

# Committed to Sustainable Practices

## Sustainability Report 2024



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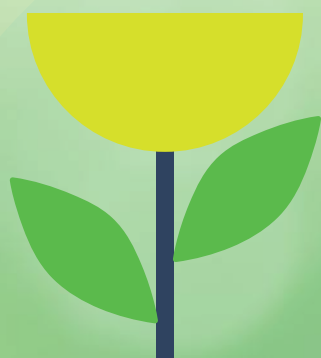
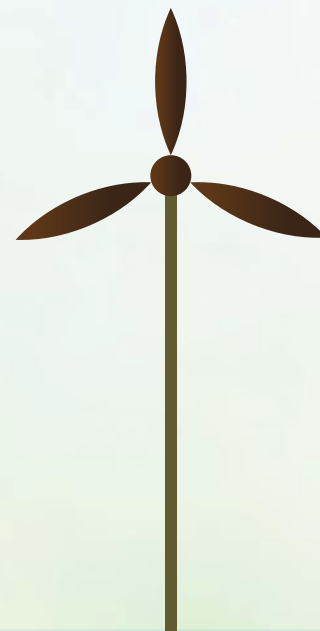
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# About this Report

The dynamic business landscape presents both challenges and opportunities. Karur Vysya Bank (KVB) has excelled in navigating these complexities. We have consistently achieved healthy margins while adhering to strict regulatory norms. Our dedication to consistent and credible progress is evident in our strong profitability, healthy return on assets and exceptional asset quality. In addition, we ensure a sustainable growth momentum with a consistent focus on quality and exceptional service delivery.

Embracing and integrating digitalisation, we are focussed on enhancing business scalability while adhering to regulatory norms. At KVB, we integrate cutting-edge technology to optimise customer experience, offering digitally-opened current accounts and pioneering end-to-end digital lending solutions. We have strengthened our digital ecosystem through a plethora of initiatives.

Grounded in robust principles and deeply embedded in our culture, we have been consistently investing towards social and community development. Our commitment in uplifting communities and other activities are aimed at creating a sustainable and inclusive society. We foster growth for our customers and communities, building a future of shared success on a foundation of consistent and credible progress.

## Scope and Boundary

The report provides information about the Bank's performance on economic, environmental, and social parameters across its entire operations (including the Bank's Registered Office, No. 20, Erode Road, Vadivel Nagar, L.N.S., Karur – 639002), 838 banking and 156 BC outlets, and 2,262 ATMs + Cash Recyclers spread over 19 states and 3 Union Territories.

## Restatement of Information

No significant changes in the organisation's size, structure, or ownership occurred during the reporting period.

## Report Content

This report has been prepared in accordance with Global Reporting Initiatives (GRI) Standards 2021, "with reference" content index. A complete list of disclosures can be found in the GRI Content Index on Page 37 of this report. This report should be read with Karur Vysya Bank's FY 2023-24 Annual Report: (<https://www.kvb.co.in/docs/annual-report-for-the-financial-year-2023-2024.pdf>). While we have attempted to avoid the repetition of information from the Annual Report, certain facts about the Bank are presented again to provide a comprehensive view of our operations and initiatives.

The data presented in the report is based on information provided by the Bank's various business units and monitoring and reporting procedures. This Sustainability Report is published as a PDF and can also be accessed through the QR code shared below.



Scan the QR code to read the report online



# Chairperson's Message



**Dear Stakeholders,**


**As the Chairperson of Karur Vysya Bank (KVB), I am glad to share our inaugural Sustainability Report, which underscores our commitment to creating long-term value for stakeholders through sustainable practices.**

In a year marked by substantial economic and environmental challenges, we have prioritised developing resilience and adapting our operations to achieve financial goals and make meaningful contribution to a more sustainable and equitable world.

We recognise that sustainability is more than an obligation long - it is an opportunity to unlock new possibilities, manage risks, and foster trust. This year, we have placed a greater emphasis on the collective environmental, social, and governance (ESG) responsibilities. Our initiatives include a clear strategy to reduce our carbon footprint, expand green financing portfolio, and support the communities we serve through inclusive banking programmes. Aligned with India's sustainability goals, we are committed to minimising our environmental impact. We aim to achieve carbon neutrality by implementing energy-efficient programmes in our branches, investing in renewable energy, and promoting waste reduction strategies. Additionally, our green financing solutions encourage our clients to pursue sustainable initiatives, creating a positive ripple effect beyond our organisation.

Our commitment to social sustainability remains strong. We recognise our responsibility to promote economic inclusion and support underbanked populations. This year, we launched new programmes to improve financial literacy, expand access to credit for small and medium-sized enterprises (SMEs), and promote gender equality within our workforce. These initiatives reflect our dedication to creating an inclusive financial ecosystem that fosters growth for all.

Governance is a critical pillar of our sustainability strategy. We are developing a comprehensive framework to ensure compliance, manage risk, and protect stakeholder interests through transparency, accountability, and ethical conduct at all levels. Our governance approach includes robust safeguards to protect data privacy, cybersecurity, and anti-corruption, ensuring we uphold the highest standards of integrity.



**At KVB, we understand that sustainability goes beyond a mere obligation; it represents an opportunity to unlock new possibilities, manage risks, and build trust. This year, we have placed a greater emphasis on environmental stewardship and the principles of Social Responsibility and Governance (ESG).**

### Looking Forward

We are inspired by the progress we have made and remain ambitious about the road ahead. In the coming years, we will continue to align our strategies with the United Nations Sustainable Development Goals, aiming to accelerate our contributions to a sustainable world. We are committed to leveraging our resources, influence, and expertise to foster resilience, promote equitable growth, and create a meaningful impact on society and the environment.

Thank you for your continued trust and support in this journey toward sustainability. Together, we are building a future that is not only financially sound but also environmentally responsible and socially inclusive.

### Dr. Meena Hemchandra

Non-Executive Independent (Part-time) Chairperson



# Statement from MD & CEO



**Dear Friends,**

**It gives me great pleasure to present Karur Vysya Bank's 1<sup>st</sup> Sustainability Report, marking the Bank's maiden attempt at publishing a sustainability report on GRI Standards.**

This milestone holds even more significance as it comes at a time when the past two years have brought about transformational changes, pushing the boundaries of our adaptability in a rapidly evolving world. We have now emerged stronger, with a growing sense of optimism.

I'm pleased to share that KVB has made significant progress and taken confident strides toward driving responsible growth.

Backed by our century-old legacy and a commitment to advancing the nation's inclusive development agenda, we blend trust with technology to enhance customer experience and expand our impact. Our growth strategy is built on prudence, driven by strategic levers—people, processes, practices, partnerships, and planning. I take this opportunity to thank our employees, customers, investors, regulators, and all stakeholders for standing by us through this journey. As the Bank turns a new page, it remains committed to environmental, social, and governance (ESG) principles while aiming to capitalise on its ESG leadership and performance as a strategic differentiator in its next phase of growth.

We are committed to contributing to the socioeconomic development of the community. Through focussed interventions in sanitation, healthcare, education, and green finance, we adopt a holistic approach to sustainable development. Further, we provide skill development training,



**By publishing this Sustainability Report, the Bank will commit to strengthening its ESG practices in FY 2023-24, through several targeted initiatives. The Bank has aligned ESG governance with a Board-level Corporate Social Responsibility & ESG Committee to strengthen ESG governance and enhance the integration of environmental and social considerations into its business.**

especially to women from economically weaker sections, to create livelihood opportunities and improve their standard of living. Given the growing water stress in many parts of the country, we are engaging with local communities to restore water bodies and improve access to clean drinking water. Additionally, we plan to work with government bodies and NGOs to increase green coverage, especially in cities.

ESG reporting continues to evolve in importance and scope as governments and regulators across the world undertake measures to standardise disclosure frameworks and address information asymmetries. With the launch of the new Business Responsibility and Sustainability Report (BRSR) CORE framework in 2023-24, the Securities and Exchange Board of India (SEBI) has comprehensively expanded the scope of mandatory ESG disclosures for the top 150 listed companies in India, making them more quantitative and comparable. Though KVB doesn't fall under the Top 150 cap, still the Bank is committed to reporting on the CORE indicators. Mandatory disclosure requirements will encourage companies to measure and report their environmental and social impacts and go a long way in accelerating the adoption of ESG best practices. Through this Sustainability Report, the Bank will commit to strengthening its ESG practices in FY 2023-24. The Bank has aligned ESG governance with a Board-level Corporate Social Responsibility & ESG Committee to strengthen ESG governance and enhance the integration of environmental and social considerations into its business.

Together with my colleagues, and encouraged by the support of all our stakeholders, we are progressing ahead, aligned with India's transformational journey. I would like to thank and appreciate the immense support provided by the Central and State Governments, Regulators, our Board members, employees, shareholders, and other stakeholders. As we take our growth story forward, we remain committed to embracing the best practices to create sustainable value for all.

**B Ramesh Babu**

Managing Director and Chief Executive Officer

# Message from the Executive Director



Dear Stakeholders,

As an organisation dedicated to promoting sustainable development, we understand the essential role that climate financing plays in crafting a more resilient future. Climate change is not simply a global issue, but it also presents an extraordinary chance to rethink how we do business and serve our communities. At KVB, we integrate sustainability into all of our business initiatives. We recognise that linking financial development with environmental and social responsibility is critical to long-term success. With our climate financing efforts, we want to:

## Facilitate Green Growth

Our funding approach focusses on renewable energy projects, energy efficiency initiatives, and sustainable infrastructure development. We are committed to accelerating the transition to a low-carbon economy.

## Empower Communities

In addition to environmental concerns, we are investing in initiatives that strengthen communities, promote inclusiveness, and provide equal access to resources.

## Collaborate for Innovation

Working with enterprises, governments, and non-governmental organisations (NGOs), we are developing creative financial solutions to mitigate climate risks and capitalise on opportunities.

The commercial potential of climate financing is enormous. According to projections, India alone will require \$2.5 trillion by 2030 to accomplish its climate targets. This provides an opportunity for banks to act as catalysts for capital mobilisation, green bond facilitation, and sustainable investment promotion. By capitalising on these possibilities, we can create value for our stakeholders while also contributing to a sustainable future. Our sustainability journey is a constant commitment. From incorporating Environmental, Social, and Governance (ESG) standards into our lending methods to increasing transparency in our operations, we are ensuring that our company not only develops but also has a good effect.

Sustainability is more than just lowering carbon footprints; it's about building a resilient future. We realise that social responsibility, which includes diversity, fairness, and inclusion, is just as important in creating a sustainable and equitable society. Our commitment to ESG extends to internal operations, where we are always looking for methods to reduce our environmental footprint while also cultivating a diverse, inclusive workplace culture.

As we move forward, I encourage everyone – employees, customers, partners, and investors – to view sustainability as a shared duty. We can work together to convert climate change issues into opportunities for growth and innovation.

Thank you for your continuous belief and support in our goal.

**Natarajan J**

Executive Director



# Chief Operating Officer's Message



Dear Stakeholders,

As Chief Operating Officer of Karur Vysya Bank (KVB), I am pleased to discuss our success and ongoing commitment to integrating sustainability into our core operations. At KVB, we think that a sustainable approach is critical not just for improving operational resilience, but also for contributing to a healthier and more inclusive world. Our objective is to create –

## Operational Efficiency and Environmental Responsibility

Improving operational efficiency is a critical component of our sustainability strategy. Over the last year, we have adopted several steps to cut energy usage, maximise resource use, and eliminate waste throughout our branches and facilities. By incorporating sustainable practices into our everyday operations, we reduce our carbon footprint and contribute to the Bank's overall environmental aims. From employing energy-efficient lighting and renewable energy sources to introducing digital solutions that reduce paper consumption, we are making substantial improvements across all aspects of our operation.

