

# ICICI BANK AT A GLANCE

ICICI Bank is a large private sector bank in India offering a diversified portfolio of financial products and services to retail, SME and corporate customers. The Bank has an extensive network of branches and ATMs. It is at the forefront of leveraging technology and offering services through digital channels like mobile and internet banking.

## VISION

To be the trusted financial services provider of choice for our customers, thereby creating sustainable value for our stakeholders.

## MISSION

To grow our risk-calibrated core operating profit by:

- Delivering products and services that create value for customers.
- Bringing together all our capabilities to seamlessly meet customer needs.
- Conducting our business within well-defined risk tolerance levels.

**₹15.74 trillion**

Consolidated Total Assets

**₹313.51 billion**

Core Operating Profit\*

**₹161.93 billion**

Profit After Tax\*

**19.12%**

Total Capital Adequacy Ratio

**3.69%**

Net Interest Margin\*

**21%**

Increase in Total Deposits year-on-year

**41%**

Average CASA Ratio\*

**55%**

Retail Portfolio as a proportion of Total Portfolio (including non-fund based outstanding)

**20%**

Growth in Retail Loans year-on-year

\*During fiscal 2021; others at March 31, 2021

## ICICI BANK AT A GLANCE

### iMobile Pay

ICICI Bank launched 'iMobile Pay', a payment and banking services app that can be used by customers of any bank, in December 2020. Within five months of the launch, over 2.5 million customers of other banks have activated the app.

### Coolest Workplace

ICICI Bank has been recognised as 'India's Coolest Workplace' by 'Business Today' magazine in the Banking, Financial Services and Insurance (BFSI) sector for the fifth year in a row. This ranking is based on the annual survey - 'India's Coolest Workplaces'\*\*.

### 90% digital transactions

Over 90% of savings account transactions (financial and non-financial) are done through digital channels.\*\*\*

### Highest market share in FASTag

The Bank is the leader in electronic toll collection transactions done through FASTag with a 35.5% market share by value at the end of fiscal 2021.

### UPI transactions increase by 3.3X

ICICI Bank's UPI payments to merchants transactions increased 3.3 times in value and 1.9 times in volume, year-on-year in fiscal 2021.

### Video KYC

ICICI Bank launched Video KYC to empower customers to complete the Know Your Customer (KYC) process through video interaction. The Bank is the first in the industry to offer this facility for opening salary accounts, availing a personal loan and a credit card.

### EMI @ Internet Banking

The 'EMI @ Internet Banking' service of ICICI Bank allows pre-approved customers to convert their high-value online purchases into instant EMIs. The Bank is the first in the industry to introduce this facility.

### Over 580,000 individuals trained

ICICI Foundation for Inclusive Growth, the CSR arm of the ICICI Group, has trained over 580,000 less privileged individuals since its inception till March 31, 2021, helping them to earn a sustainable livelihood.

### 90% instant personal loans

ICICI Bank sourced around 90% of all personal loans instantaneously in fiscal 2021.

### 75% credit cards issued digitally

The Bank issued close to 75% of all credit cards digitally to customers in fiscal 2021.

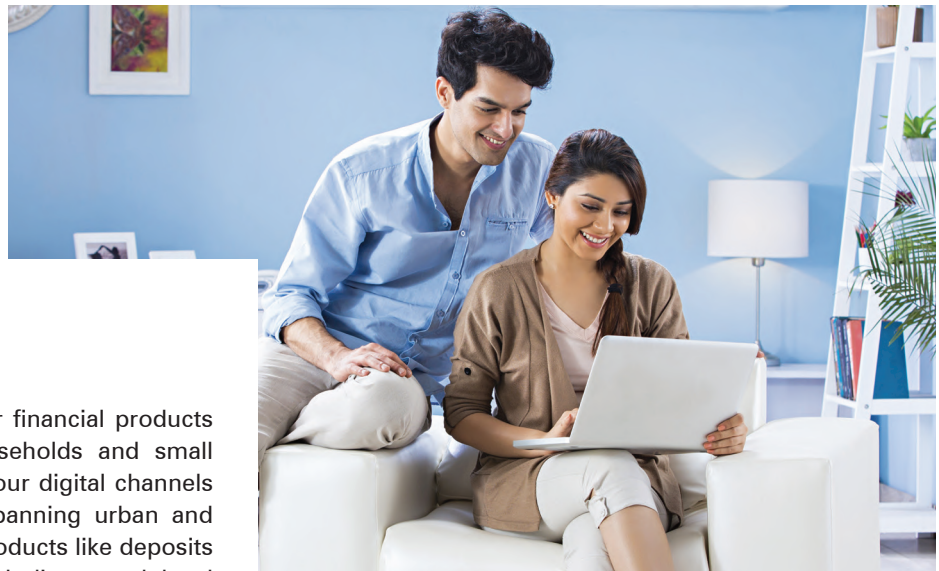
\*\*Earlier known as 'Best Companies to Work For'

\*\*\*Digital transactions include transactions on internet, iMobile, point-of-sale, touch-banking, phone banking and debit card use for e-commerce

# KEY BUSINESS AREAS

## RETAIL, SME AND RURAL BANKING

We offer deposit, credit and other financial products and services to individuals, households and small businesses across India, through our digital channels and extensive branch network spanning urban and rural areas. We also offer select products like deposits and remittances to non-resident Indians, and local market offerings in select international geographies.



## WHOLESALE BANKING

We offer financial solutions to large and medium-sized companies and their business and channel partners, and to financial and government/public sector entities. The product offerings include deposits, long-term finance, working capital, trade, cash management, transaction banking and treasury management. In addition to our network in India, we leverage our international presence to meet the cross-border requirements of our clients. We offer retail banking solutions to employees of our corporate clients. We thus aim to comprehensively serve the ecosystems of our corporate clients.

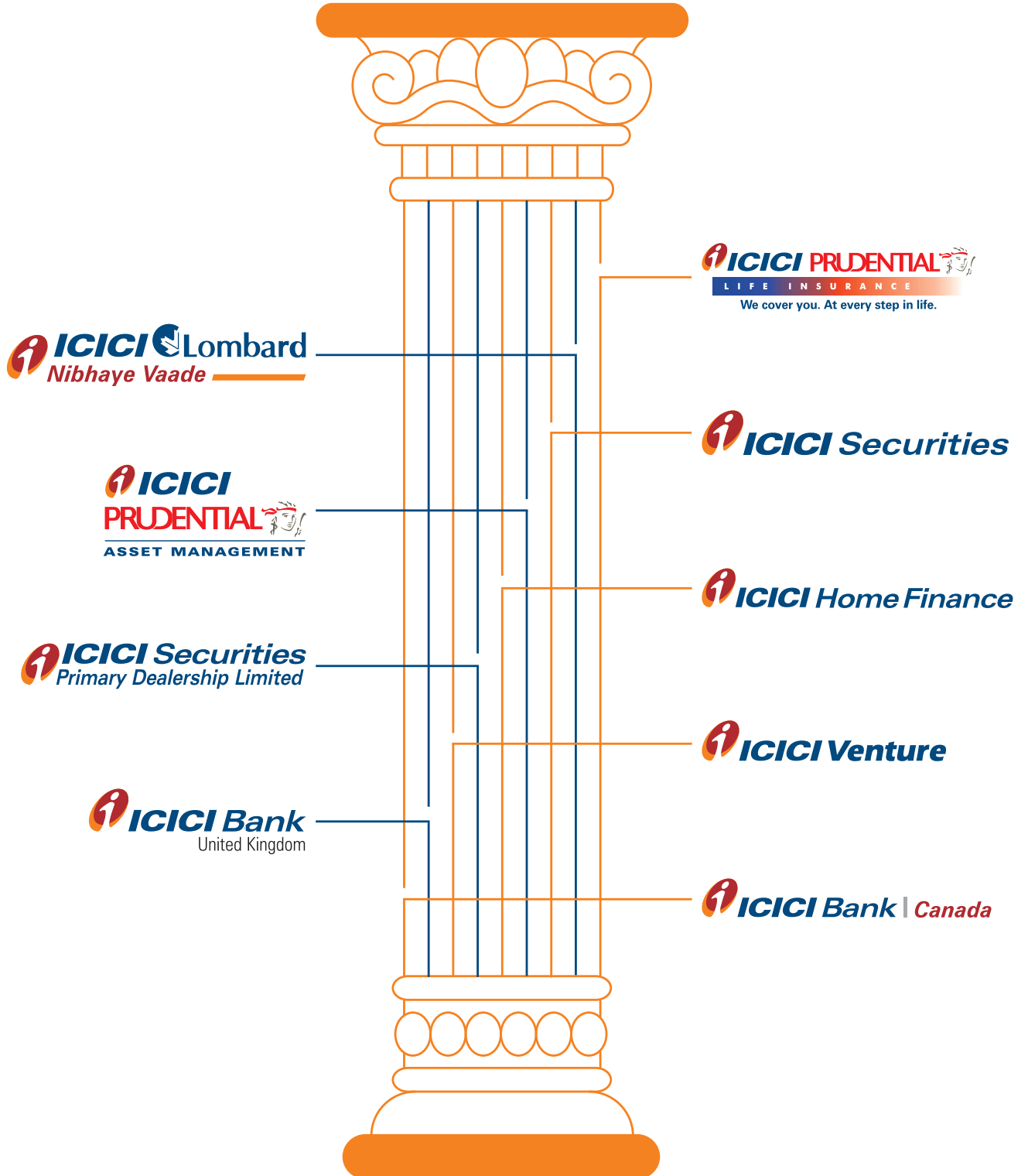
## TREASURY

Our treasury operations comprise management of the Bank's liquidity, government securities portfolio and interest rate risk, proprietary trading, and foreign exchange and derivative solutions for clients.



# ICICI Bank

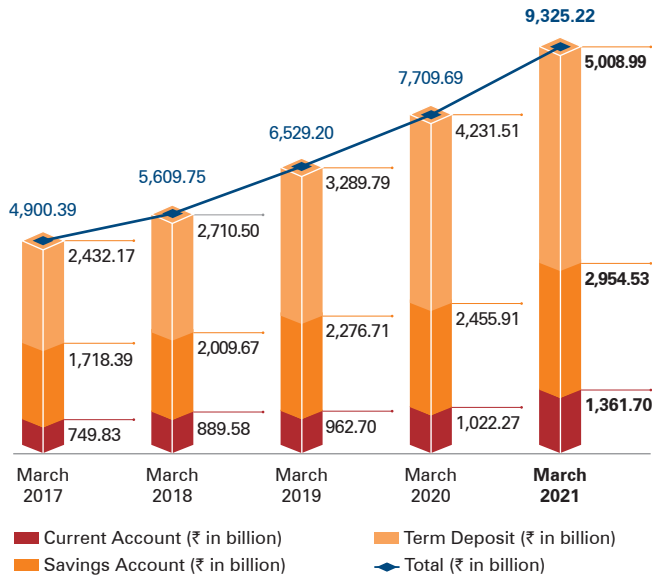
## Key Subsidiaries



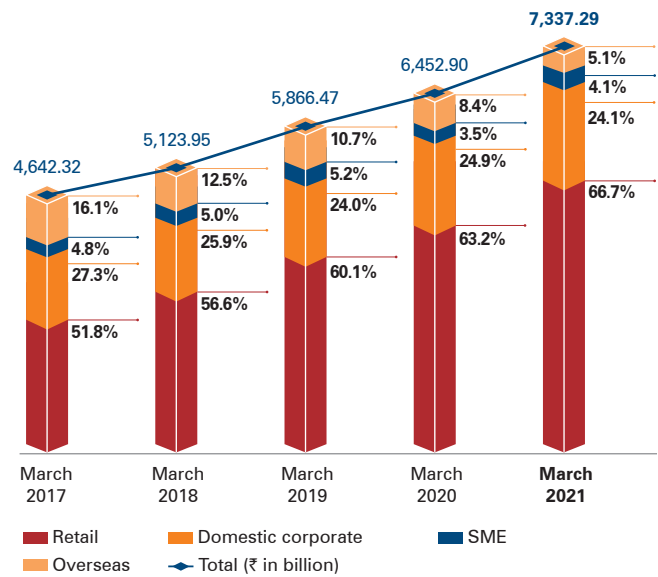
Note: ICICI Lombard General Insurance Company is awaiting requisite approvals for a proposed all-stock merger of another non-life insurance business with itself, which on consummation would result in the company ceasing to be a subsidiary.

# FINANCIAL HIGHLIGHTS

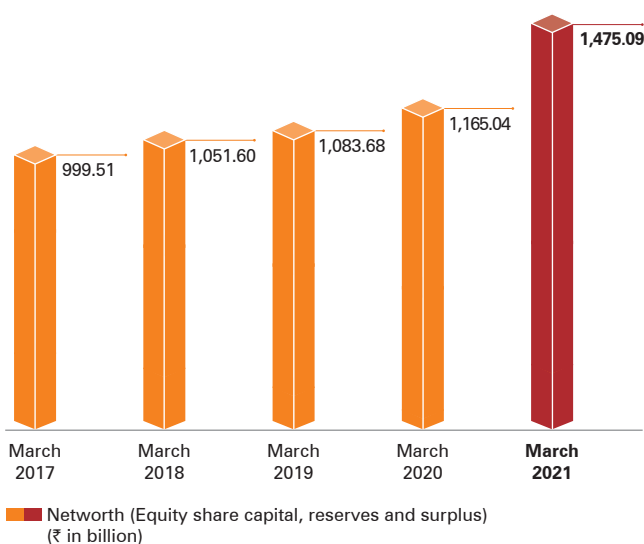
## TOTAL DEPOSITS



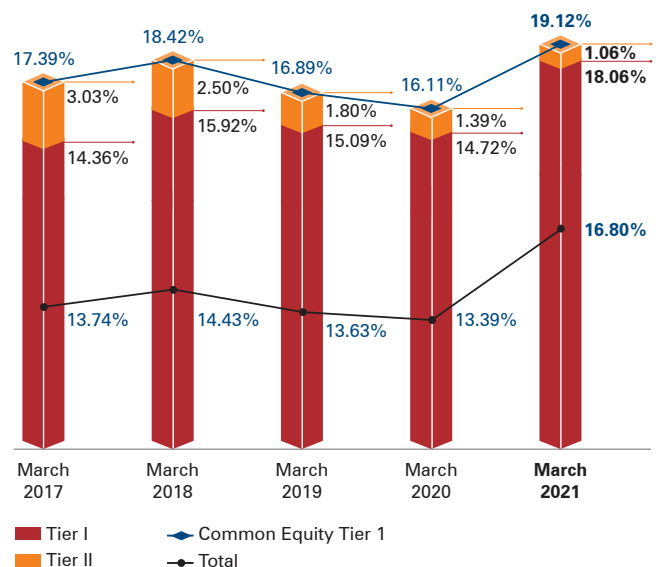
## TOTAL ADVANCES



## NETWORTH

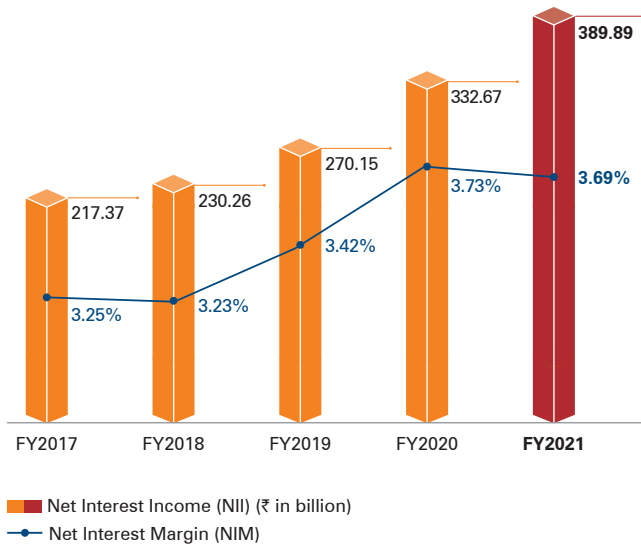


## CAPITAL ADEQUACY

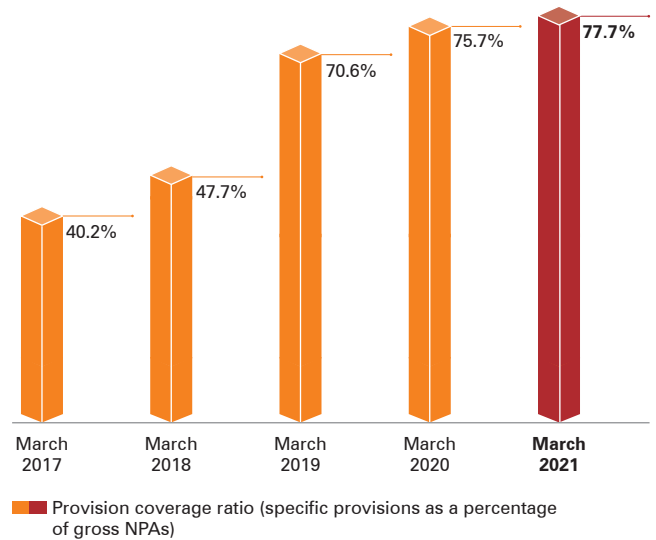


## FINANCIAL HIGHLIGHTS

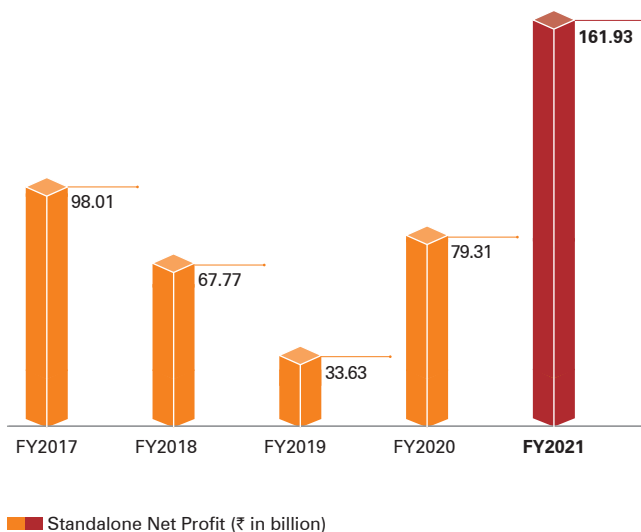
### NII & NIM



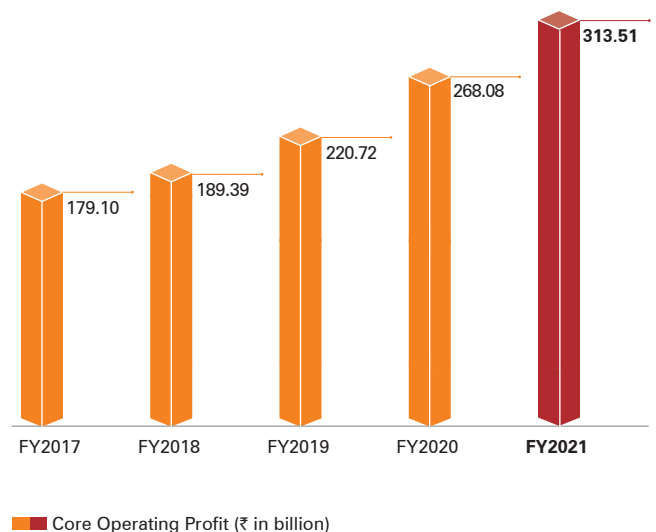
### PROVISION COVERAGE RATIO



### STANDALONE NET PROFIT



### CORE OPERATING PROFIT



# MESSAGE FROM THE CHAIRMAN



**The performance of the Bank in terms of growth, portfolio quality and profitability is a result of the focussed execution of its strategy over the past few years.**

The year gone by saw the world faced with possibly its greatest challenge in living memory. The health crisis and economic challenges caused by the Covid-19 pandemic have demanded exceptional efforts on every front. India navigated the complex and challenging environment during fiscal 2021, driven by a determined response by our medical professionals, frontline workers, communities and the policy measures of the government and regulatory authorities. Most parameters of economic activity returned to pre-Covid levels by the last quarter of the fiscal year. However, a second wave of the pandemic emerged in late fiscal 2021 that saw a significant increase in infections across the country, in urban and rural areas. The receding of this second wave in recent weeks and the acceleration of the vaccination programme raise hopes of a gradual return to a more normal environment as the year progresses.

