

Embracing a Sustainable Mindset.

At Kotak, we are consistently seeking avenues to strengthen ESG integration across our business activities and operations. In doing so, we strive to make sustainability an intrinsic component of our corporate conduct and aim to accelerate the adoption of sound, impactful and focused sustainability practices.

We are dedicated to educating our workforce on emerging ESG issues and empowering them to create positive impact through their work.

SDG linkage



Relevant material topics

Financing with a focus on environmental sustainability

Promoting financial inclusion

Capital linkage



Financial capital

Social & Relationship capital

Natural capital

KPIs

1,700+

Proposals were screened through our ESG Management Systems Plan (EMSP)

12X

Increase in electric 2-wheelers and **6X** increase in the number of electric cars financed by KMPL in FY 2022-23 compared with FY 2021-22

15,000+

Micro-ATM outlets set up across India

1.4 mn

Women Microfinance Borrowers

567

ATMs installed with voice guidance facilities



We aim to create value for all our stakeholders by incorporating social and environmental considerations into our strategy and operations.

Our ESG Policy Framework outlines our approach to harmonise our business strategy, processes and disclosures with domestic and international standards and frameworks. Some of our subsidiaries have dedicated ESG policies, which are available on their respective websites.

In FY 2022-23, we reviewed the earlier identified material topics in line with the GRI Universal Standards 2021, to ensure relevance. Details on this are elaborated on [page 46](#) of the 'Stakeholder Engagement and Materiality Assessment' section.

This biennial exercise helps strengthen our ESG strategy and disclosure, and the subsequent sections of this Report elucidate our commitment, management procedures and performance across the identified material topics.

Governance and Oversight¹

The CSR and ESG Committee is responsible for managing and providing strategic direction for the Group's ESG performance and strategy. The details of the Committee's terms of reference are explained on [page 273](#) of the Corporate Governance section of this Report. The following individuals are currently the members of the CSR and ESG Committee:

- Chair of the CSR & ESG Committee of the Board - Mr. Prakash Apte (Non-Executive Chairman, Independent)
- Other members:
- Mr. Dipak Gupta (Joint Managing Director)
 - Mr. C Jayaram (Non-Executive Director)
 - Mr. C S Rajan (Non-Executive Director, Independent)

The CSR and ESG Committee has played a pivotal role in guiding the Bank's ESG strategy and driving action across the focus areas of the ESG policy framework. The guidance from the Committee has provided the Bank with a strong impetus and clear direction to build and strengthen ESG-aligned practices in the short, medium and long term. The ESG function at the Bank plays an important role as the nodal team responsible for the overall implementation of the ESG policy framework, review of ESG performance across functions and communication of ESG progress through periodic reports to internal and external stakeholders, including the Board Committee. To help with the implementation of the ESG policy framework, this nodal team has created an ESG task force consisting of representatives from relevant functions and group companies.

Furthermore, the Committee is responsible for overseeing the development and implementation of the Bank's ESG framework. It provides strategic direction to the Bank's ESG performance, taking into consideration the relevant risks and opportunities. The Committee also oversees compliance with applicable ESG-related regulatory requirements, tracks progress against goals and targets, as well as reviews the Bank's ESG disclosures.

We have institutionalised an ESG policy framework to align our business strategy, processes and disclosures with national and international ESG standards and frameworks. The ESG policy framework details the ESG focus areas identified through our materiality assessment. The focus areas are:

- Corporate Governance
- Enhancing Customer Experience
- Creating an Empowered Workforce
- ESG integration in Risk Management
- Managing Climate Risk and Caring for the Environment
- Community Development

The CSR and ESG Committee has played a pivotal role in guiding the Bank's ESG strategy and driving action across the focus areas of the ESG policy framework.

Detailed information regarding each of the listed areas of focus can be accessed in our [Environment, Social and Governance Policy Framework](#) document which came into effect from 1st April, 2022. We have strengthened the relevant ESG-linked policies and processes across the identified focus areas to facilitate the organisational transformation to streamline and elevate ESG integration across the organisation. We have identified key performance indicators for each focus area to implement specific projects in order to improve our ESG performance. This approach has also enabled us to effectively monitor and report our ESG performance on a periodic basis.

We endeavour to enhance value for our stakeholders by integrating social and environmental considerations into our operational and financial decision-making. We have initiated a structured programme to raise awareness among our workforce on ESG aspects and empower each of them to make a difference through their professional pursuits. In FY 2022-23, we imparted training to the first cohort of origination, underwriting and risk management teams to help them appreciate the relevance of ESG aspects in their area of work.

In FY 2022-23, we integrated a CoC for service providers in our standard service contract format. This Code covers ESG topics such as labour practices, ethics and anti-corruption and environmental stewardship. The objective of incorporating this CoC in contracts is to inform our service providers of the expected ESG practices to be followed. In addition, we conducted an awareness programme for our vendors wherein we shared information on the basics of ESG, components of our CoC for service providers, and industry best practices and provided recommendations to enhance their processes and systems in the short and medium term.

We also engaged with regulatory bodies, industry associations and think tanks to actively contribute to the formulation of policies and regulations aiming to cultivate robust sustainability practices in our industry. One such emergent association is the Climate Finance Leadership Initiative (CFLI) India. Since 2021, we have been a member of the CFLI India, a global initiative that brings together leading institutions to build the momentum for mobilising private capital for climate-related solutions. We are active members of various working groups as part of our association with industry bodies such as the Indian Banks' Association, Confederation of Indian Industry, Federation of Indian Chambers of Commerce & Industry, Sustainable Markets Initiative and CDP (formerly the Carbon Disclosure Project). We are also a part of other associations mentioned on [page 355](#) of the BRSR disclosure of this Report. This helps facilitate engagement with regulators, policymakers, clients, peers and think tanks regularly and acts as a medium to discuss and address industry-specific challenges.

¹GRI 2-9

ESG in our Core Business

Taking cognizance of our corporate and fiduciary responsibility, we are embedding ESG aspects across the Bank and its subsidiaries.

KOTAK MAHINDRA BANK

At the Bank, we have designed an Environmental, Social and Governance (ESG) Management Systems Plan (EMSP or the Plan) based on IFC guidelines as well as other ESG evaluation frameworks to help identify, manage and review the potential ESG risks arising from lending. EMSP lays out the criteria to conduct necessary due diligence and evaluate identified borrowers by employing an ESG lens throughout the process.

The borrowers are placed into categories on the basis of the social and environment impact of their business activities. The ESG criteria applied for the assessment depends on the nature and category of the transaction. An evaluation is undertaken for capital expenditure and working capital loans above a certain size and tenor threshold as articulated in the plan. Based on the evaluation, a score is calculated, which is adjusted downwards for borrowers from sectors having unfavorable environmental and/or social impact. The final scores are included in the credit assessment note. In addition, the Plan clearly defines the exclusion list prescribing the threshold for exposure limits to be considered by the Bank for identified industries and activities.

The guidelines for periodic supervision and monitoring of the projects financed by us are included in the EMSP. It also covers the roles and responsibilities of administering and overseeing the Plan, as well as for facilitating training to relevant roles and functions. It is reviewed on a periodic basis to help determine its alignment with the evolving landscape of the ESG regulations and guidance frameworks.

KMAMC is the first Indian asset management company to become a signatory to United Nations Principles of Responsible Investment (PRI).



KOTAK MAHINDRA ASSET MANAGEMENT COMPANY

KMAMC is the first Indian asset management company to become a signatory to United Nations Principles of Responsible Investment (PRI). PRI is a United Nations-supported network of investors who collectively work towards promoting responsible investment through the incorporation of ESG factors in investment decision making process. KMAMC is also a signatory to Climate Action 100+ which is an investor-led initiative that facilitates corporates to achieve commitments on reducing emissions, improving governance and strengthening climate related financial disclosures.

KMAMC has incorporated ESG factors into its investment process and fundamental analysis. KMAMC’s investment philosophy of Business, Management and Valuation (BMV) focuses on sustainability of business and corporate governance while being mindful of valuations. They also seek to integrate a ‘3E’ ESG framework –Evaluation, Engagement and Exclusion which is specific to investment mandate. As active managers, KMAMC is committed to their role as stewards of capital and includes ESG in its stewardship strategy. Its commitment to ESG is evident as the Company links the KPIs of its MD, Chief Investment Officer- Equity, Head of Equity Research along with equity research analysts and ESG Coordinator (for fixed income) to incorporate ESG principles.

KMAMC assesses companies based on publicly available ESG information and some of the key considerations are detailed on its [website](#). A materiality-based approach to ESG investing

has been adopted by KMAMC to promote responsible investing. This approach takes into consideration ESG variables such as, but not limited to, climate change, talent management, and board composition. The following strategies have been adopted towards ESG integration:

Best-in-class Approach

The asset management subsidiary evaluates its investee companies on sector-specific ESG issues that could affect long-term risk-adjusted returns. Insights gained from this evaluation are embedded in its risk-management and investment procedures. KMAMC also assesses organisations based on their ESG strategies. Changes in the regulatory requirements also influences its investments, engagement and monitoring systems.

Active Ownership and Engagement

KMAMC has instituted a stewardship code and actively engages with its investee companies. The Company may also use services of a third-party service provider to assist in the process of ESG evaluation of organisations. It has also implemented a proxy voting policy and has a Voting Committee in accordance with the SEBI regulations. The Company’s voting policy is accessible on its [website](#).

Exclusion List

The sector specific exclusions are fund and mandate specific and include screening of companies and sectors involved in specific activities such as controversial weapons, tobacco, gambling, alcohol etc. With respect to the Kotak ESG Opportunities Fund, KMAMC only invests in securities that have BRSR disclosures.

KOTAK INVESTMENT ADVISORY LIMITED

KIAL has a ESG Policy Framework, whose primary objective is to provide guidance to the business verticals which manage various pools of capital for multiple asset classes. To ensure adherence to this Policy Framework, KIAL has streamlined its governance system, and has formed an ESG Committee. This committee is responsible for providing strategic inputs and for ensuring consistency across the various fund strategies. This Committee will also be responsible for supervising and executing the ESG policy’s requirements, and a designated coordinator ensures the efficient implementation of the ESG Policy.

KIAL has also undertaken a series of capacity building sessions to strengthen its alignment with the recommendations of TCFD. These training sessions covered the basics of climate change, sustainability reporting, practical steps for implementation of the TCFD principles and enhancement of disclosures. KIAL appointed a reputed & experienced consultant to conduct the capacity development sessions.

KIAL endeavors to introduce new funds that are in harmony with the environmental and societal development objectives of both national and state governments. These funds will strive to advance the Good International Industry Practices set forth by the best internationally accepted frameworks. Further, Kotak Infrastructure Investment Fund (KIIF), whose investment manager is KIAL has developed its own ESG Policy and also an Environmental and Social Management System (ESMS), detailing the integration of leading ESG practices in its investment process. The ESMS has a provision of diligently monitoring the identified gaps captured under an Environmental and Social Action Plan (ESAP). The ESAP is developed as part of the due-diligence via external experts and is expected to help in educating investee companies about ESG risks and mitigation approaches.

KOTAK MAHINDRA PRIME LIMITED

Our auto financing subsidiary, KMPL, is increasingly growing its asset book including by lending to customers purchasing electric, hybrid and energy efficient vehicles. In FY 2022-23, lending to electric 2-wheelers increased 12 fold versus FY 2021-22, contributing to 4.5% of the total value of the 2-wheeler loans disbursed. Similarly, EV car financing shot up 6 times in the same period.

KOTAK LIFE INSURANCE

Our life insurance company, KLI participated in the Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) by launching a product for Kotak customers. This product is suitable for individuals from low-income group, aimed to provide life insurance cover of 2 lakh to individuals with bank / post office account for an affordable premium as low as 436. KLI also offers micro-insurance services to borrowers belonging to the socially and economically disadvantaged groups of society, who have availed micro loans from banks/NBFCs. Micro Insurance cover provides security to the family members of the borrowers, towards repayment of pending loan amount in case of unfortunate death of the borrower.

KLI covered ~3.45 crore lives (an increase of 31% YoY) of micro loan customers of its Bank and NBFC partners under the group platform. This cover ensures the loan liability will be paid off in case of unfortunate death of the earning member, thereby protecting their family members. Also, around 81 lakh individuals were covered from the social sector, accounting for 38% of KLI’s total business as opposed to the regulatory requirement of at least 5%.

One of KLI’s new products, ‘Kotak Guaranteed Fortune Builder’ offers an exclusive feature for women customers called ‘Premium Break’, wherein women customers can avail a break from paying the premium for a period of one year while continuing the policy with all the benefits, and can be availed in case of child birth or diagnosis of specific women-specific illnesses.

SUSTAINABILITY AT KOTAK

Financial Inclusion

Financial inclusion (FI) is one of our key strategic priorities to drive positive economic and societal impact by providing greater financial access to the under-served sections of the society. We work towards empowering under-served communities with a suite of tailored products and services. Our financial inclusion and priority sector lending strategies are designed to augment synergies and unlock the growth potential in these communities, including but not limited to small and marginal farmers, women borrowers and micro-enterprises.



Distribution of Pradhan Mantri Jeevan Jyoti Yojana (PMJJBY) and Pradhan Mantri Suraksha Bima Yojana (PMSBY) was given a further boost by launching them on our mobile banking platform.

