



**Business Responsibility Report
IDFC FIRST Bank Limited
FY 2020-21**

Business Responsibility Report

The Business Responsibility Report ('BRR') articulates IDFC FIRST Bank Limited's ('IDFC FIRST Bank'/ the 'Bank') commitment to future generations while conducting responsible businesses at the Bank.

IDFC FIRST Bank's responsible banking is integrated with all divisions of the Bank and is based on ethics, transparency, technology and human resources, thus ensuring sustainable growth for the present and future generations.

The Bank has built a strong foundation by bringing together strengths to unlock new avenues for growth and delivering a more diversified suite of products and services. The Bank also extends its reach to meet the needs of various segments by utilizing its existing relationships and extending its existing product portfolio to wider segments. The Bank targets the demands arising from accelerating urbanization to meet the aspiration of urban, middle and rural India.

IDFC FIRST Bank is one of the emerging private banks in India that seeks to set a new standard in customer experience. The Bank offers products like Savings Accounts, Current Accounts, NRI/NRE/NRO Accounts, Fixed Deposits, Home Loans, Wheeler Loans, Personal Loans among others, using technology and a service-oriented approach, to make banking simple and accessible.

The year 2020-21 saw an undying spirit of humanity to fight a global crisis caused by the COVID-19 pandemic outbreak with ramification on life and livelihood. During the year, IDFC FIRST Bank had implemented various relief measures and operational measures to support customers, employees and society at large.

The disclosures on Business Responsibility is aligned with the nine (9) principles of National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business, as notified by the Ministry of Corporate affairs ('MCA'), Government of India and is in accordance with regulations 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

The Bank undertakes to adhere to the below principles by aiming to improve systems and processes to integrate community development, responsible governance and environment responsibility in its business practices and banking operations.

PRINCIPLE 1

Businesses should conduct and govern themselves with ethics, transparency and accountability

This principle captures the main aspects of business responsibility namely governance through stakeholders' engagement in all aspects of the Bank's operations. The Bank's businesses through the Code of Conduct ensures the highest levels of ethical standards, professional integrity,

corporate governance and regulatory compliance for its employees, suppliers, vendors, contractors, customers, consultants and agents.

Board Governance

The Bank has adopted an effective and robust Corporate Governance Framework based on emerging best practices and requirements prescribed under the Companies Act, 2013, rules & regulations framed by the Securities and Exchange Board of India & Reserve Bank of India and other legal & regulatory requirements, as applicable to the Bank. This has helped the Bank to ensure protection of all stakeholders' interest, to create accountability and deter malpractices among employees.

As on date of this report, the Board of Directors (the 'Board') of the Bank consisted of Nine (9) Directors including six (6) Independent Directors. The various Committees of the Board meet periodically to review and advise the Management on matters of strategic importance.

The Nomination and Remuneration Committee of the Board ensures all appointments of Directors and Key Managerial Personnel, to maintain balance of skills, experience and knowledge on the Board, so as to enable the Board to discharge its functions and duties effectively. For more details on Board Governance, please refer to the Corporate Governance Report forming part of the Annual Report FY 2020-21.

Bank Policies

Policies and frameworks have been set up across the Bank to guide employees and stakeholders and to ensure compliance to regulatory norms applicable to the Bank. A brief on some of these policies are given below:-

The Code of Conduct enunciates ethical principles and values including business ethics and anti-corruption as pillars for business conduct of the Bank. It articulates high standards of professionalism, honesty, integrity and ethical behaviour in all its banking operations.

The Whistle Blower Policy has been formulated for all employees of the Bank to prevent malpractices or any breach of the Code of Conduct, Employment Contract or Abuse of Authority. It provides a framework for responsible and secure whistle blowing.

The Vigilance Policy prevents employees from accepting valuables or pecuniary advances by corrupt and illegal means or by abusing his / her position as an employee. It prevents the possession of disproportionate assets by employees through forgery, cheating or through criminal offences.

The Enterprise Risk Management ('ERM') Framework identifies, assesses, monitors and mitigates risks in the operational and external environment. For more details on

the Risk Management section, please refer to the Directors' Report in the Annual Report FY 2020-21.

The Compliance Policy outlines a framework to identify and evaluate significant compliance risks to ensure soundness of the Bank's operations. The Chinese Wall Policy ensures accountability of all employees towards conflict management and information barriers. This policy ensures visibility and openness at every level of functioning.

The Policy on Related Party Transactions monitors transactions of the Bank entered into with related parties. These related party transactions are placed before the Audit Committee of the Board on a quarterly basis to ensure that these transactions are at arm's length dealings to prevent conflict of interests involving such related parties.

The Code of Conduct for Prohibition of Insider Trading has been implemented in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, in order to regulate trading in securities by the Board of Directors and Insiders of the Bank, including their immediate relatives.

The Fraud Risk Management Policy has been formulated to assist in reporting frauds in banking operations. The policy enables the management of fraud risks to protect the Bank's reputation or any loss/ damage of assets of the Bank.

The Disciplinary Action Guidelines / Policy assists in maintaining the Bank's values, ethical standards and compliance to applicable laws and regulations. It provides basic principles to guide employees while dealing with clients, customers and other stakeholders.

PRINCIPLE 2

Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

It has always been the Bank's endeavour to provide products and services designed in a manner to meet customer requirements as well as to contribute towards socio-economic development.

The Environment & Social Policy Framework of IDFC FIRST Bank is applicable to Wholesale Banking and Retail Banking Assets. It helps to identify sector and industry specific risks and lays out the systems and procedures for undertaking the Environment and Social Due-diligence.

IDFC FIRST Bank has been constantly working towards developing solutions to minimise its impact on the environment. The Bank has been going digital which not only enables customer convenience by way of digital banking solutions but also reduces carbon footprint at branches and ATMs.

The Bank has encouraged greater use of electronic payments through e-statements & e-receipts and use of mobile banking and net banking, thus contributing to conservation of resources. Use of digital channels and the Green Initiative Program that enables shareholders to opt for electronic copies of the Annual Report, are ways through

which the Bank articulates its emphasis on sustainable services to its customers and stakeholders.

The retail banking business with its network of branches in rural areas has been striving to achieve sustainable products, processes and practices and energy conservation measures.

Our ATMs in rural and semi-urban areas, doorstep banking services in villages and innovative digital solutions offering banking convenience are some of the services that are safe and contribute to sustainability.

