CEO’s Message

We are committing to the changes articulated here to sustain IndusInd Bank as a brand that earns the respect of all stakeholders. We are committed to being a more compliant, transparent and responsible institution. Also, we wish to set an example for others in several areas where exemplary work has been done, for example, in the area of creating livelihoods which represents 40% of our loan portfolio.

Romesh Sobti
Managing Director & CEO

Are we creating Companies that align with all Societal goals? The clear answer is “no”; but there is a nascency in this direction aided by initiatives from Government, Regulators, Customers, Employees, Investors and others. We have always believed that “Good Ecology is Good for Business”. Ultimately development of our brand must have an inclusive agenda for it to be sustainable.

IndusInd Bank has not only started this journey early with 8 years of Sustainability reporting, but is also the only Bank and amongst only 5 companies in India that have an “A” rating under the Carbon Disclosure Project; this “A” category rating has been received 4 years running. We are committed to fast forward our Sustainability agenda and this presentation serves to lay out some future aspirations across Environmental, Social and Governance metrics; progress on which will be reported in the public domain.
Good Ecology is Good for Business
Sustainability Consistently at the Core of IBL

Planning Cycle 1
- My Idea Portal
- Hum Aur Hariyali
- Solar – ATMs and Rooftops
- ESOP Scheme

Planning Cycle 2
- Signatory to Carbon Disclosure Project
- Water Management
- Employee Participation in Community Service
- Sustainability Reporting

Planning Cycle 3
- CSR Committee of the Board
- YIF² Scholarship Program
- Legal Literacy for Women
- Sports Engagement Vertical

Planning Cycle 4
- Integrated Reporting
- Client Experience Project
- Impact Financing & Partnerships
- ESG Targets and Disclosure

1. Our Green Office Project for Environment & Society
2. Young India Fellowships in social sector

Livelihood Financing
Livelihood Financing

Focus Areas

- Agriculture & related supply chains
- Small & Micro Enterprises
- Vehicle Owner Operators
- Microfinance for Women
Sustainability in Organisational Development

**Governance**
- Clear Organizational Structure
- Meticulous Focus on Compliance

**Business**
- ESMS* Filters
- Affirmative Lending
- Server Virtualization
- Partnerships

**Employees**
- Career Progression Plans
- Diversity Initiatives

**Digital Operations**
- Solar ATMs | Rooftop Solar Panels

**Physical Operations**
- Reduction in emissions intensity

*Environment & Social Management System Policy*
Sustainability in Community Development

- Affirmative capital allocation: green tech, clean tech, etc.
- Girl & Para athletes
- Blind Cricket
- Financing Livelihoods
- Client Experience
- Legal Literacy
- Health & Sanitation
- Afforestation
- Water Conservation
Disclosures and Recognition for ESG
Sustainability Reporting for 8 years

The 2017-18 Integrated Report prepared in line with the framework adopted by the International Integrated Reporting Council and is available by scanning the QR code >>>
**Integrated Report Summary 2018**

**Financial Capital**
- Net profits up by 26% to INR 36.06 bn
- RoRWA at 2.28% up from 2.21%
- 28% Y-o-Y loan book growth
- New Impact Finance, Education and Healthcare verticals

**Manufactured Capital**
- 1,400 branches and 2,203 ATMs
- LEED Gold and Platinum rated corporate offices
- 1,528 servers virtualised within Green IT

**Intellectual Capital**
- All-in-One Store, Pre-approved Credit Tab Banking
- Partnerships with Fintech and Government entities
- 21 customer journeys revamped
- Cross-sell in Personal Loans, Credit Cards

**Human Capital**
- 25,284 workforce; 4,723 women employee
- 10,66,722 training hours for 5,88,581 participants
- 1,700 volunteer hours: 733 activities by GCs and GComms

**Natural Capital**
- INR 204.7 mn on socio-environmental projects
- GHG emissions intensity per unit revenue decreased to $1.91
- 20,000 kg e-waste and 16,407 kg dry waste recycled
- Planted 10,000 native trees sequestering 2,200 MT GHGs

**Social and Relationship Capital**
- 2.73 mn BoP households reached through micro-finance
- 2,00,000 candidates trained for digital literacy
- 45,000 women trained for legal literacy
- Launched IndusInd Grl Power Programme
IndusInd Bank is amongst five Indian companies and the only bank in the CDP “A LIST” !
Awards and Recognition

- Golden Peacock Award for Innovation Management 2015
  Presented at 15th London Global Convention on Corporate Governance & Sustainability

