



Always You First.

**BUSINESS RESPONSIBILITY REPORT
IDFC FIRST BANK LIMITED
FY 2019-20**

Business Responsibility Report

“Corporate Business Responsibility is not just about managing, reducing and avoiding risk, it is about creating opportunities, generating improved performance, making money and leaving the risks far behind.”

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.

“Corporate Business Responsibility is measured in terms of businesses improving conditions for their employees, shareholders, communities, and environment. But moral responsibility goes further, reflecting the need for corporations to address fundamental ethical issues such as inclusion, dignity, and equality.”

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

The Bank has been building 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 segments that require more services utilizing its existing relationships to extend its product portfolio to the wider customer segment. 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, NRI/NRE Accounts, Fixed Deposits, Home Loans, Personal Loans among others, using technology and a service-oriented approach, to make banking simple and accessible.

The disclosures on Business Responsibility is aligned with the nine 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.

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.

IDFC FIRST Bank's COVID-19 CSR relief measures

Late December 2019, a cluster of pneumonia cases of unknown cause was reported by health authorities in Wuhan, Hubei Province, People's Republic of China.

The COVID-19 outbreak has brought to the fore the undying spirit of humanity in fighting a global crisis that came with wide ramifications on life and livelihood.

During the nationwide lockdown to fight the COVID-19 pandemic, our Bank has implemented certain CSR relief measures to support society.

As the PM Cares Fund has a significant role to play in public health and financial assistance, the Bank pledged ₹ 5 crore as part of its CSR contribution to the fund. Employees of the Bank also voluntarily contributed a day's salary towards the PM Cares, amounting to ₹ 3.29 crore.

The pandemic has impacted people's lives and household incomes. In response to this situation, IDFC FIRST Bank undertook a series of social response initiatives to create livelihoods and limit the spread of the virus among frontline workers and vulnerable communities.

The Bank conceptualised and implemented a slew of corporate social responsibility initiatives in partnership with non-profits. These measures were largely targeted at creating livelihoods and meeting the high demand for masks and protective gear.

Under its 'Ask for Mask' program, the Bank created livelihoods for women entrepreneurs across the cities of Mumbai and Delhi. These women entrepreneurs were engaged by the Bank and its NGO partners in stitching 3-layered reusable cloth masks, thereby enabling them to earn a livelihood during a lockdown. These entrepreneurs stitched 1.2 lakh good quality masks and received ₹ 5 lakh for their labour. The masks, thus produced and sanitised by them as per WHO guidelines, were distributed to communities and frontline workers. The initiative was implemented jointly with Etasha Foundation and Om Creations. In addition to this, under the program, the Bank also distributed about 1.7 lakh masks free of cost, including N95 masks, surgical masks and other protective gear such as face shields, masks and PPEs, to frontline workers at hospitals, to staff at municipal corporations in Delhi and Mumbai, and to police personnel in Mumbai and Delhi.

Under its 'Shramik Sahayata' program, the Bank in partnership with Collective Good Foundation, provided financial aid to workers in the organized sectors whose

incomes had suffered during the lockdown. These workers included taxi and truck drivers, sanitation workers and waste pickers from across urban and rural India through direct cash transfers of ₹ 3000, access to government schemes and health insurance products. The initiative, aimed at making an immediate positive impact on people's everyday lives, was executed in partnership with Collective Good Foundation.

The Bank's 'Gaon Gaon Mask' program was aimed at fighting unemployment and the shortage of masks in rural locations. The Bank partnered with NGOs Vrutti and End Poverty to enable women entrepreneurs from low-income communities in Madhya Pradesh and Rajasthan to stitch good quality masks. These masks were sanitised before distribution as per WHO guidelines and distributed free of cost to rural communities by the Bank's branch staff. A total of 2 lakh masks were stitched and ₹ 11 lakh was distributed among 262 women as honorarium for their time and efforts.

