Federal Bank

SEC/LODR/158/2026-27 July 30, 2026

| | |
|---|---|
| **The Manager**<br>The National Stock Exchange of India Limited<br>Exchange Plaza, Bandra-Kurla Complex,<br>Bandra (E), Mumbai – 400 051. | **The Manager**<br>Department of Corporate Services<br>BSE Limited, Phiroze Jeejeebhoy Towers,<br>Floor 25, Dalal Street, Mumbai – 400 001 |

**Re: Scrip Symbol: FEDERALBNK/ Scrip Code: 500469**

**Sub: Business Responsibility and Sustainability Report (BRSR) for the Financial Year ended 31st March 2026**

Dear Madam/ Sir,

In terms of the requirements of Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Business Responsibility and Sustainability Report (BRSR) of the Bank for the Financial Year 2025-26. The BRSR also forms part of the Integrated Annual Report of the Bank for the Financial Year 2025-26.

You are requested to kindly take the above information on your records.

Thanking you,

Yours faithfully,

**For The Federal Bank Limited**

SAMIR PRAVINCHANDRA RAJDEV

Digitally signed by SAMIR PRAVINCHANDRA RAJDEV Date: 2026.07.30 21:29:59 +05'30'

**Samir P Rajdev**
**Company Secretary**

Federal Bank | 6th Floor, Federal Towers, Bank Junction, Aluva | Kerala | 683101
Phone: 0484- 2622263| E-mail: secretarial@federal.bank.in | Website: www.federal.bank.in
CIN: L65191KL1931PLC000368

# BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

## SECTION A: GENERAL DISCLOSURES

### I. Details of the listed entity

| | | |
|---|---|---|
| 1. | Corporate Identity Number (CIN) of the Listed Entity | L65191KL1931PLC000368 |
| 2. | Name of the Listed Entity | THE FEDERAL BANK LIMITED |
| 3. | Year of Incorporation | 1931 |
| 4. | Registered Office Address | Federal Towers, P B No 103, Aluva, Ernakulam, Kerala - 683101, India |
| 5. | Corporate Address | |
| 6. | Email Address | secretarial@federal.bank.in |
| 7. | Telephone | +91-0484-2630996 |
| 8. | Website | https://www.federal.bank.in/ |
| 9. | Financial Year for which reporting is being done | FY 2025-26 |
| 10. | Name of the Stock Exchange(s) where shares are listed | Equity shares of Bank are listed at:<br>i. BSE Limited (BSE)<br>ii. National Stock Exchange of India Limited (NSE)<br>iii. Global Depository Receipts (GDRs) - London Stock Exchange |
| 11. | Paid-up Capital | ₹492.85 Crore as on March 31, 2026 |
| 12. | Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report | Shibi Balaram K<br>Head - Credit Risk & ESG<br>Phone: +91-0484-2634086<br>Email: esg@federal.bank.in |
| 13. | Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together). | Standalone Basis |
| 14. | Name of assurance provider | Bureau Veritas Industrial Services (India) Pvt Ltd |
| 15. | Type of assurance obtained | BRSR Core KPIs- Reasonable assurance (Highlighted in ) and non-core BRSR KPIs - Limited assurance |

### II. Products/Services

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

| S. No. | Description of Main Activity | Description of Business Activity | % of Turnover of the Entity |
|---|---|---|---|
| 1. | Financial and insurance Service | Banking activities by Central, Commercial and Saving banks | 100.00% |

**17. Products/Services sold by the Entity (accounting for 90% of the Entity's turnover)**

| S. No. | Product/Service | NIC Code | % of total Turnover contributed |
|---|---|---|---|
| 1. | Banking services and Financial Services | 64191 | 100.00% |

## III. Operations

### 18. Number of locations where plants and/or operations/offices of the Entity are situated:

| Location | Number of plants | Number of offices | Total |
|---|---|---|---|
| National | Not Applicable | 1,640* | 1,640 |
| International | Not Applicable | 3** | 3 |

**Including extension counters*

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

### 19. Markets served by the Entity

#### a. Number of locations

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

**Representative offices in UAE*

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

Not Applicable

#### c. A brief on types of customers

Federal Bank is one of the leading private-sector banks in India, is the preferred Personal, NRI and Business banking partner for a growing expanse of customers across India, in both urban and rural areas. As of March 31, 2026, the bank had around 18.10 million customers, the client base ranging from individuals who are both self-employed and salaried, professionals, non-resident Indians, high-net-worth individuals, micro, small, and medium enterprises, sole proprietorships, partnerships to self-help groups, large corporates, trusts, associations, clubs and societies, government institutions and corporations, NGOs, and farmers, including small and marginal farmers, amongst others. For more details refer to Page 98.

## IV. Employees

### 20. Details as at the end of Financial Year

#### a. Employees (including differently abled):

| S. No. | Particulars | Total (A) | Male | | Female | |
|---|---|---|---|---|---|---|
| | | | No. (B) | % (B / A) | No. (C) | % (C / A) |
| | **EMPLOYEES** | | | | | |
| 1. | Permanent (D) | 16,941 | 9,913 | 58.51% | 7,028 | 41.49% |
| 2. | Other than Permanent (E) | 740 | 340 | 45.95% | 400 | 54.05% |
| **3.** | **Total employees (D + E)** | **17,681** | **10,253** | **57.99%** | **7,428** | **42.01%** |

*Note1: "Employee" defined under Sec 2(l) of the Industrial Relations Code, 2020, includes Officers, Clerical and Sub Staff. To avoid duplication, Bank has not reported anyone under workers, though Clerical and Sub Staff may also qualify under the definition of worker.*
*Note 2 : Employee classification is based on the definitions prescribed under the SEBI BRSR Guidance Note*

#### b. Differently abled Employees:

| S. No. | Particulars | Total (A) | Male | | Female | |
|---|---|---|---|---|---|---|
| | | | No. (B) | % (B / A) | No. (C) | % (C / A) |
| | **DIFFERENTLY ABLED EMPLOYEES** | | | | | |
| 1. | Permanent (D) | 16 | 7 | 43.75% | 9 | 56.25% |
| 2. | Other than Permanent (E) | - | - | - | - | - |
| **3.** | **Total differently abled employees (D + E)** | **16** | **7** | **43.75%** | **9** | **56.25%** |

## 21. Participation/Inclusion/Representation of Women

| | Total (A) | No. and percentage of Females | |
|---|---|---|---|
| | | No. (B) | % (B / A) |
| Board of Directors | 10 | 1 | 10.00% |
| Key Management Personnel | 4 | 0 | 0.00% |

*Note: The Board consists of a unitary (single-tier) structure with an appropriate mix of Executive and Non-Executive Independent Directors, with Independent Directors representing more than one-third of its total strength. As of March 31, 2026, the Bank's Board consisted of ten Directors, including seven Non Executive Independent Directors and three Executive Directors, among whom one is a woman Independent Director.*

## 22. Turnover rate for permanent employees (disclose trends for the past 3 years)

| | FY 2025-26 | | | FY 2024-25 | | | FY 2023-24 | | |
|---|---|---|---|---|---|---|---|---|---|
| | Male | Female | Total | Male | Female | Total | Male | Female | Total |
| Permanent Employees | 5.01% | 5.12% | 5.05% | 4.70% | 3.78% | 4.32% | 5.01% | 4.89% | 4.96% |

### Turnover rate of permanent employees based on the exit type:

| | FY 2025-26 | | | FY 2024-25 | | | FY 2023-24 | | |
|---|---|---|---|---|---|---|---|---|---|
| | Male | Female | Total | Male | Female | Total | Male | Female | Total |
| Voluntary | 4.05 % | 4.28 % | 4.14 % | 3.10% | 2.90% | 3.02% | 2.95% | 3.53% | 3.19% |
| Involuntary | 0.96 % | 0.84 % | 0.91 % | 1.60% | 0.88% | 1.29% | 2.06% | 1.36% | 1.77% |
| **Total** | **5.01 %** | **5.12 %** | **5.05 %** | **4.70%** | **3.78%** | **4.32%** | **5.01%** | **4.89%** | **4.96%** |

*Note: Voluntary exit includes resignation, VRS, etc. & involuntary exit includes dismissal, retirement, or death while in service.*

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

## 23. Name of holding/subsidiary/associate companies/joint ventures

| Sl. No. | Name of the holding/ subsidiary/associate companies/joint ventures (A) | Indicate whether Holding/ Subsidiary/Associate/Joint Venture | % of shares held by the listed entity | Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed Entity? (Yes/No) |
|---|---|---|---|---|
| 1 | Federal Operations and Services Limited | Subsidiary | 100.00% | No |
| 2 | Fedbank Financial Services Limited | Subsidiary | 60.79% | No |
| 3 | Ageas Federal Life Insurance Company Limited | Associate | 30.00% | No |

## VI. CSR Details

**24.** (i) Whether CSR is applicable as per section 135 of Companies Act, 2013 (Yes/No) : Yes

(ii) Turnover (in Crore): ₹ 32,135.76

(iii) Net worth (in Crore): ₹ 38,690.54

## VII. Transparency and Disclosure Compliances

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

| Stakeholder group from whom complaint is received | Grievance Redressal Mechanism in place (Yes/No) (If yes, then provide web link for grievance redressal policy) | FY 2025-26 | | | FY 2024-25 | | |
|---|---|---|---|---|---|---|---|
| | | No. of complaints filed during the year | No. of complaints pending resolution at close of the year | Remarks | No. of complaints filed during the year | No. of complaints pending resolution at close of the year | Remarks |
| Communities | Yes | 0 | - | Nil | 0 | _ | Nil |
| Investors (other than shareholders) | Yes | 0 | - | Nil | 0 | _ | Nil |
| Shareholders | Yes | 20* | 0 | All Complaints Resolved | 9 | 0 | All complaints resolved |
| Employees | Yes, Available on Bank's intranet and accessible to all employee | 6 | 0** | - | 6 | 0** | - |
| Customers | Yes | 1,68,101 | 2,931*** | | 1,74,310 | 5,005*** | _ |
| Value Chain Partners | Yes | – | – | | – | – | – |
| Others (please specify) | – | – | – | | – | – | – |

**Counts include repeat or duplicate complaints separately registered on the SCORES platform by the same complainant. All such complaints have been duly addressed and closed.*

***Bank has initiated timely measures for an effective redressal of grievances.*

****Majority of the pending cases are related to digital transaction disputes which has specific TAT for resolution.*

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

- https://www.federal.bank.in/grievance-redressal
- https://www.federal.bank.in/shareholder-information
- ESMS Policy
- Customer Grievance Redressal Policy

26. **Overview of the Entity's material responsible business conduct issues:**

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

| Sl. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk/ opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|---|---|---|---|---|---|
| **Environment** | | | | | |
| 1 | Climate Change | Risk | Climate change presents material risks to the Bank's operations, lending portfolio, and overall financial resilience. Increasing global temperatures, more frequent extreme weather events, and evolving environmental regulations may give rise to the following risks:<br>**a) Physical Risks:** Damage to the Bank's physical assets, including branches, offices, and data centres, resulting from the increasing frequency and intensity of natural disasters.<br>**b) Transition Risks:** Regulatory changes, technological developments and evolving market preferences associated with the transition to a low-carbon economy may affect the performance and risk profile of the Bank's lending and investment portfolio.<br>**c) Liability Risks:** Exposure to legal, regulatory and reputational consequences arising from financing or investment activities that are perceived to contribute to climate change or environmental degradation.<br>**d) Reputational Risks:** Adverse public perception and reputational harm resulting from inadequate climate action, insufficient disclosures or a perceived lack of commitment to sustainability. | The Bank restricts lending to high-impact sectors such as coal mining and is committed to phasing out coal-related exposure by 2030. Environmental and Social Due Diligence is conducted as part of credit assessments. The Bank actively promotes in-house sustainability initiatives such as renewable energy usage, rainwater harvesting, and obtaining green building certifications. These efforts are supported by a broader focus on operational sustainability, climate-related financial disclosures, and environment-friendly CSR projects. | Negative |
| 2 | Product Innovation with ESG Impact/ Sustainable Finance | Opportunity | Product innovation with ESG impact/ sustainable finance offers opportunities for revenue growth, competitive advantage and improved risk management. It also helps us to align with global commitments such as UNSDGs and Paris Agreement. | --- | Positive |
| **Social** | | | | | |
| 3 | Human Capital Development & Employee Engagement | Opportunity | Effective human capital management can attract and retain top talent, reduce turnover rates, and develop future leaders, ultimately driving business growth and sustainability. | --- | Positive |

| Sl. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk/ opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|---|---|---|---|---|---|
| 4 | Community Development | Opportunity | Community Development presents opportunities for us to create shared value, driving business success while contributing to economic and social well-being around us.<br>By investing in Community Development, we can enhance reputation, support business growth, and meet stakeholder expectations, ultimately strengthening social license to operate. | --- | Positive |
| 5 | Financial Inclusion | Opportunity | Financial inclusion presents opportunities for us to expand our customer base, enhance reputation, and drive social impact by improving access to financial services for underserved populations.<br>By promoting financial inclusion, we can unlock new revenue streams, innovate products and services, and ensure regulatory compliance, ultimately contributing to economic growth and societal well-being. | --- | Positive |
| 6 | Digital Transformation | Opportunity | Digital transformation drives operational efficiency, enhances customer experiences, and strengthens competitive positioning. The increasing adoption of digital transactions enables greater customer engagement while improving cost efficiencies across operations. | --- | Positive |
| 7 | Customer Relationship Management | Risk | Ineffective grievance redressal mechanisms can result in customer dissatisfaction, regulatory sanctions, and reputational damage. Ensuring timely, fair, and accurate resolution of customer complaints is critical to maintaining stakeholder trust, enhancing customer experience, and meeting regulatory expectations. | A robust grievance redressal mechanism has been established to ensure effective handling and timely resolution of customer complaints in accordance with regulatory requirements. A quality assurance and audit framework has also been implemented to verify that appropriate resolutions are communicated to customers within the prescribed turnaround time (TAT). Additionally, the mechanism facilitates accurate categorisation of complaints and root cause analysis, enabling the Bank to identify systemic issues and implement corrective actions to minimise recurrence and enhance customer satisfaction. | Negative |