## Innovation in Sustainable Products and Services

Our operations go beyond standard banking to incorporate environmentally friendly and socially responsible services. We are continuously creating green financing solutions and supporting investments in sustainable initiatives, enabling our clients to make values-driven decisions. Our drive to innovation has also led us to develop our digital banking capabilities, lowering the demand for physical resources and increasing access to financial services for underprivileged populations.

## Fostering a Culture of Sustainability

Our organisation's culture is built around sustainability. We are committed to engaging workers at all levels, encouraging them to share ideas, and providing training in sustainable practices. Our internal efforts foster environmental awareness, social responsibility, and continual development, ensuring that all team members understand and support our sustainability objectives. This culture drives the firm ahead on its sustainable path and has a positive effect on our workforce and beyond.

## Commitment to Community Impact

At KVB, we understand that our duties go beyond the confines of our offices and branches. We are committed to assisting communities via projects that promote financial literacy, expand loan availability for SMEs, and create economic possibilities for underbanked people. By aligning our activities with these social values, we contribute to a more equal society and reinforce our role as a trusted and responsible financial partner.

## Looking Ahead

As we move forward, we are enthused about the possibilities for deepening our commitment to sustainable operations. We will continue to look for new solutions, strengthen our operational resilience, and participate in activities that lessen our environmental effects. We are confident in our capacity to produce long-term value for our stakeholders by using cooperation, adaptability, and a shared commitment to sustainable growth.

Thank you for your continued support and partnership in our sustainability journey.

## Chandrasekaran M S

Chief Operating Officer and Head - Business Responsibility and Sustainability Reporting (BRSR)

# Management of ESG Risks

Karur Vysya Bank has a strong presence predominantly in the South and West markets, with an extensive network of branches and ATMs. Headquartered in Karur, Tamil Nadu, our strategic locations anchor our operations and supports our nationwide reach. We prioritise accessibility and convenience, ensuring our branches, ATMs and cash recyclers serve as vital touchpoints for seamless transactions and personalised assistance to our valued customers. As we continue to expand, we remain committed to upholding our values of integrity, customer-centricity and innovation.

## Karur Vysya Bank's ESG Governance Structure

The Bank believes that high standards of good governance combined with ethical and transparent business processes lead to greater effectiveness and efficiency, along with sustainable business outcomes. Towards this objective, the Board has designated the MD & CEO as the Director responsible for ESG implementation and the Chief Operating Officer & Chief General Manager as the executive responsible for ESG implementation and BRSR reporting.

The roles and responsibilities at each level of the governing structure are outlined below:

- The Board of Directors shall be responsible for approving the ESG Policy and have oversight on the implementation of the Policy through the CSR & ESG Committee.
- The CSR & ESG Committee of the Board a Sub-Committee of the Board shall be responsible for overseeing the development and implementation of the Bank's ESG policy framework. The Committee will provide strategic direction to the Bank's ESG performance taking into consideration the relevant risks and



opportunities. The Committee will also oversee compliance with applicable ESG-related regulatory requirements, track progress against goals and targets as well as review the Bank's ESG disclosures.

- The MD & CEO shall directly supervise the implementation of the Policy on behalf of the Board.
- The CSR Committee, an Executive Committee reporting to the CSR & ESG Committee of the Board shall be responsible for the overall execution of the policy in the Bank. The Committee will be responsible for:
  - Ensuring that the policy is consistently and effectively executed by each functional unit.
  - Adequate training, coaching, and resources to ensure effective implementation and compliance.
  - Reporting on the achievements, failures, and difficulties of implementing the policy to the CSR & ESG Committee of the Board.
  - For review of the effectiveness of the Policy, place a note to the CSR & ESG Committee.
- The Senior Management and Functional Heads of the Department are responsible for implementing, maintaining, providing, and demonstrating the ESG reporting requirements at the Central Office level along with Central Office Credit Committees and through divisional managers at the Divisional Office Level.
- The Chief Operating Officer & Chief General Manager as the executive is responsible for ESG implementation & BRSR reporting and shall be the owner of the ESG Policy. The Chief Operating Officer & Chief General Manager through compliance functions shall:
  - Formulate the Policies and communicate within the Bank across all levels and the business partners/value chain members.
  - Ensure implementation of the Policies in coordination with the Senior Management, Functional Head, and the CSR Executive Committee.
  - Co-ordinate and compile the Business Responsibility and Sustainability Report.
  - Share the BRSR report with the Company Secretary.
  - Review the policies in line with the regulatory requirements.
- The Company Secretary shall be responsible for placing the report along with other items of the Annual Report to the Top Management and the Board.



# Stakeholder Engagement & Materiality Assessment

The Company recognises the importance of a variety of informed perspectives as it develops and drives its ESG programmes. Through ongoing engagement with stakeholders, it identifies ESG-related material topics through a process that includes a range of inputs which align with the Bank’s significant environmental, social, and governance impacts; or that substantively influence the decisions of stakeholders.


























































The sources of input include but are not limited to internal stakeholder surveys, benchmarking of industry trends, ESG reporting frameworks, non-governmental organisations (NGOs), and various internal and external stakeholders. The Bank understands the perspective and priorities of its stakeholders and is determined to create long-term value by addressing their expectations. These are then integrated into the Materiality Matrix, which highlights relevant and priority economic, social, environmental, and governance topics of the Bank and its stakeholders.

The stakeholders are identified based on their influence on the Bank and the Bank’s impact on them. Below are the key stakeholders of the Bank.

## Key Stakeholders of KVB



The Bank identifies its key material issues by identifying the concerns and expectations of its stakeholders and its senior management through regular and planned engagements. The process followed by the Bank for materiality assessment starts with identifying a broad set of topics relevant to the Bank and its stakeholders and then shortlisting the most material topics for stakeholder engagement. This is done in consultation with the management. Shortlisted topics are then shared with the stakeholders for prioritisation.

	Material Issue	Significant Impact	Capital Impacted
M1	Data privacy	Direct and Indirect	 
M2	Compliance	Direct	 
M3	Talent attraction and retention	Direct	  
M4	Ethical behaviour	Direct	 
M5	Employee development and engagement	Direct	 
M6	Customer experience	Direct and Indirect	  
M7	Human rights practices	Direct	 
M8	Board diversity and independence	Direct and Indirect	
M9	Financing green opportunities	Direct	 
M10	Digitisation/Fintech	Indirect	  
M11	Transparency and Accountability	Indirect	  
M12	Zero tolerance conduct/grievance mechanism	Direct	  
M13	Employee practices and benefits	Direct	  
M14	Employee diversity	Indirect	 
M15	Employee Incentives and Risk Culture	Indirect	  
M16	Workforce reductions	Direct	  
M17	Equal pay and wage gap	Direct and Indirect	  
M18	Employee volunteering/CSR	Indirect	  
M19	ESG integration in operations	Direct	   
M20	Access to finance	Direct	 
M21	Natural resource management in ops and supply chain/Responsible sourcing	Indirect	  
M22	Environment footprint and climate change	Direct	 
M23	Green House Gases/other emissions	Direct	



After identifying the key material topics, they are prioritised based on the scoring done once the stakeholders receive responses. Then, the Materiality Matrix is developed, reviewed, and validated by the CSR & ESG Committee of the Board. The materiality Matrix depicted below plots all the material aspects of the Bank and its stakeholders.

### Assessment of Material Issues

In FY 2022-23, the Bank carried out an extensive materiality assessment process in consultation with its internal and external stakeholders to identify pertinent issues that act as enablers or disablers to the ability of the Bank to create value in the short, medium, and long term. The critical inputs received from these engagements would allow the Bank to recalibrate its strategy, serve as an opportunity to address emerging risks and leverage opportunities to future-proof its business.

The stakeholder engagement process is depicted below:



### Materiality Matrix

Increasing importance to KVB Stakeholders	High	<ul style="list-style-type: none"> <li>Talent attraction &amp; retention</li> <li>Employee development &amp; engagement</li> <li>Digitalisation/fintech</li> </ul>	<ul style="list-style-type: none"> <li>Data privacy</li> <li>Compliance</li> <li>Ethical behaviour</li> <li>Customer experience</li> <li>Human rights practices</li> <li>Board diversity &amp; independence</li> <li>Financing green opportunities</li> <li>Access to finance</li> </ul>
	Moderate	<ul style="list-style-type: none"> <li>Transparency &amp; Accountability</li> <li>Zero tolerance conduct/ grievance mechanism</li> <li>Employee diversity</li> <li>Employee incentives and Risk culture</li> <li>Equal pay &amp; wage gap</li> </ul>	<ul style="list-style-type: none"> <li>Workforce reduction</li> <li>Employee volunteering/CSR</li> <li>ESG integration in operations</li> </ul>
	Low	<ul style="list-style-type: none"> <li>Natural resource management in operations and supply chain/ responsible sourcing</li> <li>Environment footprint and climate change</li> <li>Green House Gases/other emissions</li> </ul>	<ul style="list-style-type: none"> <li>Employee practices and benefits</li> </ul>
		Increasing importance to KVB Management	
		Low	Moderate
		High	

Material Issue	GRI Standards Topics	GRI Standards Disclosures	Significant Impacts
Data privacy	GRI 418: Customer Privacy	GRI 418-1	Direct and Indirect
Compliance	GRI 404: Training and Education 2016 GRI 419: Socioeconomic Compliance 2016	GRI 404-1; GRI 404-2; GRI 404-3; GRI 419-1	Direct
Talent attraction and retention	GRI 401: Employment	GRI 401; GRI 402; GRI 403	Direct
Ethical behaviour	GRI 205: Anti-corruption, GRI 206: Anti-competitive behaviour	GRI 205-1; GRI 205-2; GRI 205-3 GRI 206-1	Direct

Material Issue	GRI Standards Topics	GRI Standards Disclosures	Significant Impacts
Employee development and engagement	GRI 205: Anti-corruption, GRI 206: Anti-competitive behaviour GRI 401: Employment, GRI 403: Occupational Health and Safety GRI 404: Training and Education GRI 405: Diversity and Equal Opportunity GRI 406: Non-Discrimination	GRI 401-1; GRI 401-2; GRI 401-3; GRI 403-1 to GRI 403-10; GRI 404-1; GRI 404-2; GRI 404-3; GRI 405-1; GRI 405-2; GRI 406-1	Direct
Customer experience	GRI 2: General Disclosures GRI 418: Customer Privacy	GRI 2-29; GRI 418-1	Direct and Indirect
Human rights practices	GRI 402: Labour/Management Relations	GRI 402-1	Direct
Board diversity and independence	GRI 405: Diversity and Equal Opportunity	GRI 405-1	Direct and Indirect
Financing green opportunities	GRI 201: Economic Performance	GRI 201-2	Direct
Access to finance	GRI 201: Economic Performance	GRI 201-2	Direct
Digitisation/ fintech	GRI 201: Economic Performance	GRI 201-1	Indirect
Transparency & Accountability	GRI 2: General Disclosures	GRI 2-14	Indirect
Zero tolerance conduct/ grievance mechanism	GRI 2: General Disclosures	GRI 2-25	Direct
Employee practices and benefits	GRI 401: Employment	GRI 401; GRI 402; GRI 403	Direct
Employee diversity	GRI 405: Diversity and Equal Opportunity	GRI 405-1	Indirect
Employee Incentives and Risk Culture	GRI 401: Employment	401-2	Indirect
Workforce reductions	GRI 401: Employment	401-2	Direct
Equal pay & wage gap	GRI 405: Diversity and Equal Opportunity	405-1	Direct and Indirect
Employee volunteering/CSR	GRI 413: Local Communities	413-1	Indirect
ESG integration in operations	GRI 201: Economic Performance	201-1	Direct
Access to finance	GRI 201: Economic Performance	GRI 414-1; GRI 414-2	Direct
Natural resource management in ops and supply chain/ Responsible sourcing	GRI 414: Supplier Social Assessment	GRI 302-1; GRI 302-2; GRI 302-3; GRI 305-1; GRI 305-2; GRI 305-3; GRI 305-4; GRI 305-5; GRI 305-6; GRI 305-7; GRI 306-1; GRI 306-2; GRI 306-3; GRI 306-4; GRI 306-5; GRI 307-1	Indirect
Environment footprint and climate change	GRI 302: Energy GRI 305: Emissions GRI 306: Waste GRI 307: Environmental Compliance 2016		Direct

## Our Support for the U.N. Sustainable Development Goals (SDGs)

The Sustainable Development Goals (SDGs) adopted by the United Nations Member States in 2015 set forth a global vision for peace and prosperity for people and the planet. We believe opportunities to green finance will play a key role in many of these 17 ambitious, interrelated goals, and we see opportunities aligned with our commitments to create a positive social impact. All of our ESG goals are mapped to the specific SDGs that we believe they support. We see the potential to contribute to the SDGs in the following areas, with our unwavering commitment to upholding trust embedded throughout.





