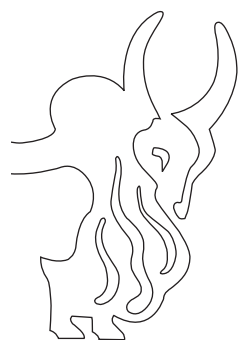


**GROWING
TOWARDS A
SUSTAINABLE
FUTURE...**



SUSTAINABILITY REPORT
2013-2014



By printing this report on Cocoon Silk recycled paper, the environmental impact was reduced by 34 kg of landfill waste, 5 kg of CO₂, 947 Litres of water, 87 kWh of energy and 56 kg of wood.

In an earnest attempt to conserve nature and promote environmental sustainability, IndusInd Bank has printed this report on 100% recycled paper. This is certified by





MD'S MESSAGE

Dear Stakeholders,

With our fourth Sustainability Report we look forward to sharing with you our experiences and our journey from FY 2013-14. As the global business leaders of today seek to carry out their operations responsibly and respond to customer's demands for sustainable products and services, a new philosophy is driving businesses.

At IndusInd Bank, we are committed to running our business in a way that generates value for our customers, clients, shareholders and employees. At the same time, we recognise that our sphere of activity and influence extends beyond the boundaries of the financial system and that as a national bank we are also closely interconnected with the economy, society and the environment.

We have strived to assume our social responsibilities and ascertain the importance of our impact on the environment in relation to conservation and climate change. Our commitments in these areas have taken various forms and have included the implementation of solar rooftops, the provision of financial support for charitable institutions like SUPPORT and our collaboration with selected partner organisations to foster a successful model of employee engagement in the sphere of environmental sustainability. In recognition of our actions, we have been conferred with the ABP News Global CSR Excellence and Leadership awards in the category of 'Best Use of CSR Practices in Banking & Finance'.

We will also continue to be irreproachable in integrating sustainability into our operational ethos. As a financial company, our focus has been on cultivating the skills and knowledge required to meet the challenges of sustainable development. Therefore attracting and retaining a diverse and innovative workforce that is empowered to integrate social, economic and environmental issues in the way they do business has been a conscious decision. In short, we are focused on putting our sustainability commitments into practice.

Looking ahead we plan to introduce a new sustainability roadmap, which will build on the foundations of past programs and become an important framework for achieving a sustainable future. We recognise the clear competitive advantage conferred by a sustainable approach to Banking, especially in the light of recent regulations – such as, the new Companies Act, 2013.

In these pages, you will read about IndusInd Bank's commitment to become a more sustainable business, our challenges, successes and progress on environmental and social goals. I look forward to hearing from you about our CSR programs and welcome your feedback on any of the topics discussed in this report.

Sincerely,

Romesh Sobti
Managing Director & CEO

INTRODUCTION

IndusInd Bank at a glance

Profiling the Company

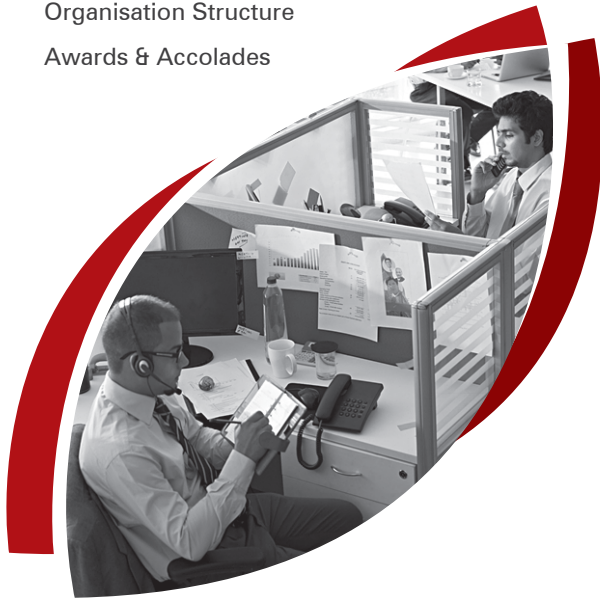
Location Description and Markets Served

Key Business Highlights 2013-14

Addressing Stakeholder Needs

Organisation Structure

Awards & Accolades



9

9

9

10

11

10

12

Transparency in Communication

Report Profile

Governance & Accountability

Materiality

Maintaining Compliance and Vigilance

Features of Compliance Function

Features of Vigilance Function

13

14

15

15

16

16

17

PROFIT

Creating Economic Value

Disclosing Financial Performance

Revolutionising the Customer Experience

Super Saver Packs

Online Account Opening & My Account My Number

Our New Look On-line



20

20

21

21

21

21

Marketing with a Mission

Fostering Sustainable Solutions

Sustainable Farming

Sanitation & Bio-Gas

Solar Energy

Financial Inclusion

A Collaborative & Multi-Pronged Approach

Branch Penetration into Rural Areas

Microfinance Partnerships

Financial Inclusion: Supporting Employees

Consumer Finance

Financial Literacy

22

22

22

22

22

23

23

23

23

26

26

27

Influencing Public and Regulatory Policy Responsibly

27

PEOPLE

Respecting & Promoting Human Rights 30

Valuing Our People 30

Workforce Demographics 30

Talent Acquisition and Retention 32

Diversity & Inclusion 33

Employee Benefits 35



Employee Welfare & Development 35

Staff Accountability & Conduct 35

- Communicating the Employee Code of Conduct 35

- Zero Tolerance for Sexual Harassment 35

- Grievance Redressal Channels 35

Building Safe & Conducive Environments 36

Employee Training & Education 37

At the Forefront of Employee Engagement 38

- Employee Engagement Highlights 38

Serving the Community 39

Aiding the Victims of the Uttarakhand Disaster 39

Employee Payroll Contributions 39

Promoting the Arts 40

Investing in People with Disabilities 40

PLANET

Respecting, Protecting, and Restoring the Environment & Society 44

Utilising Resources Sustainably 44

Paper 44

Devices 44

E-statements 45

Managing Waste Judiciously 46

Refurbishing Toners & Cartridges 46

Recycling Waste Paper - WOW 47

Managing E-waste 47



Adopting Cleaner Technologies 48

Desktop Management 48

Energy Efficient Signages 48

Power Saving Devices 48

Server Virtualisation 48

Unified Communications - Microsoft Lync 49

Our Solar Rooftop 50

Solar-Windmill Hybrid 50

Greening our Assets 51

Developing a Green Management Framework 52

CSR Governance 52

Employee Engagement 52

Reporting of Environmental Performance 56

INTRODUCTION

IndusInd Bank stands tall today as one of the reputed banking brands in the country. The Bank has combined responsiveness with innovation to launch a wide range of banking products and services which are unique, convenient and relevant to the Indian customer. As a provider of financial services, we also have the responsibility to understand and manage the wider environmental, social and ethical risks associated with the sectors we support. Climate change, for instance, is significantly affecting the business world and its impact is likely to grow as highlighted in IPCC's 5th Assessment Report, 2013. There is little doubt that the climate change issue has fundamentally reshaped markets around the world. While the effects of climate change are increasingly a risk to the health, economy and environment of the country, economists are also recognising that there are financial rewards from controlling climate change and developing a low carbon economy. We acknowledge that these risks directly or indirectly affect our business both physically and financially and adapting to the situation is imperative. The policy landscape is also becoming more complex and interconnected with other market forces hence, our corporate sustainability strategies will continue to integrate with the changing market.



WE

put our

VALUES

into practice

everyday

as we

continuously

WORK

to integrate

CSR

into our

daily operations

FOCUSING

where we can have the

**GREATEST
IMPACT**

Corporate Social Responsibility Focus Areas

OPERATIONS ACCOUNTABILITY



We meticulously review our business practices and policies, including risk and compliance frameworks, to ensure that we meet our responsibility towards employees, customers, clients and shareholders.

STRONG ECONOMIES



By partnering with large and small organisations through lending, investing and by expanding our network of rural branches, we help fuel economic growth. In addition, we focus our charitable giving on addressing critical needs such as livelihoods and education.

ENVIRONMENTAL SUSTAINABILITY



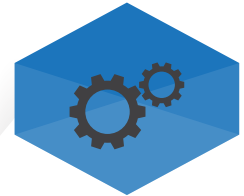
We are working to finance the transition to a lower-carbon future-managing our own efforts and helping customers and communities navigate towards an economy built on more sustainable business practices.

LEADERSHIP & SERVICE



We have a long-standing commitment to the leadership development of individuals and organisations that advance economies and society. Our employees play a critical role in contributing to communities through volunteer services.

DIVERSITY & INCLUSION



We value our differences in thought, style, culture, ethnicity and experience. We understand that diversity and inclusion are good for business and allow our Bank to serve our employees, customers, clients and shareholders better.

At IndusInd Bank, we believe that businesses in the private sector are responsible for innovating and investing in new technologies and systems that will form the foundation of this new economy. We are planning our strategies to foster a positive change, not only through our products and services but also via our capital, talent and influence on policy. We have moved beyond the compliance and reputational approach to take a much more strategic view and to see these issues as being essential to our long-term risk management efforts. We are working to ensure that this ethos runs through the Bank - from boardroom to branch.

One of the key assets we bring to the search for solutions is our scale: it gives us the capability to connect capital, ideas and people across the country. It enables us to help businesses access and navigate markets, bring together funds of sufficient magnitude to address significant societal needs and develop the expertise and broad perspective to be a trusted advisor to our clients. Our solutions at the national scale are equally important as are our deep connections at the local level. Our 602 branches, long-standing community development, public finance and philanthropic programs for communities, enable us to play a hands-on-role in addressing these social challenges.

IndusInd Bank at a Glance

Profiling the Company

As regulatory and legislative imperatives expand, IndusInd Bank strives to be a step ahead in time. We drive our business through evolving challenges, keeping the end goals of environmental sustainability, social inclusion and operational accountability in mind. This year has special significance as the Bank completes 20 years of its operations in the banking industry. Having started our operations with a capital amount of ₹ 100 crores, today our net worth stands at ₹ 8,646 crores and we cater to about 50 lakh customers across the country. We enjoy clearing bank status for both major stock exchanges BSE & NSE and 3 major commodity exchanges in the country MCX, NCDEX, and NMCE.

Location Description and Markets Served

The Bank has spread across 404 geographic locations in 31 States and Union Territories of the country with representative offices in London and Dubai. We are headquartered at One IndiaBulls Centre, Mumbai. Our expanding network of branches and ATMs has reached a sizable number of 602 and 1110 respectively. The Bank offers a range of services which include innovative products and service propositions, sustained promotional campaigns and the enablement of customers with alternate channels like ATMs and Internet Banking. Additionally, we have reached out to 11 lakhs households from the 'Base of the Pyramid' segment through both direct and indirect channels.



Key Business Highlights



2013-14

Net Worth moved to

₹ 8,646 CR

Net Profit
up by



33%

to

₹ 1,408.02 CR

Net Interest
Income
up by



29%

to

₹ 2,890.71 CR

Core Fee
Income
up by

30%

to **₹ 1,609.72 CR**

Capital
Adequacy
Ratio
(CAR)

at

13.83%

Capital
Adequacy
Ratio
(Tier I)

at

12.71%

Return
on Assets
(ROA) at

1.81 %

as
against

1.63%

Net NPA at

0.33%

as on

March
31
2014

as compared with

0.31%

the previous year

Provisioning
Coverage
Ratio
against
NPAs at



70.35%

as against
70.13%

Earnings Per Share (Basic)
increased to

₹ 26.85

from ₹ 21.83

Dividend declared of

35% as against

30%
the previous
year

Addressing Stakeholder Needs

The Bank has ensured that the needs of the various stakeholders are identified, internalised and updated from time to time. This helps us in managing our business and planning our future roadmap, while ensuring transparency all through. In the long term we wish to add value to all our stakeholders. The Bank's identified stakeholders are Customers, Shareholders, Employees, Government & Regulatory Bodies, Suppliers, Society and NGOs.

