

Greening the value chain

Climate change is one of the most pertinent issues of our times. At HDFC Bank, we are continuously transforming our operations to achieve low-carbon growth. We have set a target to achieve carbon neutrality for our Scope 1 and Scope 2 emissions by FY32 and are formalising a roadmap covering phased emission and energy reduction targets.



Governance

Our Board-governed environmental policy serves as a framework to understand and manage our environmental risks, impacts and opportunities. Our Board of Directors sets courses and evaluates our performance on social and environmental responsibility. We are continuously working to incorporate environmentally responsible practices in our own operations, through our vendors, as well as through responsible financing. No cases of non-compliance with environmental laws and regulations were identified during the year. We track our GHG emissions and transparently report our environmental performance annually.

Metrics and targets

We monitor KPIs for all major environmental indicators and initiatives covering energy, GHG emissions, water and waste for all our operations and aim to minimise the environmental impact thereof. We report on climate-related disclosures through the Carbon Disclosure Project and our TCFD disclosures, which are included in this report. Towards this end, the Bank is formalising a roadmap to guide its journey towards carbon neutrality. The roadmap consists of phased emission and energy reduction targets. More details on this can be found in subsequent chapters.

Our neutrality, absolute emission and intensity targets

32%

CARBON NEUTRAL* BY FY25

50%

CARBON NEUTRAL* BY FY28

100%

CARBON NEUTRAL* BY FY32

23%

REDUCTION IN ENERGY INTENSITY (GJ/FTE) BY FY25#

9%

REDUCTION IN ABSOLUTE SCOPE 1 AND SCOPE 2 EMISSIONS BY FY25*** (EXCLUDING OFFSETS)

34%

REDUCTION IN SCOPE 1 + 2 EMISSIONS INTENSITY (tCO₂/FTE) (EXCLUDING OFFSETS) BY FY25

Develop a roadmap

FOR ENHANCING THE QUALITY OF DATA FOR CALCULATION OF EMISSIONS.

Notes:

#Base year for targets for energy and emissions: FY22.

**'Carbon Neutral' targets include the use of offsets and reflect neutrality over projected emissions in the corresponding year.

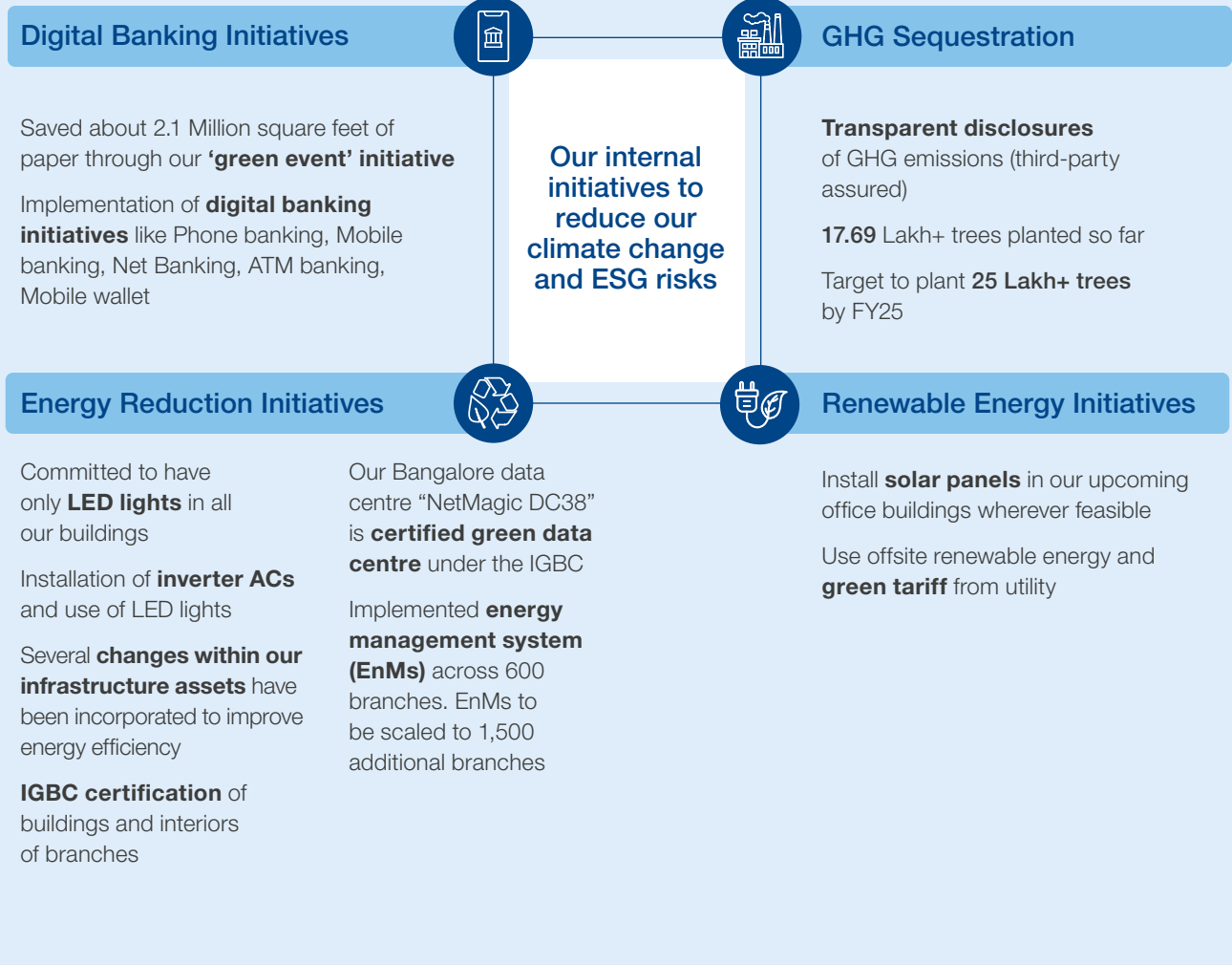
***Including both demand & supply measures

Our Scope 1 emissions includes emissions from fuel consumption in own vehicles and DG sets. Scope 2 emissions include emissions due to purchased electricity.

Energy consumption as discussed in this report includes energy consumed by the Bank within its operations – including electricity, and fuel consumed in DG sets at locations where it has operational control as well as its co-located data centres and company vehicles. All targets are based on accelerated emission reduction scenario used in our integrated carbon neutrality roadmap.

Initiatives to reduce environmental footprint

We are working to align our business operations with socially and environmentally responsible practices. We are incorporating both technological as well as process solutions in our day to day operations in order to add value to the quality of environment.

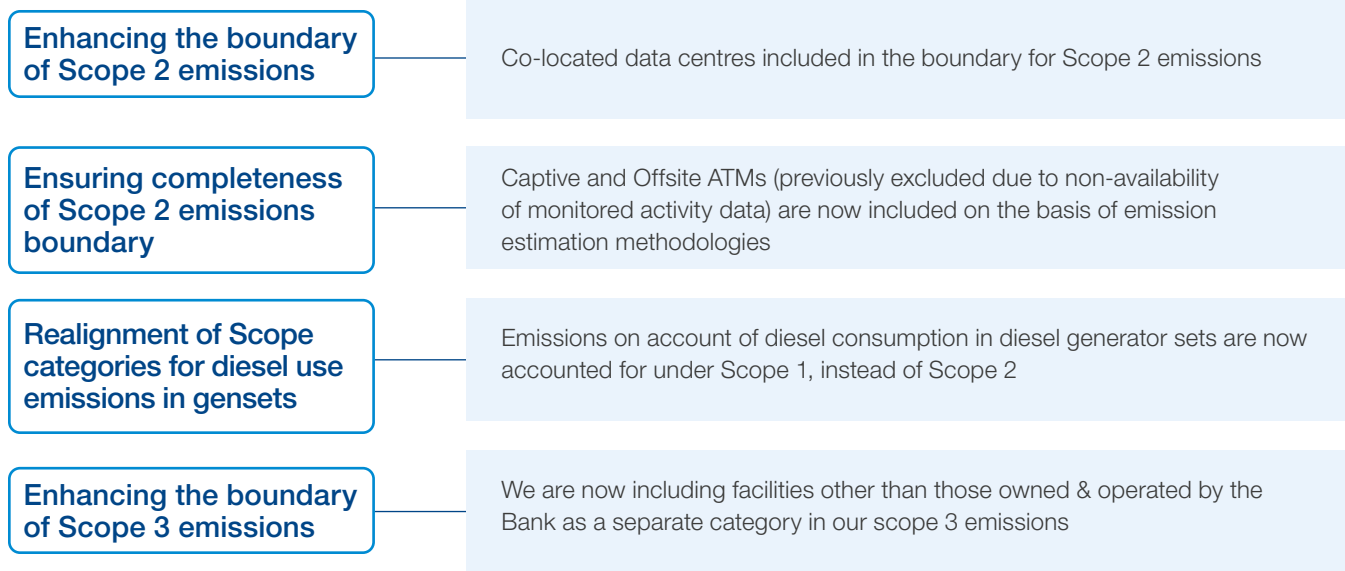


GHG emissions and climate change

At HDFC Bank, we have put in place an integrated strategy for managing our scope 1 and scope 2 emissions (refer page 69 and 70). As we had surpassed our previously set targets, we have taken on new targets with FY22 as base year. Our emission sources included in our base year GHG inventory demonstrates an enhancement of our ambitions and transparency goals. Not only have we ensured the

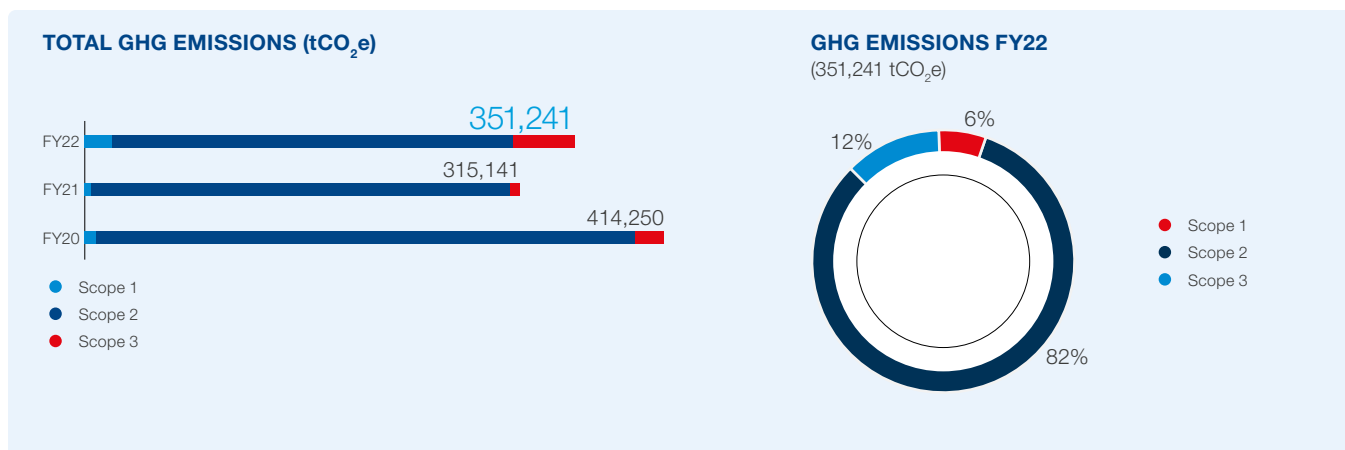
completeness of our Scope 2 emissions from already identified source categories, but also included our co-located data centres as a source category for our scope 2 emissions. Similarly, we have added a new source category for our Scope 3 emissions – emissions on account of electricity consumption at our other facilities.

Enhancements to our emissions boundary and scope



As a result of the enhanced boundary and scope, our total GHG emissions for FY22 increased 11% y-o-y by 36,100 tCO₂e, of which 92% (33,136 tCO₂e) is attributed to the addition of a new source category. Another 12,728 tCO₂e was added to the inventory on account of electricity consumption from our co-located data centres.

Thus, overall, there is a net reduction in GHG emissions in FY22 considering only the sources that were included in FY21 reporting. As a result, the share of Scope 1 and Scope 3 in our total emissions profile increased to 6% and 12%, respectively. Scope 2 emissions maintained 82% share in our total emissions.



Our Scope 1 emission increased from 5,826 tCO₂e in FY21 to 20,877 tCO₂e in FY22, primarily on account of inclusion of emissions from diesel consumption in generators – which were previously included in Scope 2. This is because we have actual/ perceived control on the fuel consumed at a significant number of our branches and office locations. Fuel consumption in company-owned vehicles account for about 41% of our Scope 1 emissions while diesel consumption in diesel generators account for the remaining 59%.

Our Scope 2 emissions decreased by 12,474 tCO₂e in FY22 over FY21, of this 9,570 tCO₂e was on account of shifting emissions from diesel generators to Scope 1. Emissions on account of purchased electricity decreased by 2,904 tCO₂e, despite the inclusion of our co-located data centres and an increase in the number of other locations in Scope 2 inventory.

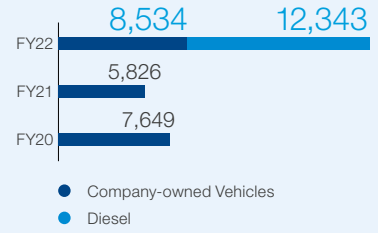
We are committed to collaborating with our data centre service providers to reduce the GHG footprint of our owned and co-located data centres. Currently, data centres contribute 7% of our Scope 2 emissions. This year, we also enhanced our approach towards calculation of Scope 2 emissions. We have stepped up our efforts to collect actual electricity consumption data for estimating corresponding GHG emissions. In doing so, we are prioritising high-consumption locations. In FY22, we collected actual kWh data on electricity consumed from 46% of our locations – which

collectively consumed about 50% of electrical energy.

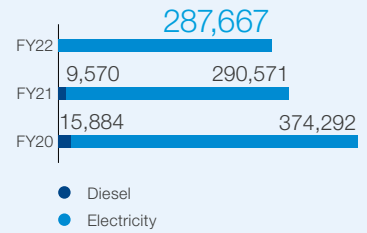
For remaining locations, we track the cost of electricity consumed through our robust financial management system and use the same to derive estimates of electricity consumed using the most conservative tariff for commercial slabs at the state level. There are some of our smaller locations like ATMs for which we are in the process of establishing systems to collect activity data. For such locations, we are estimating electrical energy consumption based on a methodology that takes into account the climatic zone in which such locations are based, and energy consumption benchmarks derived from data on actual electrical energy consumption collected by us in similar locations. Although electrical energy consumption at such ATMs is only about 4% of our total electrical energy consumption, we are progressively enhancing our systems to capture actual activity data on electrical energy consumption for all locations.

In FY22, our Scope 3 emissions increased significantly over FY21, primarily on account of inclusion of emissions due to electricity consumption at other facilities. These emissions now account for 78% of our total Scope 3 emissions. The remaining 22% of our Scope 3 emissions are split between emissions due to hired cabs (13%), air and rail travel (2%), paper waste (7%), and e-waste (<1%).

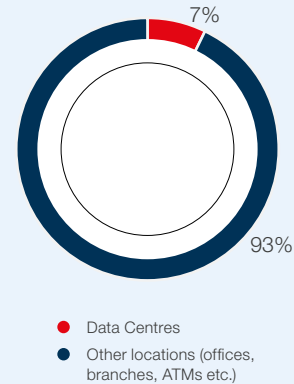
SCOPE 1 EMISSIONS (tCO₂e)



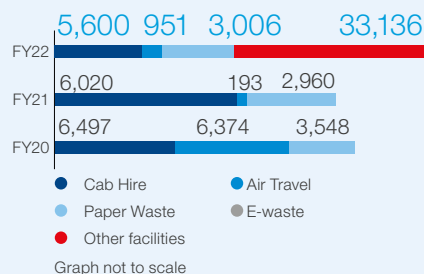
SCOPE 2 EMISSIONS (tCO₂e)



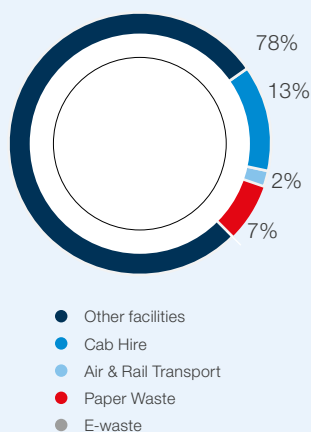
ELECTRICITY EMISSIONS (287,667 tCO₂e)



We have expanded the reporting boundary for our Scope 2 emissions. This year onwards, we will be including emissions relating to use of purchased electricity at our co-located data centres in our Scope 2 emissions.

SCOPE 3 EMISSIONS (tCO₂e)

SCOPE 3 EMISSIONS

(42,697 tCO₂e)

Emission Scope	Emission Source	Emissions (tCO ₂ e)
Scope 1	Company-owned Vehicles	8,534
	Diesel consumption in DG sets	12,343
Scope 2	Purchased electricity	287,667
Scope 3	Purchased electricity in other facilities	33,136
	Cab Hire	5,600
	Air Travel	950
	Rail Travel	2
	Paper Waste	3,006
	E-waste	4

Notes:

Scope 1 emissions includes CO₂, N₂O and CH₄ emissions from the combustion of diesel purchased by the Bank for its various facilities, as well as combustion of various fossil fuels in Bank-owned vehicles. For the former, diesel purchase data is extracted from the Bank's financial management system and the cost of diesel purchased is converted into liters of diesel using conservative estimates of diesel prices in various states. For the latter source, activity data in terms of quantity of fuel has been extracted from the financial management system. Emission factors and GWP from GHG Protocol's Cross sector tool and IPCC's AR5 respectively have been used.

Scope 2 emissions include GHG emissions from electricity consumed in the facilities that can be reasonably considered to be under the operational control of the Bank, as well as its co-located data centres. A hierarchical approach has been followed for estimation of emissions from this category (i.e. (i) monitored data on electrical energy consumption, (ii) estimates of electricity consumed based on procurement costs and state-level tariff; and (iii) estimated electricity consumption based on climatic-zone specific, internally derived electricity consumption benchmarks; in that order). In all cases, Grid emission factor from version 17 of the CEA's (Central Electrical Authority) CO₂ database has been used.

Scope 3 emission estimation: Emission on account of purchased electricity at our other locations have been estimated using the same approach as in Scope 2 but includes other facilities not included in Scope 2 emissions. Emissions from hired cabs have been estimated based on expense report for hired cabs from the Bank's financial management system – which has been used to derive the distance travelled. Average of emission factor for various categories of cars from the India GHG programme has been used. For domestic air and rail travel, information on trip characteristics has been extracted from the Bank's financial management system, and the distance travelled is derived from publicly available sources. The emissions have been calculated in accordance with the India GHG programme. For international travel through air, the source of data remains the same, but emission factors for different class of travel and haul categories have been derived from the GHG protocol.