At the Bank, we are committed to improving and expanding the accessibility of our products and services to underbanked segments of our society. At Kotak, FI is an independent horizontal function so as to ensure necessary rigour and focus on this important agenda. During FY 2022-23, we transformed our FI journey with a distinct focus to achieve our identified strategic objectives. These include meeting various government initiatives, creating cost-effective distribution networks, providing the right channels for accessibility, offering products and services to support the Bank’s sustainability objectives and meeting various regulatory requirements. Our FI strategy is built on two key pillars²:

PARTICIPATION IN GOVERNMENT SCHEMES

The first core area drives the distribution of numerous government lending schemes as well as the delivery of services under other government initiatives such as Aadhaar Seva Kendras and customer service points for beneficiaries of basic savings accounts. During FY 2022-23, the following initiatives were undertaken:

- Continuation of loans disbursed under several government sponsored schemes such as PM Street Vendor’s Atma Nirbhar Nidhi (PMSVANidhi), Pradhan Mantri Mudra Yojna (PMMY), Stand-up India Scheme and PM Agri Infrastructure Financing Scheme.
- Pradhan Mantri Jan Dhan Yojana (PMJDY) accounts: Achieved over 70,000 basic savings and deposit accounts for the unbanked, thereby promoting the national mission for financial inclusion.
- Atal Pension Yojana (APY) scheme: This scheme aims to provide financial stability to the unorganised sector after retirement by granting pension. As on 31st March, 2023, we had 40,000+ APY subscriptions, out of which, about 19,000 were sourced during FY 2022-23. KMBL has been selected for ‘Annual Exemplary Award of Par Excellence’ by Pension Funds Regulatory Authority of India for achieving 88% persistency in APY for the period 1st May 2022 to 31st March 2023.

EXPANSION OF THE DISTRIBUTION NETWORK OF BUSINESS CORRESPONDENTS (BC)

The second focus area entails broadening our distribution reach by means of BSS Microfinance’s BC services and partnering with other corporate BC networks. The following initiatives were undertaken by us during the financial year:

- Opened over 2.17 lakh Saving Accounts through our digital facilities, of which 57% were opened in rural and semi-urban areas alone.
- 77% of Saving Accounts were opened for women beneficiaries through BC channels.
- Enabled Aadhaar-seeding functionality in our digital application wherein our customers can seamlessly link their Aadhaar with savings account through the assistance of BCs. This enables them to get their Direct Benefit Transfer (DBT) subsidies directly into their accounts.
- Our subsidiary BSS microfinance opened over two lakh savings accounts for its microfinance loan customers.
- Set up over 15,000 micro-ATM outlets across India, out of which 70% are located in rural and semi-urban locations. More than 3.9 lakh transactions were carried out through these outlets.
- Deployed more than 4,700 Aadhaar enabled Payment System points offering transaction services to customers.

In partnership with CSC e-governance services India Limited, we expanded our distribution network by appointing more than 900 BC agents who also manage outlets.

Deployed 23 Unique Identification Authority of India (UIDAI) approved Aadhaar on Wheel vans, enabling Aadhaar enrolment and update facilities at the customer’s doorstep in 23 cities across India. This facility on wheels makes it convenient and provides easily accessible services for senior citizens, hospitals, differently abled people and pregnant women. We also set up camps in housing societies, educational institutions, office premises, etc. providing an easy option to avail this service at the customer’s convenience. In FY 2022-23, we have fulfilled over 69,000 Aadhaar updates and enrolment transactions through this service.

Periodic training camps are conducted to create awareness and train our customers on effectively using mobile banking functionalities and other digital applications with the support of our wide network of BCs. We have also enabled social security schemes in mobile applications, facilitating customers to avail these benefits at their fingertips.

Periodic trainings are undertaken for our BCs with the objective of preventing mis-selling and ensuring customer financial protection.

We launched Aadhaar-based e-KYC for our customers that relies on face authentication. This has enabled us to facilitate convenient and nimble customer on-boarding and servicing. The authentication is done via a mobile application newly developed by the UIDAI and no additional device is required to perform the authentication. We have started offering this service for all savings account holders on-boarded via partner channels such as BSS Microfinance and plan to extend this service to other channels in a phased manner.

Our financial inclusion strategy imbibes our organisational ethos of diversity and inclusion. We are committed to empower women and provide curated offerings such as Joint Liability Group loans for women borrowers. In addition, in FY 2022-23, 77% of savings accounts were opened for women beneficiaries were through BC channels. Around 33% of our total branches, i.e. 591 branches are present in the rural and semi-urban areas. In FY 2022-23, we have announced the acquisition of Sonata Finance, a leading Microfinance institution to strengthen our presence in rural and semi-urban markets in the northern states of India. Subject to regulatory and other approvals, this acquisition would help us move forward in our goal of increasing access of financial services to women customers.



Financial literacy is a vital step towards educating customers for effective usage of banking services and to achieve meaningful inclusion. We organise financial literacy camps through our rural branches. During FY 2022-23, we conducted 1,986 such camps. We also regularly conduct various digital campaigns to educate customers.

FOCUS ON PRIORITY SECTORS

Priority Sector Lending (PSL) forms an integral part of our financial inclusion strategy and vision for enabling sustainable development. We aim to continuously grow our PSL advances across our business verticals.

We cater to marginalised and under banked customers such as small and marginal farmers, weaker sections of society (as defined by the RBI), women borrowers and micro-enterprises. In FY 2022-23, our annual average priority sector lending (including purchase and sale of certificates) was around 48.80% (prior to district weightage adjustments) of the applicable adjusted net bank credit for the year.

We achieved the overall regulatory targets for PSL as well as for its sub-categories. The annual average PSL achievement for agriculture was 18.18%, for small and marginal farmers was 10.51%, for non-corporate farmers was 13.84%, and for micro enterprises 8.62%. Further, the annual average PSL achievement for weaker sections was 14.72%.

We believe that inclusion for financial institutions needs to go beyond providing access to finance to under-served communities. Celebrating this ethos, our existing infrastructure accommodates the needs of differently abled customers with the installation of 567 ATMs with voice guidance facilities and ramps across our branches and offices, supporting our visually and physically-challenged customers respectively.

²GRI 3-3

MANAGING OUR ENVIRONMENTAL FOOTPRINT

Contributing to a Brighter Tomorrow.

We understand the criticality of conserving our planet’s natural resources for the future generations. As a responsible corporate citizen, we at Kotak are committed to take proactive steps towards environmental sustainability.

SDG linkage

7

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Relevant material topics

Minimising environmental impact of operations

Capital linkage

Natural capital



At Kotak, our focus is to continuously transition towards ‘Phygital’ and ‘digital’ service delivery and adopting efficient and effective environmental management. Our focus is to ensure responsible resource utilisation, conscious energy reduction measures and adopting procurement practices that could reduce our environmental footprint.

The Bank’s environmental management practices are guided by the ESG Policy Framework, along with our Environmental Policy, which showcases our commitment to reducing energy and emissions, and water and waste management. Our aim is to implement effective procedures and continuously enhance our monitoring mechanisms to track our environmental footprint as well as address any adverse impacts of our operations on the environment. We are committed to transition towards a low-carbon ecosystem and have embarked on the path of developing a decarbonisation strategy, guided by the national goals. We have also undertaken assessments to understand the impact of climate change-related risks, detailed further in the [Managing Risks and Uncertainties](#) section.

The key components of our Environmental Policy are:

- Ensuring compliance with regulations
- Managing our direct impact to environment through effective environmental management
- Transition towards a low-carbon ecosystem
- Monitoring our greenhouse gas emissions and environmental performance
- Conducting awareness sessions for our stakeholders
- Utilising clean energy alternatives
- Evaluating climate risks

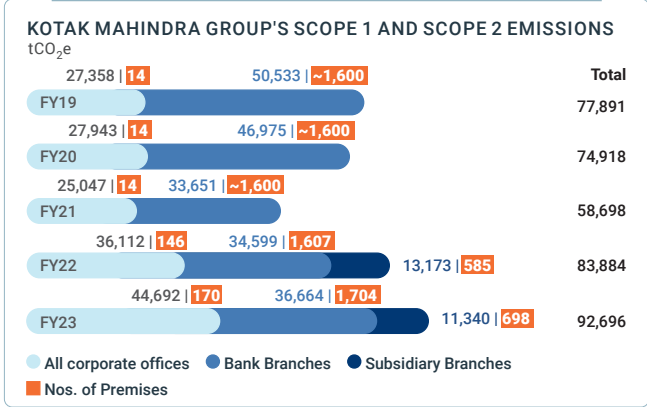
¹GRI 3-3

our approach towards minimising our operational environmental footprint. We monitor our impact and implement sustainable practices, while working towards a more sustainable future.

Our aim is to utilise and adopt the best available technologies and clean energy to reduce our environmental footprint. Consequently, we use renewable energy at three of our largest corporate offices that seat over 11,000 people for about three months in a year. This amounts to a total of 12,585 GJ in FY 2022-23.

Environmental Performance

We are addressing our growing business needs by adding more offices and branches to our physical footprint and inviting more talent. With more employees coming back to work physically and higher utilisation of our office premises, there is a noticeable increase in our environmental footprint. In FY 2022-23, we added 26 newly set-up corporate offices and 130 bank branches, along with our international subsidiaries, to our coverage of environmental performance. Our corporate offices are considered as bank premises even as a few of them are shared with our subsidiaries.



- Note**
- Large and small office premises represented separately in FY 2021-22 are shown together as corporate offices in FY 2022-23.
 - Coverage of reporting has been enhanced to include 26 new corporate offices, 130 new bank branches and international subsidiaries compared to FY 2021-22.
 - Emissions have increased across premises owing to growing business requirements of additional space and increasing workforce, with more employees returning to work from office premises and more customers visiting branches.
 - In the graph presented last year, scope 1 emissions for FY 2019-20 were not accounted for, which is covered in this year's charts.
 - Scope 1 emissions include refrigerant refilling related emission only from select corporate offices.
 - Scope 2 calculation for FY 2022-23 is based on the latest emission factor for electricity, as published by the Central Electricity Authority (CEA), which is lower than last year.
 - In the previous reporting period the total electricity bill amount was used for estimating units of electricity consumed. In this reporting period there has been a change of methodology - the average percentage paid towards energy charges was estimated through randomised sampling of electricity bills sourced from various premises across regions and this average was used for estimating the units consumed.
 - The total number of bank branches as of 31st March, 2023 stand at 1,780. However, emission computation has covered only those branches that were operational for more than six months during the financial year.

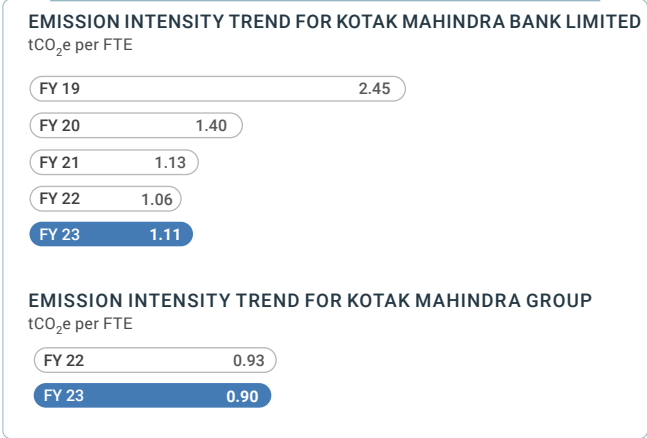
²GRI 305-1 | ³GRI 305-2 | ⁴GRI 305-4

Some corporate offices also house the Bank’s and/or subsidiary branches, and so subsume their environmental data. Wherever premises are managed by subsidiaries alone, the data is denoted separately.

GHG Emissions

The total Scope 1 emissions for the group for FY 2022-23 were 12,214 tCO₂e, while the total Scope 2 emissions stood at 80,482 tCO₂e^{2,3}. Our Scope 1 emissions cover CO₂ equivalent emissions from purchased and replaced firefighting equipment, diesel and petrol consumed in fuel-based electricity generator sets and refrigerants used for air conditioning at select corporate offices and Scope 2 emissions include grid electricity related emissions. Standalone Scope 1 and Scope 2 emissions for the Bank are mentioned in the [BRSR](#) disclosure section of this Report.

The Group observed an emission intensity of 0.90⁴ tCO₂e/FTE, which is 3.1% lower than the previous year. The bank’s emission intensity slightly increased from 1.06 to 1.11 tCO₂e per FTE. There was a notable increase in Scope 1 emissions due to enhanced scope and boundary for reporting, inclusion of the new fire extinguishers bought for our premises to meet the safety requirements and increase in fuel consumption due to increased footfall of employees at workplaces post pandemic. Both Scope 1 and Scope 2 emissions are calculated in accordance with the GHG Protocol. The emissions due to electricity consumption have been calculated based on the latest emission factor for electricity, as published by the CEA.



- Note**
- Coverage of reporting has been enhanced to include 26 new corporate offices and 130 new bank branches and international subsidiaries compared with FY 2021-22.
 - Energy consumption has increased across premises owing to growing business requirements of additional space and increasing workforce with more of them returning to work from office premises more customers visiting branches.
 - While emission coverage represents a majority of our offices, FTE refers to full time employees on board at the end of the financial year, representing the workforce at all premises, including remote employees.

Decarbonisation Strategy

We are in the process of developing a low-carbon transition plan and a decarbonisation strategy, taking into account India’s committed goals. We have conducted a modelling exercise covering our Scope 1 emissions arising from the use of refrigerants in ACs, Heating, Ventilation and Air Conditioning (HVAC) systems and fire extinguishers, and fuel use in electricity generator sets. The exercise also considered Scope 2 emissions arising from purchased electricity from the grid and helped us understand the amount of investment needed in various scenarios.

Our estimations covered the scenarios, including those where Kotak proactively works to reduce emissions from electricity every year initially, followed by other sources in the medium-term, and those where we work to reduce emissions related to some refrigerants and purchased electricity in the short-term, followed by all refrigerants in the medium-term. The initiatives considered for estimating the investments include increased use of renewable energy at our premises and the adoption of cleaner technologies to replace refrigerants in fire extinguishers and the procurement of energy efficient equipment. This exercise places us in a position to determine our decarbonisation path and also potentially define specific goals in the short-term.