Customers

Our variable array of products and services, and transparency in our responsibilities, risks and other conditions ensures a satisfied customer base.

Shareholders

Our shareholders share our vision of the Bank and we ensure that our governance and management provide for a healthy financial basis and a good return, aimed at the continuity of the company.

Employees

Our employees are our strength and we ensure good and safe working conditions with a competitive working environment, possibilities for personal development, use of everyone's capacities and equal opportunities through their career graph.

Government

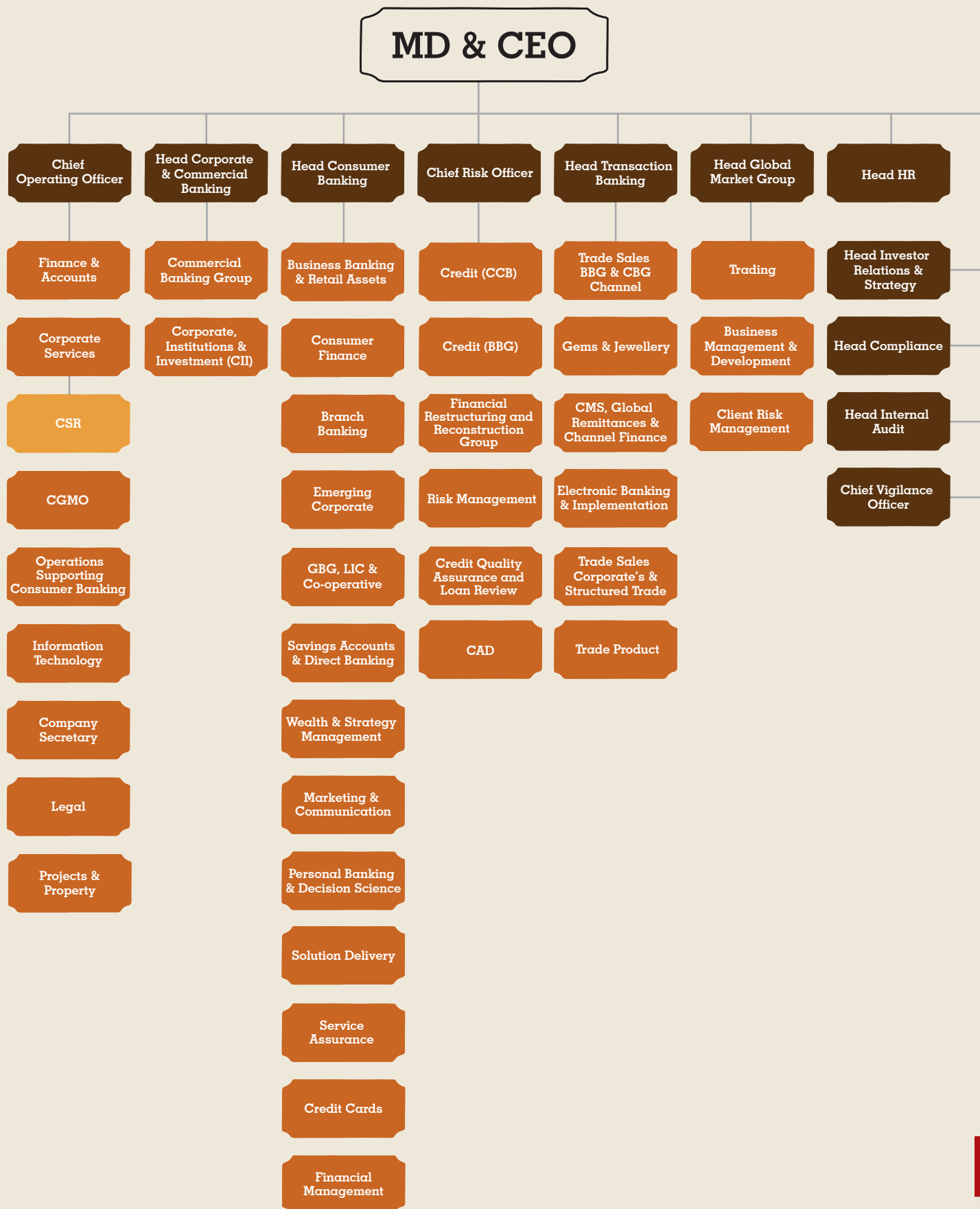
We aim to abide by and contribute to engraining sustainability in our business operations based on the regulations provided by the Government. We appreciate the Government's efforts in the direction of sustainability.

Partnerships

(includes subject - experts, establishments and civil society groups)

We believe that vibrant economies are the backbone of strong communities. We are grateful to all the partners that have helped us achieve solutions for social issues through products and services with added value. Good citizenship and adopting a responsible approach within the footprint of our organisation and our projects is our way to ensure mutually beneficial partnerships.

Organisation Structure



Awards & Accolades

This year IndusInd Bank has received recognition from IBA for 'Best Use of Technology in Training and E-Learning' amongst private sector banks and the Top Green IT Enterprise Award 2013 for "promotion of sustainable infrastructure through the organisation". The Bank has also received several other rewards recognising its efforts in the Banking Sector.



- ★ 'Best Use of CSR Practices in Banking & Finance' at ABP News Global CSR Excellence & Leadership Awards 2013
- ★ 'Banking Frontier - Finnoviti Awards 2013' for My Account My Number
- ★ 'Best use of Technology in Training and E-Learning' (1st Runners-up) at IBA Banking Technology Awards 2012-13
- ★ 'Financial Inclusion Payment Systems Award 2013' organised by Elets Technomedia
- ★ 'Best Initiative of the Year - TACK India' at the Global World Congress held at Athens for Indus Pro
- ★ 'Best Private Sector Bank - Priority Sector Lending' at Dun & Bradstreet - Polaris Financial Technology Banking Awards 2013
- ★ 'Fastest Growing Mid-Size Bank' by Businessworld-PwC Best Banks Survey 2013
- ★ 'Banker of the Year' was awarded to Mr. Romesh Sobti at Businessworld-PwC Best Bank Survey 2013
- ★ 'Roll of Honour - India's Best CEOs' by Business Today-KPMG India Listing of India's top 100 CEOs
- ★ 'Best Bankers Awards 2013 - Best Banker -Growth, Mid-Sized' by The Sunday Standard
- ★ 'Best Bank Award' - Customer Management and Business Intelligence Initiatives among Small Banks 2012-13 by IDRBT
- ★ 'Mixed Media Category' for My Account My Number, awarded by Paul Writers, at the Marketing Hall of Fame 2014
- ★ '5th Retail Banker International Asia Trailblazer Summit' - Excellence in Customer Centricity & Dynamic Third Party Partnerships, for Super Saver Packs
- ★ CISO - Awarded one of the Top 100 Chief Information Security Officer awards 2014

Transparency in Communication

IndusInd Bank has always strived to be transparent and forthcoming with its performance. We take pride in showcasing our commitment towards sustainable development to our investors, shareholders and customers as well as the society at large. The programs and initiatives featured in this report are a few of the small steps we have taken in the direction of a larger sustainability agenda.



“ It is indeed a travesty of our times that sustainability efforts have been introduced as a compliance item. We need to recognise that each of us whether individual or corporate has a role to play in ensuring the continuing health of our home. We need to measure our impact and manage corrective action. We need transparency around the impact we have on our environment and what we are doing to mitigate the same. This will come when we capture, measure, report and ensure transparency of intent and action. ”

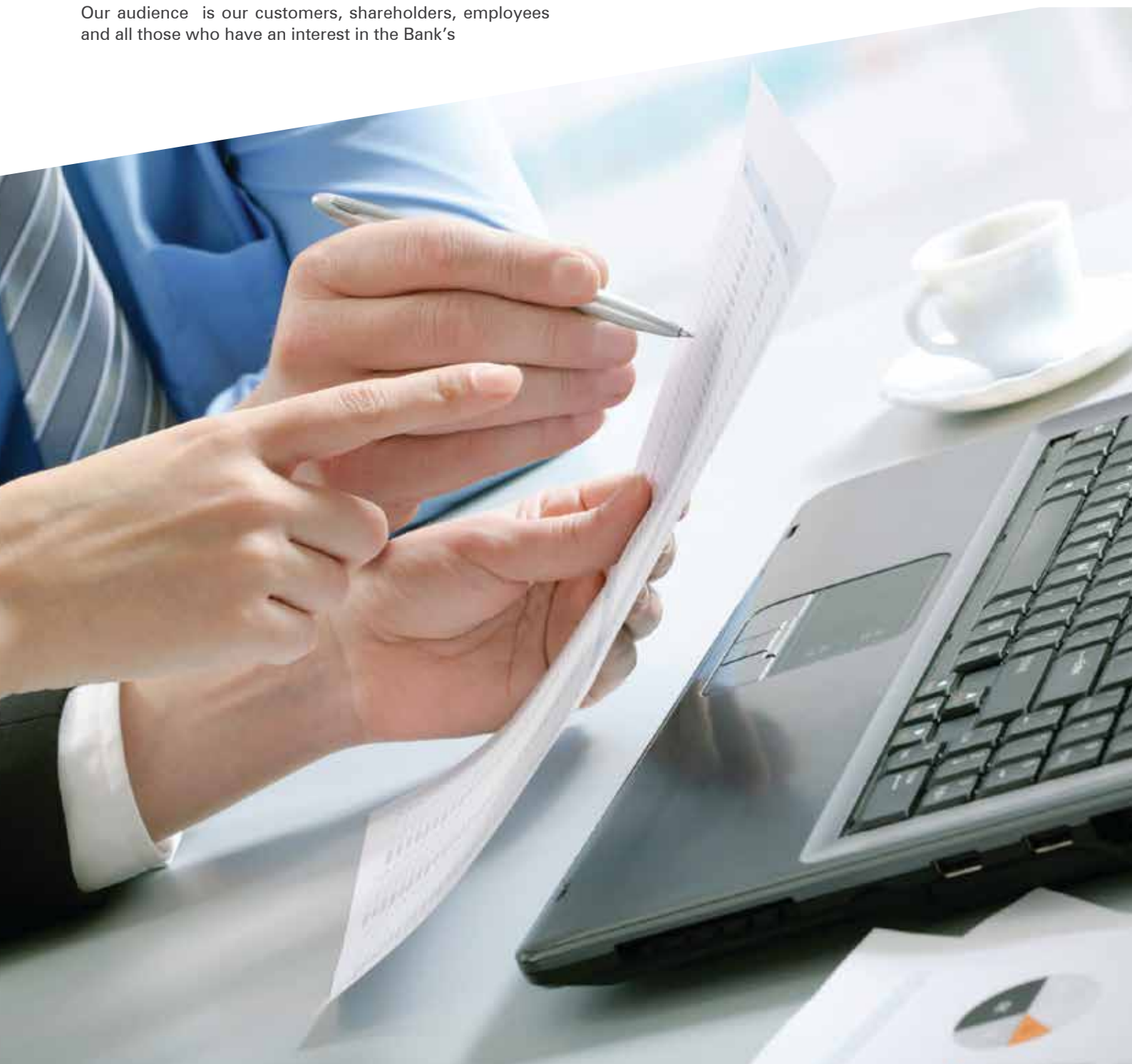
Paul Abraham
Chief Operating Officer

Report Profile

This report together with the information available online, summarises our FY 2013-14 sustainability and corporate social responsibility (CSR) performance. For us, sustainability is about the “triple bottom line” - long-term social equity, economic prosperity and environmental performance. CSR is about maintaining the necessary controls to minimise risks, while creating positive business impacts for our stakeholders and our brand, by linking our products, services and solutions to an overall business goal of sustainable growth. A sustainable, responsible approach results in value creation for the company, our employees, our customers, our shareholders and the society as a whole. Unless otherwise stated, all information and data pertains to activities undertaken from April 1, 2013 to March 31, 2014. IndusInd Bank’s Annual Report 2013-14 provides information on the structure, nature of ownership and legal form, subsidiaries, as well as changes regarding size, structure, financial performance and ownership during FY 2013-14.