PRINCIPLE 3

Businesses should promote the wellbeing of all employees

"To win in the marketplace you must first win in the workplace."

The Bank trusts its employees' ability to be successful, especially at challenging new tasks, delegating responsibility and authority and allowing employees the freedom to decide how they will accomplish their goals and resolve issues.

Employees are the first customers for the Bank. Keeping internal customers satisfied and happy is the first step towards creating external customer loyalty. The Bank believes in fostering a culture of innovation amongst its employees, thus it invests in training of its employees and providing technical & behavioural support to manage customer relationships better.

To enhance employee value, the Bank has various processes in place to uphold the right of every employee. IDFC FIRST Bank is an equal opportunity employer providing opportunities for all its employees for learning, professional growth and development.

Various HR policies ensures ample and sufficient safeguard for the employees. These policies have been designed with the industry's best practices and international benchmarks, to serve as effective levers for human capital management approach. The Bank organizes various employee engagement activities for employees which are conducted pan India.

Some of the HR policies which ensure employee well-being in the Bank are:

The Equal Opportunity & Diversity Guidelines supports equal opportunities at the time of recruitment as well as during the course of employment, irrespective of caste, creed, gender, religion, disability or sexual orientation.

The Whistle Blower Policy as described in Principle 1, identifies any breach of ethical behaviors and malpractices by any employee.

The Policy on Prevention, Prohibition & Redressal of Sexual Harassment protects women from sexual harassment at the workplace thus reflecting the Bank's zero-tolerance towards any form of prejudice, gender bias, exploitation, prohibition and prevents misconduct on the part of any employee while also ensuring speedy redressal of complaints.

Group Insurance Policies for healthcare, accidents, death, Work Enablers, Performance Management Processes and Learning & Development are some of the benefits and facilities extended to the Banks' employees. All new employees go through an on-boarding orientation and a mandatory induction programme which familiarizes them with the Bank's structure, policies, culture and values.

The Bank strives to build a culture based on strong values. It strives to improve diversity and inclusion at the workplace so that women have equal opportunities. As on March 31, 2021, the total employee strength stood at 24,169, out of which 3,554 are women and 20,615 are men employees.

The Bank provides the benefit of Group insurances to its employees and conducts wellness activities for them. To cover employee wellbeing in times of illness, we provide free 24*7 online Doctor's Consultation, and medical room facility in our larger offices; and during the lockdown period, the Bank launched a COVID-19 Assistance Program with free Doctors' call-in number for employees & family members with COVID symptoms, Monthly Wellness Diaries, Monthly Wellness Webinars including a Resilience Building session, Wellness Week in December 2020 and Women's day activities were conducted.

We have three Group Insurance policies viz. Group Medclaim Insurance, Group Personal Accident Insurance & Group Term Life Insurance covering medical, accident and life coverages respectively. The three major advantages for employees through these insurance policies are attractive top-up options for increased family cover, enhancement in the cover for normal & c-section delivery for women employees, coverage of selected day care procedures and parental coverage from the first day of joining without any limit on pre-existing illnesses. We also cover Stem Cell treatment, Therapy & Robotic Surgery, Oral and Adjuvant Chemotherapy.

The Bank arranged for a Wellness Week in December 2020 with online mental & physical wellness sessions including yoga, nutritionist consultations & healthy bytes/tips on ergonomics, chair yoga, skin care, etc; and also celebrated Women's day on 8th March 2021 by engaging women employees with a session on Challenging Self-Doubt and a Shout-Out by our employees to the IDFC FIRST Bank women who inspire us at the workplace.

Learning plays a very critical role in capability development across the Bank. The learning journey starts with training-need analysis to identify relevant training interventions. Training interventions at the Bank are aimed at enhancing technical knowledge & skills and managerial capabilities through the e-learn portal of the Bank.

IDFC FIRST Bank has always kept employee's interest and wellbeing at the forefront. To face this pandemic, we have been providing extensive support to our employees through various measures such as:

- safety kits and awareness
- quarantine leave

- extended sick leave
- prompt workplace sanitization
- assistance in testing and hospitalization
- hospitalization expenses
- on-call support and reimbursement of vaccination cost

As a step further to assist our employee/ family in the event of any unfortunate death, we announced the comprehensive "COVID Assistance, Rehabilitation and Relief scheme" (COVID CARE). The main features under this scheme are:

- Salary advance is available to employees in addition to medclaim benefits to support them to manage incidental expenses/treatment expenses of their family.
- In case of a fatality, we provide one of the highest insurance coverage in the system, under our Group Term Life plan.
- We will continue to pay salary to the nominee of the employee for 24 months after a Covid death and also continue to extend medical insurance to the family.
- Post 24 months (i.e. after the ex-gratia monthly salary ceases), the Bank will provide monthly scholarship of INR 10,000/- (INR Ten Thousand Only) for up to 2 children till their graduation.
- We will waive off all IDFC FIRST Bank employee loans (such as Car Loan, Two-Wheeler loan, Personal Loan, etc.) which are not covered through a personal life insurance of the employee, this is subject to conditions.
- In addition we would also provide one time funeral expenses, relocation expenses and provide employment to the spouse or reimbursement for skill training.
- To help the family plan their future, on the family's request, we will also provide personalized financial advisory service that helps the family plan their financial future.

COVID-19 Operational Relief Measures undertaken by the Bank for its employees:

Towards the end of 2020 and early 2021 India saw considerable decrease in new COVID-19 cases. But major Pandemics have multiple waves of infection and the BCM team aware of the same, continued to monitor and create awareness among staff and management on the related threat to the Bank's services. In the later weeks of February India saw the 2nd wave of the COVID-19 Pandemic hit the country.

The continued and proactive review by the BCM team on the evolving nature of the pandemic helped the Bank take timely actions and minimize the impact of the 2nd wave.

Initiative undertaken to combat 2nd wave of COVID-19 Pandemic for the Bank were:

- Proactive & Inclusive Communication to Bank employees: The Bank continues its communication with its staff on the Pandemic, creating awareness on the threat, precautions to take, the Bank's Pandemic

Assistance Program, government guidelines/restrictions and the Bank's strategy to address the ongoing situation. Managers were encouraged to have frequent sessions with staff to understand and address any issues considering that the staff have been working remotely for most parts of the Pandemic.