In order to spread awareness about preventive measures against coronavirus, the Bank partnered with Swadhaar Finaccess to launch the 'Jankari mein Samajdari' program. Under this initiative, the Bank disseminated digital content, comprising 3 videos in 9 languages to 30 lakh customers of the Bank.

The Bank also launched its 'COVID Warriors on Wheels' program under which sanitised cars were provided to 695 frontline healthcare workers and support staff of Hinduja and Lilavati Hospitals, enabling them to commute to their workplaces safely.

IDFC FIRST Bank in partnership with Give India Foundation has committed to reach out to one lakh migrant labourers and frontline workers through registered non-profit partners of GiveIndia Foundation. The Bank distributed 2,375 grocery kits to migrant labourers along with 4,750 PPE kits for frontline medical staff to protect doctors, nurses and other healthcare workers. The Bank has also partnered with Give India to raise funds for its non-profit partners to support other COVID-19 programmes by the Bank.

PRINCIPLE 1

BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH ETHICS, TRANSPARENCY AND ACCOUNTABILITY

"Ethics is the new competitive environment"

This principle captures the main aspects of business responsibility namely ethical 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, 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 eleven (11) 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 2019-20.

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 for the Bank. It articulates high standards of professionalism, honesty, integrity and ethical behaviour in all banking operations.

The Whistle Blower Policy has been formulated for all directors and 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 2019-20.

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 levels 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 from time to time 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 requirement 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 Assets. It helps to identify sectors and industry specific risks and lays out the systems and procedures for E&S review of the transactions.

IDFC FIRST Bank has been constantly working towards developing solutions to minimise its impact on the environment. These include the installation of solar panels at rural banking branches; extension of corporate banking and credit facilities to projects in renewable energy sector; 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 every village and innovative digital solutions offering banking convenience are some of the ways the Bank contributes to sustainability. As on March 31, 2020, there were 356 ATMs in India.

The Bank continues to take initiatives to ensure responsible sourcing in supply chains for all major suppliers, which comprehensively covers the Bank's concern in the areas of labour standards, environment and ethical business practices.

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 organises 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.

Employee Healthcare, Work Enabler Guidelines, Performance Management and Learning & Development are some of the facilities extended to the Banks' employees. Some of the channels of employee engagement implemented by the Bank are i-connect (intranet for employees), Yammer (social media engagement platform), team building activities and many other campaigns which have been successfully implemented at enterprise level. All new employees go through an on-boarding orientation and a mandatory induction programme which familiarises 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, 2020, the total employee strength stood at 20,222, out of which 3,063 are women and 17,159 are men employees.

The Bank provides the benefit of Group insurance to its employees and conducts wellness activities for them. To cover employee wellbeing in times of illness, we provide on-site doctor's visit and medical room facility in our larger offices and Annual Health Check programmes.

We have three Group Insurance policies viz. Group Mediclaim Insurance, Group Personal Accident Insurance & Group Term Life Insurance covering medical, accident and life coverages respectively. Under the Group Mediclaim Insurance policy, the mobile app 'Medibuddy' provides the convenience of an ecard, network hospitals and pre-hospitalisation approvals on the mobile. The three major advantages for employees through this insurance policy 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.

Employees have the flexibility of availing the complimentary basic annual health check-up on site or a negotiated more detailed check-up at offsite locations. Other wellness

initiatives taken up were during the founder's week in December 2019, where onsite activities were conducted in 16 selected locations and offsite activities and informative communication related on wellness for all employees were conducted PAN India. Some of these activities included Zumba, fitness challenges, yoga by the bay, healthy recipe contest, nutrition consultation, gratitude wall and informative mailers related to the wellness themes of emotional wellness, healthy eating, desk yoga & fitness.

World Blood Donor's Day was celebrated on June 14, 2019, and Blood Donations camps were held at most locations of the Bank. This initiative was done in association with Think Foundation – a non-profit organization who works towards holistic care for children living with Thalassaemia major.