Sustainable Development Goals	BRSR Principles	Mapping with Policy Frameworks	ESG Theme	Aspirations
	<p><b>Principles</b> 1, 3, 4, 5, 7</p>	<p>People</p>	<p><b>Social - Employees and Communities</b></p>	<ul style="list-style-type: none"> <li>• Increase gender representation in senior roles.</li> <li>• Embed an integrated health and wellbeing strategy to support building and re-skilling a future-ready, diverse workforce.</li> <li>• Increase participation in employee volunteering.</li> <li>• Invest operating profit in our communities</li> </ul>
	<p><b>Principles</b> 2, 6, 8, 9</p>	<p>Product</p>	<p><b>Environment- Impact Finance, Green and Transition Finance, Climate Change</b></p>	<ul style="list-style-type: none"> <li>• Source all energy from renewable sources.</li> <li>• Start measuring, monitoring, and reporting our GHG Emissions</li> <li>• Provide clean water access to all.</li> <li>• Innovative financial products and partnerships that can help us solve development challenges and improve the lives of millions in our markets.</li> <li>• Mobilise project financing services that promote sustainable development and align with our future goals</li> </ul>
	<p><b>Principle</b> 1</p>	<p>Process</p>	<p><b>Governance and Compliance</b></p>	<p>Tackle financial crimes by contributing to developing typologies and red flags for financial flows, training frontline staff to identify potentially suspicious transactions, and participating in public-private partnerships to share intelligence and good practices</p>

# Environment



At KVB, we had long realised the distinct advantage of being digital in scaling and delivering greater customer satisfaction while becoming more efficient. Digitisation today is key to personalising customer journeys and augmenting experience across touchpoints. We are strengthening our digital capabilities and partnering with disruptive technology providers to expand the ecosystem. This is leading to greater efficiency, faster turnaround time, and improved credit quality through intelligent underwriting, thereby enhancing customer satisfaction. We continue to pursue our strategy of energy conservation, extending the scope of green lending products and continuing to make inroads in the digitisation of processes. On the product side, we are practising strategy to enhance our offerings in line with larger sustainable goals, such as green lending, financial inclusion, community development, and thrust on the digitisation of products.

The Bank regards climate change mitigation and environmental conservation as essential elements of a sustainable business. This belief embodies the Bank's approach to the management of its resource footprint. The Bank has given this endeavour a further inducement by ensuring multi-channel delivery through net banking, phone banking, and mobile banking. In FY 2022-23, the Bank adopted the ESG policy based on the IFC Performance standard and included the IFC Exclusion list to prioritise green lending.

The Bank owns an 850 kW wind turbine generator at Govindanagaram, Theni District, Tamil Nadu. We have undertaken several CSR initiatives in the protection of the environment such as the restoration of wetland ecosystems, Desilting Check Dams and Construction of Spring Stops, along with donation of battery-operated vehicles for garbage collection to name a few.

### **Responsible Lending and Green Financing**

We leverage innovative financial structures to mobilise resources for low-carbon transition opportunities, aligning with our adopted ESG policy that emphasises integrating sustainable practices.

The Bank aims to minimise environmental impact through several initiatives:

#### **Financing Green Projects**

We provide access to capital for environment-friendly initiatives that contribute to climate change mitigation, like those funded through our Green Deposits product. Launched in February 2024, Green Deposits allow customers to directly contribute to sustainable projects like renewable energy and clean transportation.

#### **Green Manufacturing Loans**

We are developing strategies to consider climate risk in lending decisions, particularly for the manufacturing sector within our portfolio.

#### **Expanding Green Products**

We are enhancing product offerings to encourage lending towards sustainable economic activities.



## Our Carbon Footprint

We take a thorough approach following the internationally recognised Greenhouse Gas Protocol (GHG Protocol) Standards to calculate, annually, our total carbon footprint across our operations, covering Scopes 1 and 2 emissions. Please refer to the annexure for Scope 1 and 2 data.

We assess the following activities:

### Scope 1 emissions:

- Combustion of fuels in Karur Vysya Bank-operated mobile sources

### Scope 2 emissions:

- Indirect emissions associated with purchased electricity in Bank branches



## Key Highlights

While being a financial services entity, we have minimal exposure to water and waste management issues. However, in energy management, we are working towards adopting energy conservation mechanisms while at the same time encouraging the use of renewable energy in our internal operations.

The following projects are initiated by KVB during FY 2023-24:

### Rooftop Solar at Hyderabad

Solar panels and inverter installation and feasibility approval from M/s. Telangana State Southern Power Distribution Company Limited (TSSPDCL) completed

Net metering from TSSPDCL and documentation works are in progress

### IGBC Green Existing Building Certification

The works have started to fulfil the requirements to meet the certification standards.

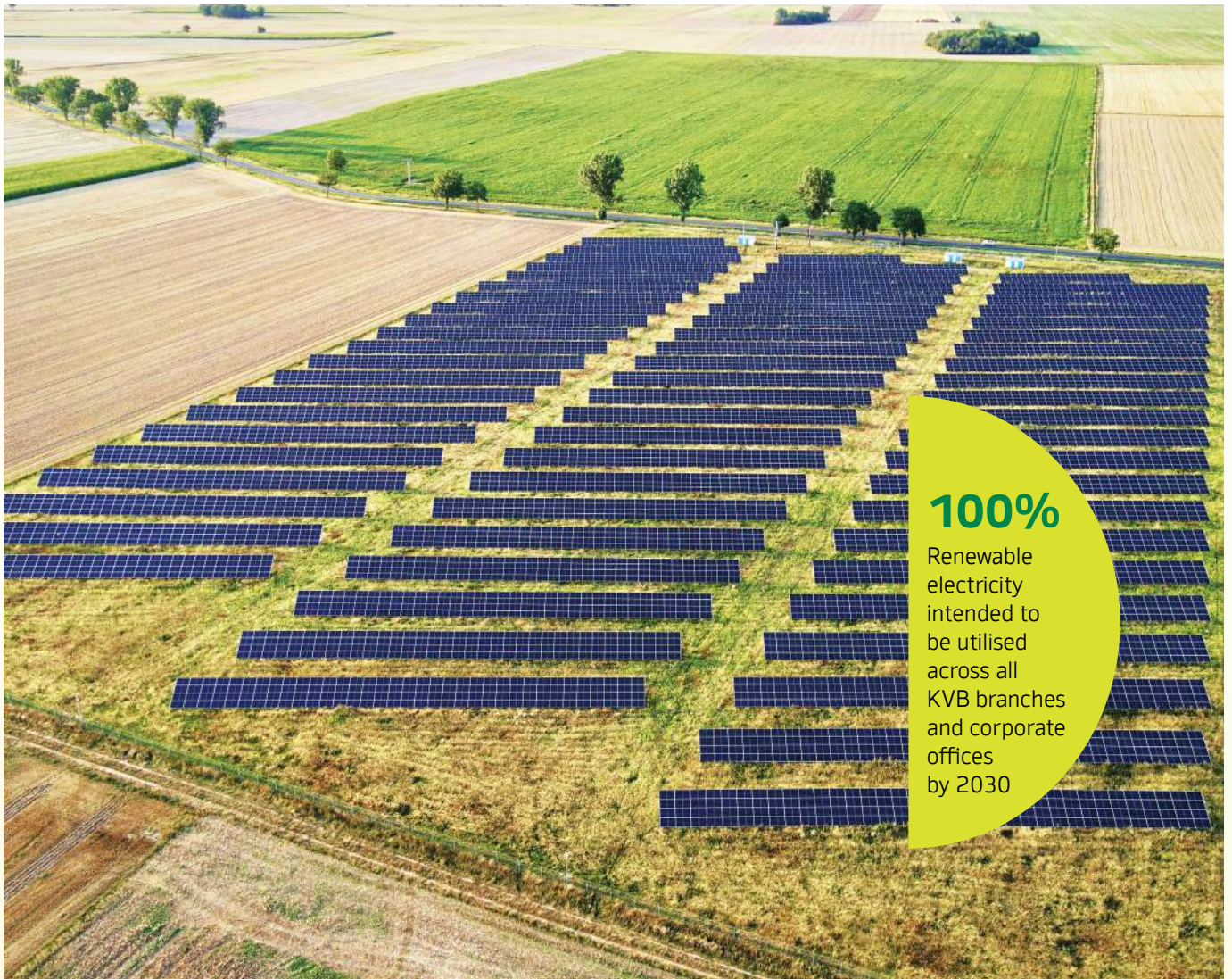
The project is registered with IGBC

The following works are under progress: Installation of a sewage treatment plant, installation of solar reflective tiles on the terrace, facilities for differently abled persons, Energy metering, Water metering etc.

As part of our operations enhancement, we constantly aim to reduce the adverse impact on the environment by identifying ways to optimise resource consumption in operations and encourage customers of electronic media utilisation over print communication. We have implemented:

- Digital Current and Savings account (Paperless current account opening process with e-sign)
- Digitisation of inter-office communication and notes management using the E-Memo application, thereby replacing the need for paper, and movement of paper-based documents

Further, as a lender to manufacturing industries which comprise over a quarter of the lending portfolio, we are currently looking into ways to include climate change as one of the key criteria in the lending decision-making process and have formulated a strategy around the same. We are looking to enhance the product offerings to encourage lending towards green economic activities.



## Energy

We are focussing on increasing energy efficiency and the use of renewable energy across all of KVB's branches to reduce carbon emissions and costs even further.

### Improving Energy Efficiency

We continuously invest in energy management systems and energy-efficient technologies in our branches and corporate offices.

### Increasing Use of Renewable Electricity

Electricity is one of the largest contributors to our carbon footprint and so it is a major focus of our carbon reduction efforts. **Indeed, we intend to use renewable electricity across all KVB branches and corporate offices.** This includes collaborating with Governments and private businesses to generate and purchase renewable energy in the areas where we operate.

