

IndusInd Bank

December 7, 2020

National Stock Exchange of India Ltd. (Symbol: INDUSINDBK)

BSE Ltd. (Scrip Code: 532187)

India International Exchange (Scrip Code: 1100027)

Madam / Dear Sir,

Subject: Disclosure under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations)

In Compliance to Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015, we enclose herewith the Presentation on "IndusInd Bank's approach toward ESG" made at Jefferies India ESG Summit held on December 7, 2020.

In compliance with the Regulation 46, the information is being hosted on the Bank's website at www.indusind.com.

Kindly take the above information on record.

Thanking you,

Yours faithfully,
For IndusInd Bank Limited



Haresh Gajwani
Company Secretary



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IndusInd Bank's approach to ESG

December 7th, 2020

Good Ecology is Good For Business

Good Ecology



GOVERNANCE

Framework to oversee implementation of sustainable strategies, practices and policies

RESPONSIBLE BANKING

Environmental & Social risk assessment incorporated in our lending practices

SUSTAINABLE FINANCE

ESG integration in our products

SUSTAINABLE OPERATIONS

Health, safety and environmental performance of our operations & Sustainable procurement practices in Supply Chain

HUMAN CAPITAL DEVELOPMENT

Emphasis on employee diversity, development and engagement

CORPORATE SOCIAL RESPONSIBILITY

Contributing to local communities and promoting the well-being of society and natural surrounds at large.

..... Is Good for Business

Revenues

- Livelihood Financing important business driver
- New Business Models in Rural India
- Affirmative Green and Clean Tech Financing
- Attract more B2B, B2C customers on digital platforms

Costs

- Lower Carbon Footprint e.g. Solar ATMs, Thin Servers
- Digital adoption (API, Cloud, ML, Robotics, etc.)
- Lower Funding Costs for Sustainable Finance
- Large % internal employee referrals & large digital L&D

