gradually be replaced with energy efficient inverters, in a phased manner, under time bound schedule, so as to reduce pollutants and emissions.

A-2 Replacement of Company Owned Vehicles to EVs and CNG



Emissions arising out of use of company owned diesel vehicles are also one of the major sources of Scope 1 emissions. The Bank has decided to replace all its petrol / diesel vehicles with Electric Vehicles and CNG based vehicles within five years. Further the electricity used in charging the EV vehicles shall be calculated under Scope 2 emission.

A-3 Go Green with environment friendly Air Conditioning and other cooling equipment

Air Conditioners and other cooling equipments presently use hydro fluorocarbon refrigerants, which are potent greenhouse gases and consume a lot of energy and put a double burden on climate change. The Bank will develop a roadmap for reducing GHG emissions from ACs by replacing them with new devices which are less harmful of HFCs and are more energy efficient (STAR/ISEER Rated) and also promote default temperature at 24^{0} for reduced burden.

Further, the use of ACs is something which cannot be eliminated altogether as they are necessary for keeping appropriate cooling required for certain machines, e.g., for cooling down servers of ATMs etc. The Bank will take necessary steps to offset residual emissions generated from ACs and other cooling equipments through various methods like afforestation/reforestation, building renewable energy. Additionally, investments/funding in Carbon Capture and Storage techniques shall also be considered to offset further emissions.

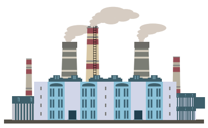
B- Strategies for reducing Scope 2 Emission

Electricity Consumption

One of the major sources of emissions of Central Bank of India is electricity consumption as the process of electricity generation releases a lot of greenhouse gases. Therefore, the Bank has prioritized this particular area to reduce its overall emissions with the Vision of being Net Zero (Scope 2) where the Bank will try to reduce its emission to 50% under Scope 2 emission relative to the year 2023-24 in next five years.

Traditionally, the process of electricity generation is a carbon intensive sector, thermal power plants emit tonnes of carbon dioxide and other greenhouse gases like methane, nitrous oxide etc. The Bank being aware of its responsibility to cut down emissions, will implement the following changes in the Power/Electricity Division

B-1 Reduction of Thermal Electricity



- The Bank shall aim to reduce its electricity consumption by incorporating energy efficient appliances in its premises.
- The Bank shall reduce dependency on light/air conditioning appliances by creating spaces exposed to natural sunlight and greenery enabling better ambient temperatures.
- The Bank will install more and more rooftop solar panels at its owned premises so as to reduce reliance on thermal electricity. Currently, the Bank has solar plants only at three locations- Pune, Chennai and Delhi of 48KWp, 65KWp, and 15KWp respectively.

B-2 Switching towards Renewable Sources of Power

The Bank is planning to switch its electricity requirement to "Renewable/Sustainable/Green" sources during the next few years. Transition from traditional to cleaner and greener sources of energy will be done in a phased manner. These steps will serve to reduce emissions from one of the major emitting sources and will significantly reduce Bank's overall GHG emissions.

B-3 Minimising the Per Capita Electricity Consumption

The Bank will take appropriate steps as required to minimise its employees' per capita consumption of electricity per month. Necessary periodical capacity building and awareness sessions/programmes for employees, replacement with energy efficient equipments, converting into green building will ensure to achieve this objective.

B-4. Energy Audit Policy

The Bank will formulate Energy Audit Policy for energy management and conservation to manage the Bank's environmental footprint and adopt a systematic and phased approach in this regard. The policy shall cover a strategy which encompasses broad areas – improvement in energy efficiencies, investments in design and technology and adoption of renewable energy to help in achieving the Bank's energy goals. Periodical Energy Audit may help to get an in-depth analysis of electricity consumption across the building and to keep track of the current demands for taking appropriate actions

B-5 Moving Towards Cloud Storage.

Banks and financial institutions are continuously managing a growing amount of data. The Governor of Reserve Bank of India during the monetary policy announcement on December 8, 2023 introduced several additional measures. One notable development is the establishment of a cloud facility by the RBI specifically for the financial sector, aiming to enhance data security. This proposed facility will not only improve the security, integrity, and privacy of financial sector data but also enable scalability and ensure business continuity.

On similar lines, the Bank will explore opportunities to transfer substantially used data to Cloud in a secured and structured manner which may not only save costs but also reduce emissions significantly.

C- Mitigating Scope 3 Emissions – "Aware-Monitor-Reward"

Scope 3 emissions, as defined by the GHG Protocol, are the 'indirect' emissions in a firm's value chain associated with creation of inputs and expelled by outputs. Generally, Scope 3 emissions of Financial Institutions are Scope 1 and Scope 2 emissions of their investees. For a bank to report its emissions, it should multiply investee's emissions by the percentage equity, financial control, or operational control it possesses according to the global GHG Accounting and Reporting Standard for the financial industry. Scope 3 emissions often represent the majority of an organisation's total GHG emissions.