The Bank provided the 'IDFC FIRST Bank Benefits Card' to its employees. The card linked to a mobile application makes the spending and claiming experience of the Flexible Benefits Plan (FBP) reimbursement amounts fully digital and paperless. This simple process of convergence of all FBP reimbursement through a single card and mobile application has ensured a sharp reduction in wait-times for the employee and a huge improvement in processing efficiency. Reimbursements covered, relate to Fuel & Maintenance for Self-Owned and Company Owned Cars, Meal card, LTA etc.

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 on iconnect.

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 organisational mandate.

As on March 31, 2020, the Bank has built a national footprint through the operation of 464 branches (out of which 295 are urban bank branches and 169 are rural bank branches) across many cities in India, 652 corporate business correspondent ('BC') branches and 356 ATMs, 3 central processing centers and 1 clearing hub.

The rural banking division reaches out to the unbanked and under-banked segments of the market. It offers several customised savings and loan products. 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 Hypothecation loans and Water / Sanitation loans.

The Bank vehicle loans, 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, clients, 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 the stakeholders and the Bank.

Media and analysts' interactions are organised by the Bank after quarterly results. Investors, mutual funds and other investors interact with senior management in the investor conferences organised by market intermediaries including brokerage firms, investment banking firms etc. The updated corporate presentation and financials of the Bank are available at the Bank website: www.idfcfirstbank.com. Early this financial year, the Bank had launched its brand campaign 'Always You First', which was focused on the Bank's guided belief of putting its customers first. The campaign was launched on April 15, 2019, across multiple genres – sports, news, entertainment, movies, regional etc. it was also available on the Indian Premier League (IPL). The campaign also included amplification through hoardings, bus shelters in Mumbai, Delhi, Chennai and Bangalore along with digital media and print ads in business magazines.

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 2019-20.

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 segment. 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.

Medical check-up camps for the Bank employees are conducted on a regular basis.

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' aim 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 Shwetdharma program.

Women Empowerment

The Bank's programs under the theme 'Women Empowerment' aim 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 worked with various partners to develop a process model for building a responsible community and self-sustained zones that are well equipped to manage the solid waste. Such program is called Swachh Worli Koliwada (G5A Foundation for Contemporary Culture)

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 business operations.

The Bank promotes sustainable infrastructure through investments in renewable energy projects such as green data centre, LEED-certified office and solar powered branches in its rural branches.

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 Equator principles and ensures that a project's environmental and social risks are properly addressed throughout the loan tenure.

The Bank has incorporated environment friendly features in its infrastructure and operations. These include water management, energy conservation, air quality management, waste management etc. The E&S Risk Management Framework to lay 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 has conducted eight training workshop sessions in FY20 on environmental risk management framework for executives of Wholesale Banking and Retail Banking.

Some of the Bank's green initiatives and processes are:

Infrastructure & Waste management

- Energy conservation measures have been undertaken at various branch offices including use of double glazed windows and use of recycled material.
- Use of company bus and car service.
- Use of low noise, low emission diesel generator at branches.
- Minimal usage of lightings and air-condition systems at branches and corporate office of the Bank.
- Minimal consumption of water through water saving technologies at branches and corporate office of the Bank.
- Recycling waste to the maximum extent through third party vendors.
- Ensuring emissions and waste are within permissible limits of applicable laws.

Digital Banking

- Utilisation of e-statements and e-receipts for its customers have assisted in resource conservation.
- 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.
- Effective e-waste disposal methods.

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, 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 advocates change for a better tomorrow through its disclosures which 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.
- Board Members and Senior Management of the Bank hold significant positions in various Committees constituted by the Government of India, Regulators and other industrial bodies.

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.

In August 2019, the floods which largely affected the states of Madhya Pradesh, Maharashtra, Karnataka and Kerala,

several of our customers and employees were also impacted and faced Issues and challenges by way of –

- Flooding across many of our branches, with water coming into a few of our IFBL branches.
- Many villages were completely flooded and inaccessible, resulting in destruction of houses/ shops / crops.
- There was no electricity across few of our branches for 2-3 days.
- Basic provisions / supplies were hit across the affected towns / villages.