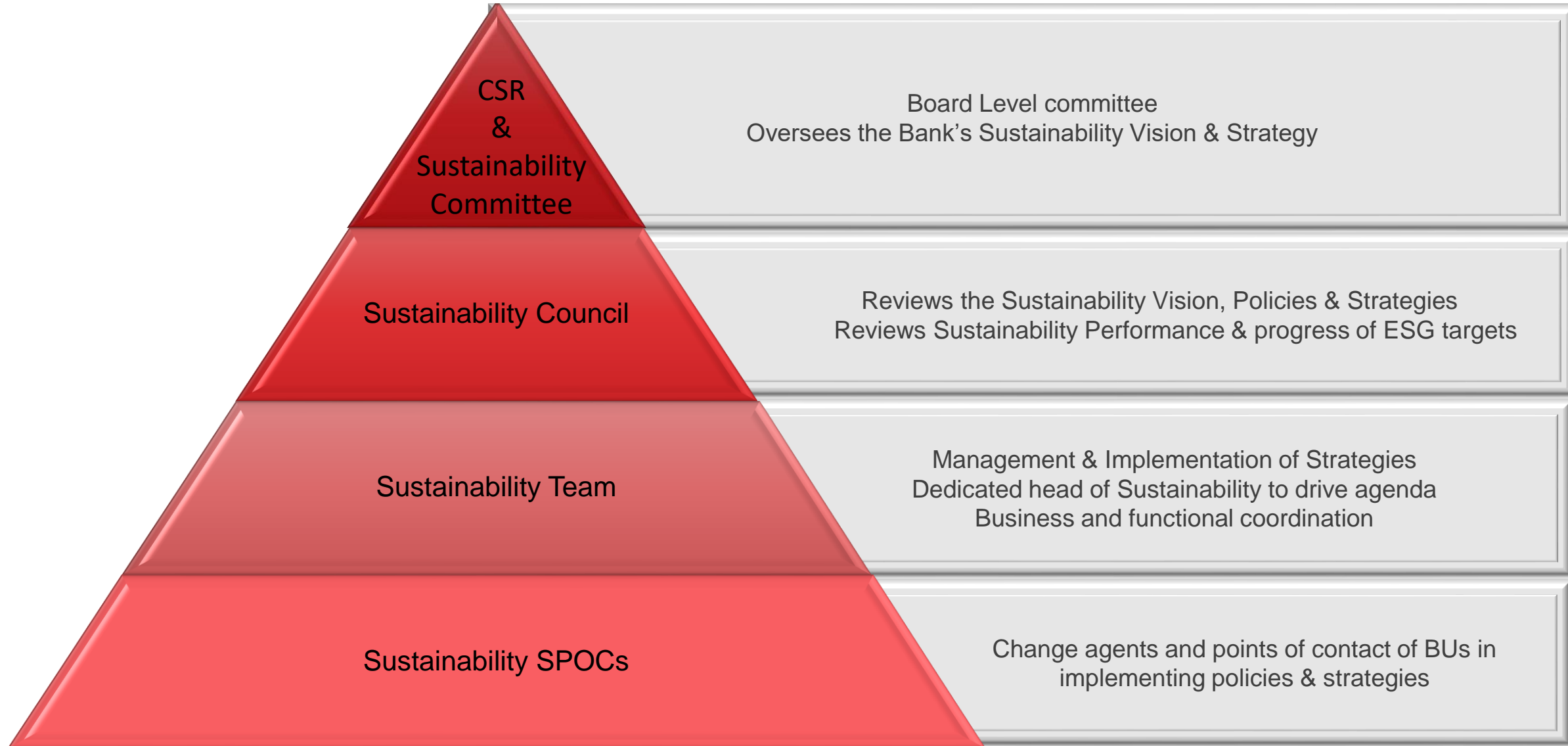
Productivity






- Employee Motivation via Engagement and Purpose
- Client Experience Journeys @ Mobile driving preferences
- Community engagement aids portfolio outcome