**In 2024, approximately 4% of the electricity in our offices was renewable.**

**Please refer to the Annexure for data on energy consumption and intensity.**

## Waste

The Bank adheres to a stringent e-waste management policy for the disposal of electronic waste resulting from the upgrade or replacement of IT components such as computers, modems, printers, and UPS systems. All outdated IT hardware is sold to vendors who are certified in e-waste management by the Government of India. Additionally, the Bank employs a buy-back model, engaging with original equipment manufacturers (OEMs) who are well-regarded in the market to take back the replaced items, ensuring responsible recycling and disposal practices. In line with this, approximately 20 Metric Tonne of e-waste was disposed off through authorised recyclers. The usage of plastic bags/bottles is very minimal and the waste is disposed of by segregating as per Municipality norms (biodegradable/non-biodegradable).



## Climate Strategy and Mitigation

### Climate Strategy

Karur Vysya Bank, in its constant quest, to mitigate risks and leverage opportunities arising out of a low-carbon transition, will put in place a holistic and long-term roadmap. Guided by this blueprint, the Bank will strive to respond to the global clarion call of climate action and contribute towards sustainable development.

Key pillars of the strategy focus on:

### Building Resilience from Climate Risk

The Bank will develop robust frameworks for measuring and assessing material climate risk related to its lending operation and apply a climate lens to business decisions. It will strive to develop its capacity and understanding for assessing its portfolio under various scenarios and take actions to build the climate resilience of its portfolio.

### Sustainable Operations

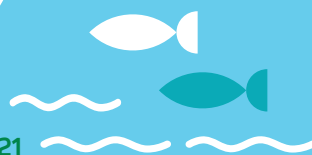
The Bank will continue to reduce its carbon footprint and is committed to adopting the best industry practices and standards.

### Policy Advocacy, Climate Literacy, and Robust Disclosures

The Bank will engage with its stakeholders including clients, peer banks, regulators and governments, and climate scenario providers to accelerate the low carbon transition. It will continuously report on BRSR and look forward to other ESG-related frameworks and will follow the RBI discussion paper on Climate Risk and Sustainable Finance, Green Deposits for developing forward-looking methodologies on climate assessment and integration. In the coming years, the Bank will continue to work towards minimising the environmental impact of our business and our operations. The focus on technology and employee engagement will ensure that we continue to meet our environmental obligations without compromising on the needs of our customers, shareholders, and investors.

### Responsible Lending

The Bank strives to mobilise finances towards low carbon transition opportunities in India, leveraging opportunities arising from climate change through innovative finance structures. In this quest, the Bank has adopted an ESG policy highlighting commitment towards adopting sustainable banking principles in its operations and lending processes. To minimise the impact on the planet, the Bank will adopt direct and indirect actionable. It aims to provide access to capital for environmentally sustainable projects which contribute to climate change mitigation. Further, as a lender to manufacturing industries, which comprise over a quarter of the lending portfolio, we are currently looking into ways to include climate change as one of the key criteria in the lending decision-making process and are in the process of formulating a strategy around the same. We are looking to enhance product offerings to encourage lending towards green economic activities. The Bank promotes environmental sustainability and equitable growth through sustainable lending practices. It reduces the impact on the environment by actively managing the environmental footprint and supporting customers to make 'green banking' choices. Please refer to the ESG Policy for more details: <https://www.kvb.co.in/docs/esg-policy.pdf>



# Social Sustainability & Human Rights





At KVB, we share strong and symbiotic relationships with the communities where we work and operate. We honour and value their trust and it strengthens our resolve to keep making positive changes and bringing greater equity of access to the marginalised.

### Diversity, Equity, and Inclusion (DE&I)

We are committed to driving a positive cultural change in our workplace by increasing diversity and embracing differences in race and ethnicity, gender and gender identity, sexual orientation, socioeconomic status, language, culture, national origin, religious commitments, age, and disability status, as well as the intersectionality of one or more of these characteristics. Furthermore, we believe that every individual has the right to work in an environment free of sexual, psychological, and racial harassment.

'She Leads' is a unique initiative focussed on emphasising the significance of the role of our women colleagues at the office and home. As part of the initiative, all the male employees were invited to nominate women colleagues across different categories like Ms. Customer Service, Ms. Operations, Ms. Perfectionist, Ms. Dependable and so on. The highest scorer in each category was recognised by the senior management team.

Diversity refers to the full range of human differences, including both visible and invisible characteristics. We are richer as a Bank because these differences bring a plethora of diverse perspectives, spurring innovation, uncovering blind spots, and creating a workplace that reflects the world and communities in which we live and work. Through our policies, we are committed to fair and just practices so our members can thrive. We provide access, opportunity, and advancement to all. We also strive to identify and eliminate barriers that could have prevented the full participation of some groups. We equip our members with the tools they need and provide them with upskilling opportunities to support their professional growth.

We want to create a culture of belonging in which everyone is inspired to grow and empowered to succeed because they share a common goal. We believe that the first step is to create an environment in which every voice is heard and respected, and where different points of view are welcomed. Please refer to the Annexure for data related to employees.

'She Leads' is a unique initiative focussed on emphasising the significance of the role of our women colleagues at the office and home.



### Employee Grievance Redressal Mechanism

“KVB SAMADHAN” is a staff grievance redressal mechanism introduced for redressing the grievances of employees relating to work conditions, pay and benefits, leave allotment, workload, managerial decisions, staff benefits, sexual discrimination at the workplace, etc., and the same can be filed by an aggrieved employee in KVB SAMADHAN portal. Immediately after submission of the grievance by the employee, a complaint number will be generated by the system and acknowledged by HRD. The Staff Grievance Redressal Officer at the Central Office will ensure the resolution of the matter within 10 days.

### Employee Occupational Health and Safety

The health and well-being of our members is an integral part of the Management Foundation and is deeply ingrained in the culture of our Bank. Nonetheless, the Bank provides thorough and regular training and awareness sessions, such as fire safety training. At the central office, the Bank regularly conducts fire safety and mock drills with experts from the Government of Tamil Nadu’s Fire Department.

We are convinced that our employees and our organisation’s health and well-being are critical to their success. Supporting our professionals’ mental health and well-being remains a top priority as we continue to adapt to new ways of working and new challenges in our lives. We recognise the importance of providing our members and leaders with the tools they need to navigate our changing reality. We’ve created key initiatives and programmes to encourage member engagement, social connectedness, a sense of belonging, and overall well-being.

Employee health and safety is of prime importance and the Bank conducts robust and periodic training like advanced and basic fire safety training, first aid, and evacuation-related training for floor marshals and employees across offices. Periodic fire evacuation drills were conducted at the office locations to sensitise employees about fire safety norms and regulations. The Bank has tie-ups with vendors to educate and demonstrate the use of fire-fighting equipment to employees.





## Employee Training and Education

### Reskilling, Upskilling, and Redeploying Our Workforce to Take Up New Challenges

- Internal Flex Training Programmes to provide a practical training platform to improve productivity and increase motivation
- Creating an internal talent pool by encouraging employees to develop secondary skill sets
- Talent management through appropriate retention measures

### Recruiting the Right Talent and Making the Right Deployment

- Formation of a Talent Acquisition team to get the right mix of skills
- AI-enabled and proctored online assessment platform to support hiring needs and make faster decisions
- BEI (Behavioural Event Interviewing) certified interview panel to ensure the right hire and consistency in the selection process

- Empanelled dedicated vendors to support the hiring needs in different models – hire, train, and deploy
- Job Boards to ensure faster sourcing
- Internal job posting to provide internal growth opportunities
- Employee Referral Programme

### Creating Scalable Learning Infrastructure and Promoting a Culture of Continuous Learning

- Digital Centre of Excellence (DCE) for the online training program to transform learning and empower employees with competencies and skills through the adoption of a 'Distributed Continuous Learning Methodology'
- E-learning in collaboration with EC Council for cybersecurity awareness
- Periodical Knowledge Updation Tests to evaluate the current developments in the industry and also within the Bank

## Employee Engagement Initiatives

### Recognition Programme

- KVB Rathna – A platform for leaders to applaud and provide instant recognition to deserving employees for their efforts

### Reward System

- Branch Sales Reward system aimed to encourage and incentivise high performers at branches
- Annual Incentives are paid to motivate high performers

### Talent Recognition

- Platforms like e-magazines and Annual Cultural Events provide opportunities for employees to showcase their talent

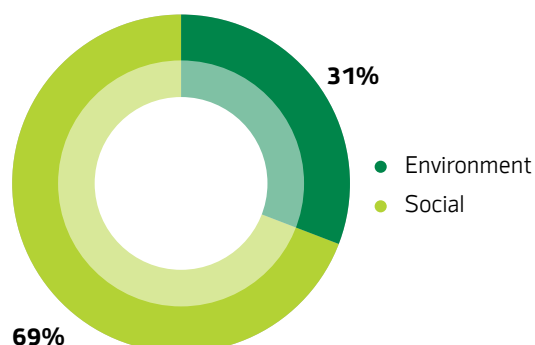


## Community Impact & Employee Volunteering

We are deeply committed to the well-being and empowerment of the communities we serve. Through our Corporate Social Responsibility (CSR) initiatives, we strive to address pressing social concerns, focussing on healthcare, women empowerment, education projects and promoting green and climate-resilient practices. The philosophy of the CSR Policy of the Bank is to contribute to the social and economic development of the community. We seek to look at CSR not just as a compliance agenda but as a strategic approach toward the betterment of society and the environment. With defined core focus areas for the implementation of its projects, the Bank actively supports initiatives in the areas of sanitation, healthcare, education, and the environment.

The CSR initiatives of FY 2023-24, as part of ESG efforts, prioritise **social and environmental factors like environmental sustainability, renewable energy, ecological balance, women empowerment, reducing inequalities, community/rural development and disaster relief** fostering social cohesion and harmony. These activities contribute to improved living standards and infrastructure in local communities, positively impacting society at large.

### Percentage of CSR Contribution towards Environment & Social



### DETAILS OF PROJECTS TAKEN UP UNDER ENVIRONMENTAL SUSTAINABILITY

Our ESG criteria place a strong emphasis on environmental responsibility. Aligning with ESG principles, the department adopted sustainable projects which reduce ecological footprint and contribute to conservation efforts.

S. No.	Classifications under Environmental Sustainability	No. of Projects	Budget (in ₹)
1	Projects promoting Green Cover	4	3,99,77,890.00
2	Water Body Restoration	2	1,10,53,977.00
3	Renewable Energy & Biodegradable Sustainability	2	37,36,767.00
4	Ecological Balance	1	27,00,000.00

### DETAILS OF PROJECTS TAKEN UP FOR THE DEVELOPMENT OF SOCIETY AT LARGE

The objective of all CSR initiatives taken up is to reduce economic and social vulnerability by protecting the vulnerable against livelihood risks and enhancing the social status of the marginalised groups.

The Bank's CSR programmes directly support and advance SDGs by focussing on areas such as poverty alleviation, education, healthcare, and environmental conservation. This holistic approach to sustainability, addressing environmental, and social factors contributes significantly to the realisation of multiple SDGs simultaneously.