Our employees on the other hand continued to demonstrate an amazing resilience and worked painstakingly within their catchments, helping customers by providing basic supplies and making drinking water available to them. They stood shoulder to shoulder with customers in these trying times. Branches in Karnataka distributed 1,450 flood kits to affected customers and population.

The CSR initiatives of the Bank in 2019-20 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 and Health.

The object of the CSR activities seeks to –

- [a] serve the poor, marginalized and underprivileged
- [b] promote inclusion
- [c] be sustainable
- [d] meet needs of the larger community and society

Details of the CSR initiatives undertaken by IDFC Bank through various implementation partners are given in the Directors' Report which forms part of the Annual Report FY 2019-20.

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

PRINCIPLE 9

BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER

The Bank has a number of mechanisms for resolving grievances of its customers. The Bank has in place the following policies to protect customer rights.

1. Comprehensive Deposit Policy
2. Customer Compensation Policy
3. Customer Grievance Redressal Policy
4. Cheque Collection Policy

5. Charter of Customer Rights

6. Fair Practice Lending Code

7. Code of Right Selling & Servicing of Insurance Products

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 Lending 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 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.

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.

SECTION A:**ANNUAL BUSINESS RESPONSIBILITY REPORT [REGULATION 34(2)(F)]****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, 7th Floor, No. 1, Harrington Road, Chetpet, Chennai 600 031, Tamil Nadu. TEL +91 (44) 4564 4000 FAX +91 (44) 4564 4022
04	Website	www.idfcfirstbank.com
05	E-mail id	bank.info@idfcfirstbank.com
06	Financial Year reported	2019-20
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 a publically held Banking Company 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, 2020, the Bank has built a national footprint through the operation of 464 branches (out of which 295 are Urban Bank Branches and 169 are Rural Bank Branches) across many cities in India, 652 Corporate Business Correspondent ('BC') branches, 356 ATMs, 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 market.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

NO.	PARTICULARS	DETAILS
01	Paid up Capital (INR)	₹ 4,809.90 crore
02	Total Turnover (INR)	₹ 17,589.47 crore
03	Total loss after taxes (INR)	₹ 2,864.21 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 2019-20 was ₹ 7.24 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 2019-20.

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 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%]	Yes, there are various entities that the Bank does business with, which takes part in BR initiatives. The Bank engages with business associates, implementing partners and clients to carry out BR related initiatives (30-60%).

SECTION D: BUSINESS RESPONSIBILITY INFORMATION

1. Details of Director/Directors responsible for BR.

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

NO.	PARTICULARS	DETAILS
01	DIN Number (if applicable)	00082596
02	Name	Mr. V. Vaidyanathan
03	Designation	Managing Director & Chief Executive Officer

(b) Details of the BR Head

NO.	PARTICULARS	DETAILS
01	DIN Number (if applicable)	NA
02	Name	Mr. Adrian Andrade
03	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	Ethics, Transparency & Accountability	Product Life Cycle	Employee Wellbeing	Stakeholder Engagement	Human Rights	Environment	Public and Regulatory Policy	Inclusive Growth	Customers and Consumers
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?	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 2)	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	N	-	Y	Y
10	Has the company carried out independent audit / evaluation of the working of this policy by an internal or external agency? (Note 3)	Y	Y	Y	Y	Y	N	-	Y	Y

Note 1

The Bank has based its policies on guidelines and key indicators of the Reserve Bank of India and regulations passed by Securities and Exchange Board of India and the Government of India from time to time.

Note 2

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

Remuneration Policy for WTD, NED, KMP & SMP.

Remuneration Policy for other employees.

Code of Conduct for Board of Directors & SMP.

Policy for determination of materiality of events.

Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information.

Policy on Related Party Transactions.

Dividend Distribution Policy.

Policy for Determining Material Subsidiaries.

Corporate Social Responsibility Policy.

Environment & Social Policy Framework.