For financial institutions, financed emissions contribute to a majority of Scope 3 emissions and Bank's lending behaviour is affected by the GHG emissions of borrowing entity. Accordingly, the Bank shall inculcate system to thoroughly scrutinise the effect of GHG emissions of its Borrower' entity and implement policy of AMR (Aware-Monitor-Reward) for environmental sustainability.

C-1. Effective Waste Management

According to World Economic Forum, one person on the planet generates an average of 0.74 Kg of waste per day (ranging from 0.11- 4.54 kgs). The major GHG emissions from the waste sector are Landfill (methane) CH_4 and Nitrous Oxide. In addition, minor emissions of Carbon Dioxide (CO_2) result from incineration of waste containing fossil carbon.

The waste in Bank's Operations is primarily coming from Dry Waste (paper waste), Wet Waste (cafeterias) and E-waste. Though it is not significant considering the overall footprint, the Bank follows, as far as possible, 3Rs Strategy - Reduce, Reuse and Recycle which classifies waste management strategies for waste minimisation.

1. Reduction in Paper Waste – Enhancing Technology Driven Operations

The Bank use paper in large quantity in its operations and customer interactions and hence paper waste is created in sufficient quantity. Central Bank has committed to adopt paper less working by Integrating DMS (Document Management System) to receive, track, manage and store documents in digital form. The Bank will also put up in place Platform to implement end to end IT based processing of application without using or presenting requests on paper.

2. No to Plastic

The growth in usage of plastics is also a major contributor of environmental degradation and causing severe pollution and health problems.

The Bank has drawn an Action Plan to manage the plastics waste:

- Glass bottles and tumblers to be used instead of plastic bottles in meetings/operation of the Bank
- Biodegradable disposable cups and tumblers will be used
- Bamboo/paper folders to be used instead of plastic folders.
- Jute/Paper/Cloth bags will be used in Bank's conferences, seminars, and other programs.
- Office Stationery (Diaries, Pens, etc.) will be procured from Sustainable Sources

3. Improved E-Waste Management Policies

The Bank has in place effective e-waste policy where guidelines are given to discard e -waste like old computers, hardware, peripherals getting generated at its various offices and branches. The Policy in the Bank satisfies E-waste (Management and Handling) Regulations of 2010, governed by the Environment (Protection) Act of 1986, issued in 2011. Along with this the Bank understands the need to shift the outlook on e-waste management towards establishing a circular economy.

In this regard, the Central Bank has proposed the following Action Plan: -

a. To take necessary measures for donation / charity of old computers to selected NGOs for their capacity building activities.

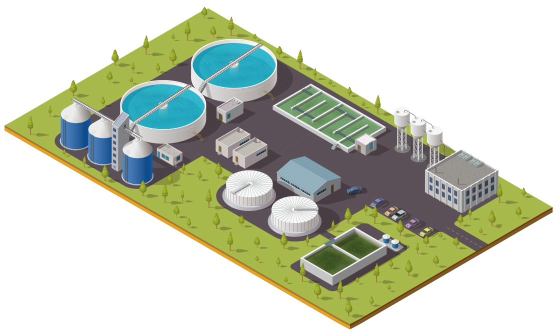
b. To procure IT system with buyback option policy or EPR (Extended Producer Responsibility). EPR is an environmental policy approach in which a producer's responsibility for a product is extended to the post-consumer stage of a product's life cycle.

2. To Upgrade systems with latest software rather than disposing them.

3. To explore the opportunity of tying up with IT Companies for Re-cycling of E-waste.

4. Disposing of E-waste in compliance with E-Waste (Management) Rules as notified by the Ministry of Environment, Forest and Climate change, Govt. of India

4. Optimal use of ground water and waste water Management Program



Being in the service industry, the Bank's operations are not water intensive. The wastewater is only generated from domestic sources. Further, for optimum/efficient usage of water, sensors on urinals and taps/faucets etc. will be installed in a phased manner and the Bank will invest in water-saving technologies, such as low-flow fixtures, etc. The municipal supply water is the main source for its consumption across the business operations for daily use in Bank's offices and branches. The Bank ensures compliance of the guidelines issued by the Central Ground Water Authority (CGWA), Ministry of Jal Shakti, and Govt. of India.

5. Rain Water Harvesting

The Bank has already adopted Rainwater Harvesting Systems in some of its owned premises. Such steps were taken by the Bank in lieu of its efforts towards conservation of environment before even starting the journey towards sustainability.

C-2. Sustainable Sourcing Policy for Value Chain

The Bank purchases a diverse range of products and services such as professional services, technology, infrastructure, digital services, stationery items, and utility supplies, etc. Supply Chain Partners play a huge role in the growth of its business.

Building a strong and reliable supply chain is fundamental to sustainable operations which are one of the key components of Bank's overall sustainability framework. The Bank recognizes that the actions of its suppliers contribute to the Bank's overall sustainability performance and it also carries financial, legal and reputational risks.

