Section 14: Progress on ESG

Our ESG Priorities Align with Our Corporate Vision

Our Vision: To Build A World-Class Bank in India

Guided by Ethics | powered by Technology | and be a force for Social Good

ESG @ IDFC FIRST Bank

FIRST ENSURE
Enabling Sustainability Responsibly

- High standards of corporate governance
- Dedicated ESG governance
- Globally aligned disclosures and commitments
- Reducing environmental footprint
- Creating social impact
- ESG-aligned business lines
- Progressively improving ESG ratings

ESG at IDFC FIRST Bank – Environmental and Green initiatives

Green infrastructure


EV charging infra for employees


Customer awareness


EV financing

❑ Green buildings

- Five Large offices, including the Head Office successfully certified under ISO 14001 and 45001 certifications for safety, facilities and environment
- IGBC & LEED certification for five of our large offices across Mumbai, Delhi and Hyderabad
- IDFC FIRST Bank Tower HO (The Square, BKC) has been recertified with highest rating of IGBC Platinum
- EV charging infrastructure for employees in three offices; encouraging EV adoption among employees

❑ Green energy

- IDFC FIRST HO (The Square, BKC) is fully powered by Green Energy

❑ Water efficiency

- Optimization of water usage in facilities in key offices, saving over 4,300 kL water every year

❑ EV financing

- Over 1.9 lakh EV two wheelers financed (live portfolio)
- 4,500+ EV 3 wheelers financed in Rural areas for last mile connectivity
- Leading financier with maximum finance tie ups; introduced industry first end-to-end digital journeys

❑ Customer awareness

- Fully digitized customer journeys for multiple products to save paper

❑ Building a culture of sustainability

- Internal ESG Champions and Ambassadors programme to actively involve employees in the Bank's journey towards sustainability
- Dedicated training conducted on Climate Risk and Sustainable Financing for relevant departments
- E-waste collection drive to encourage employees to responsible dispose of their personal electronic waste

ESG at IDFC FIRST Bank – Social and Governance initiatives

Social


Employee engagement


Community impact


Customer-first

❑ Employee learning and engagement
- Over 16 lakh learning hours till Q3 FY24
- Holistic employee wellbeing programmes covering physical, mental and financial health

❑ Responsible and inclusive lending
- Consciously increasing lending to socially inclusive and environmentally responsible sectors
- ~60% of all rural borrowers are women

❑ CSR and community programmes
- 8991 volunteers activated till Q3 FY24, positively impacting 34727 people
- Shwetdhara programme that helps create farmer livelihoods expands total footprint to 803 villages and registered 1061 shareholders
- 36 children supported under Paediatric Cancer Care Program
- 694 scholars awarded MBA Scholarships
- 53 young adults with autism supported for special education
- 52 municipal school students provided with Social Emotional Learning sessions
- 10 female football players supported for sports scholarships
- 23 women with intellectual disabilities supported under stipend program
- 134 children with intellectual disability supported for early intervention program
- 9690 households serviced under waste management and sanitation program

❑ Growing geographical coverage for customer access
- Universal bank with 897 branches (and growing)

Governance


Diverse leadership


Strong governance


Information security

❑ Strong and experienced Board
- Independence: Independent Directors constitute 50% of the Board
- 11 Board Committees; majorly chaired and constituted by Independent Directors
- Management committees are mapped to respective Board Committees
- Diverse and relevant skill sets of Board members
- Highly competent Board with over 30 years of average experience
- Dynamic and engaged Board, with high frequency of Board meetings

❑ Being customer first
- Unique customer-friendly services, including fee-free services for savings account customers

❑ Quality of portfolio
- Stringent Credit and Provisioning Policy
- Strong Capital Adequacy, LCR, PCR, Credit Rating

❑ Risk governance
- Strong Risk Management Framework
- Strong Vigilance Mechanism

❑ Information security
- IDFC FIRST Bank Certified with ISO 27001 (Information Security Management System)

❑ Governance around social responsibility
- Information on social parameters ISO 26000 certified in accordance with ISAE 3000 (revised)

ESG Commitments, Ratings and Governance

ESG Commitments

- Annual disclosures published through the Bank's first Integrated Report, aligned with **Int'l IR framework, GRI and SASB**
- Official Participant of **United Nations Global Compact (UNGC)**
- Official supporter of **Task Force on Climate-Related Financial Disclosures (TCFD)** in the Indian Banking sector

★ ESG Ratings

★	CSA ESG score (DJSI)	
2023	47	↑
2022	44	

★	Sustainalytics	
2023	26.6 Lower is better	↑
2022	38.3	

★	MSCI	
2023	A	↑
2021	BBB	

★	CRISIL
2022	66 (B) Started 2022
2021	-

★	LSEG*	
2023	65	↑
2022	60	

* Previously Refinitiv

ESG Governance Structure

Board Level Committee

- Board Committee: Stakeholders Relationship, ESG and Customer Service Committee - Chaired by an Independent Board member

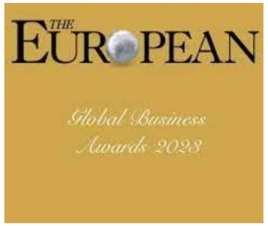
Management Level Committee

- Chaired by MD & CEO
- Drives the strategic integration of sustainability within the Bank
- Constitutes executive members including heads of Group functions

Steering Committee and Working Group

- Specific working groups with cross-functional composition and expertise responsible for delivering on the ESG agenda
- Facilitated by a dedicated ESG team

Recognitions for ESG Efforts

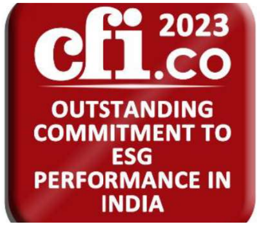


The European

Most ESG Responsible Banking Service – India Dec 2023

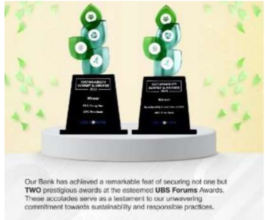
Institute of Directors India

Golden Peacock Award in ESG Sep 2023 (National)



CFI.co - Capital Finance International

Outstanding Commitment to ESG Performance in India Sep 2023



UBS Forums

ESG Rising Star & Sustainability Impact Award May 2023

Transformance Forums

Best Bank Leading the Way in ESG Apr 2023

Economic Times BFSI Excellence Awards

Best CSR Sustainability Award Feb 2023

Navabharat BFSI Award

Best Sustainable Bank Strategy Oct 2022

The European

Social Impact Bank of the Year Sep 2022

World Finance Organisation

Best Corporate Governance, India Jun 2022

Inclusive Finance India Awards

Breaking Ground in WASH Financing Dec 2021