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 3

The Bank has an internal audit department that carries out the audit and examination of most Bank policies. In addition, the Bank is under preview by the Reserve Bank of India. The Bank's financial accounts were audited by external auditors namely, B S R & Co. LLP (KPMG), Chartered Accountants for FY20.

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 Principles									
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 Bank's Management Committee, headed by its Managing Director & CEO 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?**

No, the policies relating to ethics, bribery and corruption cover 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? If so, provide details thereof, in about 50 words or so.**
The Company has established various channels of communication, including grievance redressal mechanisms, for stakeholders to communicate their expectations and concerns.

Particulars	Pending at the beginning of the year FY20	No. of complaints received during the year FY20	No. of complaints redressed during the year FY20	No. of complaints pending at the end of the year FY20
Shareholders' complaints	9	538	547	0
Infrastructure Bondholders' complaints	0	5,726	5,723	3
Customer Complaints	131	7,596	7,187	540

PRINCIPLE 2

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

IDFC FIRST Bank has taken adequate steps to minimize the disposal waste quantum through its operations.

All recyclable waste collected at our branches is separated (dry and wet waste). The waste is then handed over to an authorized waste processor. More than 10% of total waste generated from our operations is recycled.

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, pratham (BSBDA) Accounts and Sowbhyagya Shakti - Regular Saving Deposit Service.

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?**

Being a banking unit, the main resource utilized by the Bank is paper. The Bank encourages paperless procedures, reducing consumption of paper through e-statements and e-receipts to customers, reducing paper procurements, etc. IDFC FIRST Bank has also encouraged the use of mobile and internet banking by its customers. It offers a digital savings account process which is completely paperless and instant leveraging Aadhaar eKYC.

The Bank's waste paper disposal system is routed through third party vendors and recyclers, low emission diesel generators are used in urban branches while solar panels are used in Rural Banking branches for energy efficiency.

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

The Bank has made every effort to create awareness among its customers and employees for efficient resource consumption.

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

- a. **If yes, what percentage of your inputs as sourced sustainably?**

Our major material requirements are office, communications and IT related equipments. 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 Bank has used the financial inclusion model for reaching out to rural and urban India. The Bank has presence in various states in India. Branches use most vendors as per procurement standards. The Bank has taken several initiatives for the development of local suppliers of goods and services such as empanelment of courier agencies, regularizing skills for housekeeping and security staff etc. Most branches source goods from local suppliers.

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%). Also, provide details thereof, in about 50 words or so.**

The Bank has taken adequate steps to minimize the disposal waste quantum through its operations. All recyclable waste collected at our branches is separated (dry and wet waste). The waste is then handed over to an authorized waste processor. More than 10% of total waste generated from our operations is recycled. For more details on initiatives involving responsible resourcing, please refer to Principle 2.

PRINCIPLE 3

1. **Please indicate the Total number of employees:**

20,222 employees as on March 31, 2020.

2. **Please indicate the Total number of employees hired on temporary / contractual / casual basis**

IDFC FIRST Bank had total of 9 Direct Consultants hired on contractual basis as on March 31, 2020.

3. **Please indicate the Number of permanent women employees.**

3,063 permanent women employees as on March 31, 2020.

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, 2020.

5. Do you have an employee association that is recognized by management?

The Bank does not have an employee association.

6. What percentage of your permanent employees is members of this recognized employee association?

N.A.

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. During FY20, there were 6 sexual harassment cases filed.

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	6	1 complaint was received in the month of March 2020, hence under work in progress and shall be resolved within the timelines.
3.	Discriminatory employment	NIL	NIL

8. What percentage of your under mentioned employees were given safety & skill up- gradation training in the last year?

[a] 20222 Permanent Employees: 93%

[b] 3063 Permanent Women Employees: 93%

[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.

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?

No, the policies revolving around human rights cover not only the Bank but also 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 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. If so, provide details thereof, in about 50 words or so.

Yes, the Bank regularly undertakes initiatives to engage with disadvantaged, vulnerable and marginalised stakeholders. Please refer to the brief description on principle 4 for more information.

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.

No. 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?

Yes. The 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, 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? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

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.