Our audience is our customers, shareholders, employees and all those who have an interest in the Bank’s

sustainability initiatives. The scope and boundary of our report covers the entire India operations of the Bank. The content of the report has been researched and developed by the CSR Department in partnership with the Centre for Environmental Research and Education (CERE), Mumbai. The data presented in the report is based on information present in public records, data provided by the Bank’s various verticals and informal monitoring and reporting procedures. This Sustainability Report is published as a PDF and can also be accessed at <http://www.indusind.com/content/csr-home.html>. IndusInd Bank’s Annual Report 2013-14 and other financial information can be found at <http://www.indusind.com/content/home/investor/reports-and-presentation/annual-reports.html>. To help us improve reporting and ensure transparency, we welcome your feedback and questions on our report and performance. Please contact us at: csrsupport@indusind.com.





Governance & Accountability

Our values, based on transparency, integrity, professionalism and accountability, define the structure of governance that guides our business and our sustainability roadmap. In our dealings, we try to ensure that the information available for our stakeholders is as detailed and clear in showcasing our business intentions. We have a responsibility both to our shareholders and to communities where our business has to be transparent in all our transactions. Our code of conduct requires that we do not engage in bribery or corruption in any form. The Bank continues to achieve the best prevalent Corporate Governance practices. We have a dedicated group of Board Members who are actively involved not only in the Bank's growth but also its outreach to society. We are encouraged by them to engrain sustainability in all our strategies and ensure its acceptance in the organisation at all levels.

Board of Directors

Name	Nature of Directorship	Occupation
Mr. R. Seshasayee	Part-time, Non-executive Chairman	Non-executive Vice Chairman, Ashok Leyland Ltd.
Mr. Ajay Hinduja	Non-executive	Industrialist. Director, IndusInd International Holdings Ltd., Mauritius, a promoter company
Mr. S. C. Tripathi	Independent Non-executive	I.A.S. (Retd.), Advocate
Mr. Ashok Kini	Independent Non-executive	Managing Director (Retd.), State Bank of India
Mrs. Kanchan Chitale	Independent Non-executive	Practising Chartered Accountant
Mr. Vijay Vaid	Independent Non-executive	Industrialist
Mr. T. Anantha Narayanan	Independent Non-executive	Retired Executive Director (Finance), Ashok Leyland Ltd.
Mr. Romesh Sobti	Whole-time Director	Managing Director & CEO
Mr. Y. M. Kale	Alternate Director to Mr. Ajay Hinduja	Service

Corporate Social Responsibility (CSR) Committee

Members: Mr. Ashok Kini (Chairman), Mrs. Kanchan Chitale, Mr. Vijay Vaid & Mr. Romesh Sobti.

The Committee's role is to ensure that the Bank spends in every financial year at least 2% of its average Net Profits made during three immediately preceding financial years in pursuance of its CSR Policy.

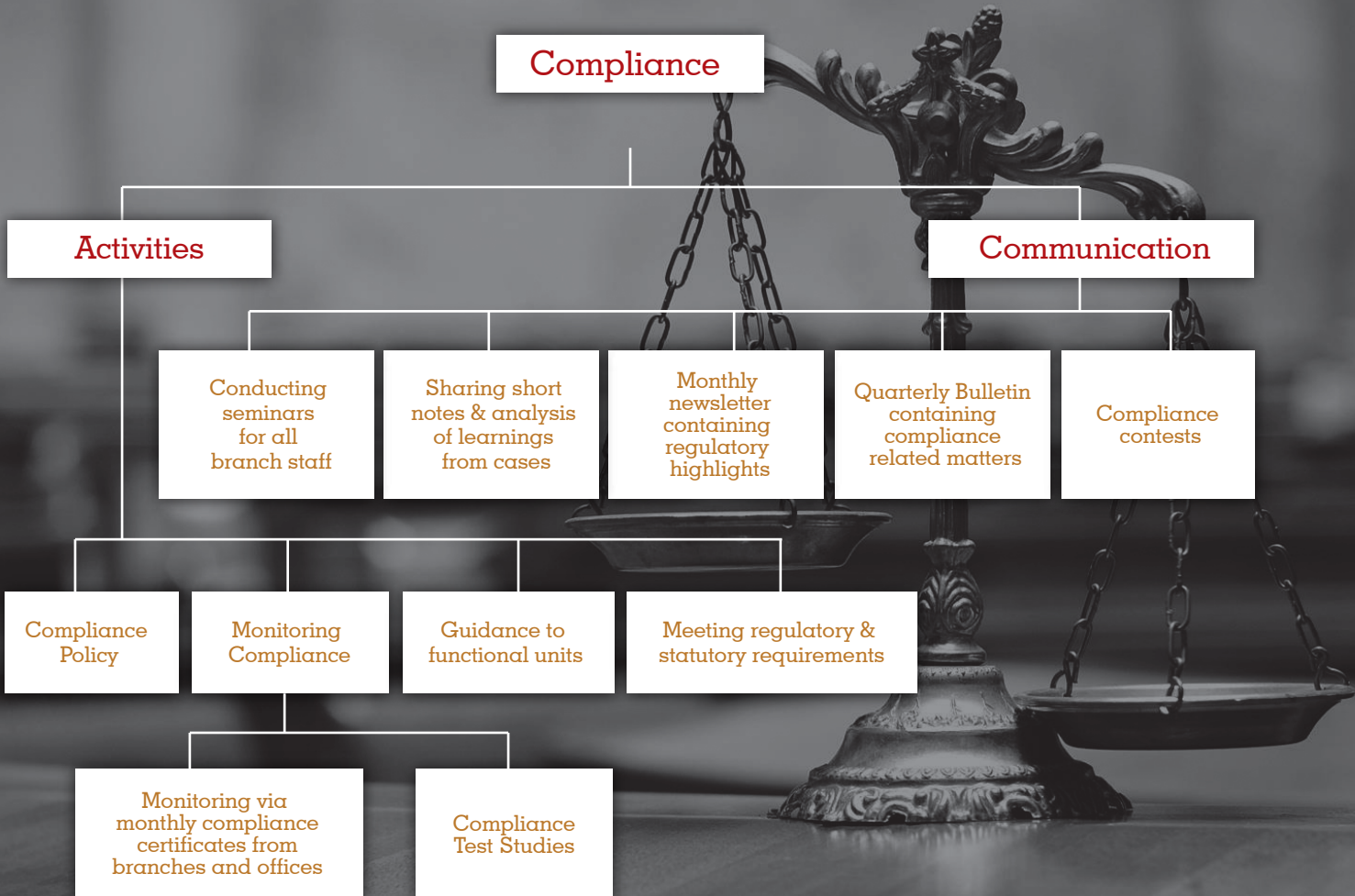
Materiality

According to the Global Reporting Initiative (GRI), material issues include: "Those topics that have a direct or indirect impact on an organisation's ability to create, preserve or erode economic, environmental and social value for itself, its stakeholders and society at large". We have ascertained ours through both informal and formal processes in the preceding years and built on the issues to give direction to our CSR agenda and to decide where to focus our internal resources. A materiality analysis done in the FY 2010-11 and an Employee Survey designed by CERE in 2012 suggested that a high level of importance be given to nature and conservation, followed by education of under-privileged children and climate change & sustainable development. Furthermore, our materiality analysis has been strengthened by the senior management's feedback on their understanding of the business and sustainable development.

Maintaining Compliance & Vigilance

Features of Compliance Function

The Bank has set in place various internal control systems that are in accordance with regulations which ensure that the Bank's units adhere to compliance requirements and internal guidelines. The improved internal controls and adherence through separate and independent compliance functions that have been set up along with instituting the vigilance function have significantly improved operational performance. For this year's compliance performance, a marked reduction is observed in terms of compliance deviation.



Fines paid for non-compliance by IndusInd Bank for FY 2013-14**	₹ 5 Lakhs
Actions initiated against IndusInd Bank for non-compliance by regulatory bodies for FY 2013-14	None
Any products offered as part of IndusInd Bank's portfolio banned in any markets or have any been subjected to questions by stakeholder/ public	None

**In the FY 2013-14, the Bank was penalised ₹ 5 lakhs (for FY 2011-12) by IRDA in June 2013 for having received as a Corporate Agent certain payments from the M/s Aviva Life Insurance Co. Ltd. towards infrastructure facilities, advertisements, etc. apart from the permissible commission amounts.



Several steps have been taken to create awareness and disseminate knowledge on the compliance framework and the consequences of non-compliance. The various initiatives taken during FY 2012-13 and FY 2013-14 are given below:

Initiative	FY 2012-13	FY 2013-14
Guides	16	10
Flashes	31	18
Seminars	45 Seminars covering 1046 employees (MCSOP, Ops, Sales, Others) at 23 Centres	45 Seminars covering 1157 employees (MCSOP, Ops, Sales, Others) at 21 Locations

Test Studies were carried out for sample branches/ Corporate Office Departments/ Associate Agencies/ Desk Studies for assessing the status of the level of compliance in significant areas. Thereafter, necessary steps were taken to identify areas for improvement and solutions were executed. Study Reports on Counterfeit Currency, KYC/ AML/ CFT Compliance aspects with respect to accounts of CFD Borrowers, KYC/ AML/ CFT Compliance aspects with respect to Walk-In-Customers, Compliance aspects handling forex outward remittance by AD forex II, handling of Super Saver Packs at Branches etc., were carried out.

Features of Vigilance Function

IndusInd Bank considers Vigilance to be an essential prerequisite for its development and sustainability. The success and very existence of an organisation depends upon the faith and confidence its customers, various stakeholders and public at large, have in the organisation. The objective of Vigilance in IndusInd Bank is to enhance the level of managerial and operational efficiency & effectiveness. The primary aim of the Department is to prevent fraud, detect and analyse wrong doing or misdemeanors and follow them up with deterrent action. The Vigilance Department has been functional in IndusInd Bank since October 2008. The Chief of Internal Vigilance (CoIV) is appointed by the Board of Directors (MD) and reports to the Managing Director. CoIV's functional reporting is to the Board of Directors through the Vigilance Committee of the Board where the MD is also a member.