In this uncertain environment, ICICI Bank has accorded the highest priority to the continuity of service to our customers and the safety of our employees, and ensuring that the Bank is resilient against potential risks and well-poised to benefit from the recovery. Our employees have demonstrated immense professionalism and dedication

towards the successful navigation of these challenges by our institution. On behalf of the Board, I would like to thank all employees for their dedication and response during this difficult period, and for upholding the ethos of brand ICICI.

During fiscal 2021, significant provisions were made to cushion the balance sheet from the potential risks arising out of uncertainties around the trajectory of the pandemic and level of economic activity. Throughout the year, the Bank carried substantial excess liquidity, as it saw very healthy deposit inflows. Despite the challenging environment, the Bank saw a healthy growth in core operating profit and profit after tax in fiscal 2021. The Bank raised additional equity capital with the objective of further strengthening its capital adequacy and improving its competitive positioning. While regulatory guidelines did not permit banks to declare dividend last year, the Board of Directors has recommended payment of dividend to the shareholders in the current year.

The performance of the Bank in terms of growth, portfolio quality and profitability is a result of the focussed execution of its strategy over the past few years. The

## MESSAGE FROM THE CHAIRMAN

Bank's consistent focus on growing its deposit franchise and its ability to raise deposits at low cost have enabled it to compete effectively in lending opportunities. The Bank has adopted an ecosystem-based approach, seeking to effectively and holistically serve the needs of customers and their networks, backed by a strong emphasis on internal collaboration and synergy. The risk frameworks within which the Bank has conducted its business have proved resilient in the face of the disruption caused by the pandemic.

Our continuing efforts to promote a cashless ecosystem and enable digital access to financial services proved invaluable in an environment of social distancing and restrictions on movement. Our strategy, based on a customer-centric approach, enabled us to respond to the needs of our customers and launch digital alternatives for them to stay connected and meet their financial needs. We launched initiatives like the ICICI STACK to enable banking on digital platforms for all customer segments. ICICI Bank continues to create innovative, convenient and comprehensive digital experiences for our customers.

The Board is committed to ensuring that ICICI Bank is a future-ready and resilient organisation with a focus on long term value-creation. Our business is underpinned by strong governance and risk management practices, and an ethos of being a trustworthy financial institution. During the year, the Board and its Committees conducted regular reviews to assess the Bank's response to the challenges posed by the pandemic and evaluating its impact on our business and loan portfolio. From a longer term perspective, a wide range of issues and risks were reviewed to ensure organisational resilience and the responsiveness of the Bank to the evolving environment, particularly with relation to technology. The Board is focussed on critical aspects like cyber security and data privacy, and the scalability and resilience of the Bank's technology architecture.

We are sensitive to our role within our ecosystem that includes customers, employees, suppliers, communities and the environment. Maintaining integrity, fairness and transparency are important values for us in our engagement with our stakeholders. Ensuring right-selling of products to our customers and the philosophy of 'Fair to Customer, Fair to Bank' are core to our strategy. We continue to instil a sense of accountability and ethics among employees through robust policies and strong

governance. Our governance culture supported by sound risk management is aimed at ensuring we remain resilient during challenging periods and forge a sustainable future for the organisation.

We thank all our stakeholders and look forward to your continued support.

With best wishes,

**Girish Chandra Chaturvedi**  
*Chairman*



# BOARD OF DIRECTORS

## BOARD MEMBERS



**Girish Chandra Chaturvedi**  
Non-Executive (part-time)  
Chairman



**Hari L. Mundra**  
Independent Director



**Lalit Kumar Chandel**  
Government  
Nominee Director



**S. Madhavan**  
Independent Director



**Neelam Dhawan**  
Independent Director



**Radhakrishnan Nair**  
Independent Director



**Rama Bijapurkar**  
Independent Director



**B. Sriram**  
Independent Director



**Uday Chitale**  
Independent Director



**Sandeep Bakhshi**  
Managing Director &  
CEO



**Anup Bagchi**  
Executive Director



**Sandeep Batra**  
Executive Director



**Vishakha Mulye**  
Executive Director

## KEY PERSONNEL

**Rakesh Jha**  
Group Chief Financial Officer

**Ranganath Athreya**  
Company Secretary

## BOARD COMMITTEES

### Audit Committee

Uday Chitale, *Chairman*  
S. Madhavan  
Radhakrishnan Nair

### Credit Committee

Sandeep Bakhshi, *Chairman*  
Hari L. Mundra  
B. Sriram  
Vishakha Mulye

### Information Technology Strategy Committee

B. Sriram, *Chairman*  
Neelam Dhawan  
Anup Bagchi  
Sandeep Batra

### Board Governance, Remuneration & Nomination Committee

Neelam Dhawan, *Chairperson*  
Girish Chandra Chaturvedi  
Rama Bijapurkar  
B. Sriram

### Customer Service Committee

Rama Bijapurkar, *Chairperson*  
Hari L. Mundra  
Sandeep Bakhshi  
Anup Bagchi

### Risk Committee

Girish Chandra Chaturvedi, *Chairman*  
S. Madhavan  
Sandeep Batra

### Corporate Social Responsibility Committee

Radhakrishnan Nair, *Chairman*  
Rama Bijapurkar  
Uday Chitale  
Anup Bagchi

### Fraud Monitoring Committee

S. Madhavan, *Chairman*  
Neelam Dhawan  
Radhakrishnan Nair  
Sandeep Bakhshi  
Anup Bagchi

### Stakeholders Relationship Committee

Hari L. Mundra, *Chairman*  
Uday Chitale  
Anup Bagchi

# MESSAGE FROM THE WHOLETIME DIRECTORS



**Sandeep Bakhshi**  
Managing Director  
& CEO

In fiscal 2021, ICICI Bank focussed on maintaining a strong balance sheet in the face of challenges posed by the Covid-19 pandemic; ensuring the safety of our employees and care for those impacted by the virus; ensuring uninterrupted service delivery for our customers; and continuing to focus on our objective of risk-calibrated growth in the core operating profit. We created substantial provisioning buffers and also raised additional capital to further strengthen the balance sheet. Our digital solutions enabled us to meet all banking needs of our customers, whether individuals or businesses, remotely. We were not only able to serve our existing customers but also onboard new customers with ease. These strengths led to strong deposit growth, a return of loan growth as economic activities began to normalise and healthy growth in core operating profit.

Our employees are our biggest assets, and we are immensely proud of the commitment and dedication shown by them in these difficult circumstances. We are now engaged in a focussed programme for vaccinating all our employees. We have also worked with the Government authorities in their efforts to combat the pandemic and provide relief to those affected.

The Bank will continue to be guided by the twin principles of 'One Bank, One ROE' emphasising the need to maximise the Bank's share of profitable growth opportunities, and 'Fair to Customer, Fair to Bank' emphasising the need to deliver fair value to customers while creating value for shareholders.



**Anup Bagchi**  
Executive Director

Digital initiatives are at the core of all activities at ICICI Bank. In fiscal 2021, we came out with a slew of innovative digital solutions to help our customers tide over the challenges posed by the pandemic. Our mantra – Banking with Care – was aimed at empowering our customers to undertake banking transactions from the comfort of their home/office, without visiting a branch. ICICI STACK played an important role as the backbone of our digital offering for retail customers. In addition, we offered a range of solutions for merchants and businesses to meet their requirements digitally. Our mobile application, iMobile Pay, took the lead in offering interoperability by allowing individuals, who are not our customers, to connect their bank account with the app, make payments and undertake banking transactions. It also gave them instant access to the entire range of services of ICICI Bank. During the year, we continued to focus on data analytics-led underwriting and digitising our mortgage and loan businesses.



**Sandeep Batra**  
Executive Director

Our employees showed extraordinary commitment and went beyond the call of their duties to serve our customers and take care of each other in the wake of the pandemic. The welfare and well-being of our employees and their families is of utmost importance to us. We have supported Covid-19 affected colleagues and their families with medical e-consultation, and assisted them in quarantine and hospitalisation. We have launched a focussed programme to vaccinate all our employees and their immediate family members. In order to facilitate seamless operations for non-branch colleagues, we rolled out a large work-from-home infrastructure within a few weeks from the onset of the pandemic. We continue to invest in technology to build a robust architecture for tomorrow. The four pillars of the architecture are a resilient and flexible backbone, deep understanding of customers, delivering delightful experience and a digitally native engagement with them.



**Vishakha Mulye**  
Executive Director

Fiscal 2021 was the most challenging year in many ways. Safety of our employees, customers and all our stakeholders was of paramount importance. We deployed a robust business continuity plan to minimise service disruptions. Our branches were operational throughout the year and we offered digital services to our customers through our various platforms such as Corporate Internet Banking, Trade Online, FX Online and InstaBIZ. These platforms offer a wide range of banking services including payments, collections, trade finance and foreign exchange. Our strategy of focussing on the Corporate Ecosystem helped our customers to manage their businesses efficiently, and also created new opportunities for the Bank in both Retail and Wholesale businesses. We stay committed to our goal of creating value for our customers.

# RESPONDING TO COVID-19

## COVID-19

The Covid-19 pandemic resulted in countries announcing lockdown and quarantine measures that sharply stalled economic activity. The Government of India initiated a nation-wide lockdown from March 25, 2020 for three weeks which was extended to May 31, 2020. This created significant challenges for employees, customers, communities and businesses. The lockdown measures were gradually eased from June 2020 leading to economic activities progressively improving towards the later part of fiscal 2021. However, a second wave of the Covid-19 pandemic emerged in India since March 2021, where the number of new cases has increased significantly and has resulted in re-imposition of localised/regional lockdown measures in various parts of the country.

## CHALLENGING OPERATING ENVIRONMENT

India's Gross Domestic Product (GDP) declined during fiscal 2021, with contraction in industrial and services output. A strong agricultural output along with limited spread of the pandemic led to resilience in the rural economy. The banking system was impacted by lower lending opportunities and revenues, and an increase in credit costs. While rapid improvement in economic activity was seen towards the later part of the year, the second wave of Covid-19 since March 2021 saw the re-emergence of uncertainties towards the end of fiscal 2021.

## UNPRECEDENTED POLICY MEASURES

Low interest rates, provision of ample systemic liquidity, moratorium on loan repayments for specific borrower segments, asset classification standstill benefit to overdue accounts where a moratorium was granted, resolution framework for stressed assets and relaxation in liquidity coverage requirement were some of the measures announced by the Reserve Bank of India. The Government announced direct benefit transfers to vulnerable economic segments and credit guarantee schemes for micro, small and medium enterprises, among others.

 [Read more about the operating environment in the Management's Discussion and Analysis section on page 108.](#)

## ICICI BANK'S RESPONSE TO COVID-19

We were responsive to the evolving pandemic situation. We rolled out digital solutions, enabled remote working and ensured banking services were offered seamlessly during the lockdown period. We are committed to supporting our stakeholders through the challenging environment.

### Employees

- Employee safety and well-being was of utmost priority, and we took care to provide a safe and healthy work environment, along with extending support to employees.
- The Bank acted rapidly to establish remote working solutions, and putting in place measures to enable smooth functioning from any location; nearly 40% of the employees were enabled to work from home at the onset of the pandemic.
- We upgraded the Universe on the Move mobile application for employees, facilitating functions like access to emergency numbers, a wellness hub, scheduled meetings and approvals to be carried out remotely and for the management to communicate with employees.
- The Bank supported Covid-affected employees and their families through measures such as enabling medical e-consultation, assisting in quarantine and hospitalisation. We have also started a programme to vaccinate, as well as reimburse the cost of vaccination against Covid-19 for our employees and their dependents.



Transparent plexiglass partitions provided across branches for the safety of employees and customers.

## RESPONDING TO COVID-19



### Customers

- Innovative digital solutions were launched and features enhanced in existing products, while encouraging customers to use digital channels for their banking requirements.
- We launched ICICI STACK in March 2020 to enable banking on a digital platform for all types of customers.
- We ensured uninterrupted access to services and kept our branches accessible at most locations.
- Our employees continued to guide customers through the pandemic.



### Communities

- The ICICI Group committed ₹1.00 billion towards Covid-19 relief efforts. The Bank contributed ₹500.0 million to PM CARES Fund and undertook direct spends of about ₹210.0 million.
- The Bank and ICICI Foundation supported efforts on the ground to provide essential materials during the lockdown period covering over 550 districts, and also undertook initiatives to support migrant workers returning to their homes in rural areas.

## WE CONTINUED TO DELIVER ON OUR OBJECTIVES

Despite the challenging environment, the Bank's financial position remained strong and we continued to make progress on our strategic objectives.

- We continued to focus on risk-calibrated growth in core operating profit; which grew by 16.9% year-on-year to ₹313.51 billion.
- We continued to strengthen our deposit franchise; average current account deposits increased by 25.5% and average savings account deposits by 16.7% during fiscal 2021. Total deposits grew by 21%.
- We grew our loan portfolio with a focus on diversification and granularity; the proportion of retail loans to total loans, including non-fund outstanding, was 55% at March 31, 2021.
- Our focus on leveraging digital across our businesses saw significant results. The ICICI STACK, our upgraded mobile banking app iMobile Pay and our InstaBIZ platform for small business customers saw significant adoption and contributed to the growth in our business.
- We focussed on protecting the balance sheet from potential risks. We were proactive in provisioning and also made the provisioning policy more conservative in fiscal 2021. Our provisioning coverage ratio on NPAs was 77.7% at March 31, 2021. This excludes the Covid-19 related provisions of about 1% of loans, held by the Bank.
- We maintained a strong capital position and our capital adequacy ratios were well above the minimum regulatory requirements. We raised ₹150.00 billion of capital through Qualified Institutions Placement with the objective of further strengthening our capital adequacy and improving our competitive position.



Trainees at ICICI RSETI in Udaipur stitching PPE Kits for distribution to local authorities.

# BUSINESS MODEL

# BUSINESS MODEL

## CAPITALS

### Financial Capital

Our ability to maintain a strong balance sheet and enable business continuity, sustained growth and shareholder returns.

For further details, please refer to the Management's Discussion and Analysis section on page 108

### Human Capital

Our competent workforce with diverse skill sets and valuable experience.

For further details, please refer to the write-up on Human Capital on page 40

### Intellectual Capital

Our ability to stay innovative and develop products and services that provide superior experiences to our customers.

For further details, please refer to the write-up on Our Business Strategy on page 16

### Manufactured Capital

Our network of branches, ATMs and digital channels that act as touchpoints for our customers.

For further details, please refer to the write-up on Our Business Strategy on page 16

### Social and Relationship Capital

Our commitment towards social empowerment and a financial ecosystem accessible to all.

For further details, please refer to the write-up on Social and Relationship Capital on page 46

### Natural Capital

Impact on natural resources either through our operations or through business focus.

For further details, please refer to the write-up on Natural Capital on page 54

## VALUE DRIVERS

- Ensure a resilient balance sheet and strong capital levels
- Maintain robust funding profile
- Continue to strengthen portfolio quality
- Create value for shareholders

- Guided by 'One Bank, One Team'
- Employee-centric culture
- Continuous skill training and capability building
- Employee engagement
- Safe and healthy work environment

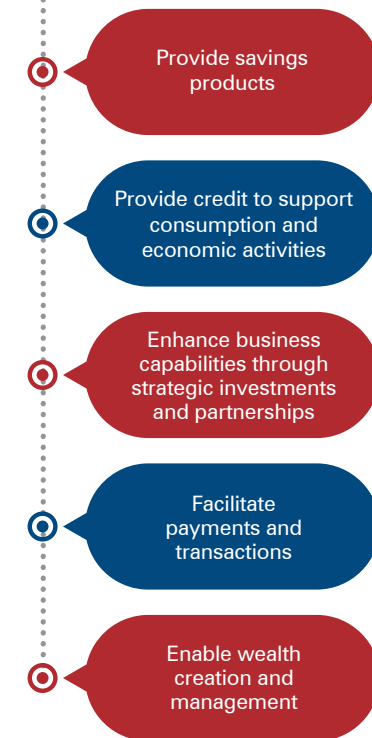
- Early adoption of emerging technologies enabling innovation
- Augmenting existing digital products
- Entering into mutually beneficial partnerships
- Decongesting processes and improving customer experience

- A combination of physical and digital channels enabling seamless service delivery
- Strengthening digital capabilities for cost efficiency, process efficiency and enhancing customer experience
- Core and supporting IT systems that are responsive and scalable

- Participating in development efforts through the ICICI Foundation for Inclusive Growth
- Increasing penetration of financial services in rural and unbanked areas
- Empowering rural women entrepreneurs

- Supporting environment-friendly projects, subject to appropriate risk-return assessment
- Efficient energy management in the Bank's operations
- Use of renewable energy
- Environment-friendly initiatives

## CORE BUSINESS ACTIVITIES



### Strategic Focus Areas for Business

- A customer-centric approach with a focus on value creation and deeper relationships
- Risk-calibrated growth in core operating profit
- Twin principles of 'One Bank, One ROE' and 'Fair to Customer, Fair to Bank'
- Continuous investments in technology, exploring innovative ideas and leveraging partnerships to maintain our leadership
- Maintain comfortable levels of capital at all times

## Growth Drivers



## Outputs

**Net Interest Income**  
₹389.89 billion during fiscal 2021

**Fee Income**  
₹126.59 billion during fiscal 2021

**Total Loans and Advances**  
₹7,337.29 billion at March 31, 2021

**Deposits**  
₹9,325.22 billion at March 31, 2021

## Operating within the Guardrails of Risk & Compliance

- Credit
- Market
- Liquidity
- Operational
- Information Technology
- Cyber
- Legal
- Reputation
- Compliance

## OUTCOMES

- Core operating profit grew by 16.9% in fiscal 2021 on a year-on-year basis
- Net NPA ratio decreased from 1.41% at March 31, 2020 to 1.14% at March 31, 2021
- Raised equity of ₹150.00 billion through Qualified Institutions Placement to further strengthen the balance sheet
- Additional Covid-19 related provision of ₹74.75 billion
- Credit cost (excluding Covid-19 related provisions) as percentage of average advances at 1.75% in fiscal 2021 (target of 1.2%-1.3% in a normal operating environment)
- Consolidated ROE of 13% in fiscal 2021

- Care and support extended to employees during Covid-19 pandemic
- Collaboration among cross-functional teams strengthened
- Building talent by providing opportunities to acquire knowledge and skills; special modules on emerging technologies created
- Continued the series '12x12 Ignite' to keep employees abreast on emerging domains including digital transformation, data science and behavioural economics
- Total employee strength of 98,750 at March 31, 2021

- Ensured seamless delivery of banking services digitally through the year; ICICI STACK a major enabler of digital adoption by customers
- Digital initiatives like 'iMobile Pay', 'WhatsApp Banking', 'CorpConnect' and 'DigitalLite' launched
- Significant growth in digital sourcing and transactions in fiscal 2021
- Create an Enterprise Architecture framework across digital platforms, data and analytics, micro services-based architecture, cloud computing, cognitive intelligence and other emerging technologies

- Mobile ATMs deployed for the benefit of the public in containment zones
- Simplified processes to improve response time to customers
- 24-hour processing introduced in areas like NRI and Trade services, 3-in-1 account opening and tax payments
- 97% of our branches were functional during the lockdown months from April-May 2020

- On-ground efforts to provide relief during Covid-19 pandemic undertaken by the Bank and ICICI Foundation covering over 550 districts in 36 states and UTs
- ₹2.00 billion spent towards corporate social responsibility initiatives during fiscal 2021
- Social and environmental projects promoted through ICICI Foundation focussing on water conservation, ecological balance and efficient farming techniques
- Continuing support to self-help groups and promoting women entrepreneurship

- Lending to renewable energy sector continued in fiscal 2021; outstanding portfolio of ₹31.50 billion at March 31, 2021
- Sustainable financing practices under the Social and Environmental Management Framework
- 97.5 Kwp of new renewable energy capacity added at the Bank's premises