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. At the branches where the Bank uses diesel generators, it ensures it uses only low noise and low emission sets.

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? If Yes, Name only those major ones that your business deals with:

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

In addition to the above, Board Members and Senior Management of IDFC FIRST Bank are members of various committees constituted by the Government of India, Regulators and other industrial bodies.

2. Have you advocated / lobbied through above associations for the advancement or improvement of public good? Yes / No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)?

IDFC FIRST Bank is also working with Government agencies, other financial institutions and industrial associations towards funding green technology and for 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? If yes details thereof.

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 CSR initiatives. 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 FY20, 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 interoperable 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.

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 ₹ 7.24 crore during FY 2019-20 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 FY20.

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.

PRINCIPLE 9

1. What percentage of customer complaints / consumer cases are pending as on the end of financial year.

There were 540 customer complaints which were pending as on March 31, 2020, i.e. approximately 7% of the total complaints received during the year.

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 clearly displayed & explained to our customers to ensure utmost transparency. All employees in 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, to understand their expectation and to essentially gauge its competitiveness in the banking industry. For more details on customer engagement, please refer to principle 9.

Place: Mumbai

Date: May 22, 2020

ANNEXURE II

PRINCIPLES TO ASSESS COMPLIANCE WITH ENVIRONMENTAL, SOCIAL AND GOVERNANCE NORMS

PRINCIPLE 1:

Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Businesses should develop governance structures, procedures and practices that ensure ethical conduct at all levels; and promote the adoption of this principle across its value chain. Businesses should communicate transparently and assure access to information about their decisions that impact relevant stakeholders.
2. Businesses should not engage in practices that are abusive, corrupt, or anti-competition.
3. Businesses should truthfully discharge their responsibility on financial and other mandatory disclosures.
4. Businesses should report on the status of their adoption of these Guidelines as suggested in the reporting framework in this document.
5. Businesses should avoid complicity with the actions of any third party that violates any of the principles contained in these Guidelines

PRINCIPLE 2:

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

1. Businesses should assure safety and optimal resource use over the life-cycle of the product – from design to disposal – and ensure that everyone connected with it- designers, producers, value chain members, customers and recyclers are aware of their responsibilities.
2. Businesses should raise the consumer's awareness of their rights through education, product labelling, appropriate and helpful marketing communication, full details of contents and composition and promotion of safe usage and disposal of their products and services.
3. In designing the product, businesses should ensure that the manufacturing processes and technologies required to produce it are resource efficient and sustainable.
4. Businesses should regularly review and improve upon the process of new technology development, deployment and commercialization, incorporating social, ethical, and environmental considerations.
5. Businesses should recognize and respect the rights of people who may be owners of traditional knowledge, and other forms of intellectual property.

6. Businesses should recognize that over- consumption results in unsustainable exploitation of our planet's resources, and should therefore promote sustainable consumption, including recycling of resources.

PRINCIPLE 3:

Businesses should promote the wellbeing of all employees

1. Businesses should respect the right to freedom of association, participation, collective bargaining, and provide access to appropriate grievance Redressal mechanisms.
2. Businesses should provide and maintain equal opportunities at the time of recruitment as well as during the course of employment irrespective of caste, creed, gender, race, religion, disability or sexual orientation.
3. Businesses should not use child labour, forced labour or any form of involuntary labour, paid or unpaid.
4. Businesses should take cognizance of the work-life balance of its employees, especially that of women.
5. Businesses should provide facilities for the wellbeing of its employees including those with special needs. They should ensure timely payment of fair living wages to meet basic needs and economic security of the employees.
6. Businesses should provide a workplace environment that is safe, hygienic humane, and which upholds the dignity of the employees. Business should communicate this provision to their employees and train them on a regular basis.
7. Businesses should ensure continuous skill and competence upgrading of all employees by providing access to necessary learning opportunities, on an equal and non-discriminatory basis. They should promote employee morale and career development through enlightened human resource interventions.
8. Businesses should create systems and practices to ensure a harassment free workplace where employees feel safe and secure in discharging their responsibilities.