Core Focus area	Classification	Number of Projects	% Allocation	Amount Allocated (in Cr.)
Promotion of Education and Skill Development	Promoting Education	12	7.83	1,43,89,897.20
	Skill Development	3	6.02	1,10,62,075
	Setting up Library	1	0.82	15,00,000
Promotion of sanitation, hygiene, health care and clean drinking water	Promoting Health Care	13	29.88	5,49,43,032.72
	Sanitation	5	1.24	22,75,303
	Safe Drinking Water	4	0.52	9,52,590
Protecting environment, sustainable development and augmentation of natural resources	Environmental Sustainability	8	20.36	3,74,31,134
	Rural Development	2	16.29	2,99,43,750
Any other projects found suitable	Disaster Relief	1	0.45	8,27,935
	Livelihood	1	7.45	1,36,95,580
	Reducing Inequalities	1	2.76	50,75,000
	Women Empowerment	1	0.15	4,99,229
	Promoting Sports	1	0.27	2,67,651
	Promoting Tech. Incubation Development	1	5.98	1,10,00,000
<b>Total</b>		<b>54</b>	<b>100%</b>	<b>18,38,63,176.92</b>

### CSR PROJECTS IN ASPIRATIONAL DISTRICTS

As per the 'Transformation of Aspirational Districts' programme of the Government of India, a list of districts has been identified for quick and effective transformation by NITI Aayog. The Bank has taken up two projects in the aspirational districts.

CSR projects of FY 2023-24 undertaken in designated aspirational districts as identified by the Government:

S. No.	State	Aspirational District	Implementing Agency	Project Title	Amount (In ₹)
1	Tamil Nadu	Virudhunagar	Dhan Foundation	Project ASPIRE - Advancing Sustainable Panchayat Villages through Integrated Rural Ecosystem	2,00,37,500
2	Telangana	Adilabad	Direct by Bank	Provision of Smart Board and Science Lab at Government Ashram High School, Adilabad	2,65,006

# Governance



At KVB, we have always upheld the highest standards of corporate governance and have remained committed to achieving sustainable and profitable growth. Our efficient risk management framework ensures that we can navigate the market vagaries smoothly while our strong governance practices guarantee effective internal control over processes and reliable reporting of our performance. We believe that sound corporate governance is the bedrock of a sustainable and commercially successful business. Our culture of corporate governance goes long back, and it is essentially about meeting our strategic goals responsibly and transparently while being accountable to our stakeholders. The principles and beliefs that ensure good governance are entrenched at a fundamental level within the organisation and are distinctly visible across the businesses. We engage openly and transparently with all stakeholders and conduct our business fairly.

### Governance Structure



#### Governance Structure

The Board of Directors ensures the integrity of corporate governance, shapes policies, offers strategic guidance and oversees management operations.



#### Board Committees

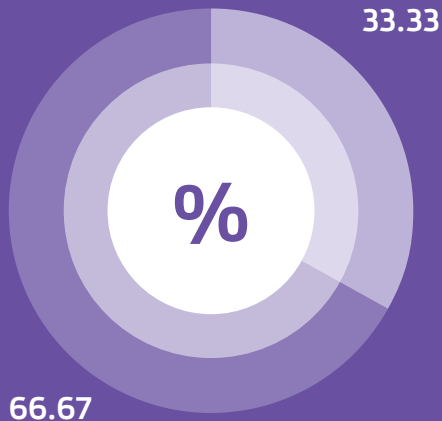
Board committees conduct a detailed examination and focus on specific matters, effectively managing the Board's time. These committees are empowered by the Board and operate within the defined scope of the Charter.



#### Leadership Team

The leadership team ensures the efficient execution of strategic and policy decisions approved by the Board and Committees while staying informed about relevant updates.

### Composition of Board



- Independent Directors
- Non-Independent Directors including Executive Directors

**60 Years**

Average Age of the Board of Directors

**36 Years**

Average Experience of the Board of Directors

### Tenure of the Directors in the Board

<1 year



1-5 years



>5 years



### Board's Role

The Board of Directors have a precise understanding of the business dynamics and the environment under which the Bank operates. Our Board of Directors are in cognisance of the complexities in the banking environment and oversees strategic guidance and management accountability. The corporate governance framework ensures providing strategic guidance to the Bank, effective monitoring of management, and the Board's accountability to the Bank and its shareholders. The business strategies of the Management are presented to the Board on an annual basis and the progress in reaching the strategic goals is periodically reviewed by the Board. The Board always acts in good faith, with due diligence and care, and in the best interests of the shareholders.

A truly diverse Board consolidates and leverages the multiple viewpoints, perspectives, knowledge, skill, industry experience, etc., of its Directors, to consistently improve its competitive edge. Also, a diverse Board will be crucial in achieving its strategic and commercial objectives including - business results, strengthening the efficacy of corporate governance, and enhancing the quality and responsibilities of decision-making. At KVB, we recognise and embrace the importance of a diverse Board for the success of the organisation. Our Board is well-diversified and consists of expert skillsets relevant to the banking business. Our Directors possess "New and historical" skill sets as per the Diversity Policy of the Bank and in line with RBI regulations. Committed to diversity and regulatory compliance, our nine-member Board includes a mix of Independent and Non-Independent Directors, ensuring inclusive governance and informed decision-making.

### CEO's Compensation

The design and structure of the remuneration process for the Bank's MD & CEO/Whole Time Directors (WTDs)/Material Risk Takers (MRTs) are in line with the guidelines stated in the RBI circular dated 04 November 2019 (Ref. RBI/2019-20/89, DOR.APPT. BC. No. 23/29.67.001/2019-20). The compensation structure of the MD & CEO shall have fixed and variable components. The Variable pay shall be payable on the basis of achievement of performance criteria. NRC would evaluate the performance on the basis of metrics (both Quantitative and Qualitative factors) having financial parameters based on the business growth of the Bank and non-financial parameters related to overall governance & internal control aspects.

Variable pay shall be in the form of cash and non-cash component, the non-cash component shall be in the form of share-linked instruments. The Variable pay shall be as subject to malus and clawback arrangements.

The ratio of the remuneration of the MD & CEO to the median remuneration of the employees for FY 2023-24 is 27.58x.



Particulars	Category	Disclosures
Evaluation of	Board as a whole Board Committees Chairperson MD & CEO Non-Executive Directors including Independent Directors	Evaluation on Individual Directors without the Director being evaluated, Chairperson, MD & CEO, Board as a whole & its committees are carried out as per statutory guidelines based on questionnaire.



### Appointment and Remuneration

The Nomination and Remuneration Committee ("NRC") of the Board formulated the criteria for determining qualifications, positive attributes, and independence of a Director for the appointment/re-appointment of Directors in tune with the 'fit and proper, criteria as per Dr Ganguly Committee Norms which stipulates age, educational qualification, experience, track record, integrity, etc., and various circulars, instructions and guidelines issued by Reserve Bank of India from time to time. NRC of the Bank is responsible for reviewing and assessing the composition mix and performance of the Board as well as identifying appropriately qualified persons to confirm Board Diversity.

Under provisions of Section 178(3) of the Companies Act, 2013 and relevant guidelines of SEBI and RBI, the Nomination and Remuneration Committee (NRC) formulated the criteria adhering to the various provisions and guidelines as detailed below:

- 'Fit and Proper' criteria as per Dr Ganguly Committee Norms which stipulate age, educational qualification, experience, track record, integrity, etc., and various circular instructions and guidelines issued by the Reserve Bank of India from time to time.
- Norms laid down by the Banking Regulation Act, 1949 as amended from time to time stipulate substantial interest, sectorial representation as per Section 10A (2) (a),

restrictions as per Sections 16 and 20 of the Banking Regulation Act, 1949, etc.

- Disqualification/Conflict of Interest of Directors, and other norms as per provisions of the Companies Act, 2013 and rules made thereunder from time to time.
- Criteria of Independence of a Director as per the provisions of the Companies Act, 2013 and rules made thereunder and other applicable provisions as amended from time to time.
- Applicable listing regulations as amended from time to time.
- Articles of Association of the Bank.
- Any other factors as the NRC may deem fit and in the best interest of the Bank and its stakeholders.

The terms and conditions of appointment of an Independent Director are available on the website of the Bank at <https://www.kvb.co.in/docs/terms-and-conditions-of-appointment-of-independent-directors.pdf>

Our Bank's Nomination and Remuneration Committee (NRC) oversees matters of succession planning of its directors, senior management, and key managerial personnel & the Board of the Bank ensures that proper plans are put in place for the orderly succession of appointment to the Board and Senior Management of the Bank including KMPs.

## Board Performance Evaluation

Nomination and Remuneration Committee formulated the methodology and criteria for evaluation of Independent Directors, Non Independent Directors, Managing Director & CEO, Chairman, Committees of the Board and the Board as a whole in accordance with the relevant provisions of the Companies Act, 2013, SEBI LODR and as per the Guidance Note on Board Evaluation issued by SEBI.

Category	Criteria
Board as a Whole	Criteria, inter-alia, includes such as composition, structure, effectiveness of Board processes, familiarisation & training programmes, information and functioning, management relations, strategy, risk management, inputs from the directors, etc.
Board's Committee	Criteria, inter-alia, includes such as composition, effectiveness, periodicity of meetings, functions and duties, management relations, committee meetings and procedures, inputs from the minutes of committee meeting and chairperson of the respective committee, etc.
Chairperson	Criteria, inter-alia, includes such personal attributes, leadership qualities, ability to synthesise discussion, management of balance between stakeholders, maintenance of good working relationship and communication within the Board and among senior management, promoting sense of participation among the members and implementing best Corporate Governance practices, etc.
MD & CEO	Criteria, inter-alia, includes such as leadership, strategy formulation & execution, developing and executing business plans, operational plans, risk management and maintaining harmonious relationship with stakeholders, effective organisation structure, etc.
Non-Executive Independent Directors	Criteria, inter-alia, includes such as participation in ID meeting, expression of independent views and judgement, independence from the management in addition to the above Criteria formulated to Non-Executive Non-Independent Directors
Non-Executive Non- Independent Directors	Criteria, inter-alia, includes such as attendance and participation at the Board, knowledge and expertise, management of relationship with stakeholders, integrity and maintenance of confidentiality, personal attributes, etc.

The Board of Directors in their meeting held on May 22, 2024 have carried out the annual evaluation on the performance of Board, its Committees, Chairperson, Managing Director & CEO and Non-Executive Independent Directors. Further Independent Directors in their Separate Meeting have carried out evaluation of Board as a whole and Non-Executive Non-Independent Directors.

The evaluation process was initiated by putting in place, a structured questionnaire after taking into consideration of the inputs received from the Directors.

### Familiarisation Programmes

Familiarisation programmes intend to provide an introductory orientation to the newly inducted Directors to enable them to familiarise the functioning of the Bank so as to gain a clear understanding of their roles, rights and responsibilities for the purpose of contributing significantly towards the growth of the Bank. Further, the Bank also nominates the existing Directors to attend relevant external training programmes which are conducted by the Regulatory/reputed Institutions.

During the year, Directors are offered with opportunity to attend the programmes conducted by FICCI, IDRBT, CAFRAL, RBI and other reputed Institutions. During the financial year 2023-24, Independent Directors have attended 133 hours of familiarisation programmes. Further, newly inducted Independent Directors were familiarised with policies and procedures of the Bank.

Familiarisation programmes for the Board include Program in IT & Cyber Security, Program on Data Protection, Data Privacy & Data Localisation, Artificial Intelligence and Machine Learning, Advanced Leadership Program, key emerging issues Indian banking industry, Governance in Banks: Driving sustainable Growth and stability, etc.