Emissions from paper and e-waste have been estimated based on emission factors provided by the latest version of the USEPA's WARM tool on the extracted data for paper used and e-waste disposed.



We have been monitoring our energy performance by benchmarking it against the Bank's income and full-time employees (FTEs). During FY22, our Scope 1+2 GHG emissions intensity decreased by 14% and 6% y-o-y for per FTE and per Crore income, respectively.

Key measures to reduce GHG emissions across our value chain

Reducing paper waste emissions:

Our digital strategy forms the backbone of our paper waste reduction initiatives. Our digital products and services, along with automation of several internal as well as customer-linked processes and channels, have enabled us to reduce paper waste generation. The 'Green Event Guidelines' rolled out by our retail marketing team has helped save about 2.14 Million square feet of paper during the reporting year. We have also shifted to electronic payments for our electricity bill payments – which helps avoid paper use for issuing about 50,000 Demand Drafts annually. Where paper use is unavoidable, we are switching to recycled paper. As a result, associated emissions increased by less than 2% y-o-y in FY22, despite an 18.3% increase in our customer base.

Tree plantation: We are also implementing an ambitious tree plantation programme, under which we have planted over 17 Lakh trees so far. This programme has not only positively impacted our GHG emissions, but has also helped enhance our social capital and relationship capital.

Energy efficiency and energy management

over 80% of our GHG emissions are attributed to energy consumption in the form of electricity and diesel consumption in DG sets. We are aggressively working to reduce our energy consumption across operations to complement our initiatives to decarbonise. This is being achieved by reducing energy consumption across our operations by regulating existing equipment, installing energy-efficient ones, and implementing automated energy management solutions, among others. Our energy management and energy efficiency strategy includes various initiatives.

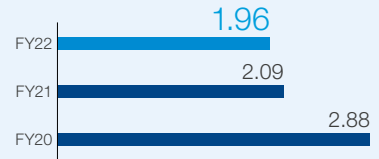
Energy efficient space cooling measures:

We have installed 55 Air Handling Units (AHUs) at our Kanjurmarg location and we are planning to replace all blowers to EC Fan by FY23, indicating potential savings of 25-40%. Thus far, we have converted one AHU as a trial and saved around 4,082 kWh of electrical energy while avoiding 4 MT of carbon emissions. We are installing inverter ACs in our locations that has helped us save 5 Million+ kWh of electricity during FY22. Additionally, we have also saved 54,450 kWh of electricity during the year, through installation of VRF HVAC Unit at our back offices. We use digital systems and data analytics to understand the energy consumption pattern, in addition to ensuring that the branches are maintained at optimal temperatures, improving the power factor and automating major energy consuming assets.

Efficient data centres: Our Bangalore data centre, 'Netmagic-DC3B' is a certified green data centre under the IGBC Green Data Center Rating System. We have implemented several other energy-saving measures including upgradation to efficient

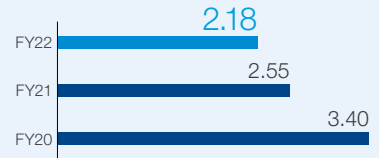
GHG EMISSIONS INTENSITY

Scope 1 + Scope 2 (tCO₂e / ₹ Cr income)



GHG EMISSIONS INTENSITY

Scope 1 + Scope 2 (tCO₂e / FTE)



Our digitised processes and products have helped customers reduce their frequency of visits to the Bank's branches, ATMs, and Offices - thereby reducing associated emissions.

26,000+

tCO₂e/ per year

CO₂ SEQUESTRATION POTENTIAL CREATED THROUGH PLANTATION ACTIVITIES

0.13

tCO₂e/ per year

REDUCTION IN SCOPE 1+2 EMISSIONS PER CR INCOME IN FY22

0.37

tCO₂e/ per year

REDUCTION IN SCOPE 1+2 EMISSIONS PER FTE IN FY22

cooling units, cold-aisle containment, replacement of old storages and servers and with new generation hardware, and implementation of Smart iPDUs. Additionally, we have switched to R-407c refrigerant for INROW cooling, deployed new fire suppression system with NOVEC 1230 gas, and replaced UPS batteries with Li-ion batteries.

IGBC Platinum Certification

FOR OUR DATA CENTRE IN BANGALORE

Building management and Green Buildings:

We have incorporated several changes within our infrastructure to improve energy efficiency through auto controls and environment-friendly equipment. We have installed centrally controlled energy management system in 600 branches across India till date. This system allows us to control consumption patterns, resulting in a minimum of 10% saving on power consumption. In FY22 alone, we saved ~48.81 Lakh units. Based on encouraging results from this project, we plan to expand the initiative to an additional 1,500 branches across the country.

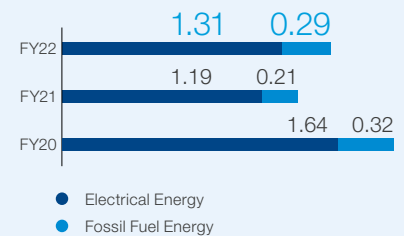
We have LEED Gold certified offices in Mumbai and Bhubaneswar. In addition, new buildings in Mohali, Kolkata Palava and Mumbai (Maharashtra) premises are being constructed to meet IGBC Gold certification standards. Similarly, our Wanowrie back-office has been designed as per IGBC Green standards; we have received IGBC Gold rating for it. All new interior work carried out during and after FY22 are being designed as per IGBC Green standards. So far, interior work at 378 branches is being carried out as per IGBC Green standards and one branch in Maharashtra has received Gold rating.

Besides, we are leveraging technology and innovation as facilitators in our journey towards low-carbon growth. We have implemented elevator and equipment scheduling to reduce our energy consumption. We have also installed occupancy sensors, capacitor banks as well as Building Management Systems at several of our operating locations. The energy management modules with auto controls deployed across select branches have resulted in significant energy savings.



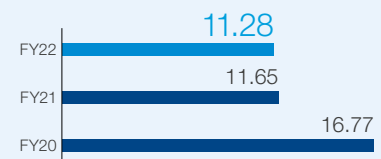
TOTAL ENERGY CONSUMED

(Million GJ)



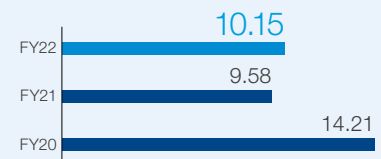
ENERGY INTENSITY

(GJ/employee)



ENERGY INTENSITY

(GJ/ ₹ Cr income)



4.8+

Million kWh

ENERGY SAVED DURING FY22 ON
ACCOUNT OF EnMS IMPLEMENTATION

Energy Consumption	GJ
Diesel: DG Set	165,586
Diesel: Company Cars	38,599
Petrol: Company Cars	81,417
CNG: Company Cars	9
Grid Electricity	1,310,888



Renewable energy

With the goal of gradually decarbonising our energy consumption, we are steadily increasing the share of renewable energy in our overall power consumption. We have installed rooftop solar plants at our offices in Jaipur, Pune, Noida, Bhubaneswar, Chandigarh, Mumbai and Mohali.

In Maharashtra, we are gradually shifting our branches to run on green power procured through DISCOMs at a premium. So far, 14 of our branches are operating on green power, resulting in annual avoidance of ~905 MT carbon emissions on 1,028 MWh of procurement per annum.

238.5 kWp

OF CUMULATIVE SOLAR POWER GENERATION CAPACITY COMMISSIONED AS OF MARCH 31, 2022

Managing waste

We are working progressively towards sustainable management of waste generated from our operations. We deal with three types of non-hazardous waste – e-waste, dry waste (paper waste) and wet waste (cafeteria, sewage), of which e-waste is disposed through authorised recyclers. A total of 212 tonnes of e-waste was generated in FY22, because of asset refresh, damaged and non-functional assets. For paper waste and wet waste, we are developing a management plan in consultation with our partners. We have already initiated pilots at select locations and intend to scale it up over the next few years. We continue to work towards establishing and implementing systems and procedures for tracking wet and dry waste from our operations.

We are also aggressively working towards minimising the use of plastic bottles. Single use plastic bottles have already been phased out from all our hub offices pan-India, and we have replaced multiple use plastic water bottles with glass jars across all meeting and video conferencing rooms. Hazardous waste within our scope, arising from diesel/fuel oil used in generator sets, is negligible.

Responsible financing

ESG and climate change are becoming increasingly important from the perspective of borrower credit evaluation, as well as regulators and other stakeholders. We are following a two-pronged approach to address ESG and climate change risks in our lending portfolio. On one hand, we seek to ensure adoption of and adherence to complete ESG and Climate Change assessment across multiple business divisions when issuing credit facilities, based on interactions with stakeholders, external agencies and relevant literature. On

the other hand, we are engaging with some of our largest corporate borrowers to better understand their ESG strategies and transition plans for managing climate risks.

Our credit policy requires that no funding be provided for establishing new manufacturing units that produce or consume ozone-depleting substances, and that no financing be provided to small- and medium-sized businesses that manufacture aerosols containing CFCs. Besides, as a standard practice, we require all loans, including project loans, to be approved by a Credit Approver/Senior Credit Approver with the necessary approval authority. Due to the elevated risk involved with large project loans, the extension of financing for such projects require additional approvals from senior management/the Board to ensure adequate scrutiny of the proposals.

Evaluation of environmental and social risk is an integral part of our overall credit appraisal and approval process.



Long-term financing proposals for large industrial/infrastructure projects (greater than ₹100 Million and tenor above 5 years) are evaluated through the SEMS framework, which requires an assessment of Environmental, Health, Social, and Safety risks in addition to other risks as part of the overall credit appraisal process. This comprehensive assessment involves evaluating the borrower's operations, as well as any potential negative environmental and social consequences. We have already mapped potential impact categories

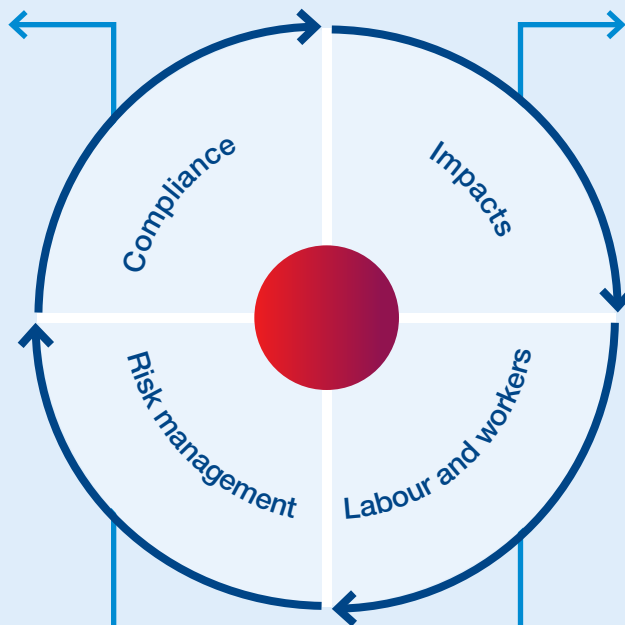
for risk evaluation of specific, capital-intensive industries such as roads and highways, thermal power, power transmission, cement, hydroelectric power, and manufacturing, among others, to guide the assessment process. In addition, the SEMS framework includes assessment of aspects related to labour availability and worker welfare, risk assessments, and compliances and approvals. In FY22, 861 loan proposals were screened through the SEMS framework.

In FY22, 861 loan proposals were screened through the SEMS framework

Social & Environment Monitoring System (SEMS) framework

Availability and validity of various statutory approvals/clearances for implementation of the project from various government bodies

Borrower's operation and the potential adverse environmental and social impacts



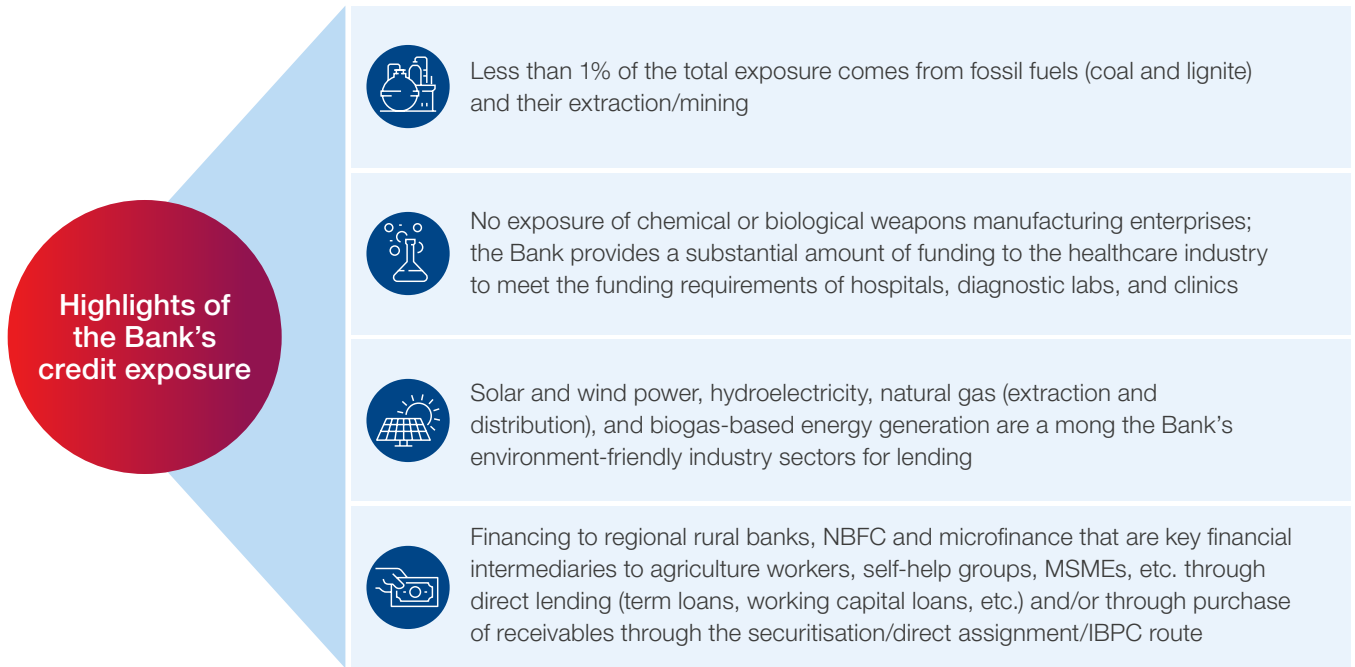
Borrower's/sponsor's track record in adequately addressing/managing the risks

Labour availability, facilities provided to project personnel and labour, exploitative/child labour

For select large project finance transactions, we appoint a Lenders' Independent Engineer (LIE) for conducting an environmental and techno-commercial evaluation of the project prior to loan disbursement. Any loan disbursement is subject to the correction of deficiencies related to environmental and social risks identified by LIE. During the construction stage as well, the LIE continues to monitor the project and flags any risks associated with environmental/social issues in the project to the Bank and borrower for necessary corrective action.

Where required, we place pre-disbursement stipulations/terms of sanction to mitigate adverse environmental and social impacts, collect undertaking of compliance with applicable regulations and criteria, and monitor ongoing compliance on an annual basis.

Our lending procedures are guided by borrower and market demand, but our credit exposure is well-diversified, with no single industry having a high concentration. As a result, our credit exposure to ecologically/socially sensitive industry sectors has minimal negative consequences. We also finance entities that deals with environmental and social issues.



Upgrading to a new 'ESG & Climate Change Assessment' framework

We have identified upgradation of the SEMS framework as a priority activity and have been working on revising the SEMS framework with a 'ESG & Climate Change Assessment' framework to enable a more comprehensive assessment of

ESG and Climate Change issues. We have also been working on expanding the coverage of the assessment framework. Our newly formulated and exhaustive 'ESG & Climate Change Template' shall be applicable to all Credit Assessment Memoranda

(CAMs) where the aggregate CAM appetite crosses a certain threshold, rather than at a transactional level, as is the current practice. This template shall be included in all CAMs where direct customer exposure is above a certain threshold.

ESG and climate change template – key highlights



The impact of specific environmental risks – emissions, radiation hazards, biomedical/ industrial waste, deforestation, etc. as well as mitigating factors in terms of systems and processes to cope with negative impacts



Impact of social issues – land acquisition, resettlement and rehabilitation, labour safety, etc.



Qualitative assessment of the physical and transition risk of climate change on the borrower's activities



Evaluation of the availability and sufficiency of legislative clearances/ compliances in the areas of pollution control and effluent treatment



Positive aspects of the Company's environment impact, such as biodiversity conservation and community engagement

To complement our ESG and Climate Change risk assessment framework, we are tailoring our own corporate loan portfolio towards climate-sensitive financing and to companies with robust systems and processes. For this purpose, we have begun engaging with select customers to understand their current ESG strategy, compliance, reporting frameworks and ESG ratings; their operations, and long-term climate transition plans for carbon footprint reduction through process improvements in existing operations, business transitions, such as de-commissioning of certain lines of business and investment in 'clean' technologies; and targets for water consumption reduction, emission reduction, etc.

The Product Responsibility sub-committee of our ESG action

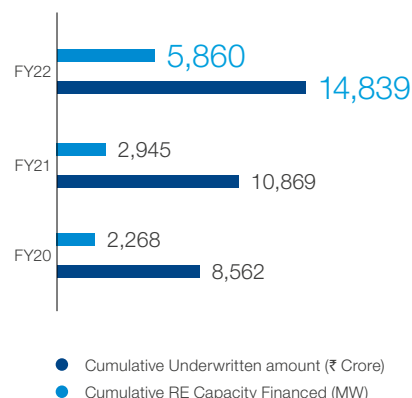
committee focuses on identifying new opportunities in the Environmental and Social space, such as Green Bonds. We aim to provide access to capital for environmentally sustainable projects that contribute to climate change mitigation.

We also finance renewable energy projects. So far, we have underwritten loans of ₹14,839 Crore for a cumulative capacity of 5,860 MW (solar capacity of 3,386 MW and wind of 584 MW).

We have also financed city-gas distribution networks under Minimum Work Program with a total underwritten amount of ₹2,393 Crore for 794 CNG stations and over 4.6 Million domestic connections. In FY22, we also partnered with Indore Clean Energy Private Limited for financing Asia's largest waste to energy plant at Indore,

Madhya Pradesh. This plant aims to treat 50% of municipal waste generated in the city and convert it to 100% biogas and manure.