Vigilance Cases as on 31.3.14

An Overview of Vigilance Cases at IndusInd Bank

S.No.	Vigilance Cases	FY11	FY12	FY13	FY14
1	Dismissed	15	09	01	--
2	Terminated	10	01	--	--
3	Other Punishments (warning/resignation etc.)	06	03	--	--
4	Under Process	04	--	--	01
Total of Vigilance Cases		35	13	01	01

PROFIT

“ At IndusInd Bank, we put both our heart and our head behind sustainability. We encourage and facilitate all our employees and stakeholders to participate in a wide range of socially relevant activities. We set up and support businesses that have social impact and we believe that the only way they will be sustained is if they are self supporting and don't need subsidies. ”

Suhail Chander
Head - Corporate &
Commercial Banking



SUSTAINABLE &
CLIMATE-SMART
INVESTMENTS

₹156 crores

via our
CORPORATE BANKING PORTFOLIO



Financial Inclusion

5,60,000
clients



from the
Base of the
Pyramid (BOP)
Segment



RURAL 
BANKING

Set up branches in

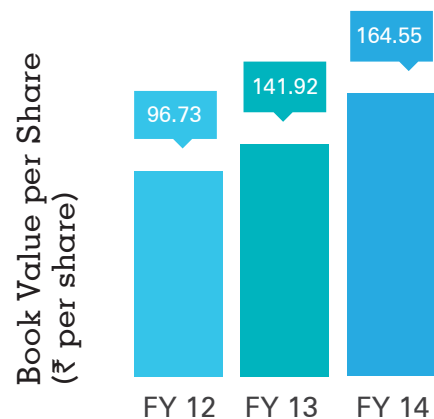
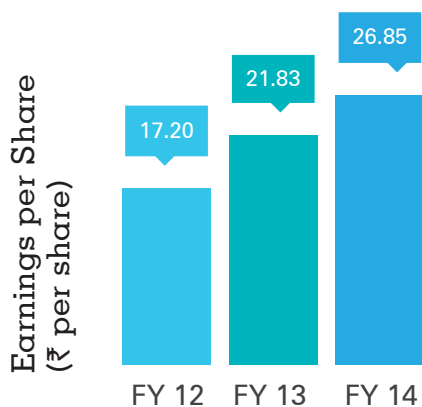
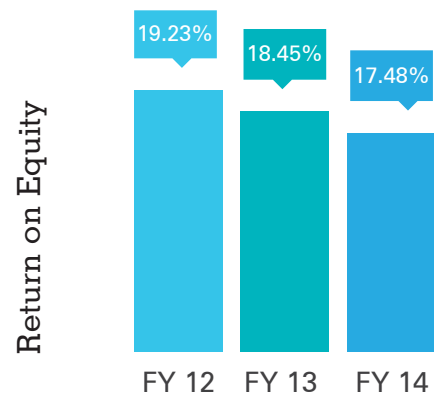
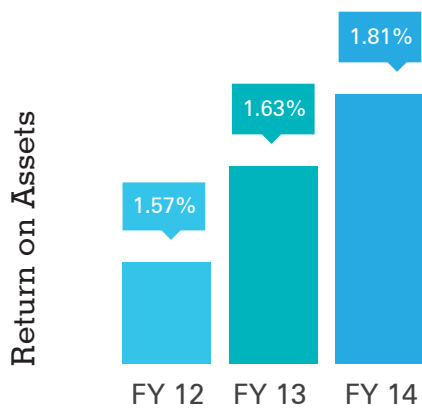
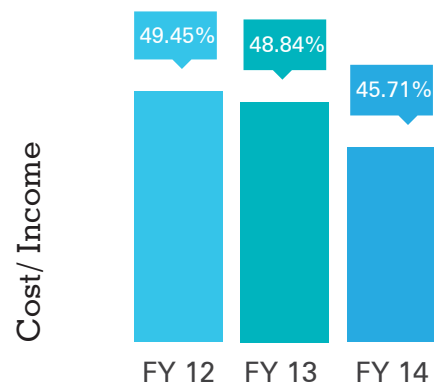
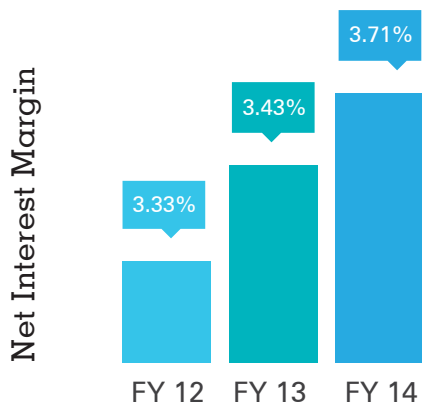
41 previously
unbanked
rural centres

Creating Economic Value

IndusInd Bank's disciplined financial management, diverse portfolio and focus on customer service has helped us deliver a full range of financial services despite the highs and lows of the economic cycle. During this reporting period, our focus on productivity, transparency and accountability has contributed to the long-term sustainability of our business and has created real economic value for our customers, shareholders & investors.

Disclosing Financial Performance

During the financial year, the Bank adopted several coping mechanisms to counter the weakened operating environment and delivered consistently, robust growth and earnings. The Bank's net profits rose by 33% to ₹ 1,408.02 crores and net worth moved to ₹ 8,646 crores.



Revolutionising the Customer Experience

At IndusInd Bank we take a customer-centric approach to business. We ask our customers about their needs, preferences and aspirations and then use our technological capabilities to create innovative solutions. We have worked to deliver an improved customer experience through greater convenience, more choice, enhanced security and information flow for more informed financial decisions.

Super Saver Packs

Keeping 'Responsive Innovation' as our guiding motto, we launched Super Saver Packs in 2012. This year we have continued this service, further expanding our customers' choices. Super Saver Packs are need-based logical product bundles which are being sold to existing IndusInd Bank account holders. The Packs offer our customers the choice & flexibility to choose from various product categories & create their own combo. The various options bundled in the Pack include:

A	<p><u>Proprietary Services</u></p> <p>Lockers, Banking Conveniences, Premium Banking, Recurring Deposits.</p>	B	<p><u>Insurance</u></p> <p>Health, Home, Accident cover etc.</p>	C	<p><u>Investments</u></p> <p>Mutual Fund SIP's.</p>
---	---	---	--	---	---



For the 1st time in the Indian Banking context, we have created a physical box (Pack) which contains all the application forms pertaining to the various elements described above. *The exterior of the Pack - has well defined labels of the products which crisply capture the essence of the product, various options that the customer can select, and the overall value that the customer can derive from the Pack. Even the key terms & conditions governing the Pack purchase are transparently captured on the Box.*

This obviates the need for multiple product training manuals for the sales force and the need for multiple marketing collaterals for the customer. The physical box saves large quantities of paper and ultimately caters to the customers' needs for clarity and convenience.

Online Account Opening and My Account My Number

To strengthen our consumer banking services the Bank launched several new programs to facilitate the needs of account holders. In a progressive move that benefits customers and helps them make the best of their time, the Bank enabled On-line Account Opening. Customers also enjoy the added benefit of being able to choose their own account number through the My Account My Number facility. In Vadodara, as part of a customer engagement program, IndusInd Bank customers, at select branches, were invited to receive a free session with a numerologist who would identify their lucky numbers; customers were then invited to use these numbers to open bank accounts.



Our New Look On-line

As a leader in technological innovation for Banking we pride ourselves on our online presence and have made a concerted effort to ensure that our website is easy to navigate, streamlined, more personal and designed to work on all the devices our customers use. In 2014 we will be refreshing IndusInd.com to enhance the customer experience and are working to ensure that all our customers, including those who are differently-abled, can access the website without any difficulties.

Marketing with a Mission

To strengthen its position as a leading banking institution, IndusInd Bank has developed a marketing strategy that both highlights the values and accolades of the Bank while supporting the educational, cultural, and infrastructural needs of the community. The Bank has spent over ₹ 59 lakhs on sponsorships for a number of community events including the production of a Shakespeare play, a model UN conference, a cricket tournament, a handicrafts exhibition and a musical production at NCPA featuring Ustad Zakhir Hussain and Shankar Mahadevan. The Bank also acquired the naming and branding rights for a Metro station in Gurgaon, which is now called IndusInd Cybercity. The station boasts a unique aesthetic design that pays tribute to the heritage of the Indus Valley Civilisation.



Fostering Sustainable Solutions



There has never been a better time for private firms and the banks that finance them to make profitable investments in sustainable development. Sustainable and climate-smart investments in emerging markets increased on average by 47% per year between 2004 and 2011, spurred by supportive regulations and declining technology costs. Globally, new investment needs will reach at least \$700 billion annually between now and 2030. This includes economically viable projects in clean energy technology and infrastructure, resource-efficient industry and green buildings, to mention a few. IndusInd Bank has always been a keen funder and supporter of projects in this sector and in the FY 2013-14 we expanded our portfolio to include 4 more projects in the areas of sustainable agri-business, clean-tech and renewable energy technologies.



Sustainable Farming

The Bank has structured two loans of ₹ 36 crores and ₹ 60 crores in the arena of sustainable agriculture. Part of the loans raised is going towards the modernisation and development of agri-warehouse facilities in Maharashtra, Gujarat and Andhra Pradesh. These projects are helping local farmers bring about a sustainable economic model for distribution of agri-products while simultaneously ensuring a reduction in the loss or wastage of agricultural produce, thereby reducing the environmental impact of food production.



Sanitation & Bio-Gas

We have also sanctioned ₹10 crore term loan limits and a ₹ 5 crore working capital limit to, SISSO, an organisation working in the field of sanitation and education. SISSO constructs toilets using indigenously developed sustainable technologies and provides various social services, such as education and training to the underprivileged. SISSO has built more than 1.2 million individual toilets and more than 7500 public toilet complexes, which it also maintains, and around 190 attached bio-gas generation units. SISSO has been given special consultative status by the Economic and Social Council of the United Nations in recognition of its work.



Solar Energy

IndusInd Bank has supported one of India's leading solar power developers by way of long term loans of ₹ 45 crores. This developer has a total portfolio of 82 MW and is hoping to expand its capacity with a target of 200 MW by 2015. Solar energy development not only helps combat climate change but also creates rural employment and is a sustainable economic model of power production and distribution for the State.



Financial Inclusion

In order to address the challenges of widespread financial exclusion and inclusive growth, access to finance and financial literacy has been a key development agenda for the Government and RBI in the last few years. At IndusInd Bank, we realise that financial inclusion is not a goal but a journey towards creating a strong and healthy eco-system for the underprivileged sections of the society. With this vision in mind, a step-by-step approach towards bringing rural and marginalised communities within the folds of basic financial services in a systematic, cost effective yet profitable manner has been envisaged through our extensive network of rural branches and our partnership programs centered around the concept of collaborative approach.

An outstanding amount of **₹18,270 CRORES** towards the priority sector

41% of our branches are in semi-urban and rural centres

Directly reached out to about **5,60,000 CLIENTS**, MOSTLY WOMEN, FROM THE BASE OF THE PYRAMID (BoP) SEGMENT

OVER **70%** of the loans were of amounts below **₹15,000**

A Collaborative & Multi-Pronged Approach

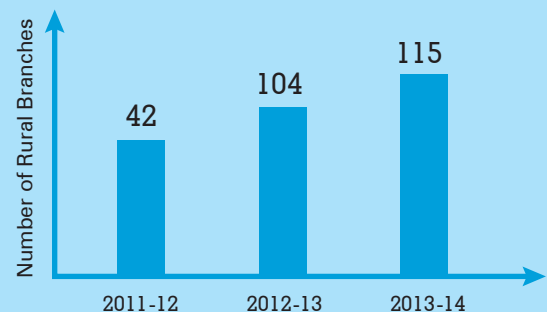
The provision of financial services to the BoP segment implies addressing the challenges which are typical to this segment. These include low financial literacy, unpredictable cash flows, poor infrastructure, preference for low ticket sizes and hard cash transactions, no tangible collateral security, defunct local economies and gaps in business value chains etc. The complexity gets compounded further given that the customer traits change from geography to geography due to a variety of cultural, political, economic and religious factors. All this makes it difficult to come up with a "One Size Fits All" approach for banking in this sector.

Overall the complexity of the task, as is evident from above, means that no one single organisation can effectively tackle

the challenge of financial inclusion. We at IndusInd Bank believe that multiple stakeholders, in the form of local economic players who can ensure flexibility, reliability and continuity, technology players who can develop appropriate hardware and software solutions, the Government as represented by regulators and finally the Bank with the funds, products and the suitable risk management services, need to come together to address the issue of financial inclusion. With this vision in mind, we envisage creating an ecosystem of stakeholders that will work towards bringing the BoP segment within the folds of basic financial services in a systematic, cost effective yet profitable manner.

Branch Penetration into Rural Areas

As of March, 2014, the Bank has a total of 602 branches out of which 115 are in rural areas while 133 are in semi-urban areas. Of the existing network of rural branches, 41 are located in previously unbanked rural centres. During the year, the Bank also spent approximately ₹ 30 lakhs on branches opened in unbanked rural centres.