- Brand Building that supports franchise build-out

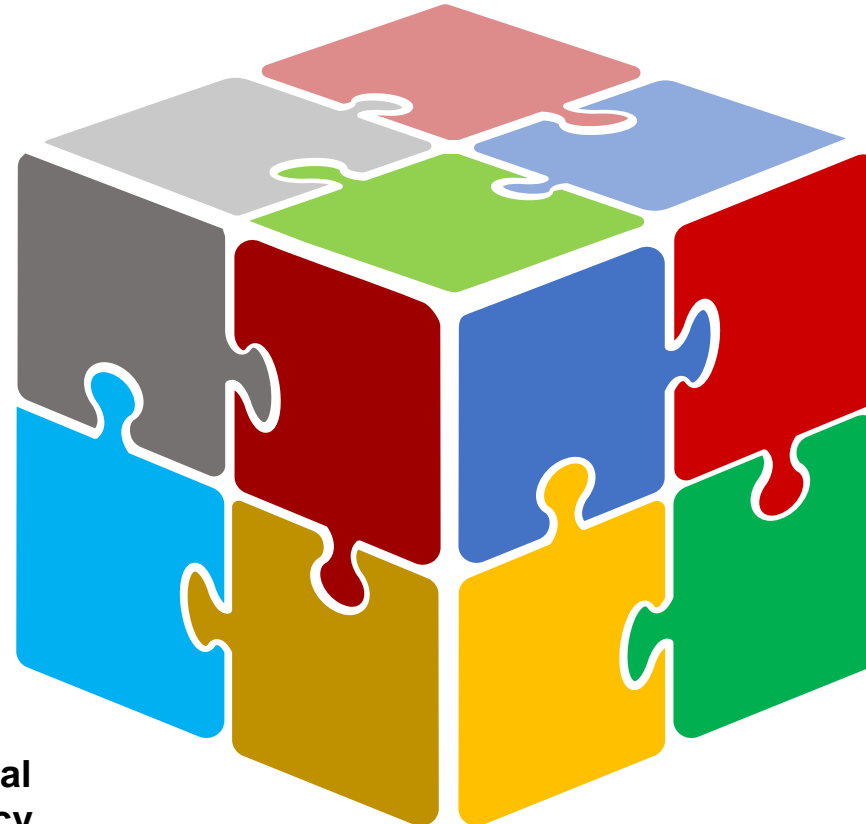
Investment






- Long Term Funding
- Greater Access to Capital
- Avoid environmental traps in lending
- Good Governance enables mandate for expanding business