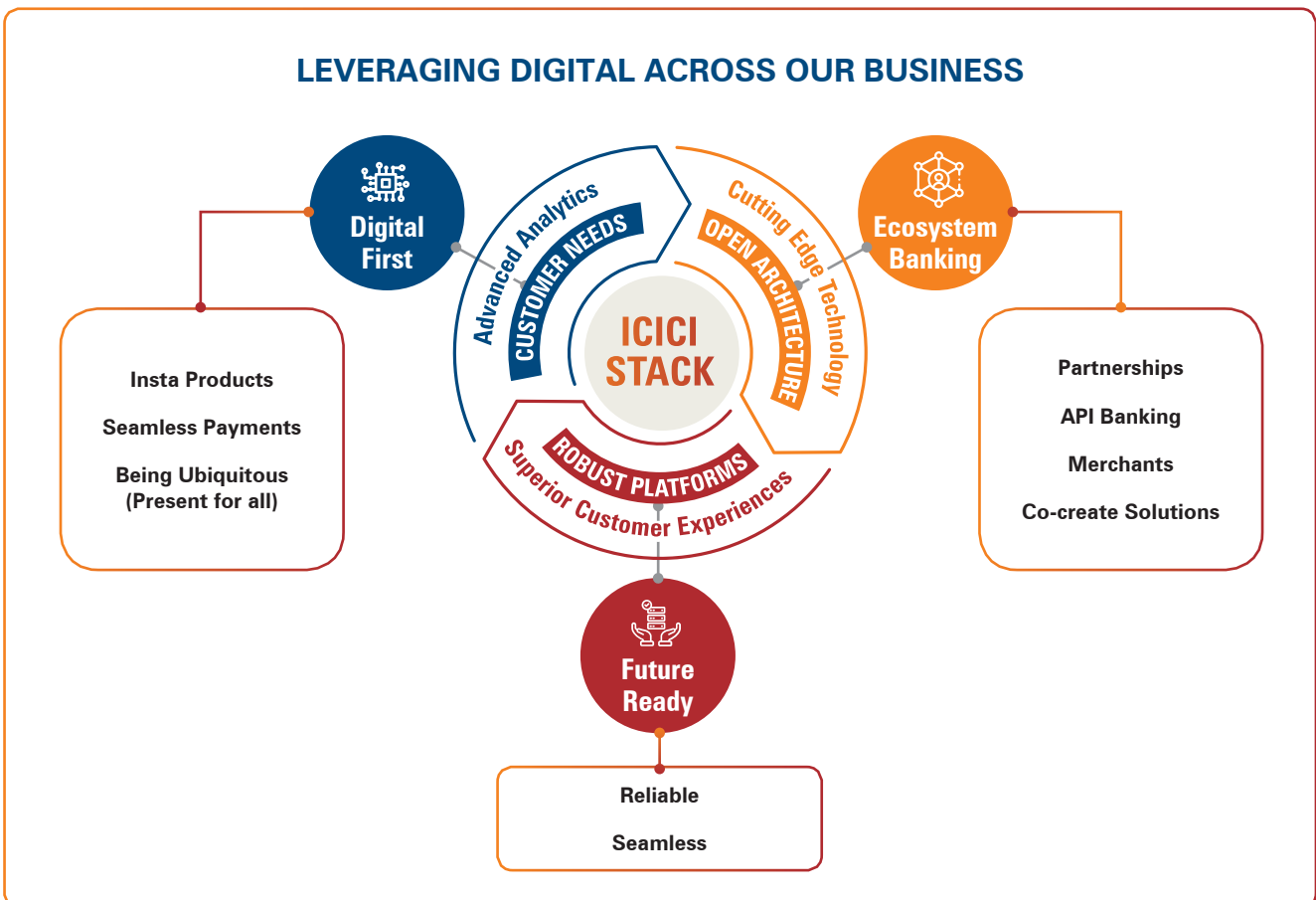
# OUR BUSINESS STRATEGY

We are focussed on growing our core operating profits within the guardrails of risk and compliance. The growing formalisation of the Indian economy and rapid adoption of technology are key growth opportunities. We aim to leverage our technological capabilities and our holistic offerings of financial products and services to create value for our customers.

The Bank's strategic objective of risk-calibrated growth in core operating profits continued during fiscal 2021. Our core operating profit grew by 16.9% during fiscal 2021 to ₹313.51 billion, through the focussed pursuit of target market segments. Our strategy is underpinned by a strong franchise, growing our portfolio in strategically attractive ecosystems and protecting our balance sheet from downside risks. We have adopted a 360° customer-centric approach to tap opportunities across customer segments and create intuitive customer journeys through personalisation and future-ready solutions. We are building capabilities to tap opportunities

across ecosystems by leveraging internal synergies across teams, building partnerships and simplifying processes. The twin principles of 'One Bank, One ROE', emphasising the need to maximise the Bank's share of the target opportunity across all products and services, and 'Fair to Customer, Fair to Bank' emphasising the need to deliver fair value to customers while creating value for shareholders, guide our operations.

Leveraging digital technology is core to every aspect of our business. We leverage digital to decongest and streamline processes; analyse and understand



## OUR BUSINESS STRATEGY

customer needs; and improve customer onboarding and the continuing customer experience. The ICICI STACK, API Banking portal, iMobile, InstaBIZ and internet banking platforms as well as bespoke solutions for corporate and institutional customers provide seamless banking services digitally and enhance customers' transacting experiences. Partnerships with technology companies and platforms with large customer bases and transaction volumes offer unique opportunities for growth, and enhancing service delivery and customer experience. The Bank also has a start-up investment and partnerships team to collaborate with and invest in fintech startups and co-develop products aligned with our digital roadmap.

The Bank launched a first-in-the-industry service through a comprehensive digital banking platform called ICICI STACK, which offers nearly 500 services to ensure uninterrupted banking experiences. This is available on the Bank's digital platforms where digital account opening, instant loans, investments and health and term insurance are facilitated.

## KEY BUSINESS SEGMENTS

### Retail and Rural Banking

The retail business continued to be a key driver of growth in fiscal 2021, as we pursued a strategy of building a diversified and granular loan portfolio. The focus in the retail business was on understanding and fulfilling customer needs underpinned by personalised banking, simple banking, fair banking and strong risk management. The Bank's retail loan portfolio (including the rural and business banking portfolios) grew by 19.9% year-on-year to ₹4,892.20 billion at March 31, 2021, compared to a growth of 17.7% in the overall domestic loan book to ₹6,961.39 billion. Retail loans accounted for 66.7% of total loans, and including non fund-based outstanding, the share was 55% in the total portfolio.

The Bank's funding profile remained robust with strong growth in the deposit base. Total savings account deposits increased by 20.3% year-on-year to ₹2,954.53 billion at March 31, 2021. Total term deposits grew by 18.4% year-on-year to ₹5,008.99 billion at March 31, 2021. The growth in the deposit franchise was supported by ongoing efforts to strengthen the Bank's

digital platforms and process simplification to provide a seamless banking experience to our customers.

### Retail Banking

During fiscal 2021, with challenges posed by the Covid-19 pandemic, we responded quickly to enable customers to meet their financial requirements safely. About 97% of the Bank's branches were functional with reduced working hours during the months of lockdown in April-May 2020. We deployed mobile ATM vans for the benefit of the public residing in and around containment zones. A video-based Know-Your-Customer process (Video KYC) was launched, which empowered retail customers to complete their onboarding process for savings accounts, personal loans and Amazon Pay credit cards through a contactless video interaction. We also launched WhatsApp banking to enable retail customers to undertake a range of banking requirements from their homes during the pandemic. Further, a cardless cash withdrawal facility was enabled at our ATMs.

The Bank has always been at the forefront of digital transformation across the financial services industry in India. The all-new ICICI Bank website launched during the year is equipped with new capabilities including semantic and personalised search, and voice and hyper-personalised communication. We are focussing on key partnerships across ecosystems of liabilities, co-branded credit cards and e-commerce, to provide differentiated offerings to our customers and create opportunities for growth.

A first-of-its-kind facility, iMobile Pay extended the ambit of the Bank's mobile banking app to customers of any bank, providing instant access to the entire range of



ICICI Bank's mobile ATM deployed at Chennai.

## OUR BUSINESS STRATEGY

payment options and the Bank's services. An innovative feature is the facility to pay to contacts, which enables users to automatically see the Unique Payment Interface (UPI) IDs of their phone book contacts. The mobile app is interoperable with all other UPI-based payment apps. In a span of five months since its launch, there were more than 2.5 million activations from non-ICICI Bank customers.

Enhancing the digital journey of customers with the Bank involved creating innovative solutions, both for customers and for relationship managers. We revamped our home loan website offering an interactive customer experience and providing relevant content like a calculator for checking loan eligibility, an e-book explaining the journey to apply for a home loan and a blog on the mortgage industry to enable customers to make informed decisions. With instant processes like Express Home Loans, the entire loan sanction process is facilitated in just five simple steps and in a few minutes for eligible customers.

For superior and seamless connect, a Virtual Relationship Management channel was introduced which caters to customers' transaction and product needs through a human interface on the phone. We have focussed on decongested and seamless delivery and enhanced customer convenience.

### INCREASE IN DIGITAL SOURCING OF RETAIL BUSINESS DURING FISCAL 2021

#### PERSONAL LOANS

**90%** by number of customers

#### CREDIT CARDS

**75%** by number of cards

#### TERM LIFE INSURANCE

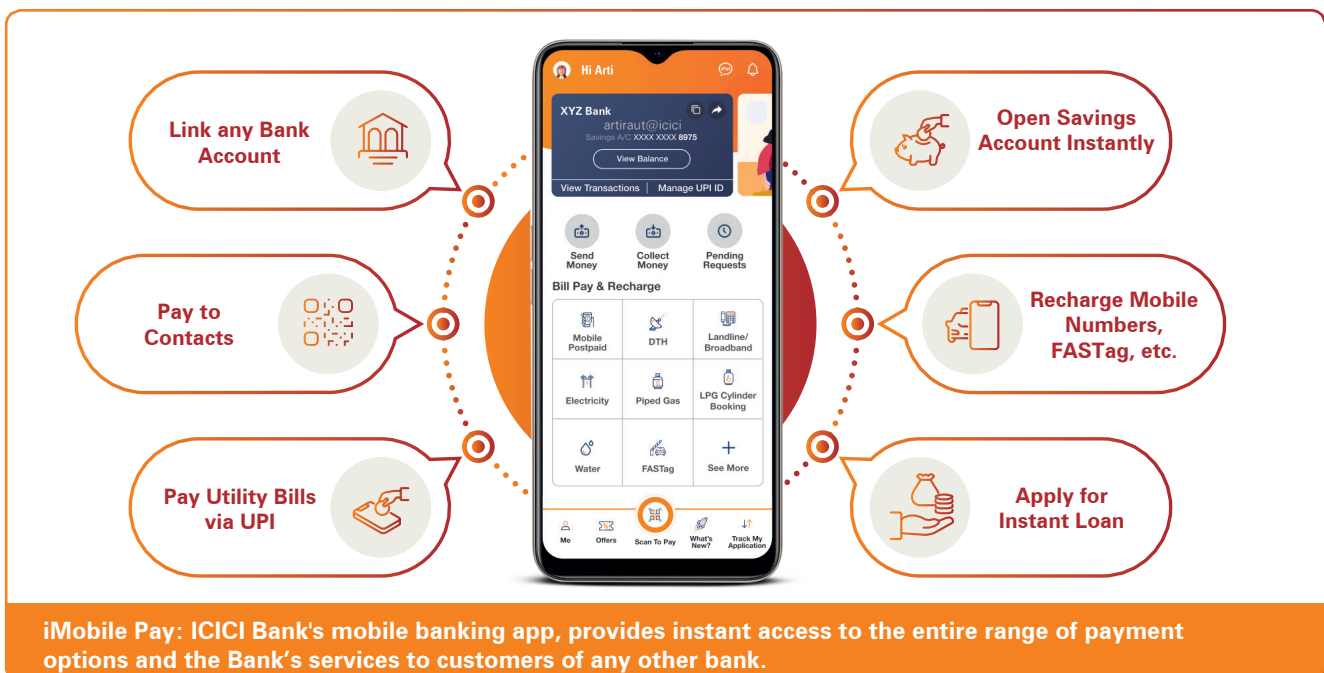
**33%** by number of protection policies

#### FIXED DEPOSITS

**56%** by volume

#### SYSTEMATIC INVESTMENT PLAN

**64%** by number of SIPs





## OUR BUSINESS STRATEGY

The Bank offers a host of APIs and SDKs (software developer kits) which facilitate third-party apps offering payment solutions for their retail customers. The Bank has launched an API Banking portal which consists of 250 APIs and enables partner companies to co-create innovative solutions in a frictionless manner and in a fraction of the time usually taken for such integration. Various digital solutions have been developed by the Bank for lending and payments, including democratising of APIs for a seamless experience.

Digital initiatives have played a key role in driving growth and efficiency in the retail business. These initiatives have improved the efficiency of branches. The Bank is now able to serve more customers at its existing branches and has enabled employees to perform more value-added activities. The Bank periodically reviews branches based on customer footfalls and economic activities to ensure optimal distribution of the branch network. We added 922 cash acceptance machines and 148 insta-banking kiosks<sup>1</sup> during fiscal 2021.

### CUSTOMER TOUCH POINTS AT MARCH 31, 2021

# 5,266

Branches

# 14,136

ATMs

# 2,713

Cash acceptance machines

# 1,786

Insta-banking kiosks<sup>1</sup>

<sup>1</sup>Insta-banking kiosks are touch-screen self-service devices that allow customers to pre-process or completely process transactions, thus reducing wait-time.

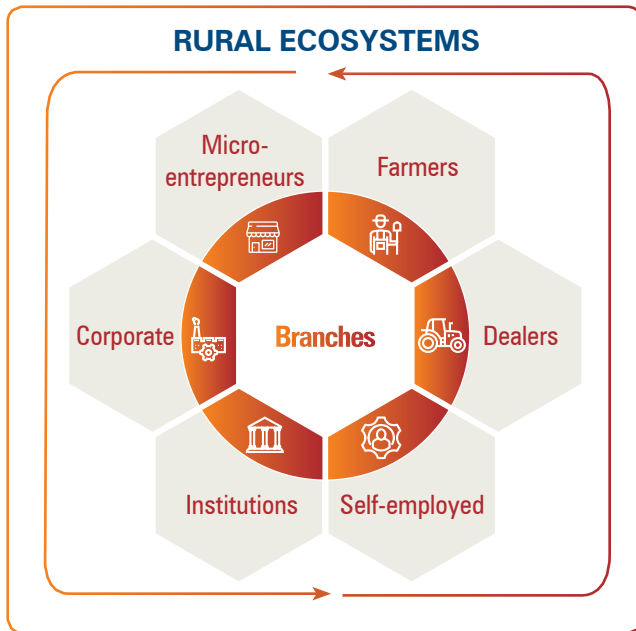
### Rural and Inclusive Banking

Our rural banking operations aim to meet the financial requirements of customers in rural and semi-urban locations. Our products in this segment include working capital loans for growing crops, financing post-harvest activities, loans against gold jewellery along with personal loans, financing against warehouse receipts, farm equipment loans, affordable housing finance and auto and two-wheeler loans. We also provide consumption loans for low-income customers. We offer financial solutions to micro-finance institutions, self-help groups, co-operatives constituted by farmers, corporations and medium enterprises engaged in agriculture-linked businesses.

Our operational structure and offerings put us in a unique position to leverage opportunities in different ecosystems within the rural markets. At the heart of this approach are six main ecosystems identified in the rural market which include Agriculture, Dealers, Self-Employed, Corporates, Institutions and Micro-Entrepreneurs.

The farmer ecosystem includes participants like farmers, seed producers, agri-input dealers, warehouses, agri-equipment dealers, commodity traders and agri processors. The Bank has designed different products for each player to meet their specific financial requirements so that the entire agri-value chain is well-financed. Products offered include working capital loans through the Kisan Credit Card and gold loans, and term loans for farm equipment, dairy livestock purchase and farm development. The rural ecosystem of corporates includes manufacturing and processing units, employees, dealers and suppliers. The dealer ecosystem comprises dealers/distributors of farm equipment, white goods, and pharmaceutical manufacturers. Similarly, the self-employed ecosystem comprises of rural entrepreneurs who are engaged in trading and manufacturing activities based out of commercial and industrial areas in the rural market dealing with both agri and non-agri related products. The institutional segment comprises various institutes like schools, colleges, hospitals and government offices. We closely engage with them to develop products and processes, including technology solutions. The micro-lending space includes women from the lower-income strata of the population, non-government organisations and other institutions working at the grass-root level in the rural economy. The Bank has products and services specifically to cater to this segment.

## OUR BUSINESS STRATEGY



We have scaled-up funding of electronic Negotiable Warehousing Receipts (eNWR), which provides an opportunity for borrowers to access credit quickly and with ease. Farmers can use eNWR to get loans against underlying commodities. This protects the farmers from volatility and gives opportunities to avail better prices for their produce. Further, the Warehousing Development and Regulatory Authority (WDRA) has a well-defined mechanism to empanel warehouses for issuing eNWR, which mitigates potential risks in the business.

Offering complete financial solutions to customers and their ecosystem has been a strategic focus in the Bank's businesses. In the rural space, an example of this approach is the financial solution provided to farmers and other participants of the dairy ecosystem. This includes providing a suite of financial solutions including term loans and working capital loans to dairy unions, payment solutions and promoting investments in animal husbandry. These solutions are supplemented by providing skill training through ICICI Foundation. We have reached over 29,500 farmers to invest into animal husbandry valued over ₹5.10 billion and have tied-up with about 2,200 Village Level Cooperative Societies (VLCS) with about 0.2 million members.


Apart from meeting the financial requirements for business purposes, we also offer products to meet the personal requirements of participants in the rural ecosystem.

A community banking approach has been adopted with emphasis on personal relationships with customers. The operational structure ensures that we can meet holistic financial needs of customers in the villages at their doorstep. The Bank's reach in rural areas comprises a network of branches, ATMs and field staff, and business correspondents providing last-mile access in remote areas. Of the Bank's network of 5,266 branches, 51% are in rural and semi-urban areas with 649 branches in villages that were previously unbanked. There were over 4,000 customer service points enabled through the business correspondent network at March 31, 2021.

The Bank has a mobile application that enables its employees to capture and submit loan applications from the applicant's doorstep and also gives indicative eligibility and deviations on product lending norms. This effectively shortens the turnaround time and the cost to service new loan applications. A light version mobile app, 'Mera iMobile' has been developed for rural customers in 11 regional languages, with 135 services, in which multiple functionalities work without internet access. 'Mera iMobile' app is used by more than half a million customers.

We have tied up with fintech start-ups that support Aadhaar-enabled transactions. During the year, 180 million transactions aggregating about ₹389 billion were facilitated. These solutions are making financial services more accessible and affordable.

The rural banking portfolio grew by 26.9% year-on-year during fiscal 2021 to ₹721.58 billion, driven mainly by growth in loans against jewellery and loans to rural self-employed customers.

 For information on the Bank's financial inclusion and rural development initiatives, refer to the chapter Social and Relationship Capital on page 46.

## Small & Medium Enterprises and Business Banking

The Small and Medium Enterprises (SME) portfolio comprises exposures to companies with a turnover of up to ₹2.50 billion. Our business banking portfolio comprises small business customers with an average loan ticket size of ₹10-15 million. The SME portfolio grew by 32.5% year-on-year to ₹302.84 billion and the

## OUR BUSINESS STRATEGY

business banking portfolio grew by 40.5% year-on-year to ₹373.27 billion at March 31, 2021.

Our focus in these businesses is on parameterised and programme-based lending, which is granular and well-collateralised. We offer our SME and business banking customers a wide spectrum of solutions addressing their evolving business needs such as customised offerings, faster turnaround time, transaction convenience, timely access to capital and cross-border trade and foreign exchange products. Providing digital solutions is at the core of the engagement, with the range of solutions spanning customer onboarding, payments and collections, lending and cross-border transactions.

Following the Covid-19 pandemic, we have provided financial assistance to clients based on various government schemes, which includes providing moratoria on loan repayment and Emergency Credit lines to eligible SME customers. We have disbursed an aggregate amount of about ₹140 billion to SME and other customers under the government's Emergency Credit Line Guarantee Scheme till March 31, 2021. We were able to leverage on our growing digital capabilities during this period by providing contactless solutions like digital current account opening, online electronic franking and digital signature-based document execution (Eazysign).

A new digital platform, InstaBIZ, was launched specifically for the small and medium enterprises (SME) and the self-employed segment, which offers over 200 products and services on mobile and internet banking platforms.

Customers can seamlessly execute their trade finance and foreign exchange transactions through the Trade Online and FX Online platforms and carry out trade transactions online in a paperless environment. Customers can avail bank guarantees on the go, which provides a superior transaction and service experience.