RENEWABLE ENERGY FINANCING



Achieve carbon neutrality by 2032

In June 2021, the Bank pledged to become carbon neutral by FY32. We are in the process of rolling out an integrated actionable strategy roadmap comprising three mitigation pillars and three management pillars. The next decade will be a 'Decade of Action' for the Bank, as we will build on each of these pillars to make meaningful and system-driven changes within the organisation to achieve our carbon neutrality goal.



Our target includes GHG emissions generated by our operations arising from the combustion of fossil fuels (Scope 1 emissions) as well as emissions from the generation of purchased electricity consumed by the Bank (Scope 2 emissions) at its operating locations and its owned and co-located data centres. The target covers carbon dioxide (CO₂), nitrous oxide (N₂O), and methane (CH₄) emissions.

Our integrated strategy for achieving carbon neutrality is based on a detailed assessment of our key operational parameters. The baseline emissions were established based on the latest dataset available, which fed into an integrated tool for forecasting emissions. The projected emissions based on a likely business growth scenario were laid over with multiple scenarios of emission reduction pathways to understand cost and potential reductions under each scenario. Based on an engaging and deeply consultative process with our departmental teams and ESG action committees, we have set our eyes to achieve carbon neutrality based on the following interventions:

Demand-side energy management

We are in the process of adopting a broad range of technological solutions and operational measures to reduce energy consumption at our operating locations. We have mapped Energy Performance Indicator (EPI) for all our locations and are using it as an internal benchmark for the energy performance of all types of facilities. We have shortlisted various demand-side interventions for phase-wise implementation across locations based on an assessment of feasibility and RoI. These measures include smart IoT-based building management systems, modular

UPS systems, air-conditioners with high ISEER rating using Brushless DC Motors (BLDC) technology, etc.

Supply-side energy interventions

We seek to progressively decarbonise our energy consumption and are increasingly adopting low-carbon energy sources to support our operations. Our supply-side strategy focuses on gradual shifting to green tariffs offered by utilities wherever available and procurement of renewable energy from offsite power plants and exchanges. The green tariff option, which is currently available only in a few states (Maharashtra, Karnataka, Andhra Pradesh) is expected to be made available and affordable in more states, and therefore in the interest of sustainability, we plan to make use of the offering on a gradual basis, despite a premium over the existing electricity rates. In large locations where regulatory requirements for open access and wheeling are met, renewable energy will be procured from offsite power plants, either directly or through power exchanges. The initial list of locations where renewable energy procurement is planned to be taken up is already identified. A firm-level policy guideline on making maximum use of green energy supply interventions in existing and new locations is also being finalised. If and when required, we may also utilise green certificates for carbon neutrality compliance.

Carbon Credits and Offsets

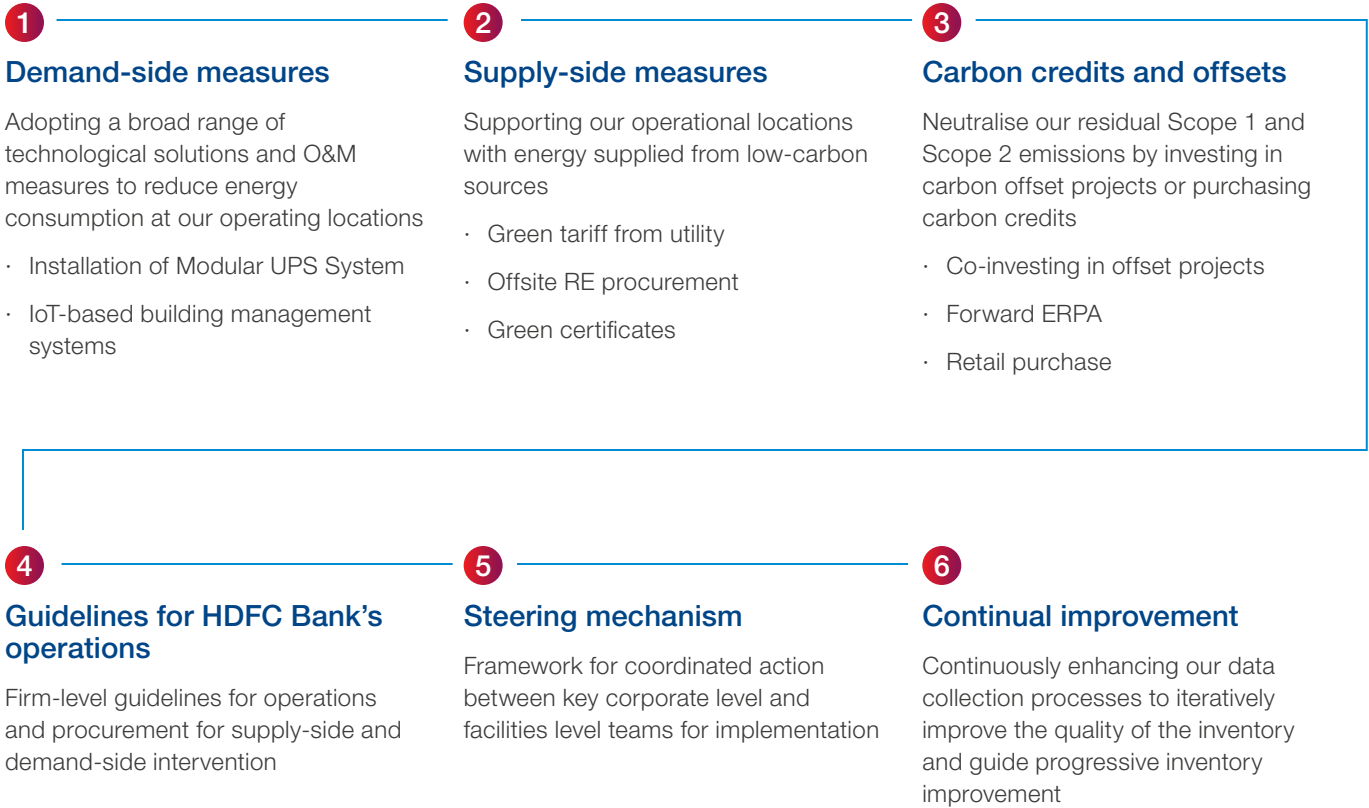
Carbon offsets will continue to play a role in addressing the balance of our residual emissions. We will evaluate and leverage carbon offsets and assess opportunities to develop mitigation and abatement

projects through technological and nature-based solutions. We intend to engage in voluntary markets, and in compliance markets when the latter is applicable to our business operations. When participating in voluntary carbon markets, we will carry out due diligence to ensure that we retire the highest quality offsets, which are verified by internationally recognised standards such as Verra, Gold Standard, etc., to balance our residual emissions. We will adopt a two-pronged approach to secure the availability of offsets for retirement. While we may make direct investments in carbon offset generating projects in collaboration with our partners, we may also need to purchase carbon credits from various market options on a need basis for retirement against our residual emissions. While investing in carbon offset generating projects, we will prioritise projects that add socio-economic-ecological value to the communities in which we operate, and those projects which are in proximity to our operations in India.

The 'management' related pillars of our carbon neutrality strategy pertain to developing firm-level guidelines for operations and procurement for supply-side and demand-side interventions, establishing a framework for coordinated action between key teams for implementation and continuously enhancing the GHG data collection processes to improve the quality of the inventory. We will also monitor the implementation of interventions and progress towards our emission reduction targets every two years and realign our integrated strategy incorporating the best available technologies and measures.

Our roadmap to 2032

We have identified six strategic pillars to ensure that our journey to carbon neutrality is meaningful and brings about a systems change within the organisation



OUR GOAL

Carbon neutral by FY32

FOR SCOPE 1 AND 2 EMISSIONS

Our Carbon Neutrality strategy formulation is based on a detailed review of operational parameters informed by the most recent dataset available. We have established our baseline emissions data and projected emission for a likely scenario business growth, superimposed with future abatement

TCFD disclosures

HDFC Bank recognises the growing concerns of regulators, investors and clients about climate risks that businesses, particularly banks and financial institutions, face. This is our second year of working on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) – which provides a useful framework for identifying climate-related risks and opportunities, evaluating effective responses and communicating crucial information to stakeholders.

Governance

We have a strong Risk Management Group (RMG) at the Bank that oversees putting the Board's risk strategy into action, as well as designing procedures and systems for detecting, measuring, monitoring, assessing and managing risks. The RMG is led by the Chief Risk Officer (CRO), who is responsible for risk management and the entire risk architecture and framework of the Bank including stress testing. The Chief Information Security Officer reports on the Bank's cyber-security concerns as well as updates from Business Impact Analysis and Disaster Response.

The Group Head for Corporate Social Responsibility (CSR) & ESG updates the CSR & ESG committee of the Board, every quarter on the Bank's sustainability (ESG) initiatives and progress on ESG actionables and chairs the ESG apex committee. The ESG apex committee governs and reviews the progress of the three action committees that drive the ESG agenda (including climate change) at the Bank.

The Product Responsibility sub-committee, examines Environmental & Social (E&S) risks in our operations, including climate risks, while finding new business opportunities in the E&S arena. The Environment sub-committee comprises of representatives from the Administration, Infrastructure and IT teams at the Bank, sets targets and identifies opportunities for improvement in areas

of emissions, energy, water, and waste. This committee will continue to drive the Bank's path towards achieving carbon neutrality. The Bank has a dedicated ESG vertical that works in conjunction with several internal and external stakeholders, to drive the ESG agenda.

Credit managers assess environmental risks arising from large loans through the SEMS framework.



Strategy

The Bank has been reporting to the Carbon Disclosure Project (CDP) on its climate change strategy, risks, opportunities, and emissions. From the perspective of climate risk assessment, we will assess the priority of physical and transition risks in the near to medium term. Some of the critical parameters to consider would be GHG emissions, air pollutants and climate transition risk pathways both at the sector and borrower level.

There are two main types of climate-related risks:

- 1) **Physical risks (both acute and chronic):** Economic losses (physical damage to property and assets) from extreme weather events (flood, cyclone, etc) attributed to climate change; and
- 2) **Transition risks:** Possible process of adjustment to a low-carbon economy and its effects on the value of financial assets and liabilities

We are exploring frameworks to model and assess climate risks. We also continue to acquire granular data further corroborated by BRSR data (FY23 onwards) and test tools for climate risk assessment and conduct scenario analysis through suitable partnerships – including exploring options to tie-up with data providers. Given that climate risk is an emerging and long-term risk for the Bank, we will consider adopting a suitable methodology/pathway to analyse the Bank's exposures under different climate scenarios.

Risk Management

<p>Current regulation</p> 	<p>Banks are highly regulated in the country and mandates as part of current regulations are always integrated into the overall risk planning and assessment process. Current regulations are also factored in the credit assessment process, especially through the SEMS framework which is used to screen large loans for environmental and social risks.</p>
<p>Emerging regulation</p> 	<p>Transition risk can impact the Bank's credit portfolio resulting from changes in the climate policy, technology, consumer, and market sentiment during the transition to a low-carbon economy. This is particularly relevant for policy changes that can result in loan defaults from certain sectors like coal, thermal and infrastructure. We are exploring techniques for developing climate risk assessment and scenario analysis to analyse our portfolio at risk due to the transition risk of climate change.</p>
<p>Technology</p> 	<p>While our digital environment and information security standards are the foundation of our business today, as financial services professionals, we do not anticipate technology to have a significant impact on climate risk. Our low-carbon digital banking products use technology to enable business.</p>
<p>Legal</p> 	<p>For large loans, we verify whether the project complies with all applicable environmental rules, failing to do so could result in the loan becoming a non-performing asset if the project goes into litigation. This, however, is not a claim against the Bank. There are no other circumstances in which the Bank can be held liable for a climate-related lawsuit.</p>
<p>Market</p> 	<p>In the context of climate change, markets could play a key role in shifting the demand and supply for certain products like green loans or bonds, or in low-carbon digital products. However, we do recognise the relevance of change in consumer preferences, and hence, the need to evaluate this risk, but do not have the tools at present to quantify/include this as part of our risk assessment process.</p>
<p>Reputation</p> 	<p>Reputation risk from community/customer perception is a primary risk to our business. We thus invest in community and customer involvement through surveys to educate and enlighten them on our environmental sustainability programmes. Further, ESG performance measures are increasingly being used by the global investor community, especially sovereign wealth funds and pension funds, to assess long-term profitable growth. We strive to implement environment-friendly measures throughout our operations. We further show our commitment to ESG, particularly climate change, by including ESG elements in regulatory reporting such as the annual report. In addition, in our annual integrated report, we publish details on our carbon emissions and footprint (third-party assured).</p>

Acute physical



Acute physical hazards can have a negative influence on our credit portfolio by causing bad debts due to damage to property, infrastructure, and land. This is also relevant for climate disasters destroying assets (that serve as collaterals). We continue to measure physical risks from a climate risk assessment perspective and will assess the priority of these risks in the near-to-medium term. In addition, our Disaster Response and Business Continuity teams conduct business impact analyses and have rapid response procedures in place in the event of natural disasters such as floods.

Chronic physical



Chronic physical risks are far into the future. Given that climate risk is an emerging and long-term risk us, we will consider adopting a suitable methodology/pathway to analyse our exposures under different climate scenarios.



Evaluation of environmental & social risk is an integral part of our overall credit appraisal and approval process. Large industrial / infrastructure projects where the extension of long-term financing (greater than ₹100 million and longer than 5 years) are covered under the Bank's Social & Environment Monitoring System (SEMS) which necessitates an assessment of Environmental, Health, Social, and Safety risks in addition to other risks as part of the overall credit appraisal process. This comprehensive assessment involves evaluation of various environmental and social aspects of the project and operations of the borrowing entity - such as the nature of the borrower's operations, as well as any potential

negative environmental and social consequences. We have already mapped potential impact categories for risk evaluation of specific, capital-intensive industries such as Roads and Highways, Thermal Power, Power Transmission, Cement, Hydroelectric Power, and Manufacturing amongst others to guide the assessment process. While the bank's lending procedures are guided by borrower and market demands, the bank's credit exposure is well diversified across numerous industries, with no single industry having a high concentration. As a result, the Bank's credit exposure to ecologically / socially sensitive industry sectors has minimal negative consequences. In addition, as part of our credit policy, we do not extend

finance for setting up of new units for producing/consuming ozone-depleting substances (CFC -11, CFC - 12, CFC - 113, Carbon Tetrachloride, Methyl Chloroform, Halons - 1211, 1301, 2402) and for small & medium scale units engaged in the manufacture of aerosol units using CFC.

We recognise the importance of water availability affecting our portfolio, especially in certain sectors like agriculture. As part of our credit due diligence, we evaluate loan proposals against water availability with an assured irrigation facility. In case of climate-linked events like droughts, we extend crop insurance facility to borrowers (who harvest at least two cropping cycles).

Metrics and Targets

We are firming up an integrated strategy to achieve carbon neutrality by 2032, which will set internal benchmarks for energy performance and targets for phased renewable energy integration. We will monitor the implementation of interventions and emission reduction achievements every two years and realign our

integrated strategy incorporating the best available technologies and practices.

We plan to enhance our commitment to financing climate change solutions such as energy transition, renewables, energy efficiency, sustainable transportation, green buildings, climate smart agriculture, among others, besides monitoring the

implications of our own operations. We are working on developing KPIs and setting goals to monitor, manage, and track the progress. This involves a thorough examination of our Scope 3 emissions and our carbon-related asset exposure. Please refer to the Environment section of this Report for details on our performance on emissions and energy-related KPIs.

Creating value for our customers

Customer Focus is one of the five core values of the Bank. Our customer base consists of individuals, corporates, MSMEs, farmers and Government entities amongst others and our focus is to provide them with a seamless banking experience. We undertake multiple initiatives geared towards serving the diverse needs of the customers and our efforts are reflected in the strength of our brand value and recall.



Service Quality Initiatives and Grievance Redressal

Driven by the core value of Customer Focus, the Bank has always endeavoured to improve customer experience and has adopted a holistic approach for the same across multiple channels ranging from BranchBanking, PhoneBanking, NetBanking, MobilBanking, EVA chatbot and the Bank’s social care handles. The Bank has also improvised on the relationship-based banking programmes. In addition to the branch-based relationship managers, it also has a Virtual Relationship Manager (VRM) programme to cater to various financial needs in a personalized manner. The Bank has adopted a three-step strategy with regards to Customer Service– Define,

Measure, and Improve. It invites and reviews performance on customer service as well as grievance redressal at different levels which are Branch Level Customer Service Committees (BLCSCs), Standing Committee on Customer Service (SCCS) and Customer Service Committee of the Board (CSCB). We have put robust processes in place to regularly monitor and measure quality of service levels not only at various touch points but also at a product and process level by Quality Initiatives Group.

As part of its continuous efforts to enhance quality of service, the Service Quality team carries out regular reviews across various products/processes/channels. The effectiveness of the quality of service provided is also reviewed at different levels, including the Customer Service Committee of the Board.

One of the basic building blocks of providing acceptable level of customer service is to have an effective internal Grievance Redressal mechanism / framework. In this regard, we have outlined a framework for redressal of customer grievances and documented it in the form of a Grievance Redressal Policy – duly approved by its Board. It has also made this policy available in public domain (on the website as well as in the branches). The Bank has also formulated a Board approved Protection Policy, which limits the liability of customers in case of unauthorized electronic banking transactions.

Thanks to these initiatives, the Bank’s customer complaints for FY22 decreased by 21% from 4,67,453* to 3,68,291.

*Restated complaints number based on re classification of queries into complaints from 3,25,786.



of our Infinite Smiles program – we introduced new journeys, new episodes and new products ensuring a much wider coverage. Customer focus has seen an increased focus - regular cadence with key stakeholders and rigorous follow-up on actions have become the cornerstones of Infinite Smiles.

The programme now encompasses critical episodes – Digital Journey Episodes, Credit Card Episodes, Customer Instructions, Tele Interactions and Collection Process. We now cover 120+ episodes and have contacted around 63 Million customers in FY22 for their feedback.

Our 'Infinite Smiles' program rests on three meticulously designed pillars – 'Listen', 'Learn' and 'Act' which enables us to embed customer feedback led transformation as a discipline into our systems, challenge what is considered as the standard, and offer a customer experience that places us amongst the best service brands.

Building a customer-centric culture using Net Promoter System (NPS) - 'Infinite Smiles'

We, at the Bank, believe that delivering an outstanding customer experience is a strong differentiator for a great product and is key to a sustained competitive advantage. The primary aim of the Infinite Smiles programme is

to establish employee behaviour and practices which leads to customer-centric actions and continuous improvements.