ESG is a Strategic Choice



-  **Code of Conduct**
-  **Whistle Blower Policy**
-  **Anti-Corruption, Anti-Bribery Policy**
-  **Human Rights, Diversity & Inclusion Policy**
-  **Environment and Social Management System Policy**



- Workplace Health & Safety Policy** 
- CSR Policy** 
- Sustainable Procurement Policy** 
- Environment Policy** 
- Sustainability Policy** 

KPIs	2018	2021
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Environmental

Green and climate financing portfolio	<1% of loans	5% of loans through distinctive lending themes
GHG Emissions Intensity and Energy (E) Footprint	GHG: (Scope 1&2): 5.2 MTCO ₂ /Cr. Rev	GHG (Scope1&2): 15% reduction to 4.4 MTCO ₂ /Cr. Rev
Participation in Green Indices	A-Rank in CDP (Carbon Disclosure Project)	Maintain A-Rank or higher in CDP Submit to DJSI with a score >70
Sustainable procurement practices in the supply chain	Some vendors exhibit sustainability practices	80% of vendors have ESG policies in place Vendor sustainability assessments in place

Social

Women participation in workforce	19%	Expand to 22%
Social, Livelihood and Inclusive Financing Portfolio	~40% of all loans	45% of all loans
Employee engagement score to aid motivation and productivity	Internal initiatives	Employee engagement with external benchmarking
Participation in community and outreach activity	Green Champions Program	In Addition: Bank wide volunteering participation of 10hr/staff & E-Learning (on Sustainability)

Governance

ESG disclosure and Integrated Reporting	Published but no external assurance	Have external accredited agencies verify ESG / Integrated Reports & disclosures
Formulation and Compliance to ESG policies and CDP Programme	Internal Disclosure	External Disclosure of ESG Policies
Corporate Governance Score/ Rating	Not participated	Corporate governance score in a Leadership Category
ESMS Lending Filters	ESMS filters implemented	Expand ESMS to cover all Corporate loans with external assurance

Current Practices



Current Focus Areas



Way Ahead



- For the 5th consecutive year, the Bank retained its top position
- Securing Band A- in the CDP India Climate Change Rising Stars

Carbon
Disclosure
Project



- 10 Years of Sustainability Reporting
- Published First Externally Assured Integrated Report in 2018-19

Integrated
Report









- IBL's Percentile Ranking in DJSI improved by 16 points, jumping to 80 as compared to previous year.

Dow Jones
Sustainability
Index



Alignment with Sustainable Development Goals

	Business Initiatives	CSR Initiatives
	<ul style="list-style-type: none"> Livelihood financing Microfinance Rural Banking 	<ul style="list-style-type: none"> Enhancing access to education
	<ul style="list-style-type: none"> Livelihood financing 	<ul style="list-style-type: none"> Legal literacy, skilling and rehabilitation programme for women Midday Meal Programme
	<ul style="list-style-type: none"> Lending in healthcare 	<ul style="list-style-type: none"> Improving health care access: mini health clinics, sanitation and support for cancer - affected children
	<ul style="list-style-type: none"> Lending in education 	<ul style="list-style-type: none"> Legal literacy, skilling and rehabilitation programme for women Midday Meal Programme Promoting digital literacy
	<ul style="list-style-type: none"> Equal opportunity employer Microfinance Rural banking 	<ul style="list-style-type: none"> Enhancing access to education IndusInd for sports Legal literacy, skilling and rehabilitation programs for women
	<ul style="list-style-type: none"> Lending in infrastructure & housing 	<ul style="list-style-type: none"> Water stewardship