The Bank continued to enhance the data analytics-driven onboarding, credit assessment and monitoring of our retail and SME customers and creation of propositions for their supply-chain financing needs. Supply chain financing is an integral part of the SME business and a focus area towards deepening our coverage of the corporate ecosystem. Our CorpConnect platform enables corporates to integrate their Enterprise Resource Planning (ERP) system using Application Programme Interfaces or host-to-host protocols. Our plug-n-play based digital supply chain financing platform, DigitalLite, enables the onboarding of customers seamlessly and quickly. These two platforms enable corporates to seamlessly manage the supply chain financing, payments, collection and reconciliation requirements of their dealers and vendors in a convenient and paperless process. These platforms also automatically assess the eligibility of the corporate's dealers and vendors for credit through business rule engine and intelligent algorithm with automated bureau checks. With these capabilities, digital approval letter generation automation and e-sign features, we are able to set up credit limits and offer credit sanction to the corporate's dealers and vendors within a few hours, even if they are not customers of the Bank. Over half of our supply chain linked business corporate clients have been onboarded on our digital platforms.

We follow strong risk management practices in managing our SME and business banking portfolio, with a view to enhancing the portfolio quality by reducing concentration risks and a focus towards granular and collateralised lending-based growth. Our robust portfolio monitoring framework is able to proactively analyse and detect stressed cases which enables us to take early action and ensure healthy portfolio quality. The Bank has further strengthened its underwriting process by integrating various digital tools like bank statement analyser, automatic fetching of bureau reports and enhanced business rule engine to generate probability of default scores for score-based analysis into one single ecosystem called Infinity. A combination of qualitative and quantitative assessment tools are utilised to arrive at the final decision.

**InstaBIZ** ▶

1 banking app.  
200+ business banking services.

**InstaBIZ: India's most comprehensive digital banking app for businesses offers over 200 banking products and services.**

## OUR BUSINESS STRATEGY

### Wholesale Banking

The Wholesale Banking Group has a wide and deep client franchise, which includes top business houses, large private sector companies, financial institutions and banks, public sector undertakings and central and state government entities. In the last few years, we have developed a strong franchise across multi-national companies (MNCs) and new age services companies, and also established a strong franchise in the financial sponsors space with special focus on private equity funds and their investee companies.

We have a comprehensive coverage model. Our Bank's established presence as a financial service provider and extensive branch network across the country providing last mile coverage has helped us to strengthen our client franchise. By leveraging the Bank's overseas branches, we have been able to focus on MNCs, financial sponsors and India linked companies. Our approach has been to deepen our partnership and support our clients through their life cycle. Our leading-edge product portfolio is comprehensive and technologically advanced and includes lending products for working capital and capital expenditure requirements and other products that the client may need across trade, treasury, bonds, commercial papers, channel financing, supply chain solutions, and various other activities.

With a focus on the Bank's overall strategy of maximising the risk-calibrated core operating profit, the Wholesale Banking Group has reimagined its strategy of engaging with corporate clients. While Portfolio Quality and Earning Quality remain the key principles driving our strategy,



We have evolved our digital offerings for corporate clients by building future-ready banking solutions and integrating client journeys through digitisation.

value creation for our clients is the main focus. Instead of being only capital providers, we aim to become business partners to our clients. To achieve this, we realigned our structure in the past from product-centric to a client-centric model. With the client at the centre, all the groups across the Bank are well-aligned to offer the entire Bank's offerings to our clients and their ecosystems. We continued our strategy of 360° banking across the corporate ecosystem by offering a comprehensive suite of banking products to the corporate and its entire network of employees, dealers, vendors and all other stakeholders. This has not only made client servicing more effective, but also helped us to penetrate deeper in high-value retail accounts of promoters, directors and employees through a suite of retail products like salary, private and wealth banking, home loans, personal loans, vehicle loans, etc. This approach also reduced client acquisition cost. The Group focussed on capturing the money in motion for the entire Corporate Ecosystem to strengthen the Bank's liability franchise further.

Driven by data analytics to derive insights, combined with an approach to build future-ready banking solutions and integrating client journeys through digitisation, we have evolved our digital offerings for corporate clients. One such innovative offering is the ICICI STACK for corporate clients that provides digital banking solutions for corporates on a single platform and also provides sector-specific solutions.

In a volatile business environment, with return of capital being the overarching objective, we leveraged analytics extensively to monitor transactions and portfolio quality. While new credit is extended in a granular manner to well-established and higher-rated business groups, analytics is used for portfolio monitoring and identification of early warning signals in the existing book. This has led to enhancement of the overall quality of the existing corporate portfolio. We also focussed on reducing concentration risks to make the portfolio more granular.

Technology continues to be the cornerstone of our strategy as well as execution. The online application for credit assessment of mid-corporate clients was scaled up during the year. Apart from quick onboarding, this enabled objective and comprehensive risk assessment of clients, based on multiple parameters like bureau information, and qualitative and quantitative factors. Another innovative solution offered was CP Online, a first-of-its-kind cloud based platform, which seamlessly integrates various

## OUR BUSINESS STRATEGY

stakeholders for the issuance of commercial paper (CP). By automating the document preparation and digitising the process flow, CP Online reduces the client's workload by more than 80% and turnaround time from four days to less than a day. The strong product proposition helped the Bank to double its market share of CP flows within a year.

### Transaction Banking

In fiscal 2021, the disruptions due to measures to control the spread of Covid-19 impacted the day-to-day functioning of our corporate and SME clients, whether it was paying their suppliers and employees, collecting money from their customers or handling their daily import and export transactions. Our proactive response coupled with technology investments made in our digital capabilities over the years, both in customer facing solutions and in internal workflow management, became compelling for our customers and enabled our employees to provide uninterrupted services to customers. In this context, one key positive outcome has been a multi-year acceleration in the digital adoption by our corporate customers leading to enhanced customer satisfaction, amongst other business outcomes. The number of customers on our Trade Online platform more than doubled during fiscal 2021.

In continuing with our thought leadership in the digital space and customer-centric approach, we have also brought to market certain ecosystem based solutions. We curated a number of industry and segment specific solutions. An example of industry specific solutions that we launched in fiscal 2021 was an end-to-end digital capability for the capital market industry, which in turn helped us capture a greater share of the liability opportunity from this ecosystem. An example of a segment specific solution that we launched during the year was a platform to enhance the ease of doing business for MNCs in India through our Infinite India portal. The portal offers value-added services in collaboration with partners to ease the MNCs' journey of setting up or scaling up their business in India. Similar initiatives have been taken to capture the entire ecosystem opportunity across multiple industries and segments.

We have also launched 15 industry STACKs as a part of ICICI STACK for Corporates to provide the depth and breadth of digital solutions required by the diverse customer segments we serve.

With a focus on capturing the entire 360° banking opportunity, the Bank continues to create best-in-class digital solutions to meet the varied requirements of our customers. These solutions range from industry shaping initiatives such as the first 'e-bank guarantee with e-stamping' issuance in collaboration with the state of Uttar Pradesh, thus creating a pathway for complete paperless bank guarantee issuance and advising, and amendments to operational efficiency-enhancing solutions for our customers such as a simplified digital payment solution for 'Multi-state GST'. Customisation at a scale is a key factor in our approach.

These solutions are being delivered to our customers through physical and digital channels. In addition to leveraging the existing physical branch network, we have expanded our capabilities to provide transaction banking services to our customers from about 114 locations as of March 31, 2020 to 183 locations as of March 31, 2021. This has also involved co-location of skilled transaction banking teams to branches. Many of these expanded branch capabilities are in the factory/township premises of certain large conglomerates in the country.

In addition to our scalable corporate internet banking platform which has over 100 features that are being continuously upgraded, we also embarked on providing embedded solutions at scale to our customers. These embedded banking solutions, which are offered through APIs or host-to-host connectivity, provide access to day-to-day banking services to corporates within their own ERP environments. In fiscal 2021, the Bank delivered over 21% higher number of integrations compared to a year ago. In addition to enhancing customer satisfaction, these embedded solutions ensure stable business for the Bank.

A critical aspect of capturing the ecosystem opportunity is vendor and dealer financing. A key priority for our corporate customers is to ensure continued and competitive financing for their supply chain to ensure uninterrupted business. In this regard, the Bank offers a complete product suite including all forms of vendor and dealer financing solutions. Necessary investments have been made in technology capabilities to ensure scalability of business is achieved within the credit guardrails. The digital capabilities are also supplemented by distributed teams located out of our branches capturing this important business for our customer and the Bank.

## OUR BUSINESS STRATEGY

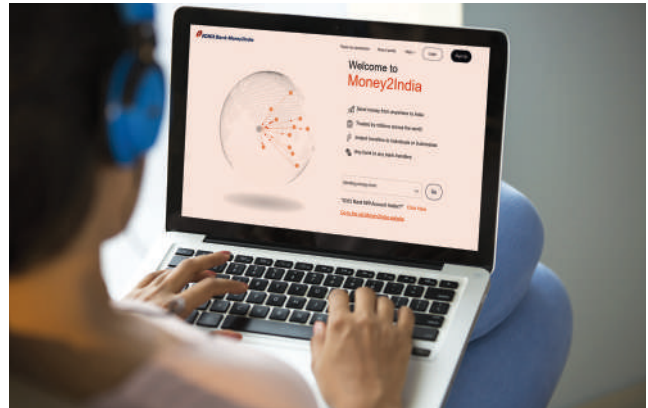
In these digital capabilities developed by the Bank, data analytics plays a very critical role. Investments in capability and capacity building in data analytics have resulted in delivering a number of use cases in wholesale banking, which is aimed at three main objectives of improved customer service, enhanced revenue opportunities and superior risk management. A number of tangible use cases have been delivered with measurable outcomes across the stated objectives.

### International Business

ICICI Bank's international presence consists of branches in the United States, Singapore, Hong Kong, Bahrain, Dubai International Finance Centre, South Africa, China, Offshore Banking Unit (OBU) and IFSC Banking Unit (IBU), and representative offices in Bangladesh, Dubai, Abu Dhabi, Indonesia and Malaysia. We also have wholly-owned subsidiaries in the United Kingdom (UK) and Canada. ICICI Bank UK also has a branch in Germany. The Bank opened a new representative office in Nepal and closed its branch in Sri Lanka during the year.

Our international franchise continues to focus on four strategic pillars, namely the NRI ecosystem comprising deposits, remittances, investments and asset products; the MNC ecosystem comprising both foreign MNCs investing in India and Indian MNCs branching out for their foreign currency and other India related requirements and also Global In-house Centres (GIC), which are back-offices of MNCs created to serve the world; Trade ecosystem, comprising primarily India-linked trade transactions which are self-liquidating in nature; and funds ecosystem, to capture fund flows into India through the Foreign Portfolio Investment (FPI) and Foreign Direct Investment (FDI) route. Apart from this, the Bank continued to progress in its objective of reducing the non-India linked exposures in a planned manner. The non-India linked corporate portfolio reduced by 56% year-on-year or by USD 1.60 billion during fiscal 2021.

The Bank plays a pioneering role in promoting digital initiatives across businesses in the international banking arena. We have been continuously introducing and innovating products to enhance customer experiences. In the NRI segment, re-imagining the NRI ecosystem with ICICI STACK, for a deeper understanding of customer profiles and needs with 360° STACK solutions designed



The Money2India platform was enhanced with a completely revamped user interface across both web and mobile app solutions.

to meet the evolving banking needs of NRIs and their families in India, has been a core focus. The on-boarding of NRI customers has been made seamless by leveraging emerging technologies like OCR based account opening with facility to track applications. We also launched the opening of three-in-one accounts digitally, an industry-first initiative, for seamless opening of savings account with linked demat account and broking account. Remote servicing accessibility was enhanced with the launch of WhatsApp banking and i-Pal chatbot. The new and value-added digitised services for NRI customers resulted in 85% of NRI customers being digitally active.

Facilitating frictionless cross-border remittance solutions has been the core strategy in re-designing the solutions for both inward and outward remittance needs of NRIs and resident Indians. We implemented SWIFT gpi for inward and outward remittances, enabling end-to-end digital tracking of remittances. Our proprietary inward remittance platform, Money2India, was enhanced with a completely revamped user interface (UI) across both web and mobile app solutions to deliver a superior user experience. Single sign-on facility to access Money2India and Internet banking was launched for NRI customers, facilitating seamless unified login access to service remittance and banking needs.

Segment-specific solutions were redesigned, including the student ecosystem, for enabling seamless fee payments to overseas universities through online integrated solutions in tie-ups with institutional/fintech aggregators, both in India and overseas.

## OUR BUSINESS STRATEGY

### Government Banking

We are extensively engaged with government departments/bodies and support them with technology-driven banking solutions. Government banking has been a core focus area for the Bank and we provide a range of banking services to Government of India ministries, state government departments and district and local bodies across the country. ICICI Bank offers its government customers a wide spectrum of solutions addressing the fast-evolving needs such as customisable and integrated solutions, large transaction processing capabilities and superior turnaround time. The customised products and services offered are aligned to act as enablers for enhancing e-governance and financial management.

The Bank assists the Government in collection of central taxes, state taxes and GST payments through authorised branches and digital channels. Our technology-driven banking platforms provide simple online tax payment options to customers. Statutory payments like EPFO and ESIC dues can also be done online through the Bank's platform.

We have partnered with a number of Central and State government departments to ensure quick disbursement of funds/benefits to beneficiaries and implementing agencies through the Public Financial Management System (PFMS) and non-PFMS platforms. These customisable and integrated solutions have supported the government's endeavour for efficiency in expenditure management.

ICICI STACK, the comprehensive digital banking suite is offered to government bodies, institutions, district administrations, local bodies and associated stakeholders, including their staff and employees to bring transparency and desired efficiencies in the implementation of the Government's objectives.

### CUSTOMER CENTRICITY

The Bank is on a journey where differentiated customer experience along with operational excellence are at the core of everything we do. As we walk this path, we continuously seek to create value across the customer lifecycle through decongested delivery, zero or low-touch operations and enhanced customer engagement.



ICICI Bank believes in re-imagining customer journeys with hyper-personalised and omni-channel experiences.

The Bank's approach is to make customer experiences instant and speedy and processes and systems integrated, seamless, intelligently automated and scalable. The Bank places the customer at the centre of every design and reimagines customer journeys with hyper-personalised and omni-channel experiences.

Prioritising the customer in every business and service goal, the concept of customer satisfaction has been replaced by 'delight' in banking experiences. The Bank has embraced and built upon this transition while being committed to the core principle of 'Fair to Customer, Fair to Bank'.

During fiscal 2021, various customer service initiatives were implemented, some of which were:

- The account opening process for savings account, current account and assets was decongested by rolling out Customer 360°, which ensures that when an existing customer opens another relationship with the Bank, the existing data and Know Your Customer documents are reconsidered for the purpose.
- 24X7 processing was introduced in areas like NRI & Trade services, 3-in-1 account opening and tax payments, which is an industry-first initiative.
- Insta personal loan disbursement was implemented where the customer gets a link to initiate the disbursement.

## OUR BUSINESS STRATEGY

- Online Dispute Resolution was launched, which is an industry-first initiative. It enables real-time decisioning on reversal of charges using data science, and the credit is instantly posted to the customer's account with zero human intervention.
- In phone banking, the AI powered conversational voice bot was introduced, which caters to around 90,000 calls every day.
- E-signing of documents such as pre-disbursement and post disbursement documents, online payment of stamp duty and others were enabled through a single flow using the EazySign web platform for SME customers.
- Approximately, 1,500 robotic process automations handling around 700 manpower worth of activities, were implemented to enhance efficiency and improve response time.

During the year, there was a sustained improvement in the Net Promoter Score (NPS) across products and services, a key metric to measure customer advocacy for onboarding and channels.

We also ensure continuous engagement with our customers through multiple channels including through branch employees, surveys, social media and channels to raise queries and grievances.

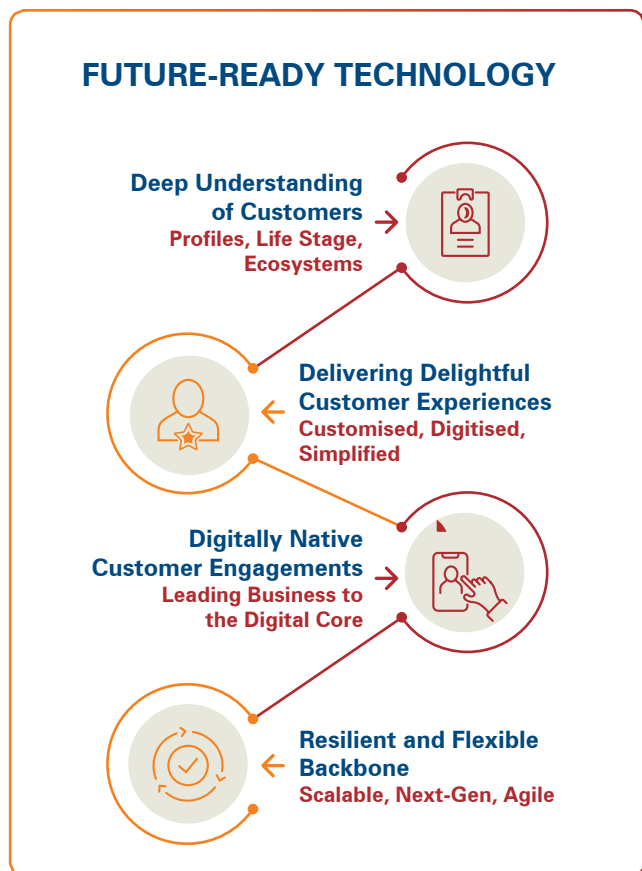
Our focus on customer service is driven to improve process efficiency, enhance customer experience and response time to queries and grievances.

## TECHNOLOGY AT THE CORE

We continue to invest in building digital and technology competencies to deliver better customer service and increase productivity, while optimising costs. We actively monitor and improve our technology infrastructure to minimise disruptions in services to our customers. During fiscal 2021, we took significant steps to adapt our IT systems to the new environment due to Covid-19.

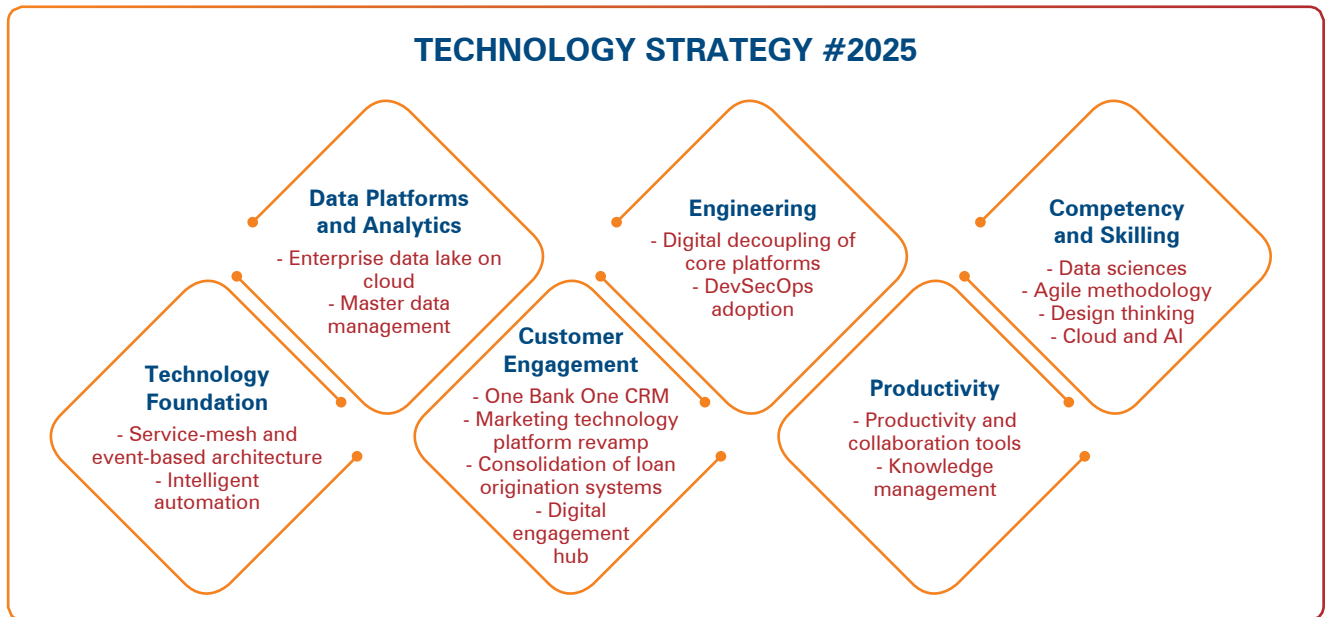
The accelerated shift to digital banking, and the need to make banking simpler and safer, prompted us to launch several new digital products and platforms. At the same time, we are focussed on looking beyond at the long term technology landscape.