Last year, we initiated measurement on key journeys, identified action areas to improve customer experience and implemented several key initiatives. This has led to a steady improvement on our NPS over the year. This year, we built on our commitment to our customers by scaling the coverage

Transforming Score to Systems



Listen
Feedback of customers

3.4 Mn

FEEDBACK CAPTURED ACROSS KEY CHANNELS, CRITICAL EPISODES AND KEY PRODUCT JOURNEYS



Learn
Review and follow up to better understand

60

BU NPS SCORE*



Act
Resolve the issue in the near and long term

2.75 Lakh+

HUDDLES CONDUCTED

*Bottom Up NPS score



Customer Centricity

Guided by our aspiration to move from score to systems, we have been working to institutionalize the process for addressing customer issues that transcend beyond measurement and create a culture of customer-centricity and agility.

We would not only like to anticipate and react to changing customer expectations but also like to provide a proposition to our customer that makes us more attractive than competitive alternatives.

With this in view we subscribed to competitive benchmarking of NPS, in form of a subscription based product NPS Prism®.

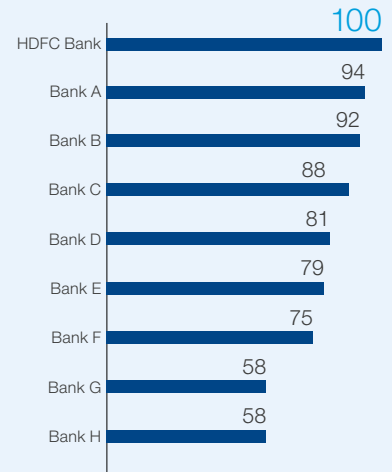
HDFC Bank leads the overall brand NPS ranking among 20+ competitors in the banking category.

Our commitment to building a customer obsessed culture and

constant effort to include everyone in the organisation has ensured continuous improvement leading to growth in customer advocacy of the brand.



BRAND NPS SCORE (INDEXED) | BANKING CATEGORY



- Source: NPS Prism® benchmarking report (2021). NPS Prism® is a registered trademark of Bain & Company, Inc.
- Name of competition banks intentionally masked
- Score indexed to HDFC Bank
- Competition bank does not include pure-play credit card providers

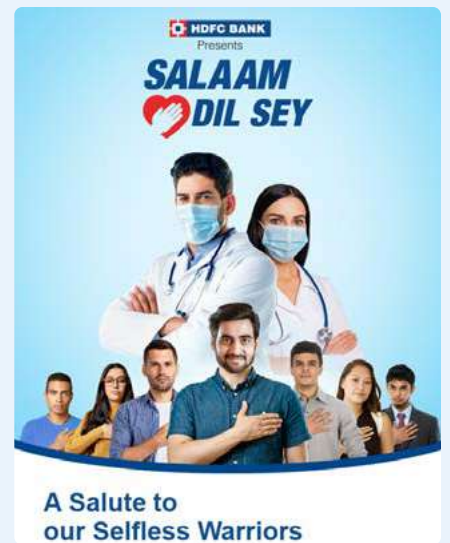
Some of our customer-centric initiatives

#SalaamDilSey

On Doctors Day - 2021, we presented Salaam Dil Sey – a platform for our customers to thank doctors and their families for their hard work, sacrifice and tireless service. As they bravely continue to fight the pandemic, we tried to put a smile on their faces.

Customers dedicated a “Salaam Dil Sey” (a personalized greeting card) to over 1 lac doctors and their families. HDFC Bank put all these greeting cards in a collage, displayed on ‘Wall of dedication’ at its Sandoz Bank House and unveiled on 1st July

2021 virtually by Dr Naresh Trehan in presence of prominent media and Bank’s Sr. officials. This attempt was also recorded in Asia Book of Records & India Book of Records for “Largest Collage of Thank you messages”. The Bank also gave musical tribute to the doctor’s fraternity by a specially curated anthem on the Salaam Dil Sey theme. HDFC Bank reached out to 23Mn+ people through print, social media and email/SMS. Our branch staff personally met and greeted 40,000+ doctors during this campaign.



Mooh Band Rakho

After the tremendous success of our Mooh Band Rakho campaign in 2020, we launched the second edition in support of the International Fraud Awareness Week in November 2021. Aimed at increasing awareness on all types of financial fraud, the campaign underlined the importance of not disclosing information, especially banking details, and to safeguard oneself from digital frauds.

We launched a series of videos using relatable real-life situations to educate customers on various types of modus

operandi. We conducted over 2,000 workshops over 4 months across the country, advocating simple steps such as not clicking on unknown links, sharing card details, CVV, Expiry Date, OTP NetBanking/ MobileBanking Login ID & Password over Phone, SMS, email and social media. It focused on the younger segment targeting Senior Secondary Schools & Colleges to make safe banking an early habit in their financial journey.



Festive Treats 3.0

Our Festive Treats 3.0 had more than 10,000 offers on cards, loans and EasyEMI. Just as the country started to unlock, the campaign aimed to spread reasons for joy and cheer. Revolving around the theme of 'Karo Har Dil Roshan', the Bank reached out to every Indian through high impact visibility via TV, branches, ATMs, partnerships with stores/websites and digital media campaigns with a hyper local focus.



HDFC Bank partnered with over 10,000+ merchants across 100+ locations to offer its customers an opportunity to avail fabulous deals specifically created for their personal and business needs.

MyCards

A pioneering digital self-service platform was introduced by adding convenience, ease of usage, smarter user design into a mobile-friendly ON THE GO service platform, called MyCards. This solution stands to revolutionize the way our customer experiences digital banking services by getting more control and one-view of all products under a single-login interface. MyCards provides a fully cloud-hosted, digitized service stack to all segments of Credit and Debit Card customers.

Key Features of MyCards:

- Dedicated platform providing 24 X 7 banking services ON THE GO
- Manage multiple HDFC Bank payments products in one single login interface
- Easy to save, no downloads or installation or upgrades required on phone
- Seamless login with just mobile-based one-time password
- Faster, simpler and smarter User Interface

Most importantly, the digital self-service card control feature on contactless, online and international transactions on Credit Card is easily accessible on MyCards, with real-time limit setting and transaction mode enablement.

Since its roll-out to customers on 1st Oct 2021, over 2.5 Cr service requests have been processed digitally on the platform.



Digital Future-ready Bank



HDFC Bank has always been at the forefront of innovation in the Indian financial services industry. Under our technology transformation agenda, we are investing to ‘Run the Bank’ as well as ‘Build a Future-ready Bank’. We are also strengthening our digital backbone to create differentiated, secure offerings for the tech-savvy customer backed by a core technology that is always ‘ON’.

Underpinning our technology transformation agenda is our vision to provide the most preferred ‘neo-banking’ experience to our customers. We design products that make banking simple, easy and highly secure. At the core of this agenda is building future-ready competencies. We are strengthening our capabilities under Digital Factory, Enterprise Factory and Enterprise IT.

Building Digital Factory and Enterprise Factory

Our Factory approach focuses on innovation-at-scale in the co-creation of Tech Intellectual Property

(IP) to develop and offer best-in-class products and services to our customers. Agile and Development-Security-Operations (DevSecOps) principles and cloudification of our tech stack are pivotal accelerators of our transformation agenda.

Initiatives such as DR Resiliency and our Hybrid Cloud Strategy continue to fortify our IT infrastructure and architecture backbone.

99.94%

AVERAGE CUSTOMER UPTIME

45 Cr

BANK CUSTOMER TRANSACTIONS PER MONTH, DOUBLED IN THE LAST 12 MONTHS.

90,000

CONCURRENT USERS CAPACITY FOR USING NET AND MOBILEBANKING

Key initiatives undertaken

Infrastructure scalability

We have invested in a hybrid-cloud approach with leading cloud service partners such as AWS, Azure and GCP. A common landing zone has been implemented across these partners to create a secure and streamlined environment for all cloud deployments. We have moved our primary data centers to state-of-the-art facilities in Mumbai and Bengaluru to ensure a robust IT infrastructure to back our digital offerings and ensure higher uptimes across customer touchpoints.

Capacity upgrades

Capacity management practices have been significantly strengthened to ensure close monitoring of peak volumes across key performance parameters. We have established a Technology Obsolescence Program

Management Office to track, manage and replace/upgrade obsolete components in a timely manner.

Disaster recovery resilience

We are moving to the next level of Disaster Recovery (DR) with automation and implementation of ‘Hot DR’/Active – active setup for key applications.

Minimised surface area for cyber-attacks

We have made significant advancements to further consolidate cyber security through initiatives such as the foundation of a next-gen Security Operations Center (SOC) for predictive security and incident management, introduction of SOAR (Security Orchestration, Automation & Response) to reduce incident response times, network micro-segmentation

for better control, visibility and preparedness against ransomware, and round-the-clock defacement monitoring and vulnerability management of our internet properties.

Looking ahead

We are now fully geared to launch our next phase of strategic digital & technology programs. Significant inroads are being made through initiatives such as Customer Experience Hub, a revamped Payments and Wallet experience and refreshed offerings for MSME and Wealth Management customers.



Key initiatives in the pipeline

Vyapaar

Digital onboarding of merchants for payment acceptance and servicing of banking transactions for the merchant community

Xpress Car Loans

A digital API platform for Auto Financing launched in April 2022

PayZapp 2.0

Enhanced experience of App. Customers to onboard, autolink HDFC Bank cards, wallet & limit management, transaction display via rich statements

SME customer experience transformation

New technology to support business volume at larger scale, re-vamp the entire SME customer experience across Commercial and Retail business lines

Biz Express

A new web portal for SME segments covering digital onboarding, managing multiple accounts, making payments with hierarchy, raising GST compliant invoices for payment, multiple collection modes, raise service requests online, etc.

Wealth App

A new Wealth Management app with client self-profiling, goal setting, mutual fund order execution and portfolio re-balancing

Embarking on cultural transformation

At HDFC Bank, our culture and people are key enablers to continue creating value for our stakeholders. We have embarked on a conscious Culture Transformation journey i.e. “The HDFC Bank Way”. It is a key element of the 3Cs: Culture, Conscience and Customers that empower our business. The HDFC Bank Way is defined by the six pillars of Culture – Integrity, Execution, Innovation, Humility, Inclusion and Collaboration. With the DNA of a responsible banker, we are aligning our businesses objectives with the 3Cs of culture, conscience and customers.

Further, we brought in a paradigm shift in our approach towards learning and development through the establishment of the Learning Partner model. We moved ahead on our Diversity and Inclusion agenda with specific focus on women and persons with disabilities. Our flagship initiative, ‘HDFC Bank Cares’ is designed to enable people to take charge of their own wellbeing thereby creating an emotionally committed workforce. We are leveraging technology in the entire employee journey from talent onboarding, virtual learning, wellness initiatives, diversity and inclusion programmes to employee performance management.



Our Culture

A connected workforce that has a deep sense of belonging to the organization is imperative to providing a differentiated customer experience. Our onward journey and continued success will come from reinforcing our culture 'The HDFC Bank Way'. It is defined by six pillars - Integrity | Collaboration | Inclusion | Humility | Innovation | Execution

With a focus to reinforce the HDFC Bank Way, a large-scale Culture Transformation was conceived and deployed across the entire Bank through the 'Nurture, Care and Collaborate ('NCC') intervention. A Culture Transformation journey

spans several years to get ingrained as the organizational ethos and as a first step towards this, the NCC initiative this year focused on our 12000+ managers as 'Custodians of Culture'. The objective of the program was to percolate the essence of the HDFC Bank Way by focusing on nine key themes over a five-month journey delivered through versatile and exciting challenges and learning tools. The scale was massive: 99,877 learning content hours were delivered in 145 days and an average of 700 hours of content consumed daily. We are proud that 97% participants gave NCC a thumbs-up for its unique design & content.

Integrity

Doing the right thing..Always

Execution

Delivering excellence

Innovation

Inventing the future

Humility

Gratitude over entitlement

Inclusion

Valuing differences

Collaboration

Independent yet interdependent

Growth reflected in increasing employee strength

EMPLOYEES BY CATEGORY

	2021-22			2020-21		
	Male	Female	Total	Male	Female	Total
Senior management	124	15	139	106	10	116
Junior & Middle Management	21,467	3,505	24,972	17,565	2,848	20,413
Non Supervisory staff	60,438	19,230	79,668	54,700	16,279	70,979
Frontline Staff and Sales officers	32,553	4,247	36,800	25,976	2,609	28,585
Total	1,14,582	26,997	1,41,579	98,347	21,746	1,20,093

EMPLOYEE BY REGION

	2021-22			2020-21		
	Male	Female	Total	Male	Female	Total
East	14,335	2,221	16,556	12,557	1,917	14,474
West	42,093	10,329	52,422	36,244	8,448	44,692
South	26,542	7,249	33,791	22,166	5,567	27,733
North	31,509	7,147	38,656	27,286	5,770	33,056
Abroad	103	51	154	94	44	138
Total	1,14,582	26,997	1,41,579	98,347	21,746	1,20,093

EMPLOYEE BY AGE

	2021-22			2020-21		
	Male	Female	Total	Male	Female	Total
<30	41,035	13,892	54,927	30,713	10,257	40,970
30-50	72,310	12,880	85,190	66,818	11,348	78,166
>50	1,237	225	1,462	816	141	957
Total	1,14,582	26,997	1,41,579	98,347	21,746	1,20,093



EMPLOYEE BY CONTRACT TYPE

	2021-22			2020-21		
	Male	Female	Total	Male	Female	Total
Permanent	1,14,582	26,997	1,41,579	98,347	21,746	1,20,093
Contract(Individual)	21	5	26	19	4	23

Diversity and Inclusion (D&I)

Inclusion is one of the key culture pillars of The HDFC Bank Way. We promote a work culture where everyone feels included, respected and valued, and has access to equal opportunity. We have branded our inclusion agenda as 'Valuing Differences'. We provide equal and fair remuneration opportunities, irrespective of gender. No complaints related to incidents of discrimination reported during FY22.



Three key tenets of our Inclusion Philosophy

Merit

Competence, performance outcomes and potential will always be the threshold for all talent decisions

Inclusion

We will strive to be an equal opportunity organisation where everyone can excel, irrespective of our inherent differences.

Character

Alignment with the HDFC Bank Way and adherence to our ethos will remain integral to the selection criteria for career advancement at the Bank



Three-pillar governance structure for driving D&I agenda

HDFC Bank Apex Inclusion Council
6- Member Group Head Panel

- Reports to the MD & CEO
- Set the strategy and agenda for inclusion
- Framework for a culture of inclusion
- Remove Barriers to Inclusion

Working committee inclusion
SPOCs from all verticals

- Senior level representatives of Group Heads for the Inclusion agenda
- Partner with stakeholders to drive the agenda
- Business specific inclusion enablers

Regional council north

Regional council south

Regional council east

Regional council west (mum)

Regional council west (RoW)

- Monitor on-ground implementation of the Inclusion strategy
- Employee sensitization and feedback
- Regional initiatives and events

Our D&I agenda focuses on two critical segments:

- Gender diversity
- Persons with Disabilities (PwD)

Women at our Workplace

We work relentlessly to support the women at our workplace and provide them with an ecosystem that nurture their careers while being mindful of their unique challenges. Today, 21.7% of our workforce consists of women and we have set a target to increase this to 25% by 2025.

'Family reasons' was revealed as a top driver for women attrition in our attrition studies. We also understood that returning mothers were finding it difficult to balance work and personal responsibilities. To this effect, we have undertaken focused interventions and designed programmes that address these challenges.

Bank Again Program: This programme enables women to re-start their careers after a break. We reached out to over 3,000 women employees who had left from the bank over the past 5 years, out of which over 300 former colleagues have re-joined the Bank. We are also closely monitoring our gender hiring with 28% of those hired in the year being women. This excludes front-line sales hiring.

'Pleasant Parenthood Program:

Under this programme, we have a suite of offerings and initiatives to support women along their critical milestones – pre, during and post maternity leave. This programme also enables flexibility with respect to work timings, location and provides part-time working options. All our full-time employees are entitled to avail parental leave. In FY 22, 1182 female and 3072 male employees availed parental leave of which 99.75% female (1179) and 100% male (3071) returned to work. 6.6% women (78) and 5% men (160) who returned to work after leave ended, were still employed with us after 12 months.

Introducing #Pleasant Parenthood Policies

FLEXI WORK OPTION FOR PRIMARY CARE GIVERS

- Remote Working:** Avail Work from Home (WFH) option for a period of one year depending upon the nature of the role.
- Location Flexibility:** Opt for flexibility to work from nearest office location upon return from maternity leave for a period of one year depending upon the nature of the role.
- Flexi-Time Work:** Opt for Flexi Working Hours & choose between the 3 login options: 9:30 AM- 5:30 AM, 10:30 AM- 6:30 AM.
- Part-Time Work:** Opt for part-time working for own health reasons or that of spouse/child/parents-in-law or to support child-care.

PERFORMANCE RATING CONSIDERATION

Performance rating for all women employees on Maternity Leave will be considered based on the contribution and time spent pre or post the period.

ADOPTION LEAVE

Primary Care Giver can avail leave with pay for a period of **three months** immediately following the day of adoption.

PATERNITY LEAVE

Paternity leave of **7 days** can be availed with the flexibility to be taken anytime within first year of the birth of the child/children and in a staggered way.

For more details, please refer to the policies on the Employee Portal.

PLEASANT PARENTHOOD Kit for Manager

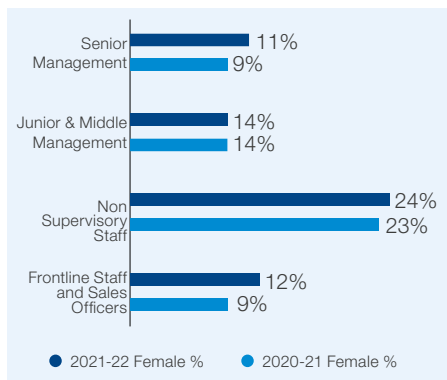
PLEASANT PARENTHOOD KIT FOR Expectant Mother

The Career Accelerator Programme: Our flagship intervention is aimed at building and augmenting the women talent pipeline for senior roles. It incorporates unique learning elements like sponsorship, group coaching, virtual learning journey, leadership connect and employee resource groups.

