



IDFC FIRST
Bank



FIRST Compass

Embedding Sustainability Excellence at IDFC FIRST Bank

Investor Presentation – FY 2022

FIRST Compass @IDFC FIRST Bank – 2022 Highlights

I ESG Journey



Committed to scaling up ESG/ sustainability efforts led by continuous Stakeholder Engagement & Innovation



We are building up capabilities by leveraging a broader ecosystem to engage on the sustainability agenda

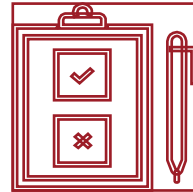


Participant in Dow Jones Sustainability Index Rating

II Integrating ESG within our Governance structure



- ✓ ESG Steering Committee
- ✓ ESG Head
- ✓ Integrating ESG within our processes



- ✓ ESG Policy
- ✓ ESG Risk Management Framework
- ✓ Human Rights Policy
- ✓ Responsible Tax Policy
- ✓ AML & ABAC policy
- ✓ IT Security Policy
- ✓ Focus on Sustainable Finance

III ESG Framework @ IDFC FIRST



Supporter of Task Force on Climate-Related Financial Disclosures



United Nations Global Compact (UNGC) Supporter



We follow Equator Principles



Aligned with UN Sustainable Development Goals



UN Principles of Responsible Banking –UN Environment Program supporter



Value Reporting Foundation SASB Standards



Scaling up Sustainability efforts led by our Vision & Mission

ESG Microsite @ FIRST Compass

FIRST Compass @IDFC FIRST Bank – Key highlights & initiatives



Social

- ✓ **Financial Inclusion** - Serving + 6 million customers across 70,000 villages/towns across the country and 75% of borrowers are women
- ✓ **Micro-loans** to borrowers through the Joint Liability Groups (JLGs) framework
- ✓ **Sustainable livelihood** - Affordable housing, Health & sanitation loans (Suvidha Shakti Loans) for 'transforming lives' initiative across rural banking
- ✓ **Financial Literacy campaign** - Created awareness about our financial products and services in 11 regional languages with an aim to provide good financial practices
- ✓ **Strong voluntary focus on CSR activities (Last 3 years: INR 41.27 Cr. CSR voluntary spent)**
- ✓ **MSME Lending** - MSME loans with no collateral requirement and a doorstep collection policy
- ✓ **Digital Payment solutions** and access to credit for rural customers
- ✓ **Employee Development, welfare initiatives & learning & rewards:** Best in class covid welfare scheme launched for employees during pandemic, Employee wellness programs for mental & physical wellbeing, etc.
- ✓ **Awarded as Social Impact Bank of the Year 2022 –** Received from the European



Environmental

- ✓ **Green buildings & LEED building** - IGBC certification & LEED Certified Gold Standard for some of our offices
- ✓ **EV Financing** - Lending to environment-friendly sectors
- ✓ **Digitisation and automation** to adopt paperless journey
- ✓ **Tree planting** – Total 25,000 saplings planted for new accounts opened during (FY 2021-22)
- ✓ Adopted **motion sensors** for lights and lamps **and** introduced **Internet of Things (IoT)** in our air conditioning systems
- ✓ **Waste segregation methods** for dry and wet waste
- ✓ **Best Sustainable Banking Strategy Award** – Received from CFI
- ✓ **Received Water.org & Sa-Dhan Awards, 2021**
- ✓ **Best Consumer Digital Bank in India, 2021** - Received from Global Finance Magazine



Governance

- ✓ **Strong Board Structure:**
 - Non-Executive Directors (NED): 90%
 - Diverse skill sets: 40% specialized in IT/cyber security
 - Board Committees: majority members are independent
 - Each of the management committee is mapped to Board Committee
 - Independent Board Chair
 - Quarterly Board Committee engagement
 - Dynamic & engaged board: Average board age 61 years
 - 100% average board attendance (FY2021-22)
- ✓ **ISO 270001**
- ✓ **Strong focus on Fraud risk management**
- ✓ **Stringent credit policy and provisioning policy**
- ✓ **Strong Capital adequacy, LCR, PCR, credit rating**
- ✓ **Rigor on transparency**
- ✓ **No political contributions**
- ✓ **Strong risk management framework**
- ✓ **Strong Vigilance Mechanism**
- ✓ **Best Corporate Governance, India 2022 -** Received from World Finance Organisation