As a part of our #2025 technology strategy, the Bank is creating an enterprise architecture framework across digital platforms, data and analytics, micro services-based architecture, cloud computing, cognitive intelligence and other emerging technologies. This is based on the pillars of scalability, modularity, flexibility and agility, resilience and reliability, and creating delightful and digitally-native customer experiences to enable sustainable profitable growth.





## OUR BUSINESS STRATEGY



### Architecting for Tomorrow

The fast emerging technology advancements like cloud computing and data sciences coupled with economics of ecosystems and customer preferences are constantly redefining risks and opportunities in a dynamic manner. Re-imagined customer touchpoints and journeys have dramatically impacted and transformed customer experiences across segments. Business process optimisation, decongestion in decision-making and new modes of revenue through different economic models and partnerships are getting crystallised.

Banking services are increasingly omnipresent and completely embedded into the customer journeys which makes scalability, extensibility, security and agility the cornerstones of development.

At the same time, new forms of risks such as social frauds and cyber threats are also a reality. In this context, the Bank has adopted an approach that enables us to respond to the changing dynamics in an agile and responsive manner.

### Focus on Data, FinTech, APIs and Ecosystems

The Bank has a dedicated Data Science and Analytics team that works across business areas on projects

relating to business analytics, decision strategies, forecasting models, machine learning, rule engines and performance monitoring. We maintain a comprehensive enterprise-wide data warehouse and employ statistical and modelling tools for leading-edge analytics.

In driving an innovation and start-up mindset, we have set up an Innovation Centre to collaborate with and invest in fintech startups and co-develop products aligned with the Bank's digital roadmap. The engagements with the startups are focussed on digital lending, revenue growth, digital platforms and process efficiencies.

While the Bank is focussed on growing its own digital channels, we are also creating an ecosystem through partnerships which cover all broad segments of customer and merchant payments. The Bank is offering a host of APIs and SDKs (software developer kits) which facilitate third party apps to offer payment solutions for their retail customers.

The Bank has launched an API Banking portal which consists of 250 APIs and enables partner companies to co-create innovative solutions in a frictionless manner and in a fraction of the time usually taken for such integration.

## OUR BUSINESS STRATEGY

### Cyber Security

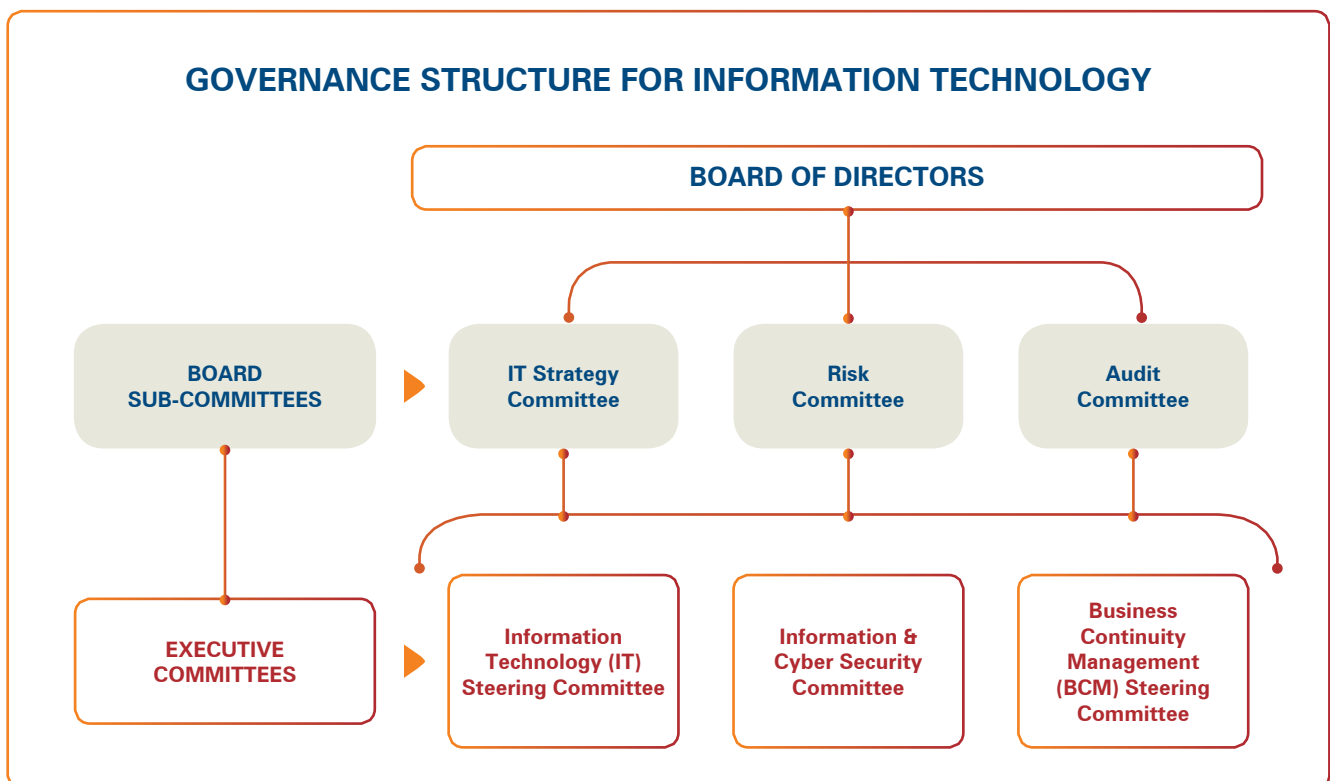
At the Bank, we believe that in the modern digital age, cyber security is not an IT/information security issue, but a business issue. It is vital to protect the Bank's and customers' assets and ensure continued trust of our stakeholders. We have adopted a multi-dimensional approach to cyber security. The CIA triad of Confidentiality, Integrity and Availability is at the heart of the information security framework implemented at the Bank. Keeping customer priorities in mind, we follow a 'defence in depth' approach in implementing cyber security solutions. This approach enables us to protect our data using a multi-layered defense mechanism and a combination of tools and techniques which complement and augment each other.

The Bank also lays emphasis on customer protection aspects such as phishing, adaptive authentication and awareness initiatives. We have been a pioneer in enabling customers to easily configure control parameters related to their cards such as limits, international access and other parameters on a self-service and real-time basis from the internet and mobile

channels of the Bank. This enables customers to protect their cards from misuse.

The Bank has an information/cyber security governance framework consisting of leadership, organisational structures and processes that help us mitigate growing cyber security threats. Our cyber security governance encompasses management oversight at various levels with the ultimate responsibility assumed by the Board of Directors.

The governance structure for management of information/cyber security risk is helmed by the IT Strategy Committee, the Risk Committee and Audit Committee, all being Board-level Committees and chaired by Independent Directors. At the executive management level, there are specialised Committees to review key areas of IT and cyber risk. These include the Information and Cyber Security Committee, IT Steering Committee and the Business Continuity Management (BCM) Steering Committee which have diverse cross-functional members and well-defined terms of reference. Proceedings of these Committees are reported to the IT Strategy Committee. Further, the BCM Steering



## OUR BUSINESS STRATEGY

Committee approves and monitors the implementation of the BCM plan, which includes the business continuity plan for processes, disaster recovery plan for IT systems and emergency response plan to mitigate the risk of injuries to customers and employees and damage to the Bank's assets.

Additionally, we have devised multiple key risk indicators/ dashboard to review system stability, continuity and availability and network uptime. The Bank's Information Security Policy, Cyber Security Policy and Information Security Standards and Procedures are based on various industry standards such as NIST, regulatory requirements of various jurisdictions in which the Bank operates and other inputs like internal audits and benchmarking exercises.

As part of our Secure by Design philosophy, we ensure that every new piece of infrastructure or application is put through rigorous security testing. We also perform continuous scanning of our IT infrastructure and application landscape to identify any potential issues. The Bank has a 24x7 Security Operation Centre (SoC) for monitoring and surveillance of IT systems.

Considering the criticality and vitality of data protection, we have deployed a Data Leakage/Loss Prevention (DLP) system with data protection rules for sensitive data exposure from the Bank's endpoints, emails and web gateways. Also, the Bank undertakes multiple assessments of the efficacy of its security controls by internal as well as external auditors and through specific thematic assignments. We also conduct and participate in cyber security drills and table top exercises to continuously fine tune our response mechanisms.

In the wake of the outbreak of Covid-19 pandemic, the Bank's first priority was to make sure customer services were least disrupted. To address this and to ensure employees' safety was also not compromised, we made arrangements for all key activities to be performed on a work-from-home model through secure VPN (Virtual Private Network) and Virtual Desktop Interface (VDI). The Bank rolled out a large work-from-home infrastructure within a few weeks from the onset of the pandemic.

During this period, the Information Security Group also issued detailed advisories on Do's and Don'ts for staff to follow when they work from home. This was followed up with regular snippets on information security best practices. We continuously audit the work-from-home setup for our security controls from aspects such as identity and access management, data protection, and other parameters. Our 24x7 Security Operation Centre also configured specific rules to continually monitor logs from VPN services and generate alerts in case of any unusual events. Further, DLP rules have been enhanced to avoid sensitive data exposure by employees.

There were no material incidents of security breaches or data loss during fiscal 2021.

# DOING BUSINESS RESPONSIBLY

Our aim is to be a trusted financial services provider and deliver long-term value for our stakeholders. As we grow our business, we remain committed to acting responsibly and maintaining the highest standards of governance and compliance while delivering on our strategy.

The Bank is committed to act professionally, fairly and with integrity in all its dealings. We have a zero tolerance approach to bribery and corruption and have a well-defined Anti-Bribery and Anti-Corruption policy articulating the obligations of our employees in these matters. We continuously focus on the effectiveness of our financial controls and assess compliance with all regulatory requirements. All the key policies of the Bank are regularly reviewed and enhanced to ensure relevance, adherence to regulations and adoption of best practices on an ongoing basis. We aim to maintain a strong compliance and ethics culture. Our Board-approved Group Compliance Policy lays down the compliance framework with emphasis on ensuring that our products, customer offerings and activities conform to rules and regulations and adheres to the ethos of 'Fair to Customer, Fair to Bank'.

We made amendments to the ICICI Group Code of Business Conduct & Ethics which articulates the values, principles and standards guiding the conduct of employees of the Bank. Broad changes to the policy included enhancing the definition of conflict of interest and recusal provisions and defining the periodicity of conflict of interest disclosure by employees to the Compliance Group. In addition, changes were made to align with the Reserve Bank of India's circular on Compliance Functions in Banks and role of the Chief Compliance Officer, further enhancing the principles for managing conflict of interest. A new reporting tool was launched during the year for reporting/seeking clarifications on conflict of interest and for submitting the annual conflict of interest declaration by the leadership team. Apart from this, periodic training sessions and information mailers are sent to employees on a frequent basis. We are committed to constantly reviewing our governance practices and frameworks, with a focus on staying updated and responsive to the dynamic and evolving landscape, and acting in the best interest of our stakeholders.

## CUSTOMER SERVICE AND GRIEVANCE REDRESSAL

We have a well-defined framework to monitor key customer service metrics. The Customer Service Committee of the Board and the Standing Committee on Customer Service meet on a regular basis. These forums deliberate on issues faced by customers and the initiatives taken by the Bank to enhance customer service.

The Bank complies with the 'Customer Rights Policy' which enshrines the basic rights of our customers. These rights include Right to Fair Treatment; Right to Transparency, Fair and Honest Dealing; Right to Suitability; Right to Privacy; Right to Grievance Redress and Compensation.

We seek to treat our customers fairly and provide transparency in our product and service offerings. Continuous efforts are made to educate customers to enable them to make informed choices regarding banking products and services. The Bank also seeks to ensure that the products offered are based on an assessment of the customer's financial needs.

Our grievance redressal mechanism is well-defined and comprehensive, with clear turnaround times for providing resolution to customers. All complaints received by the Bank are recorded in a Customer Relationship Management (CRM) system and tracked for end-to-end resolution. The Bank also has an escalation matrix built in the CRM system to ensure that customer requirements are appropriately addressed within stipulated timelines. Further, as recommended by the Reserve Bank of India, we have appointed senior retired bankers as the Internal Ombudsmen of the Bank. The Customer Service Committee of the Board, the Standing Committee on Customer Service and the Branch Level Customer Service Committees monitor customer service at different levels.

 For details on customer complaints, refer to page 235.

## DOING BUSINESS RESPONSIBLY

### DATA PROTECTION AND PRIVACY

ICICI Bank is committed to protecting the privacy of individuals whose personal data it holds, and processing such personal data in a way that is consistent with applicable laws. It is important for employees and businesses to protect customer data and follow the applicable privacy laws in India and overseas locations to ensure safety and security of data. We believe that the data privacy framework should be in line with the evolving regulatory changes and digital transformation.

The Bank has a presence in several overseas jurisdictions including Hong Kong, Singapore, the United States, the United Kingdom, Canada, China, Dubai International Financial Centre and Bahrain. We are committed to ensuring compliance with applicable laws across these jurisdictions. We have an integrated and centralised strategy for achieving data privacy compliance across all jurisdictions. A set of principles have been defined with respect to handling customer data. There is a mechanism in place for reporting any form of personal data incident which is accessible to all employees in the Bank. The Personal Data Incident Handling Forum (PDIHF) comprises of the Data Protection Officer and senior members from the Information Security Group, Operational Risk Management Group, Fraud Management Group, Human Resources, Compliance and the Legal team. Any kind of personal data-related incidents reported through the service request undergoes a detailed investigation and report of same is presented to PDIHF on a monthly basis.

On account of the changes in data protection laws and regulations, in fiscal 2021 the Bank updated its Personal Data Protection Standard to cover the personal data protection regulatory requirements for the Bank and its overseas offices. The Personal Data Protection Standard of the Bank has been reviewed by an international law firm.

Privacy regulations require the personal data of customers to be protected throughout its entire lifecycle. Accordingly, we have undertaken several comprehensive measures such as categorising all personal data and sensitive personal data as 'Confidential Information', keeping record of all its processing activities, entering into non-disclosure and confidentiality agreements with employees and third parties who are privy to customers' personal data and providing customers the option to exercise various rights which they enjoy under applicable data protection regulations and incident handling procedures.

There are e-learning modules specifically on personal data and its protection to build awareness among our employees.

We have a dedicated Data Privacy team headed by a Data Protection Officer (DPO), which oversees all privacy related developments for the Bank as a data processor for international banking business and as a data controller for NRI and remittance businesses. Various data privacy awareness initiatives and periodic trainings are conducted by the Data Privacy team. A Privacy Steering Committee meets every quarter, and oversees various privacy-related initiatives. Further, the Bank's Code of Business Conduct and Ethics covers guidelines on customer privacy and confidentiality of data.

# RISK GOVERNANCE FRAMEWORK

As a financial intermediary, we are exposed to various risks, primarily credit risk, market risk, liquidity risk, operational risk, technology risk, compliance risk, legal risk and reputation risk. Our active risk management energises our strategic approach of risk-calibrated growth in core operating profit.

The Board of Directors of the Bank has oversight of all risks in the Bank with specific Committees of the Board constituted to facilitate focussed oversight. There is adequate representation of independent directors on each of these Committees. The Board has framed the specific mandate for each of these Committees. The proceedings and the decision taken by these Committees are reported to the Board. The policies approved by the Board of Directors or Committees of the Board from time to time constitute the governing framework within which business activities are undertaken.

The roles of specific committees of the Board constituted to facilitate focussed oversight of various risks are:

- **Credit Committee:** Review of developments in key industrial sectors, major credit portfolios and approval of credit proposals as per the authorisation approved by the Board.
- **Audit Committee:** Provide direction to the audit function and monitor the quality of internal and statutory audits; responsibilities include examining the financial statements and auditors' report and overseeing the financial reporting process to ensure fairness, sufficiency and credibility of financial statements.
- **Information Technology Strategy Committee:** Approve strategy for IT and policy documents, ensure that the IT strategy is aligned with business strategy, review IT risks, ensure proper balance of IT investments for sustaining the Bank's growth, oversee the aggregate funding of IT at Bank-level, ascertain if the management has resources to ensure the proper management of IT risks, review contribution of IT to business, oversee the activities of Digital Council, review technology from a future readiness perspective, oversee key projects' progress and critical IT systems' performance and the review of special IT initiatives.

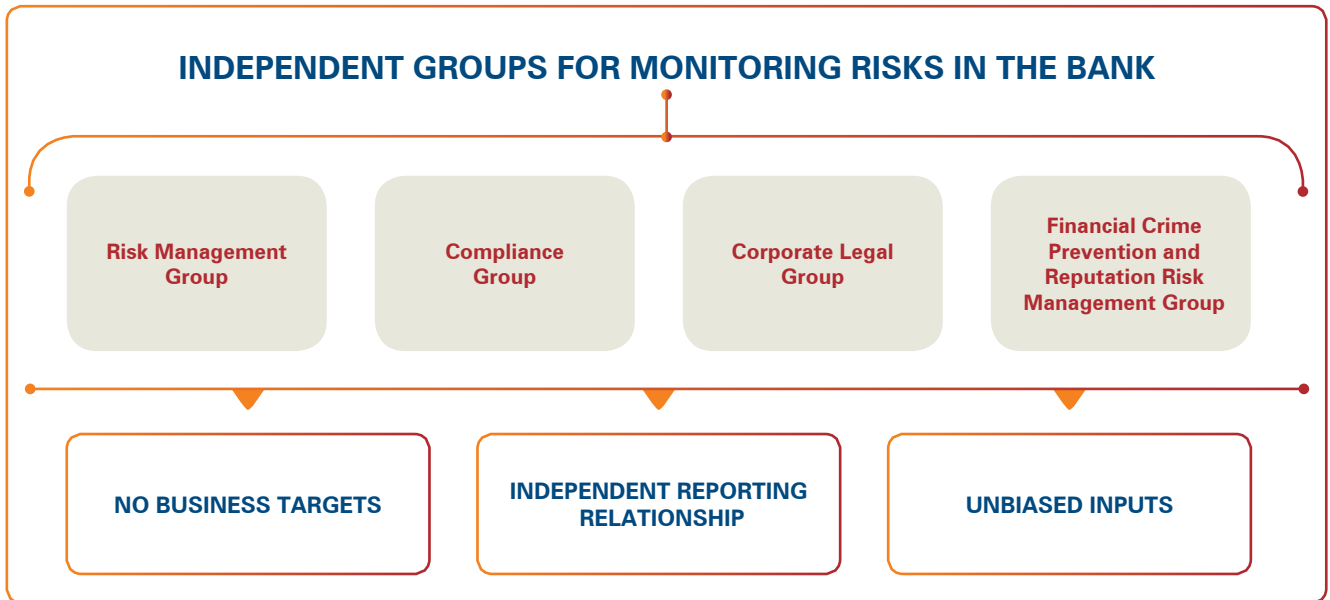
- **Risk Committee:** Review risk management policies pertaining to credit, market, liquidity, operational, outsourcing, reputation risks, business continuity plan and disaster recovery plan and approve Broker Empanelment Policy and any amendments thereto. The functions of the Committee also include setting limits on any industry or country, review of the Enterprise Risk Management framework, Risk Appetite Framework, stress testing framework, Internal Capital Adequacy Assessment Process and framework for capital allocation; review the status of Basel II and Basel III implementation, risk dashboard covering various risks, outsourcing activities and the activities of the Asset Liability Management Committee. The Committee has oversight on risks of subsidiaries covered under the Group Risk Management Framework. The Committee also carries out Cyber Security risk assessment.

The Financial Crime Prevention Group (FCPG) is responsible for overseeing/handling the fraud prevention, detection, investigation, monitoring, reporting and awareness creation functions.

The Bank has put in place an Enterprise Risk Management (ERM) and Risk Appetite Framework (RAF) that articulates the risk appetite and drills down the same into a limit framework for various risk categories under which various business lines operate. In addition to the ERM and RAF, portfolio reviews are carried out and presented to the Credit and Risk Committees as per the approved calendar of reviews. As a part of the reviews, the prevalent trends across various economic indicators and their impact on the Bank's portfolio are presented to the Risk Committee. Industry analysis and reviews are also carried out and presented to the Credit Committee.