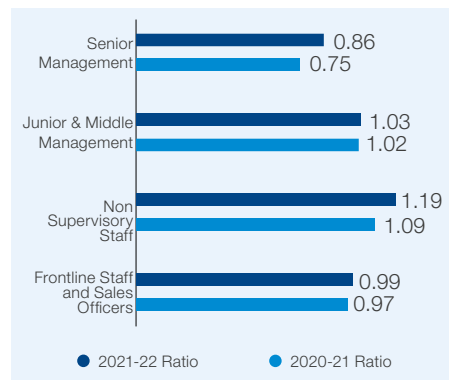


She Inspires: This year we also ran a campaign called ‘She Inspires’ celebrating women leaders at the Bank. A video series was created to disseminate, powerful messages of encouragement and leadership journeys by colleagues across the organisation.

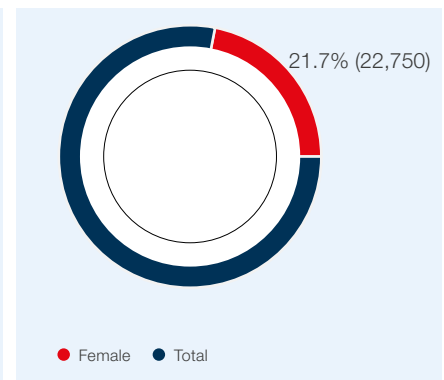
WOMEN IN WORKFORCE- CATAGORY WISE



RATIO OF BASIC SALARY AND REMUNERATION OF WOMEN TO MEN



WOMEN EMPLOYEES AS A % OF TOTAL EMPLOYEES



Excluding frontline staff and sales officers percentage of women employees is 19.1% including frontline staff and sales officers

A different perspective — Persons with Disabilities at our workplace

We are focused on building a workplace wherein every individual has an opportunity to do meaningful work, irrespective of any disabilities.

We are taking small but steady steps in this direction:

- Sensitising our people to create an environment of inclusion for Persons with Disabilities (PwD). Initiated by our Board of Directors and Group Heads in May 2021, sensitisation workshops that dealt with unconscious biases were organised for 6,900+ managers across the organisation.
- The inclusion governance teams work in tandem with HR to codify roles for integrating PwD seamlessly within the organisation. Teams are consciously working to improve the infrastructure requirements for fair and free access and identifying specific barriers for inclusion of PwDs.

We are in the process of augmenting our internal systems for better interconnection for persons with disabilities. Currently, we have about

115 persons with disabilities employed with us and have additional hires in the pipeline. Furthermore, a programme for enabling the certification of team leaders on building and managing inclusive teams is being initiated in FY23.

Learning and Development

Learning initiatives

In FY22, we brought in a paradigm shift in our approach to learning and development through the establishment of the Learning Partner model. This model institutionalises performance consulting, which consists of identifying a business need, its cause(s) and the capability building strategy (if applicable) that can meet that need. Performance consultants are experts in understanding business and improving human performance, and specialise in enhancing employees' performance through a collaborative approach.

The intent is to align business priorities with learning goals. Further, we strengthened our offerings on Leadership and Professional Development journeys.

'Ignite', a programme aimed at middle management levels, focuses on collaborative and strategic skills and encourages courageous leadership.

'Trailblaze' delivers key competencies and management essentials for frontline managers to enhance their effectiveness.

Building on the foundation laid last year, we are progressing towards creating a Virtual University and Learning Experience platform (LXP). Targeting the next generation of employees, LXP facilitates self-paced, learner-led modules on the go in a virtual setting.

LEARNING HOURS IN FY22 (PERSON HOURS)

144 Lakh+

LEARNING AND DEVELOPMENT EXPENDITURE

1,262.23 Lakh





AVERAGE HOURS OF LEARNING BY CATEGORY

Employee by category	2021-22			2020-21		
	Male	Female	Total	Male	Female	Total
Senior Management	12.17	14.78	12.45	11.07	28.83	12.6
Junior & Middle Management	90.83	101.58	92.34	111.2	110.35	111.08
Non Supervisory Staff	139.83	170.65	147.27	139.12	154.31	142.6
Frontline Staff and Sales Officers	9.88	10.41	9.95	12.19	11.99	12.17
Total	93.59	136.39	101.75	100.47	131.42	106.07

TOTAL HOURS OF LEARNING BY CATEGORY

	2021-22			2020-21		
	Male	Female	Total	Male	Female	Total
Senior Management	1,509	222	1,730	1,173	288	1,462
Junior & Middle Management	19,49,764	3,56,045	23,05,809	19,53,219	3,14,272	22,67,491
Non Supervisory Staff	84,51,114	32,81,633	1,17,32,747	76,09,840	25,11,958	1,01,21,798
Frontline Staff and Sales Officers	3,21,785	44,218	3,66,003	3,16,595	31,289	3,47,885
Total	1,07,24,172	36,82,117	1,44,06,289	98,80,828	28,57,808	1,27,38,636

HR Tech

This year saw the Bank’s HR tech transformation journey took a decisive turn, with most of the HR services made available on mobile. The interventions were designed to amplify a ‘DIY’ approach through new-age interfaces, in line with the digital vision of the Bank. ‘I-Cube’, an HR conversational bot, was introduced to enable self-service and easy resolution of queries, not just for active employees but also for our former employees. Time Management piece was brought on mobile devices for all HDFC banks working in offshore locations. Many changes related to process governance, reporting, user friendliness were incorporated in the areas of hiring, employee on-boarding and learning. Other hygiene HR services were also brought on the device and network environment agnostic HCM solution.

Talent management

We have a structured, well-documented Leadership Competency Framework. as well as a Functional Capability Framework which defines key competencies and forms the bedrock for various talent processes in the Bank.

We have also institutionalised the process of Talent Review Councils, wherein a panel of leaders take an in-depth understanding of the Talent from multiple data points – self view from employee (mobility, career aspiration etc.), performance track record, Line Manager’s feedback on the talent and inputs of potential from the Development Center Report. This as a process, is covered for CX & 3 levels down of their leadership hierarchy.

The year also saw the launch of a 360-degree feedback at apex levels of leadership. The intervention covering Group Heads, Business Heads and senior leaders reporting to the Group Heads was launched with credible external partners and facilitated the gathering of honest feedback by those who experience the leaders at work every day. This helped creating better self-awareness for the leadership team.

Succession Planning in the Bank is a continuous process that aligns with the other talent management interventions and endeavours to mitigate critical people risks such as vacancy fulfilment, and transition risk. The process of development involves relevant role exposures, specific mentoring or coaching exposures and

any specific learning need identified for employees, to assume higher responsibilities when the need arises.

We have a comprehensive, bi-annual performance management system (PMS) in place. Every employee is required to make a self-assessment and or her own performance (bi-annual basis) based on the key result areas of his roles and responsibilities. The Appraiser and Appraisee have a joint performance discussion based on the self-evaluation filled by the Appraisee. In FY22, the PMS was brought on mobile with pleasant and easy design, facilitating qualitative and quantitative dialogue between the supervisor and the supervised. It seamlessly encompassed elements of competence and Bank values in the process.

Talent: acquisition and attrition

Including frontline sales staff, we hired 57,200 employees. When compared to the hiring of FY21, the increase stands at 166%. In order to meet the growing requirements to outperform the market in identification, digital evaluation and quick onboarding of the best talent, we aim to implement the Applicant Tracking System in FY23.

ATTRITION BY CATEGORY

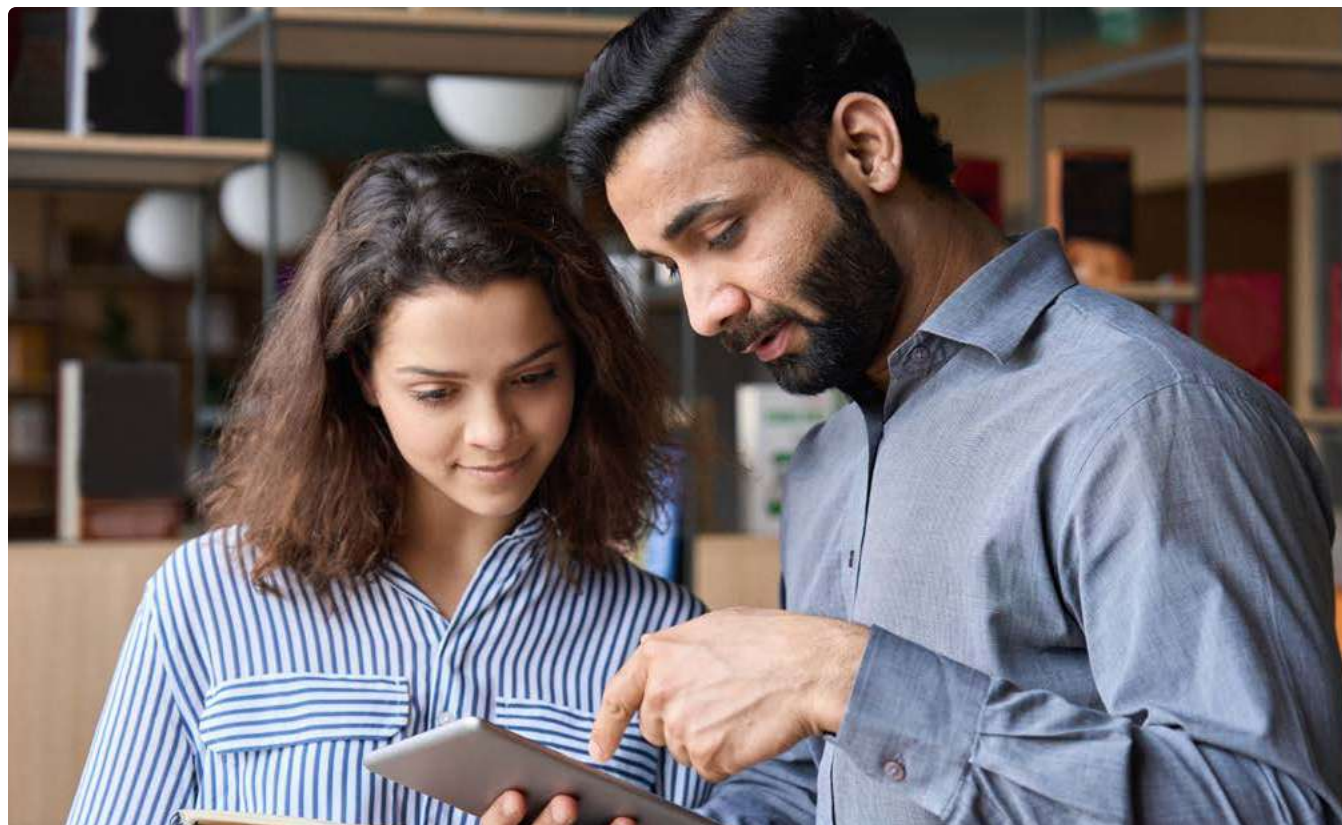
	2021-22			Attrition Rate		
	Male	Female	Total	Male	Female	Total
Senior Management	13	-	13	10.5%	-	9.4%
Junior & Middle Management	1804	377	2181	8.4%	10.8%	8.7%
Non Supervisory Staff	13080	4751	17831	21.6%	24.7%	22.4%
Total	14,897	5,128	20,025	18.16	22.5%	19.1%
Frontline Staff and Sales Officers	14268	1820	16088	43.8%	42.9%	43.7%

ATTRITION BY REGION

	2021-22			Attrition rate		
	Male	Female	Total	Male	Female	Total
East	3,649	549	4,198	25.50%	24.70%	25.4%
West	10,639	2,585	13,224	25.30%	25.00%	25.2%
South	7,006	2,009	9,015	26.40%	27.70%	26.7%
North	7,868	1,799	9,667	25.00%	25.20%	25%
Abroad	3	6	9	2.90%	11.8%	5.8%
Total	29,165	6,948	36,113	25.50%	25.70%	25.50%

ATTRITION BY AGE

	2021-22			Attrition rate		
	Male	Female	Total	Male	Female	Total
<30	15,009	4,453	19,462	36.6%	32.1%	35.4%
30-50	14,066	2,485	16,551	19.5%	19.3%	19.4%
>50	90	10	100	7.3%	4.4%	6.8%
Total	29,165	6,948	36,113	25.50%	25.70%	25.50%





NEW HIRES BY CATEGORY

	2021-22			New hire rate		
	Male	Female	Total	Male	Female	Total
Senior Management	9	2	11	7.30%	13.30%	7.90%
Non Supervisory Staff	3,597	647	4,244	16.80%	18.50%	17.00%
Junior Management	18,971	7,951	26,922	31.40%	41.30%	33.80%
Frontline Staff and Sales Officers	22,446	3,628	26,074	69.00%	85.40%	70.9
Total	45,023	12,228	57,251	39.30%	45.30%	40.40%

NEW HIRES BY AGE

	2021-22			New hire rate		
	Male	Female	Total	Male	Female	Total
<30	27,848	8,826	36,674	67.90%	63.50%	66.80%
30-50	17,143	3,390	20,533	23.70%	26.30%	24.10%
>50	32	12	44	2.60%	5.30%	3.00%
Total	45,023	12,228	57,251	39.30%	45.30%	40.40%

NEW HIRES BY REGION

	2021-22			New hire rate		
	Male	Female	Total	Male	Female	Total
East	5,283	858	6,141	36.90%	38.60%	37.10%
West	16,507	4,538	21,045	39.20%	43.90%	40.10%
South	11,252	3,652	14,904	42.40%	50.40%	44%
North	11,973	3,167	15,140	38.00%	44.30%	39.20%
Abroad	8	13	21	7.80%	35.50%	13.60%
Total	45,023	12,228	57,251	39.30%	45.30%	40.40%



Employee well-being

Our flagship initiative 'HDFC Bank Cares' aims to provide resources and a platform for physical, mental, emotional and financial wellness for all employees.



Our wellness initiatives are aimed to help keep our employees and their families healthy and safe in a year that saw an unprecedented test of human resilience. We also introduced a comprehensive 'Compassion Package' with an aim to reduce financial burden on surviving family members in case of the unfortunate event of the demise of an employee. The key features include offer of employment to a family member and financial support for education of 2 children till graduation, upto ₹10 Lakh. Other initiatives include providing additional leave, reimbursement of treatment expenses, on-call counselling support, e-consultation with doctors and awareness drives through various channels. Further, the Bank has an Employee Welfare Trust which cover expenses beyond Medclaim on a case-to-case basis.

We also conduct regular health check-ups and mental health awareness sessions to address issues arising from a sedentary lifestyle and stress. All our employees are provided medical cover. For our women employees on the path to embracing motherhood, we have a comprehensive maternity care programme.

Further, as a part of our credit policy, we evaluate all large industrial/ infrastructure projects for potential adverse social impact, such as land acquisition, resettlement and rehabilitation, livelihood losses and compensation for the same, and also for exploitative labour or child labour

practices. We strictly prohibit child labour, forced or compulsory labour in all forms in our operations. In addition, through our ESG policy framework, we strive to ensure that our vendors and suppliers abide by the labour laws and human rights – including prohibition of child labour, forced labour and trafficked labour. In FY22, we received no complaints on infringement of human rights, cases of child labour, forced labour, and involuntary labour. The facility attendants deployed at our sites for ensuring security are imparted training under the provisions of the PSARA Act, 2005 through security agencies on various aspects of





security, safety, etiquette and personal conduct/behaviour.

There is also an employee association at the Bank. As of FY22, 0.18% of our permanent employees are part of this association. The Bank has an internal Memorandum of Settlements that may be interpreted as a collective bargaining agreement, signed between the Management and Union office bearers. There are periodic negotiations with Union Office Bearers and the Memorandum of Settlement is signed by the Management to the extent of their benefits and service conditions – including any significant operational changes. We provide 21 days’ notice typically to employees and their representatives prior to implementation of significant operational changes that could substantially affect them.

Measuring employee engagement

HDFC Bank continues to be certified as a Great Place to Work® Organisation. This certification is a testimony to the Bank’s inherent strength as an institution par excellence and the efforts to support and enable employees through best-in-class people practices and processes.

The Bank partners with Great Place to Work® to conduct their employee engagement survey over three cycles (18 months per cycle). Organisations participating in the survey are assessed through two lenses – the Trust Index and the Culture Audit. Great Place to Work® Institute audits the company’s human resource practices and policies. On meeting the

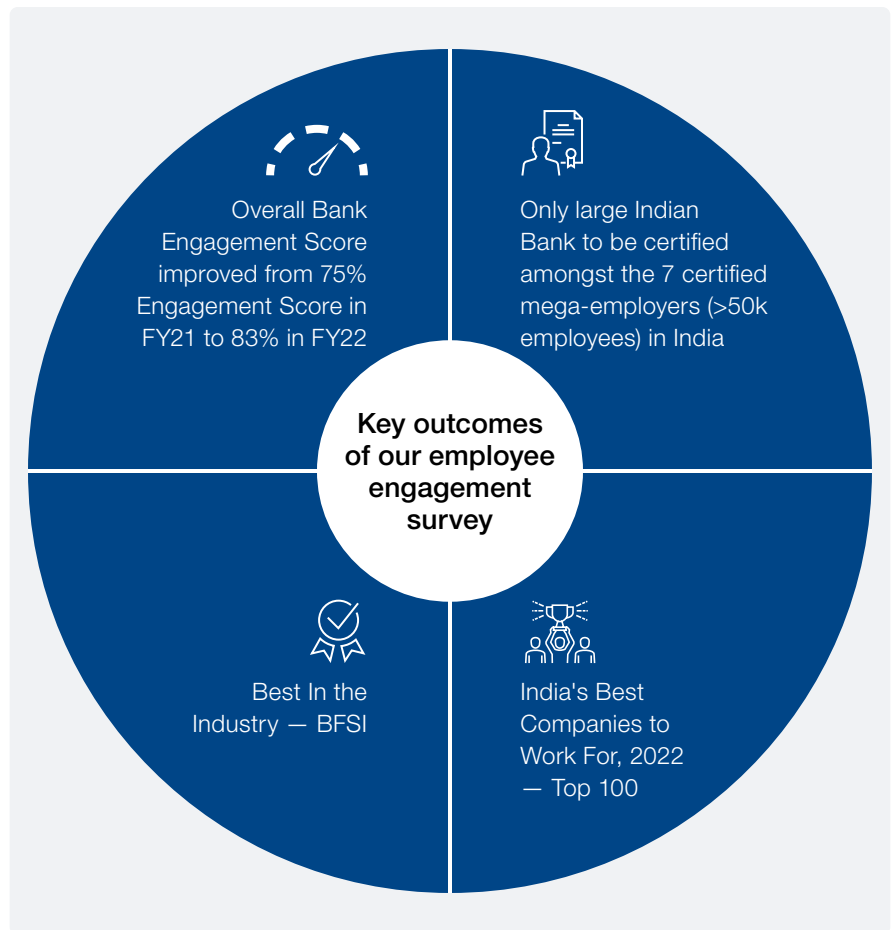
qualifying criteria, the organisation is certified as a Great Place to Work for a period of one year.