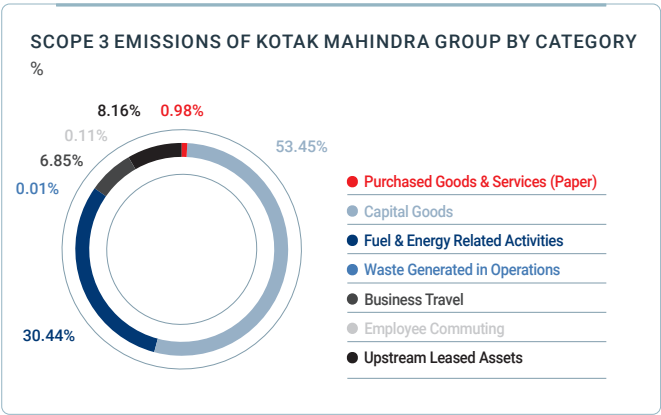
Scope 3 Emissions⁵

As we work towards increasing the coverage of emissions, we are also undertaking initiatives to reduce our Scope 3 emissions. With the economy moving back to normalcy after the pandemic, we observed an increase in our Scope 3 emissions due to increased business travel and investments in capital goods such as laptops and other electronic equipment, catering to the growing employee base, and vehicles procured for some employees under the ‘Company Car Scheme,’ accounting for the gradual transition to working at offices.

Total Scope 3 emissions are 77,055 tCO₂e for 7 out of the 15 categories reported and are computed as prescribed by the GHG Protocol. The seven categories were chosen based on the availability of data and the feasibility of estimation. These include employee commute, business travel covering air and rail modes, capital goods, purchased goods and services, waste generated in operations on the basis of the waste disposal method for each category of waste, fuel and energy-related emissions, as well as upstream leased assets. The initial four categories mentioned have emissions reported for Bank standalone, whereas e-waste under waste has data inputs from one of our subsidiaries as well.

The electricity consumption at offsite ATMs of the Bank (data reported for 1,047 ATMs out of the total 1,480 ATMs) and fuel (diesel) consumption in DG sets at limited subsidiary branches is considered as a part of the upstream leased assets category.

⁵GRI 305-3



The fuel and energy-related emissions category includes emission from the Bank and all the subsidiaries. Currently, we do not cover the Scope 3 categories which may not be fully relevant to us such as processing, use and end-of-life treatment of sold products, downstream leased assets and franchises.

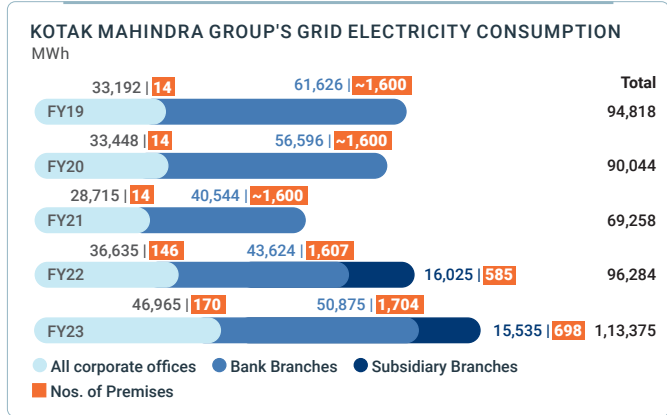
Out of the remaining categories, financed emissions are considered relevant for our industry sector. Hence, we had made an attempt to compute the Scope 3 emissions associated with our portfolio in the reporting period. This was planned in line with the guidance provided by Partnership for Carbon Accounting Financials (PCAF) Global GHG Standard. The Standard indicates that measuring emissions associated with financial activities is the starting point for financial institutions to manage risk and to identify opportunities associated with addressing reduction of GHG emissions and begin the journey towards decarbonisation. It provides guidance to estimate GHG emissions attributed to financial institutions due to their financing activity across seven asset classes namely, listed equity and corporate bonds, business loans and unlisted equity, project finance, commercial real estate, mortgages, motor vehicle loans and sovereign debt.

In our attempt, we discovered that higher-quality client-specific emissions data was needed for this exercise to prove decision-useful. Barring which, the estimated outcomes may not provide clear direction for identifying sources of risks and opportunities from the underlying portfolio. This attempt has pointed us to insights that will strengthen our systems to source quality data moving forward. Besides this attempt at computation of financed emissions, we also used WACI as a measure of climate related transition risk, details of which are found in [page 44](#) of the ‘Managing Risks and Uncertainties’.

The total Scope 1 emissions for the group for FY 2022-23 were 12,214 tCO₂e, while the total Scope 2 emissions stood at 80,482 tCO₂e, which are computed as prescribed by the GHG protocol.

Energy Consumption

We monitor our energy consumption from various sources covering diesel and petrol consumed in electric power generator sets and grid electricity consumed across our corporate offices, branches and subsidiaries.



- Note**
- Energy consumption was reported separately for select corporate offices in FY 2021-22; however, it is shown for other corporate offices, bank branches and subsidiaries as well in FY 2022-23.
 - The coverage of reporting has been enhanced to include 26 new corporate offices, 130 new bank branches and international subsidiaries compared with FY 2021-22.
 - Energy consumption has increased across premises owing to growing business requirements of additional space and increasing workforce with more of them returning to work from office premises more customers visiting branches.
 - The total number of bank branches as of 31st March, 2023 stand at 1,780. However, energy consumption covered only those branches that were operational for more than six months during the financial year

3,200+ tCO₂e

Reduction in GHG emissions annually due to replacement of conventional bulbs with LEDs at bank branches

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LEED-certified offices

During the reporting period, we consumed about 4,08,149 GJ of grid electricity, which includes 9,653 GJ of energy consumed from fuel consumed in the fuel-based generators used at our operating premises. We procured 12,585 GJ of renewable energy for three of our largest offices, out of the total 4,30,387 GJ of energy consumed in the reporting period⁶.

The energy intensity for the group in the year was 4.17 GJ/FTE⁷, which was higher than FY 2021-22. This increase in energy consumption may be attributed to the increase in our physical footprint, gradually increased customer footfalls after the COVID pandemic, as well as the need for additional cooling requirements of premises due to the increasing heat stress.

⁶GRI 302-1 | ⁷GRI 302-3 | ⁸GRI 302-1



As part of our strategy to reduce our environmental footprint and GHG emissions, electricity generated from renewable sources, i.e. from both solar and wind energy at three of our corporate offices amounted to a total of 3,496 MWh.

As part of our strategy to reduce our environmental footprint and GHG emissions, electricity generated from renewable sources,⁸ i.e. from both solar and wind energy at three of our corporate offices amounted to a total of 3,496 MWh.

We have also undertaken several energy reduction initiatives to reduce emission generation in the past few years. Most of our corporate offices have already been using energy-efficient lighting solutions. In the previous reporting year, we also transitioned most of our branches from traditional lighting to energy-efficient lighting solutions. The replacement of conventional bulbs with LEDs at branches in the last reporting period has helped us reduce 137 GJ of energy consumption per month and consequently helped us save more than 3,200 tCO₂e of GHG emissions annually. In FY 2022-23, we completed this transition and replaced the bulbs at the remaining locations with LEDs, which has helped us reduce our energy consumption further by 25.15 GJ on a monthly basis. As a result, total energy consumption was reduced by 163 GJ per month, helping us avoid a total of more than 3,800 tCO₂e GHG emissions annually.

Nine of the corporate offices we operate out of are LEED certified, where about 24% of the bank’s employees are located, allowing them to consume fewer resources and providing them with better indoor air quality. In a LEED-certified building, energy savings are expected to range between 20 to 30% and water savings between 30 to 50% as per the LEED framework. Such buildings are also designed to experience enhanced air quality, and excellent daylighting, which helps in maintaining the health and well-being of its occupants and enhancing safety and conservation of scarce natural resources.

MANAGING OUR ENVIRONMENTAL FOOTPRINT

Energy Conservation and Emission Reduction initiatives¹²

We are always on the lookout for adopting new practices to improve energy efficiency through various initiatives across our offices. The initiatives in FY 2022-23 include:

Integration of sensor-based lighting and timer-controlled lighting to reduce electricity consumption.

Transition of 75% physical servers to virtual servers so as to reduce our energy consumption and resource consumption.

Installation of glow sign boards with LED modules at 14 of our largest corporate offices and most of our other corporate offices and branches to reduce our energy consumption.

Pilot implementation of an AI-based module for monitoring the consumption of energy by air conditioners, efficiently managing the cooling process and reducing energy wastage by 10%.

Adoption of environmentally friendly refrigerants, such as R134A, to reduce emissions.

Installation of electric vehicle charging points at two of our largest offices to promote the usage of electric vehicles.

In addition to the initiatives during the year, we have also undertaken various other initiatives prior to FY 2022-23. They include:

Installation of pressure-independent Variable Air Volume (VAV) systems for air distribution to allow temperature control for different user needs and energy savings during non-occupancy hours.

Transitioning from traditional lighting to energy-efficient lighting systems (LEDs).

Installation of non-emergency light fixtures on lighting controls, i.e., occupancy and daylight sensors at all locations, for energy savings during hours of non-occupancy.

Usage of low-VOC, low-emitting materials, paints, sealants, adhesives, etc. that have a lower environmental footprint and minimal health effects at all our locations.

Usage of CFC-free refrigerants in HVAC systems.

Installation of sensor-based lighting in branch offices to reduce electricity consumption.

Optimisation of Air Conditioner (AC) refrigerants emission for AC units to reduce GHG emissions.

Replacement of Precision Air Conditioners (PAC) with Hybrid Air Conditioners using R407C Refrigerant that reduces our GHG emissions.

Installation of digital LED signage to lower energy consumption, leading to lower carbon emissions.

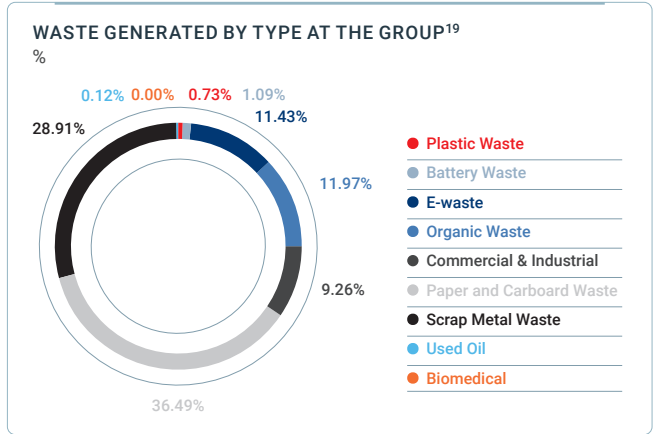
Water Management¹³

Our monitoring mechanisms have been strengthened over time, and we have expanded the coverage of our reporting on water consumption. At the corporate offices based in large cities, the primary source of water withdrawal is from Municipal Corporations and tanker services.⁹ Consumption of drinking water is reported for 1,268 branches and 143 corporate offices of the Bank. We have started to monitor and report drinking water for 462 branches of 8 subsidiaries as well from FY 2022-23. The total water consumption of the Group is 1,26,772 KL, which includes drinking water as well^{10, 11}. The water consumed at some of our select corporate offices also includes water consumption for a few subsidiaries, as they share the premises with the bank. Three

of our largest corporate offices use recycled water in toilets. We have also installed low-flow plumbing fixtures to reduce water consumption in buildings. Currently, the Bank doesn't track the water discharged, hence water withdrawal is equal to water consumption¹⁴. A detailed breakdown of the Bank's water consumption can be found in the [BRSR](#) section of this Report.

Waste Management^{15, 16}

Due to the nature of our organisation, the waste generated at our premises mainly constitutes stationery waste and organic waste generated through our canteens. Other categories of waste monitored include e-waste, construction waste, plastic, biomedical waste as well as scrap metal^{34A}. In this reporting period, we have tried to cover and report e-waste generated from all our corporate offices and bank branches and also from one of our subsidiaries, extending the scope from a small set of corporate offices from the last reporting period.



We encourage the segregation of waste at our facilities through dedicated waste collection bins, for dry and wet waste into e-waste, organic, hazardous and other non-hazardous waste, out of which the hazardous waste generated is of negligible quantity. This includes waste such as used oil from fuel-based generators, which is collected and safely disposed of through authorised waste management agencies.^{15, 18}

We also have organic waste converters (OWCs) at six of our corporate office premises that convert all our food waste into manure, which is utilised for landscaping within the premises and distributed to housing societies nearby. This data for waste generated is collected on a quarterly basis from all the premises and collated by a central team¹⁵. The total waste generated at all facilities of the Group was 190.4 MT^{34B}, out of which 90% was reused and recycled. 23.8 tonnes of hazardous waste comprising batteries and e-waste was recycled by authorised vendors¹⁶. 17.0 tonnes of non-hazardous waste was incinerated and the remaining 1.6 tonnes was sent to landfill. Non-hazardous waste recycled or diverted from disposal amounted to 147.7 tonnes¹⁷, out of which 86% was recycled off-site and the rest on-site through OWCs. The hazardous waste which includes used oil and biomedical waste, 0.2 tonnes of it was incinerated^{16, 17}. The detailed breakdown of the Bank's waste generation and disposal can be found in Section C - Principle 6 of the [BRSR](#) section of this Report.

We will continue to enhance our data monitoring and recording systems to further systemise processes for data management. We will continue to undertake initiatives to reduce our resource consumption, including our energy consumption and water consumption.