The Internal Capital Adequacy Assessment Process (ICAAP) encompasses capital planning for a four-year time horizon, assessment of material risks and the relationship between risk and capital. The capital management framework is complemented by the risk management framework, which covers the policies, processes, methodologies and frameworks established for the management of material risks. Stress testing, which is a key aspect of the ICAAP and the risk management framework, provides an insight on the impact of extreme but plausible scenarios on the Bank's risk profile and capital position.

## RISK GOVERNANCE FRAMEWORK



Several independent groups and sub-groups have been constituted to facilitate independent evaluation, monitoring and reporting of risks. These groups function independently of the business groups.

The Risk Management Group is further organised into the Credit Risk Management Group, Market Risk Management Group, Operational Risk Management Group and Information Security Group.

The Internal Audit Group, being the third line of defence, provides independent assurance that the independent groups monitoring the risks in the Bank, are operating in line with policies, regulations and internal standards defined for management of the various risks in the Bank.

The Risk Management Group reports to the Risk Committee of the Board of Directors. The Compliance Group and the Internal Audit Group report to the Audit Committee of the Board of Directors. The Risk Management, Compliance and Internal Audit Groups have administrative reporting to the Executive Director - Corporate Centre.

# KEY RISKS IMPACTING THE BANK'S BUSINESS

The Covid-19 pandemic has impacted most economies and banking systems globally, including India. The nation-wide lockdown in April-May 2020 substantially impacted economic activity. The easing of lockdown measures subsequently led to gradual improvement in economic activity and progress towards normalcy. For the banking sector, these developments resulted in lower demand for loans and fee-based services and regulatory measures like moratorium on payment of dues and standstill in asset classification to mitigate the economic consequences on borrowers. It also resulted in increase in provisioning reflecting higher actual and expected additions to non-performing loans following the cessation of moratorium and asset classification

standstill. The second wave of Covid-19 pandemic since March 2021, where the number of new cases has increased significantly in India, has resulted in re-imposition of localised/regional lockdown measures in various parts of the country.

The impact of the Covid-19 pandemic on us is uncertain and will depend on the spread of Covid-19, the effectiveness of current and future steps taken by the governments and central bank to mitigate the economic impact, steps taken by the Bank and the time it takes for economic activities to return to pre-pandemic levels. Our capital and liquidity position is strong and would continue to be a focus area for the Bank during this period.

## CRISIS AND CATASTROPHE RELATED RISKS

### RISKS

Crises in the nature of economic events, financial risks, geo-political tensions, natural calamities, climate change and health epidemics could affect the Indian economy or the economy of countries where we operate. The global financial crisis in 2008 and the global outbreak of the Covid-19 pandemic are events that have significantly impacted the Indian economy and businesses and have created new challenges for banks. Further, this could lead to changes in laws, regulations and policies subsequently, which could affect our business in general, our operations, our products and services and could reduce profitability.

### MITIGANTS

The Bank focusses on building capabilities on an ongoing basis to respond to such events, including natural calamities and epidemics. The response could be through various channels including strengthening our financial position by maintaining a strong balance sheet and ensuring adequate buffers in capital and liquidity, continuously enhancing risk management practices in credit and operations, business continuity planning, skilling employees, alternate infrastructure facilities and other such responses. In fiscal 2021, we made additional Covid-19 related provisions to mitigate any stress that could emerge due to the pandemic. We also raised equity capital of ₹150.00 billion and further strengthened our capital position with capital adequacy ratios significantly above regulatory requirements as of March 31, 2021.



## KEY RISKS IMPACTING THE BANK'S BUSINESS

### MACROECONOMIC UNCERTAINTIES

#### RISKS

Developments in the Indian economy could have a material impact on growth and value creation in the Bank's business. Our presence in international markets also exposes us to risks from global developments. Uncertainties exist due to India's high dependence on global crude oil, capital requirements, evolving policies and sustainable job creation. These risks are heightened in view of the coronavirus pandemic and the second wave where the number of new cases has increased significantly in India.

#### MITIGANTS

The Bank closely monitors developments in the global and Indian economy. We have a dedicated team for monitoring and evaluating the impact of macroeconomic trends. We have an established Country Risk Management Policy which addresses the identification, measurement, monitoring and reporting of country risk. The Risk Management Group continuously monitors all sectors as well as corporates within the sectors and country risks.

### CREDIT RISK

#### RISKS

Our core business is lending which exposes us to various types of credit risks, especially failure in repayments and increase in non-performing loans. Our loan portfolio includes retail loans and corporate loans which are vulnerable to economic risks. These risks are heightened in view of the Covid-19 pandemic. Banks in India are subject to directed lending requirements that may create additional risks. Further, legal and regulatory changes and increasingly stringent requirements regarding non-performing loans and provisioning for such loans could also be a risk.

#### MITIGANTS

The credit-related aspects in the Bank are primarily governed by the Credit and Recovery Policy approved by the Board of Directors. The Bank measures, monitors and manages credit risks at an individual borrower level and at the portfolio level. In the last few years, we have refined and strengthened our framework for managing concentration risk, including limits/thresholds with respect to single borrower and group exposure. Limits have been set up for borrower group based on turnover and track record and on lower rated borrowers. Further, we have pursued a strategy of building a granular and diversified portfolio and lending to better-rated corporates. At March 31, 2021, around 73% of our total loan book was to borrowers internally rated A- and above, and there has been a meaningful change in the profile of exposures to top borrowers and groups. In view of the outbreak of the Covid-19 pandemic, we made the provisioning policy more conservative during fiscal 2021.

## KEY RISKS IMPACTING THE BANK'S BUSINESS

### MARKET AND LIQUIDITY RISK

#### RISKS

Movements in interest rates, foreign exchange rates, credit spreads and equity prices could impact our Net Interest Margin, the value of the trading portfolio, income from treasury operations and the quality of the loan portfolio. These risks are heightened in view of the coronavirus pandemic. Banks in India are subject to statutory liquidity ratio requirement, capital and liquidity requirements that structurally exposes them to interest rate risks and liquidity risks. Further, deposits are an important source of funding which are primarily short-term in nature and banks face the risk of asset-liability mismatches if not rolled over by depositors.

#### MITIGANTS

The Investment Policy, Asset Liability Management Policy and Derivatives Policy, approved by the Board of Directors, govern the treasury activities and the associated risks and contain the limits structure. The Asset Liability Management Committee which includes the MD & CEO, wholtime directors and senior executives periodically reviews the Bank's business profile and its impact on asset liability management. Periodic monitoring is done by the Market Risk Management Group which recommends changes in policies, processes and methodologies. Building a strong liability franchise is a core strategic focus for the Bank.

During fiscal 2021, we maintained strong capital and liquidity positions, which were significantly above regulatory requirements. Further, we participated in creating the financial infrastructure for the transition from LIBOR. We executed our first interbank money market transaction linked with Secured Overnight Funding Rate (SOFR). This was part of the Bank's Benchmark Transition Management plan to assess the preparedness towards a smooth transition to the new Alternative Reference Rate replacing the USD LIBOR.

### OPERATIONAL RISK

#### RISKS

There is a risk of loss resulting from inadequate or failed internal processes, people or systems or from external events. This could include fraud or other misconduct by employees or outsiders, unauthorised transactions by employees and third parties, mis-reporting or non-reporting with respect to statutory, legal or regulatory reporting and disclosure obligations, operational errors including clerical and recordkeeping, and system failures.

In light of the Covid-19 pandemic, operational and business continuity risks could arise related to, among other things, the impact on employee health, maintaining the service levels for customers, work place management, the remote work environment and ensuring availability of critical functions and IT systems.

#### MITIGANTS

The Bank has put in place a comprehensive system of internal controls, systems and procedures to monitor transactions, key back-up procedures and undertaking regular contingency planning. The governance and framework for managing operational risks is defined in the Operational Risk Management Policy approved by the Board of Directors.

In response to the Covid-19 pandemic, various measures have been taken by the Bank to continue our service without interruption and to ensure safety of employees. Our IT and digital infrastructure was leveraged extensively.

## KEY RISKS IMPACTING THE BANK'S BUSINESS

### TECHNOLOGY RISK

#### RISKS

Rapid technological developments and the increasing dependence on technology, combined with the continuous digitisation in banking activities have exposed banks to a host of new risks like obsolescence of IT systems, IT resiliency and business continuity, technology vendor/third party risk, incorrect/inadequate data backups, inadequate change management practices, ineffective identity and access management leading to unauthorised access to IT systems, budget overruns in IT projects, regulatory non-compliance and other relevant matters. The growing customer dependence on digital transactions and increasing volumes of such transactions requires banks, including us, to focus on the availability and scalability of our systems. Misalignment between business and IT strategies is also a formidable risk.

#### MITIGANTS

The Bank's Information Technology Strategy Committee, which is a Board-level Committee, ensures that the information technology strategy is aligned with the business strategy. The Committee meets periodically to review ongoing IT projects and their schedules, major IT incidents, technology risk indicators and status of regulatory compliance. We have established policies and control frameworks on change management, logical access management, IT outsourcing and Data Centre processes to ensure that the risks are identified and appropriate mitigating controls are put in place. In addition to this, independent assessments of IT processes are carried out by the Internal Audit Group periodically to provide assurance on the effectiveness and efficiency of IT systems and processes. We have adopted an approach under the #2025 technology strategy to be able to respond to the changing dynamics in an agile and responsive manner.

### CYBER RISK

#### RISKS

Increasing reliance on technology and digitisation increases the risks of cyberattacks including computer viruses, malicious or destructive code, phishing attacks, denial of service or information, ransomware, unauthorised data access, attacks on personal emails of employees, application vulnerability and other security breaches. This could negatively impact the confidentiality, integrity or availability of data pertaining to the Bank and its customers. Given the nature of the new digital economy, the Bank also has business and operational relationships with third parties and these could also be sources of information security risk.

#### MITIGANTS

The Board-level Information Technology (IT) Strategy Committee oversees the cyber security-related threat landscape and the Bank's preparedness to address these from a prevention, detection and response perspective. The Bank's Chief Information Security Officer (CISO) is responsible for tracking the risks. Confidentiality, Integrity and Availability (CIA) form part of a comprehensive information security framework that the Bank has put in place. The Bank also lays emphasis on customer and has invested in the areas of phishing protection, adaptive authentication, awareness initiatives and has also taken industry leading initiative in providing customers easy and immediate ability to configure their risks and limits.

## KEY RISKS IMPACTING THE BANK'S BUSINESS

### COMPLIANCE RISK

#### RISKS

The environment for financial institutions is seeing unprecedented changes in laws, regulations and regulatory policies. This could increase the risks of compliance and regulatory action in the form of fines, restrictions or other sanctions for instances of regulatory failures. The failure to comply with applicable regulations by employees, representatives, agents, third-party service providers either in or outside the course of their services, may result in inquiries or investigations by regulatory and enforcement authorities either against the Bank, or such employees, its representatives, agents and third-party service providers.

#### MITIGANTS

The Bank has a dedicated compliance team that continuously monitors new developments and updates the Bank's senior management on their implications. All relevant groups in the Bank build capabilities on an ongoing basis to be able to respond to regulatory changes in a time-bound manner. The Bank also actively participates in forums and advisory groups for the development of policies in the financial sector. The Bank seeks to have a strong compliance culture driven by the organisation's leadership. There are well-articulated policies with regard to code of conduct, whistleblower complaints, redressal mechanism for complaints and engagement with agents and third-party vendors. The Bank also benchmarks and seeks to adopt industry-best practices.

### REPUTATION RISK

#### RISKS

Any negative publicity arising from actual or alleged conduct including lending practices and credit exposures, the level of non-performing loans, corporate governance, regulatory compliance, sharing or inadequate protection of customer information and actions taken by the government, regulatory bodies and investigative agencies could impact the Bank's reputation. It can also impact the Bank's ability to attract or retain customers and expose it to litigation and regulatory action.

#### MITIGANTS

The Bank has a Reputation Risk Management Group which identifies, assesses and monitors the risk in accordance with defined policies and procedures. Further, the Bank has well-articulated policies on various aspects including business conduct, employee conduct, compliance, IT and other relevant identified areas that could potentially create reputation risks for the Bank.

## KEY RISKS IMPACTING THE BANK'S BUSINESS

### EMPLOYEE RISK

#### RISKS

The ability to attract, motivate and retain talented professionals and the availability of skilled management is critical to successfully implement the Bank's strategy and compete effectively. The loss of key senior executives or qualified young professionals and failure to replace them in a time-bound manner could impact the business.

#### MITIGANTS

Our human resource function is aligned to the strategic objectives of the Bank. We have made a strategic shift in our way of working. One such initiative was removing the organisation's grade-based hierarchy for the Bank's senior management. We have moved away from centrally driven authority structures to empowering the frontline business heads to consider suitable structures, resourcing, product models and driving market-specific service innovations. Training is an integral part of building talent and ensuring that relevant skills are available in the Bank. We have a strong bench for all key positions and continuously measure the depth of succession for all critical leadership roles.

Ensuring safety and well-being of our employees during the Covid-19 pandemic was of utmost importance. We ensured all steps were taken to provide a safe and healthy work environment, and also extended emotional, medical and physical support to employees on a real-time basis. We tied up with healthcare providers to deliver specialised medical care and virtual consultations for our employees as well as institutional quarantine facilities. A programme to vaccinate our employees is underway.

### INTERNATIONAL RISK

#### RISKS

The Bank has a presence in multiple overseas jurisdictions, through its branches and subsidiaries, which can expose it to a variety of regulatory, legal and business challenges and increase the complexity of risks. Enhanced regulations in these countries could lead to additional scrutiny. There could also be risks arising from political changes in these jurisdictions.

#### MITIGANTS

The Bank's strategy for international business is largely focussed on India-linked opportunities. There is a dedicated team overseeing the risks associated with its branches within the Risk Management Group. Further, specific teams have been set up at local jurisdictions to get a ground-level understanding of country-specific regulatory and business requirements. The Bank's Compliance Group oversees regulatory compliance at the overseas branches, IFSC and overseas banking units.

# HUMAN CAPITAL



**Fair to Customer**

**Fair to Bank**

**Care for Employees**

## PARTNERING BUSINESS STRATEGY

One of the shifts in our operating model in recent times has been the adoption of 'One Bank, One ROE', leading to 'One Bank, One Team' as a guiding factor. With our focus on maximising risk-calibrated core operating profit, based on the opportunities available in the market, this pillar provides a guiding path towards capturing market share and growing profitably within the guardrails of risk and compliance. With a focus on creating enablers for participating in opportunities and leveraging ecosystems, we moved away from centrally-driven authority structures to enabling the frontline business heads to consider suitable structures, resourcing, product models and market-specific service innovations. To ensure success in the market and capture the 360° banking needs of customers, every employee is encouraged to spot opportunities and generate business for the Bank.

A key shift in our functioning has been to remove the grade-based hierarchy for the Bank's senior management. This has created process efficiencies and a work culture that enables quicker response in the market place and bringing resolutions faster to the teams. Another step towards building a successful work culture has been the focus on collaboration and bringing together the expertise of cross-functional teams to provide solutions that meet the complete banking requirements of our customers. With the purpose of enhancing product synergies, diminishing department boundaries, and embedding the essence of 'One Bank, One ROE', we have identified customer ecosystems across businesses and segments,

and a team structure that focusses on key account management, thus enabling employees to cater to the 360° needs of the customers.

Further, a strong technology team is imperative for the success of our digital initiatives and seamless delivery of services. The technology team was strengthened during the year through reorganisation and introduction of roles in line with the demands of #2025 Enterprise Architecture Framework.

## OUR RESPONSE TO COVID-19

Banking being declared an essential service, the Covid-19 pandemic presented us with a situation where we had to ensure continuity in our services to customers while ensuring the safety and well-being of all our employees working in approximately 5,500 branches and offices at locations across the country. Ensuring Covid-19 related protocols of social distancing and sanitisation were followed across every location was critical. Providing a safe and healthy work environment, along with extending care and support to employees was of paramount importance. We put mechanisms in place to ensure that emotional, medical and physical support was provided to our employees on a real-time basis.

As part of safety measures, thorough contact tracing is done in case an employee tests positive. All employees who have been in physical proximity to the Covid-positive employee are strictly advised to

## HUMAN CAPITAL

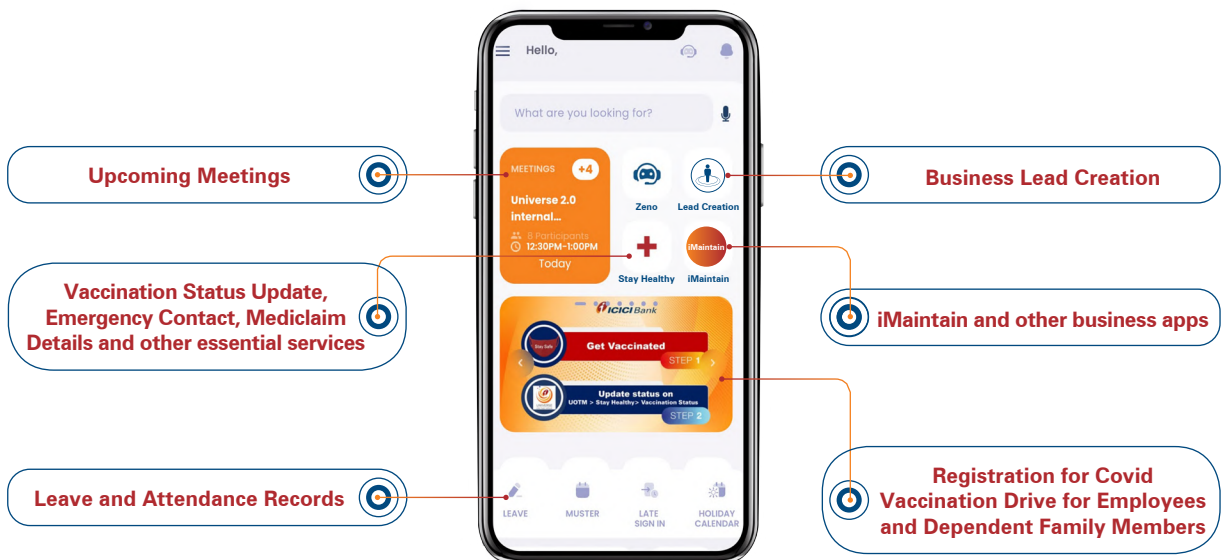
isolate themselves and self-quarantine for a period of at least 14 days. A digital contact tracing system has been developed to track and monitor the employees who came in contact with any Covid-positive employee. The system uses the data collected from the employees through Universe on the Move application, on the given day.

For employees and family members who are advised home quarantine, we have tied up with a healthcare provider to offer specialised medical care to monitor and provide virtual consultation services, thus facilitating timely medical help as well as taking care of the mental health of the affected employees and their families. Similarly, for employees and their family members needing closer monitoring by way of institutional quarantine, the Bank tied up with the healthcare provider for an institutional quarantine programme, which is available in eight major cities. These isolation centres are best-in-class facilities for employees in need of institutional quarantine. The employees are under the supervision of on-duty doctors on a daily basis and

have assistance of nurses in the facility to cater to health requirements and monitoring.

Advisory and constant communication with employees by means of defining 'Norms of New Normal' was established and circulated to ensure that the advisory reaches every employee and gets reinforced in their behaviour. Office protocols were put in place quickly to ensure safety of employees. Masks, sanitisation, fumigation and social distancing were made mandatory across premises. Signage and posters were displayed in various places in the large offices. Maximum capacity for each of the offices and big branches were determined and zoning norms were established and implemented across office locations so that employees do not mingle with anyone outside their zones. In order to ensure a smooth commute, employees were provided with system verified and generated authorisation letters and vehicle passes, made available to them on the Bank's internal app, UOTM - Universe on the Move. Further, the Bank reimburses the cost of vaccination of employees and their dependents.

### UNIVERSE ON THE MOVE – THE EMPLOYEE APP



ICICI Bank UOTM app integrates several functions including engagement, learning and business applications.

## HUMAN CAPITAL

### HIRE FOR ATTITUDE AND TRAIN FOR SKILL

We believe in building talent by identifying individuals with potential and attitude for growth, and providing them with opportunities to acquire necessary knowledge and skills. This focus is across levels, from those beginning their journey with ICICI Bank to different levels up to the senior management.

To meet the demands for a skilled workforce, the Bank has adopted a strategy to backward integrate at the ecosystem level to create a pool of industry-ready workforce. Our industry-academia partnership has democratised the platform for hiring and pushed the boundaries that defined employee profiles as urban and English-speaking to encourage alignment with a workforce based on social skills and attitude of individuals. The industry-academia initiatives have thus cast their net wide to attract a diverse pool of applicants from various fields, and ensuring diversity in terms of gender, culture and social backgrounds. Through our industry-academia partnerships, we have successfully created a continuous pool of ready bankers, not just for the Bank but for the industry at large.