PRINCIPLE 4:

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

1. Businesses should systematically identify their stakeholders, understand their concerns, define purpose and scope of engagement, and commit to engaging with them.
2. Businesses should acknowledge, assume responsibility and be transparent about the impact of their policies,

decisions, product & services and associated operations on the stakeholders.

3. Businesses should give special attention to stakeholders in areas that are underdeveloped.
4. Businesses should resolve differences with stakeholders in a just, fair and equitable manner.

PRINCIPLE 5:

Businesses should respect and promote human rights

1. Businesses should understand the human rights content of the Constitution of India, national laws and policies and the content of International Bill of Human Rights. Businesses should appreciate that human rights are inherent, universal, indivisible and interdependent in nature.
2. Businesses should integrate respect for human rights in management systems, in particular through assessing and managing human rights impacts of operations, and ensuring all individuals impacted by the business have access to grievance mechanisms.
3. Businesses should recognize and respect the human rights of all relevant stakeholders and groups within and beyond the workplace, including that of communities, consumers and vulnerable and marginalized groups.
4. Businesses should, within their sphere of influence, promote the awareness and realization of human rights across their value chain.
5. Businesses should not be complicit with human rights abuses by a third party.

PRINCIPLE 6:

Business should respect, protect, and make efforts to restore the environment

1. Businesses should utilize natural and manmade resources in an optimal and responsible manner and ensure the sustainability of resources by reducing, reusing, recycling and managing waste.
2. Businesses should take measures to check and prevent pollution. They should assess the environmental damage and bear the cost of pollution abatement with due regard to public interest.
3. Businesses should ensure that benefits arising out of access and commercialization of biological and other natural resources and associated traditional knowledge are shared equitably.

4. Businesses should continuously seek to improve their environmental performance by adopting cleaner production methods, promoting use of energy efficient and environment friendly technologies and use of renewable energy.
5. Businesses should develop Environment Management Systems (EMS) and contingency plans and processes that help them in preventing, mitigating and controlling environmental damages and disasters, which may be caused due to their operations or that of a member of its value chain.
6. Businesses should report their environmental performance, including the assessment of potential environmental risks associated with their operations, to the stakeholders in a fair and transparent manner.
7. Businesses should proactively persuade and support its value chain to adopt this principle.

PRINCIPLE 7:

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

1. Businesses, while pursuing policy advocacy, must ensure that their advocacy positions are consistent with the principles and Core Elements contained in these Guidelines.
2. To the extent possible, businesses should utilize the trade and industry chambers and associations and other such collective platforms to undertake such policy advocacy.

PRINCIPLE 8:

Businesses should support inclusive growth and equitable development

1. Businesses should understand their impact on social and economic development, and respond through appropriate action to minimize the negative impacts.
2. Businesses should innovate and invest in products, technologies and processes that promote the wellbeing of society.
3. Businesses should make efforts to complement and support the development priorities at local and national levels, and assure appropriate resettlement and rehabilitation of communities who have been displaced owing to their business operations.
4. Businesses operating in regions that are underdeveloped should be especially sensitive to local concerns.

PRINCIPLE 9:

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

1. Businesses, while serving the needs of their customers, should take into account the overall well-being of the customers and that of society.
2. Businesses should ensure that they do not restrict the freedom of choice and free competition in any manner while designing, promoting and selling their products.
3. Businesses should disclose all information truthfully and factually, through labelling and other means, including the risks to the individual, to society and to the planet from the use of the products, so that the customers can exercise their freedom to consume in a responsible manner. Where required, businesses should also educate their customers on the safe and responsible usage of their products and services.
4. Businesses should promote and advertise their products in ways that do not mislead or confuse the consumers or violate any of the principles in these Guidelines.
5. Businesses should exercise due care and caution while providing goods and services that result in over exploitation of natural resources or lead to excessive conspicuous consumption.
6. Businesses should provide adequate grievance handling mechanisms to address customer concerns and feedback.