

FAQs on Climate Risk Aspects covered by bank towards Sustainability (FAQ)

1. What is the Banks governance to address Climate Risk?

Bank has formed a committee -Sustainability and Resilience Committee (SARC) headed by MD/CEO recommends policy, framework, model, and control to Board for activities related to sustainability and monitors targets in line with national and/ or regulator mandated goals as well as any internal goals set by the Board for emission reduction. Role and responsibilities of various divisions of the bank has been identified.

2. How does the bank address Climate Risk?

Bank has a dedicated Climate Risk Management cell. The cell is responsible for the

- a) Formulating framework for green/sustainable finance
- b) Climate Risk Related stress testing/ scenario analysis
- c) Formulation of policies related to green strategy.
- d) Disclosures of climate related information.
- e) Target Setting to achieve net Zero.
- f) Framework to compute Financed emissions.

3. Have the bank undertaken any initiatives/steps related to sustainability/ climate risk?

- a) Bank has in place a Financing Framework for Green, Social and Sustainability linked activities/ projects.
- b) Climate Risk Strategy for Bank is in place.
- c) Bank has board approved Climate Risk Management Policy. This Policy has been framed on Climate Risk Management to identify, measure, monitor, and manage climate risks effectively. The policy aligns with the RBI's initiatives, ensuring that Bank identifies potential climate-related financial impacts and implement strategies to mitigate them.

4. Has the bank calculated its emission? If so, what methodology was used for this calculation?

Bank has calculated Scope 1, Scope 2 and Scope 3 (including Financed Emissions) for FY24. Based on guidelines provided by GHG corporate accounting and reporting standards and PCAF's Financed Emission Standard.

5. Initiatives taken by Bank on capacity building related to climate risk.

Bank has an online platform for skill upgradation of employees, providing courses related to climate change.

The Bank has two courses, related to Climate Risk and Sustainability, in its approved list of courses, viz. Sustainability and Climate Risk by GARP and Certificate in ESG Investing by CFA.

Bank Conducts Workshop on various initiatives taken by Bank to address Climate Risk.

6. Has the bank defined and documented climate stress testing? To provide details. What is the periodicity of tests/mock drills conducted?

- a) Climate Risk stress testing methodology for physical risk is in place.
- b) Climate Risk Stress Testing for Transition Risk Methodology is in place.
- c) Stress testing for both physical and transition risk is carried out half yearly.

7. Does the bank make public disclosure of information related to climate risk?

- a) The bank actively complies with the Securities and Exchange Board of India (SEBI) Business Responsibility and Sustainability Reporting (BRSR) requirements.
- b) Disclosing on CDP Platform has been part of Bank's disclosure policy for FY2024-25. The 2024 Questionnaire provided by CDP for Climate Change for Financial Services sector has been filled with relevant responses as on 31.03.2024. CDP disclosure has been submitted on portal.
- c) Information related to green deposit and financing framework is uploaded on bank's website.