- **COVID-19 Policies & Assistance Programs:** The Bank last year implemented various policies targeted towards employee health & safety like the Work from Home Policy & Quarantine Policy. Both these policies were activated & implemented before the lockdown in India, thus ensuring the Bank was well prepared to address the effects of the Pandemic and the Lockdowns. The 21 days Quarantine Leaves – paid leaves ensured infected employee recovers well and don't infect other staff or customers.

Further, as Pandemic started having impact on our staff, the Bank came out with a "COVID-19 Assistance Program" to help its staff and their families. The program addressed multiple issues affecting staff – Reimbursement of the cost of testing & vaccination, a 24x7 Doctor Helpline to allay their doubts/concerns, discounted Pricing for Home Isolation Packages and hospitalization assistance for employees and their family on best effort basis. The Bank has also launched countrywide vaccination drive for its staff and their dependents thus ensuring that staff and families are safe.

- **Safe & Secure Operating Environment:** The government came out with specific guidelines on keeping the Bank premises safe and secure. The Bank implemented these guidelines and ensured that our premises are sanitized and deep cleaned frequently so that they are safe and secure both for our staff and our customers. Specialized in-house and external partners were involved in ensuring the same daily. Further, branches were closed for pre-defined periods whenever there is a positive COVID-19 case in the branch and fully sanitized. Our Bank is fully compliant to Government laid down guidelines on use of mask, social distancing and relevant controls across our offices/branches in the country.
- **Business Continuity & Course Correction:** The Business Continuity Program stood up well against the Pandemic last year. The Pandemic plan has been further enhanced with learnings e.g. like the Bank's continuity strategy has embraced the remote working and split site operations as a primary strategy, the Bank's branches & teams operate as per changing nature of the operating environments as and government directives, seamlessly with staff on rotation.
- **Sprucing Up Technology Infrastructure:** Our technology infrastructure has been the backbone of the Bank's fight against the Pandemic. It provided the remote access platform that helped critical teams to perform business activities from the secure confines of their homes and ensure continuity of critical business functions. The remote access technology supporting the Bank has been further enhanced over the course of the last year

to ensure the Bank can support more staff in the remote operating model.

The Bank continues to monitor the evolving environment of the Pandemic (potential 3rd wave) with the help of its BCM team and will take necessary steps and do course correction as required in the interests of its customers and its staff!

PRINCIPLE 4

Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised

The Bank develops, maintains and strengthens relationships while securing support and forming alliances with both internal and external stakeholders that help advance organizational mandate.

As on March 31, 2021, the Bank has built a national footprint through the operation of 596 branches (out of which 371 are Urban Branches and 225 are Rural Branches) across many cities in India, 655 Corporate Business Correspondent ('BC') branches, 592 ATMs, 85 Recyclers, 3 Central Processing Centers and 1 Clearing Hub.

The rural banking division reaches out to banked and under-banked segments of the market mostly in Rural/ Semi Urban areas among others. It offers several savings and loan account products to customers. Sakhi Shakti loans are extended to women from low and middle income households, for income generating activities and advancing their livelihoods. The Bank also offers various types of loans such as Water/ Sanitation loans, Used Car Loans, Personal Loans, Home loans, Consumer Durable loans, etc. in Rural banking division.

To enable the Bank to have a wider coverage of the underserved areas and segments, the Bank has tied up with Business Correspondents (BCs) across the geographies, where our direct branch coverage is currently limited. Herein, the products of the Bank are offered through the BCs thereby enabling access of credit to these underserved segments. In line with our philosophy, our initial focus has been on providing livelihood loans to meet the needs of the micro entrepreneurs.

The Bank believes in creating a strong alliance of trust with its different stakeholders. Every stakeholder influences the manner in which a bank operates and it is our Bank's endeavour to build strong relationships with each of its stakeholders, thus enhancing innovative services for them. IDFC FIRST Bank has evolved formal and informal engagement mechanisms to understand stakeholders' expectations and concerns, which includes periodic meetings and regular communication.

The Bank's stakeholders include employees, shareholders, investors, customers, business associates (vendors / suppliers), government and regulatory authorities, NGOs, creditors, debtors and local communities.

Some of the engagement mechanisms which have been formulated by the Bank to understand the various stakeholders' expectations and concerns are as under:

Equity Shareholders, Infra Bondholders, Private Placement Bondholders and Customers form part of the key stakeholders of IDFC FIRST Bank. Queries and complaints of these stakeholders are addressed through a dedicated toll-free telephone line, emails, letters, through the SEBI SCORES portal (Equity and Infra Bonds) and through customer engagements at branches, registered office and corporate office. The Investor Grievance cell is the first point of contact between these stakeholders and the Bank.

Media and analysts' interactions are organized by the Bank after quarterly financial results. The Investors interact with senior management in the investor conferences organized by market intermediaries including brokerage firms, investment banking firms etc. Additionally, the investors get to interact with the management during the annual general meeting of the Bank. The updated corporate presentation and financials of the Bank are available at the Bank's website: www.idfcfirstbank.com.

Channels of engagement with employees along with various beneficial programs, redressal grievance cells and training programs have been given under Principle 3.

The Bank promotes an efficient and transparent financial system, enhancing financial literacy and improving access to the banking system. Some of the Bank's disclosures serve as channels to share financial performance.

Creating sustainable communities is one of the key values for the Bank's CSR initiatives. These CSR initiatives improve the economic and social conditions of locations where such activities are operated. Some of these activities include promoting education, skill training and livelihood enhancement, healthcare and hygiene, financial literacy and inclusion. There are various projects undertaken as part of CSR initiatives which are enumerated in the Directors' Report forming part of the Annual Report FY 2020-21.

PRINCIPLE 5

Businesses should respect and promote Human Rights

The Bank upholds human rights and respects every citizen's right. A strong commitment to human rights is embedded in the Bank's Code of Conduct which imbibes the essence of acceptance of behaviour amongst employees.

The various policies and processes of the Bank have been formulated and implemented for employees indiscriminately, thus upholding every employee, customer and stakeholders' right. Some of the policies within the Bank which enumerates this principle are:

The Equal Opportunity and Diversity Guidelines which aids in maintaining a diverse set of employees, be it from any caste, country, gender, age, race, religion or differently abled segments. Focus has been made on gender diversity also.

The Whistle Blower Policy and the Policy of Prevention, Prohibition & Redressal of Sexual Harassment conforms to zero-tolerance of any form of prejudice, discrimination and harassment at work. A formal process for addressing employee grievances arising from the annual performance

review discussions with their managers has been implemented by the Bank. The HR team partakes in discussions with specific employees and their managers to address such concerns.