We will further strive to reduce our operational impact on the environment through the reduction of emission intensity by adopting energy efficiency measures and increasing the usage of renewable energy. We will also continue working with our suppliers in our efforts to procure sustainably and reduce the environmental impact in our supply chain. Furthermore, we will strive to strengthen knowledge of ESG across all our employees through dedicated awareness sessions.

Initiatives to reduce resource consumption

The Group is committed to make conscious and continuous efforts to reduce our resource consumption and have taken various initiatives¹⁵ towards the same. Some of our key initiatives during the reporting period include:

Use of duplex printing and lock printing to reduce our paper consumption across India.

Use of QR codes instead of visiting cards undertaken as a pilot exercise to reduce our paper consumption.

Utilisation of bio-degradable plastic bags as bin bags in offices to reduce plastic consumption.

Increasing the life span of old UPS batteries by two years post completion of their life span through refurbishment; thus, reducing our battery waste.

Adoption of Virtual Private Branch Exchange (PBX) instead of Electronic Private Automatic Branch Exchange (EPBAX) to reduce e-waste generation due to EPBAX machines.

Installation of sanitary pad disposal devices at our large offices to ensure proper segregation of waste at source.

⁹GRI 303-1 | ¹⁰GRI 303-3 | ¹¹GRI 303-5 | ¹²GRI 302-4, GRI 305-5 | ¹³GRI 303-2 | ¹⁴GRI 303-4


¹⁵GRI 306-2 | ¹⁶GRI 306-4 | ¹⁷GRI 306-5 | ¹⁸GRI 306-1 | ¹⁹GRI 306-3

EMPOWERING OUR EMPLOYEES


Nurturing a People-First Culture.

At Kotak, we believe our employees are at the forefront of driving our business success and unlocking new avenues of growth. We are invested in fostering a thriving work environment that encourages collaboration, celebrates diversity, ensures well-being and brings out the potential in each of our employees.

SDG linkage




5 GENDER EQUALITY



8 DECENT WORK AND ECONOMIC GROWTH

Capital linkage



Human capital

KPIs

Relevant material topics

Promoting employee health, safety, and well-being

Promoting diversity, equity, and inclusion amongst employees

Enabling learning, development, and an open work culture for employees

1,00,00+

Total Full-time Employees at our Group

56,115

Full-time Employees of the Bank

33,697

Women Employees at our Group

19,388

Women Employees at the Bank

57.20

Average training hours per employee at the Bank



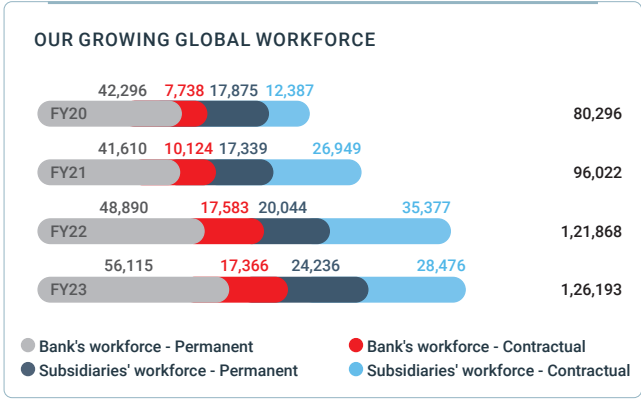
Overview of our Workforce¹

We value our workforce and strive to facilitate a culture of excellence by enabling a collaborative and inclusive work environment.

During the reporting period, we hired 66,324 employees at the group level, of which nearly 71% are full-time permanent employees. The Group’s total full-time workforce stands at 1,03,317 excluding 22,874 part-time employees hired as insurance agents. The employee count at the Bank stands at 73,481. Our permanent employee base increased from 56.6% to 63.7% in FY 2022-23 at the Group. Additionally, we noted 14.78% YoY growth in the number of permanent employees at the Bank. For further details on the reporting boundary, please refer to the ‘About this Report’ on [page B](#). Kotak FastTrack, our internal hiring programme, enabled 733 employees from the Bank’s workforce to opt for other roles within the Group.

We have established a human resource strategy with a focus on building a diverse and inclusive culture. Our strategy emphasises on building younger, diverse and future-fit talent at the Group. In FY 2022-23, we have 618 employees below 30 years of age at the Group level belonging to the middle management category, a 35.82% increase in comparison with the previous financial year.

We at the Group have also hired 45,725 young talent in the <30 age group across cadres both in the permanent and temporary workforce. In addition, our women-focused recruitment drives resulted in a 10.62% YoY increase in the number of full-time women employees at the Group and 8.36% at the Bank in FY 2022-23. Further, women make up 26.70% of our total workforce at the Group and 26.39% at the Bank.



Diversity and Inclusion²

A diverse workforce unlocks a unique blend of perspectives that promotes innovation, creativity and improved organisational culture. We are committed to enriching our workforce diversity through tailored policies, systems and programmes designed to build an inclusive work environment. We have established a Diversity and Inclusion Council, which comprises leaders that represent different business segments. This Council is headed by Ms. Shanti Ekambaram, a whole-time director at the Bank and a member of Kotak’s highest executive leadership group referred to as the Group Management Council (GMC). The aim of the Council is to promote transformation in culture, policies, procedures and systems to foster an inclusive workplace. The Bank also has a formal Diversity, Inclusion and Equity (DIE) statement that articulates the cornerstones of our DIE strategy.

Diversity at Kotak is monitored regularly via a dashboard that showcases business segment-wise gender diversity targets, along with the current performance. A monthly dashboard covering the workforce demographics across hiring and attrition also monitor our performance on diversity aspects. This information is shared with the Chief Human Resources Officer and Business Leaders to track and monitor the effectiveness of DIE initiatives undertaken. A ‘Diversity Champion’ has been appointed to oversee the implementation of the DIE Statement, while the Human Resources (HR) department is responsible for its implementation. Their duties include conducting periodic training and creating stakeholder awareness of diversity issues. In line with the strengthened commitment to diversity, we aspire to have women represent at least a third of our workforce.

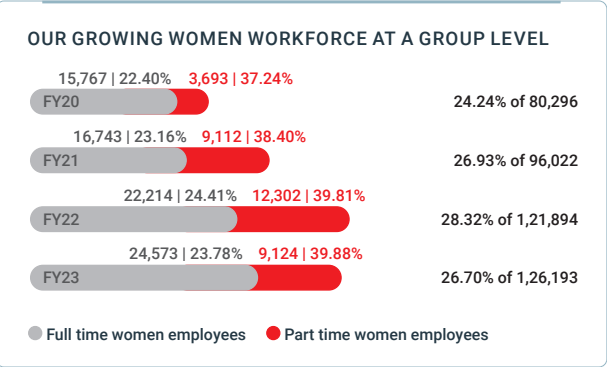
We adopt a holistic approach to workforce diversity, encompassing considerations of gender, educational backgrounds, abilities and skills. We have also instituted a Policy for Equal Employment Opportunities which has been developed in accordance with the Rights of Persons with Disabilities Act, 2016.

A diverse workforce unlocks a unique blend of perspectives that promotes innovation, creativity and improved organisational culture.

We have 24 differently abled permanent employees in the Group. Additionally, to enable our employees and customers Persons with Disabilities (PwD) to access our branches and ATMs, we have installed ramps across our premises. More than 600 branches and 870 ATMs have disability-friendly entrances. We are committed to ensuring gender pay parity and fair wages for all our employees.

We at the Bank organised multiple campaigns across our businesses to hire women graduates from campuses. In FY 2022-23, 2,300+ women were hired with STEM qualifications. Further, around 60% of the total women hired (including freshers) belonged to the non-banking sector, bringing in diverse perspectives from various industry sectors. We carry out our off-campus hiring through ‘Hire, Train and Deploy’ programmes and have reorganised the roles with a deep focus on developing engineering capabilities amongst our employees. We have also increased lateral hiring from top-tier tech organisations to strengthen the quality of our developers. We launched a social media platform to engage with tech enthusiasts and showcase our tech transformation journey. Every woman employee in Kotak is referred to as Kotak Wonder Woman (KWW), and we have a suite of initiatives tailored for women employees ranging from women-focused hiring drives to women-specific reward and recognition programmes.

Our commercial banking team launched a dedicated seven-day skill enhancement programme for women students, ‘Pragati’ to ease the transition from a campus to corporate, specifically focusing on colleges in tier-3 and tier-4 cities. This programme imparts knowledge of banking, financial products, business communication, and life skills with a focus on MS Office and financial planning. Further, our retail liabilities business undertook various initiatives towards hiring women in the workforce.



¹GRI 3-3

²GRI 3-3

EMPOWERING OUR EMPLOYEES



We offer opportunities and platforms for our employees to learn from each other irrespective of their cadres. Some of our flagship initiatives have proved successful in breaking stereotypes and building stronger networks to enable the growth and development of our diverse workforce.

Kotak Wonder Women Meet All

This provided a platform for female employees to engage and interact with Senior Leaders, serving as a platform for networking with peers. It gave our women employees another opportunity to discuss, learn and contribute towards fostering a positive work environment and to understand personal branding through workshops.

Women of Substance Sessions

This is a forum that facilitates panel discussions, knowledge-sharing sessions and interactions with women leaders from various fields. Esteemed speakers, leaders and celebrities are invited to share their experiences of overcoming societal biases and challenges. The FY 2022-23 session covered topics such as shattering gender stereotypes, engineering happiness, personal styling, leadership and challenging societal norms.

Employee Development

At Kotak, we believe in investing in employees and supporting their professional development by offering on-the-job and specialised training. We are committed to supporting our employees throughout their employment journey from recruitment to retirement. We have implemented data-driven tools based on people analytics that aid in identifying skill gaps, recruitment, employee engagement, performance management and strategic workforce planning. This enables us to plan learning journeys, resourcing strategies for our key roles and career progression for our promising employees.

³GRI 404-3 | ⁴GRI 2-24 | ⁵GRI 404-2 | ⁶GRI 404-2

Besides career development through training, we also support the growth of our employees enabled by a structured performance management system. A goal-setting framework enables the translation of organisational goals into employee-driven outcomes. Our performance appraisal process ensures transparency and fairness, wherein employees and managers engage on a periodic basis to provide feedback to each other.

During FY 2022-23, 100% of our eligible employees at the Bank received performance and career development reviews.³ This resulted in the elevation of 11% of our permanent Bank employees to higher roles.

We also leverage our learning platform to impart training on various policies instituted by the Bank, such as AML Standards and KYC Norms, CoC, Prevention of Sexual Harassment (POSH) and awareness programmes on Information Security. These trainings are mandatory and are assigned to all our employees during their induction sessions and on an annual basis.⁴

Since the pandemic, our training pedagogy has transitioned from a physical mode to a hybrid mode. Our training programmes utilise state-of-the-art digital studio infrastructure that delivers a unified, seamless and consistent experience across both physical and virtual environments. Our training programmes focus on developing functional skills, soft skills, organisational culture, leadership capabilities and emerging opportunities.

Our induction training programmes address basic role requirements in terms of company orientation and functional knowledge. The various training interventions⁵ carried out by us are mentioned below. In addition to the below, we provide transition assistance⁶ programmes by offering future skills trainings such as digital and leadership programmes to our employees who are nearing superannuation.

The KYLC programme shown in the infographic 'Training programmes for employee development' provides young managers an opportunity to work as a shadow board with the leadership team and the GMC. This programme aims to enable and empower them to become change makers focused on co-creating innovation and differential thinking. They are given a platform to work as independent entrepreneurs on identified projects. Out of a large number of applicants, 40 are selected based on evaluation, making it a coveted programme among our young managers. In FY 2022-23, we also launched the Drona initiative that focuses on enhancing the employees' managerial and leadership capabilities. This programme aims to address managerial capability on four different tracks namely manager as an assessor, a trainer, a mentor and a coach, offering managers a holistic development platform. We also offer specialised and customised interventions for senior leaders at the Bank under DigiQ. This programme is designed to support rapid transformation and focused disruption pivoting on digital initiatives. More than 100 leaders were covered under this programme in FY 2022-23.

Training programmes for employee development

Trainings conducted during orientation and for functional knowledge

- Company orientation: Kotak Orientation for New Employees (K-One)
- Business and role induction-License to operate
- Cultural orientation- Kotak DNA and Code of Conduct

Trainings basis performance or skill or behavioural gaps

- Personal effectiveness programmes
- MS Excel
- Time management
- Communication skills

Trainings to enhance managerial or leadership capability

- Super Manager Programme
- Quantum Leadership
- Kotak Young Leader Council (KYLC)
- Drona

Transition training programmes

- First Time Manager
- Managing for Excellence
- DigiQ
- Lead to Grow



With the aim of empowering learners to choose their learning priorities and participate in voluntary learning interventions, we worked on shifting to pull-based learning vis-à-vis push-based learning modes. During FY 2022-23, Kotak launched its first-ever virtual Learning Fair, where the choice of learning was complete with the employees. This event was conducted in a first-of-its-kind immersive, Virtual Reality based environment and was captioned as 'Learn in the Metaverse'. It is to be noted that the Learning Fair has been tremendously successful with the second edition executed in June 2023. We are applying immersive learning by creating a 'Branch Banking Metaverse' that plans to orient and familiarise employees who are hired to work across the branch network with the different roles, systems and processes relevant to the functioning of a branch.

We also facilitate our employees to register and complete courses offered by external parties. A policy and framework guide the process for approving, nominating and sponsoring employees for external programmes. We have strong partnerships with several partners who deliver customised programmes for our employees. Some of our training partners are educational institutions such as Harvard Business School, Indian Institute of Management, Ahmedabad, and Indian School of Business, besides banking-specific training institutions in India. We are also currently partnering with Cornell University (in collaboration with XED Institute) for one of our flagship leadership programmes.