- Honoured with the CNBC Asia’s Corporate Social Responsibility Award 2017

- CSR Journal The Excellence Award 2017
  Excellence Award 2017 in the ‘Sports’ category for the Para Champions Programme, in association with GoSports Foundation

- Bagged the Best Bank in Private Sector Award and Best CSR Practice under Banking Category Award at ABP News BFSI Awards 2017

- CSR JOURNAL THE EXCELLENCE AWARD 2017
  Excellence Award 2017 in the ‘Sports’ category for the Para Champions Programme, in association with GoSports Foundation

- Best Bank in Private Sector Award and Best CSR Practice under Banking Category Award
  ABP News BFSI Awards 2017
Awards and Recognition

Dream Employer of the Year – BFSI

ET NOW: “Dream Companies To work for – 2019”
ESG Projects and Impact
Environmental Initiatives

Afforestation

Water Conservation
# Environmental Projects’ Outcome

## Themes: Biodiversity, Climate Change, Pollution Management, Supply Chain, Water Security

<table>
<thead>
<tr>
<th>Project</th>
<th>Outcomes</th>
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</table>
| **Afforestation**      | • 10,000+ trees planted  
                          • 48 different species at over 20 urban/peri-urban locations                                                                                                                                              |
| **E-Waste management** | • Recycled over 20,000kg through authorised vendors  
                          • <34% of waste going to landfill vs 100% before                                                                                                                                                       |
| **Energy Reduction Initiatives** | • Greening out IT, Buildings, Branches, Servers  
                          • GHG Emissions Saved: 2227.96 MT CO₂                                                                                                                                                                 |
| **Water Conservation** | • Enhanced water storage capacity – 97.5 million litres  
                          • 110 Hectares of Land Area covered, impacting close to 100,000 occupants                                                                                                                                 |
| **Paper Procurement**  | • Migration of CP letter heads to 100% recycled paper  
                          • Have migrated ~ 13.68MT of A4 paper, saving 14.1MT of CO₂ emissions                                                                                                                                     |
Social Projects through deep partnerships

Legal Literacy Program for Women

IndusInd Para-Champions Program
## Social Outcomes

### Themes: Customer Responsibility, Health & Safety, Human Rights & Community, Supply Chain

<table>
<thead>
<tr>
<th>IndusInd Para Champions</th>
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<tbody>
<tr>
<td>• 32 Para-athletes represented India for events in Switzerland, London &amp; Korea</td>
</tr>
<tr>
<td>• Supports India’s 26 member blind cricket team, winners of ODI world cup 2018</td>
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<table>
<thead>
<tr>
<th>Legal Literacy for Women &amp; Children</th>
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<tbody>
<tr>
<td>• Educated &gt;45,000 women on their legal rights</td>
</tr>
<tr>
<td>• MFI partnership to educate 5,000 underprivileged children in UP/Jharkhand for higher education &amp; employability</td>
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<table>
<thead>
<tr>
<th>Transforming Lives through Digitization</th>
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<tbody>
<tr>
<td>• Training to 200,000 village level entrepreneurs to use mobile / internet for financial transactions in collaboration with Ministry of Electronics &amp; Information Technology.</td>
</tr>
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<table>
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<tr>
<th>Promoting Healthcare Access</th>
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<tbody>
<tr>
<td>• Partnered with BMCHRC (Cancer Hospital) to support treatment of children under 14 affected with cancer</td>
</tr>
<tr>
<td>• Partnered with non profit MFI to set up 177 health clinics</td>
</tr>
</tbody>
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<tr>
<th>IndusInd Scholarship: Ashoka University</th>
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<tbody>
<tr>
<td>• Supported 60 scholars to date, majority of whom are women. Program active in 13 states</td>
</tr>
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</table>
Governance Structure

**CSR & Sustainability Committee of Board**
- Agree, Review and Evaluate sustainability strategy of the Bank
- Provide industry perspective to sustainability agenda of the Bank

**Sustainability Council**
- Sustainability strategy, goals and performance
- Align sustainability policies with the Business Units
- Review compliance with respect to Sustainability

**Sustainability Team**
- Management and implementation of strategies
- Dedicated Head of Sustainability to drive agenda
- Business and Functional coordination
Leading ESG Innovation with Bharat Financial Inclusion

IBL is innovating using the RDSP Model, creating a paradigm shift in client connect producing a multitude of opportunities