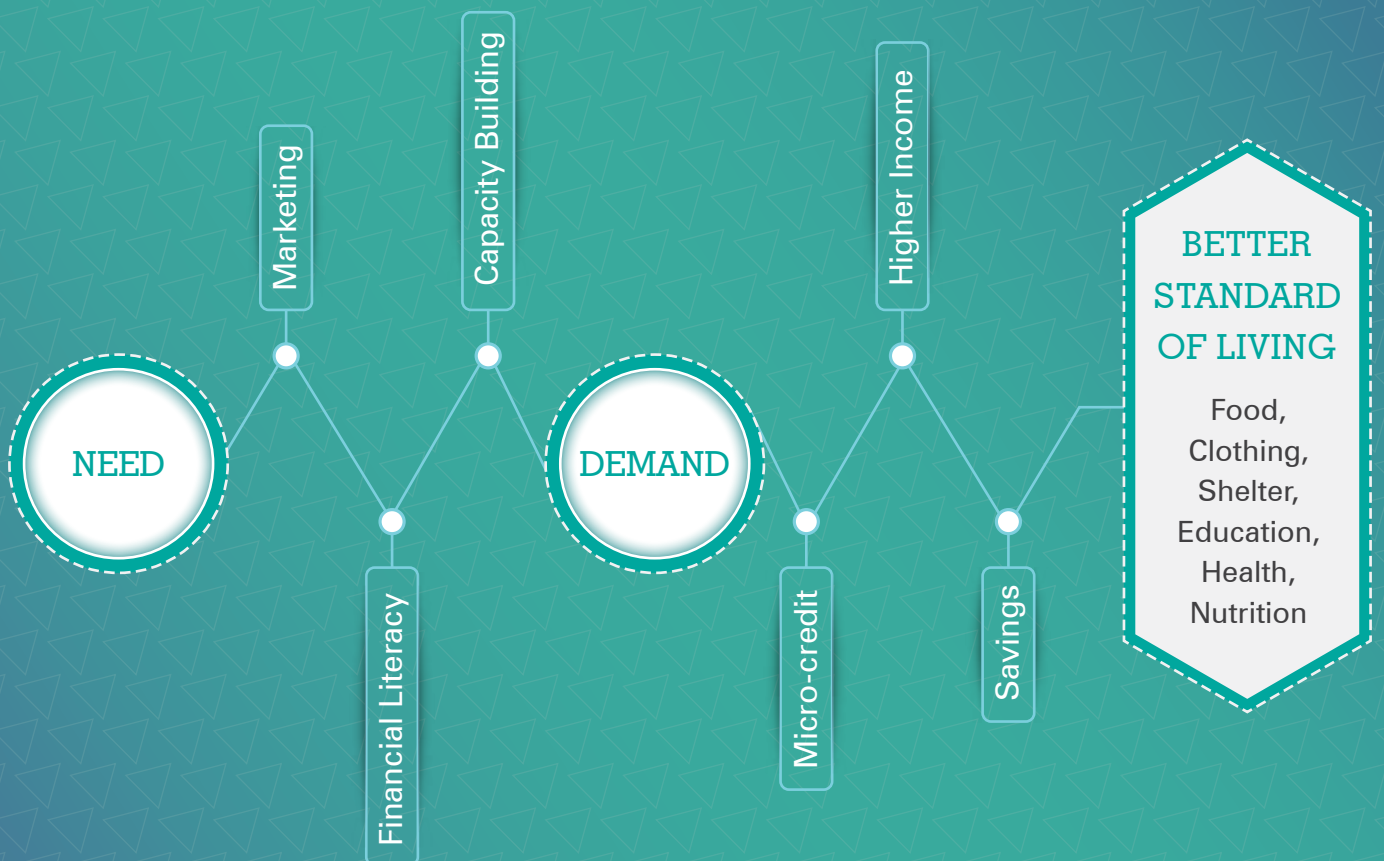
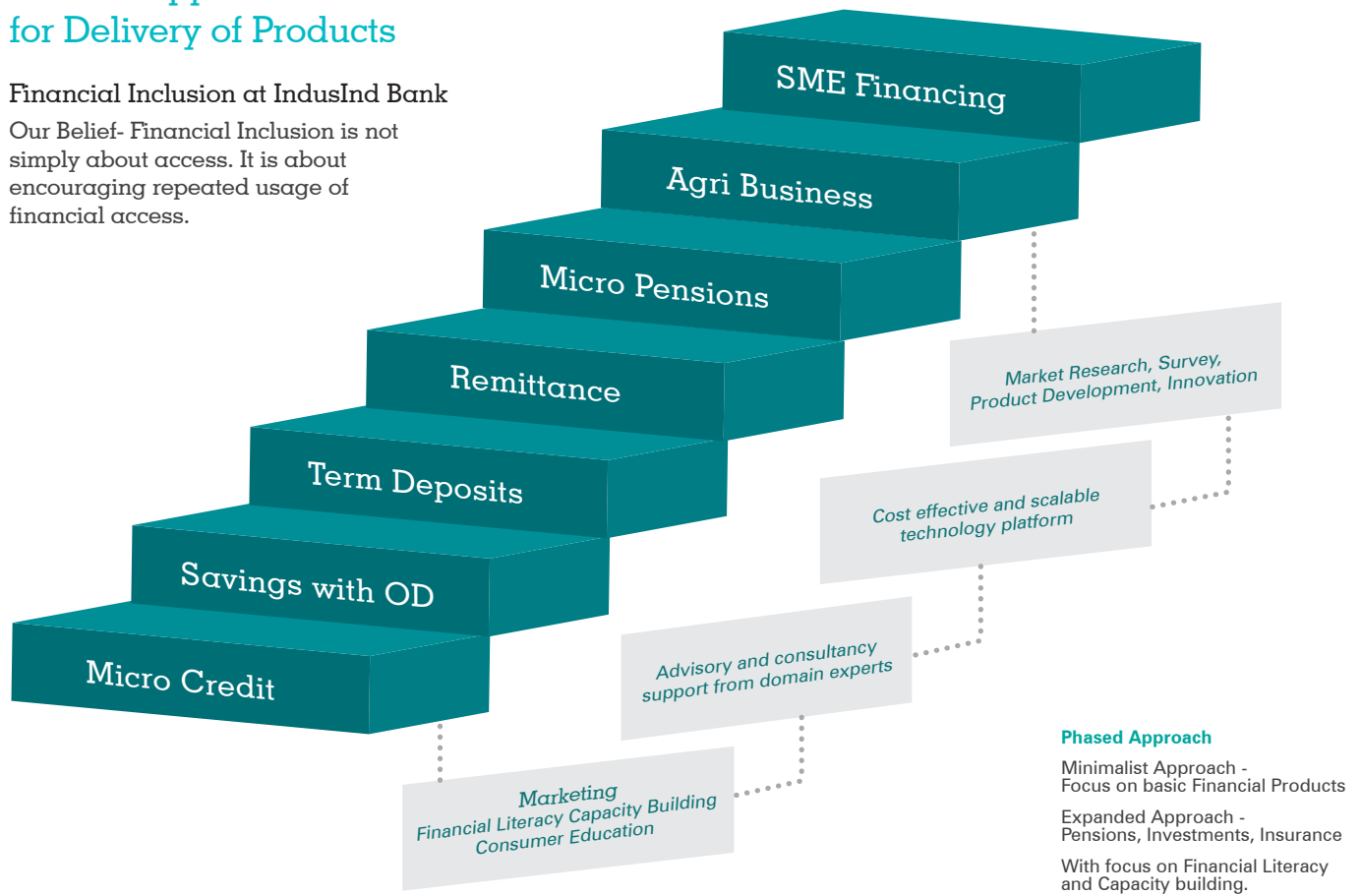


Microfinance Partnerships

Aside from the usual channels, the Bank has developed an innovative 'CreditLed' model of banking to extend our services to those segments of the community that have traditionally had little access to banking and financial facilities. Our clients were finding it more comfortable to start with credit and then develop the required 'trust' to start engaging in savings in a meaningful manner. To meet their needs we have established partnerships with large efficient operators in the microcredit ecosystem, who have the required distribution reach along with a deep understanding of the segment and a proven business record, thus taking care of the basic issue of viability. Our phased approach in product offering is explained overleaf.

Phased Approach for Delivery of Products

Financial Inclusion at IndusInd Bank
 Our Belief- Financial Inclusion is not simply about access. It is about encouraging repeated usage of financial access.



Building an entire eco-system to convert need into potential demand for financial services



KEY DESIGN ELEMENTS OF OUR PARTNERSHIP PROGRAM



TECHNOLOGY

Transaction Origination

Process Framework

Analytical Engine

The program is built on a seamless interface which can connect through system generated handoffs, making it more flexible for the partner institutions for data sharing and capturing. The systems have passed through rigorous User Acceptance Testing (UATs) and have adequate checks and controls.



CENTRALISED PROCESSING

Centralised Document Processing

Centralised Credit Sanctioning

The program really works on the efficient integration of processes between institutions. The basic philosophy of the integration and design is to ensure that the turn-around-times (TATs) are not stretched due to the involvement of the Bank. This is the core strength on which the program runs.



MONITORING

Field Supervisory Team

Dedicated Business Analytics Unit

Regular Performance Reviews

Considering the involvement of a third party the monitoring needs to be very tight. We therefore have developed a 3 tiered monitoring structure. A lot of emphasis is laid on client protection, compliance to fair practices code etc. in our monitoring, specifically given the sensitivities attached in dealing with the client segment.

Case Studies



Shalini
(Partner: SKS; Branch -
Kargil Nagar, Maharashtra)

Despite being well-educated, Shalini was married off to an illiterate man who was hardly earning enough money to support her and their three children. Shalini decided to take matters into her own hands and took on the responsibility of being the bread-earner for her family. While the job she found was insufficient to make ends meet, a chance meeting with a SKS center manager, coupled with her enterprising nature enabled her to set up a small fabric trading business at home.

Today, having taken multiple loans from SKS and having utilised them to expand her business; while earning contracts from nearby schools; Shalini finds no reason to complain either about her husband - who has become a partner in the trade or her children's future. Her home has transformed from a thatched structure to a *pucca* house. Her family income has now risen from ₹ 100 per day to ₹ 400 per day.

"I was initially skeptical about Shalini generating income for our family, but today the fact that we have good shelter & our children are studying in good schools, its only because of my wife."

(Shalini' s Husband)



Afroj
(Partner: Sonata; Branch -
Allahabad, UP)

A fighter in the true spirit, Afroj and her younger sister battled the loss of their parents and poverty inspite of herself marrying into a poor family.

Her husband Daud worked at a tailor's shop, but the income was insufficient to meet their expenses. When Sonata set-up shop in her locality, she initially faced rejection at the hands of her neighbours who refused to include a sole Muslim woman into their group. With persistent convincing about the positive contribution her presence would make in the group, Afroj finally began her journey as a borrower with Sonata in 2010 with a ₹ 10,000 loan. Starting out as a micro-establishment doing ancillary work for ladies, today she owns a sewing machine, has hired a relative as a designer, and runs a full-fledged tailoring shop of her own in which her husband is a partner.

Now in her fifth cycle, Afroj plans to shift the base of her shop to a market hub.

Her family income has now risen from ₹ 25 per day to ₹ 333 per day.

"When you have a dream and believe in it, work hard and you are sure to win. Microfinance is a respectable manner to meet capital shortfalls."

(Afroj)

Financial Inclusion: Supporting Employees

Employees are key to the success of any program in financial inclusion, especially considering the nuanced work involved, given the nature of the segment and its inherent challenges. We have developed a special travel expenses re-imbusement policy to process control over executives who are constantly in the field. These revisions are one-of-a-kind for the Inclusive Banking Division and are designed to suit the needs of the staff who are travelling for work. To encourage innovative approaches to monitoring and to create an environment of healthy competition, special rewards schemes have also been introduced.

Category	Banking Status	No. of Locations
Rural	Non-Under-banked	8
Rural	Under-banked	13
Semi-Urban	Under-banked	83
Urban	Under-banked	77
City	Under-banked	4

Through this channel, the Bank caters to the transport requirements of these areas and the target segment is self employed and predominantly comes from the financially excluded section.