The Bank will continue to work towards greater integration of environmental & social considerations in procurement practices and will make efforts to procure products which are –

- Recycled
- Environment friendly
- Energy efficient
- Locally sourced

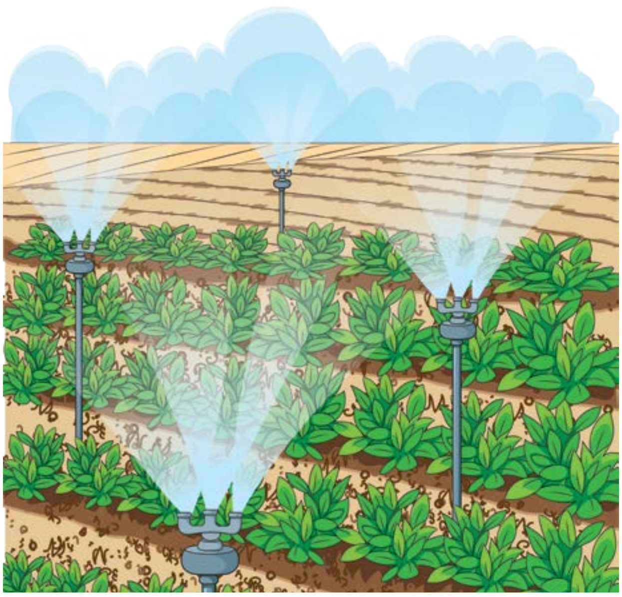
The Bank recognizes its responsibility to encourage responsible practices throughout its supply chain and reduce as much as emission as possible while taking procurement decisions. The Bank shall aim to work closely with its suppliers/ service providers to improve its performance under the ESG parameters by encouraging them to take measures for sustainable practices such as waste management, use of renewable resources, adherence to national and local labor laws and protection of human rights including child, forced or trafficked labour, etc. In this regard, the Bank will adopt a sustainable procurement approach that its suppliers are expected to follow in four areas - Human Rights; Health and Safety; Environmental Sustainability and Business Integrity and Ethics. In this regard, the Bank proposes to develop a framework/ code of conduct for its vendors/ service providers in due course to promote sustainable sourcing under which suppliers will be required to comply with standards and submit a declaration to the Bank.

The Following factors will continue to be reviewed by the Bank before taking any procurement decision

- Social Consideration: Employment generation, Role in economic development of the region, compliance with labour laws, no exploitative / child / forced labour.
- Resettlement & Rehabilitation: Number of families under rehabilitation, impact on livelihood, Facilities provided to families and its acceptability in the community, Number of villages / populations affected by the project.
- CSR Initiatives: Schools, hospitals, medical facilities, technical institutes, roads, community buildings etc. provided by the company.
- Emissions: Air, water, noise, waste and comments on its acceptability of Environmental Consideration - Air pollution / Water Pollution / Hazardous Waste Management / Ecological impact, Emergency and Disaster management, climate change.
- Governance & disclosure- The disclosure will allow the Bank to identify the transparency and fair practices followed by the supplier.

C-3. Environmental Impact Assessment (EIA) of Large Borrowers

Environmental Impact Assessment (EIA) is a tool used to identify the environmental, social and economic impacts of a project prior to decision-making. The assessment aims to predict environmental impacts at an early stage in project planning and designing based on data furnished by the concerned authorities. As per the EIA Notification, the environmental clearance is mandatory for all new projects and expansion/modernisation of existing projects presently covering 32 disciplines which include Hydropower, major Irrigation and Flood control projects, construction of dams etc. Assessing such report for a credit proposal regarding a respective sector will allow the Bank to take informed decision.



The Bank proposes to take EIA along with other disclosures showcasing environment impact of its actions for large borrower before release of funds to them. As mentioned, the Bank will work on policy of "Aware-Monitor-Reward" to ensure that large borrowers are not only aware of environmental and other ESG issues but also to be well monitored through metrics, also rewarded respectively for their contribution towards Net Zero.

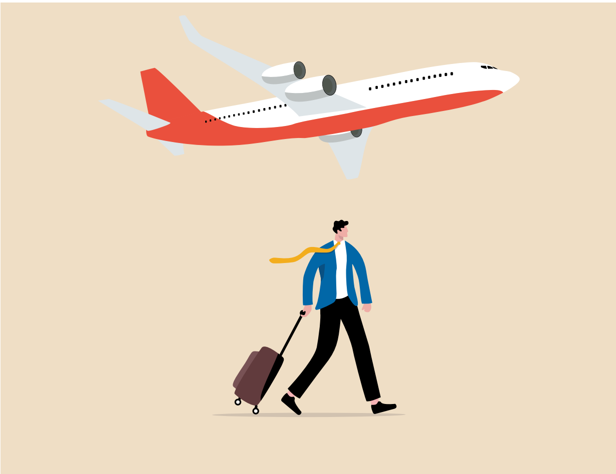
C-4. Third Party Assurance on ESG/ Sustainability Risks and Disclosures

Following the guidelines of regulators, the Bank for managing credit risks related to sustainability will formulate a sustainable-risk assessment framework along with necessary amendments in the credit policy. The regulations for sustainability risk will be made applicable to borrowers in a phased manner based on internal thresholds set by the Bank. Borrowers will be required to submit a Due Diligence Report/ESG Credit Appraisal Evaluation Report/EIA or other Third Party Assurance report on their climate risk management and other ESG indicators.