The survey was conducted for a second time in November 2021. Over 94% of the eligible employees (86,506 employees) participated and scored the Bank on five key parameters, namely, camaraderie, fairness, respect, pride, and credibility, amongst its employees.

The important distinction that this score brings is as follows:

Employee connect initiatives

Over the year, we organised several initiatives that provide employees an opportunity to connect with the organisation beyond their work-life. These initiatives spanned multiple areas including sports, art, music, wellness, and photography, ensuring there is something in it for everyone. We also focused on involving family members which was met with an enthusiastic response. 43,121 employees participated across 21 initiatives during the year. Following is a brief on some of the key initiatives



Wellness sessions

Morning fitness sessions on Zumba, Yoga, Suryanamaskara, Meditation and Pranayama were introduced to help keep our people physically and mentally fit during challenging times.

TOTAL PARTICIPATION

2,001

Take-a-break

We introduced weekly quizzes via e-mail on topics including general knowledge, famous personalities, logical reasoning, and visual puzzles like spot the difference for employees. The initiatives garnered a lot of interest and participation while providing a much-needed break to the employees.

TOTAL PARTICIPATION

18,841

Syahi

Syahi is the online writing contest of the Bank and this year a separate category for Hindi writers. Employees showcased their creative writing skills through enthralling fictional as well as anecdotal accounts. The winning stories, selected by an external judge, were curated and published in the form of an e-book on the Our World platform.

TOTAL PARTICIPATION

733

Corporate fitness challenge

We participated in an inter-corporate fitness challenge contest. The contest conducted over 10 weeks included different challenges such as doing the maximum number of push-ups, planks, etc. The first position in the contest was bagged by one of our employees. Apart from this, six employees won awards across different categories.

TOTAL PARTICIPATION

521

Festive webinars

To add some excitement in the festivals during the pandemic, we conducted different webinars/DIY workshops for employees during popular festivals like Ganesh Chaturthi, Navratri, Diwali and Christmas. These workshops were also focused on involving employees' children. Activities such as creating an Eco Ganesha, storytelling around the history of the festival, and interesting games centred around such stories, were conducted as a part of these workshops.

TOTAL PARTICIPATION

325

Million dollar challenge

In 2020, we introduced this interactive online team building game which became very popular among employees. Last year was the second season of this challenge. This game served as a very effective icebreaker for new joiners. We also leveraged the game to build camaraderie in cross-functional teams.

TOTAL PARTICIPATION

1,832



AnalytIQ

In Season 2, employees had the option to play Chess, Sudoku and Scrabble online. It was a round robin contest and had different levels of shortlisting. The competitive format spurred a lot of excitement among employees and led to a high level of engagement.

TOTAL PARTICIPATION

3,434

Breakfast cycle rides

Breakfast cycle rides were organised for our riding enthusiasts in Mumbai. This being the first on-ground initiative post lifting of lockdown, saw limited albeit enthusiastic participation.

TOTAL PARTICIPATION

84

Corporate photography contest

This is an inter-corporate photography contest held every year. Out of a total of 3,349 photographs contributed by our employees, 332 were shortlisted in the top 1,500. We bagged the second prize in the wildlife category. A virtual 3-D exhibition of these photographs was held for all employees.

TOTAL PARTICIPATION

2,090

Digital Voice Hunt

This was the second season of this initiative wherein we collaborated with Furtados School of Music to organise a music competition for our employees, their children and spouses. This year, we also involved their parents, grandparents and in-laws. We received rave reviews from the family members who participated.

TOTAL PARTICIPATION

453

Xpressions

In season 7 of Xpressions, we saw some very creative artwork prepared by our employees and their children with an artistic bent. The artwork was displayed as wallpapers on the Bank’s laptops, thus earning organisation-wide recognition for the participants.

TOTAL PARTICIPATION

1,390

HUNAR

HUNAR is an annual talent hunt organised for employees and their families. 17,000+ votes were cast in appreciation of their performances, from which we announced popular choice as well as judges’ choice awards.

TOTAL PARTICIPATION

1,392



Women's day celebration

This unique initiative was arranged for the women in the workforce. We held a series of webinars on topics such as 'Happiness Inside Out', 'Mental Health Awareness' and 'How to love yourself?' over a course of 4 days in a virtual setting.

TOTAL PARTICIPATION

1,766

Zaika

Zaika is a cooking contest launched in 2019. The initial rounds were conducted online in six cities out of which the shortlisted candidates were invited to Mumbai for a finale. The winning recipes of Zaika were compiled in an e-book and uploaded on Our World for display.

TOTAL PARTICIPATION

468

Funtakshari

Centred around our love for Bollywood songs, 'Funtakshari' is a fun competition open to employees as well as their families. The initiative became very popular and was much appreciated by all.

TOTAL PARTICIPATION

2,382

Summer camp

A novel 5-day online summer camp introduced for the kids of our employees included some interesting activities around science experiments, fire-free cooking, talent showcases as well as behavioural learning. We received heart-warming feedback for the event.

TOTAL PARTICIPATION

626

Energise yourself

Mental well-being is as important as physical well-being. In order to raise awareness on the subject, we conducted webinars on topics like reboot happiness, energy and frequency, art therapy and healing with sound. These sessions helped employees stay happy and energised.

TOTAL PARTICIPATION

981

Session on photography

Looking at the interest in the inter-corporate photography contest, we decided to conduct a workshop on photography in which the employees learnt different techniques of photography, camera care 101 and types of lenses that can be used for different types of photographs.

TOTAL PARTICIPATION

475

Auction Premier League

This was an interactive activity conducted in the IPL auction style to promote team building, thinking out-of-the-box, presence of mind, collaboration and strategic thinking.

TOTAL PARTICIPATION

2,661

The InQUIZitive Family

Organised as a team activity for families, this was an online quiz competition held in multiple levels. There was enthusiastic participation with request for more of such initiatives in the future.

TOTAL PARTICIPATION

608



Building resilient communities together

We believe businesses can only thrive if the communities in which they operate thrive as well. Our CSR programmes are designed to have a long-term, meaningful impact on the upliftment of marginalised communities, while contributing to global sustainable development goals. The pandemic-induced economic hardships that our communities have witnessed over the past two years have reaffirmed our resolve to address deep-seated social inequalities. We have aligned our efforts towards a ‘people-centric’ recovery through multi-dimensional interventions across livelihood, skill development, education, health, and natural resources.

We seek to bring about a revolution in the quality of life and livelihood of our communities through our CSR Brand, Parivartan, which means Change. Our programmes are created and shortlisted through a participatory, bottom-up, and consultative process, including all stakeholders. We work with a variety of NGOs and partners, as well as employee volunteers, to assist us in the implementation of various sustainable development programmes.

WE ARE ONE OF THE HIGHEST CSR SPENDERS IN INDIA, WITH A TOTAL CSR EXPENDITURE OF

₹736.01 Cr



CSR initiatives and UN Sustainable Development Goals



Natural Resource Management

Under Parivartan, the bank has been working in 23 states in India to bring holistic development in the rural landscape.



Construction of **solar streetlights, biomass stoves, community biogas plants,** and the distribution of solar home lighting



Building **Rainwater Harvesting Structures,** Community Tanks, Hand Pump, and Wells



Seed Bank, Grain Bank, and Village Nursery are being established



Establishment of **~48,490+ kitchen gardens**

Promotion of Education

This is one of Parivartan's most significant pillars, which encourages equal education for all students, from early childhood through secondary school.



Scholarship opportunities like the **ECS Scholarship**



Introduction of **Smart Classes** across different states to integrate technology with education



Sports as one of the pillars of education to promote the health and well-being of children

Healthcare and Hygiene

The bank focuses on eliminating Non-Communicable Disease in some states and establish accessible sanitary facilities despite difficult terrains.



Planting of **17.69 Lakh+ trees** has helped increase groundwater levels



Development of **~23,800 household toilet** units across India



Guinness World Record for organising the **world's largest blood donation drive**

Skill Development and Livelihood Enhancement

Managing and improving skills is an important part of increasing employment and establishing long-term livelihood options.



Assist farmers in changing their **logistics and supply chains**



Aided in the formation of **dairy cooperatives, poultry farms, integrated poultry-goat rearing-fishery units**



Parivartan has trained **~8,470 SHGs** in rural India with the goal of empowering women



The bank has trained nearly **2.54 Lakh+ people** through its partners, in accordance with the ideals of fairness and inclusion

Financial Literacy and Inclusion

Our Bank offers financial literacy programmes to help communities make informed financial decisions.



The bank conducts **financial literacy workshops**



Digidhan or Dhanchayat is the Bank's **financial literacy programme on wheels**

The CSR and ESG committee of the Board reviews our CSR projects, monitors CSR policy and performance, and ensures that the Bank is compliant with the regulatory requirements. There were no fines or non-monetary sanctions in the social area during FY22 owing to non-compliance with applicable laws and regulations.

Parivartan – a step towards sustainable Sustainable progress

Parivartan is the Bank's umbrella brand for all social efforts. It aims to drive positive change in people's lives by empowering them, to become self-sufficient and integrated with the society through direct or indirect interventions. Parivartan is also at the forefront of natural disaster response, successfully restoring infrastructure and rehabilitating communities. Parivartan works under five thematic areas. Based on the identified focus areas, we have set seven goals and 11 sub-goals that guide our community development activities.



LIVES IMPACTED*
9.6 Cr+



1 Rural Development (Natural Resource Management)

Our Holistic Rural Development Programme (HRDP) focuses on comprehensive development through activities under NRM, Education, Skill Development and Livelihood, Financial Literacy and Healthcare. These activities are based on the belief that rural development is key to India's growth. The Natural Resource Management theme rests on the twin goals of enhancement of natural

resources and their optimal utilisation for the economic development of the community. Under this theme, we have defined three goals. First, we are working to irrigate 2 Lakh acres of unirrigated land and cover 1 Lakh acres with vegetation, to increase the area of land under cultivation, as well as to increase the cropping intensity of cultivable land.

HOUSEHOLDS
9.88 Lakh+
VILLAGES
3,335+

Natural Resource Management

Promoting the use of chemical-free farming

to achieve 3 Lakh acres of farmland under chemical free farming

Irrigate 2 Lakh acres of unirrigated land

- To increase the cropping intensity of cultivable land
- To increase the area of land under cultivation

**Our
targets**

2.5 Million trees to be planted (CO₂ reduction)

Implementing tree plantation programmes to sequester carbon and promote sustainability

1,000 villages to have clean and renewable energy solutions

reducing the carbon and ecological footprint of our communities

WATER CONSERVATION STRUCTURES DEVELOPED*

10,500+

SOLAR LIGHTS INSTALLED*

41,810+

BIOMASS STOVES DEPLOYED*

11,670+

KITCHEN GARDENS DEVELOPED*

48,490+

TREES PLANTED*

17.69 Lakh+

Second, we aim to reduce the carbon and ecological footprint of our communities by promoting clean and renewable energy solutions. This includes undertaking projects such as tree plantation for carbon sequestration and biodiversity conservation. We are targeting 1,000 villages to have clean and renewable energy solutions and a minimum of 10 solar lights in each village. In addition, we are providing solar home lights, biomass chulha, biogas plant, solar study lamp, and a solar irrigation unit, covering 25% of the households in each village. The biomass stoves have helped improve indoor air quality, creating a direct positive impact on women's health. Further, we target to plant 2.5 Million trees by FY25.

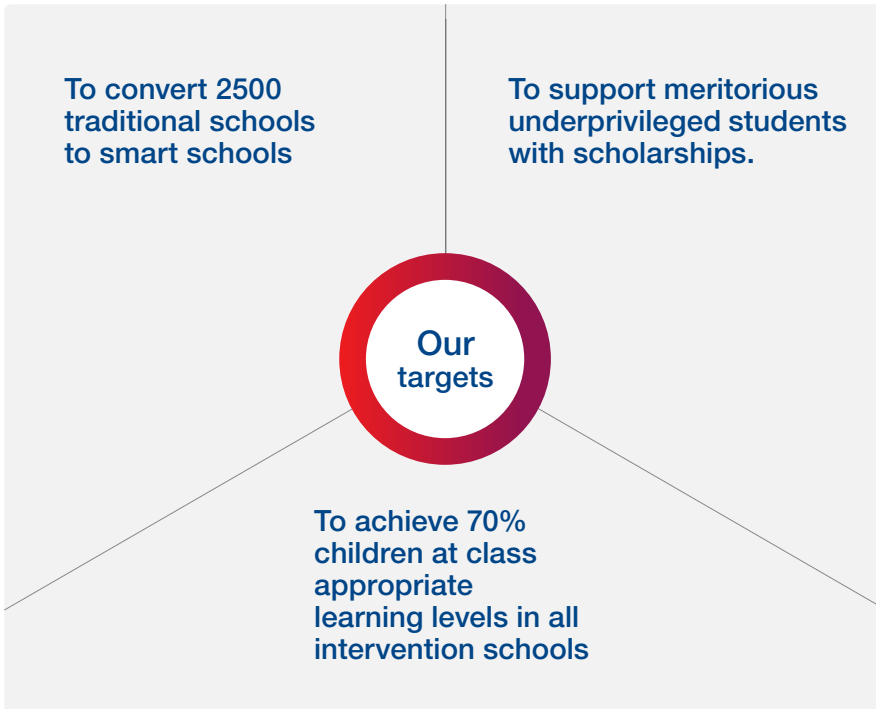
Third, we have been promoting the use of chemical-free farming, to maintain the soil, environment, and human health by combining tradition, creativity and science. We train farmers on

different agricultural techniques for improving productivity and using locally produced manure and fertilisers, which not only aid in chemical-free farming but also help avoid expenditures on chemical fertilisers.



*Refers to achievement since inception till March 31, 2022

2 Promotion of Education



We are implementing a programme to promote education in line with India's Sarva Shiksha Abhiyaan. Under this theme, we provide multi-faceted support to schools, to enhance the quality of education – which includes training the teachers, providing scholarships and career guidance to students, as well as infrastructure support to schools, such as building toilets and improving classrooms. We have dedicated programmes for improving teachers' skills and scaling up no-cost solutions for improving existing systems and processes. We have also been working towards establishing libraries, scientific labs and digital classrooms.

Under this theme, we have set the goal of enhancing the quality of education in

government schools through a three-dimensional, target-driven approach. The first dimension aims to convert 2,500 traditional schools into smart schools, to establish a favourable learning environment and enable teachers to utilise various efficient teaching-learning methods. We have identified six building blocks for the development of smart schools and would be providing targeted support, based on a detailed need assessment and situational analysis of the availability of adequate infrastructure such as space and electricity.

The second dimension aims to support meritorious yet underprivileged students with scholarships, to not let the financial crises interrupt the development of bright young minds.

We identify economically backward students with an annual family income below ₹2.5 Lakh and a minimum of 55% marks on their latest available marksheet.

The third dimension targets quality of education in schools. We aim to achieve 70% of students in all schools (those under intervention) at class appropriate learning (CAL) levels. The CAL levels are assessed as per the NCERT defined framework in classes 3, 5, and 8 through the National Achievement Survey in language, mathematics, EVS, science, and social science.



Digital classrooms

The Smart Classrooms by Parivartan in the state-run schools are equipped with a pre-loaded projector and an interactive board. The in-built e-content is aligned with the concerned state curriculum, making learning fun and engaging for the students. For effective implementation of the digital classrooms initiative, the Bank provides training to the teachers making them the experts and custodians of the infrastructure.



Basic Science and Math laboratory

For collaborative practical approach



Library

Additional learning hubs fundamental to overall personal development



Smart class infrastructure

enable modern technology in education to provide an interactive learning environment.



Construction and maintenance of toilet facility

Prevents dropouts and absenteeism



Drinking water facility

Provisioning uncontaminated and safe drinking water for students



Active Corner (for primary schools only)

For stimulation of cognitive learning capacities and improve attendance and enrolment

2.8 Lakh+

SCHOOLS BENEFITTED*

19.94 Lakh+

TEACHERS TRAINED*

2.09 Cr+

STUDENTS REACHED*

710+

LIBRARIES SET UP*

3 Skills Training and Livelihood Enhancement

Increase in income

Increase in income of ~5 Lakh farmers across the country

To have 1 Lakh community institutions

to have Local Economic Activation with 1 Lakh community-led enterprises promoted including VDCs/ FIG/FPO/SHG/JLG/WUG/ YG/AG etc. (~50% women led)



Skilling of youth

Skill training for employment generation



*Refers to achievement since inception till March 31, 2022

Under the Skills Training and Livelihood Enhancement theme, we focus on the economic development of farmers and youth in rural areas by providing means of generating income through agricultural or non-agricultural activities. Since its beginning, this initiative has assisted around 2.54 Lakh+ people. The overarching objective is to empower the disadvantaged by providing them with greater possibilities, assisting them in finding local jobs, increasing their household income and discouraging migration. We also support women Self Help Groups (SHGs) or Joint Liability Groups (JLGs) by providing occupational skills training, financial literacy, credit counselling, livelihood finance, and market linkage. We have started SLI EMI collections through Common Service Centre operators (CSC VLE) providing convenience to customers at the village level.

We have set separate goals for individual and institutional capacity development under this theme.

The first goal focuses on increasing farmers' income across the country. We have defined three distinct sub-goals to move forward in a targeted and systematic way. Through the first sub-goal, we aim to reach 5 Lakh small and marginal farmers (with annual income below ₹60,000) and support them in maximising output and reducing input costs. We are also enabling farmers to adopt modern and innovative farming tools and techniques, by providing them exposure visits to different fields and agricultural institutes, and supporting them with seeds, fertilisers, and other farm support materials. Additionally, we help farmers diversify their income by supporting them in allied activities such as livestock rearing, timber, horticulture, and fishery, among others.

The second sub-goal relates to the promotion of 1 Lakh community-

led enterprises to boost local economic activities, of which ~50% would be women-led. Under this, we encourage the economically deprived communities to engage in entrepreneurship on an individual or a cluster basis. We support identification of prospective economic activities in the intervention villages and assist the community members in founding and operating an enterprise – which include beauty parlours, small shops, goateries, poultry, tailoring, etc. for individual beneficiaries, and processing units, packaging units, fisheries, and handicrafts, etc. for group enterprises, established through FPO, SHG, and JLG.

The third sub-goal relates to skill development for employment generation where we provide classroom/online/blended skill development training in trades that could lead to job placement or self-employment opportunity

for unemployed youth, school dropouts and landless farmers. Our training programmes typically have certifications from the NSDC, the Sector Skill Council, or other qualified non-government agencies.