| Sl. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk/ opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|---|---|---|---|---|---|
| **Governance** | | | | | |
| 8 | Governance, Risk, Business Ethics, Transparency & Reporting | Risk | Governance deficiencies or ethical misconduct can undermine the institution's long-term strategic objectives, weaken stakeholder confidence, and increase regulatory and compliance risks. Strong governance frameworks and ethical business practices are essential to maintaining trust, ensuring accountability, and supporting sustainable growth. | The Bank makes it imperative that there is continuous improvement in its governance framework and institutionalises integrity through robust systems and processes by observing regulatory guidelines and industry best practices. The Bank has a employee code of conduct, Anti – Bribery and Corruption policy, Policy for combating financial crime already in place. The committees that have been set up at the Board level by the Bank evaluate the grievances of both internal and external stakeholders. | Negative |
| | | Opportunity | A Proactive approach to compliance strengthens governance, promotes ethical conduct, enhances transparency, and reinforces the Bank's ESG performance. Robust data privacy and protection measures also contribute to customer confidence as stakeholders increasingly favor institutions that demonstrate a strong business commitment to safeguarding personal information. | --- | Positive |
| 9 | Risk & Crisis Management | Risk | Weak risk management practices may result in financial losses and capital erosion, potentially affecting the Bank's financial stability. Similarly, data breaches or cybersecurity incidents involving customer information can undermine stakeholder trust, attract regulatory scrutiny, and adversely impact the Bank's reputation. | The Three Lines of Defense Model has been adopted by the Bank to ensure that calculated risks are taken and the same is managed within the Board-approved Risk Appetite Limits. The Risk Management Framework is constantly strengthened based on emerging risks, business strategies, industry best practices and regulatory requirements. The Risk Management Committee of the Board ensures that the Bank has suitable systems, policies and processes in place to identify, measure, manage and mitigate the risks. Following are the Cyber Security initiatives conducted by Bank: Preventive controls such as Data Leakage Prevention Adequate Access Controls (RBAC, Principle of Least Privilege) Encryption for protecting confidentiality Robust controls for data protection in both Bank's and third-party environments Securing Bank's data in cloud and third-party environments.<br>The Bank has ISO certifications for ISO 27001 and 22301 for Information security management and business continuity management respectively. | Negative |

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

| | Corporate Policy | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 | Principles Linked |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Policy on combating financial crime | ✓ | | | ✓ | | | | | ✓ | 3 |
| 2 | Anti-Bribery and Corruption Policy | ✓ | | | | | | | | | 1 |
| 3 | Policy for Determination of Material Subsidiary | ✓ | | | | | | | | | 1 |
| 4 | Policy on related party transactions | ✓ | | | | | | | | | 1 |
| 5 | Code of Corporate Governance and Code of Conduct for the Board of Directors and Management | ✓ | | | | | | ✓ | | | 2 |
| 6 | Tax compliance Policy | ✓ | | | | | | | | | 1 |
| 7 | Environmental and Social Management System (ESMS) Policy | | ✓ | | | ✓ | ✓ | | | | 3 |
| 8 | Supplier code of conduct | | ✓ | | | ✓ | ✓ | | | | 3 |
| 9 | ESG Policy | | ✓ | ✓ | | ✓ | ✓ | ✓ | ✓ | | 6 |
| 10 | Diversity, equity and inclusion policy | | | ✓ | | | | | | | 1 |
| 11 | Protected Disclosure Scheme (PDS) / Whistle Blower Policy | ✓ | | ✓ | | | | | | | 2 |
| 12 | Corporate Social Responsibility Policy | | | | ✓ | | ✓ | | ✓ | | 3 |
| 13 | Settlement of claims | | | | ✓ | | | | | | 1 |
| 14 | Customer Compensation Policy | | | | ✓ | | | | | ✓ | 2 |
| 15 | Policy on lending to MSME | | | | ✓ | | | | | | 1 |
| 16 | Policy for resolution of loans of Individuals and Small Businesses | | | | ✓ | | | | | | 1 |
| 17 | Code of Bank's Commitment to Micro and Small Enterprises (MSE 2015) | | | | ✓ | | | | | | 1 |
| 18 | Policy on Doorstep Banking services for Senior Citizens and differently abled person | | | | | ✓ | | | ✓ | | 2 |
| 19 | Policy on Customer Service | | | | | ✓ | | | | | 1 |
| 20 | Policy for Redressal of Customer Grievances | | | | | | | | | ✓ | 1 |
| 21 | Customer Rights Policy | | | | | | | | | ✓ | 1 |
| 22 | Policy on Customer Protection - Limiting Liability of Customers in Unauthorized Electronic Banking Transaction | | | | | | | | | ✓ | 1 |
| 23 | Code of Bank's Commitment to Customers | | | | | ✓ | | | | ✓ | 2 |

| Disclosure Questions | P 1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|---|
| **Policy and management processes** | | | | | | | | | |
| 1. a. Whether the Entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No) | Yes | | | | | | | | |
| b. Has the policy been approved by the Board? (Yes/No) | Yes | | | | | | | | |
| c. Web Link of the policies, if available | All the policies are available on the Bank's website. Link | | | | | | | | |
| 2. Whether the Entity has translated the policy into procedures. (Yes/No) | Yes | | | | | | | | |
| 3. Do the enlisted policies extend to the Entity's value chain partners? (Yes/No) | Yes. The Bank's ESG Policy contains provisions relating to engagement with relevant value chain partners and outlines the Bank's expectations on sustainable and ethical business practices. | | | | | | | | |
| 4. Name of the national and international codes/ certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by the Entity and mapped to each principle. | Bank has adopted a range of national and international standards and frameworks to strengthen its environmental, social, and governance (ESG) practices. These include:<br>• **International Finance Corporation (IFC) Performance Standards:** Applied for Environmental and Social (E&S) due diligence of borrowers, ensuring responsible lending practices.<br>• **ISO 22301:2019 – Business Continuity Management System (BCMS):** Ensures operational resilience and continuity of critical banking services.<br>• **ISO 27001:2022 – Information Security Management System (ISMS):** Implemented to safeguard Bank's information assets and systems.<br>• **PCI DSS Compliance:** Achieved for the card ecosystem, ensuring secure handling of cardholder data.<br>• **IGBC Green Interiors Certification:** Obtained for select premises, promoting resource-efficient and sustainable workplace environments. | | | | | | | | |

| Disclosure Questions | P 1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|---|
| 5. Specific commitments, goals and targets set by the entity with defined timelines, if any. | Goals and Commitment:<br>• The Bank has committed not to do fresh lending to certain sectors which has significant E&S risks as detailed in the ESMS policy<br>• The Bank has committed to reducing its coal-related sub-project exposure to NIL by December 2030<br>• The Bank intends to grow its green portfolio to Rs. 13,000 Crore by December 2025*<br>• 750 kWp of in-house solar power generation capacity by March 2028<br>• Reach 2 Lakh litre of water conservation capacity by March 2028<br>• Finance at least 20 Lakh women entrepreneurs through BC Channel by March 2030<br>• At least 10% of the Bank premises to be green certified by March 2028<br>• We aim to maintain a gender diversity ratio of 40% or above at all times** | | | | | | | | |
| 6. Performance of the entity against the specific commitments, goals and targets along-with reasons, in case the same are not met. | Performance (as of March 31, 2026):<br>• Fresh loans to exclusion list activities are restricted as per the ESMS policy.<br>• Coal-related sub-project exposures stood at 0.35% of gross advances (March 2021 baseline is 3.49% of the gross advances).<br>• The Bank's green loan balance outstanding stood at ₹10,489 Crore.<br>• The total solar power generation capacity increased to 570 kWp.<br>• The Bank's total rainwater harvesting storage capacity across its various offices increased to 1,39,000 litres.<br>• 14.30 Lakh Women entrepreneurs financed through the BC channel.<br>• 5.5% of the Bank's premises are green certified under the IGBC Green Interiors rating system.<br>• The Bank's present gender diversity ratio is 42.01%. | | | | | | | | |

**The green loan target has been revised to ₹15,000 Crore by March 2030, reflecting an enhanced commitment to sustainable finance and the need for a calibrated growth trajectory that balances business expansion with prudent risk management.*

***The Bank's gender diversity commitment has been recalibrated to 37%, considering the current workforce composition, recruitment trends and expected talent pipeline, while continuing efforts to improve women representation across the organisation.*

## Governance, leadership and oversight

7. Statement by Director, responsible for the Business Responsibility Report, highlighting ESG related challenges, targets and achievements
Statement by Sudarshan Sen, Chairman of Risk Management Committee of the Board

As a socially responsible financial institution, we recognise that responsible business conduct and sustainable value creation are fundamental to long-term resilience and maintaining the trust reposed in us by our stakeholders. Environmental, Social and Governance (ESG) considerations are deeply embedded in our strategy, risk management framework, and operational processes, enabling us to align our growth trajectory with evolving regulatory expectations and broader societal priorities, and supporting the country's objectives of sustainable development and climate resilience.

The Bank has adopted a structured ESG framework anchored on robust governance, responsible lending, and a stakeholder-centric approach. Oversight of ESG functions is exercised at the Board level through the Risk Management Committee, with support from management-level committees to ensure proper implementation, in alignment with regulatory expectations and emerging risks.

We have implemented an Environmental and Social Management System (ESMS) policy, aligned with globally accepted standards such as the IFC Performance Standards, to integrate Environmental and Social (E&S) risk assessment into our credit appraisal processes, particularly for wholesale lending segments. The Bank has also established an exclusion list based on E&S criteria, applicable across all business segments. Collectively, these measures enable the systematic identification, evaluation, and management of E&S risks across our lending portfolio.

The Bank has also strengthened its ESG related disclosures in accordance with the SEBI-mandated BRSR framework, with reasonable assurance obtained on BRSR Core parameters and limited assurance on other disclosures, enhancing the credibility and transparency of reporting. In addition, in line with evolving regulatory guidance on climate risk, the Bank has become a signatory to the Partnership for Carbon Accounting Financials (PCAF) to align with globally accepted approaches for measuring and managing financed emissions.

The Bank continues to make progress across its ESG priorities, with detailed disclosures on key initiatives, achievements and ESG public commitments provided in the ESG section of this Report. During the year, the Bank has also reviewed certain ESG-related public commitments, with select targets being revised or realigned in line with evolving business strategy and operating context, the details of which are provided in the ESG section (Page 22) of this Report.

While the Bank has made significant progress, it recognises that ESG implementation continues to evolve, accompanied by structural and operational challenges. These include limitations in the availability of standardised and reliable ESG data across portfolios and value chains, as well as an increasingly dynamic regulatory and disclosure environment.

| Disclosure Questions | P 1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|---|
| Further complexity arises in integrating climate-related considerations into risk management and business strategy, particularly given the evolving nature of methodologies and the data dependencies involved. In this context, the assessment of portfolio-level emissions and climate risks remains an area under active development. To address these challenges, the Bank is actively strengthening its internal capabilities while enhancing supporting systems and frameworks in a structured and phased manner.<br>The Bank remains committed to supporting the transition towards a more sustainable and resilient economy, while pursuing a structured and phased approach to disclosures and implementation in line with evolving regulatory expectations. | | | | | | | | | |
| 8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies). | Committee of the Board<br>For more detailes refer to Page 152 of the Integrated Annual Report. | | | | | | | | |
| 9. Does the entity have a specified Committee of the Board/Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details. | Yes. The Risk Management Committee (RMC) of the Board oversees Environmental, Social and Governance (ESG) aspects in both its own operations and lending operations including climate risk. All the policies related to ESG/ESMS are approved by the Board. The risks associated with the lending operation are duly factored under ESMS policy and ESG Policy assesses the organization's business practices and performance on various sustainability and ethical issues. Bank is also having an executive-level E&S committee headed by MD&CEO which oversees both ESG and ESMS aspects including climate risk and reports to RMC of the Board Quarterly.<br>Refer to Page 424 of the Annual Report for detailed composition and roles of the Risk Management Committee | | | | | | | | |

10. Details of review of NGRBCs by the Company:

| Subject for review | Indicate whether review was undertaken by Director/Committee of the Board/any other Committee | | | | | | | | | Frequency (Annually/Half yearly/Quarterly/Any other – please specify) | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
| Performance against above policies and follow up action | All the policies are reviewed and approved by the Board on an annual basis. Some of the policies are reviewed first by the sub-committees of the Board and thereafter placed to the Board for approval. | | | | | | | | | | | | | | | | | |
| Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances | The principles are meticulously followed to build up the faith and trust of shareholders, customers, employees, and the market, thus providing a competitive advantage in the industry. Bank conducts the business in accordance with the statutory and regulatory guidelines to the satisfaction of all our stakeholders. The policies are developed and aligned to applicable compliance requirements, RBI norms and guidelines, requirements of listing agreements with stock exchanges, or Bank's internal requirements and best practices, which are reviewed periodically. | | | | | | | | | | | | | | | | | |

| | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|---|
| 11. Has the entity carried out independent assessment /evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide the name of the agency. | No | | | | | | | | |