Education is a fundamental human right, essential for the empowerment and development of every individual and the society as a whole. Corporate Social Responsibility is an intrinsic element of our Bank and its culture. The Bank believes that businesses have the power to transform lives and the communities around them and the Bank does this with rigour, commitment and by building meaningful partnerships. The Bank is focused in its approach of four key thematic areas, namely, Education, Livelihoods, Women Empowerment and Health.

The Bank has set specific aims and goals for each of these priority areas and monitors and evaluates each of its programs to assess the outcomes and impact on ground. The Bank understands that deeper and meaningful impact can only be achieved through long-term commitment and thus the Bank aims to support not-for-profit organisations and social enterprises using the program approach. This has been the Bank's way of ensuring that its support towards all the social impact programs creates genuine social value.

Education

The Bank's programs under the theme 'Education' aims to support youth and young adults from marginalised sections of the society and provides them with equal opportunities to succeed in life. This includes supporting scholarships and extending monetary assistance to needy candidates from economically weaker sections across India or supporting youth with disabilities to live a life of dignity by supporting programs that work on educating and promoting independent living among them. Some such programs include MBA Scholarship Program, Banyan Academy of Leadership In Mental Health Fellowship program, Aspiring Life Scholarship and Ashoka University Scholarship program.

Livelihoods

The Bank's programs under the theme 'Livelihoods' aim to increase employability of rural youth and women in order to uplift their position in the society and country. By adopting a plethora of skill development programs, the Bank has empowered and engaged myriad of people from rural areas. The Bank understands different locations have different labor and skill demands and depending on opportunities like infrastructure and industries available in those locations, the Bank identifies partners that are well equipped to impart skills training to less privileged youth in that area. Some such programs include Women Entrepreneurship Program, Social Action for Manpower Creation, Om Creations Trust, Om Abode, Lighthouse Program and Digital Empowerment Program, Saksham and Shwethdara program.

Women Empowerment

The Bank's programs under the theme 'Women Empowerment' aims to recognise the growing role of women in today's workforce and businesses. By supporting social enterprises led by women entrepreneurs or supporting women from low-

income groups in their entrepreneurial journey, our programs have women at the centre of the development model. Some such programs include Beauty Entrepreneurship Program and Social entrepreneurship program.

Health

The Bank's program under the theme 'Health' aims to create awareness regarding community driven solid waste management processes and segregation at source within the Worli Koliwada community through a participatory process. To solve the problem, the Bank has partnered with Stree Mukti Sanghatana and The Municipal Corporation of Greater Mumbai to develop a process model for building a responsible community and self-sustained zones that are well equipped to manage the solid waste.

PRINCIPLE 6

Businesses should respect, protect and make efforts to restore the environment.

The Bank operates in an environmentally sustainable manner by developing, promoting and utilising eco-friendly and resource efficient services. As an environment friendly organisation, IDFC FIRST Bank strives to develop solutions to minimise its impact on the environment. The Environment and Social Policy ('E&S Policy') Framework of IDFC FIRST Bank sets the guidelines through which the Bank assesses its environmental and social risks associated with its lending business operations.

The E&S policy Framework engages its customers and stakeholders on mainstreaming E&S Risk management, ensures the Bank's lending is made to environmentally sustainable, socially acceptable and economically viable projects, ensures environmental and social safeguards as defined by the applicable Indian legislation and The Equator Principles and ensures that a project's environmental and social risks are properly addressed throughout the loan tenure.

The Environment & Social Risk Management Framework lays down processes and guidelines for various stages of the project appraisal process. The Environment Risk Group ('ERG') at the Bank proactively works with clients and internal teams to identify and address E&S risks associated with the project. ERG had conducted eight training workshop sessions in FY21 on environmental risk management framework for business and credit risk executives of IDFC FIRST Bank.

Digital Banking

At IDFC FIRST Bank, we are deploying sophisticated technologies that enable us to be flexible and highly responsive to changing customer preferences. Predictive and data-driven technologies such as cloud, Artificial Intelligence ('AI') and Machine Learning ('ML') are being used to deepen insight into customer needs and automate decision making. For our customers, this has resulted in improved user interface and experience.

Listed are some of the key digital initiatives that have benefited our customers.

- 1) IDFC FIRST App & Netbanking – a revolution in digital banking.
- 2) IDFC FIRST App Credit Cards - Digital-First & Super Rewarding.
- 3) Monthly credit of interest on Savings accounts.
- 4) SafePay – wave, pay & go - contactless card payments on phone.
- 5) Video KYC – Putting customers' safety first.
- 6) Pay to Contacts – simpler & faster digital payments.
- 7) Loan account servicing – digitally driven.

The other digital initiatives implemented by the Bank are:

- Usage of e-statements and e-receipts and providing digital platforms for its customers.
- The Bank encourages shareholders to opt for electronic copies of the Annual Report through its Green Initiative program.
- Use of audio / video conferencing facilities for meetings. This year being impacted by COVID-19, there was high usage of video conferencing for meetings and for interactive sessions with employees.
- While putting our customers first through 2020, we also helped them put nature first with our noble green initiative – TreePublic 2.0. On the occasion of the Bank's second anniversary, we tied up with an NGO and planted a sapling for every Savings Account opened between December 18, 2020 and January 26, 2021. Besides planting trees, we also encouraged our staff across branches in urban and rural areas to explore their green thumbs with a contest. The branch employees had to decorate the branch with all things green, and the top 3 branches were awarded. We took to our social media channels to spread the word, and designed innovative green hoardings made out of plants to create buzz. All this was supported by a radio campaign and a special air-index check that let customers know the air quality in their city.

We also announced the Environment FIRST Heroes initiative that celebrated those who put nature first. With all this and more, we planted over **1 lakh trees** during this period.

PRINCIPLE 7

Businesses when engaged in influencing public and regulatory policy should do so in a responsible manner

IDFC FIRST Bank is an active member of several Trade Bodies and Associations. The Bank does not engage in policy advocacy but is actively involved in consultation / discussion forums with the Government and other banking industry bodies such as Indian Banks' Association, Confederation of Indian Industry (CII), Fixed Income Money Market and Derivatives Association of India (FIMMDA), Foreign Exchange Dealers Association of India (FEDAI) and other Associations.