In this regard, or a standard questionnaire/due diligence checklist on sustainability and ESG indicators will be prepared and made mandatory for certain/large borrowers to submit before credit approval/renewal. Third Party Assurance on the same will also be explored to ensure mitigation of sustainability related risks. "Aware-Monitor-Reward" pattern will be followed to provide relaxation where efforts of the borrowers would result in mitigation of risk.

D. Reduction in Tours and Travels of Employees

Emissions from the transportation of employees for business related activities in vehicles owned or operated by third parties, such as aircraft, trains, buses, and passenger cars come under Scope 3 emissions. The Bank will also structure guidelines for conducting of more and more e- meetings so that bank can also move towards Net Zero in Scope 3 emissions in a phased manner.



E. Prevention of Loss of Biodiversity

Biodiversity is essential for the processes that support all life forms on Earth, including humans. Without a wide range of animals, plants and microorganisms, there shall be no healthy ecosystem. The Bank promotes healthy and safe environment enabling harmonised living of wild life, plants and humans. The Bank takes necessary steps to compensate and offset the impact on biodiversity by planting trees and other methods.

The Bank shall assure to plant a sapling for every loan approved for sectors identified under sustainable financing and also on the birthday of all its employees as a symbol of harmony towards mother Earth and compensate for its GHG emission.

F. Review of Sustainability Risks - Change in Valuation of Assets due to Hazards

Climate related hazards have increased manifold and constant climate related regulations can have an impact on the Bank's current portfolio.

F-1 Sustainable Financing

Sustainable lending is the key to deliver positive impacts in society and the wider economy and to align portfolios with the goals of the Net zero target of 2070 accepted by India. Climate adaptation while assessing the risk in lending is the desired expectations from the financial institutions. Thus, the Bank shall consider physical climate risks in its business and operations and consequently climate adaptation. Due to increased pressure on environment to sustain ever increasing population, bank is also exposed to increased probabilities of default of clients and increased loss to asset value.

Climate Resilience

As per discussion Paper on Climate Risk and Sustainable Finance published by RBI, climate change is increasingly being recognized globally as a source of financial risk for banks. The uncertainty about the timing and severity of climate-related and environmental risk certainly threatens the safety, soundness and resilience of individual Regulated Entities (REs) and, in turn, the stability of the overall financial system. It is therefore recognized that the REs should steadily manage the risks and opportunities that may arise from climate change and environmental degradation to become climate resilient.

The Bank will establish a procedure for performing Risk Assessment in relation to the identification of exposed assets, their effects, and susceptibility in order to formulate a mitigation Strategy. This will involve incorporating ESG risk, which entails fully considering the drivers of ESG risk and the relationships between their impacts and known risk types, by allocating all significant risks into physical and transitional risks. Additionally, the Bank will select appropriate risk assessment tools and incorporate them into existing risk models, tools, and scorecards. Furthermore, ESG factors will be taken into account in business and capital planning through scenario analysis and sensitivity analysis.

Physical risk

Physical risk is also explained as extreme weather events- storms, floods, droughts, heatwaves and its impact on Assets. The Bank is in process of understanding the risk associated with sustainability when it comes to borrowers located at low lying places in coastal areas where the sea level rises is projected.

Storms, flooding, and erosion are closely associated with the coastal areas and have become frequent than before and the scale of destruction is unpredictable. They may cause long lasting impact on the functioning/credit exposure. The Bank intends to locate/map areas/assets which are more prone to such events and ensure that the necessary steps are taken to avert the damage/dilution of value.

Principles that will be considered for physical risk evaluation are

1. Potential climate and geophysical hazards that could impact the project
2. The potential impact and vulnerability of the project to climate exposure and risks
3. Strategies and measures to mitigate and adapt to climate risks outlined in the action plan
4. Covenants associated with managing and minimizing net risk.

Transition risk

Risk to banks assets due to default of customers due to regulatory changes & overall shift towards lower carbon economic activities is known as Transition risk. In the current scenario customer behavior is also changing and they are increasingly demanding sustainable products.

Principles that will be considered for transition risk evaluation

1. Potential sectors and the future changes expected to impact the sector
2. Impact and the vulnerability of the specific sectors
3. Scenario testing as per industry/sector bifurcation
4. Evaluating capital adequacy and future requirement to support the change.

The Bank is to update its sustainable-risk framework as when required as per the new set of directions and guidelines issued by regulators. As a result of the assessment of risk of the Bank will innovate on core products & services to create business & societal value. Criteria thus formulated will apply into asset management portfolio and lending decisions. Educating employees and borrowers about the new guidelines will also be carried out systematically. Such decisions over risk management will open new frontiers of product and service innovations with a climate lens. It will also result in building deeper alliances with public and private sectors to influence the direction of the industry.