The details of such familiarisation programmes attended by the Directors are available on the website of the Bank at <https://www.kvb.co.in/docs/disclosure-on-familiarisation-programmes-for-board-of-directors.pdf>

### Accountability and Transparency

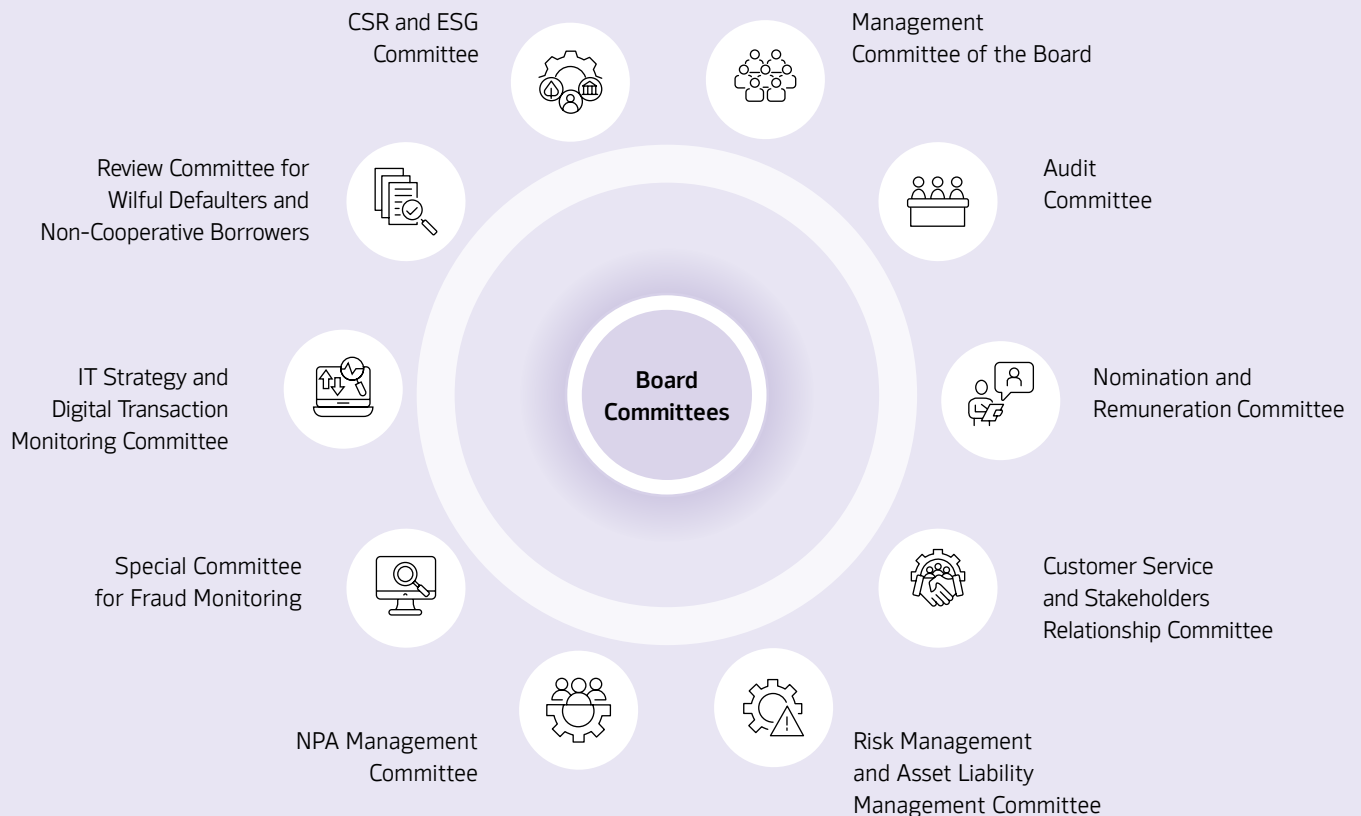
KVB upholds accountability and transparency through rigorous governance practices. We ensure clear oversight of operations, financial reporting, and strategic decisions by our Board of Directors and relevant committees. Regular audits and reviews maintain transparency in all dealings, fostering trust among stakeholders. Our commitment to accountability extends to complying with regulatory requirements and disclosing information promptly and accurately to shareholders and the public, reinforcing our dedication to ethical conduct and sustainable growth.

### Board Committees

Board-level Committees are usually formed as per the relevant regulatory guidelines and business requirement in order to improve the Board effectiveness and impart special attention in areas where more focus and specific deliberations are required. Committees facilitate efficient time management for the entire Board and allows thorough scrutiny and focussed attention. The Board of Directors perform their advisory and oversight function through well-structured, planned, and assigned committees to take advantage of the expertise of the Directors. The Board has

delegated authority to various Board Committees to enable them to oversee certain specific responsibilities based on their terms of reference in line with the Companies Act, 2013, SEBI LODR and the Banking Regulation Act, 1949. Board Committees normally function independently from each other and are provided with sufficient authority and assigned responsibilities in assisting the entire Board. The duties and responsibilities of each Committee of the Board are specified in the charter. Each Committee is guided by its terms of reference, which defines the scope, powers and composition of the Committee. The Committees deliberate issues as per their terms of reference which are fixed in line with the statutory requirement and make recommendations to the Board as and when required. All the required decisions and recommendations of the Committees are placed before the Board for information or review or approval.

In order to have dedicated attention to various areas, the Bank has ten Board-level Committees of which 9 are mandated by regulations and the Management Committee is constituted to review various business aspects and to provide qualitative time to the Board for strategic issues:



## Ethics, Code of Conduct and Policies

At KVB, we adhere to rigorous policies, codes, and standards to ensure ethical conduct, security, and regulatory compliance across our operations:



**Ethics and Integrity:** We cultivate a culture that values ethics, honesty, and integrity throughout the organisation, promoting responsible decision-making and transparency.



**Code of Conduct:** Our code establishes principles for ethical behaviour, integrity, and compliance with legal and regulatory requirements for all employees and stakeholders. We have also implemented a Code of Conduct and Ethics tailored for Directors and Senior Management. This framework serves to guide ethical decision-making, addressing issues promptly and promoting a culture of transparency and accountability. It establishes mechanisms for reporting unethical behaviour, reinforcing our commitment to integrity and ethical values. The Code reflects our dedication to operating the Bank in the best interests of shareholders, creditors, employees, and all stakeholders, fostering trust and sustaining successful business operations.



**Whistleblower Policy:** We maintain a policy that encourages the reporting of any unethical behaviour or wrongdoing confidentially, protecting whistleblowers from retaliation.

The policy aims to detect any adverse incidents made by employees, enabling timely corrective actions to protect the bank. It ensures safeguards for employees reporting incidents and allows direct access to the Chairman of the Audit Committee. There were no instances seeking access to the Audit Committee of the Board during the year. For more information, the Whistle-Blower Policy can be found on the Bank's website at <https://www.kvb.co.in/docs/whistle-blower-policy.pdf>



**Customer Privacy and Data Security:** Stringent measures safeguard customer information, including robust data encryption, secure handling practices, and adherence to privacy laws.



**Information Technology and Cybersecurity:** Comprehensive policies and protocols safeguard our IT infrastructure against cyber threats, ensuring the confidentiality, integrity, and availability of data.



**Fraud Prevention and NPA Management:** Policies and practices are in place to monitor and mitigate fraud risks, as well as manage Non-Performing Assets effectively to protect the Bank's financial health.



## ESG-Focused Policies

**ESG Policy** – The Bank formulated the ESG policy to further show its commitment to responsible lending and explore opportunities in green finance.

## Business Ethics

**Code of Conduct & Ethics for Directors and Senior Management of the Bank** – The Board has formulated and adopted the Code of Conduct and Ethics that the Board of Directors and Senior Management must adhere to.

**Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information** – In compliance with the Securities and Exchange Board of India (SEBI) (Prohibition of Insider Trading) Regulations 2015 (“PIT Regulations”) as amended, Bank has formulated “Internal Code of Conduct for Prevention of Insider Trading” as per Regulation 9 and also the “Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information” as per Regulation 8.



The Code is applicable to the Directors, Designated Persons, Connected Persons and their immediate relatives along with the Promoters and Promoter Group of the Bank. The Persons are required to ensure fullest compliance with the Internal Code at the time of trading in Bank's Securities.

**Policy on Criteria for Determining Materiality of Events** - The Board has formulated and adopted the Policy on Criteria for Determining Materiality of Events to provide comprehensive public disclosure of all material information about the Bank and provide fair and equal access to such information. The Bank shall comply with all legal and regulatory requirements related to prompt disclosure which lead to enhanced transparency. The Policy on Criteria for Determining Materiality of events is framed in accordance with the requirements of the Regulation 30, 30A and Schedule III of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time [SEBI (LODR) Regulations, 2015].

## Workplace & Human Capital

### Board Diversity Policy

Bank always recognises and embraces the importance of diverse knowledge, skill-set, experience and expertise in the Board to function effectively. Bank has formulated and adopted 'Board Diversity Policy' covering all the aspects of Board composition, skill sets, diversification of the Board of Directors as required under the Companies Act, 2013, SEBI LODR, the Banking Regulation Act, 1949 and other regulatory and business requirements. Diversity is ensured by considering a number of factors, including but not limited to age, gender, independence, ethnicity, educational and functional background, industry experience and geography. Nomination and Remuneration Committee shall take into consideration on any other aspect that may be necessary to consider from time to time as per the requirements of Banking environment.

### Community Support

#### Corporate Social Responsibility Policy -

The Bank has a Corporate Social Responsibility Policy aligned with Section 135 of The Companies Act, 2013, and by the Companies Rules, 2014. The CSR Committee of the Board has oversight over the Bank's CSR Policy.

# Sustainability Reporting & Disclosures

The Bank has measured its GHG Emissions for FY 2022-23 and FY 2023-24, respectively. This was done by collaborating with external sustainability and carbon consultants to measure the carbon footprint of the entire organisation with the help of the IPCC Framework on Carbon Emissions.

Despite the banking industry reeling under the threat of NPAs and cyber-crimes, Karur Vysya Bank has emerged strong and is geared to face emerging challenges – especially on the digital front, the effects of which will only intensify in the future. The challenge is in managing a transformational, complex, and sophisticated ecosystem. The Bank has fine-tuned its

strategy and capitalised on new opportunities to grow the business.

The Bank is selective about whom it deals with and puts its proposals and projects through a good amount of risk evaluation. The Bank is geared up for the next phase of growth, given the looming market opportunities and its strong positioning in each of its major franchises.