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

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

## SECTION C: PRINCPLE WISE PERFORMANCE DISCLOSURE

### Principle 1:

**Businesses should conduct and govern themselves with integrity and in a manner that is Ethical, Transparent and Accountable.**

### Essential Indicators:

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

| Segment | Total number of training and awareness programmes held | Topics/principles covered under the training and its impact | %age of persons in respective category covered by the awareness programmes |
|---|---|---|---|
| Board of Directors | 5 | All 9 Principle | 100.00% |
| Key Managerial Personnel | 7 | All 9 Principle | 100.00% |
| Employees other than Board of Directors and KMPs | 281 | All 9 Principle | 92.00% |

*Note: Details of familiarisation programmes provided for Independent Directors of the Bank during FY 2025-26 can be accessed from the bank's website: https://www.federal.bank.in/familiarisation-programmes-imparted-to-independent-directors.*

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

| Monetary | | | | | |
|---|---|---|---|---|---|
| | NGRBC Principle | Name of the regulatory/ enforcement agencies/ judicial institutions | Amount (In INR) | Brief of the Case | Has an appeal been preferred? (Yes/No) |
| Penalty/ Fine | P1 | RBI | 5,60,000 | Cash-out incidents were caused by operational, logistical, and technical issues, including delayed cash replenishment, unexpected customer withdrawals, cash shortages during holidays, CRA support challenges, and ATM component failures affecting cash availability. | No |
| | P1 | RBI | 1,01,741 | Penalties were related to currency chest operations including counterfeit currency detection, remittance deficiencies, inspection observations, and delayed e-Kuber reporting. | No |
| | P1 | RBI | 35,000 | The instances were related to customer service and regulatory compliance lapses observed at branches including coin availability, mutilated note exchange, and observations from RBI incognito visits. | No |
| | P1 | NPCI | 18,60,171 | Liability shift intimation issued by NPCI due to financial losses to customers caused by fraudulent activities through App id - com.epifi.paisa (payment app). | No |
| | P1 | RBI | 23,85,656 | Recovery relates to excess maintainable complaints received by ORBIOs above prescribed thresholds and the associated cost of complaint redressal. | No |
| | P1 | NSE | 600 | The penalty was imposed for the usage of multiple CTCL IDs. | Yes |

| Monetary | | | | | |
|---|---|---|---|---|---|
| | NGRBC Principle | Name of the regulatory/ enforcement agencies/ judicial institutions | Amount (In INR) | Brief of the Case | Has an appeal been preferred? (Yes/No) |
| | P1 | Commercial Tax office, New Delhi | 23,36,830* | An order u/s 73 of CGST Act, 2017 from the Sales Tax Officer Class II, Karol Bagh, New Delhi dated 27.12.2025 levying a penalty of Rs. 23,36,830/-. The Bank has filed a writ petition before the HC of Delhi against the said Order. The Bank has not paid any penalty. | Yes |
| Settlement | - | - | - | - | - |
| Compounding fee | - | - | - | - | - |

**Not Paid*

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

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

| Case Details | Name of the regulatory/ enforcement agencies/ judicial institutions |
|---|---|
| Section 73 of Central Goods and Services Tax Act, 2017 (CGST Act, 2017) from the Office of Sales Tax Officer New Delhi levying a penalty of Rs. 23,36,830/: A writ petition dated 19.03.2026 was filed by the Bank before the HC of Delhi. | Commercial Tax office, New Delhi |

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

Bank has implemented a comprehensive Anti-Bribery and Anti-Corruption policy that establishes consistent and effective standards to be adhered to in the conduct of its day-to-day operations.

The policy can be accessed through the following link: Anti-Bribery and Corruption Policy

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

| | FY 2025-26 | FY 2024-25 |
|---|---|---|
| Directors | Nil | Nil |
| KMPs | | |
| Employees | 39 | 18 |

*Note: The FY 2024–25 comparative figure has been restated following a reassessment of the criteria for reporting for this parameter. The restatement has been undertaken to ensure consistency and comparability across reporting periods. Accordingly, the FY25 figure has been revised to 18 employees involved in 18 fraud cases. For FY26, the reported figure is 39 employees, comprising 37 employees involved in 19 fraud cases and 2 employees against whom police notices were issued, but no fraudulent elements were identified in the internal investigation.*

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

| | FY 2025-26 | | FY 2024-25 | |
|---|---|---|---|---|
| | Number | Remarks | Number | Remarks |
| Number of complaints received in relation to issues of Conflict of Interest of the Directors | Nil | | Nil | |
| Number of complaints received in relation to issues of Conflict of Interest of the KMPs | | | | |

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

In instances where cases involving corruption or conflict of interest were identified, the Bank initiated appropriate corrective measures, including detailed root cause analysis and implementation of appropriate process controls and refinements, disciplinary proceedings against the employees concerned, recovery of losses wherever applicable and enhanced monitoring of vulnerable processes and activities. Lessons learned from such cases were disseminated across the organization to prevent recurrence and to reinforce ethical conduct, accountability and compliance standards.

Further, in cases classified as fraud, the Bank, in accordance with its Fraud Risk Management (FRM) Policy, initiates the filing of complaints with the appropriate Law Enforcement Agencies (LEAs) against the perpetrators.

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

| | FY 2025-26 | FY 2024-25 |
|---|---|---|
| Number of days of accounts payables | 13.47 | 12.19* |

**Following a change in the methodology for calculating the Number of Days of Accounts Payable during FY 2025–26, prior-year figures have been restated for comparability.*

9. **Open-ness of business: Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format (🛡):**

| Parameter | Metrics | FY 2025-26 | FY 2024-25 |
|---|---|---|---|
| Concentration of Purchases | a. Purchases from trading houses as % of total purchases | Not Applicable | |
| | b. Number of trading houses where purchases are made from | | |
| | c. Purchasing from the top 10 trading houses as % of total purchases from trading houses | | |
| Concentration of Sales | a. Sales to dealer / distributors as % of total sales | | |
| | b. Number of dealers / distributors to whom sales are made | | |
| | c. Sales to top 10 dealers / distributors as % of total sales to dealer / distributors | | |
| Share of RPTs in | a. Purchases (Purchases with related parties as % of Total Purchases) | 1.02% | 0.97% |
| | b. Sales (Sales to related parties as % of Total Sales) | 1.28% | 1.10% |
| | c. Loans & advances given to related parties as % of Total loans & advances | 0.59% | 0.66% |
| | d. Investments in related parties as % of Total Investments made | 1.29% | 1.35% |

## Leadership Indicators:

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

| Total number of awareness programmes held | Topics/principles covered under the training | %age of value chain partners covered (by value of business done with such partners) under the awareness programmes |
|---|---|---|
| 2 | Cyber Security* | - |

**All employees of the vendors who are stationed at the Bank's premises and have access to Bank's system or network are provided with the training on aspects such as information security, safe internet practices, password management etc.*

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

Yes, the Bank has processes and controls in place to avoid and manage conflicts of interest involving members of the Board. These arrangements are embedded within its Code of Corporate Governance and provides a structured framework to identify, prevent, disclose, and manage conflicts of interest. The framework includes mandatory disclosures by directors, restrictions on participation in decisions where conflicts exist, prior approval requirements, and oversight by the Audit Committee particularly in relation to related party transactions . Additionally, continuous governance monitoring mechanisms have also been put in place to ensure compliance with applicable regulatory and ethical standards.

The Code can be accessed through the following link: Code of Corporate Governance

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

During FY 2025-26, Bank has not entered into any materially significant transactions with its Directors or Relatives of the Directors, which could lead to a potential conflict of interest between Bank and these parties. All the members of the Board of Directors and Senior Management Personnel of Bank have affirmed compliance with the said Code as applicable to them for FY 2026.

## Principle 2:

**Business should provide goods and services in a manner that is sustainable and safe**

### Essential Indicators:

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

| Segment | FY 2025-26 | FY 2024-25 | Details of improvements in environmental and social impacts |
|---|---|---|---|
| R & D | NA | NA | NA |
| Capex | 4.86% | 2.29% | • During the reporting period, Bank invested in several initiatives aimed at enhancing Environmental sustainability. These included rooftop solar installations, rainwater harvesting systems, Sewage Treatment Plant (STPs), procurement of energy-efficient equipment, installation of IOT based power saving device for ACs in ATM, and obtaining IGBC (Indian Green Building Council) certification for select premises.<br>• Potential impacts of the above initiatives include avoidance of greenhouse gas (GHG) emissions, improved energy efficiency and reduced carbon footprint, groundwater recharge through rainwater harvesting, water recycling and conservation through STPs, and enhanced environmental sustainability through the adoption of green building practices. |

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

Yes. The Bank has established a Supplier Code of Conduct, which requires that all suppliers comply with applicable laws and regulations relating to human rights, labour standards, health and safety, environmental sustainability, and ethical business practices. Sustainable sourcing practices are integrated into procurement processes wherever feasible, with preference given to products and services that support environmental efficiency and responsible resource use. The Bank considers energy efficiency standards while procuring electronic equipment such as air conditioners, LED lighting, and other energy-efficient appliances.

For further details on the Bank's sustainable operations and environmental initiatives, please refer to Principle 6, Question 8 under the Essential Indicators section.

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

At present, the Bank does not maintain a consolidated database of suppliers certified under recognized environmental or sustainability standards. Consequently, the percentage of inputs sourced sustainably cannot be quantified at this stage. As part of its ongoing ESG journey, the Bank is strengthening its supplier management and sustainability data collection processes and intends to progressively track and monitor sustainable sourcing practices across its vendor ecosystem.

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

| | |
|---|---|
| (a) Plastics (including packaging)<br>(b) E-waste<br>(c) Hazardous waste<br>(d) other waste. | As a financial services institution, our products and operations are designed to minimize the generation of plastic, e-waste, and other categories of waste. The principal source of plastic waste from our offices arises from the use of plastic pouches for the secure storage of gold ornaments pledged with the Bank. In addition, both plastic and paper waste generated across branches and offices are systematically collected and disposed of through structured arrangements with the respective local Corporations, Municipalities, and Panchayats, thereby ensuring adherence to environmentally sound waste management practices.<br><br>The Bank has instituted a centralized and robust e-waste management framework that enables effective identification, tracking, and management of e-waste generated across its network. All identified e-waste is responsibly transferred to authorized e-waste management agencies in strict compliance with the E-Waste Management Rules, 2022. |

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

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

## Leadership Indicators:

1. **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

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

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

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

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

| Indicate input material | Recycled or re-used input material to total material | |
|---|---|---|
| | FY 2025-26 | FY 2024-25 |
| Considering the nature of operation, the above leadership indicator is not material to banking industry. However, Bank is committed to reducing the usage of plastic and paper in its operations. | | |

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

| | FY 2025-26 | | | FY 2024-25 | | |
|---|---|---|---|---|---|---|
| | Re-used | Recycled | Safely Disposed | Re-used | Recycled | Safely Disposed |
| Plastics (including packaging) | Not Applicable considering the nature of the Bank's operations | | | | | |
| E-waste | | | | | | |
| Hazardous waste | | | | | | |
| Other waste | | | | | | |

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

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

## Principle 3:

**Business should respect and promote the wellbeing of all employees, including those in their value chains**

### Essential Indicators:

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

| Category | Total (A) | % of employees covered by | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Health insurance | | Accident insurance | | Maternity benefits | | Paternity benefits | | Day Care facilities | |
| | | Number (B) | % (B/A) | Number (C) | % (C/A) | Number (D) | % (D/A) | Number ( E) | % (E/A) | Number (F) | % (F/A) |
| **Permanent employees** | | | | | | | | | | | |
| Male | 9,913 | 9,913 | 100.00% | 9,913 | 100.00% | - | - | 9,913 | 100.00% | 1,573 | 15.87% |
| Female | 7,028 | 7,028 | 100.00% | 7,028 | 100.00% | 7,028 | 100.00% | - | - | 1,065 | 15.15% |
| Total | **16,941** | **16,941** | **100.00%** | **16,941** | **100.00%** | **7,028** | **41.49%** | **9,913** | **58.51%** | **2,638** | **15.57%** |
| **Other than Permanent employees** | | | | | | | | | | | |
| Male | 340 | 340 | 100.00% | 340 | 100.00% | - | - | 0 | 0.00% | 125 | 36.76% |
| Female | 400 | 400 | 100.00% | 400 | 100.00% | 400 | 100.00% | - | - | 184 | 46.00% |
| Total | **740** | **740** | **100.00%** | **740** | **100.00%** | **400** | **54.05%** | **0** | **0.00%** | **309** | **41.76%** |

B. Spending on measures towards well-being of employees (including permanent and other than permanent) in the following format (🛡) –

| | FY 2025-26 | FY 2024-25 |
|---|---|---|
| Cost incurred on wellbeing measures as a % of total revenue of the company | 0.43% | 0.39% |

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

| Benefits | FY 2025-26 | | FY 2024-25 | |
|---|---|---|---|---|
| | No. of employees covered as a % of total employees | Deducted and deposited with the authority (Y/N/N.A.)* | No. of employees covered as a % of total employees | Deducted and deposited with the authority (Y/N/N.A.)* |
| PF/Pension/NPS | 95.82% | Y | 96.48% | Y |
| Gratuity | 95.82% | Y | 96.48% | Y |
| ESI | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| Others- Leave Encashment | 95.82% | Not Applicable | 96.48% | Not Applicable |

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

3. **Accessibility of workplaces**

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

The Bank's branches and offices are designed to incorporate accessibility features that facilitate ease of movement and access for differently-abled employees. Such employees are assigned to branches/offices equipped with the necessary facilities to meet their specific requirements.