Highlights of the Bank's training efforts in FY 2022-23

We invested 30.40 crore for employee training, offering 57.2 training hours per employee. The costs includes cost of training staff, subscription for e-learning modules and conferences etc.

40% of the total recorded 42,03,438 learning hours are online self-paced sessions, with 60% offered by instructors both in virtual and in-person modes.

Employees spent 53% of their training hours on an average on developing functional skills.

4,332 employees undertook trainings on responsible debt collection, recording 13,381.25 learning hours.

The training hours are estimated based on expected time taken by the employees to finish the training. In addition, we conduct succession trainings that occur in the form of transition programmes, i.e., from individually contributing roles to people manager (PM) roles, PM to manager of managers (MoMs) and MoMs to managing large teams.

Individually contributing roles to PM

We have a series of programmes collectively for the first level of transition termed 'First-Time Manager' programmes.

People Manager to MoMs

The Lead-to-Grow programme has been designed to enable our employees in the middle management cadre to take on the next role in the career ladder successfully.

MoMs to managing large teams

The Quantum Leadership Programme is one of our landmark developmental initiatives aimed at identifying potential leaders and enhancing their leadership perspective and potential.

Select senior leaders also undergo executive coaching to enhance their leadership capability.

EMPOWERING OUR EMPLOYEES

Our subsidiaries also direct their efforts towards building current and future capabilities to equip them with new-age skills. KSL's 'Learn While Earn' programme provides reimbursement for employees from the technology teams to pursue certifications. Apart from up-skilling, KSL also supports its employees in role rotations through exposure to different areas leading to leveraging their unique strengths.

Health and Well-being

We are committed to enabling a safe and sound work environment for the overall well-being of our employees. We have undertaken various initiatives to promote employee retention and maintain high levels of employee satisfaction. To this end, we have implemented an Occupational Health and Safety Management System (OHSMS) at six of our largest corporate offices which are certified for ISO 45001:2018⁷ and have received the third-party certification. In compliance with ISO 45001:2008 we also internally assess the implementation of the standard in the certified premises. The certified six offices assessed house 11,000+ employees which seats about 15% of our Bank's workforce^{7, 8}.

Our OHSMS manual serves as a comprehensive guide that outlines the governance framework and an action plan for conducting audits by the oversight team. It also provides guidelines on the reporting frequency and overall management of the system.⁹ The manual also clearly defines the scope and responsibilities of the teams tasked with overseeing the OHSMS. A monitoring plan has been established that takes into account factors including parameters measured, locations, scope and the methods used. The senior management is responsible for overseeing the evaluation of OHS performance and determining its effectiveness. In line with ISO 45001:2018 standard, a Hazard Identification and Risk Assessment (HIRA)¹⁰ exercise is conducted where all the work-related hazards are identified and risks on a routine and non-routine basis are assessed, along with these their mitigation measures are also tabulated¹². The non-routine jobs are maintenance activities and extension of the premises etc. HIRA is reviewed annually and revised if required, in light of any incident. The updated documents are circulated to all our premises to ensure that the feedback gathered in the exercise serves as a preventive measure.¹¹

At the ISO 45001:2018 certified premises, we adopted an implementation process that includes, but is not limited to, how the work is organised, social factors, leadership and organisational culture, activities and situations, past relevant incidents, potential emergency situations, actual and proposed changes irrespective of the level and nature and changes in knowledge of and information about hazards. The Occupational Health & Safety (OH&S) Management Representative (HMR) ensures that hazard identification is conducted by persons with competence in relevant hazard identification methodologies and techniques and appropriate knowledge of the work activity. All jobs performed at our premises are supervised by the HMR. They ensure proper work permits are requested and granted prior to the job being undertaken, and also note and report work related hazards, if any.¹² 'Toolbox talks' for

routine and non-routine jobs are delivered to vendors undertaking work at our premises, as required which, cover safety instructions and detailed processes to be followed to protect themselves from injuries¹³ or ill health and an OHSMS Hazard Identification Checklist is maintained. The methodology and criteria for the assessment of OH&S risks are defined with respect to their scope, nature and timing to ensure they are proactive rather than reactive and are used in a systematic way. Employees are also encouraged to report any hazardous situations by either calling a designated helpline or writing to a location specific helpdesk to enable timely and appropriate action.¹²

We encourage employee consultation and participation in the development, planning, implementation, performance evaluation and continuous improvement of the OHSMS. Communication regarding OHSMS is shared via nodal employees and staff, emails and signage¹⁴.

Trained fire wardens have been appointed across corporate offices to organise periodic fire evacuation drills and training sessions. In addition, we offer pre-emptive medical check-ups, in-house doctor consultations¹⁵ and ambulance facilities, and have slip proof floors and ergonomic seating facilities at major offices to ensure the safety and well-being of our employees.¹⁶ We also facilitate sessions on mental health, yoga and other health related aspects for ensuring the well-being of the employees.

We introduced digital modules addressing 'Prevention of and Safety Procedures in case of a Robbery, Bomb threat and/or Fire' which is hosted on our learning portal. 25,561 training hours were recoded for safety training covering 29,945 employees during the FY 2022-23.¹⁷

We instituted an annual health screening policy for all Kotakites above 40 years of age or above certain grades. We have tied up with leading healthcare providers and clinics for the various medical tests covered under this programme¹⁵. Additionally, various health and wellness initiatives offer well-curated information and activities



to employees through online and onsite interactions. Our online wellness initiatives include yoga, meditation, zumba, wellness-linked quiz sessions, awareness sessions on depression, anxiety and conflict management, among others.

We also facilitate access to a nutritionist, emotional assistance programmes (EAP) offered by third-parties and discounts on pharmacies through our health and wellness platform called 'Health to the Power Infinity'. EAP continues to support and guide Kotakites and can also be availed by our workforce's family members, and we are seeing a growing number of our employees utilising this service.

KSL, one of our subsidiaries, encourages its employees to participate in Stepathon, a yearly health and fitness event in which employees come together in teams to achieve a target of 10,000 steps per day per person. KLI launched Fit4Sure, a mobile-based application that helps its employees to manage their physical and mental health. KMCC and KIAL have initiated programmes to offer mental health counselling and conduct fitness challenges. BSS organised eye camps and initiated employee master health checkups.

We offer an array of benefits to our permanent employees, of which some are tailored on the basis of the role and grade of the employee. These benefits include accident insurance, health insurance, parental benefits, provident fund, gratuity and superannuation^{18, 19}. Some of the benefits such as gratuity, stock ownership and superannuation are applicable to eligible employees as stated in the respective policies. We also offer other benefits such as monthly fitness allowance, transfer allowance, house rent allowance, relocation expenses, mediclaim, term life insurance, company car and corporate credit card. Additional benefits provided to women employees include flexible working options, relocation benefits on marriage, women-centric emotional assistance programmes and customised learning programmes.

To support our women employees and single parents, we have tied up with a leading day care provider for enabling crèche facilities and instituted a Day Care Policy applicable from FY 2023-24. For employees who may not be able to avail the day care facility, the 'New Mother Benefit Policy' enables new mothers to avail a fixed allowance to address their child caring needs for a full year, creating a reliable support system for them. In FY 2022-23, 640 women employees of the Bank availed this allowance benefit. We have also amended our travel policy to provide higher level of entitlements for women employees by providing provisions to bear travel expenses for a caregiver if the employee is travelling with an infant of up to one year of age. We also offer part-time roles for women employees in certain segments and functions to provide flexibility and encourage participation in the workforce. Further details on parental leave and return to work rate can be found on [page 344](#) in Section C - Principle 3 of the BRSR disclosure.



Employee Engagement

At Kotak, we foster a culture of mutual respect, learning and collaboration. Each year, we conduct surveys to gauge employee satisfaction. Our annual employee engagement survey referred to as 'My Kotak My Say' collects and evaluates feedback pertaining to our employee-related practices. Our robust processes and systems analyse the feedback received and present it to the leadership team to devise strategic implementation plans. This enables us to continuously improve and position us to reach and go beyond our employee expectations.

Further, Kotak's Worklife Mobile app provides a consolidated set of features encompassing attendance and leave management, team communication and a chatbot helpline, among others. It also supports accessing HR Management System, payroll portal, travel bookings, mediclaim, internal job postings, IT helpdesk, etc. enhancing employee convenience.

KGI conducts a survey called 'Sampark' that measures employee experience across areas such as job satisfaction, experience within teams, employee development and growth. It scored 72% in this financial year and aims to achieve a target of 85% by FY 2023-24. Our other insurance subsidiary, KLI conducts a 'U-matter' survey where it achieved a score of 83% in FY 2022-23, which is a 10% increase in the satisfaction score compared to last year.

For the past three years, we have collaborated with the Great Place to Work® Institute (GPTW), a worldwide research and consulting firm, to conduct an annual external employee engagement survey. We have been recognised by GPTW institute with the award of 'India's Best Employers among Nation-Builders'.

⁷GRI 403-1, GRI 403-7, GRI 403-8 | ⁸GRI 403-1 | ⁹GRI 403-2 | ¹⁰GRI 403-2 | ¹¹GRI 403-2 | ¹²GRI 403-2, GRI 403-9, GRI 403-9 | ¹³GRI 403-2 | ¹⁴GRI 403-4 | ¹⁵GRI 403-3 | ¹⁶GRI 403-6 | ¹⁷GRI 403-5

¹⁸GRI 401-2 | ¹⁹GRI 401-3

EMPOWERING OUR EMPLOYEES

OVERVIEW OF EMPLOYEE ENGAGEMENT PROGRAMMES

Kotakathon@Eureka

This is a hackathon launched by the Bank with the aim of creating high levels of customer obsession to deliver real value for our customers. This encouraged our branch banking employees to propose innovative solutions for the identified problem areas.

Foundation Day

This event was conducted to celebrate 37 years of Kotak. More than 10,000 Kotakites participated online along with their family members. Our Kotak Infinity Award winners were felicitated by our leadership.

Caring Kotakite- Employee Volunteering Programme

We have an Employee Volunteering Policy that encourages our employees to participate in volunteering activities. The policy allows our employees to avail leave of up to three days a year expended towards physical or virtual volunteering activities. We have a digital platform that enables employees to share their volunteering experiences.

DigitAll and Employee Experience

The objective of this initiative is to digitalise various services for our employees like the onboarding and joining journey, helpdesk chat services launched on WhatsApp, emergency loans, Mediclaim requests, performance review and CoC acknowledgement.



We have an online platform known as 'K-Applaud' that enables recognition and appreciation of Kotakites for their contribution, performance and achievements. Kotakites receive reward points every time they receive recognition from their managers, which can be used to purchase products across 10,000 brands. As a part of this platform, we introduced the below-mentioned awards:

Kotak DNA Award Categories



Customer Obsession Award to the one who showcases a passion for customer-centric behaviour.



Best People Manager to the one who leads the team effectively while also abiding by the Kotak DNA.



Best in DigitALL transformation to the team that has led digital transformation resulting in a positive impact.



Exclusive Annual Infinity Award for Best in Diversity Initiatives contributing towards increasing the diversity ratio at the time of hiring and implementing diversity focused initiatives.

Cheers for Peers

This award enables our employees to present badges to their colleagues showcasing their appreciation. Since its inception, 8,274 badges have been shared.

Kotak Infinity Awards

This award programme was launched to recognise individuals for their business excellence, extraordinary contribution towards achieving goals, and embodiment of the Kotak values. The awardees were chosen by a well-represented panel that included the Group Management Council and other leadership members along with the Kotak Young Leaders Council. In FY 2022-23, we received over 6,000 nominations, of which 45 individuals and 25 teams were announced as winners at the Foundation Day.

Kotak DNA Awards

Leaders nominate Kotakites that exhibit behaviour aligned with Kotak's culture. Further, we endeavour to promote continuous recognition through our SPOT and Heavy Lifters rewards, which is a part of our rewards and recognition series. These awards are announced quarterly to appreciate the efforts of high performers from the support teams.



Human Rights²⁰

We value the fundamental rights of all individuals associated with us and are committed to upholding adherence to the regulations that safeguard these rights. We have a dedicated Human Rights and Anti-Discrimination Policy aligned with the United Nations' Universal Declaration of Human Rights, the core labour standards of the International Labor Organisation and national laws. Our policy against discrimination and commitment to human rights is overseen by our HR team. We strongly oppose any form of involuntary or underage labour and support freedom of association and collective bargaining. At the Bank, 48,855 hours of training on human rights policies and procedures was undertaken where 89% of employees were trained during the financial year in comparison to 82% in the previous year. In addition, 1,522 of our permanent workforce, i.e., 2.71% is represented by an independent trade union and are covered by collective bargaining agreements²¹.

We are committed to fostering a workplace free of harassment. The primary objective of our Prevention of Sexual Harassment (PoSH) policy is to prevent, prohibit and redress any inappropriate behaviour and we enforce a policy of no tolerance towards sexual misconduct. Our ethical code allows for disciplinary measures to be taken against harassment regardless of gender. In compliance with the Sexual Harassment of Women at Workplace Act, 2013, we have formed an internal committee which facilitates investigation and actions in such cases. Further details can be found on [page 350](#) in the BRSR disclosure.

We conduct mandatory training for our employees that outlines ways to deal with discrimination and harassment in the workplace. Our employee CoC incorporates clauses on anonymity and confidentiality to ensure anonymous complaints and zero tolerance for workplace retaliation. The anonymity and confidentiality clauses in the CoC state that all concerns and related investigations are treated with confidentiality and are subject to applicable laws and regulations.