Consumer Finance

The Consumer Finance Division (CFD) extends funding for a wide range of vehicles and equipment which includes commercial vehicles viz., heavy, light and small vehicles used both for goods and passenger applications, passenger cars, utility vehicles, two - wheelers and construction equipment such as excavators, loaders, tippers, cranes etc. Finance is extended for both new and used categories in all the above segments. In the FY 2013-14, this division carried out operations in about 185 locations, primarily in areas that were under-banked.



Case Study: Best Woman Entrepreneur



[Mrs. Netalben C Kotadiya]

Ten years ago, Netalben was a housewife in Surat. In order to improve her family's financial condition, she and her husband decided to venture into a small business of distributing 'Balaji Namkeen' within Surat. Her husband would drive around the town while she managed the administrative work. Later, on the basis of their excellent service and thorough knowledge of the market & area, Balaji decided to give the distribution to them for a part of Surat.

Over the next 4 years, their business expanded and they required additional three wheelers for transportation for which IndusInd Bank supported them financially by providing loans. They haven't looked back since then and now Netalben & her husband are major distributors of Balaji Namkeen in Surat, covering 40% of the area.

Financial Literacy

Given that the BoP segment is largely illiterate, there is a pertinent need to build capacity by creating awareness about the relevance of various financial services and their importance in the overall upliftment of individuals and communities that are new to Banking. At IndusInd Bank we envisage developing a robust financial literacy program in partnership with local collaborating agencies that will make use of available financial literacy modules and tools to impart adequate financial awareness in a cost effective manner.

Influencing Public and Regulatory Policy Responsibly

IndusInd Bank is aware of the impact ongoing climatic risks will have on the company's activities. In order to prepare for any future uncertainties in the financial world, IndusInd Bank has been an active member across various forums that discuss issues related to the environment. The Bank is associated with various bodies within the banking industry that develop policies which ensure improved performance in today's economy and which lessen the negative impacts of the service sector on the environment. IndusInd Bank is a member of several organisations of which few are mentioned here.

CII

Confederation of Indian Industry

BCCI

Bombay Chamber of Commerce & Industry

IIBF

Indian Institute of Banking and Finance

UNEP

India Advisory Council

FICCI

Federation of Indian Chambers of Commerce and Industry

IMC

Indian Merchants Chambers

IBA

Indian Banks Association

BCSBI

Banking Codes & Standards Board of India

PEOPLE

“Corporates are now very conscious about their social obligations. Through our various CSR programs, the Bank has tried to cater to the needs of its multiple stakeholders namely employees, customers, Government and society as a whole. The focus of the HR function has been to create a world class work environment, where employees can learn, grow and further their careers. We believe that employee development & growth will ultimately lead to the Bank’s growth. As a future imperative, we seek to integrate CSR programs into mainstream work activities and promote participation in CSR programs at all levels of the Bank.”

Zubin Mody
Head – Human Resources





EMPLOYEE BASE
increased by

 **36%** to

15,590

4,30,000

man-hours
spent on training

HUM
AUR 
Hariyali

expanded its outreach via

1,300

Green Commandos

**EMPLOYEE PAYROLL
CONTRIBUTIONS**
garnered

₹25 LAKHS

for the
**NGO
Support**

Respecting & Promoting Human Rights

IndusInd Bank recognises the fundamental rights of all human beings and is committed to upholding human dignity. Our HR policy acknowledges the principles prescribed by the UN Universal Declaration of Human Rights and the Human Rights Act of 1993. We comply with all applicable legal requirements and contractual agreements and this approach cascades to all of our individual business units.

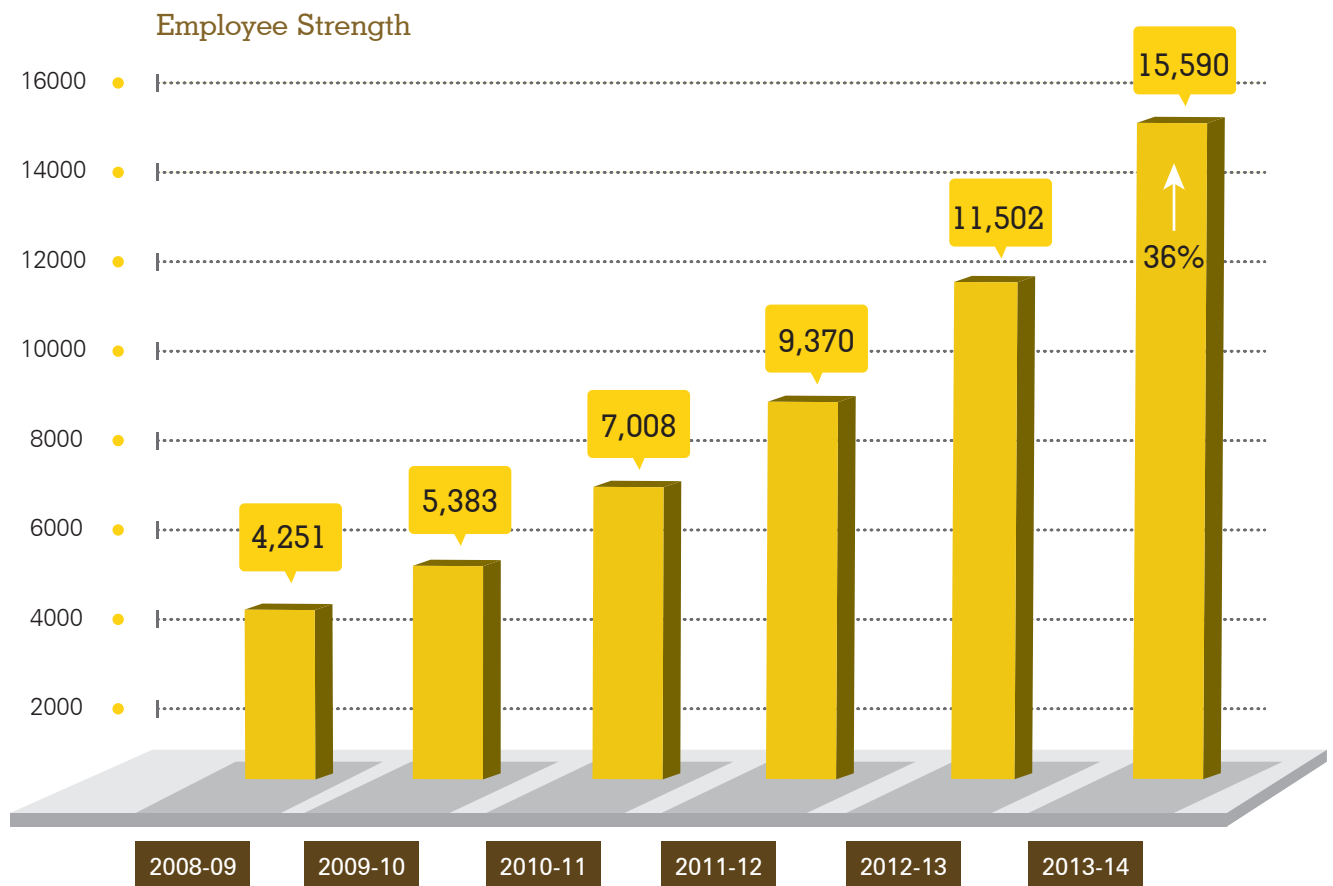
The Bank is an equal opportunity employer and condemns any form of child or forced labour. We also practice and promote ethical procurement and ensure that human rights clauses are included in our contractual documents with our vendors and subcontractors and are strictly adhered to, by all stakeholders concerned.



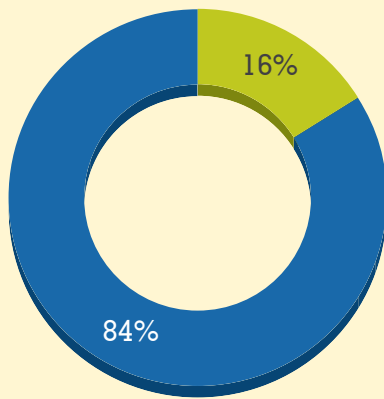
Valuing Our People

Workforce Demographics

Our staff strength recorded an increase of 36%, going from 11,502 personnel in the FY 2012-13 to 15,590 employees in the FY 2013-14. The Bank today is an "Outperformer" in the Banking industry and has successfully transitioned into a frontrunner in the Indian Banking space. We have been recognised for our business performance, leadership, innovation, technology and customer service and it is this that has enabled us to continue to draw in new people and offer amazing growth opportunities to our existing staff.

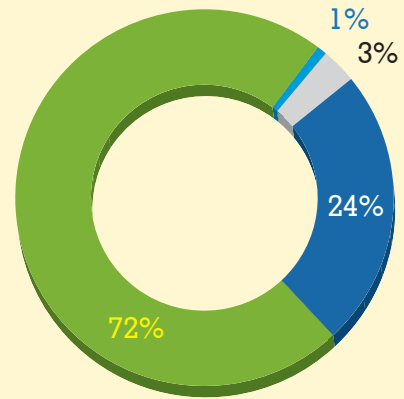


Gender Distribution



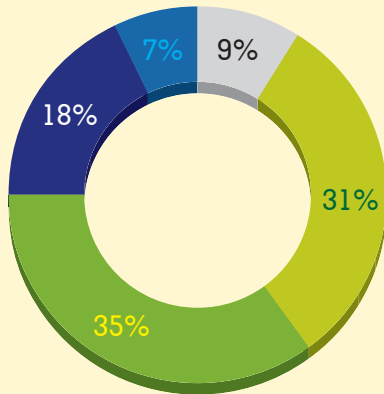
● Female ● Male

Distribution Across Grades



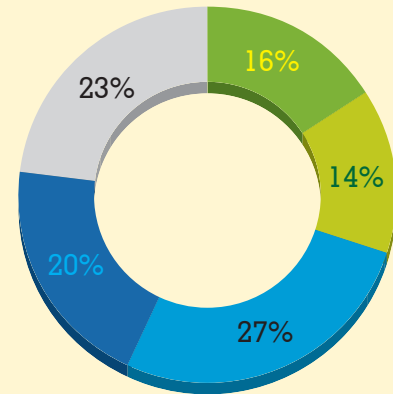
● Top Mgmt. ● Middle Mgmt.
● Senior Mgmt. ● Junior Mgmt.