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

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

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

| Gender | Permanent Employees | |
|---|---|---|
| | Return to work rate | Retention Rate |
| Male | 100.00% | 98.41% |
| Female | 99.55% | 96.68% |
| **Total** | **99.81%** | **97.74%** |

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

| | Yes/No (If yes, then give details of the mechanism in brief) |
|---|---|
| Permanent employees | Employees can raise their workplace grievances to Employee Grievance Redressal Forum that comprises of the two Senior executives of Bank and one external expert. |
| Other than permanent employees | |

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

| Category | FY 2025-26 | | | FY 2024-25 | | |
|---|---|---|---|---|---|---|
| | Total employees in respective category (A) | No. of employees in respective category, who are part of association(s) or Union (B) | %(B/A) | Total employees in respective category (C) | No. of employees in respective category, who are part of association(s) or Union (D) | %(D/C) |
| Total Permanent Employees | 16,941 | 10,816 | 63.85% | 15,545 | 10,413 | 66.99% |
| - Male | 9,913 | 5,934 | 59.86% | 8,969 | 5,791 | 64.57% |
| - Female | 7,028 | 4,882 | 69.46% | 6,576 | 4,622 | 70.28% |

**8. Details of training given to employees:**

| Category | FY 2025-26 | | | | | FY 2024-25 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total (A) | On health and safety measures | | On skill upgradation | | Total (D) | On health and safety measures | | On skill upgradation | |
| | | No. (B) | % (B/A) | No. (C) | % (C/A) | | No. (E) | % (E/D) | No. (F) | % (F/D) |
| **Employees** | | | | | | | | | | |
| Male | 10,253 | 9,435 | 92.00% | 9,448 | 92.10% | 9,248 | 9,050 | 97.86% | 9,076 | 98.14% |
| Female | 7,428 | 6,769 | 91.10% | 6,780 | 91.30% | 6,863 | 6,304 | 91.85% | 6,324 | 92.15% |
| **Total** | **17,681** | **16,204** | **91.60%** | **16,228** | **91.80%** | **16,111** | **15,354** | **95.30%** | **15,400** | **95.59%** |

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

| Category | FY 2025-26 | | | FY 2024-25 | | |
|---|---|---|---|---|---|---|
| | Total (A) | No. (B) | % (B/A) | Total (C) | No. (D) | % (D/C) |
| **Employees** | | | | | | |
| Male | 10,253 | 9,777 | 95.36% | 9,248 | 8,972 | 97.02% |
| Female | 7,428 | 7,154 | 96.31% | 6,863 | 6,613 | 96.36% |
| **Total** | **17,681** | **16,931** | **95.76%** | **16,111** | **15,585** | **96.74%** |

*Note - The Company conducts individual-level performance appraisals for employees. The appraisal is carried out through Management by Objectives (MBO), where employee performance is assessed against pre-defined goals, Key Result Areas (KRAs), job responsibilities, and expected outcomes. The appraisal focuses on individual contribution, achievement of objectives, quality of work and alignment with organizational goals. The frequency of performance appraisal is on an annual basis.*

## 10. Health and Safety Management System:

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

The Bank has a comprehensive Occupational Health and Safety (OHS) Framework, duly approved by the competent authority and disclosed on the official website of the Bank. This framework is an integral part of the Bank's Environmental, Social, and Governance (ESG) strategy and reflects the commitment to ensuring a safe and healthy workplace.

The emphasis is placed on preventive and awareness-driven measures, considering the relatively low occupational risk profile of the Bank's operations. The organizational culture has embedded health and safety practices, through structured training programmes, mock drills, and regular internal communications to ensure employee preparedness in emergency situations.

The Bank has also implemented an ISO 22301-certified Business Continuity Management System, supported by defined Standard Operating Procedures to safeguard employee well-being and ensure operational resilience.

The Bank has undertaken some key initiatives which include:

a. Establishment of Emergency Response Teams across all operational locations.

b. Installation of access control systems and physical security arrangements based on comprehensive risk assessments.

c. Regular training sessions on fire prevention, firefighting methods, and evacuation protocols.

d. Conduct of medical emergency management training in partnership with reputed healthcare institutions.

e. Continuous dissemination of communications aimed at strengthening employee awareness of health and safety practices.

f. Issuance of precautionary advisories during adverse weather conditions, including guidelines for personal safety and asset protection.

g. Periodic execution of fire safety and evacuation drills.

The OHS Framework applies broadly to all individuals associated with the Bank, including permanent employees, contract staff, as well as personnel engaged through vendors and partner organizations.

The OHS Framework can be accessed through the following: OHS Framework.

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

The nature of the Bank's operations inherently limits the work-related hazards, yet, the Bank has put in place comprehensive processes to identify and mitigate risks. The following processes have been adopted by the Bank:

a. Annual risk assessments of all major administrative offices and bi-annual assessments of the Bank's retail branches.

b. Nomination of an Emergency Response Team at each location who are trained to identify, respond and report any work-related hazards.

c. Remote electronic surveillance by a 24x7 Remote Monitoring Station using custom-built AI enabled monitoring software.

d. Provision of a separate Health and Safety web-based application which can be used by all employees to report any work-hazard or incidents. By empowering the employees and encouraging active reporting, the Bank has strengthened the reporting mechanism for work-related hazards.

e. Electrical audits of the Bank's facilities to proactively identify and mitigate associated risks.

f. Fire alarm system consisting of smoke and heat detectors and alert mechanism.

g. Deployment of security guards as per risk assessment.

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

Not Applicable

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

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

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

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

| Safety Incident /Number | Category | FY 2025-26 | FY 2024-25 |
|---|---|---|---|
| Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) | Employees | 0.026 | 0.057 |
| Total recordable work-related injuries | Employees | 1 | 2 |
| No. of fatalities | Employees | NIL | NIL |
| High consequence work-related injury or ill-health (excluding fatalities) | Employees | NIL | NIL |

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

The Bank continues to strengthen its policies and processes to ensure a safe, secure, and healthy workplace . It has implemented a Business Continuity Management System which is aligned with the ISO 22301 framework, to enhance operational resilience and safety preparedness. Some of the measures undertaken are regular employee communications and awareness initiatives, periodic mock drills across major locations, and the establishment of Crisis Management Teams at Head Office and Zonal Offices for effective emergency response. The Crisis Management Teams are empowered at central and zonal levels, to enable localized decision-making aligned with applicable guidelines to ensure timely and effective response.

The Bank also emphasizes employee health and well-being, through preventive wellness programmes, awareness campaigns, and partnerships with healthcare institutions. The reimbursement for annual health check-ups for employees above 40 years and their spouses, along with access to mental health support through the SMILES Employee Counselling Programme and doctor e-consultation services for employees and their families are also provided.

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

| | FY 2025-26 | | | FY 2024-25 | | |
|---|---|---|---|---|---|---|
| | Filed during the year | Pending resolution at the end of the year | Remarks | Filed during the year | Pending resolution at the end of the year | Remarks |
| Working Conditions | Nil | | | Nil | | |
| Health & Safety | | | | | | |

**14. Assessments for the year:**

| | % of plants and offices that were assessed (by entity or statutory authorities or third parties) |
|---|---|
| Health and safety practices | The Bank undertakes periodic electrical inspections across all its premises through qualified and independent third-party agencies on a biennial basis. During the past 2 years, such inspections have been successfully conducted at 989 locations. Corrective actions in the form of rectification works are performed on the premises whenever required. |
| Working Conditions | - |

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

There were no major work and safety-related incidents reported during the fiscal. The Bank has strengthened its processes to ensure a safe working atmosphere for all its employees.

## Leadership Indicators:

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

Yes (for Permanent Employees).

Bank has instituted several initiatives to support the families of employees in the unfortunate event of their demise. “Diya” is a compassionate initiative designed to address the immediate financial needs of the bereaved family. In the event of an untimely demise of an employee, a nominal contribution from every serving employee, along with a matching contribution from Bank, is pooled and handed over to the deceased employee’s family. A Group Personal Accident Insurance policy is also in place to provide coverage for accidental death. The premium for this policy is fully borne by Bank, and the insured sum is paid to the dependents in case of accidental death while in service. Additionally, the Compassionate Payment Scheme offers an ad hoc payment of a fixed amount to the family of the deceased employee. This is intended to provide immediate financial relief to help cover funeral and other related expenses.

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

The Bank promotes compliance with applicable statutory and regulatory requirements across its value chain through its Supplier Code of Conduct and vendor onboarding processes. Vendors are expected to comply with all applicable laws, including taxation, labour, and social security regulations. As part of its vendor management framework, the Bank incorporates compliance expectations into contractual arrangements and periodically engages with vendors to reinforce adherence to statutory and regulatory obligations. The Bank also undertakes appropriate due diligence and monitoring measures, where applicable, as part of its vendor governance processes to encourage compliance with statutory requirements.

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

| Indicate input material | Total No. of affected employees | | No. of employees that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment | |
|---|---|---|---|---|
| | FY 2025-26 | FY 2024-25 | FY 2025-26 | FY 2024-25 |
| Employees | 0 | 0 | 0 | 0 |

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

Yes. The Bank provides a wide range programs such as leadership development programs, mentoring, executive coaching etc. to build a future-ready workforce. Odyssey is an exclusive program dedicated to helping employees nearing retirement for preparing for a change in life as well as providing them with various financial (like tax planning) and well-being support.

Bank also contributes 60% of the premium for medical insurance for all retired employees .

**5. Details on assessment of value chain partners:**

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

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

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

## Principle 4:

**Business should respect the interests of and be responsive to all its stakeholders**

### Essential Indicators:

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

The Bank identifies and prioritises its key stakeholder groups through a structured and governance driven approach, which is embedded in its Code of Corporate Governance. The Code recognises that the Board, while discharging its fiduciary responsibilities, must consider the interests of multiple stakeholders beyond shareholders, the Board is also required to consider the interests of key stakeholder groups such as investors, customers, vendors, employees, the ecosystem and society, as well as government and regulatory authorities while ensuring that the Bank's policies, operations, and disclosures are aligned with applicable legal and regulatory requirements;

Accordingly, the Bank has identified the following six key stakeholder groups based on the nature of its business, regulatory environment, and stakeholder impact:

a. Shareholders and Investors

b. Customers

c. Vendors and Service Providers

d. Employees

e. Ecosystem and Society

f. Government and Regulatory Bodies

The identification of these stakeholder groups are guided by:

- The Board's obligation to balance competing stakeholder interests and
- Adherence to corporate governance frameworks established by the RBI, SEBI, and the Companies Act.

Moreover, the Bank's governance framework has ensured a continuous engagement and oversight, with the Board and senior management, which is responsible for maintaining transparent, timely and meaningful communication with stakeholders, and addressing their concerns in a responsible manner.

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

| Stakeholder Group | Whether identified as vulnerable & marginalised group (Yes/No) | Channels of communication (Emails, SMS, Newspapers, Pamphlets, Advertisements, Community Meetings, Notice Board, Website, Others) | Frequency of engagement (Annually, Half yearly, quarterly /others-please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement |
|---|---|---|---|---|
| Shareholders & Investors | No | • General meetings/ Postal Ballot<br>• Stock Exchange filings<br>• Media– Print and digital<br>• Email to stakeholders<br>• Website publications/ announcements<br>• Investors meets/Analyst meets/ Earnings calls | Frequent, Need based, Quarterly and Annually | Bank regularly provides updates on developments related to its business activities, new initiatives and schemes, quarterly and annual audited financial results, annual reports, and investor presentations |
| Employee | No | • Town Hall meet<br>• Branch visits<br>• Quarterly calls by top management<br>• Employee engagement platform<br>• Circulars and email communications<br>• Training programme | Frequent and need based | To foster the exchange of ideas and suggestions, ensure merit-based opportunities for professional growth, and promote an inclusive and equitable workplace |

| Stakeholder Group | Whether identified as vulnerable & marginalised group (Yes/No) | Channels of communication (Emails, SMS, Newspapers, Pamphlets, Advertisements, Community Meetings, Notice Board, Website, Others) | Frequency of engagement (Annually, Half yearly, quarterly /others- please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement |
|---|---|---|---|---|
| Customers | Yes | • Customer visits & meets<br>• Social media/ digital communications<br>• Customer surveys<br>• Customer care channels<br>• Website publishing<br>• Notice Board at Branches<br>• Newspapers/Pamphlets | Frequent and need based | Business-related discussions are conducted to raise awareness about products and services, promote safe banking practices, collect feedback and address customer grievances through effective redressal mechanisms. |
| Government & Regulatory Bodies | No | • Various Inspections by the regulators<br>• Submission of periodical reports/ returns<br>• Meetings– Physical and Digital<br>• Stock Exchange filings | Frequent and need based | Discussions focus on various regulations and amendments, internal policies and processes, as well as corporate governance and compliance standards to ensure alignment with legal and ethical requirements. |
| Ecosystem and Society | Yes | • Meeting various communities/ vulnerable groups through CSR initiatives<br>• Improving ecosystems through various CSR activities<br>• Meeting with associations/ NGOs<br>• Website (Publishing Reports & Social Impact Assessments )<br>• Newspapers and social media<br>• Emails | Need-based | Support is provided for CSR projects, financial inclusion initiatives, and other relevant matters impacting the communities. |
| Vendors, and Service Providers | No | • Assessment of suppliers and vendors<br>• Email communication and calls<br>• Project review meeting | Frequent and need based | Business related discussions, Techno-commercial discussions, Grievance redressal. |