Our Group has a strong and efficient mechanism for resolving grievances built on a well-defined escalation process. We have three key modes through which employees can raise grievances encompassing a remedy tool, WhatsApp-based HR helpdesk chat services and e-mails. We create awareness of our grievance

mechanism through our CoC and periodic communication with employees through e-mails. Our awareness campaigns focus on different platforms through which employees can raise concerns, the process for resolving issues and the contact details of the grievance officer.

Furthermore, we have a Whistle Blower Policy and Framework in place to enable all our stakeholders to report any concerns anonymously through our digital platform. At the Bank, we do not engage in or tolerate retaliation of any kind against anyone for providing information in good faith about suspected unethical or illegal conduct, including fraud, securities law or regulatory violations, possible violations of policies, including Code of Conduct and other inappropriate workplace behaviour. If an employee has been retaliated against, they can report the incident to the HR team and also report on Employee Portal (Kotak Worklife) under HR Helpdesk.

We endeavour to further strengthen our diversity and inclusion initiatives and OHS management systems. We are digitally transforming our internal processes and systems to strengthen decision-making and enable employee convenience. We are working towards strengthening our capabilities to gamify our virtual learning activities to improve the employee learning experience.










²⁰GRI 3-3 | ²¹GRI 2-30

SUPPORTING COMMUNITIES


Driving Holistic Development.

We work towards transforming the communities we operate in, through impactful Corporate Social Responsibility initiatives. We have forged strong relationships with a wide network of non-governmental organisations and foundations to collaboratively drive positive change in the communities we serve.

SDG linkage



Capital linkage



Social & Relationship capital

Relevant material topic

Community well-being

KPIs

₹ 265 cr*

Total CSR Expenditure (Group)

Education and Livelihood

61,000+[#]

Students received support towards formal education

13,800+

Youth upskilled, out of which 1,625 were specially abled through Skill Development Programmes

11,500+

Families supported through agri and livestock based livelihood interventions

Healthcare

7,00,000+

Primary healthcare visits supported and cancer treatment support extended to 2,100[#]+ patients

Sports

177

Athletes supported for pursuing excellence in their sport

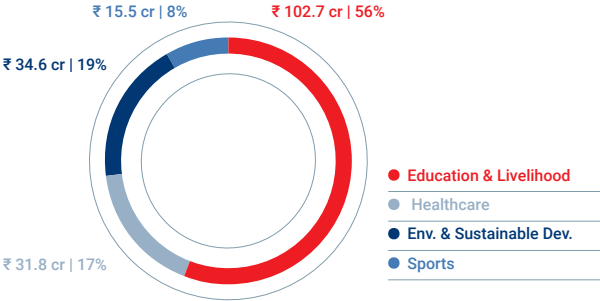


We have identified four areas of focus for our Corporate Social Responsibility (CSR) initiatives - namely, education and livelihood, healthcare, environment and sustainable development, and sports. Our CSR programmes and projects support the objectives of the United Nations Sustainable Development Goals (SDGs).

The Bank's CSR Policy is available on our website, the policy elucidates the governance structure and details our approach to the focus areas.¹ Further details on the Bank's CSR projects undertaken in FY 2022-23 can be found on [page 236](#) in the Director's report. The CSR projects of the Bank and the subsidiaries are undertaken at the pan-India level.² The approach and synopsis of the social impact assessments conducted for the applicable CSR projects can be found on [pages 355 and 370](#) in Section C - Principle 8 of the [BRSR](#).

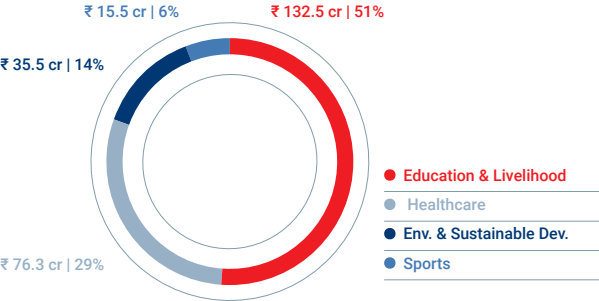
Kotak's CSR projects are designed to bring about meaningful and measurable social impact, and are in line with UN SDGs.

KOTAK MAHINDRA BANK'S CSR EXPENDITURE* DURING FY 2022-23



For FY 2022-23, the mandated CSR expenditure for the Bank was 187.4 cr and the actual CSR expenditure was 187.9 crore. The breakdown of actual CSR expenditure (excluding overheads and impact assessment costs) towards various themes is given above.

KOTAK MAHINDRA GROUP'S CSR EXPENDITURE* DURING FY 2022-23



For FY 2022-23, the mandated CSR expenditure for the Group was 263.0 crore and the actual CSR expenditure was 264.7 crore. The breakdown of actual CSR expenditure (excluding overheads and impact assessment costs) towards various themes is given above.

CSR Focus Areas

Education and Livelihood

- Improving learning outcomes in schools
- Supporting Higher Education
- Entrepreneurship and Livelihood enhancement
- Education and skilling interventions for differently abled
- Skill development for youth

Environment and Sustainable Development

- Energy conservation
- Water conservation
- Biodiversity conservation and afforestation

Healthcare

- Addressing gaps in cancer care spectrum
- Improving access to healthcare
- Improving healthcare infrastructure

Sports

- Sports infrastructure development
- Supporting training of athletes

¹GRI 3-3 | ²GRI 413-1 | *including transfer to Unspent CSR Account | [#]Non unique beneficiary numbers as multiple projects in the same geography may have common beneficiaries

*including transfer to Unspent CSR Account

A Close Look at Our Key Initiatives

EDUCATION AND LIVELIHOOD

Our initiatives under Education and Livelihood can be further divided into the following sub-areas: improving learning outcomes in schools, supporting higher education, skill development, and entrepreneurship and livelihood enhancement.

Kotak Education Foundation (KEF) is our primary CSR partner in the area of education. KEF supports children and young individuals from low-income families through various education- and livelihood-based programmes. It has adopted a holistic approach through multiple projects in the fields of enabling school education, offering scholarships and facilitating livelihoods. In FY 2022-23, KEF expanded its reach across Maharashtra in collaboration with the State Government through the Model School Project.



Kotak Education Foundation (KEF) is our primary CSR partner in the area of education. KEF supports children and young individuals from low-income families through various education- and livelihood-based programmes.



Improving Learning Outcomes in Schools

We are continuing to enrich the learning experience of school-going children, strengthen students’ learning outcomes with a special focus on the girl child, and address the infrastructural needs of schools and educational institutions. Through projects such as LEAD that work on developing leadership in schools, Umang aims to improve the communicative English of students, Khan Academy Project which makes educational content available in vernacular languages for the under-served segments, Digital Learning Solution (DLS) project that aids in enhancing digital teaching-learning processes, IIMPACT whose mission is to educate girl children aged 6 to 14 in remote and rural areas across India, we have been able to successfully improve the overall learning outcomes of the students across different grades. Apart from these initiatives, we supported mobile creches at construction sites, through ‘Mumbai Mobile Creche’ and ‘Mobile Creches for Working Mother’s Children’, which are NGOs working towards providing education, nutrition and healthcare to children of migrant workers living in construction sites.

Supporting Higher Education

Various collaborative projects such as Kotak Shiksha Nidhi (KSN) and Excel were implemented through KEF. In FY 2022-23 alone, KSN provided financial assistance to 1,300+ students between the ages of 6 to 22 years, who lost a parent or the primary earning family member due to COVID, ensuring continuity in education.

Our Excel Scholarship project supports continuity in education by offering scholarships, academic support, and life skills support to meritorious students from class 11 until graduation, with the purpose of livelihood improvement for families in

marginalised communities. Kotak Kanya, which is part of the Excel project, supports the career aspirations of meritorious girls from financially weaker backgrounds and aids them to pursue professional courses from premium institutes.

Skill development

Unnati is a skill development project implemented by KEF to help unemployed urban youth from underprivileged families. In FY 2022-23 alone, about 1,900 students completed their training, of which 60% were successfully placed with various organisations within the financial year.

KSL partnered with the National Institute of Securities Market (NISM) for Kona Kona Shiksha, a project to support a financial education programme for young citizens across various colleges in India, especially in tier 2 and tier 3 cities. This project aims to create awareness about various aspects of the finance industry and financial markets.

Our partnership with Pratham Education Foundation helps us improve the employability and interpersonal skills of youth from disadvantaged backgrounds by providing training in multiple areas including automotive, healthcare, construction, entrepreneurship, hospitality, etc. and preparing its youth for job opportunities. In FY 2022-23 alone, approximately 9,500 youths have been trained in these training programmes.

Besides supporting school education, skill development and livelihood within marginalised communities, the scope of our focus extends to strengthening higher education. We have been supporting the Indian Institute of Science (IISc) to establish a Centre for Artificial Intelligence and Machine Learning Centre (AI-ML Centre) in Bengaluru since FY 2021-22. This Centre will offer postgraduate and undergraduate degrees and short-term courses. In FY 2022-23, we enhanced our association with IISc by providing funding support for various operations planned under the AI-ML centre.



We have a successful partnership with the Indian Institute of Management Bangalore (IIMB) to launch a Women Startup Programme (WSP), to encourage entrepreneurship amongst women from tier-2 and tier-3 Indian cities. This programme incubates early-stage companies founded by women entrepreneurs demonstrating the potential to innovate, implement and create social or financial impact. Around 380 ventures were shortlisted for the pre-incubation round and more than 70% made it post-incubation, out of which around 80 ventures were from the social impact and ed-tech sectors. These women would be supported for a period of one year through mentoring and advisory support. This initiative also is an ongoing project which has been carried over from FY 2021-22 to the current FY 2022-23.

Deepening focus on Rural Livelihoods

In association with Cohesion Foundation Trust (CFT), we are aiming to improve the quality of life of people by promoting off-farm and on-farm livelihood opportunities and agricultural education. This was carried out across six villages in Mehsana, Gujarat, which is expected to benefit around 8,000 people. Further, in partnership with the N M Sadguru Water and Development Foundation, we are working towards improving the standard of living of both the rural and tribal communities by implementing livelihood enhancement projects such as promoting two types of vegetable cultivation. This initiative is an ongoing project which has been carried over from FY 2020-21.

Interventions for Differently-Abled

In line with our efforts to encourage and serve the vulnerable and marginalised members of our society, we partnered with Sarthak Educational Trust, Deeds Public Charitable Trust (Deeds), Youth4Jobs Foundation (Y4J) and Nayi Disha Resource Centre to provide educational and livelihood opportunities to empower the differently abled. We offer skill training and placement opportunities thereby making them financially independent and have trained over 1,400 persons with disability and placed 926 youth in allied industries. With Deeds, we launched a college preparatory programme that coaches aspirants who are hearing impaired for higher education in the commerce stream, wherein 235 youth were supported during FY 2022-23.

We also provide vocational training for youth with disability through Y4J to enable them to become employable and independent. 355 people with disability were trained with 220 already placed in allied industries. We also developed an AI-enabled jobs platform specifically for the disabled community in partnership with Y4J, which has already seen over 22,000 aspirants and 428 companies’ registrations. With Nayi Disha Resource Centre, we support a mobile-friendly multilingual platform that creates awareness and acts as a resource centre for families of children with intellectual disability.

SUPPORTING COMMUNITIES

HEALTHCARE

Our interventions under healthcare can be divided into three sub-areas: addressing gaps in the cancer care spectrum, improving access to healthcare and improving healthcare infrastructure.

Addressing gaps in cancer care spectrum

We partnered with numerous cancer care organisations to help provide holistic cancer care by improving accessibility and affordability. As a result of our partnerships and associations, we have been able to support over 2,100 cancer patients during FY 2022-23. Our support not only covered cancer treatment but also procedures such as surgeries and transplants, medicines, diagnosis and nutrition, accommodation and palliative care support with a specific focus on children suffering from cancer.

Improving access to healthcare

We provide access to affordable healthcare facilities to rural communities and low-income households. We also conduct eye camps and offer mental health services to students on financial aid. In FY 2022-23, we organised eye check-up camps across five schools in Pune, where we also conducted workshops on the influence of peer pressure and the ways to manage stress. We also organised one-to-one counselling sessions for students in distress wherein a 24*7 helpline and chat facility was available for the students. We have also helped set up 10 ambulances in remote tribal areas across five districts of Madhya Pradesh. The eye camps benefitted over 3,800 truck drivers as well as 86,000 students and senior citizens. Through our projects, we have been able to provide access to affordable and quality healthcare facilities to over 7 lakh beneficiaries from low-income groups.



ENVIRONMENT AND SUSTAINABLE DEVELOPMENT

Our approach to interventions in the area of Environment and Sustainable Development are spread across the following sub-areas:

Energy conservation

In association with Indian Institute of Technology, Madras, we support energy efficiency improvements for MSMEs in the manufacturing sector.



Improving healthcare infrastructure

We are cognisant of the need for state-of-the-art healthcare infrastructure to ensure holistic and quality healthcare. We have collaborated with organisations such as Ramakrishna Mission, Eastern India Heart Care and Research Foundation (EIHCRF) and Spherule Foundation and have:

Provided financial support for the procurement and installation of PET-CT scan machine for Ramakrishna Mission Sevashrama Charitable Hospital in Vrindavan, Uttar Pradesh.

Supported the construction and procurement of key medical equipment for EIHCRF's Hospital in Kolkata.

Developed infrastructure of the NIC unit of new Mother and Child Care ward at Sardar Vallabhbhai Patel Cantonment General Hospital, Pune.



The institute along with six other partner IITs carries out energy assessments, provides recommendations for improving energy efficiency and prepares implementation plans, and in FY 2022-23, over 50 energy audits were conducted to improve the energy efficiency of MSMEs. Based on the audit and actual implementation performance, IITM intends to develop an industry-specific comprehensive energy efficiency resource database that can be readily referred to by companies for conserving energy.