The second goal relates to the development and sustenance of institutions for livelihood enhancement – particularly community institutions such as village development committees, farmers' groups, self-help groups, water user groups, sanitation committees, youth groups, and adolescent groups. We aim to develop and support 1 Lakh community institutions. The Bank's intervention could range from a few months to three years. The activities are related to agriculture, water, sanitation, health, livelihood, and other rural development work.



Stories of Parivartan

Increasing production with high-tech farming

Tehsil: Lalsot, Dausa District, Rajasthan



Beneficiary: **Prem Devi**

Prem Devi is a small-scale farmer who was dealing with a variety of challenges, including poor tomato quality owing to inappropriate sapling planting, output losses due to numerous illnesses, and severe lack of water.

We assisted her with a high-tech farming system and capacitated her to maximise profit, while lowering the cost of production. Drip systems, mulching sheet covering,

stands, and water tanks were provided as part of the initiative to her boost her agricultural operations.

Since implementation of the intervention, the water usage has been reduced due to installation of drip systems.

Prem Devi sold roughly 150 quintals of tomatoes, making a profit of ₹98,000. This has not only improved her quality of life, but has also motivated other farmers in the region.

Strengthening agri-horticulture

District: Mandi, Himachal Pradesh



Beneficiary: **2,000 Farmers**

Farmers in the Mandi district have become victims to exploitation by middlemen. In addition, their lack of negotiating power over prices has aggravated the situation.

We supported market linkages through:

- Formation of 45 Farmer Interest Groups (FIG)
- Conducted 25 orientation trainings on value chain and value addition in apple production
- Encouraged farmers to sell their harvest in bulk

Constructed a model apple processing machine to promote apple bi-products

Farmers now have better market access, with 27.63 tonnes of apples sold straight from the producer. FIG farmers have begun selling their products in bulk and delivering it straight to customers. As a result, their negotiating strength and revenues have improved.

Fighting the pandemic

India



We reached out to Covid-care hospitals in several states to learn about their needs and concerns, with the aim to fix infrastructural gaps using the lessons learned during the second and third wave.

Through the Covid Crisis Support Scholarship Programme, we are assisting 4,000+ students who are experiencing personal or financial hardships, as a result of Covid. With monetary aid up to ₹75,000, the Bank created a specific initiative to help students

from class 1 and above, up to those pursuing UG and PG programmes.

We are increasing the oxygen capacity in 18 hospitals around the country to better prepare for the approaching COVID-19 waves. These oxygen plants are now being set up in Uttar Pradesh, Jharkhand, Haryana, Punjab, Karnataka, Kerala, Assam, West Bengal, New Delhi, Rajasthan, Madhya Pradesh, Chhattisgarh, Tamil Nadu, Andhra Pradesh, Odisha and Himanchal Pradesh.

Upskilling women and rural youth

India



In collaboration with the Apparel Made-Ups and Home Furnishings Sector Skill Council, we have trained over 5000 women across six states in apparel-related job areas. This included awareness/ counseling sessions, quality training sessions, provision of learning materials, toolkit etc.

We have also set up a team to followup and support the applicants to get employed at top companies.

We aim to place women candidates in top national and international companies. We are setting up a team to follow and support the

applicants, once they've been placed through off-site or on-site verification.

With our 'Head Held High' (HHH) initiative, we have developed the 'Make India Capable' programme which aim to improve the skills and capabilities of 1500 rural youths in ten districts across ten states (Karnataka, Maharashtra, Rajasthan, Jharkhand, Bihar, Uttarakhand, Telangana, Gujarat, Haryana, and Odisha).

The programme guarantees that ~70% of the trained youngsters would be placed in a job within 39 months. The project commenced in FY21-22 and has trained over 280 applicants until March 2022.

Training and placing 5,000 women across 6 states

Aiding disconnected rural youth across 10 states

4 Healthcare and Hygiene

Improve sanitation facility

100% of households have sanitation facilities in usable conditions

Improve Sanitation facility

1,000 villages to have a waste management system in place

15 ULBs to have MRF and recycling facilities

Our Targets

Improve Sanitation facility

1,000 villages to have access to clean drinking water



23,800+

HOUSEHOLD TOILETS CONSTRUCTED*

1,810+

SANITATION DRIVES CONDUCTED*

We have adopted an integrated approach related to healthcare and hygiene. We have not only been provisioning healthcare services to our communities in the form of health clinics, nutrition programmes and immunisation drives, but have also been working on hygiene and sanitation in schools and communities. To complement our community-led sanitation efforts directed toward the proper disposal of wastewater, we have been working on the institutionalisation of waste pickers through social and financial inclusion for dry waste management.

Under this thematic area, we have set the goal to improve sanitation facilities – which we are implementing through targeted efforts on three distinct sub-goals. The three sub-goals are related to waste management, clean drinking water and household sanitation facilities.

Under the first sub-goal, we are developing waste management systems in 1,000 settlements. We are committed to establishing a long-term solid waste management system by providing the necessary infrastructure and instilling the necessary behavioural changes toward responsible consumption, source segregation and litter prevention. This includes setting-up materials recovery facilities (MRF) and recycling facilities in 15 ULBs, in addition to village-level interventions such as residential composting, door-to-door garbage collection and the related mechanisms for user fee collection, compost sales and recycling.

We are targeting 1,000 communities for providing access to clean drinking water. This would include interventions to promote clean drinking water availability at both the community-level (through Jal-minar or other water

buildings) as well as at the family-level (piped water connection). Through these interventions, three litres of water per person per day will be made available. We are also forming and orienting water user groups to ensure sustenance of the services who would be entrusted with post-project maintenance and water quality testing.

The third sub-goal pertains to ensuring that 100% of households have acceptable sanitation facilities. While the Government of India is believed to have provided sanitation facilities to every household, we are supplementing the government's efforts by working towards enhancing the usage of such facilities by undertaking soft initiatives like awareness and motivation, infrastructure-based interventions, to support the repair and upgradation of such facilities, if and where required.

*Refers to achievement since inception till March 31, 2022



Employee engagement 2021-22

The Parivartan initiative also strives to engage our employees through its Employee Volunteering Programme, encouraging them to contribute their time and effort. Our employees have displayed strong commitment by participating in various social programmes.



Financial Literacy Sessions for school students

- HDFC Bank has created a fun-filled and student-friendly financial literacy workshop. These workshops are conducted by the bank employees.
- The Bank collaborated with Teach for India to conduct these sessions. 100+ students were engaged through the virtual workshops.



Konkan Flood Relief

- The Bank collaborated with Donatekart and Aahardaan Foundation to raise funds and facilitate delivery of essential materials to the Konkan flood affected areas.
- Among the affected areas, the Bank catered to communities in Chiplun district reaching out to 500 families.



Be a Secret Santa

- The Bank organised its annual 'Be a Secret Santa' campaign marking Christmas-donation drive.
- The campaign allowed the bank to donate towards several causes including support for children living on streets, welfare of stray animals, senior citizens and more.



SmartUp

- Under its SmartUp programme, HDFC Bank supports start-ups to help them drive social change with motivation.
- The Bank officials cumulatively spent 100+ hours in shortlisting the start-ups. The Bank also launched a new sub-segment called SmartUp Unnati, a dedicated programme for mentoring women entrepreneurs by women leaders at the Bank. Under the above programme, four senior leaders dedicated 15+ hours in mentoring 8 women entrepreneurs.



Employee payroll giving programme

- 1,400+ employees have subscribed to the Give India Payroll Giving Programme to donate towards several different causes.
- HDFC Bank matches the employee's contribution, and the sum amount is annually donated to a charity of the employees' choice.



Gifting independence to the elderly on Independence Day

- On Independence Day, the Bank organised an email-fundraiser campaign through its NGO partner- Donatekart. The bank employees through the campaign could donate towards procurement of essential materials for the elderly staying at Old age homes.



Plant on the go

- With a motto to make our surroundings greener, the bank distributed seedbombs among its staff in Mumbai.
- The seedbombs (mud balls consisting of seeds) were specially made by tribal women. 800+ seedbombs were distributed among the staff.

5 Financial Literacy and Inclusion

The first step towards true financial inclusion is financial literacy. Financial literacy camps are periodically conducted at our branches. In addition, we have set up financial literacy centres across India. We are also working with our non-profit partners to enhance financial literacy. The camps are designed to provide communities with information about

the fundamentals of saving, investing and organised finance, enabling them to make informed decisions. Digidhan, our flagship plan under this pillar, is a mobile financial literacy programme that travels the length and breadth of the country's hinterland, presenting the advantages of digital banking in an audio-visual format.

23 Lakh+

FINANCIAL LITERACY CAMPS ORGANISED*

1.71 Cr+

INDIVIDUALS BENEFITTED*

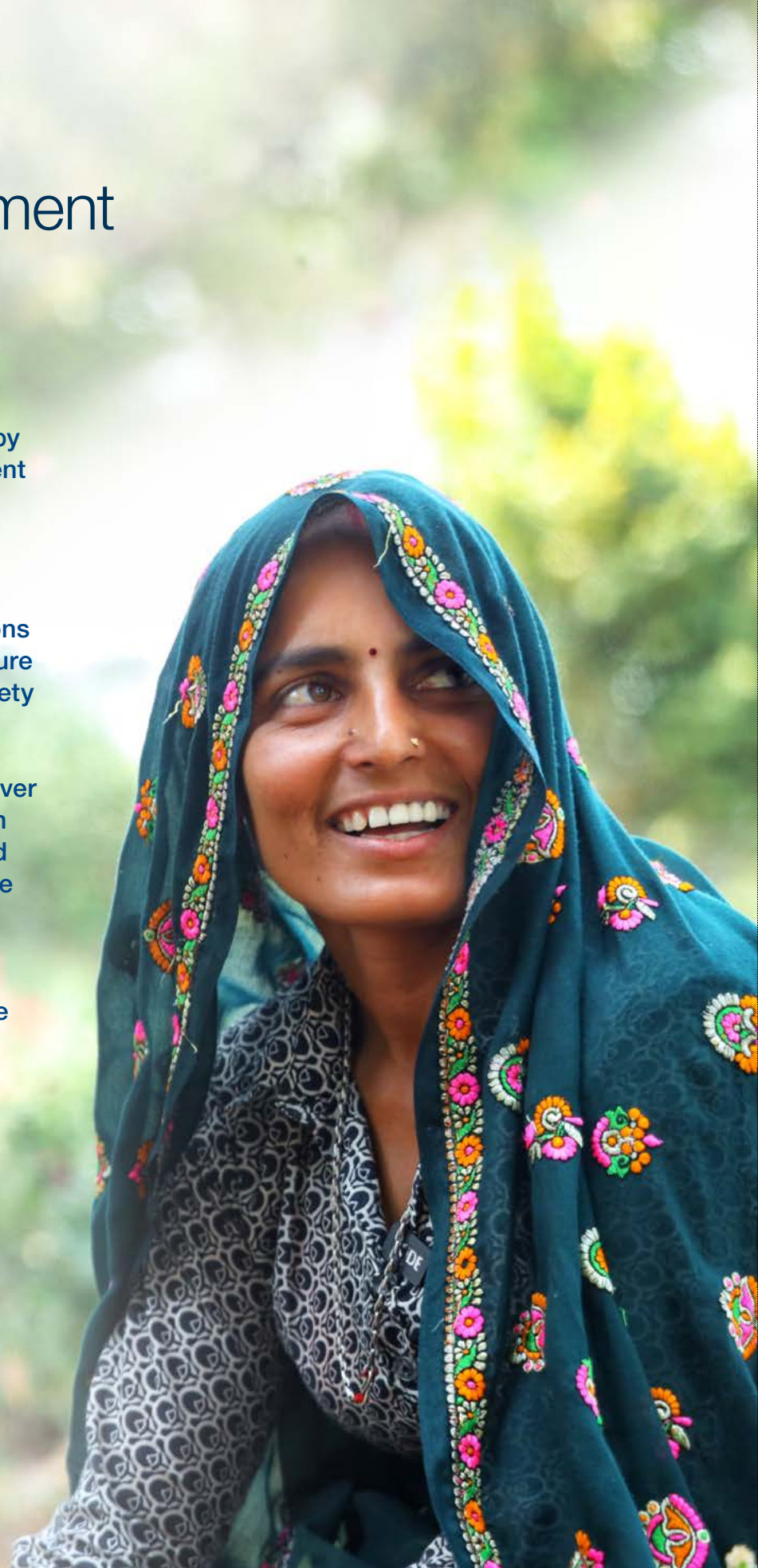


*Refers to achievement since inception till March 31, 2022

Contributing to India's development

HDFC Bank continued its journey to contribute to nation-building by digitising payments, collecting direct, indirect, and local taxes, and facilitating digital commerce by integrating with various Government owned platforms like e-National Agricultural Marketplace, and Government e-marketplace and offering banking solutions to unbanked and underserved sections of the society. The focus is to ensure the unbanked sections of the society are provided relevant financing and other banking services. As a responsible banker, we aim to deliver relevant banking solutions through partnerships with Government and other entities. The goal is to enable easier availability of funds and facilitate ease of doing business for beneficiaries such as farmers, students, teachers, and healthcare workers, amongst others.

As a socially responsible citizen, HDFC Bank endeavours to contribute to nation-building by remaining focused on key areas. These include digitising workflows and helping build alternate channels for the Government, supporting the start-up ecosystem to help fuel the economy further and supporting the Government's financial inclusion agenda.





Helping the Government digitise fund distribution efficiently

The bank plays a major role in distribution of the Government's funds for most major schemes like central sponsored schemes, central sector schemes and funds from the 15th Finance Commission.

The Bank is one of the top 5 banks processing Government pay-outs including Direct Benefit Transfer (DBT) and has also been recognised by the Ministries of Finance, Panchayati Raj and Electronics and Information Technology for its efforts in this area.

Assisted Single Nodal Agencies in streamlining fund-flows across the states.

26%

OUR SHARE OF FUND-FLOWS
FROM THE CENTRE TO THE STATES

Powering trade and digital commerce

The Bank's integration with various platforms demonstrates continued contribution to the Government's 'Ease of doing business' and 'Digital India' initiatives. The Bank has integrated with the following platforms:

- 'ICEGATE' (Indian Customs and Central Excise Electronic Commerce/ Electronic Data Interchange Gateway)
- National Agriculture Markets (eNAM)
- FOIS system (Freight Operations Information System) of Indian Railways

The Bank's long association with GeM portal, which facilitates procurement for Government departments, was extended as it was empanelled to collect GeM Caution Money for registered suppliers.

The Bank has enabled about hundred thousand suppliers to be eligible to transact on the Government e-Marketplace by offering them the facility to deposit caution money that suppliers must deposit with GeM, prior to becoming active on the platform.

Improving our foreign ties

HDFC Bank has created dedicated products for Embassies, Consulates and diplomats, helping strengthen

the nation's foreign ties. To address the pain-points of this segment, the Bank offers best-in-class solutions including seamless international Trade and Forex facilities, digital solutions for Visa collections and special current accounts to suit the needs of the expatriate community.

Promoting entrepreneurship through SmartUp programme

At HDFC Bank, we work with various State Governments and incubators/ accelerators including the Indian Institutes of Technology (IITs) and the Indian Institutes of Management (IIMs) to promote entrepreneurship under our SmartUp programme and Startup fund. We work with 45+ incubators certified by the Department of Science and Technology.

Networking and mentoring sessions are also held for our startup customers with HNIs and senior executives of the Bank. We have signed MoUs with 7 State Governments and the Ministry of Electronics and Information Technology (MEITY) to facilitate the execution of their startup policies.

85

SOCIAL IMPACT START-UPS IN THE ENVIRONMENT, HEALTH & GENDER DIVERSITY SECTORS WERE PROVIDED WITH FINANCIAL AND ADVISORY SUPPORT IN FY22.



Developing our children, our future

The Bank recognises the importance of today's youth in shaping the future of the nation. Accordingly, it works at many levels to support the country's education system.

HDFC Bank has been a key player in extending the reach of Government schemes that help school children. It has enabled state education departments to disburse funds to Government schools for fulfilling the nutritional needs under the Mid-Day Meal Scheme. The Bank has also helped disburse funds to the last mile under the Samagra Shiksha Abhiyaan Scheme, a Centrally Sponsored Scheme focused on making quality education available to students.

Disbursements to 1 Lakh+ schools benefitting 1 Cr+ students under Mid-day Meal Scheme

Further, the Bank has enhanced its education loan offering to students to enable larger numbers to avail quality education programmes. This has been achieved by removing the cap on loan values and widening the range of courses for which they can be used.

Additionally, the Bank has worked with Education Boards to digitise the payment of remuneration to faculty who offer their services during examinations. This has expedited the pace of these payments, brought transparency to the process, and ultimately resulted in higher

participation rates by faculty members to conduct examinations seamlessly. Online submission of claims has also helped the boards and faculties of these institutions overcome logistical challenges posed by the pandemic in submitting and processing such claims.

The Bank also recognises the critical role played by educators and has been committed to improving their lives. A new initiative under the banner of #SalaamDilSey was launched this year for Teacher's Day. Industry leaders from across the HDFC Group and others spoke at a special webinar aimed at helping teachers simplify their family finances. Attended by 1,300+ teachers, the webinar was well-received and will now become an annual affair given its success.

Boosting and protecting farmer incomes

The Bank has been consistently assisting the Government focused sectors such as agriculture and allied industries.

In line with the Central Government's focus on developing Farmer Producer Organisations (FPO), the Bank has powered the platform created by a state agriculture department with integrated digital payment channels. This has enhanced farmers' access to a common platform for trading and buying agri-produce and supplies. The platform has also helped revenue optimisation on crop yields by farmers. The Bank has also helped digitise the financial operations for the dairy

industry by offering an integrated solution for the entire ecosystem, thus driving transparency in the process and improving planning since it provides visibility into both the demand and supply ends of the business.

In the current year, your Bank became the first private sector Bank to be empanelled with the Agriculture Insurance Company of India (AIC), for marketing their insurance products. Through this partnership, the Bank aims to provide financial security and income stability to farmers, in the event of natural calamities that affect their crop yield.