## Leadership Indicators:

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

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

| Key Stakeholder | Board Level Committee | Key Functional Department/ Authority |
|---|---|---|
| Shareholders & Investors | • Stakeholders Relationship Committee<br>• Credit, Investment & Raising Capital Committee | • Secretarial Department<br>• Investor Relations |
| Customers | • Customer Service Committee<br>• Review Committee of the Board on Non-Cooperative Borrowers and Identification of Wilful Defaulters<br>• Special Committee of the Board for monitoring and follow up of cases of frauds<br>• Credit, Investment & Raising Capital Committee | • Service Quality Department<br>• Business Departments<br>• LCRD<br>• Credit Monitoring Department<br>• Vigilance Department<br>• Credit Hubs/Business Department/ Treasury/LCRD |
| Employees | • Human Resources Committee of the Board<br>• Nomination, Remuneration, Ethics and Compensation Committee | • HR Department |
| Government and regulatory bodies | • Risk Management Committee<br>• Audit Committee<br>• Nomination, Remuneration, Ethics and Compensation Committee | • Compliance Department<br>• Internal Audit Department<br>• Integrated Risk Management Department<br>• HR Department |
| Vendors and Service Providers | • Information Technology & Operations Committee<br>• Risk Management Committee<br>• Audit Committee | • Service Provider Review Committee<br>• Various Project Steering Committees<br>• Corporate Services Department<br>• Information Technology Department |
| Ecosystem & Society | • Corporate Social Responsibility Committee<br>• Stakeholders Relationship Committee<br>• Risk Management Committee | • CSR Department<br>• E&S Committee |

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

Yes. The Bank undertakes periodic materiality assessments and stakeholder engagement exercises to identify and prioritize environmental, social, and governance (ESG) topics that are material to its business and stakeholders. The assessment process incorporates inputs from a diverse set of stakeholders, including customers, employees, investors, regulators, communities, suppliers, and industry bodies.

The insights obtained through these engagements help the Bank understand stakeholder expectations, emerging risks, and sustainability-related opportunities. The outcomes of the materiality assessment are integrated into the Bank's policies and processes, where material, to ensure that its business practices align with their expectations and concerns.

For more information on Materiality Assessment, you may refer the section - Materiality Assessment - Page 40-43 in the Annual report.

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

The Bank remains committed to the principles of financial inclusion, with a particular focus on the empowerment and upliftment of women from marginalized and underserved communities. Guided by our core philosophy of "extending credit where credit is due," the Bank has implemented a range of initiatives aimed at promoting financial independence and sustainable livelihoods for women.

Recognizing that financial literacy and access to credit are critical enablers of empowerment, the Bank has actively facilitated financial education and credit counselling programs. The efforts are delivered through the branch network, Financial Literacy Centres (FLCs) and Business Correspondent (BC) channels, ensuring last-mile connectivity and outreach to remote and underserved regions. Strengthening its impact, the Bank has established partnerships with thirty eight Corporate Business Correspondents as well as co-lending partners across selected geographies. These partnerships are specifically designed to source and service small-value loans for women customers through individual, Self-Help Groups (SHGs) and Joint Liability Groups (JLGs) models. This model enhances access to credit and also increases community-based financial resilience.

As of March 2026, the Bank has successfully financed approximately 14.30 lakh women customers through various such initiatives and partnerships. These efforts reflect the Bank's enduring commitment to inclusive growth, gender equity, and the holistic development of vulnerable stakeholder groups.

## Principle 5:

**Business should respect and promote human rights**

### Essential Indicators:

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

| Category | FY 2025-26 | | | FY 2024-25 | | |
|---|---|---|---|---|---|---|
| | Total (A) | No. of employees covered (B) | % (B/A) | Total (C) | No. of employees covered (D) | % (D/C) |
| **Employees** | | | | | | |
| Permanent | 16,941 | 10,112 | 59.69% | 15,545 | 8,811 | 56.68% |
| Other than Permanent | 740 | 637 | 86.08% | 566 | - | - |
| **Total Employees** | **17,681** | **10,749** | **60.79%** | **16,111** | **8,811** | **54.69%** |

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

| Category | FY 2025-26 | | | | | FY 2024-25 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total (A) | Equal to Minimum Wage | | More than Minimum Wage | | Total (D) | Equal to Minimum Wage | | More than Minimum Wage | |
| | | No. (B) | % (B/A) | No. (C) | % (C/A) | | No. (E) | % (E/D) | No. (F) | % (F/D) |
| **Employees** | | | | | | | | | | |
| **Permanent** | | | | | | | | | | |
| Male | 9,913 | 0 | 0.00% | 9,913 | 100.00% | 8,969 | 0 | 0.00% | 8,969 | 100.00% |
| Female | 7,028 | 0 | 0.00% | 7,028 | 100.00% | 6,576 | 0 | 0.00% | 6,576 | 100.00% |
| **Other than Permanent** | | | | | | | | | | |
| Male | 340 | 0 | 0.00% | 340 | 100.00% | 279 | 0 | 0.00% | 279 | 100.00% |
| Female | 400 | 0 | 0.00% | 400 | 100.00% | 287 | 0 | 0.00% | 287 | 100.00% |

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

a. The details are provided below:

| | Male | | Female | |
|---|---|---|---|---|
| | Number | Median remuneration / salary / wages of respective category | Number | Median remuneration/ salary/ wages of respective category |
| Board of Directors (BoD) | 3 | 2,22,66,006.26 | 0 | 0 |
| Key Managerial Personnel | 1 | 99,30,337.00 | 0 | 0 |
| Employees other than BoD and KMP | 10,249 | 16,30,128.60 | 7,428 | 15,09,779.97 |

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

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

| | FY 2025-26 | FY 2024-25 |
|---|---|---|
| Gross wages paid to females as % of total wages | 37.44% | 38.75% |

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

Yes. The Chief Human Resource Officer addresses any human rights impact or issues caused or contributed by employees.

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

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

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

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

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

The details are provided below:

| | FY 2025-26 | | | FY 2024-25 | | |
|---|---|---|---|---|---|---|
| | Filed during the year | Pending resolution at the end of the year | Remarks | Filed during the year | Pending resolution at the end of the year | Remarks |
| Sexual Harassment | 3 | 0 | Resolved | 2 | 0 | Resolved |
| Discrimination at workplace | 0 | 0 | NA | Nil | Nil | Nil |
| Child Labour | Nil | | | | | |
| Forced Labour/ Involuntary Labour | | | | | | |
| Wages | | | | | | |
| Other Human rights related issues | | | | | | |

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

| | FY 2025-26 | FY 2024-25 |
|---|---|---|
| i) Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH) | 3 | 2 |
| ii) Complaints on POSH as a % of female employees | 0.04% | 0.03% |
| iii) Complaints on POSH upheld | 2 | 0 |

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

Bank is an Equal Opportunity Employer and has zero tolerance towards discrimination and harassment of any kind. Bank is committed to creating a healthy, safe, and secure work environment for employees to work free from offensive and discriminatory behaviour. The aim is to enable employees to deliver their best at work without fear of prejudice, gender bias, and sexual harassment. Bank is committed to ensuring that sexual harassment instances and incidents can be reported without fear. An Internal Committee (IC) has been constituted at all Zones and at the Head Office. Bank will inquire into instances and/or complaints of sexual harassment promptly and discreetly and will initiate action as per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, wherever required. The Protected Disclosure Scheme (PDS) / Whistle Blower Policy aims to establish an efficient vigil mechanism in Bank to quickly identify and address any aberrations. The policy ensures assurance of confidentiality and provides protection to the complainant/whistle blower against any retaliatory or vindictive actions such as humiliation, harassment, or any other form of unfair treatment.

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

Yes. The Bank's Service Level Agreement/Master Service Agreement executed with vendors incorporates comprehensive covenants addressing human rights, labour standards, prohibition of forced and child labour, non-discrimination, and protection against harassment, including sexual harassment, among other critical provisions.

**10. Assessment for the year:**

| | % of the entity's plants and offices that were assessed (by the entity or statutory authorities or third parties) |
|---|---|
| Child Labour | Nil |
| Forced Labour/Involuntary Labour | |
| Sexual Harassment | |
| Discrimination at workplace | |
| Wages | |
| Other- please specify | |

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

Not Applicable

## Leadership Indicators:

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

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

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

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

Bank upholds a strong commitment to human rights and equal opportunity, fostering a workplace that is inclusive, respectful, and free from discrimination or harassment. It strictly prohibits any unfair treatment based on race, religion, caste, gender, age, disability, sexual orientation, marital status, pregnancy, or other personal characteristics.

To reinforce this commitment, Bank has implemented a well-defined Code of Ethics and Business Conduct that guides ethical behavior across all levels. Employment-related decisions including recruitment, compensation, training, and promotion are based solely on merit and business needs, in line with internal policies and ethical standards.

Human rights due diligence is embedded through regular training programs, effective grievance redressal mechanisms, and continuous sensitization of employees. These efforts are aligned with Bank's core values Commitment to excellence, Agility, Relationship orientation, Ethics, and Sustainability (CARES) and reflect its dedication to building a diverse and high-performing workforce.

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

Considering the feasibility, all newly constructed branches and offices are designed to be accessible to differently abled visitors, with provisions such as ramps/elevators to facilitate ease of movement. In addition, tactile paving is incorporated across new premises to support visually impaired individuals. ATMs, CDMs, and recycler machines have also been equipped with Braille signages. In an attempt to further strengthen accessibility and inclusion, the Bank also offers doorstep banking services for elderly and differently abled customers.

4. **Details on assessment of value chain partners:**

| | % of value chain partners (by value of business done with such partners) that were assessed |
|---|---|
| Sexual Harassment | The Bank articulates its expectations from vendors through a formal Supplier Code of Conduct, which is duly considered during the onboarding process. Vendors are evaluated against a range of ESG parameters, including human rights, labor practices, and ethical standards. |
| Discrimination at workplace | |
| Child Labour | |
| Forced Labour/Involuntary Labour | |
| Wages | |
| Others – please specify | |

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

Not Applicable

## Principle 6:

**Business should respect and promote human rights**

### Essential Indicators:

1. **Details of total energy consumption (in Giga Joule) and energy intensity, in the following format (🛡):**

| Parameter | FY 2025-26 | FY 2024-25 |
|---|---|---|
| **From renewable sources** | | |
| Total electricity consumption (A) | 2,216.93 | 2,003.94 |
| Total fuel consumption (B) | 0.00 | 0.00 |
| Energy consumption through other sources (C) | 0.00 | 0.00 |
| **Total energy consumed from renewable sources (A+B+C)** | **2,216.93** | **2,003.94** |
| **From non-renewable sources** | | |
| Total electricity consumption (D) | 1,51,652.00 | 1,46,679.55 |
| Total fuel consumption (E) | 14,207.67 | 11,806.49 |
| Energy consumption through other sources (F) | 0.00 | 0.00 |
| **Total energy consumed from non- renewable sources (D+E+F)** | **1,65,859.67** | **1,58,486.04** |
| **Total energy consumed (A+B+C+D+E+F)** | **1,68,076.60** | **1,60,489.98** |
| **Energy intensity per rupee of turnover** (Total energy consumed / Revenue from operations) (GJ/₹ In Crore) | 5.23 | 5.32 |
| **Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)** (Total energy consumed / Revenue from operations adjusted for PPP) (GJ/USD in Crore) | 106.38 | 109.91 |
| **Energy intensity (In GJ) per full time employee** | 9.51 | 9.96 |
| **Note:** Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. | Yes. Reasonable assurance undertaken by Bureau Veritas Industrial Services (India) Pvt. Ltd. | |

**PPP considered for the calculation is 20.34 INR/USD as per the data available in International Monetary fund.*

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

Not Applicable

3. **Provide details of the following disclosures related to water, in the following format (🛡):**

| Parameter | FY 2025-26 | FY 2024-25 |
|---|---|---|
| **Water withdrawal by source (in kiloliters)** | | |
| (i) Surface water | Not Available | Not Available |
| (ii) Groundwater | Not Available | Not Available |
| (iii) Third party water | Not Available | Not Available |
| (iv) Seawater / desalinated water | Not Available | Not Available |
| (v) Others | 1,58,704.66 | 1,97,198.64 |
| **Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)** | **1,58,704.66** | **1,97,198.64** |
| **Total volume of water consumption (in kilolitres)** | **31,740.93*** | **39,439.73** |
| **Water intensity per rupee of turnover** (Total water consumption / Revenue from operations) (KL/₹ In Crore) | 0.99 | 1.31 |
| **Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)** (Total water consumption / Revenue from operations adjusted for PPP) (KL/USD in Crore) | 20.09 | 27.01 |
| **Water intensity (IN KL) per full time employee** | 1.80 | 2.45 |
| **Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. | Yes. Reasonable assurance undertaken by Bureau Veritas Industrial Services (India) Pvt. Ltd. | |

**Water consumption for employees has been estimated based on actual data recorded for 12% of the workforce and extrapolated proportionately to represent the total employee population.*