The Bank promotes an efficient and transparent financial system, enhancing financial literacy and improving access to the banking system. The Bank also participates in key initiatives undertaken by the Government and Regulators.

The Bank's disclosures serve as a means of sharing organisational performance and best practices with all its stakeholders.

Some of the modes of disclosure are:

- Publishing the Business Responsibility Report of IDFC FIRST Bank in adherence to National Voluntary Guidelines ('NVGs') laid out by the Ministry of Corporate Affairs ('MCA'), Government of India.
- Nomination of the Bank for awards, assessments and ratings by national and international agencies.

PRINCIPLE 8

Businesses should support inclusive growth and equitable development

IDFC FIRST Bank provides customised solutions to people in rural and semi-urban locations through intensive use of technology. Unique projects launched by the Bank have helped in linking excluded sections of the society with formal banking systems to achieve financial inclusion. The Bank reaches out to banked and under-banked segments of the market mostly in Rural/Semi Urban locations. The loans are extended to women from low and middle income households, for income generating activities and advancing their livelihoods in these locations.

Rural Banking has presence in 18 states across 342 districts. Currently covering 57,000+ villages.

CSR Initiatives Supporting Inclusive Growth:

The CSR initiatives of the Bank in 2020-21 were implemented through various implementation partners. In order to achieve impact and scale, the Bank's CSR activities undertaken during the year mainly focused on four areas: Education, Livelihoods, Women Empowerment, Health and COVID-19 relief. During the pandemic, IDFC FIRST Bank extended its support to the ones on the frontline - the Doctors, Nurses, Police Officers, the local municipal corporation workers; and all those who were working relentlessly to fight the pandemic risking their own lives. We provided free of cost transport to medical staff of leading hospitals in Mumbai, distributed masks to frontline workers and vulnerable communities, distributed food to the marginalized and ensured livelihood support to daily wage workers across the country. We mobilized the entire IDFC FIRST Bank ecosystem, that included our employees, customers, women entrepreneurs who were direct beneficiaries of our CSR programs and the NGOs to join hands to provide relief and prevent the spread of the COVID-19 disease. We supported 6 programs and impacted 32 lakh lives.

Even during the Pandemic, the main objective of CSR activities included:-

- [a] serve the poor, marginalized and underprivileged

- [b] promote inclusion

- [c] be sustainable

- [d] meet needs of the larger community and society

Elaborating further, the Bank's COVID-19 CSR relief work had positively impacted more than 30 lakh lives across 7 COVID-19 programs. Ranging from providing meals to those in need, to transport support to frontline health workers to reach hospitals, cash support to migrant workers, IDFC FIRST Bank has managed to successfully engage stakeholders from employees, customers and larger society. To bolster our support to our partner NGOs during these tough times, the CSR team designed and implemented a unique donation program called Karma First to facilitate our customers to donate to our partner NGOs. 211 customers have donated 3 lakh rupees through the platform till date. The Bank had successfully donated 10+ second hand laptops to our NGO partners who needed the support to migrate to virtual environment. We delivered and facilitated 20+ trainings for 12+ hours on topics such as Business canvas model, Theory of Change, POSH, Digital literacy etc. During COVID-19 pandemic, meal kits and ration kits were distributed to families across our NGO partners as part of relief effort and physical model of intervention has replaced with online/ virtual classes and trainings. In rural Madhya Pradesh and Rajasthan, we enabled Gram Sakhis (village level entrepreneurs) to stitch 2 Lakh masks under the Bank's Gaon Gaon mask initiative who in turn earned an average of Rs. 6,000 despite the COVID-19 lockdown.

Details of the CSR initiatives undertaken by the Bank through various implementation partners are given in the Directors' Report which forms part of the Annual Report FY 2020-21.

The Bank's wholly owned subsidiary, IDFC FIRST Bharat Limited ('IFBL') also has a CSR division which is a corporate self-regulatory mechanism having a long and cherished tradition of commendable initiatives, institutionalized programs and CSR practices which help in the development of several underdeveloped regions in the country. IFBL focusses on Eradication of hunger, Women empowerment, Health, Sanitation and Education. The CSR division of IFBL implements programs directly through its team ensuring a direct reach to the beneficiaries. During the FY 2020-21, IFBL has launched two initiatives to create a long-lasting impact on education. Installation of Smart boards in government schools started to improve the quality of delivery of education to the lower income segments of population. Toilets were constructed / renovated for girls in government schools, this ensures healthy environment drawing girl students to schools without any fear and anxiety. In the FY 2020-21, 2330 programs across focus areas were organised creating an impact on 4.1 lakh beneficiaries.

PRINCIPLE 9

Businesses should engage with and provide value to their customers in a responsible manner

The Bank has number of mechanisms for resolving grievances of its customers and clients, thus adding value to the customer base. The Bank has in place the various policies to protect customer rights.

The Bank consistently demonstrates, focuses, initialises and energises to deliver its promise of delighting customers.

Some of the grievance redressal mechanisms at the Bank are:

- Customers' queries are addressed by our customer service executives available round the clock. The contact centre team consistently strives to delight customers and is powered with high-end technology and infrastructure to seamlessly deliver elevated service levels. Customers can also send in their queries via web portal, mobile app to have their queries answered. Our Bank aspires to create a Zero Contact Resolution architecture and various efforts have been initiated in this direction. Our efforts are directed in creating pleasant customer experiences and enhanced digital-first interventions for all our customers.
- The Customer Grievance Redressal policy emphasizes equal and fair treatment to customers without any biasness. Grievances are resolved within the turnaround time ('TAT'). Customers are made aware of

alternative remedial channels if they are not satisfied and an endeavor is made to enable customers to make informed choices.

- Through the Fair Practice Code for lenders, the Bank undertakes to provide comprehensive information relating to fees, charges, terms and conditions and any other material information so that the borrower can make an informed decision. For relevant segments, the Bank has laid down timelines for processing the applications/ requests received and communicate, in writing, the reason(s) for rejection of borrower loan application etc.
- The customer service staff are imparted training, which is aimed to understand the customers' need in order to enhance quality service to them.
- The Bank also provides information on its products through its website www.idfcfirstbank.com including details on product features, service charges, applicable fees, interest rates, deposit schemes etc.