	Business Initiatives	CSR Initiatives
	<ul style="list-style-type: none"> Solar ATMs Renewable energy financing 	<ul style="list-style-type: none"> Schools on rooftop solar Solar street lights
	<ul style="list-style-type: none"> Digitization Financial inclusion Rural banking 	<ul style="list-style-type: none"> Stree Swabhimaan' initiative
	<ul style="list-style-type: none"> Financial inclusion Lending in infrastructure Microfinance Rural banking 	<ul style="list-style-type: none"> Enhancing access to education IndusInd for Sports
	<ul style="list-style-type: none"> Microfinance Promoting digital literacy Rural banking 	<ul style="list-style-type: none"> Enhancing access to education IndusInd for Sports
	<ul style="list-style-type: none"> Lending in affordable housing 	<ul style="list-style-type: none"> Areas of special interest: preserving heritage, arts and culture Urban afforestation
	<ul style="list-style-type: none"> Livelihood financing Microfinance Rural banking 	<ul style="list-style-type: none"> Solid waste management

Examples of ESG @ Work

1. Sustainable Finance portfolio



Verification by

Portfolio Review Methodology

Inclusion & Exclusion Criteria for each Sustainable Finance Sector

Establishing strategy to achieve targets

Monitoring progress and review of portfolio

Verification by a Third Party

Green & Climate Finance:

Sectors: Clean Energy, Energy Efficiency, Green Building, Renewable Energy WaSH

- **FY 18** : 1.72% of Advances
- **FY 19** : 2.25% of Advances
- **FY 20*** : 2.80% of Advances

* Third Party Verification WIP

Social, Livelihood & Inclusive Finance:

Sectors: Affordable Housing, Agriculture, Education, Healthcare, Impact NBFC, Inclusive Finance, Social Infrastructure

- **FY 18** : 33.81% of Advances
- **FY 19** : 38.67% of Advances
- **FY 20 ***: 37.80% of Advances

Our funding partners in Sustainable Finance

- Multilateral Agencies
- Domestic developmental financial institutions

2. ESMS Policy

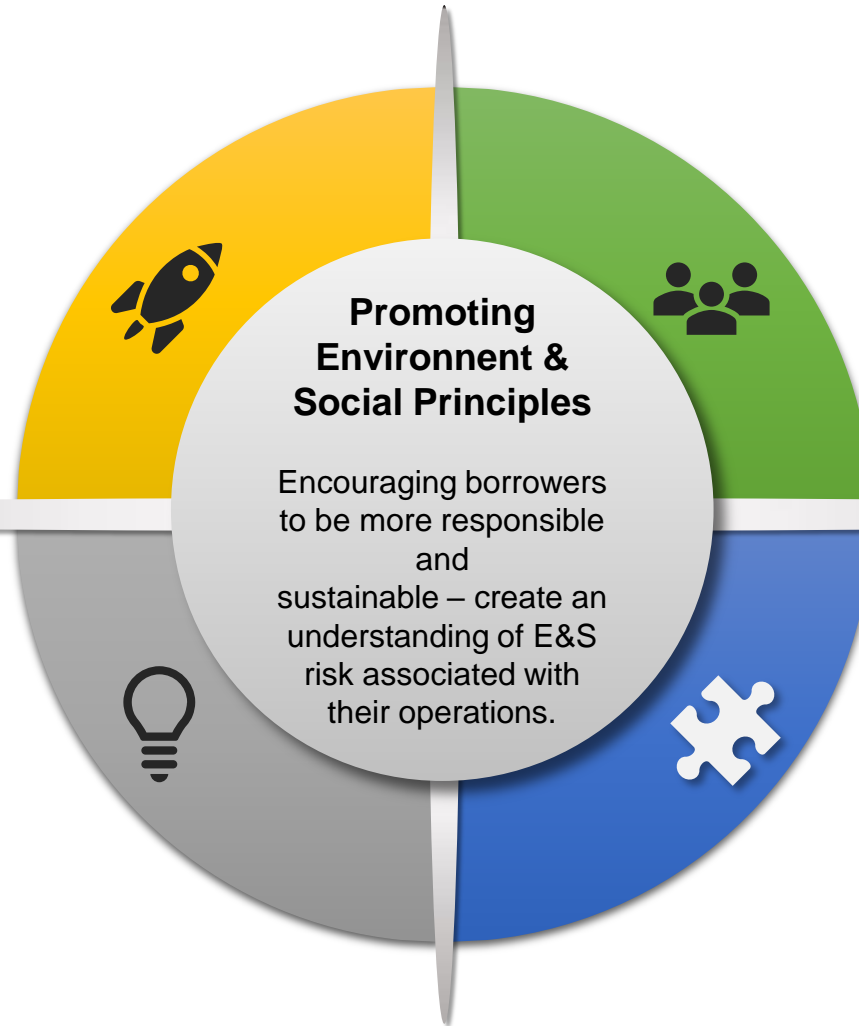
The primary objective of IndusInd's Environment and Social Management System (ESMS) is to mainstream environmental and social considerations into business activities, to safe guard our investments from credit and reputational risk.