Water conservation

Recognising the far-reaching impacts of water scarcity and water stress on farming, communities and local biodiversity, we have partnered with various water conservation focused organisations. Through these partnerships, we have helped promote community-led water and soil conservation to achieve sustainable agricultural development which are projected to – a) treat 1,200 hectares of land owned by 2,400 farmers which is expected to increase crop yields by 10-15% in Karnataka, b) treat 32 irrigation tanks serving 1,400 hectares and benefitting 1,280 farmers in Karnataka, c) create nearly 25% of water savings through micro irrigation activities in Nashik, Maharashtra, and d) treat 4,550 hectares across Karnataka and Andhra Pradesh

through silt application which is expected to increase crop productivity. In addition, our projects to rejuvenate 8 water bodies across Andhra Pradesh, Gujarat, Madhya Pradesh, Uttar Pradesh and Tamil Nadu are expected to increase their cumulative water holding capacity by 24%.

Biodiversity conservation and afforestation

In collaboration with Nature Forever Society, Tata Steel Foundation and Centre for Environmental Research and Education, we are implementing various projects, a few of which are below:

Conservation of flora and fauna of Ganjam district, Odisha, by supporting local citizen groups and encouraging eco-tourism.

Creating a biodiversity park in Gandhi Tekdi, Sanjay Gandhi National Park, Mumbai.

Creation of mini or city forests and enhancement of the green cover improving the health of local ecosystems in Indore and Mumbai using the Miyawaki technique. In Mumbai specifically, the 4000 saplings planted are estimated to sequester approximately 883.92 MTCO₂ over 15 years.

Sustainability for Kotak does not stop at its business, but also includes sustainability for the communities wherein it operates.



SPORTS




We have partnered with leading sportspersons and sports-focused institutions in India to upgrade the sporting infrastructure as well as to provide quality training to budding athletes focusing on Olympic sports. We have partnered with Pullela Gopichand Badminton Foundation to develop a world-class badminton training facility in Hyderabad. This facility has six air-conditioned badminton courts, a residential block for athletes, a swimming pool, a jogging track and a sports science centre. In FY 2022-23, we extended support to complete the development of the badminton training facility, which was formally inaugurated in April 2023. Additionally, we have partnered with Inspire Institute of Sport, India's leading Olympic Sports development centre, to implement Wrestling and Boxing training programmes. During FY 2022-23, a total of 177 junior and elite athletes were supported in Wrestling and Boxing.

Sustainability for Kotak does not stop at its business, but also includes sustainability for the communities wherein it operates. The CSR projects are carefully chosen under all the mentioned focus areas for the communities where they can create a meaningful and measurable positive impact.

■ Re-imagining Customer Experience.

We are committed to nurturing and strengthening relationships with our customers. By leveraging technological advances made in the digital space, we strive to provide an unparalleled experience to our customers. Additionally, we are committed to employing systems and processes aligned with leading industry practices to ensure the protection of our customers' confidential information.

SDG linkage



Relevant material topics

Enhancing customer experience

Customer data privacy

Capital linkage



Social & Relationship capital

KPIs

26%

YoY growth in Kotak Mahindra bank's customer base from 32.7 million to 41.2 million

78%

Transactions processed digitally without manual intervention in FY 2022-23

19%

Growth in Customer Assets

30%

YoY growth in Personal Loan Value and 40% YoY growth in Credit Cards



We work towards cultivating lasting connections and delivering streamlined experiences by prioritising our customers. We are strengthening our customer-centric approach by implementing numerous digital interventions and continuously engaging with them to gather valuable insights on their preferences and needs. Each business division of the Bank has developed a variety of digital products and solutions that cater to the specific demands of customers across various segments.¹

A variety of policies have been put in place to ensure that responsible customer-focused practices are integrated into our operations. Further information on our policies, practices and the statutory disclosures on customer grievances reported during this financial year can be found in the [BRSR](#) disclosure on [page 338](#) of this Report.

We have established a Board Customer Service Committee that meets quarterly and supervises engagement and service delivery, which are measures for understanding customer satisfaction and loyalty. We have a comprehensive service framework that aids the committee in monitoring a range of indicators which assess both customer engagement and service delivery. The engagement indicators include the level of service and digital activation by customers, while service delivery indicators include complaint resolution effectiveness and first-contact resolution, among others. Moreover, with the help of a group of specialists, we also keep track of how our customers perceive us and our services via social media platforms. Our service framework links these quality indicators to the performance of our employees who are responsible for ensuring customer satisfaction. Details on our service delivery performance are shown on [page 338](#) of the Report.

We have a dedicated Customer Experience team that is responsible for evaluating customer feedback through surveys to identify areas of improvement across all customer segments. We monitor the Net Promoter Score (NPS) at two levels, namely Relationship NPS (R-NPS) and Transaction NPS (T-NPS). Further, we meticulously monitor our R-NPS to gain insights into our customers' perceptions of the Bank as a whole and conduct surveys for customers in the retail, wealth management, SME, commercial and wholesale banking segments.

These surveys are conducted annually for all our customers, except for retail banking where the frequency of the surveys is once every six months. Besides NPS, we also interact with customers independently through interviews.

Customer satisfaction is also assessed by tracking the number of complaints being escalated to the Nodal Desk or the Office of the Banking Ombudsman.

Additionally, we have relationship management teams across all our branches and virtual relationship managers across customer contact centres to maintain regular telephonic and digital communication with our customers.

The nature of this interaction allows us to provide transparent information about financial products and services that helps customers make well-informed financial decisions, thereby delivering a smooth customer experience. Our customer-facing teams gather insights through these interactions and conduct root cause analysis to detect any process obstacles. This information is then used to implement corrective actions that enhance our service capabilities.



ENHANCING CUSTOMER EXPERIENCE

We implemented various customer experience and engagement initiatives to proactively address the evolving needs of our customers. We introduced feedback calls on newly opened accounts and received 91% positive feedback. We also reduced wait time for wholesale banking customers by creating a priority queue.

The cornerstone of our growth strategy revolves around the utilisation of data analytics. This methodology is integral to the acquisition, onboarding, servicing, upselling, cross-selling, risk assessment, process optimisation and fraud detection across our operations. Our success in attracting customers for loans and deposits is largely attributed to our advanced data science programmes and use of data analytics. Through these initiatives, we are well-positioned to deliver tailored options for immediate loan requests, vendor proposals for shopping, pre-approved loan offers for existing relationships, and even EMI proposals for purchases, among other things, thereby enhancing the overall customer experience. We execute a customer experience survey internally with our employees who also happen to be our customers. This approach is applied for select products and helps us build robust features in our net and mobile banking products. Products are first soft launched to an employee group for seeking feedback, which is incorporated before the official release to the public.

We are also currently in the process of adopting an upgraded Customer Relationship Management (CRM) software, which will help us in reducing the turnaround time (TAT) as well as improving customer satisfaction.

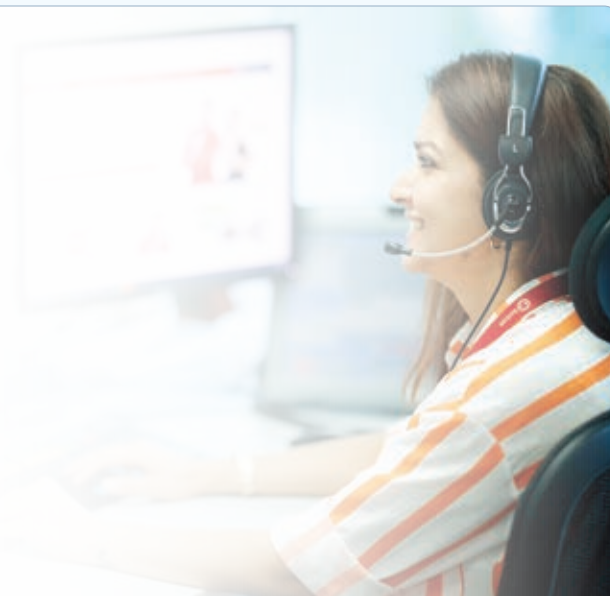
Our wholesale banking segment initiated a project which focused on reducing TAT related to the services they offer. The objective of this project is to simplify customer journeys, reduce inter-departmental hand-offs and identify scope for automation and DIY.

Our commercial banking division also introduced numerous initiatives aimed at delivering an enhanced customer service experience. Various initiatives were introduced which included WhatsApp and SMS communication channels, retrieval of SMS and email sent to customers, digitalisation of the NOC issuance process and implementation of blockchain technology in the NOC. Along with this, to improve the ease of accessibility for our diverse set of customers, the WhatsApp and SMS communication channels have been designed to operate in vernacular languages.

In addition, KSL undertook specific initiatives such as enhancing customer experience across touchpoints, launching a dedicated derivatives desk to support queries related to Futures and Options, and increasing the skillsets of employees who engage with customers directly to provide accurate resolutions. Through these initiatives, significant improvements across machine-level and IVR interactions were observed during this financial year. KSL also improved its process governance which helped in the reduction in escalation volumes from 0.46% in April 2022 to 0.14% in March 2023. These measures together have helped increase KSL's NPS scores.

¹GRI 3-3

It is critical for us to acknowledge and address concerns expressed by our customers and provide them with appropriate solutions. All the grievances received from our customers and clients are logged into the Bank's CRM application for recording, tracking and resolution.



CUSTOMER GRIEVANCE REDRESSAL MECHANISM

It is critical for us to acknowledge and address concerns expressed by our customers and provide them with appropriate solutions. Our Group has a multi-channel customer grievance redressal mechanism for handling customer grievances across our operations. This has been developed in line with our grievance redressal policy, details of which can be found on [page 362](#) of the Annexures. A procedure is defined for handling customer complaints at the Bank called the Memorandum of Operational Policies and Procedures. Our procedure for managing complaints mandates that our customer-facing employees efficiently categorise and document any grievances as defined in the complaint handling protocol and logged in to the Bank's CRM application for recording, tracking and resolution. A unique reference number is generated for each complaint or grievance received and an SMS/e-mail intimation along with the expected pre-defined TAT for resolution is shared with our customers immediately. In FY 2022-23, 94% of the complaints received/registered were closed within TAT. Moreover, an outstanding complaints ageing report is published on a day-to-day basis to indicate the status of all complaints pending resolution. A central team is responsible for tracking and reporting the complaints on a quarterly basis to the Board-level Customer Service Committee and the regulator.

Our customers can register complaints through Branch visits, phone calls or e-mail. Our website and mobile banking application also enable customers to submit complaints. We have an independent internal ombudsman who reviews the assessment of customer complaints before the rejection of any complaint. A Customer Standing Committee of the Board reviews the complaints on a quarterly basis. The insights gathered through thematic root cause analysis are used to improve business processes to reduce recurring complaints and enhance customer experience. This approach has enabled us to identify opportunities to make systemic improvements in areas such as reduction in the processing time of requests, simplification of the Re-KYC process and alerts management, among others.

Further, our current grievance redressal systems have been revamped with a focus on improving our resolution TAT and the quality of response. Our customer services have been improved by undertaking several initiatives such as empowering the frontline employees to resolve customer issues upfront, enabling DIY fulfilment of requests instantaneously, and providing upfront credit to customers for select transaction dispute categories, among others.

In order to ensure consistent and continued improvement in the manner in which we address and resolve customer complaints or grievances, a set of quantitative targets have been defined internally. Further details on our customer complaints can be found in the [BRSR](#) disclosure on [page 338](#) of this Report.

ELEVATING CUSTOMER EXPERIENCE: THE JOURNEY AHEAD

Our objective is to be the favoured banking ally for our customers, and we are focused on transforming our processes through digitalisation.

We strive to employ relevant and dynamic technology platforms, systems, and infrastructures to advance both our current platform and cater to evolving needs of different customer segments. This is expected to boost operational efficiency and fortify our overall competencies. As we continue building lasting relationships with our customers across the nation, we hope to inspire emotive transactions.

Our goal is to establish a smooth customer experience by equipping our staff with essential resources and training them to enhance our customer service capabilities. The findings obtained through the engagement surveys and studies undertaken to enable us to formulate effective strategic actions. Timely functional training sessions are conducted for our client-facing teams, given both the demand and requirement of the various products and/or services (banking, investments, and so on) offered. We have introduced a first-of-its-kind 90-day training programme for our service team which aims to improve the team's soft skills such as delivering superior client experiences and optimising internal resources to provide a seamless customer experience.

Towards increasing the efficiency and productivity of our Bank's product and service offerings, we are working towards embedding relevant data analytics tools to help address identified gaps and thereby enhance efficiency and productivity. The findings obtained through these data analytics tools will aid in improving specific aspects of a customer's journey.

We continue to be a customer-centric organisation developing differentiated propositions for new market segments to complete the service offerings across the spectrum of customer segments by using the power of technology to deliver outstanding customer experiences. In line with our transformation objective, it is imperative to ideate and develop products that cater to our customers' financial needs with an aim to become the go-to bank that caters to the evolving expectation of new-to-wealth consumers and every aspiring Indian.



We continue to be a customer-centric organisation developing differentiated propositions for new market segments to complete the service offerings across the spectrum of customer segments by using the power of technology to deliver outstanding customer experience.

We endeavour to create customer experiences that are consistent across our businesses, products and services. To achieve this, we are working constantly towards digitally augmenting the agility of the CX desk to bridge experience gaps and enable consistent customer experience throughout. We are in the process of designing products for our new-age customers while also enhancing our modes of service delivery. This will aid us to further reduce the turnaround time for grievance redressal thereby ensuring customer satisfaction.

ETHICS AND GOVERNANCE

Maintaining Highest Standards.