F-2 ESG credit Assessment committee

ESG credit Assessment committee shall be set up in order to determine the eligibility of a project under the sustainable-risk assessment Framework and also for regular monitoring of the Portfolio. Similarly modification will be made in the Core Banking Solution system of the Bank for mapping and classification of the specified type of loans under sustainable financing. The monitoring of loan portfolio under sustainable financing will be carried out by the credit monitoring department and disclosure will be made to regulators and Central Level Committee on ESG at periodic levels. The ideation on new products and relevant policy amendments will also be carried out by this committee. Bank will create monitoring system by evaluating proposals for ESG parameters and reward them by special incentives in terms of rate of interest. Bank will further promote the projects related to renewable energy, biodiversity, environment efficient, green transport, green building, and water efficient and circular economy

G. Green Instruments and Investment

The Bank has already implemented a paperless green fixed deposit product, which channels the proceeds towards funding specific green projects. The Bank is committed to conducting thorough research and introducing additional products to support its vision of sustainability. Annually, the bank will disclose its green portfolio, along with other essential disclosures. Cent Go Green is a specific scheme for electronic vehicles launched by the Bank deserves a special mention in this regard

Framework to guide the investments and issuance of instruments raising money for projects with environmental or social benefits will be framed by the Bank. The net proceeds raised under this Framework, or an equivalent amount shall be used to finance or refinance the eligible projects that are satisfying the ESG requirements or conditions.

Types of Bond that will be considered by the bank are as follows-

- Green Bond and/or Green Loan proceeds shall be used exclusively for environment friendly projects
- Social Bond and/or Social Loan proceeds shall be used exclusively for projects that work social /humanitarian good
- Sustainability Bond and/or Sustainability Loan proceeds shall be used exclusively for a combination of Eligible Green and Social projects.

All credit portfolios recognized under this Framework shall have to go through the Bank's due diligence structure and process and only upon being sanctioned by the competent authority shall be reckoned for allocation under Green/ Social/Sustainable Project portfolios.

Social Aspects of ESG

The Banks' initiative to draft actionable guidelines to bring sustainable practices in its core operations seize the opportunity of adapting the changing economy by creating value for both society and shareholders, and help banks build trust with investors, customers, employees and society. Bank will significantly improve its impact and facilitate action at the necessary scale of change by collaborating with pertinent stakeholders, including their peers, investors, suppliers, clients, regulators, employees, policy-makers, scientists, academia, civil society, trade unions, and communities.

1. Employees Health and Well Being

The Bank ensures to maintain a healthy and safe environment for its workforce irrespective of their caste, gender, work, designation etc. Representations received on the platform of Human rights are dealt with fairly and transparently at the Regional and Zonal level. The Bank has constituted a committee for review and assessment of all representation received on a quarterly basis.

The Bank fosters an environment of appreciation and celebration. Upgraded holiday homes and transit homes provide a relaxing eco-system for its employees, while health check-ups and allocations for sports, cultural, and recreational activities promote a balanced lifestyle.

2. Health Insurance/Accidental Insurance of Executive and Workers

The Bank is committed to continue to take steps to promote a safe and conducive work environment for its employees. The Bank conducts regular health check-ups for its employees under the staff welfare scheme.

The Bank provides medical facilities and insurance coverage, including comprehensive medical insurance with an additional Super Top-up facility. Special schemes such as the Corporate Buffer and the Retirees' Group Health Insurance Policy have also been implemented, ensuring that significant ailment expenses are catered for and that retired employees continue to receive medical coverage.

All Employees of Bank are covered under the Group Health Insurance policy as envisaged by IBA. In case the limit is exhausted, there is also a facility of Corporate Buffer as defined under the provisions of the 10th Bipartite Settlement. In case of injuries sustained while on duty, all other expenses not covered under Medical Insurance Scheme are borne by the Bank. Special Leave is also provided to such employees during the period of hospitalization

3. Maternity/Paternity Benefits

The Bank is sensitive towards all its employees especially during their times of emergency and provides support whenever required. The Bank provides both 6 months Maternity leave and 15 days Paternity leaves per child to the employees. The Bank also provides tuition fee for up to 2 children to all its employees. The bank offers to extend its support whenever required as per further guidelines from regulator or as the need arises.

4. Retirement Benefit Scheme

The Bank provides retirement benefits, PF, Gratuity, Pension and NPS to its eligible employees. Additionally, the Retirees' Group Health Insurance Policy has been renewed, ensuring continued coverage for its retired employees. The Bank also imparts specific training to its employee getting retired for smooth transitioning and time management post-retirement. The Bank honours the services offered by the ex-staff during their tenure by organising special events at the Branches. Also, an opportunity for contract employment is was provided to the retired personnel to extend post-retirement occupational support and to use their expert knowledge and skill.

5. Access to Bank's Branches/Premises for Persons with Disabilities

As per the RBI guidelines and Section 13 of the Rights of Persons with Disabilities Act, 2016 the Bank provides doorstep services to people with disabilities and senior citizens.