ANNUAL BUSINESS RESPONSIBILITY REPORT [REGULATION 34(2)(F)]

SECTION A:

GENERAL INFORMATION ABOUT THE COMPANY

| NO. | PARTICULARS | DETAILS |
|-----|--|--|
| 01 | CIN of the Company | L65110TN2014PLC097792 |
| 02 | Name of the Company | IDFC FIRST Bank Limited |
| 03 | Registered Address | KRM Tower, 7 th Floor, No. 1, Harrington Road, Chetpet, Chennai 600 031, Tamil Nadu. |
| 04 | Website | www.idfcfirstbank.com |
| 05 | E-mail id | bank.info@idfcfirstbank.com |
| 06 | Financial Year reported | 2020-21 |
| 07 | Sector(s) that the Company is engaged in (industrial activity code-wise) | Code: 64191 – IDFC FIRST Bank Limited is a banking company governed by the Banking Regulation Act, 1949. |
| 08 | List three key products/services that the Company manufactures/ provides | IDFC FIRST Bank is engaged in providing a wide range of Banking and Financial services including retail banking, corporate banking and treasury operations. |
| 09 | Total number of locations where business Activity is undertaken by the Company | |
| | Number of International Locations (Provide details of major 5) | None |
| | Number of National Locations | As on March 31, 2021, the Bank has built a national footprint through the operation of 596 branches (out of which 371 are Urban Branches and 225 are Rural Branches) across many cities in India, 655 Corporate Business Correspondent ('BC') branches, 592 ATMs, 85 Recyclers, 3 Central Processing Centers and 1 Clearing Hub. |
| 10 | Markets served by the Company – Local/ State/ National / International | IDFC FIRST Bank serves customers in national markets. |

SECTION B:

FINANCIAL DETAILS OF THE COMPANY

| NO. | PARTICULARS | DETAILS |
|-----|---|---|
| 01 | Paid up Capital (INR) | Rs. 5,675.85 crore |
| 02 | Total Turnover (INR) | Rs. 18,221.56 crore |
| 03 | Total profit after taxes (INR) | Rs. 452.28 crore |
| 04 | Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) | The amount spent for CSR contribution by the Bank for FY 2020-21 was Rs. 19.62 crore |
| 05 | List of activities in which expenditure in 4 above has been incurred:- | CSR activities as undertaken by the Bank can be referred to the Directors' Report which forms part of the Annual Report FY 2020-21. |

SECTION C:

OTHER DETAILS

| NO. | PARTICULARS | DETAILS |
|-----|--|--|
| 01 | Does the Company have any Subsidiary Company / Companies? | Yes, the Bank has one subsidiary - IDFC FIRST Bharat Limited |
| 02 | Do the Subsidiary Company / Companies participate in the Business Responsibility (BR) Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s) | Yes, IDFC FIRST Bharat Limited participates in the BR initiatives of the Parent Company. |
| 03 | Do any other entity / entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity / entities? [less than 30%, 30-60%, More than 60%] | Nil |

SECTION D: BUSINESS RESPONSIBILITY INFORMATION

1. Details of Director/Directors responsible for BR.

a) Details of the Director/Directors responsible for implementation of the BR policy/policies

| NO. | PARTICULARS | DETAILS |
|-----|----------------------------|---|
| 1. | DIN Number (if applicable) | 00082596 |
| 2. | Name | Mr. V. Vaidyanathan |
| 3. | Designation | Managing Director & Chief Executive Officer |

b) Details of the BR Head

| NO. | PARTICULARS | DETAILS |
|-----|----------------------------|-------------------------------|
| 1. | DIN Number (if applicable) | NA |
| 2. | Name | Mr. Adrian Andrade |
| 3. | Designation | Chief Human Resources Officer |

2. Principle-wise (as per NVGs) BR Policy/policies

Please refer to Table 2A and 2B

2A. PRINCIPLE-WISE (AS PER NVGS) BR POLICY / POLICIES

Details of Compliance (Reply in Y / N)

| NO | QUESTIONS | (P1) | (P2) | (P3) | (P4) | (P5) | (P6) | (P7) | (P8) | (P9) |
|----|--|------|------|------|------|------|------|------|------|------|
| 1 | Do you have a policy/ policies for.... | Y | Y | Y | Y | Y | Y | N | Y | Y |
| 2 | Has the policy being formulated in consultation with the relevant stakeholders? | Y | Y | Y | Y | Y | Y | - | Y | Y |
| 3 | Does the policy conform to any national / international standards? If yes, specify? (50 words) (Note 1) | Y | Y | Y | Y | Y | Y | - | Y | Y |
| 4 | Has the policy being approved by the Board? Is yes, has it been signed by MD / owner / CEO / appropriate Board Director? (Note 2) | Y | Y | Y | Y | Y | Y | - | Y | Y |
| 5 | Does the company have a specified committee of the Board / Director / official to oversee the implementation of the policy? | Y | Y | Y | Y | Y | Y | - | Y | Y |
| 6 | Indicate the link for the policy to be viewed online? (Note 3) | Y | Y | Y | Y | Y | Y | - | Y | Y |
| 7 | Has the policy been formally communicated to all relevant internal and external stakeholders? | Y | Y | Y | Y | Y | Y | - | Y | Y |
| 8 | Does the company have in-house structure to implement the policy / policies. | Y | Y | Y | Y | Y | Y | - | Y | Y |
| 9 | Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy / policies? | Y | Y | Y | Y | Y | Y | - | Y | Y |
| 10 | Has the company carried out independent audit / evaluation of the working of this policy by an internal or external agency? (Note 4) | Y | Y | Y | Y | Y | Y | - | Y | Y |

Note 1

The policies are developed and aligned to applicable compliance requirements, RBI norms and guidelines, requirements of listing agreement with stock exchanges, or the Bank's internal requirements and best practices.

Note 2

The policies are approved by the Board of Directors / Committee of the Board of Directors / Senior Management of the Bank.

Note 3

The Web-link and accessibility to the following policies which are relevant to the principles are available on <https://www.idfcfirstbank.com/investors/corporate-governance>

Remuneration Policy - WTD, CEO, MRT, KMP, SMP & Control Function

Remuneration Policy - Employees

Remuneration Policy - Independent Directors

Code of Conduct for Board of Directors & Senior Management Personnel
 Policy for Appointment of Statutory Auditors of the Bank
 Policy for Determination of Materiality of Events
 Code of Practices and Procedure for Fair Disclosure of Unpublished Price Sensitive Information
 Policy on Related Party Transactions.
 IDFC FIRST Bank - Dividend Distribution Policy
 IDFC FIRST Bank - Policy For Determining Material Subsidiaries
 Corporate Social Responsibility Policy
 Environment & Social Policy Framework
 IDFC FIRST Bank Whistle Blower Policy
 Policy on Prevention, Prohibition and Redressal of Sexual Harassment at the Workplace
 In addition to the above, there are policies for employees which are available on the internal portal of IDFC FIRST Bank (iconnect).