Managing the Impact of our Investments

Understanding the Environment & Social risks present in our lending portfolio
Screening proposals against Exclusion list
Identifying proposals from the High Negative Impact Industries

Align with external stakeholders

(Investors, Multilateral Agency lenders' requirements)



Promoting Environment & Social Principles

Encouraging borrowers to be more responsible and sustainable – create an understanding of E&S risk associated with their operations.

Building internal capabilities to assess and mitigate Environment & Social (E&S) risks

Promote Sustainable Banking by adopting some internationally recognized (multilateral) lending standards

Building Capabilities

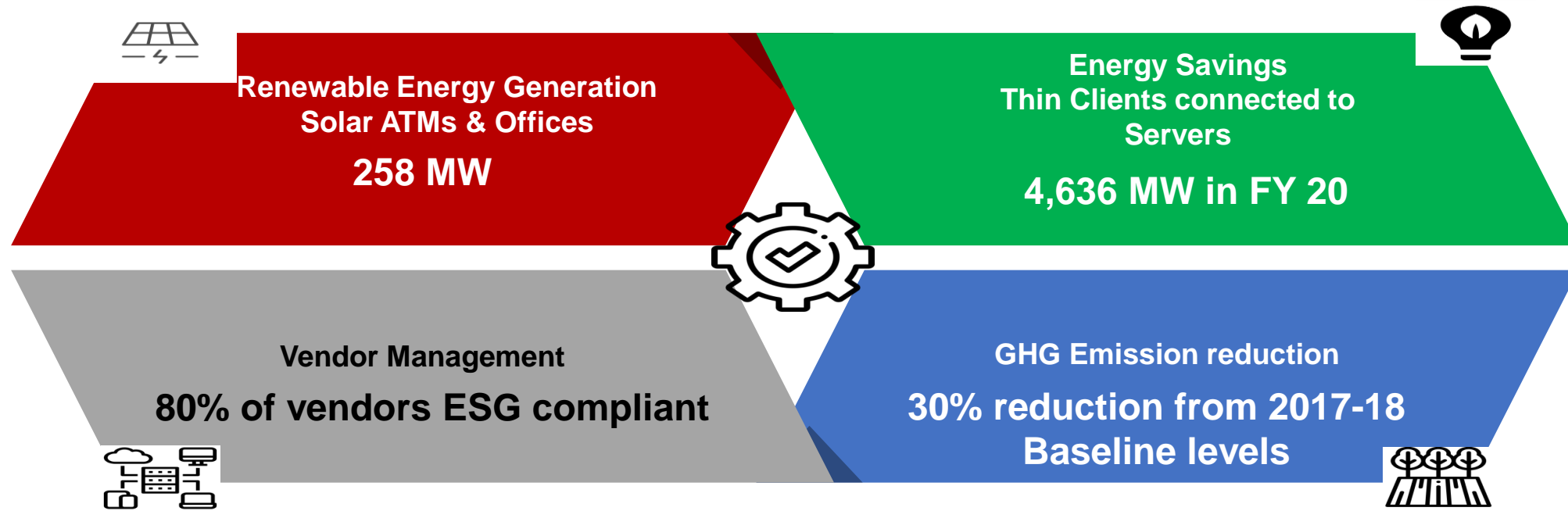
Practicing Sustainability

3. Sustainability in Operations

Implementation of ISO 14001 (Environment) & 45001 (Health & Safety) Standards

Phase	Locations	Timeline
Phase-I	8 office locations in Mumbai	FY 2020-21
Phase-II	37 office locations in all other cities	FY 2021-22
Phase-III	All branches PAN India	FY 2022 to 24

Phase I – work initiated



Green Champions Program

Launch of Green Champions Programme

- IndusInd Bank launched its Green Champions Program as part of its Hum aur Hariyali Campaign in 2009.
- At the beginning of 2012, the Bank began the process of officially launching the Green Champions Program on a **national scale**

Green Commandos

- Green Champions receive intensive training and support through an annual training meet. Green Champions are joined by their juniors - the Green Commandos.

Urban Afforestation Programme

- Green Champions organized volunteers to take part in plantations across Mumbai, Delhi, Bangalore, Nagpur, Ahmedabad, Aurangabad, Kolkata, Hyderabad and Gurugram.
- More than **1930 trees** were planted by more than **300 individuals**.

Sustainability marathon

- The Sustainability Marathon activities were conducted by **99 Green Champions** with a total participation of **5813 individuals** including other employees, clocking **7292 volunteer hours**.

Excellence in Sports

The Bank's sports initiatives have been conferred '**Honourable Mention**' by **Ministry of Corporate Affairs** under their '**Contribution to the National Priority Areas - Promotion of Sports**'.

IndusInd Para Champions Programme

- Develop & groom para athletes who become role models and promote sports among the differently-abled and society
- 12 of **45 athletes** in the program were confirmed for Paralympics 2020 (postponed)
- **116 medals** won in several national & international competitions



IndusInd Blind Cricket Programme

- Support the Indian Blind Cricket Team with Cricket Association for the Blind in India
- **400 Cricketers** under the program Won two bilateral series against Nepal & West Indies
- IndusInd Nagesh trophy is played every year in 12 states



IndusInd Girl Power Programme

- **60 girl athletes** across India groomed into National and International champions in the disciplines of Boxing, Judo & Wrestling at IIS (Inspire Institute of Sports)
- More than **100 medals** won this year