Age Distribution



● 20-25 yrs ● 26-30 yrs ● 31-35 yrs
● 36-40 yrs ● >40 yrs

Geographical Distribution



● Corporate ● East ● North
● South ● West



Talent Acquisition & Retention

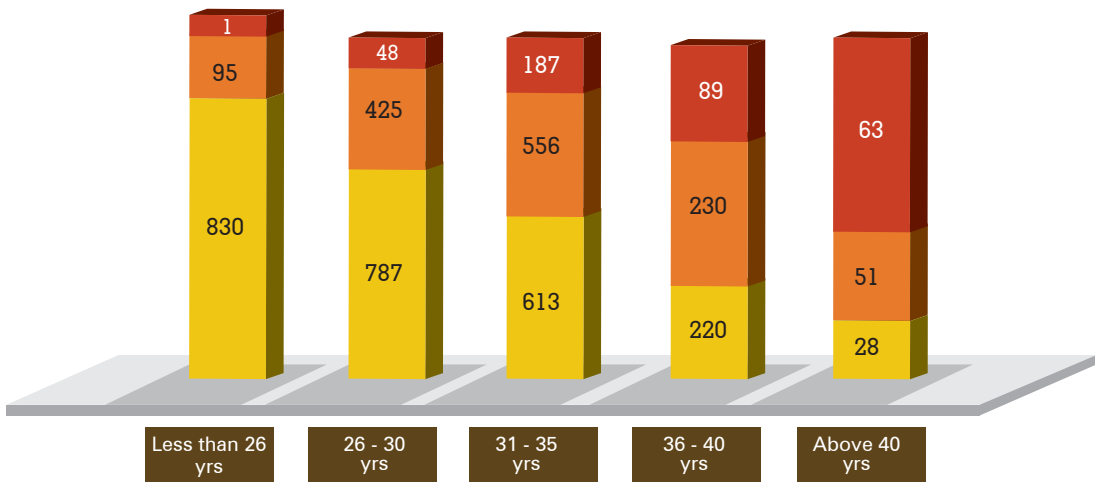
At IndusInd Bank, right job-fit is the crux of our hiring strategy. Talent based sourcing, for specialised and functional roles, is the key driving force and our recruitment decisions are governed by meritocracy alone. We offer equal opportunity employment without any discrimination on the basis of ethnicity, gender, sexual orientation, religion or caste. Our vibrant and inclusive workplace attracts, develops and retains the best talent and we draw upon the best talent in the industry as a "preferred employer". In the past year the Bank has taken several substantial measures to improve its hiring efficiency including:

- Focusing more on the employee referral channel - this channel has shown a trend of high offer acceptance ratio and longer tenure of joinees
- Role based sourcing based on detailed job descriptions
- Conducting interviews by a panel of subject matter experts drawn from the relevant business unit and HR
- Collecting niche profiles through our on-line portal

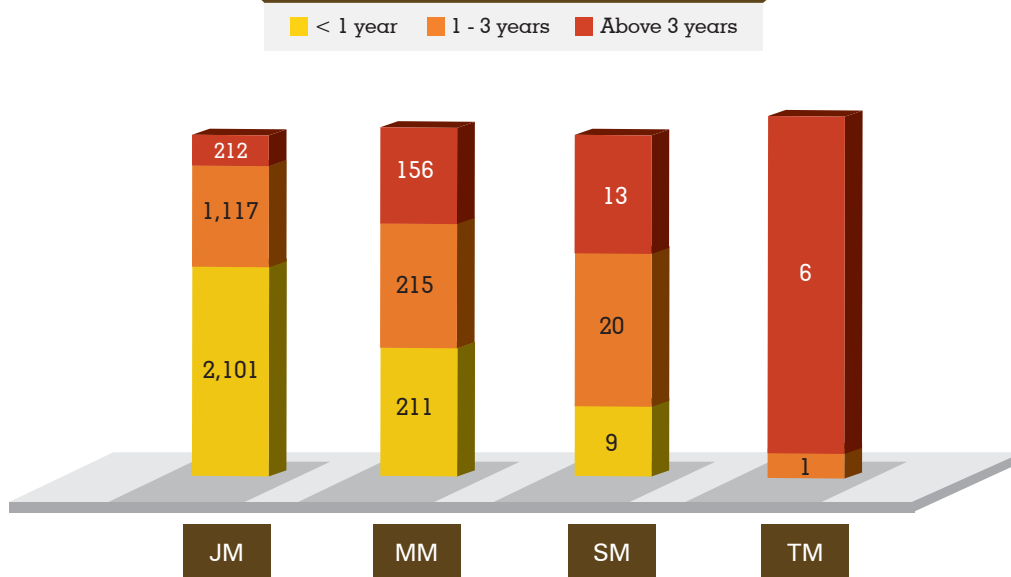
Attrition at the Bank was consistent with industry trends and was higher amongst employees in the junior and middle management segments while being virtually negligible at leadership and strategic managerial levels. This reinforces our belief that employees perceive the Bank as a favourable employer. While attrition is a concern, the Bank addresses these concerns through the implementation of several on-going development initiatives such as market-linked compensation, mentoring by seniors, career planning

programs and a unique employee engagement program built on a platform of community outreach and environmental stewardship. As an approach towards building long term employee ownership and association, the Bank also continues to use Employee Stock Options (ESOPs) as a tool to attract, reward and retain critical employees. Communication with employees is done through channels such as Webcast, Roadshows and face to face interviews.

Age Bracket & Tenure-wise Attrition



Tenure-wise Attrition across Grades



Diversity & Inclusion

At IndusInd Bank we are committed to providing a workplace where our people feel safe to be themselves, and which reflects the diversity and cultural richness of the communities we serve. Because our people reflect the variety of voices and perspectives that make up the Indian community, they are well positioned to understand and support the needs of our culturally diverse customer base. Our leadership team, like the rest of our organisation, also

reflects the diversity in our community by comprising of individuals of different cultural backgrounds, age and gender; women, in fact, make up 9.6% of our senior management team. In the FY 2012-13, we have specifically focused on creating a workspace that is welcoming to both women and people with disabilities as part of our broader focus on diversity and inclusion.

Workshop on Sexual Harassment

Officials from the Bank attended a seminar on 'Sexual Harassment in the Workplace' in 2013. Janhavi Pandit, Diorah Pereira, and Sunita Prabhu all regarded the program as an important learning experience that helped them develop a clear insight into addressing and preventing incidences of sexual harassment.



Women in Banking at IBL

IndusInd Bank values the importance of gender diversity at the workplace. Past records have shown a steady increase in the number of women as full time employees. Women at IBL do not face prejudice and are given equal opportunities to perform and excel at work. Any promotion or increase in pay is based solely on merit. In fact, the Bank's policies have been created keeping in mind the multiple roles women have to play in their personal lives and to provide them with a perfect work-life balance. The presence of women employees is very vital to maintaining diversity at the workplace. It ensures a good mix of skill sets and breaks monotony which eventually creates a productive work environment.

The Number of *Female* employees working at **IndusInd Bank** has increased by **742** from the last *financial* year.

Studies show that gender inclusive leadership doesn't only focus on philanthropy but also environmental CSR.



Roopa Satish

Country Head - Corporate, Institutions & Investments Banking

As a woman in a leadership role, Mrs. Roopa Satish shares her views on equal opportunity at IndusInd Bank.

“ Here in the Bank, I feel that women at all levels are encouraged and motivated to keep their jobs and focus on career development. ‘Don't Quit’ even if the going gets tough, is a message that I personally spread whenever I address women in the Bank. ”



Uma Chandrashekar

Senior VP - Credit and MIS

“ Women have been occupying a variety of roles today in various departments which is a clear indicator that equal opportunity is a universal philosophy at IndusInd Bank. ”

Amy Kaamakhan

Supply Chain Finance Operations - Corporate & Global Market Operations

Amy Kaamakhan talks about how the Bank is always supportive of its employees' needs, especially in unusual circumstances.

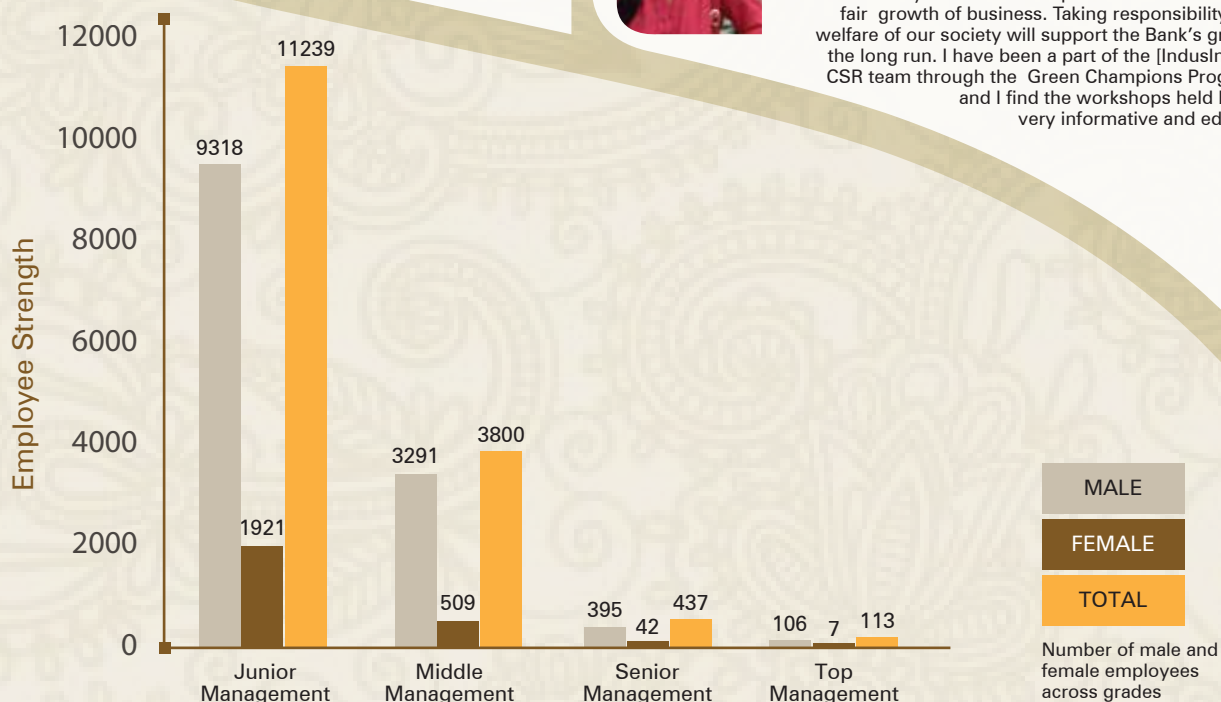
“ The Bank let me come to work an hour late when I had to go visit my brother at the hospital after his heart attack. ”



Neha Joshi

NR Business Manager (Rest of Maharashtra & Goa) and IBL Green Champion.

“ Sustainability and CSR are important tools to ensure the fair growth of business. Taking responsibility for the welfare of our society will support the Bank's growth in the long run. I have been a part of the [IndusInd Bank] CSR team through the Green Champions Programme and I find the workshops held by them very informative and educative. ”



Employee Benefits

Our people are the reason for our success, so we continue to invest in people development, and in creating a safe and rewarding workplace where our people are proud to work.

REMUNERATION

IndusInd Bank practices a fair pay philosophy that complies with all applicable regulatory norms. In addition to their pay, employees are also entitled to Gratuity, Provident Fund (PF), Welfare Schemes and Personal Loans.

PERFORMANCE MANAGEMENT

A robust & transparent Online Performance Management System built on "SMART Goal Setting" continues to run well across the Bank. Annual performance appraisals were conducted for over 8,800 employees, a 35% increase over last year.

MEDICAL BENEFITS

The health of all our employees is of importance to us and all IndusInd Bank employees are eligible for hospitalisation benefits, are covered by the Bank's Group Personal Accident Policy and female employees have access to maternity leave.

Employee Welfare & Development

Staff Accountability & Conduct

At IndusInd Bank we also have a comprehensive 'Code of Conduct' that ensures that every employee performs his or her duties with honesty and integrity and that every employee has recourse to address internal grievances.

Communicating the Employee Code of Conduct

The Bank communicates all the Employee Benefit Schemes on the intranet and at special events to reach out to various employee groups. All offices and branches display statutory and mandatory notices at conspicuous locations in their premises, ensuring all employees are informed and made aware of the mandatory rules governing their employment with the Bank. The Bank meticulously follows compliance related to labour and industrial laws as applicable to the employees.

Zero Tolerance for Sexual Harassment

At IndusInd Bank all employees have the right to be treated with dignity and respect. The Bank has a zero tolerance policy towards sexual harassment in the workplace and employees who have been subjected to sexual harassment have the right to raise a grievance about it, should it occur. Allegations of sexual harassment will be dealt with seriously, expeditiously, sensitively and confidentially.

Grievance Redressal Channels

The Bank has put in place a number of reporting or escalation channels as a means of grievance redressal. Employee communication is promoted from every angle and through all channels - vertically, horizontally and across the board. Prominent and well established channels include a robust 'Whistle-blower Mechanism' which has raised the bar for ethical behaviour, 'Listening Post', whereby employees can communicate directly to the CEO and 'Direct Reporting'.