4. **Provide the following details related to water discharged (🛡):**

| Parameter | FY 2025-26 | FY 2024-25 |
|---|---|---|
| **Water discharge by destination and level of treatment (in kilolitres)** | | |
| (i) To Surface water | 0.00 | 0.00 |
| - No treatment | 0.00 | 0.00 |
| - With treatment – please specify level of treatment | 0.00 | 0.00 |
| (ii) To Groundwater | 0.00 | 0.00 |
| - No treatment | 0.00 | 0.00 |
| - With treatment – please specify level of treatment | 0.00 | 0.00 |
| (iii) To Seawater | 0.00 | 0.00 |
| - No treatment | 0.00 | 0.00 |
| - With treatment – please specify level of treatment | 0.00 | 0.00 |
| (iv) Sent to third-parties | 0.00 | 0.00 |
| - No treatment | 0.00 | 0.00 |
| - With treatment – please specify level of treatment | 0.00 | 0.00 |
| (v) Others | 1,26,963.72 | 1,57,758.91 |
| - No treatment | 1,22,499.31 | 1,50,600.96 |
| - With treatment – please specify level of treatment | 4,464.42 | 7,157.95 |
| **Total water discharged (in kiloliters)** | **1,26,963.72** | **1,57,758.91** |
| **Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. | Yes. Reasonable assurance undertaken by Bureau Veritas Industrial Services (India) Pvt. Ltd. | |

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

Not Applicable

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

| Parameter | Unit | FY 2025-26 | FY 2024-25 |
|---|---|---|---|
| $NO_x$ | Considering the nature of the Bank's operations as a financial services institution, emissions of $NO_x$, $SO_x$, particulate matter, VOCs, POPs and HAPs are not material to the Bank's operations and are therefore not monitored or reported separately | | |
| $SO_x$ | | | |
| Particulate matter (PM) | | | |
| Persistent organic pollutants (POP) | | | |
| Volatile organic compounds (VOC) | | | |
| Hazardous air pollutants (HAP) | | | |
| Others – please specify | | | |
| **Note:** Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. | Not Applicable | | |

7. **Provide details of greenhouse gas emissions (Scope1 and Scope 2 emissions) & its intensity, in the following format:**

| Parameter | Unit | FY 2025-26 | FY 2024-25 |
|---|---|---|---|
| **Total Scope 1 emissions** (Break-up of the GHG into $CO_2$, $CH_4$, $N_2O$, HFCs, PFCs, $SF_6$, $NF_3$, if available) | Metric tonnes (MT) of $CO_2$ Equivalent | 1,903.84 | 2,111.39 |
| **Total Scope 2 emissions** (Break-up of the GHG into $CO_2$, $CH_4$, $N_2O$, HFCs, PFCs, $SF_6$, $NF_3$, if available) | MT of $CO_2$ Equivalent | 29,904.02 | 29,616.56 |
| **Total Scope 1 and Scope 2 emission intensity per rupee of turnover** (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations) | MT of $CO_2$ Equivalent per crore rupee of turnover | 0.99 | 1.05 |
| **Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)** (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP) | MT of $CO_2$ Equivalent per USD crore of turnover adjusted PPP | 20.13 | 21.73 |
| **Total Scope 1 and Scope 2 emission intensity in terms of full time employee** | Metric tonnes of $CO_2$ equivalent per full time employee | 1.80 | 1.96 |
| **Note:** Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. | Yes. Reasonable assurance undertaken by Bureau Veritas Industrial Services (India) Pvt. Ltd. | | |

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

| Sl. No | Initiative undertaken | Details of the initiative | Outcome of the initiative |
|---|---|---|---|
| 1. | Installation of rooftop solar panels | The Bank has built an in-house solar generation capacity of 570 kWp | Solar power generated during the year 6.16 Lakh kWh |
| 2 | Installation of IoT based energy savings device for AC units | Bank has deployed Iot based energy savings devices for AC units in 350 ATM sites. | Energy savings due to installation of the device is 1.66 Lakh kWh during the year, which helped to mitigate 150.7 tonnes $CO_2e$ |
| 3 | Green Interiors Certification | Bank has obtained IGBC Green Interiors rating certification for 5.5% of total occupied premises | The IGBC -certified premises are resource -efficient, ensuring optimum utilisation of resources |
| 4. | Energy Conservation | Switching to energy -efficient ACs in offices with eco-friendly refrigerants | 60% of offices have energy -efficient Inverter ACs |
| 6. | Water Conservation | Bank has built in rainwater harvesting conservation capacity of 1.39 Lakh litres | Water saved per year is approximately 2.75 Lakh litres |

| Sl. No | Initiative undertaken | Details of the initiative | Outcome of the initiative |
|---|---|---|---|
| 7. | GHG Emission Reduction through Digitalization | Bank has undertaken several strategic initiatives to reduce greenhouse gas emissions, primarily through its digital-first approach and fintech partnerships. These efforts focus on reducing reliance on physical infrastructure, paper usage, and transportation. Key steps include:<br>**Digital Onboarding:** Eliminated the need for paper-based AoF and KYC documents.<br>**Promotion of Digital Transactions:** Reduced energy consumption by minimising branch/ ATM visits.<br>**Digital Statements & Online PIN Generation:** Reduced printing and logistics-related emissions | Tangible reduction in paper usage, operational energy demand, and GHG emissions due to minimised physical processes. 283.81 MT of paper saved during FY26 |
| 8. | Trees plantation | To reduce the Greenhouse Gas effect, the Bank is focusing on tree planting and conservation through various CSR initiatives | During the year, the Bank planted 60,468 trees |

**9. Provide details related to waste management by the entity, in the following format (🛡):**

| Parameter | FY 2025-26 | FY 2024-25 |
|---|---|---|
| **Total Waste generated (in metric tonnes)** | | |
| Plastic waste **(A)** | 24.58 | 27.45 |
| E-waste **(B)** | 18.71 | 8.28 |
| Bio-medical waste **(C)** | NA | NA |
| Construction and demolition waste **(D)** | NA | NA |
| Battery waste **(E)** | 141.21 | 118.15 |
| Radioactive waste **(F)** | NA | NA |
| Other Hazardous waste. Please specify, if any. **(G)** | NA | NA |
| Other Non-hazardous waste generated **(H)**. Please specify, if any. | | |
| Food waste* | 5.75 | 0.00 |
| Paper waste (A4 sheet & ATM rolls) | 244.21 | 216.52 |
| **Total (A+B + C + D + E + F + G + H)** | **434.46** | **370.40** |
| **Parameter** | | |
| **Waste intensity per rupee of turnover** (Total waste generated / Revenue from operations) | 0.01 | 0.01 |
| **Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)** (Total waste generated / Revenue from operations adjusted for PPP) | 0.27 | 0.25 |
| **Waste intensity in terms of physical output** | NA | NA |
| **Waste intensity (optional)** – in terms of per full time employee | 0.02 | 0.02 |
| **For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)** | | |
| **Category of waste** | | |
| (i) Recycled | 146.15 | 126.43 |
| (ii) Re-used | 6.62 | 0.00 |
| (iii) Other recovery operations | 7.15** | 0.00 |
| **Total** | **159.92** | **126.43** |

| Parameter | FY 2025-26 | FY 2024-25 |
|---|---|---|
| **For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)** | | |
| **Category of waste** | | |
| (i) Incineration | 0.00 | 0.00 |
| (ii) Landfilling | 0.00 | 0.00 |
| (iii) Other disposal operations | 274.54 | 243.97 |
| **Total** | **274.54** | **243.97** |
| **Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. | Yes. Reasonable assurance undertaken by Bureau Veritas Industrial Services (India) Pvt. Ltd. | |

**Food waste is considered for Head Office Aluva.*

***Reported under "Other Recovery Operations" based on records evidencing transfer of the e-waste to a Bank-approved authorised e-waste recycler.*

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

As the Bank is a service-oriented institution which provides banking products and services, it does not generate hazardous or chemical waste in the course of its regular operations. Furthermore, the Bank has implemented measures for encouraging responsible waste management across all offices to ensure segregation of dry and wet waste at the source. This segregated waste is handed over to authorised waste collection agencies in compliance with local regulations and arrangements. The Bank has a centralised arrangement for the collection and disposal of e-waste from its Branches and offices.

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

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

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

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

**13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection Act and rules thereunder (Y/N).**

If not, provide details of all such non-compliances, in the following format:

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

## Leadership Indicators:

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

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

(i) Name of the area – Not Applicable

(ii) Nature of operations – Not Applicable

(iii) Water withdrawal, consumption and discharge in the following format:

| Parameter | FY 2025-26 | FY 2024-25 |
|---|---|---|
| **Water withdrawal by source (in kilolitres)** | | |
| (i) Surface water | Not Applicable | |
| (ii) Groundwater | | |
| (iii) Third party water | | |
| (iv) Seawater / desalinated water | | |
| (v) Others | | |
| **Total volume of water withdrawal (in kiloliters)** | | |
| **Total volume of water consumption (in kiloliters)** | | |
| Water intensity per rupee of turnover (Water consumed / turnover) | | |
| Water intensity (optional)–the relevant metric may be selected by the entity | | |
| **Water discharge by destination and level of treatment (in kilolitres)** | | |
| (i) Into Surface water | Not Applicable | |
| - No treatment | | |
| - With treatment – please specify level of treatment | | |
| (ii) Into Groundwater | | |
| - No treatment | | |
| - With treatment – please specify level of treatment | | |
| (iii) Into Seawater | | |
| - No treatment | | |
| - With treatment – please specify level of treatment | | |
| (iv) Sent to third-parties | | |
| - No treatment | | |
| - With treatment – please specify level of treatment | | |
| (v) Others | | |
| - No treatment | | |
| - With treatment – please specify level of treatment | | |
| **Total water discharged (in kilolitres)** | | |
| **Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. | | |

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

| Parameter | Unit | FY 2025-26 | FY 2024-25 |
|---|---|---|---|
| Purchased Goods & Services | MT of $CO_2$ equivalent | 27,633.43 | 28,415.28 |
| Capital Goods | | 3,606.49 | 16,125.83 |
| Fuel & Energy-related activities | | 6,642.07 | 7,945.78 |
| Waste generated in operations | | 289.38 | 253.28 |
| Business Travel | | 5,233.08 | 4767.09 |
| Employee Commuting | | 15,511.20 | 13,687.94 |
| Upstream Leased Asset | | 24,083.33 | 16,341.40 |
| Downstream Leased Asset | | 7,910.24 | 6,001.29 |
| **Total Scope 3 emissions** | | 90,909.22 | 93,537.89 |

| Parameter | Unit | FY 2025-26 | FY 2024-25 |
|---|---|---|---|
| **Total Scope 3 emissions per rupee of turnover** | MT of $CO_2$ equivalent per Crore rupee of turnover | 2.83 | 3.10 |
| **Total Scope 3 emission intensity (optional)** – in terms of full term employee | MT of $CO_2$ equivalent per full time employee | 5.14 | 5.80 |
| **Note:** Indicate if any independent assessment, evaluation, or assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. | Yes. Limited assurance undertaken by Bureau Veritas Industrial Services (India) Pvt. Ltd. | | |

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

   Not Applicable

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

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

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

The Board of Directors of the Federal Bank has approved a Business Continuity Management (BCM) Policy that establishes a structured framework for ensuring the Bank's capability to effectively respond to and manage incidents that may disrupt normal operations. This policy is reviewed annually to incorporate changes in the technology landscape, evolving business operations, regulatory requirements, and industry best practices.

An apex-level Operational Risk Management Committee, chaired by the Executive Director, monitors the business continuity preparedness of the Bank on an on-going basis and convenes at least on a quarterly basis to review resilience posture, key risks, and preparedness levels. The Bank's critical systems like Core Banking, channels etc., also undergo periodical disaster recovery drills/ tests to ensure the capability of the same to handle disastrous situations.

Furthermore, the Business Continuity Management Committee (BCMC) as a subcommittee of ORMC is constituted to oversee the effectiveness of the BCMS implemented in the Bank.

The constitution of the Central Crisis Management Team (CCMT) has been done to take immediate control and coordinate response actions in the event of system failures, natural disasters, accidents, or any other incidents impacting business continuity. The contact details of CCMT members are disseminated across all business units to facilitate prompt escalation and support during emergencies.

The Bank has implemented a comprehensive Business Continuity Management System (BCMS), which is certified under ISO 22301:2019 for critical areas including IT, centralised operations, and centralised clearing functions.

Moreover, Business Continuity Management Committees are established at the unit level at each Branch/Office, where the primary team is made responsible for ensuring preparedness and effective response within their respective locations. Documented Business Continuity Plans (BCP) and Disaster Recovery (DR) procedures outlining roles, responsibilities, and response actions at various stages of an incident are in place and are reviewed at least annually.

A Business Impact Analysis (BIA) is performed annually to identify and prioritize critical business processes and applications according to their impact on operations. Based on the findings of the BIA, suitable business continuity strategies, including disaster recovery plans, are developed and implemented. These plans are reviewed periodically, at least once a year, to ensure their ongoing suitability and effectiveness.

To validate the effectiveness and resilience of the BCMS, regular testing exercises are conducted, including Disaster Recovery (DR) drills, component-level testing, and tabletop exercises. These tests evaluate the adequacy of continuity plans and the preparedness of relevant stakeholders, with lessons learned being incorporated to strengthen and continuously enhance the BCM framework.

All the plans and procedures are aligned with the guidelines prescribed by the Reserve Bank of India (RBI) in this regard and are reviewed regularly to maintain compliance and operational effectiveness.