Note 4

The various Head of Departments are responsible for effective implementation of the pertinent policies. The Bank's Internal Audit Department, among its mandates, assesses each department's adherence to their respective policies. In addition, the Bank's Risk and Compliance Department monitors the adherence to implementation of policies mandated by RBI.

2B. IF ANSWER TO THE QUESTION AT SERIAL NUMBER 1 AGAINST ANY PRINCIPLE, IS 'NO', PLEASE EXPLAIN WHY:

| NO | QUESTIONS | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|----|---|----|----|----|----|----|----|----|----|----|
| 1 | The company has not understood the Principle | | | | | | | | | |
| 2 | The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles | | | | | | | | | |
| 3 | The company does not have financial or manpower resources available for the task | | | | | | | | | |
| 4 | It is planned to be done within next 6 months | | | | | | | | | |
| 5 | It is planned to be done within the next 1 year | | | | | | | | | |
| 6 | Any other reason (please specify) While there is no specific policy outlined for this principle, the Bank works closely with clients, regulators, lenders, business partners and collective trade and industry associations. | | | | | | | ✓ | | |

3. Governance related to BR

- a. **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.**

The performance on aspects of BR is reviewed by the Management Committees / Committees of Board, on a periodical basis.

- b. **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

The Bank publishes the BR Report annually. This report is available on the Bank's website: www.idfcfirstbank.com

SECTION E:

PRINCIPLE-WISE PERFORMANCE

PRINCIPLE 1

1. **Does the policy relating to ethics, bribery and corruption cover only the company?**

Yes / No. Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

The policies relating to ethics, bribery and corruption covers not only IDFC FIRST Bank, but also other external stakeholders. Please refer to Principle 1 which revolves around ethics, bribery and corruption for more information

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?**

The Company has established various channels of communication, including grievance redressal mechanisms, for stakeholders to communicate their expectations and concerns.

The details of the stakeholder complaints are as below:

| Particulars | Pending at the beginning of the year FY21 | No. of complaints received during the year FY21 | No. of complaints redressed during the year FY21 | No. of complaints pending at the end of the year FY21 |
|--|---|---|--|---|
| Shareholders' complaints | 0 | 8 | 8 | 0 |
| Infrastructure Bondholders' complaints | 3 | 6831 | 6155 | 679 |
| Customer Complaints | 540 | 21015 | 21228 | 327 |

PRINCIPLE 2

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities.

As a financial institution, the Bank believes that it can play a significant role towards achieving inclusive growth and sustainable development. The Bank is delivering diverse financial products and services to the under-banked and unbanked population in rural and urban India. In addition, through its digital banking initiatives and adoption of technology, the Bank is helping to take banking to remote regions and deliver governance and benefits to millions of its citizens.

Most of the Bank's products incorporate social and environmental concerns in its financial operations, to name a few - Sakhi Shakti Women's Group loans, Suvidha Shakti Loans for water/sanitation work and Affordable housing loan in rural areas.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

a. Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain?

b. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Given the nature of the Bank's business activities, which is providing banking products and financial services, resource consumption during usage by consumers is not a significant material issue for the banking sector in general. However, given the focus on digitization and other initiatives within the Bank, the impact is also visible among its customer base.

Through varied initiatives, the Bank works towards reducing its resource consumption, which are primarily paper and grid electricity as well as focus on enhancing energy efficiency. In addition, the digitization of its internal processes has aided its efforts, such as by replacing the need for paper.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

Considering the nature of banking products which is service oriented and not material resource intensive, sustainable sourcing for the Bank's products may not be a significant material issue for the banking sector in general. However, as a responsible corporate citizen,

the Bank has been focusing on maximising its resource consumption efficiency, reducing waste output while focusing on improvising its process efficiency and productivity. Even as digitization of products and services has been reducing the requirement of paper, it remains a significant resource consumed during the Bank's normal course of business.

a. If yes, what percentage of your inputs is sourced sustainably?

Our major material requirements are office, communications and IT related equipment's. The Bank has various vendor agreements for major suppliers, which are in line with labour standards, environment and ethical business practices. It would not be possible to ascertain the percentage of inputs that are sourced sustainably.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

a. If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The nature of banking products is service oriented and not material resource intensive, and the Bank does not procure goods for further processing. Given that the Bank has many branches and offices in urban and rural areas across the Country, the Bank plays an integral role in the local economies and depends on local suppliers for many of its needs, within the defined procurement standards and guidelines laid by the Bank.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%).

The nature of banking products is service oriented and not material resource intensive. Thus recycling of products is not applicable for the Bank's products and services. However, paper remains a significant resource required as well as waste output and the Bank has put in necessary systems and processes for its effective and sustainable management.

For e-waste, the Bank has engaged with authorised vendors for disposal in compliance with pertinent Government Regulations.

PRINCIPLE 3

1. Please indicate the Total number of employees: 24,169 employees as on March 31, 2021.

2. **Please indicate the Total number of employees hired on temporary / contractual / casual basis**
IDFC FIRST Bank had total of 16 Direct Consultants hired on contractual basis as on March 31, 2021.
3. **Please indicate the Number of permanent women employees.**
3,554 permanent women employees as on March 31, 2021.
4. **Please indicate the Number of permanent employees with disabilities**
Being an equal opportunity employer, IDFC FIRST Bank does not mandate the disclosure of disability. The number of permanent employees who had voluntarily disclosed their disability status and the nature of disability stands at 8 as on March 31, 2021.
5. **Do you have an employee association that is recognized by management?**
The Bank does not have an employee association. The Bank ensures that all employee grievances are received and addressed through various channels. Please refer to the brief description on Principle 3 for more information.
6. **What percentage of your permanent employees is members of this recognized employee association?**
Not Applicable.
7. **Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**
In accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder, the Bank has in place a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at the Workplace which has constituted region-wise Internal Committees ('ICs') to investigate and resolve such cases. The regions comprise of North, East, West, South and National. Online training is conducted for all new IC members. During FY21, there were 4 sexual harassment cases filed.
8. **What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**
 - a) 24,169 Permanent Employees (98%)
 - b) 3,554 Permanent Women Employees (98%)
 - c) Casual / Temporary / Contractual Employees: Nil
 - d) 8 Employees with Disabilities (100%)

All employees are imparted training basis their requirements and organisational profile. Training needs are identified for different personnel based on the nature of their jobs. The above data includes classroom and e-learning courses attended.

| NO. | CATEGORY | NO OF COMPLAINTS FILED DURING THE FINANCIAL YEAR | NO OF COMPLAINTS PENDING AS ON END OF THE FINANCIAL YEAR |
|-----|---|--|--|
| 1. | Child labour/forced labour/involuntary labour | NIL | NIL |
| 2. | Sexual harassment | 4 | 1 * |
| 3. | Discriminatory employment | NIL | NIL |

* 1 complaint was received in the month of February 2021, and was subsequently resolved within the timelines.