The Bank has Policy for Senior Citizens/Disabled/ Incapacitated Account Holders which adheres to all the guidelines as suggested by the regulator. Bank has provided ramps/lifts facility for easy movement of differently-abled persons at its branches and offices. Talking ATMs with Braille keypad is also part of banks' initiative to make the Bank facility more accessible for the visually impaired persons.

6. Equal opportunity for Women and Differently Abled Employees and Providing Safe Environment

The Bank's workforce represents a diverse spectrum of society, including SCs, STs, OBCs, across all cadres. This commitment to inclusivity ensures diverse perspectives and experiences, fostering a prosperous, inclusive culture that drives innovation and progress. The Bank, as of 31st March 2023 had 835 Differently abled employees across all cadres. The Bank endeavours to maintain a safe environment along with providing equal opportunity to all employees.

The Bank has formulated an "Equal Opportunity Policy" as per the provisions of the Rights of Person with Disabilities Act 2016, which bestows special attention to the differently-abled persons and aims at creating employment opportunities for people with disabilities and with a conducive working environment free from any kind of discrimination for them.

The Equal Opportunity Policy is applicable to all the differently-abled employees of the Bank without any discrimination, on the grounds of age, colour, marital status, physical ability, nationality, race, religion, sex, sexual orientation, or any other matter relevant for the purpose.

7. Grievance Redressal Mechanism for Employees

Bank has a well-defined and structured Grievance Redressal Mechanism in place for its employees. At each level of the Grievance Redressal Mechanism, duties and responsibilities have been clearly recognised and defined. To speed up redressal system, process for resolving complaints and Standard Operating Procedures have been laid down at all levels.

8. Grievance Redressal Policy for Customers, and other Stakeholders

This policy aims at minimizing instances of complaints and grievances through proper service delivery and review mechanisms and to ensure prompt redressal of complaints and grievances. The review mechanism should help in identifying shortcomings in product features and service delivery.

Further, the Bank has constituted Committees, at Regional Office, Zonal Office, and Central Office levels to look into redressal of grievances of the borrowers, arising out of the decisions taken by the Branch, Regional, Zonal, Central Office functionaries. The mechanism is functioning efficiently with a low turnaround time.

9. Employees Association(s)/Union

The Bank, as of 31st March 2023, had 30770 employees and out of them, 27662 are members of Association(s)/Union. The Bank realises the importance of such Association(s)/ Union for its better working and discussions with them play a crucial role in maintaining a harmonious work environment. Arising out of joint discussions held with unions, various employees' benefit schemes were implemented, e.g., job family, promotion policies, transfer norms, etc.

10. Skill Upgradation

The Bank believes that training and education are among the most important investments in building human capital. Employees who are trained and upskilled will not only stay on top of the latest technology and trends but can also take challenges of change which help for continued growth of the Bank as also to remain competitive in the market.

The bank already has in place e-learning portal for providing regular training to the staff. The portal includes modules on different topics for the employees to keep them updated. Bank also has provisioned amount dedicated for external training and this facility is available to all staff members.

In terms of learning and development, the Bank conducts various training programs through its Officers' Training Colleges and CLDs (Centres for Learning and Development), covering a wide range of topics and job families.

More than 5000 Centralites have done Online Course on "Fundamentals of ESG & Sustainability". To encourage completion of this course, incentive of INR 1000 and reimbursement of Course Fee are given to those who successfully complete it.

11. Health and Safety Training to Employees - Implementation of Work-Related Hazards Management /Occupational Health and Safety Management System

There are no major occupational health and safety risks owing to the nature of the business of the Bank. However, the Bank has adopted certain safety measures with respect to fire incident. Bank conducts training programs, from time to time, on fire safety measures such as evacuation drills, use of fire extinguishers/ fire fighting equipments, etc.

The Bank has appointed First Aid Marshals at its offices and necessary training have been imparted to them so that they can act in case of medical emergencies / incidents. Marshals have been provided with Safety Kits and First Aid Medical Kits.

12. Sexual Harassment Committee

The Bank has a zero tolerance policy on sexual harassment and an Internal Complaints Committees (ICC) has been constituted at each of its Regional offices and Zonal offices under the provisions of POSH Act, 2013.

The Committee investigates complaints of sexual misconduct and investigates them through a fair and transparent process and act against erring employees. The Bank will continue to promote and protect the well-being of all women employees, especially those who are required to work late due to business requirements.

13. Corporate Social Responsibility

The Companies Act, 2013, section 135, requires companies falling under its jurisdiction to adhere to the CSR regulations in India. However, the Bank has always viewed its responsibility towards society as more than just compliance with regulations. The Bank intends to continue this approach by focusing on specific sections of the population with the lowest 10% income bracket. The Bank's mandatory CSR activities will prioritize the development of the impoverished and needy, as well as the overall betterment of society.

Governance Aspects of ESG

1. Committee to review Conflict of Interest/ Code of Conduct and Ethics

The Bank is committed to conducting business and dealing with all its stakeholders and staff with the highest ethical standards and in compliance with all applicable regulations.

2. Code of Conduct/Ethics

Code of Conduct/Ethics defines good corporate practices, professional code of conduct and management action that will continue to promote a culture of good integrity and ethics amongst its employees.