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

Not Applicable

**7. % of Value chain partners (by value of business done with such partners) that were assessed for Environmental Impacts?**

Not Applicable

**8. How Many green credits have been generated or produced**

| | | |
|---|---|---|
| a | By the listed entity | Nil |
| b | By the top ten ( in terms of value of purchase and sales respectively) value chain partners | |

## Principle 7:

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

### Essential Indicators:

**1.** a. Number of affiliations with trade and industry chambers/associations.

Bank is member of Fourteen (14) trade and industry chambers/ associations

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

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

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

| Name of the authority | Brief of the case | Corrective action taken |
|---|---|---|
| | Nil | |

## Leadership Indicators:

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

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

## Principle 8:

**Businesses should promote inclusive growth and equitable development.**

## Essential Indicators:

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

| Name and brief details of project | SIA Notification No | Date of notification | Whether conducted by independent external agency (Yes / No) | Results communicated in public domain (Yes / No) | Relevant Web link |
|---|---|---|---|---|---|
| Sanjeevani -United against Cancer -2023-24 | Not Applicable | Not Applicable | Yes | Yes | https://www.federal.bank.in/documents/d/guest/final-report-sanjeevani-united-against-cancer_impact-assessment-3- |
| Federal Bank Hormis Memorial Foundation Scholarships | Not Applicable | Not Applicable | Yes | Yes | https://www.federal.bank.in/documents/d/guest/fhmf-scholarship-approved-final |
| Federal Skill Academies | Not Applicable | Not Applicable | Yes | Yes | https://www.federal.bank.in/documents/d/guest/fsa-approved-final |
| Palliative Care project-Guardian Angel Peace Mission Centre, Nedumbassery, Ernakulam | Not Applicable | Not Applicable | Yes | Yes | https://www.federal.bank.in/documents/d/guest/gapmc-approved-final |

*Note : As per Rule 8(3) of the Companies (Corporate Social Responsibility Policy) Rules, 2014; Impact Assessment is required only for CSR projects with an outlay of ₹1 crore or above, and the assessment is to be carried out only one year after the completion of the project.*

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

| S.no | Name of Project for which R&R is ongoing | State | District | No. of Project Affected Families (PAFs) | % of PAFs covered by R&R | Amounts paid to PAFs in the FY (In INR) |
|---|---|---|---|---|---|---|
| Not Applicable | | | | | | |

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

The Bank has an established mechanism to receive and resolve grievances from various stakeholder groups, including the community. The concerns can be handled through the grievance redressal option available on the Bank's website, where such grievances are addressed appropriately. Web-link of the grievance redressal policy: https://www.federal.bank.in/grievance-redressal-general-banking

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

| | FY 2025-26 | FY 2024-25 |
|---|---|---|
| Directly sourced from MSMEs/small producers | 18.08% | 12.00% |
| Directly from within India | 99.81% | 100.00% |

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

| Location | FY 2025-26 | FY 2024-25 |
|---|---|---|
| **Rural** | | |
| % of Job creation in Rural areas | 4.86% | 5.24% |
| **Semi-urban** | | |
| % of Job creation in Semi-urban areas | 42.24% | 43.68% |
| **Urban** | | |
| % of Job creation in Urban areas | 23.60% | 23.58% |
| **Metropolitan** | | |
| % of Job creation in Metropolitan areas | 29.31% | 27.50% |

## Leadership Indicators:

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

| Details of negative social impact identified | Corrective action taken |
|---|---|
| Nil | |

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

| S. No | State | Aspirational District | Amount spent (In Crore INR) |
|---|---|---|---|
| 1 | Assam | Barpeta | 0.45 |
| 2 | Assam | Darrang | 0.28 |
| 3 | Kerala | Wayanad | 0.17 |
| 4 | Jharkhand | Ranchi | 0.13 |
| 5 | Tamil Nadu | Virudhunagar | 0.057 |
| 6 | Andhra Pradesh | Visakhapatnam | 0.026 |
| 7 | Bihar | Muzaffarpur | 0.0038 |
| Total | | | **1.12** |

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

Federal Bank does not have a formal preferential procurement policy for suppliers from marginalised or vulnerable groups, as its primary procurement needs comprise technology infrastructure, digital platforms, and professional services, where vendor selection is governed by capability and quality standards. However, reflecting its commitment to responsible sourcing, all consumables and stationery across the Bank's branches and offices are sourced entirely from local suppliers.

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

A preferential procurement process is not implemented by the Bank.

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

Not Applicable

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

| S. No. | Intellectual Property based on traditional knowledge | Owned/ Acquired (Yes/ No) | Benefit shared (Yes/No) | Basis of calculating benefit share |
|---|---|---|---|---|
| Not Applicable | | | | |

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

| Name of authority | Brief of the Case | Corrective action taken |
|---|---|---|
| | Not Applicable | |

6. **Details of beneficiaries of CSR Projects:**

| S. No | CSR Project | No. of persons benefitted from CSR Projects | % of beneficiaries from vulnerable and marginalized groups |
|---|---|---|---|
| 1 | Education- (Federal Bank Hormis Memorial Foundation Scholarships) | 1,192 | While several of our CSR initiatives, including the Federal Bank Hormis Memorial Foundation Scholarships, Federal Skill Academy, and patient support programs, are focused on empowering vulnerable and marginalized communities, we also undertake initiatives that deliver benefits to the broader public. |
| 2 | Education,Youth Engagement (Speak for India 2025-26) | 8,117 | |
| 3 | Livelihood Enhancement & Skill Development- (Federal Skill Academies) | 3,223 | |
| 4 | Healthcare -(Patient support program) | 15,419 | |
| 5 | Healthcare - (Cancer Screenings through Sanjeevani) | 11,177 | |
| 6 | Employee Volunteering-(Drops of Hope-Blood Donation Drive) | 70,284 | |
| 7 | #TwiceisWise (Cyber Security Awareness Campaign) | 10,64,00,000 | |
| 8 | SEED Programme | 40,00,000 | |

## Principle 9:

**Businesses should engage with and provide value to their consumers in a responsible manner**

### Essential Indicators:

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

Federal Bank has established a multi-layered grievance redressal framework to ensure prompt, fair, and transparent resolution of customer complaints across all touchpoints, in alignment with Reserve Bank of India guidelines and the Bank's Customer Grievance Redressal Policy.

#### Grievance Submission Channels

Customers may submit complaints, queries, or service requests through the following channels:

- Dedicated emails and 24x7 contact centre support
- Physical branch network across India
- Bank's official website and mobile banking application

All grievances are systematically logged as Service Request (SR) tickets on the Bank's Customer Experience (CX) portal, enabling end-to-end tracking, escalation, and resolution monitoring.

#### Grievance Redressal Process

The Bank follows a structured, tiered resolution process:

Level 1 — First Point of Contact: Customers may approach any branch or the Contact Centre for initial resolution. Upon submission, an SR ticket is auto-generated and an acknowledgment is sent to the customer. Grievances are categorised by nature with identified service deficiencies classified as formal complaints to ensure appropriate prioritisation and accountability.

Level 2 — Nodal Officer Escalation: In cases where the initial resolution is unsatisfactory, customers may escalate to the Bank's Nodal Officer at grievanceescalations@federal.bank.in.

Level 3 — Principal Nodal Officer: In cases where the grievance is still not resolved to the customer's satisfaction, further escalation may be made to the Principal Nodal Officer at support@ federal.bank.in.

Level 4 — RBI Integrated Ombudsman: Should the customer remain dissatisfied with the Bank's resolution, the matter may be referred to the Reserve Bank of India's Integrated Ombudsman Scheme through the RBI Complaint Management System at https://cms.rbi.org.in/ or to the address of CRPC or by contacting the RBI Contact Centre at 14448.

All complaints proposed to be wholly rejected or partially resolved are reviewed by the Internal Ombudsman, whose concurrence is obtained before final decisions are communicated to customers, while preserving their right to appeal to the RBI Ombudsman if dissatisfied.

The Bank endeavours to resolve all customer complaints within 30 days of receipt, with digital transaction and interbank payment disputes addressed in accordance with regulatory timelines and network-specific guidelines.

Escalated complaints are monitored by the Central Grievance Redressal Cell (CGRC), which facilitates resolution and identifies recurring/systemic issues to enable corrective action and prevent recurrence.

### Customer Feedback and Satisfaction Measurement

The Bank employs a structured, data-driven approach to measuring and enhancing customer satisfaction. Net Promoter Score (NPS) serves as the primary metric for tracking customer sentiment and experience quality across the following touchpoints:

- Contact Centre: NPS data collected from customer interactions with the Bank's contact centre is analysed to identify gaps in service delivery, refine agent training programmes, and implement targeted service enhancements.
- Branch Network: Feedback is systematically gathered from customers visiting branches, enabling location-level experience assessment. Insights are shared with internal stakeholders to drive consistent service excellence across the branch network.

Customer feedback is also integrated through in-app NPS surveys conducted on FedMobile and during the account opening journey for Business Users (BUB). Insights gathered from these touchpoints are analysed and shared with relevant business units to identify improvement opportunities, enhance digital experiences, and drive customer-centric service enhancements.

### Governance and Oversight

The Bank maintains Board-level oversight of customer service quality through the following governance structures:

- Customer Service Committee of the Board — Reviews customer service standards, complaint trends, and policy adequacy at the Board level on a periodic basis.
- Standing Committee on Customer Service — Monitors operational-level service quality, analyses complaint data, and recommends corrective measures to ensure continuous improvement in customer experience.
- The Bank has established audit mechanisms to assess the quality of complaint resolution and conducts Root Cause Analysis (RCA) to identify recurring issues and continuously improve processes.
- The Bank's Customer Service Committees periodically review complaint trends and customer feedback, supporting improvements in customer experience, strengthening service delivery standards, and driving continuous enhancement of grievance handling processes.

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

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

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

| | FY 2025-26 | | Remarks | FY 2024-25 | | Remarks |
|---|---|---|---|---|---|---|
| | Received during the year | Pending resolution at end of year | | Received during the year | Pending resolution at end of year | |
| Data privacy | 5 | 0 | None | 0 | _ | None |
| Advertising | 0 | 0 | None | 0 | _ | None |
| Cyber-security | 0 | 0 | None | 0 | _ | None |
| Delivery of essential services | 1,354 | 29 | None | 0 | _ | None |
| Restrictive Trade Practices | 0 | 0 | None | 0 | _ | None |
| Unfair Trade Practices | 30 | 0 | None | 0 | _ | None |
| Other | 1,66,712 | 2,902 | None | 1,74,310 | 5,005 | None |

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

| | Number | Reasons for recall |
|---|---|---|
| Voluntary recalls | Nil | |
| Forced recalls | | |

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

The Bank has adopted a Digital Personal Data Protection Policy, aligned with the DPDP Act, 2023 and applicable regulatory requirements, for governing the processing and protection of digital personal data and managing related data privacy risks. The Information Systems Security Policy (ISSP) of the Bank which is reviewed and approved annually by the Board, also covers privacy-related aspects. Additionally, the Privacy Policy of the Bank has been shared on the Banks website, the web-link for which is https://www.federal.bank.in/privacy-policy

The Bank also has a well-defined Cyber Security Policy document to address the need for the entire Bank to contribute to a cyber-safe environment. This policy highlights the risks from cyber threats and the measures to address or mitigate these risks. It elucidates the strategy for combating cyber threats based on the level of complexity of business of the Bank and its acceptable levels of risk. The Board-level IT and Operations Committee reviews this policy document and the Board approves the document annually.

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

There have not been any incidents concerning the Bank's systems which affected the cyber security or the privacy of the customers. Additionally, the Bank has not been subjected to any penalty by regulatory authorities on the safety of products/services during the fiscal year.

7. **Provide the following information relating to data breaches ( ):**

| | Provide the following information relating to data breaches: |
|---|---|
| a. Number of instances of data breaches | Nil |
| b. Percentage of data breaches involving personally identifiable information of customers | |
| c. Impact, if any, of the data breaches | |

## Leadership Indicators:

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

The customers can find the details of the Bank's products/services through these key channels:

- Branches: The Bank's Mantra is "Digital at the Fore and Human at the Core", and we exemplify relationship banking. The branches are open during office hours so the customers can contact to know more about the services/products.
- Mobile Apps: There has been tremendous increase in the usage of mobile apps for banking; this is because these apps provide a convenient way to check balances, transfer funds, pay bills, and access other services.
- Websites: The Bank maintains user-friendly websites where customers can explore product details, apply for loans, open accounts, and find information about interest rates, fees, and policies.
- Contact Centers: Some customers still prefer human interaction even though digital channels are becoming popular. Therefore, Contact Centers handle queries, resolve issues and provide assistance over the phone for those customers.
- Feddy (Virtual Assistant): Powered by artificial intelligence, Feddy is a virtual assistant that can help customers with banking needs. Feddy can help check balance, transfer funds, pay bills, and more. Feddy, is available 24/7 and can be accessed through the Federal Bank website, mobile app, or WhatsApp.

Website -https://www.federal.bank.in/

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

Cyber security awareness has been part of the Bank's communication agenda. A CSR programme called 'Twice is Wise' has been formulated through which social media posts, radio telecasts, interviews, road shows etc have been incorporated to inform the safe ways of banking. The website blogs on safe banking and security reminders through SMS and emails have been sent.

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

- Notifications on Websites: The customers are informed about scheduled maintenance, system upgrades, or any potential disruptions via these messages.
- Notifications via Mobile: Apps Customers receive in-app notifications regarding updates, service interruptions, or important alerts.
- Email Alerts: Email notifications regarding service interruptions, changes in policies, or upcoming maintenance based on the duration and affected customers.
- SMS (Text) Alerts: The Bank sends SMS alerts to customers' registered mobile numbers. These messages provide timely information about service disruptions, security updates, or other relevant matters.