One of the key aspects of these programmes is the familiarity it builds with the banking and financial services sector, and with ICICI Bank. The thrust is to orient students to the culture of ICICI Bank and to impart functional knowledge in banking and related subjects. Participants are put through rigorous training with emphasis on application of knowledge and overall personality development. The tutoring is supplemented

through structured internships and on-the-job training at various Bank branches, where students are assigned roles and live projects to give a real-time experience of banking.

Considerable investments have been made in setting up the training infrastructure and designing programmes that have a bias for vocational pedagogy rather than the cognitive approach prevalent in educational institutions. The focus and rigour of the design of these academies has ensured that every student is acclimatised to ICICI Bank's culture and way of banking. This has helped ensure continuity of service across roles, and also the continued trust of our customers over the years of engagement and service. Today, the alumni of these academies have etched successes for themselves and have also made the institution proud of their achievements, and complimented our efforts of creating winners.

Shaastraarth – a congregation of thought leaders aimed at bringing corporates to the campus and serving as a partnership platform for industry and academia where practitioners put forward their varied views, rich knowledge and experience – was held over two days on October 7 and 14, 2020. More than 50,000 students from 300+ top business schools were the audience. The event had multiple panels with eminent leaders from various industries coming together from different geographies and time zones. In the eight panel discussions held over two days, leaders put forth their perspectives on themes pertinent to the workforce of tomorrow. The two-day event was livestreamed on the ICICI Bank YouTube channel, with 150,000 views and 800,000 impressions over all sessions. Our LinkedIn page hosted an elaborate campaign covering the whole event where we witnessed 650,000 impressions overall.

One of the ways to be future-ready is to invest in skills and capabilities which are essential to be relevant in the market over the long term. Our employees are our asset, and we invest in capability-building of our employees on an ongoing basis.



### Culture, Ecosystem and ICICI STACK Sessions under Capability Building Programmes

Culture, Ecosystem and STACK sessions were incorporated in all capability building academies. The culture sessions enabled reiteration and



## HUMAN CAPITAL

### TECHNOLOGY BASED LEARNING

# 53 hours

Average online learning per employee

**Learning delivered through digital courses, curated video modules and webinars among others**

reinforcement of the ICICI Bank culture among the employees. The ecosystem approach and ICICI STACK were incorporated to enable employees to take the Bank to the customer and focus on the market opportunity. Engagements with the leadership team were scheduled to provide participants with perspectives on the Bank's cultural anchors.

### Skilling on ICICI STACK

The skilling sessions on ICICI STACK covered employees across business groups, delivering 1.4 million learning hours. The sessions are also incorporated in all the functional academies to acquaint employees on the ICICI Bank way of selling and to handhold employees on the Bank's digital product suite.

### Courses on Data Science, Behavioural Finance and Model Thinking

A curated learning journey was designed for the leadership team with Coursera in the areas of data science, behavioural economics and model thinking. Certificate programmes by renowned universities like Johns Hopkins and Duke University were offered under this initiative.

### Tech School

A series of curated video modules are offered on emerging technologies by leading technology organisations. The video modules are made available on the Bank's Learning Matrix (LMS) to help participants

understand various technologies like Blockchain, AI & ML, Public Cloud, Data Lakes, DevOps, Kubernetes, API Ecosystem, Microservices, IaaS, PaaS, Cloud Security, Edge Computing, Continuous Delivery and Cloud Computing.

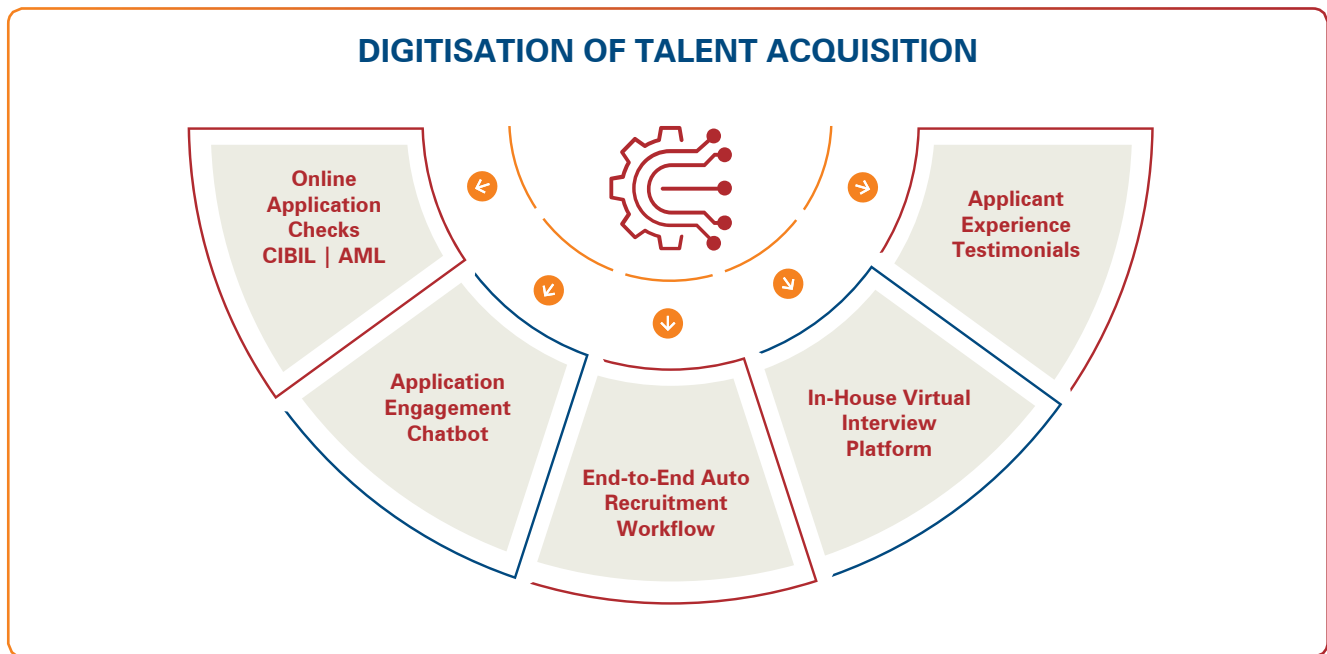
Data Science will be one of the key differentiating skills in future, and in order to inculcate a culture of data in the Bank, we have partnered with open online course providers to offer data science courses by top universities to the leadership team. We are partnering with top organisations that are data leaders in the world to curate a series of videos and webinars on emerging technologies and data science. We are conducting training specifically for the employees working on data on a regular basis.

We believe that learning cannot be restricted to one's own sector or area of work. We draw leadership insights from people from different walks of life, which provides a learning opportunity in one's own domain too. One such initiative is our 12x12 Ignite Series, where leaders from different fields are invited to share their expertise, experiences and lessons in leadership. Similarly, we also launched 12x12 Dialogue series, where internal experts of the Bank share their views and know-how with a larger employee base.

For new employees, the full recruitment journey is available on a new age bot, a unique offering based on Natural Language Processing (NLP) with which applicants can engage to clarify their queries. It is available on four platforms: WhatsApp, Google Assistant, Amazon Alexa



**HUMAN CAPITAL**



and Web/Mobile browser. Our state-of-the-art platform, iStudio, enables virtual interviews and overcomes the challenges of distance and time. ICICI Bank has adopted an Artificial Intelligence (AI)-based testing and selection platform to evaluate cognitive abilities, language abilities, sentiments, personality insights and emotions. This in-house cognitive testing platform is configured to administer adaptive testing with advanced features such as image recognition, text analytics, language checks, emotion and tone analytics, and security check systems.

Our walk-in module over WhatsApp is a first of its kind NLP and ML based technology solution available which assists in managing bulk recruitments. It is built for scale, speed and convenience for all stakeholders. This has enabled complete migration of recruitment system to a paperless model.

Our long-term success is dependent on building future leaders. Developing core skills and capabilities of our leaders is required to align with the Bank’s future business strategy.

We have a robust succession planning process which measures the depth of the leadership bench. The Bank has a strong bench for all key positions and continuously measures the depth of succession for all critical leadership roles.

**ENGAGING WITH RESPONSIBILITY**

The Bank expects all our employees to act in accordance with the highest professional and ethical standards upholding the principles of integrity and compliance at all times. In this regard, expectations around compliance are communicated to our employees through multiple channels. All new employees are also required to complete mandatory training modules pertaining to Code of Conduct, Information Security, Anti Money Laundering and other compliance-related areas that are critical and sensitive.

We are an equal opportunity employer and seek to ensure that the workplace is free of any kind of harassment or inappropriate behaviour. Comprehensive policies and procedures have been laid down to create an environment where there is respect and dignity in every engagement. Sexual harassment cases are handled as per the guidelines set under the Prevention of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. This is imbibed in the Bank’s culture by creating awareness through mandatory e-learning on the subject at the time of induction and regular communication to employees regarding the mechanism for raising complaints and the need for right conduct by all employees. The Bank has a mechanism for dealing with complaints of harassment

## HUMAN CAPITAL

or discrimination. The policy ensures that all such complaints are handled promptly and effectively with utmost sensitivity and confidentiality, and are resolved within defined timelines.

For other workplace issues, we have a robust mechanism to resolve them. Call@I-Care provides employees with a platform to raise any issues or concerns that they may have.

ICICI Bank has always encouraged diversity in its workforce and this is deeply rooted in its culture and DNA. The Bank's philosophy of meritocracy and equal opportunity in its people decisions led to a large number of leadership positions being held by women over the last two decades.

Conscious of the life stage needs and safety of women employees, a range of benefits and policies has been curated. We have a liberal leave policy for women employees, which was established much ahead of its time. We provide fertility leave to employees seeking to undergo treatment. We also provide child care leave and adoption leave. The Bank is also associated with various day care facilities across the country. Managerial responsibilities at times require women employees to travel outside city limits, either for business reviews/engagements or for training. For women managers who are mothers with young children, travelling outside city limits disturbs their support ecosystem. We have taken an initiative to address this need for women managers with children up to 3 years of age. In order to support these employees, we have defined a policy to bear the cost of travel and accommodation for the child and a caregiver (family member or child caretaker). This will help the women managers to focus on their work without the emotional stress of staying away from their children.

### INITIATIVES FOR WOMEN EMPLOYEES



#### Leave Policy

Child Care Leave  
Adoption Leave  
Fertility Leave

#### Travel Accompaniment

Bear Cost of Travel and Stay for the Child and Caregiver

# SOCIAL AND RELATIONSHIP CAPITAL



Kanku Bai, a beneficiary of the ICICI RSETI Dairy Farming course in Jaipur, Rajasthan.

**We are committed to act in the best interests of our stakeholders and with a sense of purpose.**

Our involvement in socio-economic development has always been integral to our strategic objectives. We have participated in these activities either as part of our business or through our corporate social responsibility initiatives. In fiscal 2021, the Bank spent ₹2.00 billion towards corporate social responsibility projects. The aim is to identify critical areas of development that require investments and action, and which can help to realise India's potential for growth and prosperity.

## SOCIAL INITIATIVES OF ICICI BANK

With a purpose-driven approach, we play a role in creating meaningful social impact. The unprecedented challenges due to Covid-19 pandemic led to a difficult period where lockdown measures created significant difficulties particularly for low income groups, and led to migration of a large segment of the population to the rural areas. Extraordinary efforts were demanded from frontline staff like doctors, police, municipalities and others. The ICICI Group committed a sum of ₹1.00 billion towards meeting this challenge, as part of which the Bank contributed ₹500.0 million to the PM CARES Fund. Under our corporate social responsibility, the Bank and ICICI Foundation actively responded in the efforts on the ground, by supplying critical materials like sanitisers, masks and personal protective equipment. Ventilators and other critical equipment were supplied to hospitals. The efforts covered over 550 districts across the country and all 36 states and union territories.

## ICICI Foundation for Inclusive Growth

ICICI Foundation was established in 2008 for strengthening the efforts of ICICI Group towards meeting its corporate social responsibility. ICICI Foundation's efforts are managed by an in-house team with direct project implementation capabilities. The focus on enabling sustainable livelihood through skill training gained momentum with the setting up of the ICICI Academy for Skills in October 2013.

During fiscal 2021, the efforts of ICICI Foundation were on multiple fronts from supporting the Covid-19 relief efforts on the ground, developing new models of delivering training online, enabling livelihood for migrants and undertaking projects meeting social and environmental goals.

ICICI Foundation for Inclusive Growth	Trained since inception till March 31, 2021*
ICICI Academy for Skills	160,000
Rural Livelihood Programme	307,000
Rural Self-Employment Training Institutes (RSETIs)	114,000
<b>Total</b>	<b>581,000</b>

\* Numbers are rounded off to the closest thousand.

## SOCIAL AND RELATIONSHIP CAPITAL

### Rural Livelihood Programme

Sustainable and distributed growth is a key driver of the Rural Livelihood programme, and ICICI Foundation has structured its efforts around four key areas:

- Addressing shortages in the village ecosystem which includes efforts to improve the yield and quality of local products;
- Addressing surplus in the local economy and developing value chains to improve market linkages for better realisation;
- Adopting an inclusive approach by providing low investment entrepreneurial opportunities to landless and other excluded communities; and
- Conserving and protecting the environment by addressing local environmental challenges and promoting sustainable practices.

ICICI Foundation continued to implement its strategy by identifying clusters of villages with such gaps for driving interventions. The model is based on Value Chain & Entrepreneurship Development. In identified clusters, different groups of trainees work in various segments of the value chain of an identified commodity, or as entrepreneurs in a for-profit arrangement or as its employees. The idea is to create supply chains

and synergies that can enhance value and make the intervention sustainable. This has helped improve the income opportunity of trainees and effectively benefit communities rather than just individuals. This model has made significant impact on communities and the environment.

Despite the challenges of Covid-19, ICICI Foundation's efforts benefitted over 30,000 people across 346 villages during fiscal 2021. Of these, 64% were women. On a cumulative basis, the efforts in the rural areas have impacted lives of close to 307,000 people in 2,534 villages, with women's participation at 61%.

### ICICI Academy for Skills

At March 31, 2021, ICICI Foundation was operating 28 skill training centres under the ICICI Academy for Skills in 21 states/union territory. These Academies are providing industry-relevant, job-oriented training on a pro-bono basis in 10 technical and three non-technical skills. With a comprehensive approach which ensures employment opportunities for all successful trainees, these academies are equipped with state-of-the-art practical labs to support and enhance learning. Skill training also includes modules on financial literacy, life skills and soft skills.

In fiscal 2021, due to Covid-19, new models of delivering training were implemented at the skill academies that



Trainees during a practical session of the 'Home Health Aide' course at ICICI Academy for Skills, Chennai.

## SOCIAL AND RELATIONSHIP CAPITAL

combine digital learning as well as hands-on experience at the labs. These new models including the hub and spoke model are agnostic to the location of the academy. This has enabled ICICI Foundation to take the skilling initiative to new locations and offer technical programmes at academies that hitherto provided training only on office skills. To ensure practical training under these new models, ICICI Foundation has tied up with various service centres. Nine courses offered by skill academies have been converted to digital medium and the National Skill Development Corporation (NSDC) has accredited these courses.

In fiscal 2021, ICICI Academy for Skills trained over 14,238 youth across 21 states and union territories and helped them find suitable jobs. On a cumulative basis, the efforts in the skill academies impacted the lives of close to 159,652 people from 28 centres, with women's participation at 43%.

### Rural Self Employment Training Institutes (RSETIs)

ICICI Foundation manages two RSETIs at Udaipur and Jodhpur with 16 satellite centres in Rajasthan. These centres provide skills based on the local market requirements. This has significantly improved livelihood opportunities for the trainees. The ICICI RSETIs have been recognised as the top performing RSETIs in India for

seven consecutive years by the Ministry of Rural Development and the National Centre for Excellence of RSETIs.

The ICICI RSETIs were amongst the first to begin digital training during fiscal 2021. A unique initiative during the year was providing online training in mobile phone repairs and service. This online training covered 543 candidates from 271 villages across the two districts. The practical training was conducted for these trainees at the nearest block location. In fiscal 2021, the RSETIs also launched a new initiative of 'Suposhan Vatika' specially focussed on serving the poor, landless and malnourished families of tribal communities.

The cumulative number of people trained through these three initiatives crossed 580,000 individuals at March 31, 2021. ICICI Foundation also provides a platform for trainees from rural areas to exhibit their products in the marketplace.

## Social and Environmental Projects

The majority of ICICI Foundation's efforts in rural areas are largely themed around improving agricultural productivity, promoting sustainable practices and strengthening the supply chain. Through these efforts,



Beneficiary of the Integrated Farming programme conducted by ICICI Foundation in Silsuan village, Kendujhar district in Odisha.

## SOCIAL AND RELATIONSHIP CAPITAL

it was realised that water is an important factor for sustainable development in the rural areas. Accordingly, ICICI Foundation started undertaking a host of interventions for improving water conservation, creating awareness of sustainable use of water, crop substitution from water-guzzling crops, promoting different varieties/practices that do not require flood irrigation and similar other efforts.

Another learning from working at the grassroot level in the rural areas was the need for significant investment in education and healthcare infrastructure. This need has only been reinforced through the pandemic. While ICICI Foundation has always believed that ensuring sustainable livelihood creates a demand, followed by which market forces bridge the supply gap, it has been realised that there is a gestation period during which public investments are required to enable market forces to take over. Keeping this in mind, ICICI Foundation has been participating in education and healthcare sectors to supplement the investments being made by the central and state governments. It is also exploring extensive convergence with government schemes to identify opportunities that can provide significant benefits to the local community.

Human dependence on natural resources for livelihood has created significant human-wildlife conflict in

various forest/periphery areas across the country. In many cases, it is the local tribal population that is trapped in such conflict situations. ICICI Foundation is taking a livelihood approach to address this conflict and is identifying and developing alternate livelihood for these sections of the society. Supplementing the livelihood initiatives are projects on afforestation and conservation including creating awareness amongst all sections of the society.

We believe that ICICI Foundation's approach of undertaking targeted efforts along with the continued enhancements on livelihood projects for urban and rural segments will lead to more inclusive growth in a distributed and sustainable way.

## RURAL DEVELOPMENT

There are specific segments of the rural economy that require a more supportive and sensitive response to their financial requirements. There are initiatives by us to specifically address the needs of such segments. The Self Help Group (SHG) programme is an initiative that has contributed to entrepreneurship among women in the rural areas. We provide a comprehensive suite of banking products, including zero-balance savings account and term loans, to meet the business requirements of the



SHG beneficiaries with sanitisers manufactured by them at Bambavade village in Kolhapur district, Maharashtra.

## SOCIAL AND RELATIONSHIP CAPITAL



**Beneficiary in Bhatinda district, Punjab, completing biometric authentication to receive funds under PMJDY.**

women of these SHGs. Services are offered at their doorstep, thus saving their time and money from visits to the branch. The Bank is also organising financial literacy camps and has set up dedicated service desks at select branches to guide SHGs on banking procedures. There has been a gradual rise in entrepreneurial ventures by women in the areas where the Bank has been providing services to SHGs. Due to the outbreak of the Covid-19 pandemic, access to credit had become difficult for SHGs. However, we continued our operations without any disruption in credit flow to the segment. In addition to direct efforts in reaching out to SHGs, the Bank has tied up with about 560 non-government organisations called Self-Help Promoting Institutions (SHPIs).

We have provided loans to over eight million women beneficiaries through over 600,000 SHGs till March 31, 2021. Of these, 3.6 million women were 'first time borrowers', who had not taken a loan from any formal financial institution. In addition to direct customers, the Bank reaches out to about 1.3 million customers through microfinance institutions.

We also provide lending to Joint Liability Groups (JLGs), which are semi-formal groups from the weaker sections of society. Compared to SHGs these groups are smaller. Lending to these groups is done through tie-ups with microfinance companies. The Bank also offers credit related services to microfinance companies that are providing financial services to the rural population.