Currently

Travels To

1. Bank/ATM for cash deposit and withdrawal, travels 5-8 kms, spending up to 2 hrs.
2. 80% of BFIL’s members travel for electricity bill payment, traveling 2-5 kms spending 1 hr.
3. 88% of BFIL’s members visit Kirana Store for ration items, travelling less than 0.5 km, spending 15-20 mins
4. 99% of BFIL’s members visit electronics store for mobile recharge, traveling 1-5 kms, spending up to 30 mins.
5. 51% travel to municipal office for water/bill payment, traveling 1-5 km, spending 30 mins.
6. Only 5% of customers reported access to online shopping

With RDSP

Travels To

1. Deposits and Withdrawal
2. Bill payments and recharges
3. Allied and OTC financial services
4. Cross-sell and e-commerce

Single Window for all requirements

RDSP = Retail Distribution Service Point (pic. above); tablet enabled convenience store
Widespread CSR Footprint
ESG Targets for FY 2021
ESG Themes Linked to Business Plan

Key Themes
- Financing Livelihoods
- Impact Financing
- Carbon Footprint Reduction
- Community Development
- Governance
- ESG Ratings
- Diversity
- Employee Engagement
- Customer Experience
- Government Schemes
- Partnerships

Advances Social and Relationship Capital, creating livelihoods and customer loyalty

Increases funding avenues for Financial Capital, lowering funding cost

Imbibes sustainable operations preserving Natural Capital

Reduces investment in physical branches bringing efficiency in Manufactured Capital

Improves Human Capital, via employee retention and performance

Bolsters Intellectual Capital, via domain expertise and brand recognition
<table>
<thead>
<tr>
<th>FY18</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Affirmative Green &amp; Impact Lending portfolio</strong></td>
<td>&lt;1% of loans</td>
</tr>
<tr>
<td><strong>GHG Emissions Intensity and E-footprint</strong></td>
<td>GHG: (Scope 1&amp;2): 5.2 MT CO₂/ Cr. Rev</td>
</tr>
<tr>
<td><strong>Participation in Green Indices</strong></td>
<td>Maintain A-Rank or higher in CDP</td>
</tr>
<tr>
<td>A-Rank in CDP (Carbon Disclosure Project)</td>
<td>Submit to DJSI with a score &gt;70</td>
</tr>
<tr>
<td><strong>Sustainable Procurement in Supply Chain</strong></td>
<td>80% of vendors have ESG policies in place</td>
</tr>
<tr>
<td>Some Vendors exhibit sustainability practices</td>
<td>Vendor sustainability assessments in place</td>
</tr>
</tbody>
</table>

## Social Targets

<table>
<thead>
<tr>
<th>FY18</th>
<th>FY21</th>
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<tbody>
<tr>
<td><strong>Livelihood/Inclusive Financing Portfolio</strong></td>
<td>45% of all loans</td>
</tr>
<tr>
<td>~40% of all loans</td>
<td></td>
</tr>
<tr>
<td><strong>Women Participation in Workforce</strong></td>
<td>Expand to 22%</td>
</tr>
<tr>
<td>19% in line with peer private sector banks</td>
<td></td>
</tr>
<tr>
<td><strong>Employee engagement to aid motivation &amp; productivity</strong> - Internal Initiatives</td>
<td><strong>Employee engagement with external benchmarking</strong></td>
</tr>
<tr>
<td><strong>Participation in Community and Outreach Activity:</strong></td>
<td><strong>In Addition:</strong> Bank wide volunteering of 10hr/staff &amp; E Learning (on Sustainability)**</td>
</tr>
<tr>
<td>Green Champions</td>
<td></td>
</tr>
</tbody>
</table>
## Governance Targets

<table>
<thead>
<tr>
<th>FY18</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Corporate Governance Score Rating</strong></td>
<td><strong>Corporate governance score in a Leadership Category</strong></td>
</tr>
<tr>
<td>Not participated</td>
<td></td>
</tr>
<tr>
<td><strong>ESMS Lending Filters</strong></td>
<td><strong>Expand ESMS to cover all Corporate loans with external assurance</strong></td>
</tr>
<tr>
<td>ESMS filters implemented</td>
<td></td>
</tr>
<tr>
<td><strong>ESG Disclosure and Integrated Reporting</strong></td>
<td><strong>Have external accredited agencies verify ESG / Integrated Reports &amp; disclosures</strong></td>
</tr>
<tr>
<td>Published but no external assurance</td>
<td></td>
</tr>
<tr>
<td><strong>Formulation and Compliance to ESG Policies and CDP Program</strong></td>
<td><strong>External Disclosure of ESG Policies</strong></td>
</tr>
<tr>
<td>- Internal Disclosures</td>
<td></td>
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