4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/ Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity or the entity as whole? (Yes/No)**

Yes. The Federal Bank Limited goes beyond the statutory requirements in displaying product-related information. The commitment to maintain transparency with all stakeholders is fulfilled by the Bank by providing comprehensive details regarding its products & services. The notice boards at branches and offices, as well as the Bank's official website prominently display the key information such as service charges, interest rates, grievance redressal mechanisms, and other important notices. The detailed descriptions of various products and services are also made available online to ensure that the customers have easy access and informed decision making.

Additionally, the Bank actively monitors and enhances customer satisfaction through structured feedback mechanisms and surveys conducted across multiple customer touchpoints. These initiatives are designed to capture customer sentiment and drive continuous improvement.

The Federal Bank uses Net Promoter Score (NPS) as the metric for gauging customer satisfaction. The programs that are currently aligned with this are as follows:

a. Contact Center: A system has been implemented to collect NPS from customers who interact with the Contact Center, the results of which are monitored and analysed to gain insight into customer perceptions and preferences. This is a type of feedback mechanism that has allowed the identification of areas for improvement in the services and training programs for the Contact Center staff.

b. Branch Visiting Customers: Branches have been a key customer touchpoint for the Federal Bank and therefore, to enhance the understanding about customer interactions, there has been the implementation of a feedback mechanism for branch visitors. This has allowed the systematic capture and assessment of customer feedback across locations. The insights that are gathered are shared with the relevant shareholders to drive necessary improvements.

   As a part of its ongoing commitment to customer satisfaction, the Bank is also expanding its feedback collection mechanisms by introducing additional touchpoints to further measure and enhance the overall customer experience.

c. Annual Survey: The Bank is conducting its annual survey across all key customer segments, including BUB, CASA, Gold Loan, NRE and Credit Card. The survey Provides comprehensive, data-driven insights into customer satisfaction and service quality across all key segments, enabling informed decision-making and continuous improvement initiatives.

**INDEPENDENT PRACTITIONER'S REASONABLE ASSURANCE REPORT**

**To**

**The Board of Directors of THE FEDERAL BANK LIMITED**

**Introduction and objectives of work**

The Board of Directors of **THE FEDERAL BANK LIMITED** (hereinafter abbreviated as **"FBL" or** the 'Company') have engaged us for providing Assurance Report on identified sustainability information in the Business Responsibility & Sustainability Report (BRSR) of the Company for the year ended March 31, 2026, including relevant information of the previous year disclosed in the BRSR.

Our scope of work consists of Reasonable Assurance on BRSR Core Parameters in the BRSR Report, as described in the Securities and Exchange Board of India's (SEBI) vide Master Circular No. HO/49/14/14(7)2025-CFD-POD2/I/3762/2026 dated January 30, 2026 and Limited Assurance on non-core parameters of the BRSR.

**Opinion**

***Reasonable Assurance for 9 BRSR-Core Parameters (Refer to Annexure-1)***

We have performed a Reasonable Assurance engagement on whether the FBL's identified sustainability information i.e. BRSR Core indicators disclosed in the BRSR report for the period from April 01, 2025 to March 31, 2026, has been prepared in accordance with the Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, guidance notes for BRSR format issued by SEBI.

In our opinion, the Company's BRSR Core indicators disclosed in the BRSR report for the period from April 01, 2025 to March 31, 2026 including relevant information of the previous year disclosed in the BRSR subject to reasonable assurance is prepared in all material respects, in accordance with the Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and basis of preparation as set out in Section A General Disclosures 13 of the BRSR Report for the year ended March 31, 2026.

The Company has established appropriate systems for the collection, aggregation, and analysis of quantitative data on all BRSR Core Parameters.

Our opinion is not modified in respect of this matter.

**Limited Level of Assurance for BRSR (Non-Core) Parameters:**
Nothing has come to our attention to indicate that the non-financial, non-core sustainability related disclosures in BRSR are inaccurate or that the information included therein is not fairly stated.

**Basis for opinion and summary of our work**

We have performed the Reasonable Assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised) and in line with the requirements of Bureau Veritas's Internal Standards and Requirements for assurance of Sustainability Reports.

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

- Assessment was conducted for verifying the disclosures for the period of April-2025 to March-2026. The verification was carried out by means of physical site visits at **THE FEDERAL BANK LIMITED**'s Locations at Aluva (Kerala). Assessment was conducted by means of physical site visits and virtually as explained below. Bureau Veritas interviewed personnel of THE FEDERAL BANK LIMITED's including Chief Security Officer (CSO), HR, Purchase, Accounts and other relevant departments.
- The assurance process involved carrying out an Assessment by experienced assessors from Bureau Veritas.
- The Company has submitted performance data on reported BRSR topics. The data was assessed by Bureau Veritas through the process above described.
- Data on various BRSR attributes were assessed for the locations that were visited. Later, it was confirmed that the same assessed data went into preparation of the final data within the BRSR Report for FY 2025-26.
- Review of Company's data and information systems for collection, aggregation, analysis and review.

Our work was conducted against Bureau Veritas' standard procedures and guidelines for external Assurance of Sustainability Reports, based on the current best practice in independent assurance.

**Reporting Boundary**

The reporting boundaries considered for this reporting period are as follows: THE FEDERAL BANK Branches located in India and a representative office located in UAE.

**Assessment Locations**

The assessment was conducted on 9th and 10th June 2026 by means of physical site visits at:

***Head Office:***

THE FEDERAL BANK LIMITED, Regd. Office: Federal Towers, P.B. No. 103, Aluva, Ernakulam, Kerala, India, 683101.

***Site 1:***

THE FEDERAL BANK LIMITED, Aluva Branch: Metro Heights, Bridge Rd, Periyar Nagar, Aluva – 683101, Kerala.

The virtual verification (Through Microsoft Teams) at the following branches was also carried out at the following branches: Hassan (Karnataka) & Chiplun (Maharashtra) branches on 25th May 2026 and Mysuru (Karnataka) and Surandai (Tamil Nadu) branches on 26th May 2026.

**Management Responsibility**

The Selection of reporting criteria, reporting period, reporting boundary, monitoring and measurement of data, preparation, and presentation of information in the BRSR report are the sole responsibility of the Company and its management. We are not involved in drafting or preparation of BRSR Report. Our sole responsibility was to provide independent reasonable assurance on BRSR Core indicators stated in the BRSR report for the year ended March 31, 2026.

**Our responsibility**

We are responsible for performing Reasonable Assurance on the BRSR Core parameters and Limited Assurance on Non-core parameters in the BRSR Report of the company for the period from April 01, 2025 to March 31, 2026, including relevant information of the previous year disclosed in the BRSR report, are free from material misstatements, whether due to fraud or error, in accordance with the reporting requirements stated above. Our responsibility includes forming an independent opinion, based on the procedures performed by us and the evidence we have obtained, and reporting our reasonable assurance opinion on the BRSR Core indicators to the Directors of **THE FEDERAL BANK LIMITED**.

**Limitations and Exclusions**

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

- Activities outside the defined assurance period.
- Positional statements (expressions of opinion, belief, aim or future intention by **THE FEDERAL BANK LIMITED**'s and statements of future commitment.
- Competitive claims in the report claiming, "first company in India", "first time in India", "first of its kind", etc.

Our assurance does not extend to the activities and operations of **THE FEDERAL BANK LIMITED** outside of the scope and geographical boundaries as well as the operations undertaken by any subsidiaries or joint ventures of the Company.

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

**Statement of Independence, Integrity, and Competence**

Bureau Veritas is an independent professional services company that specialises in quality, environmental, health, safety, and social accountability with over 198 years history. Its assurance team has extensive experience in conducting assessment over environmental, social, ethical and health and safety information, systems and processes.

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

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

The assurance team for this work does not have any involvement in any other Bureau Veritas projects with **THE FEDERAL BANK LIMITED**.

**Competence**

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

**Restriction on use of Our Report**

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

Nagabhushan Biliangadi
Digitally signed by Nagabhushan Biliangadi
Date: 2026.07.28 11:42:40 +05'30'

**Nagabhushan B BILIANGADI**

**Lead Assuror**

**Bureau Veritas (India) Private Limited**

**Hubballi, India**

**Date: 28-07-2026**

MUNJI RAMA MOHAN RAO
Digitally signed by MUNJI RAMA MOHAN RAO
Date: 2026.07.28 12:48:15 +05'30'

**Munji Rama Mohan RAO**

**Technical Reviewer**

**Bureau Veritas (India) Private Limited**

**Hyderabad, India**

**Date: 28-07-2026**

## Annexure 1

Reasonable level of assurance is provided for following ‘9 Indicators included in BRSR-Core Attributes’

| Main Sr No. | Sub Sr. No. | Title | Parameters | Verified Value |
|---|---|---|---|---|
| Parameter 1 | 1 | GHG footprint | Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) | 1903.84 M $tCO_2e$ |
| | 2 | | Total Scope 2 emissions (Break-up of the GHG (CO2e) into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) - | 29904.02 M $tCO_2e$ |
| | 3 | | GHG Emission Intensity {Total Scope (1+2) emissions} (Break-up of the GHG (CO2e) into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) - | 0.99 MT $CO_2e$ /Cr ₹ Revenue |
| | 4 | | GHG Emission Intensity (Scope 1 +2) | 1.80 MT $CO_2e$ / employee |
| Parameter 2 | 1 | Water Footprint | Total water consumption | 31,740.93 kL |
| | 2 | | Water consumption intensity per crore Rupees revenue | 0.99 KL per crore rupees of turnover |
| | 3 | | Water Discharge by destination and levels of Treatment | Total: 126963.72 kL<br>With Treatment : 4464.42 kl<br>No Treatment: 122499.31 kl |
| Parameter 3 | 1 | Energy Footprint | Total energy consumed | Total: 1,68,076.60 GJ |
| | 2 | | Percentage of energy consumed from renewable | 1.31 % |

Ref: FBL/BRSR/2026/25220386

Page 1 of 7

| | | | | |
|---|---|---|---|---|
| | | | sources | |
| | 3 | | Energy Intensity | Intensity: 5.23 GJ /Cr ₹ Revenue |
| Parameter 4 | 1 | **Waste Management** | Embracing circularity - details related to waste management by the entity - Plastic waste (A) - E-waste (B) - Bio-medical waste (C) - Construction and demolition waste (D) - Battery waste (E) - Radioactive waste (F) - Other Hazardous waste. Please specify, if any. (G) - Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector) - Total waste generated ((A+B + C + D + E + F + G + H) | Plastic waste (A): 24.58 MT<br>E-waste (B): 18.71 MT<br>Bio-medical waste (C): NA<br>Construction and demolition waste (D): NA<br>Battery waste (E); 141.21 MT<br>Radioactive waste (F): NA<br>Other Hazardous waste. Please specify, if any. (G) : NA<br>Other Non-hazardous waste generated (H). Paper Waste ( A4 sheets consumed) : 244.21 MT<br>Food waste: 5.75 MT<br>Total: 434.46 MT |
| | 2 | | Waste Intensity | 0.010 MT /Cr ₹ Revenue |
| | 3 | | Each category of waste generated, total waste recovered through recycling, re-using or other recovery operations | 159.92 MT |
| | 4 | | For each category of waste generated, total waste disposed by nature of disposal method | (i) Incineration: 0<br>(ii) Landfilling-: 0 MT<br>((iii) Other disposal operations: 274.54 MT |
| Parameter 5 | 1 | **Employee Welfare and Safety** | Spending on measures towards well-being of employees and workers – cost incurred as a percentage of total revenue of the company | 0.43% |
| | 2 | | Details of safety related incidents for employees and workers (including contract-workforce e.g. workers in the company's construction sites). | Permanent Disability = 0.<br><br>LTIFR = 0.026<br>Recordable work related injury=1 |

Ref: FBL/BRSR/2026/25220386

Page 2 of 7

| | | | | |
|---|---|---|---|---|
| Parameter 6 | 1 | **Enabling Gender Diversity in Business** | Complaints on POSH (sexual harassment) | Total Cases: 3<br>As a % of female employees / workers: 0.04%<br>Upheld: 2 |
| | 2 | | Gross wages paid to females as % of wages paid | 37.44 % |
| Parameter 7 | 1 | **Enabling inclusive Development** | Input material sourced from following sources as % of total purchases Directly sourced from MSMEs/ small producers | 18.08% |
| | 2 | | Sourced from within India | 100% |
| | 3 | | Job creation in smaller towns – Wages paid to persons employed in smaller towns (permanent or non-permanent /on contract) as % of total wage cost | Rural 4.86%<br>Semi-urban 42.24%<br>Urban 23.60%<br>Metropolitan 29.31% |
| Parameter 8 | 1 | **Fairness in Engaging with customers and Suppliers** | Instances involving loss / breach of data of customers as a percentage of total data breaches or cyber security events | 0 |
| | 2 | | Number of days of accounts payable | 13.47 |
| Parameter 9 | 1 | **Openness of Business** | Concentration of purchases & sales done with trading houses, dealers, and related parties Loans and advances & investments with related parties | a. Purchases (Purchases with related parties / Total Purchases) 1.02%<br>b. Sales (Sales to related parties / Total Sales) 1.28%<br>c. Loans & advances (Loans & advances given to related parties /Total loans & advances) 0.59%<br>d. Investments ( Investments in related parties/Total Investments made) 1.29% |