₹70,000 Cr+

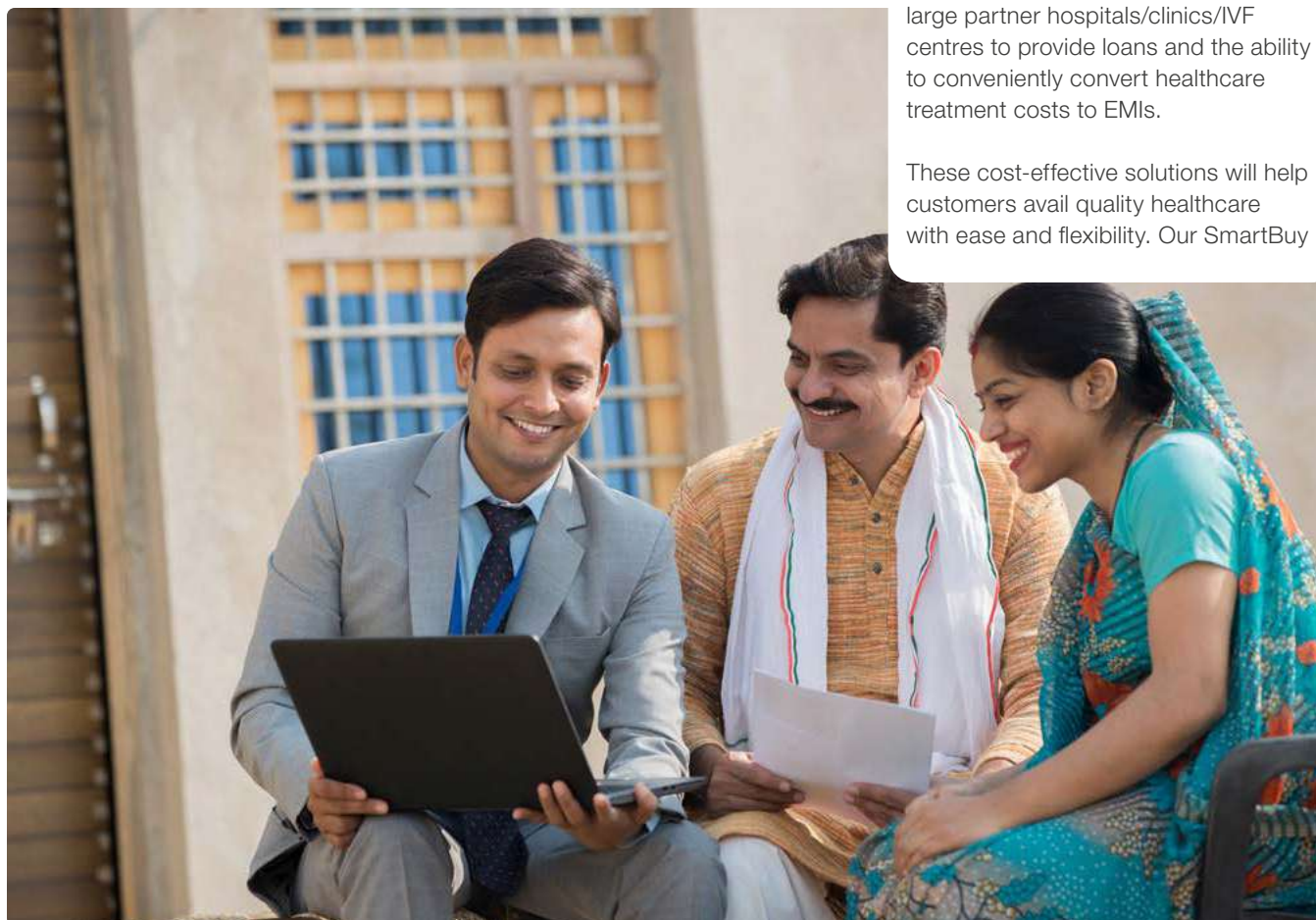
VALUE OF AGRICULTURE PROCUREMENT

Making India healthy

The Bank extended its focus on healthcare during the pandemic. It enabled the smooth transfer of funds from state apex bodies to primary and secondary healthcare centres and village level hospitals. Our services also included digitisation of processes, expenditure reporting, providing digital platforms for centralised monitoring of fund utilisation, etc. The Bank has also enabled state health departments to distribute funds in a timely manner to ASHA Workers as compensation for extending healthcare services to end beneficiaries.

The pandemic provided new avenues for customising banking solutions across various segments. With the continued focus on enhancing affordability, we have enabled several large partner hospitals/clinics/IVF centres to provide loans and the ability to conveniently convert healthcare treatment costs to EMIs.

These cost-effective solutions will help customers avail quality healthcare with ease and flexibility. Our SmartBuy





platform provides a large range of offers that help customers reduce their expenses on healthcare and wellness.

The Bank has alliances with 150+ providers including players in diagnostic, pharmaceutical and hospital care. Attractive membership benefit programmes are provided to customers as a value-added service across segments.

Two special programmes, providing customised banking and financial services benefits have also been created especially for doctors.

Digitisation and modernisation of citizen services

The Bank continued its participation in the digitisation and modernisation of Government to Citizen (G2C) services. This has not only helped optimise resources in Government organisations but also helped deliver services remotely. It includes services like payment of taxes, online collections of charges and fees by transport authorities as well as online tracking of case status with legal authorities like Motor Accident Claim Tribunals (MACT). This has also helped the authorities deliver un-interrupted services during the pandemic.

Taking banking to the unbanked

The Bank continued to leverage Common Service Centres (CSCs) to reach the last mile. The Bank expanded its product range in the last year to include all liability, assets and payments products. We also initiated the delivery of Government sponsored social security schemes and enabled Business Correspondents to assist in collection of delinquent EMLs. Managed by Village Level Entrepreneurs (VLEs), the CSCs are instrumental in increasing our penetration in deeper geographies. The distribution network built through



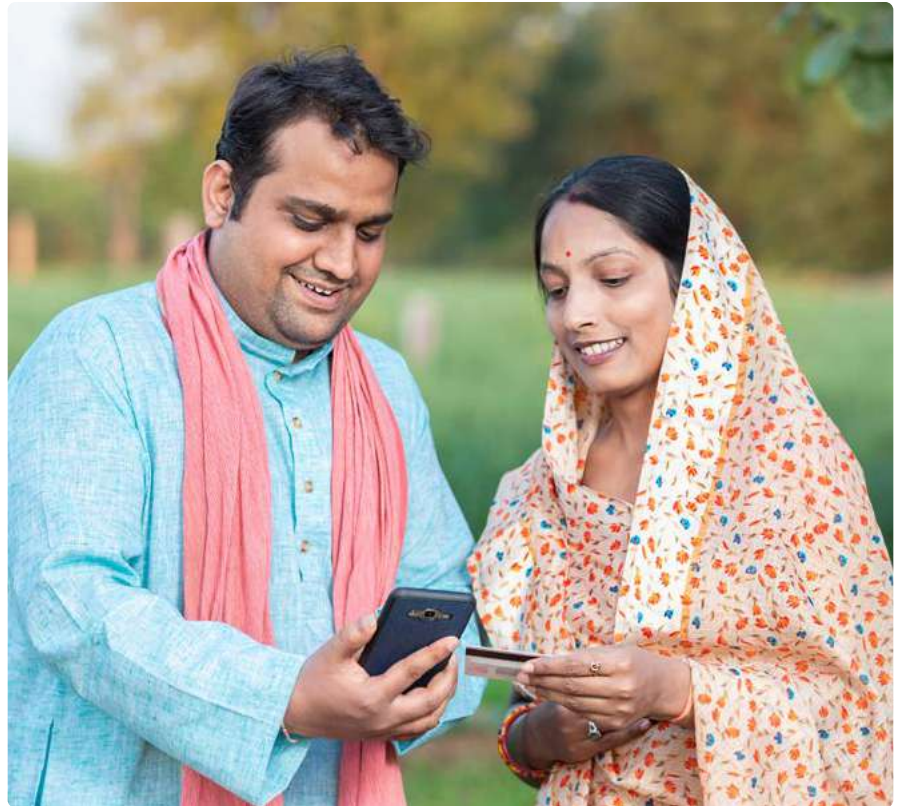
CSC now includes 4 Lakh+ centres across India for banking services. Of this, more than 68% are in semi-urban and rural areas. We also have 15,000+ centres enabled across India for conducting banking transactions.

Social Security Schemes:
17,500+ enrolled
for SSL schemes
across APY, JBY & SBY

EMIs collected: 62,000+
transactions across Retail
and SLI/JLG loans

The approach in deeper geographies is based on the ecosystem around the distribution network, our digital capabilities and rule-based underwriting to provide seamless service. In the process of training our VLEs, which includes women, we equip them with digital skills and make them self-reliant by enabling them to function as a small branch. To scale further into deeper geographies by replicating our success with CSC, we have also signed MOUs with additional partners. We are driven by the aspiration to provide banking products and services to the vast unbanked and underserved sections of the society.

Women empowerment is furthered by training 1.3 Lakh+ women from 19,600+ SHGs, making them financially self-reliant and positively impacting the lives of more than 6 Lakh fellow countrymen in semi urban and rural areas. Under the Stree Swabhiman initiative, sanitary napkin making units have been provided



to women VLEs, to manufacture economic and hygienic pads. These are provided to 12,500 school-going girls who have been adopted for a year by the Bank, thereby creating an eco-system of menstrual hygiene access.

10 Lakh citizens in the hinterlands were able to register for their COVID-19 vaccinations at CSCs with the Bank's support. Registration costs for all 10 Lakh citizens was funded by the Bank.

Driving digitisation in Rural Banking

We have integrated 30+ APIs which power the digital delivery of 25+ best-in-class financial products and services to the last mile customer. We have also funded the digital infrastructure set-up for 4,000 villages supporting the Digi Gaon initiative of the Government.

**Best Practice
in Digital
Transformation
2021**

AT THE COVETED CII-DX 2021 FORUM



Governance

The DNA of a responsible banker

Our governance framework forms the bedrock of our value creation process. At HDFC Bank, stringent regulatory compliance is a given. Beyond compliance, our practices aim to embody the principles of ethical conduct, independence, responsibility, accountability, and transparency in true spirit. This is reflected in our strategic thinking, decision-making, monitoring processes and underlines all our activities and operations.

We are led by a diverse, experienced and competent Board. The Board, along with its committees, institutes policies and frameworks on ethical conduct, anti-corruption, anti-money laundering, compliance, IT, information security, ESG, and customer satisfaction, among others, and monitors their implementation. We strive to adhere to best practices in corporate governance, such as alignment of executive pay to company performance, disclosure of Board evaluation outcomes, and wide scope of whistle-blower policy, to name a few.



Board expertise and competence

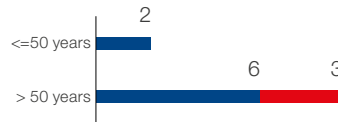
Our Board is diverse and inclusive, comprising of members with rich experience to fulfil its governance role and related responsibilities, objectively and effectively. Our Board includes members with varied skill sets and competencies across banking and allied sectors such as finance, agriculture, rural economy, risk management, small scale industries and technology. The Board also seeks opinions from external experts whenever required. Further information on the skills, expertise and competence of our Board is included in our Corporate Governance Report on Page 385.

Beyond compliance

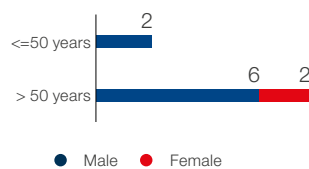
At HDFC Bank, compliance with regulatory requirements is just the starting point for good governance practices. We have consistently ensured that the composition of the Board and its Committees, in terms of independence, diversity in skills, expertise and gender, meets and at times, exceeds the requirements prescribed by regulations.

BOARD DIVERSITY BY AGE AND GENDER

As on March 31, 2022



As on March 31, 2021



● Male ● Female

‘Leadership’ category organisation in Corporate Governance by IIAS

The Indian Corporate Governance Scorecard is developed by Institutional Investor Advisory Services India Limited (IIAS) with support from International Finance Corporation (IFC) and BSE Limited. The scorecard is built around the G20/OECD Principles of Corporate Governance, which are the globally accepted benchmark for corporate governance. In the 2021 scorecard (published in February 2022), HDFC Bank was one of the 20 companies which ranked in the ‘LEADERSHIP’ category. For more details, please refer to <https://www.iiasadvisory.com/governance-scorecard>.

Independence in Committee composition

We ensure a high level of independence in the composition of our Board Committees. The below Committees are chaired by an independent director.

(Percentage of Independent Directors)



- CSR & ESG Committee
- Stakeholders' Relationship Committee
- Risk Policy & Monitoring Committee
- Nomination & Remuneration Committee
- Audit Committee





Board initiatives and involvement

The Board provides leadership and strategic guidance in shaping our procedures and processes for value creation. The key focus areas in FY22 included adherence to regulatory compliance, creating a strong technological backbone to mitigate IT and operational risks, infrastructure scalability, talent management and ESG commitments.

Culture of transparency and accountability

We strive to inculcate global best practices in governance, timely disclosures and fair presentation of information. Transparency and accountability are among the key expectations of stakeholders. We have put in place policies and processes that allow for a sufficient and visible flow of information with adequate safeguards in place. We have also formulated a Code of Practices and Procedures for Fair Disclosures in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015. This Code lays down principles of prompt disclosure along with uniform

and universal dissemination of information. Further, the Board has also approved the following policies which are available on our website: <https://www.hdfcbank.com/personal/about-us/corporate-governance/codes-and-policies> for easy reference:

- Policy on Appointment and Fit and Proper criteria for Directors
- Whistle Blower Policy
- Compensation Policy

Policies and frameworks for ethical conduct

To ensure a pervasive culture of ethical behaviour, we have created an environment and instituted policies and frameworks that encourage appropriate business conduct. These policies are communicated regularly to the management, employees and other stakeholders.

Our corporate governance policies include:

- Code of Ethics/Conduct
- Policies to prevent insider trading, govern related-party transactions
- Policies around Prevention of Sexual Harassment (POSH)

- Environmental Social & Governance (ESG) Policy Framework

Transparency and accountability are embedded in our culture. Our Code of Ethics/Conduct directs the Board and senior management to uphold our values and carry out business worldwide with integrity and highest ethical standards. As per our Conduct Philosophy, we do not employ child, forced or compulsory labour in our operations. Our Whistle-blower Policy provides a comprehensive framework for capturing and addressing stakeholder complaints/grievances. In FY22, we had 147 whistle-blower complaints filed by various stakeholders including shareholders, employees, customers and value chain partners. The nature of complaints varied; while some were linked to corruption and improper business practices, others pertained to behavioural issues. We did not make any political contributions.

Our publicly available Conduct Philosophy codifies mechanisms to deal with issues related to mental or physical coercion or verbal abuse, sexual harassment, sexual abuse, slavery, of employees. During FY22, there were no complaints of infringement of human rights.

We have a 'Zero Tolerance' policy on sexual harassment and an internal complaints committee is in place to address such complaints. During the year, we received 51 complaints pertaining to sexual harassment, of which 48 were resolved during the year. For more information, please refer to our Corporate Governance Report on Page 385.

PERSON-HOURS SPENT ON HUMAN RIGHTS TRAINING

2 Lakh+ Hrs

Anti-corruption, Anti-bribery, and Anti-money Laundering (AML)

We have focused programmes consisting of Foreign Corrupt Practices Act and Bribery Act, Code of Ethics and Commitment, Trade-based Money Laundering, and KYC and AML norms to enable effective training on anti-corruption, anti-bribery and anti-money laundering. Our operations are assessed for corruption and any complaints by any stakeholder can be raised through our whistle-blower mechanism.

EMPLOYEES TRAINED ON
ANTI-CORRUPTION, AML AND
KYC TRAININGS

68,087

CONFIRMED INCIDENTS* WHEREIN
EMPLOYEES WERE DISMISSED OR
DISCIPLINED FOR CORRUPTION IN FY22

7

Customer satisfaction

The Customer Service Committee of the Board (CSCB) works towards continuously improving the quality of services rendered to the customer. It also ensures the implementation of directives received from the RBI in this regard. Accordingly, the CSCB formulates the Bank's comprehensive deposit policy, incorporating the issues arising out of the product approval process, annual survey of depositor satisfaction, and the triennial audit of such services, among others. We ensure strict adherence to market conduct regulations and have defined frameworks in place to maintain transparency in communications to our customers and clients. During FY22, we did not record any new cases of non-compliance concerning product and service information and labelling, or marketing communications.

During the year, we undertook several initiatives to strengthen our IT systems, augment capabilities and increase resiliency. To read more about our initiatives, refer Pg. 78 (Digitisation). During FY22, we received no complaints regarding identified leaks, thefts, or losses of customer data with respect to data security. During the same period, we received 298 complaints from customers concerning breaches of customer privacy, 1 complaint from an outside party and 19 from regulatory bodies. The major areas of customer complaints in FY22 were related to unauthorised transactions done through UPI, unauthorised usage through Credit Card, unauthorised transactions done through NetBanking, unauthorised usage through Debit Card online and failed transactions at the Bank's ATMs.

We have a transparent Grievance Redressal Mechanism that ensures quick and effective resolution of complaints. Customers can reach out to us through multiple channels including retail branches, phone banking application, website and net banking application and retail asset customer service centres. Any grievance received, either verbally, by email or in writing, if not resolved and responded to on the same day, is logged into CRMnext – a state-of-the-art web-based system or Vision Plus (for Credit Card related issues). The CRMnext system has the capability to record and categorise grievances into different types and maintain turnaround times (TAT) for specific category/sub-category. It also has an auto escalation mechanism for cases not resolved within the defined TAT. This not only ensures proper recording and resolution of cases, but also provides for effective escalation channels in case of delays in resolution. Acknowledgement is provided for every grievance logged, in the form of a Complaint Reference

Number (CRN), and the customer is kept informed in case of any delay envisaged by the Bank, in resolution of the grievance beyond the stated timelines.

Apart from direct grievances from customers, grievances received through various regulatory bodies including Reserve Bank of India and Banking Ombudsman are handled by designated Nodal Officers. The Bank has also appointed an Internal Ombudsman as per the guidelines prescribed by the Reserve Bank of India. Denial/partial denial cases are referred to the Internal Ombudsman for guidance. The decision of the Internal Ombudsman is binding on the Bank.

ESG governance

ESG matters are a vital component in the Bank's governance framework. The CSR and ESG Committee of the Board oversees the Bank's sustainability and climate change initiatives. The Board level committee is guided by the ESG apex committee. The ESG apex committee that comprises of key representatives from the senior management, oversees sustainability reporting initiatives, climate change disclosures, internal projects to ensure reduction of our overall emissions and tracks its progress on ESG, to achieve industry leadership. This Committee is further supported by ESG action sub-committees which includes Product Responsibility Sub-committee, which looks at ESG risks (including climate risks) in the existing portfolio and ESG-linked opportunities; the Environment Sub-committee which oversees the environmental impact from our operations and Social and Governance Sub-committee which works on workplace policies and governance initiatives.