The Bank has already adopted the policy on conflict of interest, code of conduct & ethics, and the internal document available to all its employees. These policies are also reviewed annually.

The Bank's core values have been specified as:

3. Robust Communication system for stakeholders/customers/regulators/ awareness of ESG.

The Bank takes appropriate steps to regularly communicate with its stakeholders. To communicate with its employees, circulars, articles, daily feeds, training programmes, seminars, Email, SMS, Staff meetings/ conference, Intranet portal etc. Bank will organise awareness programs for borrowers and stakeholders for environmental sustainability.

Frequent and need based Communication with other stakeholders is done through Email, SMS, newspaper advertisement, notice board, website, Annual General Meetings, intimation to stock exchanges, annual/ quarterly financials and investors meetings/ conferences, social media pages etc.

4. Conflict of Interest

All employees are required to maintain the highest levels of professional and personal integrity to avoid situations in which an individual's personal interest may conflict or appear to conflict with either the interest of the Bank or of its stakeholders. In this regard, necessary Declaration/ certificate are taken from management of company/ borrowers or suppliers or from their Auditors for record of Bank depending upon the type of borrower.

5. Anti-bribery and Anti-Corruption Policy

The Bank has Zero Tolerance Policy towards bribery or corruption, anything of value that may be seen as an attempt to influence an action or a decision in its dealings with various entities. There is a complete eco-system, maker and checker concept and administration to ensure the desired objectives.

6. Privacy/Cyber Security/Advertisement

The Bank has a robust policy on cyber security and risks related to data privacy which is available as an internal document. The Bank may also consider placing a Nodal Officer to resolve issues, if any, related to the same.

For the Bank, the privacy and security of its employees and other stakeholders is of utmost importance. In this regard, Two Factor Authentication and SMS for Alert Monitoring have been implemented.

7. MSMEs/Credit Scheme for Entrepreneurs

The Bank is always keen to maintain a well-balanced assets mix, encompassing sectors such as Agriculture and Micro, Small & Medium Enterprises (MSMEs) as well as keeping a focus on other retail assets, including Housing, Education and Vehicle finance.

The Bank has already established Energy Efficiency cell as per the directions from the Bureau of Energy Efficiency (BEE) where a specific technical and financial resource is placed to look after Energy Efficiency projects.

The objective is to accelerate energy efficiency financing by creating instruments, for industries and MSMEs. The Bank has launched an exclusive scheme "Cent Energy Efficiency Scheme" for undertaking energy efficiency projects specifically for MSMEs.

8. Mechanism to report Related Party Transactions

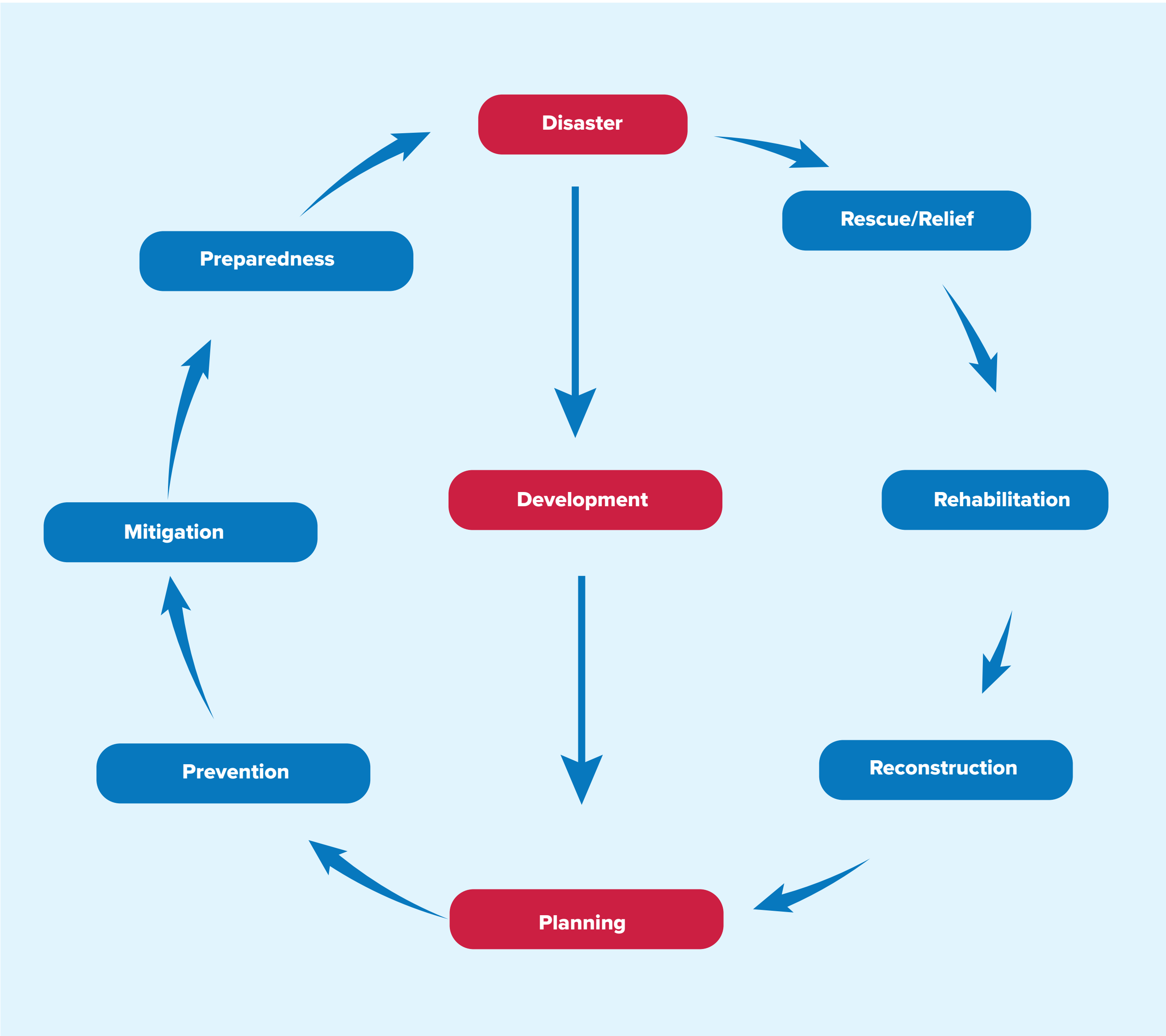
The Bank complies with the statutory requirement of disclosures of Related Party Transactions, which are being reported to Stock Exchanges on regular basis. The report on Related Party Transactions is put up for approval before Audit Committee of the Board along with results on half-yearly basis. The Policy is available on the website under the link "Investor Relations".