PRINCIPLE 4

1. **Has the company mapped its internal and external stakeholders? Yes / No**
Yes
2. **Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.**
Yes
3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders?**
Yes, the Bank regularly undertakes initiatives to engage with disadvantaged, vulnerable and marginalized stakeholders. Please refer to the brief description on Principle 4 for more information.

PRINCIPLE 5

1. **Does the policy of the company on human rights cover only the company or extend to the Group/ Joint Ventures / Suppliers / Contractors/ NGOs / Others?**
The policies revolving around human rights covers only the Bank and not other stakeholders. Please refer to the brief description on Principle 5 for more information.
2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**
IDFC FIRST Bank did not receive any complaint relating to human rights violations from internal or external stakeholders.

PRINCIPLE 6

1. **Does the policy related to Principle 6 cover only the company or extends to the Group/ Joint Ventures / Suppliers / Contractors/ NGOs / others.**

The policies relating to Principle 6 covers not only the Bank but also other stakeholders. Please refer to the brief description in Principle 6 for steps taken to protect environment.

2. **Does the company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc?**

Yes, IDFC FIRST Bank as a responsible Bank, has undertaken several initiatives to minimize its environmental impact. Please refer to the various initiatives described in Principle 6 for more information.

3. **Does the company identify and assess potential environmental risks?**

The Environment & Social (E&S) Risk Management is an integral part of the Credit Risk Appraisal System of IDFC FIRST Bank. The Environment Risk Group, which is a part of the Credit Risk Group, is responsible for managing E&S risk in IDFC FIRST Bank's lending business. An E&S Risk Management Framework has been developed for the Wholesale and Retail Banking businesses that identifies sector / industry specific risks and lays out the systems and procedures for E&S review of the transactions.

4. **Does the company have any project related to Clean Development Mechanism?**

No, the Bank does not have any project related to the clean development mechanism.

5. **Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.**

Yes, IDFC FIRST Bank has undertaken various initiatives on clean technology, energy efficiency and renewable energy. For more information on this, please refer to Principle 6.

6. **Are the Emissions / Waste generated by the company within the permissible limits given by CPCB/ SPCB for the financial year being reported?**

The Bank's emission and waste are within permissible limits of applicable laws. Low emission diesel generators are used in urban branches while solar panels are used in Rural Banking branches for energy efficiency.

7. **Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

No show cause / legal notices were received from CPCB / SPCB.

PRINCIPLE 7

1. **Is your company a member of any trade and chamber or association?**

IDFC FIRST Bank is an active member of several trade bodies and associations. Please refer to the Principle 7 for more information.

2. **Have you advocated / lobbied through above associations for the advancement or improvement of public good?**

IDFC FIRST Bank is also working with other financial institutions, NGOs and local government at district level for CSR activities and industrial associations towards advancement or improvement of public good, economic reforms, inclusive development and other associate services. For more details please refer to Principle 7.

PRINCIPLE 8

1. **Does the company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8?**

IDFC FIRST Bank's Rural Banking offers banking solutions that are customised to the needs of people in rural and semi-rural areas of India. IDFC FIRST Bank has adopted a strategically different service approach for catering to people in these areas. The concepts used by Rural Banking involves creating hub branches with an ecosystem of access points. Rural Banking has created a distribution network among villages to provide connectivity in remote areas.

In addition, there are various projects undertaken by the Bank as part of its rural banking and CSR activities. For more information on CSR activities undertaken by the Bank please refer to Principle 8.

2. **Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures / any other organization?**

A plethora of non-profits programmes were undertaken by the in-house CSR team. For FY21, the approach adopted was to enhance income flows of households through livelihood financing, market linkages and helping governmental and non-governmental organizations in delivering better services to the community. It helps financial inclusion through channelising inter-operable branch network to improve access to basic banking & payments network services after providing financial literacy and digital skilling program under the Rural livelihoods & Development program. It provides support to communities in the areas of education, health, affordable housing and livelihood development or direct financial support, depending upon the requirement of the project / programme with the help of various partners.

3. **Have you done any impact assessment of your initiative?**
The in-house CSR team does periodic assessments of each of its non-profit partners based on the Key Performance Indicator's agreed upon during the beginning of each partnership. This also includes due diligence and quality assurance visits from time to time on-ground. Also, social responsibility is embedded in the rural model of our Bank.
4. **What is your company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken?**
IDFC FIRST Bank has spent Rs.19.62 crore during FY 2020-21 towards CSR activities. Details of the said activities undertaken by the Bank are included in the Director's Report which forms part of the Annual Report FY21.
5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community?**
Through effective stakeholder engagement, the Bank ensures that its community engagement initiatives have a strong focus on sustainability in the long term.
2. **Does the company display product information on the product label, over and above what is mandated as per local laws?**
All the information relating to products are transparently displayed & explained to our customers. All employees on customer-facing roles are provided with enhanced training on the products.
3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behaviour during the last five years and pending as on end of financial year.**
There was one case filed against the Bank before the Consumer Forum.
4. **Did your company carry out any consumer survey / consumer satisfaction trends?**
IDFC FIRST Bank periodically measures the satisfaction among its customers, understanding their expectation to essentially gauge its competitiveness in the banking industry. For more details on customer engagement, please refer to Principle 9.

PRINCIPLE 9

1. **What percentage of customer complaints / consumer cases are pending as on the end of financial year.**
There were 327 customer complaints which were pending as on March 31, 2021, i.e. 1.6% of the total complaints received during the year.