Rural budding talent

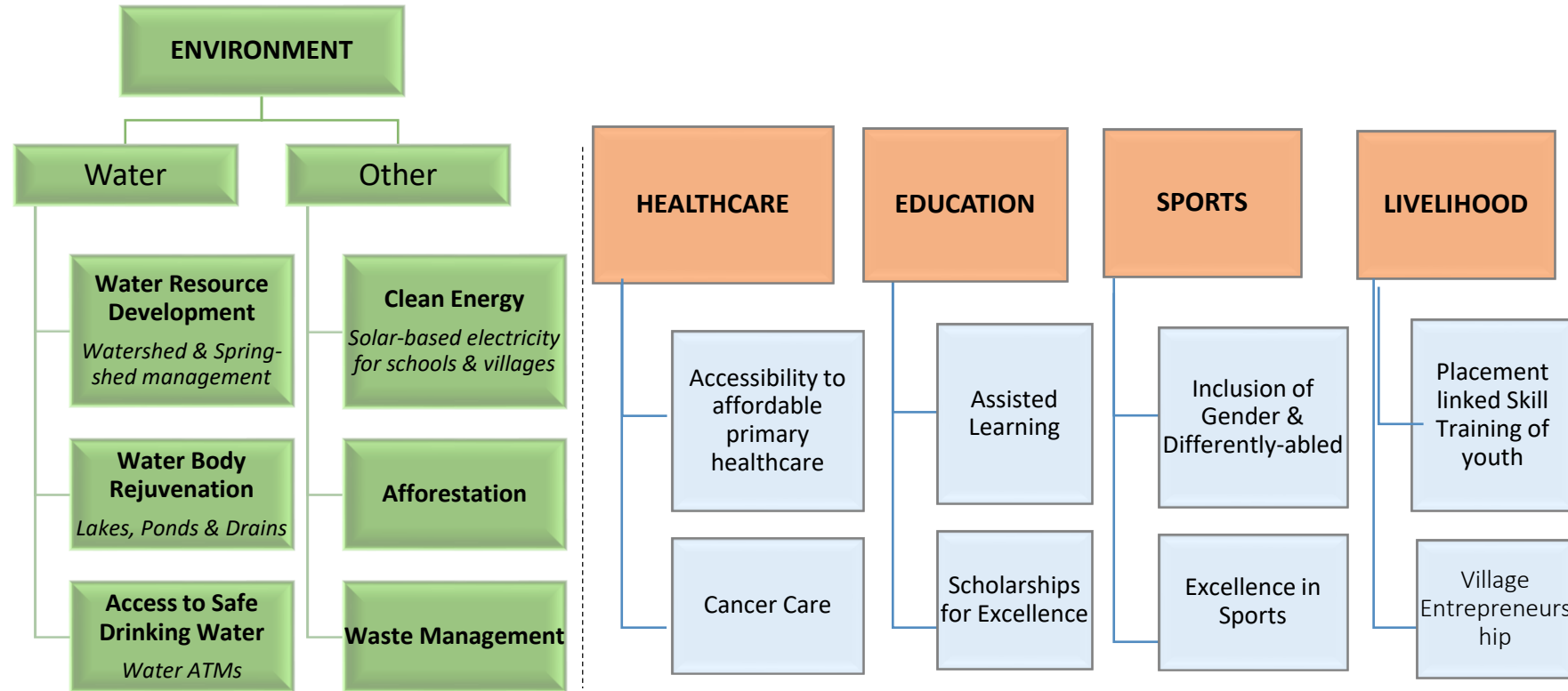
- **55 rural athletes** from a deprived & drought prone area of Mann, Satara are coached for excellence
- 5 athletes won medals at Khelo India
- 3 were part of U19 Maharashtra Hockey team, won bronze
- Wrestler Kajal Jadhav, daughter of a small farmer has bagged 8 medals



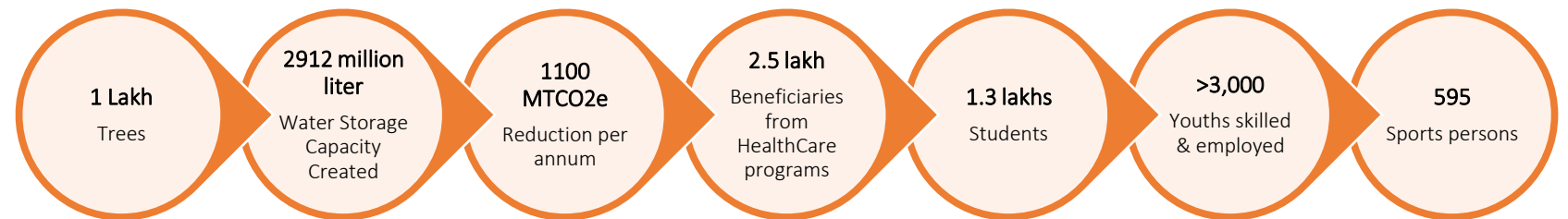
5. Corporate Social Responsibility

CSR Mission

To create value for all our stakeholders and emerge as a 'Best-in-Class' Bank that is committed to sustainable economic growth. To ensure that the Bank's business grows consistently and responsibly, benefitting those we directly serve while also promoting the well-being of our employees, our natural environment and the community at large.



Journey so far



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