Financial inclusion is another activity which we have actively pursued in the rural areas. At March 31, 2021, we had over 21.2 million Basic Savings Bank Deposit Accounts (BSBDA), of which around 4.7 million accounts

were opened under the Pradhan Mantri Jan Dhan Yojana. We encourage and enable these account holders to transact digitally. We are also promoting government schemes like the Pradhan Mantri Jeevan Jyoti Bima Yojana for providing life insurance, Pradhan Mantri Suraksha Bima Yojana for providing accident insurance and Atal Pension Yojana for providing pension benefits. At March 31, 2021, a total of five million customers were enrolled under these three social security schemes, which was the highest among private sector banks.

## ENGAGING WITH THE GOVERNMENT FOR DELIVERING VALUE

We believe that our continuous collaboration with government agencies and our integrated service solutions are contributing towards strengthening the government's engagement with citizens and its stakeholders. Our support to the government ranges from creating technology solutions for strengthening e-governance, enabling end-to-end digital payments for critical projects, participating in pilot projects as a financial service provider and supporting initiatives for promoting social development. The Bank participated in several such opportunities during fiscal 2021.

The Public Financial Management System (PFMS) platform of the Office of Controller General of Accounts (CGA) of the Department of Expenditure under the Ministry of Finance today facilitates sound public financial management for the Government of India. The system enables efficient flow of funds from the central government to implementing agencies at state, district, block and village levels, beside Direct Benefit Transfers (DBT). The Bank has been associated with PFMS since its inception and is one of the largest processor of payments through this platform. For providing ease and convenience to stakeholders, we have provided multiple channels for uninterrupted service delivery through Web portal, call centre and mobile app.

During fiscal 2021, we processed more than 170 million PFMS transactions amounting to ₹650.83 billion across all 28 states. As per the Key Performance Indicators (KPI) of Department of Expenditure, Ministry of Finance, the Bank has been recognised as one of the top banks consistently. As part of our endeavour to diligently and



## SOCIAL AND RELATIONSHIP CAPITAL

efficiently service our customers and create value, we have launched the InstaBIZ app for Government customers to access their banking accounts and PFMS transactions digitally, both on mobile and tablet devices.

Customised Payment Solutions, a white label digital platform has been developed for government departments. This platform provides a range of payment activities and workflow management. It facilitates hierarchical mode of disbursements, expenditure-head wise payment and tracking up to the end beneficiaries depending on various models. Beside payments, the platform capabilities include project management, budget management, limit assignment and control, dashboard, reports/analytics and online reconciliation of transactions.

During fiscal 2021, we integrated our Customised Payment Solution with the PFMS system in a manner where Bank's Customised Payment Solution becomes the front end and the PFMS system becomes the back end. This fulfills the general guidance of the central government to use PFMS for payment processing and also gives an integrated solution to the customer, thus providing complete end-to-end solutions for their payment needs.

The Smart Cities Mission was launched by the Government of India with a vision to drive economic growth and improve the quality of life of citizens. We have been closely associated with this initiative, offering a suite of digital solutions known as 'ICICI Bank Smart City Solutions Suite' catering to the day-to-day requirements of a Smart City. These include solutions for tax collection, bill payment of utilities, assistance in municipal bonds issuance, a comprehensive project and payment management solution for live project updates and just-in-time payments to vendors or contractors, funds monitoring on the PFMS platform, e-challan collections, smart toll collections on highways and smart parking spaces, besides other offerings like e-governance solutions, digital property tagging and many more smart solutions leveraging the Bank's digital capabilities and expertise. We have been working with various Smart Cities in this regard.

ICICI Bank is one of the leading banks in developing Common City Payments Solution (CCPS), a citizen-centric solution to promote a cashless economy by facilitating digital transit and retail payments. During fiscal 2021, we partnered with the Greater Chennai Corporation and Chennai Smart City Limited for the launch of 'Namma Chennai Smart Card', a Ru-Pay powered co-branded, contactless pre-paid card which will facilitate tax, utility, retail and e-commerce payments. Our efforts in some of the Smart Cities Mission are helping scale up digital transactions and fostering competitiveness and benchmarking across smart cities.

We have additionally continued to build upon our association with the Government eMarket (GeM) by way of introducing facilities for Caution Money Deposit for ensuring only serious sellers continue being a partner to the GeM portal. Government departments/institutions are now also benefitting from our 'Bank Guarantee Repository Solution' which has created an online repository of bank guarantees issued in their favour, which can also be authenticated through the BGRS portal.

## STAKEHOLDER ENGAGEMENT

An important factor in the Bank's value creation for its stakeholders is to have meaningful partnerships and be responsive to their perspectives. During the Covid-19 pandemic, the Bank recognised the opportunity to stay connected and respond to the needs of our stakeholders. We strived to further prove our trustworthiness in these challenging times, and create a positive impact for our employees, customers, shareholders and society. We ensured our products and services were accessible and easier to use. Our contribution also involved ground-level efforts to help the government and people navigate the challenges created by Covid-19.

The Bank holds regular interactions with investors, employees, customers, regulators and engages with communities and banking associations to remain informed.

## SOCIAL AND RELATIONSHIP CAPITAL

### ICICI Bank's Key Stakeholders

STAKEHOLDER	MODE OF ENGAGEMENT	AREAS OF IMPORTANCE	BANK'S RESPONSE
<b>Customers</b>	<ul style="list-style-type: none"> <li>• Interactions with employees</li> <li>• Structured surveys for seeking feedback</li> <li>• Meets organised at branches</li> <li>• Communication through print, digital and social media</li> <li>• Multiple channels available for raising queries and grievances</li> </ul>	<ul style="list-style-type: none"> <li>• Convenience</li> <li>• Responsive, skilled and considerate staff</li> <li>• Availability of relevant products and services</li> <li>• Quick response to issues raised and grievance redressal</li> </ul>	<ul style="list-style-type: none"> <li>• Being 'Fair to Customer, Fair to Bank' is a core element of the Bank's approach</li> <li>• Ensure right-selling of products</li> <li>• Dedicated customer service teams focussed on improving process efficiency, reducing customer effort and leveraging technology to enhance customer experience and improve response time</li> <li>• Continuous upskilling and knowledge building of staff</li> <li>• Policy of zero tolerance to unethical conduct by employees</li> </ul>
<b>Shareholders/ Investors</b>	<ul style="list-style-type: none"> <li>• Annual General Meeting</li> <li>• Emails and periodic meetings</li> <li>• Conference calls</li> <li>• Investor conferences</li> <li>• Analyst Day</li> </ul>	<ul style="list-style-type: none"> <li>• Shareholder value creation</li> <li>• Medium and long-term strategy</li> <li>• Governance and ethical practices</li> <li>• Compliance</li> <li>• Transparency</li> <li>• Disclosure of non-financial metrics pertaining to sustainability</li> </ul>	<ul style="list-style-type: none"> <li>• Increased interaction with investors during the year and also held digital interactive sessions</li> <li>• Communicating on strategic objectives during the quarterly results call with investors and increased disclosures</li> <li>• Non-financial disclosures included in the Annual Report</li> <li>• Board-approved Environment, Social and Governance (ESG) Framework and release of the first ESG Report of the Bank</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>• Continuous engagement across employee segments and business</li> <li>• Periodic communication meetings anchored by senior leaders</li> <li>• iCare, an online portal for employees to raise queries</li> </ul>	<ul style="list-style-type: none"> <li>• Driving synergy as One Bank – One Team</li> <li>• Enabling work culture with opportunities for growth and learning</li> <li>• Culture of experimentation</li> <li>• Meritocracy</li> <li>• Employee alignment to common organisation goals</li> <li>• Reduction in hierarchy</li> <li>• Responsive grievance handling process</li> </ul>	<ul style="list-style-type: none"> <li>• Responsibilities given early in the career</li> <li>• Focussed leadership and career mobility programmes</li> <li>• Principle of 'One Bank, One ROE' across geographies, products and roles</li> <li>• Surveys to assess alignment to cultural anchors</li> <li>• Support to employees through other networks like Quick Response Team (QRT) in case of medical emergencies, i-Travel Safe for easy access to register an SOS distress signal</li> <li>• Care for employees through leave policies catering to their different needs including life-stage needs</li> <li>• Universe on the Move – a one stop digital platform for employees</li> </ul>

## SOCIAL AND RELATIONSHIP CAPITAL

STAKEHOLDER	MODE OF ENGAGEMENT	AREAS OF IMPORTANCE	BANK'S RESPONSE
<b>Regulators</b>	<ul style="list-style-type: none"> <li>• Periodic meetings with regulatory bodies</li> <li>• Participation in policy forums</li> <li>• Other forms of communication like emails, letters, etc.</li> <li>• Supervisory meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance culture</li> <li>• Fair treatment of customers</li> <li>• Role in developing the financial system</li> <li>• Adherence to regulations/directives including for KYC procedures/anti-money laundering in a time-bound manner</li> <li>• Operational and cyber resilience</li> <li>• Participating with the regulator in providing necessary relief and impetus on account of the impact of the Covid-19 pandemic</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance culture driven by organisational leadership</li> <li>• A dedicated team for communicating with regulators and responding in a time-bound manner</li> <li>• Well-defined processes and leveraging technology in responding to regulators</li> <li>• Continuous engagement with the regulator and providing inputs on various aspects in dealing with the impact of the Covid-19 pandemic and the evolving business requirement</li> <li>• Updating and seeking inputs from the regulator on emerging developments in technology and cybersecurity</li> </ul>
<b>Society</b>	<ul style="list-style-type: none"> <li>• ICICI Foundation for Inclusive Growth (ICICI Foundation)</li> <li>• Rural development initiatives</li> <li>• Supporting government initiatives</li> </ul>	<ul style="list-style-type: none"> <li>• Contributing to social development</li> <li>• Financial literacy and improving access to financial services especially in rural areas</li> </ul>	<ul style="list-style-type: none"> <li>• Met the CSR requirement under the Companies Act, 2013</li> <li>• Continuous focus on livelihoods, social and environmental issues through the ICICI Foundation</li> <li>• Industry-academia partnerships for developing skills for the banking sector</li> <li>• Contributing to disaster relief through on-ground efforts</li> </ul>

*Note: The listing of areas of importance may not necessarily follow the order of importance to the stakeholder category.*

# NATURAL CAPITAL



**We focus on environmental sustainability in our operations.**

ICICI Bank office at Gachibowli, Hyderabad, rated 'Gold' by IGBC in 'LEED India – Core & Shell' category (inset: IGBC Plaque).

The Covid-19 pandemic has accelerated action around protecting society and the environment, and adopting the principles of Environmental, Social and Governance. At ICICI Bank, we have a long-standing commitment of contributing to socio-economic development in a way that is impactful and makes a difference to the lives of people. We have a Board-approved Environment, Social and Governance (ESG) Framework that articulates key principles and actions governing the Bank's efforts in adopting ESG. The Bank is committed to responsibly conduct its business with prudent use of resources. We follow responsible financing practices by promoting environment-friendly sectors and have laid emphasis on environmental and social risk management objectives as a part of financing.

## SUSTAINABLE FINANCING

Project and corporate financing are governed by prudent risk management practices. All new project and corporate financing proposals are reviewed under a social and environmental management framework that integrates analysis of the environmental and social risk assessment into the overall credit appraisal process. The key elements of the assessment include an exclusion list, seeking a declaration from borrowers of compliance with applicable national environmental guidelines/approvals for qualifying proposals subject to threshold criteria defined in the framework, and due-diligence by a Lender's Independent

Engineer (LIE) for large-ticket project loans identified as per the criteria defined in the framework.

Our lending to environment-friendly sectors is based on appropriate assessment of risks and returns. We have actively financed projects for capacity creation in environment-friendly sectors. This includes renewable energy sectors like solar, wind and hydro power and other sustainable sectors like waste processing and mass rapid transport. Our outstanding portfolio to the renewable energy sectors was about ₹31.50 billion at March 31, 2021.

Further, the Bank availed lines of credit from select multilateral agencies towards financing green/sustainable assets. The assets financed under these lines include financing for wind, solar, biomass plants and energy efficiency projects. At March 31, 2021, the outstanding lending by us for such specific purposes was USD 70.8 million.

An internal team within the Bank is dedicated to providing financial assistance to initiatives that promote biodiversity, environmental sustainability and initiatives in education, health, sanitation and livelihoods. The team's mandate is to administer funding lines received from bilateral/multilateral agencies/Government of India, specifically for such projects. Their efforts include identifying relevant projects, ensuring financial assistance through collaboration or directly and knowledge sharing. Total financial assistance provided by the group in

## NATURAL CAPITAL

fiscal 2021 was about ₹265.0 million. Some of the projects implemented in fiscal 2021 were:

- Assistance was provided for skilling in a tribal belt in Amaravati district in Andhra Pradesh. Adopting sustainable agriculture, sustainable livelihood and village level institutional empowerment are some of the focus areas which is expected to benefit the people in 20 villages.
- A watershed development project in Yavatmal district of Maharashtra has been given assistance that would lead to 200 hectares of land being brought under protective irrigation and treatment for soil/water erosion.
- In the area of promoting education, assistance has been provided for part of the cost for setting up a school in Bhandara district of Maharashtra, which is expected to provide educational facilities to students belonging to low-income groups at a nominal fee. Another project involved sponsoring the conversion of two schools into innovation hubs for education.
- Establishment of a geriatric care centre for older adults at Bhubaneswar that would provide outpatient, diagnostic and surgical services, a rehabilitation centre for the elderly, home care and tele medicine/internal medicine facilities. The centre will also focus on training eye care cadres in elderly care and research on various age-related eye conditions.



Roof-top solar panels at ICICI Bank Towers in Ambattur, Chennai.

- Government departments, institutions and organisations were supported in their efforts to fight the Covid-19 pandemic. This involved supplying essential protection material, strengthening hospital infrastructure and extending support to health workers.

## ENVIRONMENT SENSITIVITY IN THE BANK'S OPERATIONS

The Bank's commitment to energy efficiency and adopting environment-friendly practices in its operations remains a prime objective. Our consistent efforts over several years, and ongoing enhancements at our premises on various fronts, has led to efficiency gains. These efforts range from adopting green features at our premises, energy efficiency practices, water conservation measures and paper savings. Fiscal 2021 was a disruptive year as the Bank's large offices were partially closed and there was limited opportunity to undertake any new energy conservation initiatives, though certain ongoing projects continued.

### Green Building Features

Since fiscal 2018, the Bank has been ensuring Indian Green Building Council (IGBC) green building features in all its new offices and branches at the time of set up. The total number of offices awarded the highest rating was 11 at March 31, 2021, covering a total area of 2.28 million square feet. The Bank has employees who are certified IGBC Accredited Professionals.



A lithium ion battery storage system at an ICICI Bank branch in Delhi.

## NATURAL CAPITAL

# 97.5 KWp

of new solar power capacity added at the Bank's premises, taking the total onsite renewable energy capacity to 2.9 MWp.

# 30%

of the energy requirement at the Bank's three large offices were met through renewable energy in fiscal 2021.

### Efforts Towards Reducing Emissions

Reducing greenhouse gas emissions and securing the future of our planet requires an all-encompassing approach. We have actively pursued opportunities to adopt new technologies and energy-efficient practices in our operations to reduce our operational emissions. This is an ongoing effort at the Bank. Our efforts have included undertaking audit of our large offices and branches for identifying areas of focus for improving energy savings, investing in new technologies and experimenting with new ideas that are proven to be favourable for the environment. One such recent effort has been towards replacing diesel generating sets with lithium ion battery storage system at branches to enhance reliability and improve energy efficiency. Another effort undertaken during fiscal 2021 was replacing carbon dioxide based fire extinguishers with Clean Agent fire extinguishers at the Bank's branches that are less damaging to the environment.

Our efforts to reduce emissions also include promoting use of renewable energy sources wherever feasible at our premises. During fiscal 2021, 97.5 KWp (Kilo Watt peak) of new solar power capacity was added at the Bank's premises, taking the total onsite renewable energy capacity to 2.9 MWp (Mega Watt peak) at March 31, 2021. The total generation from these systems was 3 million kWh during the year, which was 66% higher on a year-on-year basis.

Under the open access mechanism for power sourcing, the Bank has signed power purchase agreements (PPA) for solar and wind energy purchase for three of our large offices. The total contracted capacity is 9 MWp. These offices have been using renewable energy

since fiscal 2016, and during fiscal 2021, 30% of the energy requirement at these offices was met through renewable energy.

In fiscal 2021, the Bank engaged an external consultant to evaluate our Scope 1\* and Scope 2\*\* emissions for comprehensiveness and accuracy. The Bank's Scope 1 and Scope 2 greenhouse gas emissions in the last three years were as follows:

tCO <sub>2</sub> e	Fiscal 2019	Fiscal 2020	Fiscal 2021
Scope 1 (Figures in thousands)	16	17	19
Scope 2 (Figures in thousands)	127	128	115
Total (Figures in thousands)	143	145	134
Emissions Intensity (per employee)	1.65	1.45	1.36
Emissions Intensity (per square feet)	0.01	0.01	0.01

### Water Savings

The Bank has been ensuring that water consumption per day in its large offices is lower than the benchmark of 45 litres per person per day as per the Bureau of Indian Standards for large offices. The Bank has undertaken various initiatives to conserve water. The Bank recycles and reuses waste water at three large offices including the ICICI Service Centre (Corporate Office) at Bandra-Kurla Complex, Mumbai. All new offices and branches opened during the year were fitted with water-efficient plumbing fixtures. Rainwater harvesting is being undertaken at three large offices.

\*Greenhouse Gas (GHG) Scope 1 - Direct GHG emissions that occur from sources owned or controlled by an organisation. For instance, fuel-led emissions from boilers, furnaces, vehicles, etc.

\*\*Greenhouse Gas (GHG) Scope 2 - Scope 2 emissions are indirect GHG emissions associated with the purchase of electricity, steam, heat, or cooling. While these emissions may physically occur at the facility where they are generated, they are accounted for in an organisation's GHG inventory as they are generated for use by the organisation.

## NATURAL CAPITAL

### Paper Consumption

Fiscal 2021 was an exceptional year for paper consumption, due to lockdown and containment measures and large-scale adoption of work-from-home. These factors and the growing use of digital channels led to a decline in paper consumption.

Extending the digital advantages to customers and in our processes are an ongoing effort. The Covid-19 pandemic accelerated the adoption of digital channels by customers for undertaking banking activities. This was augmented by a series of digital products launched by us during the year to enable our customers to continue accessing banking services without visiting a branch and with minimal disruptions. We believe that encouraging customers to adopt digital practices not only helps in improving efficiency and reducing servicing time, but also create a positive impact on the environment. ICICI STACK, WhatsApp banking, Video KYC for onboarding of customers and cardless cash withdrawal facility at ATMs were some of the digital initiatives launched during the year that enabled customers to transact in a safe and secure environment. During the year, a range of insta-lending products were offered to customers which are end-to-end digitally processed. There were significant efforts towards decongesting processes and reducing physical movement of documents. A significant portion of the Bank's operations today are paperless. Further, we procure environment-friendly copier paper which is manufactured from wheat straw, which is an agricultural residue. The Bank is continuously reviewing its systems and processes for optimising paper consumption.

### Waste Management

The Bank focusses on waste reduction and its management in every aspect of its operations. The Bank undertakes recycling of organic waste using composting techniques at the Bank's large offices in Mumbai at Bandra-Kurla Complex and Chandivli, and at the Learning Centre in Khandala. E-waste is disposed by handing over to certified recyclers. The Bank also supports reuse of electronic devices. The Bank uses remanufactured toners in printers which get recycled at least 2-3 times. The Bank also recycles its IT assets which are then donated.

### Certifications

The Bank has adopted corporate objectives for environment conservation activities in conformity with the ISO-14001 standard 'International Organisation for Standardisation' for environmental management systems. This enables the Bank in developing policies for addressing the objectives of environmental sustainability and assessment of impact of the Bank's activities, products and services on the environment. Health and safety systems at 13 large offices of the Bank have been OHSAS 18001:2007\* certified. The environment management systems of the ICICI Service Centre at Bandra-Kurla Complex in Mumbai are both OHSAS 18001:2007 and ISO 14001:2004\*\* certified.

The data centre was the country's first data centre to be awarded 'Platinum' by IGBC. The call centre at Thane in Mumbai was declared a Leader in energy efficiency at the National Level Energy Conservation & Management Awards by the Confederation of Indian Industry (CII). The Bank won 16 awards for energy efficiency/environment management during fiscal 2021.

*\*OHSAS 18001:2007 is an international standard for environmental management, applicable to all companies in business. It is an international certification that shows an organisation's commitment to health and safety of employees.*

*\*\*ISO 14001:2004 is an international standard that specifies requirements for an effective environmental management system (EMS).*