9. Business Continuity and Disaster Management Plan

The Bank has a Business Continuity/Disaster Recovery (BCP)/ (DR) policy and has been circulated to all concerned for implementation. Each Department has identified its critical business functions and had a plan of action for the resumption & recovery of critical business processes in case of any eventuality/ disaster.

The DR drills are being conducted by respective Departments for ensuring the robustness of the DR arrangements. Each Branch is identified & linked to two nearby Branches and are mapped by ROs to ensure the immediate start of all business activity of the Branch affected. The DR Drills are being carried out at periodic intervals for ensuring robust working of critical systems. The result of the DR drills is recorded & is being shared with respective verticals to take appropriate remedial /recovery measures.

Disaster Management Cycle



List of Abbreviation

- **AMR:** Aware-Monitor-Reward
- **BCP/DR:** Business Continuity Policy/Disaster Recovery
- **BRSR:** Business Responsibility and Sustainability Reporting
- **CDSB:** Climate Disclosure Standards Board
- **CDP:** Carbon Disclosure Project
- **CE:** Circular Economy
- **CLD:** Centres for Learning and Development
- **CNG:** Compressed Natural Gas
- **CO_2:** Carbon Dioxide
- **CSR:** Corporate Social Responsibility
- **DEFRA:** Department for Environment, Food & Rural Affairs (UK)
- **DE&I:** Diversity, Equity, and Inclusion
- **EIA:** Environment Impact Assessment
- **ESG:** Environmental, social, & governance
- **EVs:** Electric Vehicles
- **FSB:** Financial Stability Board
- **GHG:** Green House Gases
- **GRI:** Global Reporting Initiative
- **HFCs:** Hydro Fluorocarbons
- **IASB:** International Accounting Standards Board
- **IBA:** Indian Banks' Association
- **ICC:** Internal Complaints Committee
- **IFAC:** International Federation of Accountants
- **IFC:** International Finance Corporation (World Bank Group)
- **IFRS:** International Financial Reporting Standards
- **ILO:** International Labour Organization
- **ISEER:** Indian Seasonal Energy Efficiency Ratio
- **ISSB:** International Sustainability Standards Board
- **MSMEs:** Micro, Small & Medium Enterprises
- **N_2O:** Nitrous oxide
- **NGRBC:** National Guidelines for Responsible Business Conduct
- **NPS:** National Pension System
- **OECD:** Organisation for Economic Co-operation and Development
- **PF:** Provident Fund
- **POSH:** Prevention of Sexual Harassment
- **PRB:** Principles for Responsible Banking
- **RBI:** Reserve Bank of India
- **REs:** Regulated Entities
- **ROI:** Return on Investment
- **SASB:** Sustainability Accounting Standards Board
- **SDG:** Sustainable Development Goals
- **SEBI:** Securities and Exchange Board of India
- **SRI:** Socially Responsible Investing
- **TCFD:** Task Force on Climate-related Financial Disclosures
- **ToR:** Terms of Reference
- **UNEP:** United Nations Environment Programme
- **UNFCCC:** United Nations Framework Convention on Climate Change
- **UNGC:** United Nations Global Compact
- **UNPRB:** United Nations Principles for Responsible Banking
- **UNPRI:** United Nations Principles for Responsible Investment
- **WBCSD:** World Business Council for Sustainable Development

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