At Kotak, business ethics and corporate governance are entrenched in every aspect of our business and decision-making. We strive to align our business practices with the highest governance standards. Our policies, systems and procedures have been designed with the intent of communicating our values, priorities and strategy across all levels of the organisation. We regularly review all our policies and modify them periodically to comply with the most recent regulatory requirements and industry best practices.

SDG linkage	Relevant material topics
 5 GENDER EQUALITY	Corporate governance
 8 DECENT WORK AND ECONOMIC GROWTH	Ethical business processes
 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Regulatory compliance
Capital linkage	Data security
 Intellectual capital	Brand and reputation
	Contributing to development of regulations and policies

KPIs

20+ yrs
Average tenure of the Kotak Leadership Team with the Group

Zero
Data security and customer privacy breaches

47,923
Employees undertook the AML and anti-terrorist financing training recording 36,240 learning hours

48,548
Employees undertook trainings on data security and/or privacy-related risks and procedures recording 24,437 learning hours



Fostering a Culture of Ethics and Integrity¹

At Kotak Mahindra Group, our processes are designed with a strong emphasis on sound governance practices. Our key principles of governance include accountability, responsibility, integrity, independence, transparency in dealings as well as fair and timely disclosures. We expect our employees to consistently embed responsible behaviour in their day-to-day activities by embracing our corporate values and principles. We ensure that our employees receive adequate training on our policies, procedures and values. We also undertake regular awareness-building initiatives to keep them up to date with evolving practices.

The Bank's Board consists of eminent individuals with expertise and experience in various fields. The Board members understand and respect their fiduciary roles and responsibilities towards KMBL's stakeholders and strive to meet their expectations. The Boards of the bank and subsidiary companies provide a combination of professionalism, knowledge and experience required in the financial industry. All the board members of the Bank are above the age of 50 bringing a wealth of experience.²

The Board approved employee CoC communicates our ethics, values and position on crucial business issues. This Code articulates the standards of professional conduct and ethics we expect our employees to imbibe and guides them to adopt practices that promote anti-bribery and corruption-free business, anti-money laundering, among other aspects linked to ethics. All our employees are required to undergo training and required formally acknowledge adherence to the CoC at the time of joining and annually throughout their course of employment with us.

During FY 2022-23, above 22,000 employees undertook training on ethical standards and over 99% of employees acknowledged their adherence to the CoC digitally. We have imbibed a zero-tolerance approach to any violations of the Code, wherein any observed violations are treated seriously, resulting in timely disciplinary action depending on the severity of the breach of the Code. We have also implemented a Trading Code of Conduct that provides employees with guidance on responsible trading and sets out the standard procedures and approvals they must follow before trading.

We have employed robust systems to combat bribery, corruption and money laundering. Our approach is built on a strong foundation of the Board-approved Anti-Money Laundering (AML) Policy and the CoC. The AML Policy also covers 'Know Your Customer' (KYC) standards which help us become familiar with our customers and beneficial owners, enabling us to prudently manage our risks. The details of the Policy can be found on [page 363](#) of the Annexures of this Report.

We also have in place a Board-approved Vigilance Policy which includes preventive as well as detective vigilance. The vigilance policy is implemented by the Vigilance, HR and numerous other departments of the Bank. The Chief of Internal Vigilance (CIV) heads the vigilance department and is appointed by the Board. The CIV presents quarterly updates on vigilance activities to the Audit Committee of the Board as well as to the Board of Directors. The Vigilance department under the oversight of the CIV is responsible to undertake independent investigations of reported cases. Each business unit or function is governed by the Board approved delegation matrix for expense approvals and loan sanctioning alongside their policies and processes which adds another layer of protection against fraud and corruption. Our vigilance oversight also extends to relevant complaints concerning outsourced agencies or vendors. The internal audit and Risk Control Unit (RCU) teams monitor the adherence of teams to the respective policies. We have put in place systems that monitor employee transactions and flag and investigate unusual patterns of transactions. We have also identified certain roles which may be more prone to bribery and corruption and categorised them as high-risk roles, where clearance from the Vigilance department is required to enable the movement of employees to these high-risk roles. The Bank has also put in place Risk Control Self-Assessment (RCSA) for each function or business which supports the identification of risks related to corruption. We receive incidents of corruption through the whistle-blower portal. In the case where any incidents are reported through any channel, an independent investigation is followed by disciplinary action wherever required, an update of which is reported to the Board of Directors as well as the RBI. Our subsidiaries' policies, procedures and practices are also aligned with the Group's overall values and principles.

During FY 2022-23, we provided 36,240 hours of training on KYC norms and AML measures to 47,927 employees.



Managing Data Privacy and Data Security with Integrity

At Kotak, it is our constant endeavour to deliver digitally differentiated services and products tailored to the diverse needs of our customers. Our digital capabilities are augmented by resilient information technology infrastructure built to safeguard the integrity of our customers' data and our IT systems. We have Cybersecurity and Data Privacy policies accessible to all our employees. Our employees are required to undergo cybersecurity and data privacy-linked training. The details of the policy can be found on [page 363](#) of the Annexures of this Report.

Our Cybersecurity Policy and Information Security Policy and the Apex IT Policy are formulated to complement each other, enabling our employees to deliver services to our customers responsibly while ensuring the security and privacy of their data. The details of these policies can be found on [page 363](#) of the Annexures of this Report. Formulated with regulatory direction in mind, both these policies also take into consideration the best practices in the industry such as the NIST Cybersecurity framework and ISO 27001. Our Governance framework for managing technology and cyber-related risks is guided by a three-line defence system, which is as follows:

1 First Line of Defence	2 Second Line of Defence	3 Third Line of Defence
Information Technology (IT) Team and Business Units	Chief Information Security Officer (CISO) who reports to the Head of Risk Management	Internal Audit

The CISO oversees the implementation, reviews and monitors our cybersecurity policy and strategy. We have two Board-level Committees, namely the Risk Management Committee and the IT Strategy and Digital Payments Promotion Committee, and a Management Committee, the Information Security Committee, which are responsible for the oversight of the Bank's IT infrastructure and cybersecurity. As part of the first line of defence, the IT team conducts periodic self-risk assessments to evaluate the effectiveness of security controls and areas for improvement to prevent and mitigate risk and threats to the Bank's digital and physical infrastructure. Further, the audit function provides an independent assessment of the first and second line of defence and reports to the Audit Committee of the Board.

¹GRI 2-23, 2-26, 3-3, 205-2 | ²GRI 405-1

ETHICS AND GOVERNANCE

We are committed to upholding compliance with regulatory standards such as the UIDAI, and the European Union’s General Data Protection Regulations (GDPR) in applicable regions, as well as other relevant domestic and international guidelines. During this financial year, there were zero reported cases of data security breaches and incidents related to personally identifiable information of customers.³

We comply with the regulatory standards governing data privacy, personal data protection and cybersecurity. To ensure adherence, we have introduced an Information Security and Cybersecurity Policy, which applies to all our employees. Further, we have a Privacy Policy that applies to all our employees and contractors in our overseas business, especially in areas where GDPR is in effect. In addition, we have established an Apex Information Technology Policy to ensure the optimal and appropriate use of computer systems, strengthen our IT infrastructure and protect the integrity of the IT systems within the organisation. This Board-approved policy applies to all our employees (i.e., permanent, temporary or trainee), consultants, contractors, third parties and vendors associated with the Bank.

We have identified three IT focus areas to create significant improvement in our operations

Architecture and infrastructure



As part of this focus area, we have established an architecture review board to ensure strategic growth. We have also established a near Disaster Recovery site for improved resiliency of the core systems. We have also launched a Salesforce-assisted savings account onboarding platform and an Xpress Do-it-Yourself platform to facilitate the opening of savings accounts directly by customers, reducing customer acquisition time and ease of operation for customers.

Talent and culture



We have introduced a new operating model wherein software engineers and product managers, along with programme managers are building new in-house platforms. We are also focusing on recruiting new STEM talent, which is poised to help us in the digital journey Kotak is undertaking. Further details can be found on [page 63](#) of the ‘Empowering Our Employees’ section of this Report.

Risk and security



We conduct weekday Business Continuity runs for all core platforms, implement best practices of cyber security monitoring and analysis, along with upgrading systems to operate on a real-time basis—a few of these upgrades go beyond daily transactions such as NEFT and RTGS, and extend to service requests. We are also in the process of extending these real-time solutions to benefit pensioners registered with the Central Pension Accounting Office.

Recently, we have integrated a behavioural biometrics solution for Net Banking and Payment Gateway, which monitors user behaviour to identify any potential deviations. Without impacting the user experience, this solution triggers a high-risk score and highlights the key factors contributing to the score and alerts the RCU team. We are also intending to extend this service to the Mobile banking application helping us identify and arrest threats.

Furthermore, with an aim to strengthen our IT systems and processes, we conduct disaster recovery drills and put in place various security solutions such as database activity monitoring, application log integration (for relevant critical applications), data leak prevention across all IT system endpoints and micro-segmentation for the SWIFT application. This ensures that only whitelisted traffic reaches the SWIFT application server thus ring-fencing and reducing the attack surface of the application and strengthening its infrastructure’s security posture, and endpoint detection and response solution to proactively prevent and/or detect advance persistent threat attacks. SaaS solutions in place of anti-malware solutions have been implemented to improve signature compliance. In addition to these initiatives, the IT assets inventory is centralised and our firewall architecture has been transformed to maintain continued security. As part of this transformation, the Bank has deployed an additional layer of firewall cluster with a two-tier hyper scalable architecture at both data centres and disaster recovery sites.

DATA PRIVACY

The Group’s Privacy Policy is in alignment with relevant and applicable laws and regulations and is pertinent to everyone who has provided information to the Bank with the intention of establishing a relationship. We inform our customers on privacy protection concerns, including the collection and use of their information, data protection, and third-party disclosure policy among others. In addition, we have appointed a Data Protection Officer (DPO) to oversee and ensure compliance with privacy regulations. The DPO is accountable for the implementation and management of the privacy programme at the Bank and is assisted by a data protection task force comprising personnel from various teams, such as the Information Risk Management (IRM) team, Operational Risk Management (ORM) team and the Legal team, collectively enabling privacy compliance. We have a Cyber Security and Information Security Strategy in place, which is centred around three main pillars namely, people, process and technology.

In addition, as a part of the operational measures to help monitor and swiftly respond to data breaches, we have in place a Cyber Crisis Management Plan and an Incident Management Plan. Our Security Operations Centre (SOC) operates 24x7 to handle any data breaches and cyberattacks, and we also undertake routine privacy impact assessments.

OUR APPROACH TO CYBERSECURITY

As a Group, we recognise the severity of cyber threats and the associated risks they pose. To effectively combat and mitigate these threats, we have established a programmatic approach that includes a cyber-resilience framework designed to address potential risks such as data breaches, malware, denial-of-service attacks and others. The established controls and mechanisms are as follows:

Risk Assessment

Identifying risks across products, processes and systems.

Security testing

The systems are assessed for security requirements at the time of on-boarding and an ongoing basis. The Vulnerability Assessment and Penetration Testing (VAPT) of the systems is conducted as per defined schedule based on the criticality of the systems.

RED Team exercise and Cyber drills

The drills are conducted periodically to measure the effectiveness of prevention, detection and response controls implemented by the Bank.

24x7 security operations centre (SOC) monitoring

The SOC operates around the clock for identifying and responding to security incidents.

Threat hunting

Threat hunting is done for proactively identifying anomalies and vulnerabilities.

Threat intelligence

The threat intelligence feeds that are received from various sources (security partners, regulators, etc.) are utilised for hunting.

Our IT infrastructure is designed to proactively identify malicious behaviour or anomalies. Our information systems are ISO 27001 certified, and we conduct regular third-party security evaluations to ensure their robustness. These systems are continuously upgraded through significant investments in information security systems. Each of our digital products is thoroughly assessed for cybersecurity risks before being launched for public use. These products are also consistently monitored to ensure seamless service and security. We also perform periodic audits and thematic assessments of our critical systems to assist in evaluating the robustness of technological controls and reduce the impact of incidents. To facilitate the reporting of cybersecurity incidents or vulnerabilities, a specific email address has been established. Additionally, we have implemented a layered technology architecture to manage risks associated with system failures, cyber-attacks, and other similar events.



We have also established Disaster Recovery (DR) and Business Continuity Plans (BCP), along with various functional and technological initiatives. These activities have been undertaken to enhance the overall resilience of our systems.

To complement these activities, we also perform ad-hoc exercises regularly initiated both internally and externally, for application security testing, vulnerability assessment and source code review, to identify any vulnerabilities in our mobile or web applications, source codes and the larger IT Infrastructure.

We aim to continue focusing on four main critical areas to strengthen our long-term business growth trajectory. These four critical areas include: building scalable IT infrastructure, the development of robust business continuity and disaster recovery plans, retention of skilled and competent IT professionals, and the adoption of effective data management, analytical tools and systems.

CAPACITY BUILDING TO ENHANCE THE EFFICACY OF OUR SYSTEMS

Every new member of the workforce undergoes induction training which includes specific modules that promote awareness of data privacy for customers and cybersecurity. Our employees are also required to complete an Information Security Course on the Learning Management System annually which provides insights into the latest information security procedures. In addition to these training and awareness sessions, during FY 2022-23, we implemented several measures to generate employee and management awareness on information security including how to identify phishing scams and other potential threats. Further, our IRM team and CISO send out regular emails with cybersecurity-related updates and security tips to all our employees, including contractual employees.

Ethics and Governance will continue to be an important focus area for us going forward. We will continue to make our IT and cybersecurity infrastructure more robust and strengthen our governance practices to ensure that our systems are aligned with industry best practices.

³GRI 418-1