# GRI INDEX

GRI Standards	Disclosure	Page No.	Omissions
<b>GRI 2: General Disclosures 2021</b>	2-1 Organisational details	1	
	2-2 Entities included in the organisation's sustainability reporting	1 Annual Report 23-24 For more information, please refer to the 'KVB at a glance, section on <a href="https://www.kvb.co.in/docs/annual-report-for-the-financial-year-2023-2024.pdf">https://www.kvb.co.in/docs/annual-report-for-the-financial-year-2023-2024.pdf</a> )	
	2-3 Reporting period, frequency and contact point	1	
	2-4 Restatements of information	1	
	2-5 External assurance		The Bank will be conducting external assurance in the coming years
	2-6 Activities, value chain and other business relationships	1	
	2-7 Employees	Please refer to the ESG Data Tables - Appendix	
	2-8 Workers who are not employees	Please refer to the ESG Data Tables - Appendix	
	2-9 Governance structure and composition	29-30	
	2-10 Nomination and selection of the highest governance body	31	
	2-11 Chair of the highest governance body	30	
	2-12 Role of the highest governance body in overseeing the management of impacts	22-24	
	2-13 Delegation of responsibility for managing impacts	30	
	2-14 Role of the highest governance body in sustainability reporting	30	
	2-15 Conflicts of interest	22-23	
	2-16 Communication of critical concerns	32-33	
	2-17 Collective knowledge of the highest governance body	32	
	2-18 Evaluation of the performance of the highest governance body	32	
	2-19 Remuneration policies	30	
	2-20 Process to determine remuneration	30	
	2-21 Annual total compensation ratio	30	
	2-22 Statement on sustainable development strategy	14-15	
	2-23 Policy commitments	34-35	
	2-24 Embedding policy commitments	34-35	
	2-25 Processes to remediate negative impacts	10-12	
	2-26 Mechanisms for seeking advice and raising concerns	10-12	
	2-27 Compliance with laws and regulations	33	
	2-28 Membership associations	Annual Report 23-24, pg 107	
	2-29 Approach to stakeholder engagement	10-12	
	2-30 Collective bargaining agreements	Annual Report 23-24, pg 113	

<b>GRI Standards</b>	<b>Disclosure</b>	<b>Page No.</b>	<b>Omissions</b>
<b>GRI 3: Material Topics 2021</b>	3-1 Process to determine material topics	10-12	
	3-2 List of material topics	10-12	
	3-3 Management of material topics	10-12	
<b>GRI 201: Economic Performance 2016</b>	201-1 Direct economic value generated and distributed	Annual Report 23-24, pg 218	
	201-2 Financial implications and other risks and opportunities due to climate change	8-9	
	201-3 Defined benefit plan obligations and other retirement plans	Annual Report 23-24, pg 112	
	201-4 Financial assistance received from the government		The Bank didn't receive any assistance from the Government
<b>GRI 202: Market Presence 2016</b>	202-1 Ratios of standard entry-level wage by gender compared to local minimum wage	Annual Report 23-24, pg 119	
	202-2 Proportion of senior management hired from the local community	Annual Report 23-24, pg 60-62	
<b>GRI 203: Indirect Economic Impacts 2016</b>	203-1 Infrastructure investments and services supported	26-27	
	203-2 Significant indirect economic impacts	26-27	
<b>GRI 204: Procurement Practices 2016</b>	204-1 Proportion of spending on local suppliers	-	Not Applicable
<b>GRI 205: Anti-corruption 2016</b>	205-1 Operations assessed for risks related to corruption	Annual Report 23-24, pg 107	
	205-2 Communication and training about anti-corruption policies and procedures		We are working towards incorporating training on anti-corruption
	205-3 Confirmed incidents of corruption and actions taken	Annual Report 23-24, 107	
<b>GRI 206: Anti-competitive Behaviour 2016</b>	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Annual Report 23-24, pg 107	
<b>GRI 207: Tax 2019</b>	207-1 Approach to tax	Annual Report 23-24, pg 234, 283	
	207-2 Tax governance, control, and risk management	Annual Report 23-24, pg 234, 283	
	207-3 Stakeholder engagement and management of concerns related to tax	Annual Report 23-24, pg 234, 283-284	
	207-4 Country-by-country reporting	Annual Report 23-24, pg 234, 283	
<b>GRI 301: Materials 2016</b>	301-1 Materials used by weight or volume	-	The paper consumption is minimal at the bank
	301-2 Recycled input materials used		Not Applicable
	301-3 Reclaimed products and their packaging materials		Karur Vysya Bank operating in the financial service sector does not have any product or packaging that it can reclaim



<b>GRI Standards</b>	<b>Disclosure</b>	<b>Page No.</b>	<b>Omissions</b>
<b>GRI 302: Energy 2016</b>	302-1 Energy consumption within the organisation	Please refer to the appendix	
	302-2 Energy consumption outside of the organisation		Not Applicable
	302-3 Energy intensity	Please refer to the appendix	
	302-4 Reduction of energy consumption	16-19	
	302-5 Reductions in energy requirements of products and services		Not Applicable
<b>GRI 303: Water and Effluents 2018</b>	303-1 Interactions with water as a shared resource	Please refer to the appendix	
	303-2 Management of water discharge-related impacts	Not Applicable	
	303-3 Water withdrawal	Please refer to FY 24 BRSR Report pg no. 123	
	303-4 Water discharge	Please refer to the appendix	
	303-5 Water consumption	Please refer to the appendix	
<b>GRI 305: Emissions 2016</b>	305-1 Direct (Scope 1) GHG emissions	Please refer to the appendix	
	305-2 Energy indirect (Scope 2) GHG emissions	Please refer to the appendix	
	305-3 Other indirect (Scope 3) GHG emissions		The Bank has not started measuring it yet
	305-4 GHG emissions intensity	Please refer to the appendix	
	305-5 Reduction of GHG emissions	16-19	
	305-6 Emissions of ozone-depleting substances (ODS)		Karur Vysya Bank operates in the financial service sector and NOx, SOx don't get generated
	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other		Karur Vysya Bank operates in the financial service sector and NOx, SOx don't get generated
<b>GRI 306: Effluents and Waste 2016</b>	306-1 Water discharge by quality and destination		Karur Vysya Bank operates in the financial service sector so it is not applicable
	306-2 Waste by type and disposal method	Please refer to the appendix	
	306-3 Significant spills		Karur Vysya Bank operates in the financial service sector so it is not applicable
	306-4 Transport of hazardous waste		Karur Vysya Bank operates in the financial service sector so it is not applicable
	306-5 Water bodies affected by water discharges and/or runoff		Karur Vysya Bank operates in the financial service sector so it is not applicable
<b>GRI 307: Environmental Compliance 2016</b>	307-1 Non-compliance with environmental laws and regulations		Not Applicable
<b>GRI 308: Supplier Environmental Assessment 2016</b>	308-1 New suppliers that were screened using environmental criteria		The Bank has IT Procurement policy which caters to the new suppliers onboarding
	308-2 Negative environmental impacts in the supply chain and actions taken		The Bank has IT Procurement policy which caters to the new suppliers onboarding

<b>GRI Standards</b>	<b>Disclosure</b>	<b>Page No.</b>	<b>Omissions</b>
<b>GRI 401: Employment 2016</b>	401-1 New employee hires and employee turnover		The Bank will disclose the data in coming years
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Please refer to the appendix. Annual Report pg 232	
	401-3 Parental leave	Please refer to the Annual Report pg 112	
<b>GRI 402: Labour/ Management Relations 2016</b>	402-1 Minimum notice periods regarding operational changes		The minimum notice period applied in the event of significant operational changes is in accordance with national or regional labour regulations
<b>GRI 403: Occupational Health and Safety 2018</b>	403-1 Occupational health and safety management system	Annual Report 23-24, pg 114	
	403-2 Hazard identification, risk assessment, and incident investigation	Annual Report 23-24, pg 114	
	403-3 Occupational health services	Annual Report 23-24, pg 114	
	403-4 Worker participation, consultation, and communication on occupational health and safety	Annual Report 23-24, pg 114	
	403-5 Worker training on occupational health and safety	Annual Report 23-24, pg 113	
	403-6 Promotion of worker health	Annual Report 23-24, pg 114	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Annual Report 23-24, pg 114	
	403-8 Workers covered by an occupational health and safety management system	Annual Report 23-24, pg 114	
	403-9 Work-related injuries	Annual Report 23-24, pg 114	
	403-10 Work-related ill health	Annual Report 23-24, pg 114	
<b>GRI 404: Training and Education 2016</b>	404-1 Average hour of training per year per employee	Annual Report 23-24, 41	
	404-2 Programmes for upgrading employee skills and transition assistance programmes	Annual Report 23-24, pg 113 & 115	
	404-3 Percentage of employees receiving regular performance and career development reviews	Annual Report 23-24, pg 113	
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-1 Diversity of governance bodies and employees	Annual Report 23-24, pg 164, 41	
	405-2 Ratio of basic salary and remuneration of women to men	Annual Report 23-24, pg 119	
<b>GRI 406: Non-discrimination 2016</b>	406-1 Incidents of discrimination and corrective actions taken	Annual Report 23-24, pg 120	
<b>GRI 407: Freedom of Association and Collective Bargaining 2016</b>	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Annual Report 23-24, pg 113	

<b>GRI Standards</b>	<b>Disclosure</b>	<b>Page No.</b>	<b>Omissions</b>
<b>GRI 408: Child Labor 2016</b>	408-1 Operations and suppliers at significant risk for incidents of child labour		Not Applicable given the nature of the business
<b>GRI 409: Forced or Compulsory Labor 2016</b>	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour		Not Applicable given the nature of the business
<b>GRI 410: Security Practices 2016</b>	410-1 Security personnel trained in human rights policies or procedures		Not Applicable given the nature of the business
<b>GRI 411: Rights of Indigenous Peoples 2016</b>	411-1 Incidents of violations involving rights of Indigenous peoples		Not Applicable given the nature of the business
<b>GRI 413: Local Communities 2016</b>	413-1 Operations with local community engagement, impact assessments, and development programmes	27	
	413-2 Operations with significant actual and potential negative impacts on local communities	18-19	
<b>GRI 414: Supplier Social Assessment 2016</b>	414-1 New suppliers that were screened using social criteria		Not Applicable given the nature of the business
	414-2 Negative social impacts in the supply chain and actions taken		Not Applicable given the nature of the business
<b>GRI 415: Public Policy 2016</b>	415-1 Political contributions		No Political Contribution being made during the year
<b>GRI 416: Customer Health and Safety 2016</b>	416-1 Assessment of the health and safety impacts of product and service categories		Not Applicable given the nature of the business
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services		Not Applicable given the nature of the business
<b>GRI 417: Marketing and Labelling 2016</b>	417-1 Requirements for product and service information and labelling	Annual Report 23-24, pg 134	
	417-2 Incidents of non-compliance concerning product and service information and labelling	Annual Report 23-24, pg 134	
	417-3 Incidents of non-compliance concerning marketing communications	Annual Report 23-24, pg 134	
<b>GRI 418: Customer Privacy 2016</b>	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Annual Report 23-24, pg 134	

# ESG Data Tables

## Environment

### Scope 1 and Scope 2 Emissions

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

Parameter	Unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
<b>Total Scope 1 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	514.32	425.43
<b>Total Scope 2 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	20419.87	18870.63
<b>Total Scope 1 and Scope 2 emissions per rupee of turnover</b> (Total Scope 1 and Scope 2 GHG emissions/ Revenue from operations)	Per rupee of turnover (in Cr)	2.12	2.51
<b>Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	-	The Bank has India operations only, hence not applicable	The Bank has India operations only, hence not applicable

### Energy Consumption and Intensity

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

Parameter	FY 2023-24 (Current Financial Year) (Giga Joules)	FY 2022-23 (Previous Financial Year) (Giga Joules)
<b>From renewable sources</b>		
Total electricity consumption (A)	4972.64	4119.05
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	0	0
<b>Total energy consumed from renewable sources (A+B+C)</b>	4972.64	4119.05
<b>From non-renewable sources</b>		
Total electricity consumption (D) (GJ)	103537	85992.74
Total fuel consumption (E) (GJ)	6940.85	5741.27
Energy consumption through other sources (F)	0	0
<b>Total energy consumed from non-renewable sources (D+E+F)</b>	110478	91734.01
<b>Total energy consumed (A+B+C+D+E+F)</b>	115450.49	95853.06
<b>Energy intensity per rupee of turnover</b> (Total energy consumed/revenue from operations)	11.70	12.49
<b>Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total energy consumed / Revenue from operations adjusted for PPP)	The Bank has India operations only, hence not applicable	The Bank has India operations only, hence not applicable

