

Section 12: 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	
i		FIRST Priorities (immediate and continuing)	
- Highest standards of corporate governance, ethics and integrity - Strong regulatory compliance - E&S framework for project finance - Responsible sales and marketing - Highly engaged and active Board - Systemic risk management - Transparency, disclosures and stakeholder engagement - Climate action and environmental footprint mapping	- Product innovation - Advanced analytics - Digital-first and contemporary customer interfaces - Streamlined, digitally-enabled people processes - Data security - Customer privacy	- Financial inclusion and credit access - Customer centricity - Meritocracy, diversity, equity and inclusion - Responsible finance - Influencing responsible customer behaviour - Strong employee engagement with focus on learning and holistic wellbeing - Community wellbeing through CSR and volunteering - Values-led culture	and be a force for Social Good

 NORTH STAR Priorities (Medium-to-long term)

- Achieve best-in-class ratings for our ESG approach and performance
 - Innovate and develop ESG-centric products and services suite
 - Develop ESG-led KRAs for management

Implemented through our FIRST COMPASS programme to create sustained value for all stakeholders				
Customers	Investors	Employees	Government	Reserve Bank of India and other regulatory bodies
			Suppliers and partners	Environment

ESG at IDFC FIRST Bank



Environmental

Infrastructure and facilities

- DC EV charging infrastructure in two large offices in Mumbai, offered free for employee use
- IGBC certification & LEED Certified Gold Standard for multiple large offices; HO certified by WELL.
- IDFC FIRST Bank Tower HO (The Square, BKC) is fully powered by green energy
- Adopted Motion Sensors for lights and introduced Internet of Things (IoT) in our AC systems in multiple offices.
- Optimization of water usage in facilities in key offices, saving over 4,300 KL water every year

EV financing

- 1.46 lakh EV two wheelers financed
- 1000+ EV 3 wheelers financed in Rural for last mile connectivity.
- Leading financier with maximum finance tie ups; introduced industry first end-to-end digital journey on EV financing

Focus on energy and resource efficiency

- Fully digitized customer journeys for multiple products to save paper
- In-store customer awareness for purchase of energy efficient appliances

Environment focused initiatives

- Beach cleanup programme – 450 kg of waste collected in a single session
- 900+ saplings planted on World Environment Day, with potential of saving 21 tonnes of CO2 every year



Social

Employee learning and engagement

- ~4.7 lakh learning hours in Q1 FY24
- Holistic employee wellbeing programmes covering physical, mental and financial health

CSR and community programmes

- 3,400+ volunteers activated in Q1 FY24, positively impacting 10,000+ people
- Shwetdhara programme that helps create farmer livelihoods expands total footprint to 450+ villages
- 1001 sessions conducted for rural vocational training programme
- 118 entrepreneurs supported by Junoon programme
- Paediatric Cancer Care to support cancer treatment of children
- Disaster response Support to Odisha Train Crash victims via volunteering for food and water, hygiene kits etc.
- MBA Scholarship programme to support scholars

Growing geographical coverage for customer access

- Universal bank, with coverage in 25 states and 3 UTs



Governance

Strong and experienced Board

- Independence: 60% Independent Directors
- 11 Board Committees (majority members are IDs and chaired by IDs)
- Management committees are mapped to respective Board Committees.
- Diverse and relevant skill sets
- Highly competent Board with over 30 years of average experience
- Dynamic and engaged Board, with high frequency of Board meetings
- 100% average Board attendance

Globally aligned disclosures

- For reporting year 2022-23, Sustainability disclosures aligned to global frameworks such as GRI, SASB, Integrated Reporting; and BRSR

Being customer first

- Unique customer-friendly services, including fee-free services for 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

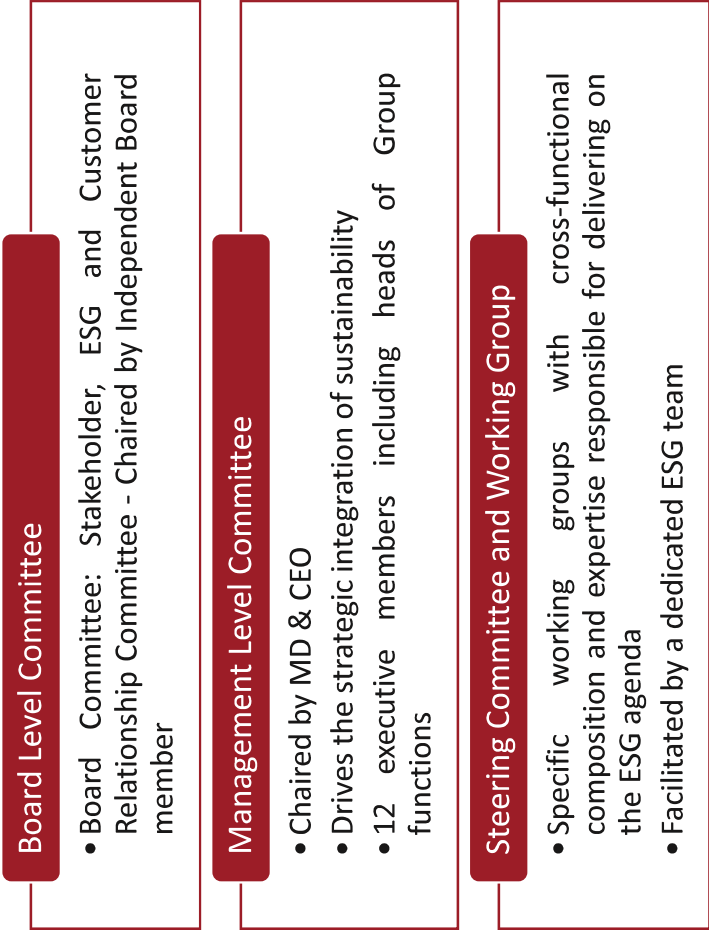
Information security

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



ESG Governance, Commitments and Ratings

ESG Governance Structure



ESG Commitments

- Official Participant of United Nations Global Compact (UNGC)
- One of the initial official supporters of Task Force on Climate-Related Financial Disclosures (TCFD) in the Indian Banking sector
- One of the first financial institutions in India to be signatory to the Equator Principles
- FY 2023 annual disclosures to be published through the Bank's first Integrated Report, aligned with Int'l IR Framework, GRI and SASB

ESG ratings

SUSTAINALYTICS	CRISIL
26.6 (2023) 38.3 (2022) Lower the better ↓	66 (B) (2022)
REFINITIV	DJSI
60 (B) (2022) 50 (B-) (2021) ↑	44 (2022) 19 (2021) ↑

ESG Awards



ESG Rising Star Award & Sustainability Impact Award May 2023, UBS Forums



Best Bank Leading the way in ESG Apr 2023



Best ESG Initiative to Improve Access to Sanitation Apr 2023



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



Water.org & Sa-Dhan Awards Oct 2021



Best CSR Sustainability Award – Economic Times BFSI Excellence Awards Feb 2023



Navabharat BFSI Award Best Sustainable Bank Strategy Oct 2022



CFI Award Best Sustainable Banking Strategy 2021