## Waste

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste (A)	-	-
E-waste (B)	115.67	2.50
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	-	-
Battery waste (E)	-	-
Radioactive waste (F)	-	-
Other Hazardous waste (Oil-soaked cotton waste, DG filters, paint cans, chemical cans, paint residue, oil sludge, DG chimney soot, coolant oil and used oil). Please specify, if any. (G)	-	-
Other Non-hazardous waste generated (H) – Solid Waste	115.67	2.50
<b>Total (A + B + C + D + E + F + G + H)</b>	115.67	2.50
<b>Waste intensity per rupee of turnover</b> (Total waste generated / Revenue from operations)	0.01	0
<b>Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total waste generated / Revenue from operations adjusted for PPP)	The Bank has India operations only, hence not applicable	The Bank has India operations only, hence not applicable

## Water

Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2023-24	FY 2022-23
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third party water (tanker)	-	-
(iv) Seawater / desalinated water	-	-
(v) Water from municipal corporation	-	-
(vi) Water Bottles / Aquaguard (Ltr X number of bottles) (KL)	4466.15	3645.12
<b>Total volume of water withdrawal</b> (in kilolitres) (i + ii + iii + iv + v + vi)	4466.15	3645.12
<b>Total volume of water consumption</b> (in kilolitres)	4466.15	3645.12
<b>Water intensity per rupee of turnover</b> (Total water consumption / Revenue from operations)	0.45	0.47
<b>Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total water consumption / Revenue from operations adjusted for PPP)	The Bank has India operations only, hence not applicable	The Bank has India operations only, hence not applicable

## Social

### Total Employees in the Organisation

Details as at the end of Financial Year:

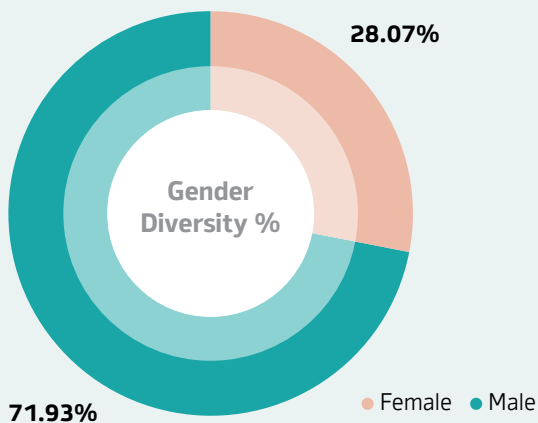
a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. C	% (C/A)
<b>Employees</b>						
1	Permanent (D)	6715	5121	76.26%	1594	23.74%
2	Other than Permanent (E)	196	169	86.22%	27	13.78%
3	Total employees (D+E)	6911	5290	76.54%	1621	23.46%
<b>Workers</b>						
4	Permanent (F)	2174	1245	57.27%	929	42.73%
5	Other than Permanent (G)	0	0	0	0	0
6	Total workers (F+G)	2174	1245	57.27%	929	42.73%

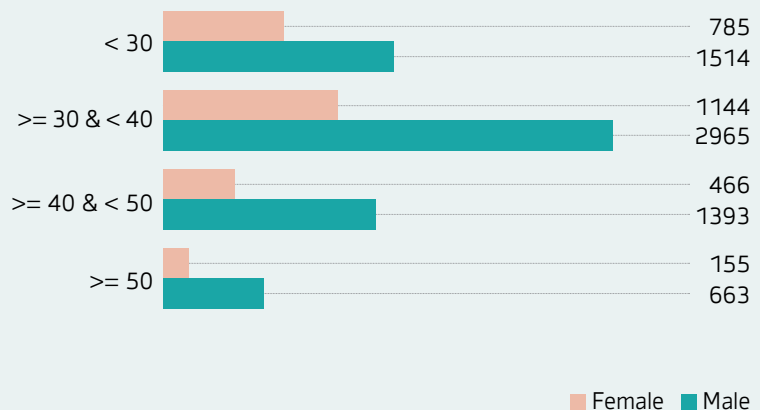
b. Differently abled Employees and Workers:

<b>Differently Abled Employees</b>						
1	Permanent (D)	6	5	83.33%	1	16.67%
2	Other than Permanent (E)	0	0	0	0	0
3	Total differently abled employees (D+E)	6	5	83.33%	1	16.67%
<b>Differently Abled Workers</b>						
4	Permanent (F)	7	5	71.43%	2	28.57%
5	Other than Permanent (G)	0	0	0	0	0
6	Total differently abled workers (F+G)	7	5	71.43%	2	28.57%

### Diversity



### Age and Gender distribution of workforce



## Gender and category-wise distribution of workforce

Description	Male	Female
Top Management	2	-
Senior Management	51	2
Middle Management	231	21
Junior Management	3682	978
Frontline Staff	2569	1549

## Gender and Centre-wise distribution of workforce

Description	Male	Female
Metro	2329	1079
Urban	1341	556
Semi-Urban	2345	769
Rural	218	85
Unbanked Rural	302	61

## Employee Turnover

Description	FY 2023-24 (Turnover rate in current FY)			FY 2022-23 (Turnover rate in previous FY)			FY 2021-22 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	14.86%	12.89%	14.25%	8.00%	10.68%	8.59%	9.35%	12.84%	10.13%
Permanent Workers	1.00%	1.33%	1.12%	0.21%	2.36%	1.12%	3.68%	4.52%	4.03%

## Employee Benefits and Welfare

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

## Category % of employees covered by

Category	Total (A)	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)
		<b>Permanent employees</b>									
Male	5121	5121	100.00%	5121	100.00%	0	0.00%	5121	100.00%	NIL	NIL
Female	1594	1594	100.00%	1594	100.00%	1594	100.00%	0	0.00%	NIL	NIL
Total	6715	6715	100.00%	6715	100.00%	1594	23.74%	5121	76.26%	NIL	NIL
<b>Other than Permanent employees</b>											
Male	169	168	99.41%	168	99.41%	NIL	NIL	NIL	NIL	NIL	NIL
Female	27	27	100.00%	27	100.00%	NIL	NIL	NIL	NIL	NIL	NIL
Total	196	195	99.49%	195	99.49%	NIL	NIL	NIL	NIL	NIL	NIL

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

## Permanent workers

Male	1245	1245	100.00%	1245	100.00%	0	0.00%	1245	100.00%	NIL	NIL
Female	929	929	100.00%	929	100.00%	929	100.00%	0	0.00%	NIL	NIL
Total	2174	2174	100.00%	2174	100.00%	929	42.73%	1245	57.27%	NIL	NIL
<b>Other than Permanent workers</b>											
Male	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Female	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

c Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format

	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Cost incurred on well-being measures as a % of total revenue of the company	0.63%	0.36%

## Health and Safety

Details of safety-related incidents, in the following format:

Safety Incident/Number	Category	FY 2023-24 (Current Financial Year)		FY 2022-23 (Previous Financial Year)	
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees		NIL		Nil
	Workers		NIL		Nil
Total recordable work-related injuries	Employees		NIL		Nil
	Workers		NIL		Nil
No. of fatalities	Employees		NIL		Nil
	Workers		NIL		Nil
High consequence work-related injury or ill-health (excluding fatalities)	Employees		NIL		Nil
	Workers		NIL		Nil

## Retirement Benefits

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

Benefits	FY 2023-24			FY 2022-23		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	99.85%	100%	Y	99.74%	100%	Y
Gratuity	99.85%	100%	Y	100%	100%	Y
ESI	NIL	NIL	NIL	NIL	NIL	NIL
Others - Please specify	NIL	NIL	NIL	NIL	NIL	NIL



## CSR Projects

<b>1 Focus Area of the Projects</b>				
<b>S. No.</b>	<b>Classification</b>	<b>No. of Projects</b>		
		<b>2023-2024</b>	<b>2022-2023</b>	<b>2021-2022</b>
a	Promoting Education	12	11	10
b	Financial Literacy	0	2	0
c	Skill Development	3	4	4
d	Setting up Library	1	0	0
e	Promoting Health Care	13	11	8
f	Sanitation	5	3	0
g	Safe Drinking Water	4	4	3
h	Environmental Sustainability	8	5	5
i	Rural Development	2	1	0
j	Disaster Relief - Eradicating Hunger	1	0	1
k	Livelihood	1	1	0
l	Reducing Inequalities	1	0	0
m	Women Empowerment	1	1	0
n	Promoting Sports	1	1	0
o	Promoting Tech. Incubation Development	1	0	0
p	Animal Welfare	0	0	2
q	Covid Healthcare Support	0	0	8
	<b>Total</b>	<b>54</b>	<b>44</b>	<b>41</b>
<b>2</b>	<b>Total Projects</b>	<b>54</b>	<b>44</b>	<b>41</b>
a	Number of Projects Completed	29	39	41
b	Number of Ongoing Projects	25	5	0
<b>3</b>	<b>Number of Villages impacted Directly</b>	<b>76</b>	<b>54</b>	<b>30</b>
<b>4</b>	<b>Number of beneficiaries</b>	<b>1,47,144</b>	<b>2,45,096</b>	<b>35,122</b>
<b>5</b>	<b>Number of Direct Women/Girl beneficiaries</b>	<b>6710</b>	<b>1060</b>	<b>180</b>
<b>6</b>	<b>Activities in Aspirational districts</b>	<b>2</b>	<b>1</b>	<b>1</b>

20 March 2025

## **Vetting of Sustainability Report**

### **Vetting of Sustainability Report (SR) 2023-24 of Karur Vysya Bank (KVB)**

#### **Introduction**

Envint, a sustainability & ESG services firm, was engaged by KVB to review the data presented in the draft Sustainability Report (SR) for the financial year 2023-24. Our role was to verify the consistency of the ESG data presented in the SR with GRI indicators, and KVB's Integrated Annual Report (AR) 2023-24, Business Responsibility & Sustainability Report (BRSR) 2023-24, and other supporting documents provided.

#### **Review Scope and Process**

Our review was limited to assessing the consistency of the SR's data with the reference documents. The review process involved:

1. Comparing key figures, disclosures and ESG data (GRI indicators) in the SR with those in KVB's Integrated AR 2023-24 and BRSR 2023-24.
2. Cross-checking the presented information with other supporting documents provided by KVB.
3. Analysis of Sustainability Report to check mapping of GRI indicators.

#### **Conclusion**

Based on our review, we confirm to the best of our understanding, that the data presented in the SR is consistent with the referenced documents.

#### **Limitations**

Our review did not include an independent audit or assurance of the data, nor did it assess the accuracy or completeness of the underlying source documents. The responsibility for the correctness and completeness of the information remains with KVB.

#### **Independence**

Envint conducted this review independently, and we affirm that the review team was not involved in the preparation of the SR.

#### **For Envint Services LLP**



Signed by: ANAND  
KRISHNAMURTHY  
Reason: Vetting of SR  
Location: Mumbai, India  
Date: 20-Mar-2025 (04:02 PM)

**Anand Krishnamurthy**  
**Partner**



## THE KARUR VYSYA BANK LIMITED

### Registered & Central Office

No. 20, Erode Road, Vadivel Nagar, L.N.S., Karur - 639002.

Phone: 04324 - 269000

CIN: L65110TN1916PLC001295

E-mail: [kvb\\_sig@kvbmail.com](mailto:kvb_sig@kvbmail.com)

Website: [www.kvb.co.in](http://www.kvb.co.in)