Cases of Misconduct Observed During FY 2013-14

During the FY 2013-14, 1294 employees were found involved in deviant behaviours, such as operations related staff accountabilities, a small number of vigilance cases, a very small number of sexual harassment cases, and behavioural misconduct such as absenteeism, absconding, disciplinary issues etc. Of these 34 were reported via the

whistle-blower mechanism. All the 1294 cases have been concluded and punishments of varied types have been imposed. The average time for these cases to be logically concluded is between 15 - 60 days which is unique in the Banking space.

Staff
Accountability
Cases as on
31.3.2014

Cases	Vigilance	Non-Vigilance	Total
Resolved	-	1,296	1,296
Under Process	1	52	53
Total	1	1,348	1,349

Employee Litigation Issues

While we place heavy adherence on due diligence and legal processes in matters of disciplinary action against our staff, we respect our employee rights to challenge our decisions through the State legal system. This year we had 5 cases wherein the employees challenged the decision of their dismissals in the Courts and Tribunals.



Building Safe & Conducive Environments



IndusInd Bank values and protects the health and safety of our employees and strives to create a workplace that is conducive to their welfare and development. We ensure that our branches and offices are hygienic, well ventilated and enforce a no-smoking policy.

Fire Safety

In the FY 2013-14 IndusInd Bank made a concerted effort to improve the fire-safety norms of its offices and branches. The Bank also invested heavily in fire-safety awareness and training programs for its staff. A company-wide work-place safety program saw the distribution of several informative mailers through email and the intranet. Fire-safety and disaster or emergency management were an important part of this drive.





Employee Training & Education

At IndusInd Bank we want all of our employees to achieve their personal best. For this reason, employees are offered a wide variety of learning and development opportunities that build on their strengths, grow their skills and help them to overcome individual challenges. Our highest priority is to match individual employee aspirations with our organisational needs. We have also continued to invest in new learning technologies which enable our staff to access learning solutions when they need them, at their own pace and without the need for travel.

The Bank's employees have completed over 900 online learning and training programs during FY 2013-14. Cumulatively, 73,000 participants have been a part of our learning programs and have together contributed to about 4,30,000 man-hours of time spent on training (4 training man-days per employee). As a testament to our training program, this year the Bank's IndusPro Certification program for RMs and CSMs won the top award - "Best Initiative of the Year" at the Global World Congress for TACK/TMI.

Training Program Details April 2013 - March 2014

Type of Program	No. of Programs/ Batches	No. of Participants	Total Training Man-hours	Avg. Training Man-hours per Participant
Orientation to IndusInd Bank	189	3,777	88,324	23.38
Product & Sales Effectiveness Training - For all BU's	222	4,279	92,410	21.8
Operational Process Training - (For GBO, CFD, C&GM, CRO)	90	2,179	28,619	13.13
DRA Training - CFD	9	1,234	68,306	55.35
E-Learning	319	61,428	1,49,735	2.44
External Training	75	173	2,916	16.86
TOTAL	904	73,070	4,30,310	5.89



IndusPro Certification

The Indus-Pro Certification programme is a 5 day intensive classroom coaching programme with a heavy focus on role play simulations. The course content is orientated towards service and relationship management skills and focuses on skill building through experiential learning. In order to develop this program, the Bank tied up with Inspire One (an internationally reputed consultant). It was a unique initiative and the first of its kind in our country by a retail bank to train its frontline staff along with an international certification.

Business Impact:

- Frontline Staff productivity increased by **46%**
- CSM BSC (Balanced score card) score increased by **18%**
- Attrition amongst these staff fell by **30%**
- Systems application usage increased by **55%**

E-Learning Initiatives

In the FY 2013-14, IndusInd Bank has continued to leverage its focus on employee training with the use of technology through e-learning. E-learning supplements traditional classroom training with web-based components and a learning environment where the educational process is experienced online. In the FY 2013-14 around 61,000 participants completed 32 e-learning modules in 319 batches offered by the Bank on its LMS. We also launched several new e-learning courses related to FEMA, Trade Forex, Retail Forex and Do's and Don'ts for Branch Executives.

At the Forefront of Employee Engagement

IndusInd Bank believes that investing in employee behaviour change delivers savings and increases productivity and has a positive impact on the Bank's customers, environment and the local community. Our employee engagement strategies are focused not just on our core business but also on environmental stewardship, carbon mitigation and community welfare. In this financial year, our employee engagement programs have gone from strength to strength and our Green Champions program, particularly, has grown into a robust, engaging and effective tool for change, pan-India.

Employee Engagement Highlights

MY IDEA

The My Idea initiative has been at the forefront of various innovative solutions, which have benefited the Bank. It is a long standing initiative which encourages employees to contribute new ideas.

The new **My Idea portal** has enabled the tracking of ideas submitted in real time.

This year the portal has received

756

• I • D • E • A • S •
of which



were implemented by

IBL

GREEN CHAMPIONS

The IBL Green Champions program was first launched in 2008 with 24 volunteers from the corporate office at Solitaire Park.



Today the GC program has

35

participants from across the country.

The program engages employees on the platform of sustainability and trains, mentors and empowers them to initiate localised action on energy conservation, paper recycling, donation drives and a number of other activities. This year the program has also expanded to include the role of Green Commandos - employee volunteers that will aid the GCs in their work.



Over

1000

IndusInd Bank employees signed up to be Commandos, a sure sign of the support and success of the GC program.

SPORTS & CULTURE

At IndusInd Bank we encourage our employees to participate in sport as a tool to develop skills in leadership, team work and innovative thinking. For over a decade now, the Bank has been participating in reputed cricket tournaments and has been giving aspiring cricketers, irrespective of their background, the chance to fulfill their true potential. This year, the Bank's team was awarded the runner-up trophy at both the DREAMZ Corporate Trophy 2013-14, and the Bombay Gymkhana Corporate Masters 2013-14.



The Bank's annual photography competition is always a much awaited event. This year, we received an overwhelming response. Over 120 employees participated in the competition. For the first time, the competition was hosted on Share Point - an online internal communication platform, where high resolution photos were hosted - this made the overall process very vibrant and interactive. The 12 best pictures were selected for the Bank's annual desk calendar.



Serving the Community

Aiding the Victims of the Uttarakhand Disaster

In June 2013, a multi-day cloudburst centered on the North Indian state of Uttarakhand caused devastating floods and landslides in the country's worst natural disaster since the 2004 tsunami. IndusInd Bank in partnership with HelpAge India supported the relief efforts in the weeks following the disaster. A team from the Bank arrived in Narayanbagad on 15 July and facilitated the distribution of free medicines and medical consultations to people affected by the floods.



Employee Payroll Contributions

At IndusInd Bank, we believe in community outreach through philanthropy. Each month our employees donate through the employee payroll contribution program to NGOs working for various social and environmental causes in India. This year we plan to expand our group of partner NGO's to 6 new organisations, located in different parts of the country. This change will improve our outreach and will expose our people to different civil movements throughout the country. This year, the employee donation scheme has garnered the support of several employees and has collected over ₹ 25 lakhs for the NGO SUPPORT. An additional ₹ 48 lakhs were donated directly by the Bank.



Promoting the Arts

Over the past few years the Bank has taken a keen interest in promoting Indian Art and Culture. In the FY 2013-14 we sponsored several different events that showcased the talent of artists from across India, including 'Saaz Aur Awaaz' - a musical event held at NCPA that witnessed performances by Shankar Mahadevan and Zakir Hussain and a concert organised by Pandit Chaturlal Memorial Society encouraging Indian Classical Music.



Investing in People with Disabilities

The United Nations Convention on the Rights of Persons with Disabilities, 2006, ratified by 110 countries worldwide, considers non-discrimination, equal opportunities and social inclusion of people with disabilities to be a human rights matter. IndusInd Bank too incorporates social dimensions such as social inclusion, equal opportunities and anti-discrimination into its sustainability strategy. Incorporating the rights of people with disabilities into our corporate sustainability agenda helps create new market opportunities for products and services that are accessible and designed for all and gives the Bank access to an important source of talent, creativity and innovation in society. The Bank is constantly on the look-out for opportunities to hire differently abled people and make them a part of the IndusInd family. In 2013 we partnered with the organisation *v-shesh* to make IndusInd Bank a more inclusive community.



Working with *v-shesh*



Last year IndusInd Bank partnered with *v-shesh* to provide job opportunities to two trained students with hearing impairment. *v-shesh* aims to develop and deliver effective educational learning and job related support services for educated and disadvantaged individuals. Paran Jothiraja S and Prabhueaster Raj J joined our CGMO team in mid-2013 and easily adjusted to IndusInd's work culture. Our existing employees were trained in basic sign language to ease communication and provided them with a supportive and encouraging atmosphere. *v-shesh* students have been able to move from strength to strength with existing team employees and are working with a lot of focus and dedication, maintaining high speed and accuracy levels. This pilot initiative by one unit was quickly embraced within the Bank by other units and four more candidates were hired recently.



BLIND CRICKET TOURNAMENT

As part of its on-going efforts to support people with disabilities, IndusInd Bank associated with the Blind Welfare Organisation and sponsored the National Cricket Tournament for the Blind, held in January 2014. The competition was a huge success and a true show of sportsmanship and camaraderie.



PLANET



To define CSR as what a company can 'give' alone, is a misplaced idea. CSR must be at the heart of a company's core values to truly reflect the value of its external engagement. At IndusInd Bank therefore, the emphasis has been on engineering the DNA of our corporate culture to drive the change for sustainability from within. Inherent to this philosophy is our Green Champions and Green Commandos program that emphasises being the change we want to see in our community.



Adwait Hebbar
Head - Corporate Services





MISSION
41700

saw a conversion of

◆ **7,438** ◆

customers to
e-statements

OPERATION
tsunami

gathered



◆ **21,455** ◆

kg of

e-waste

which was
disposed
through
authorised
recyclers

OUR SOLAR
INSTALLATIONS
generated

◆ **1,44,920** ◆

kWh of

energy resulting in
savings of

₹ **26.28 Lakhs**

CARBON
INTENSITY
reduced to

◆ **2.26** ◆

MT CO₂e

per capita due to

**numerous
interventions**

Respecting, Protecting, and Restoring the Environment & Society

We have long believed that business and environmental objectives work hand in hand. There is competitive advantage and opportunities for new businesses in the changing market when accompanied with environmental stewardship. This realisation has led to some genuinely transformative decarbonisation targets which are influenced by the necessity to adapt to the climate challenge. As we progress on these targets it becomes clear that the scale of the task facing us is significant, requiring both internal

capacity building to drive change and also new, collaborative ways of working to unlock broader operational change. We wholly support the need to operate within the right frameworks that incentivise low-carbon innovation and growth instead of high-carbon activities. In lieu of this, we present few of the programs and activities that have been developed in partnership with Centre for Environmental Research and Education (CERE) to be in sync with our climate change influenced business strategies.

Utilising Resources Sustainably

Paper

We procure Forest Stewardship Council certified BILT eco-friendly A4 paper. There has been a conscious effort to bring in suppliers who behave in accordance to market demands. The Bank has not only improved the logistics of paper supply and distribution but has also generated cost savings through centralised supply and moved towards low-carbon alternatives.

The Forest Stewardship Council (FSC) is a NGO that sets standards for responsible forest management and encourages the maintenance or restoration of healthy, self-regenerating forest ecosystems in which the natural mix of native species is preserved. Products sourced from forests that meet their standards can be sold as 'FSC-certified'. FSC requires products that bear an FSC-certified label to go through a "chain of custody (CoC)" from the forest to the manufacturer to the merchant and finally, to the end user thereby ensuring traceability of the raw material and ensuring that inputs have been drawn from environmentally sustainable & responsibly managed sources.



We have also deployed paperless fax servers or Fax over I.P. to avoid the consumption of paper in printing and instead are using telephonic and data network integration. This has translated into savings of about 90,000 sheets of incoming fax messages annually.



Devices

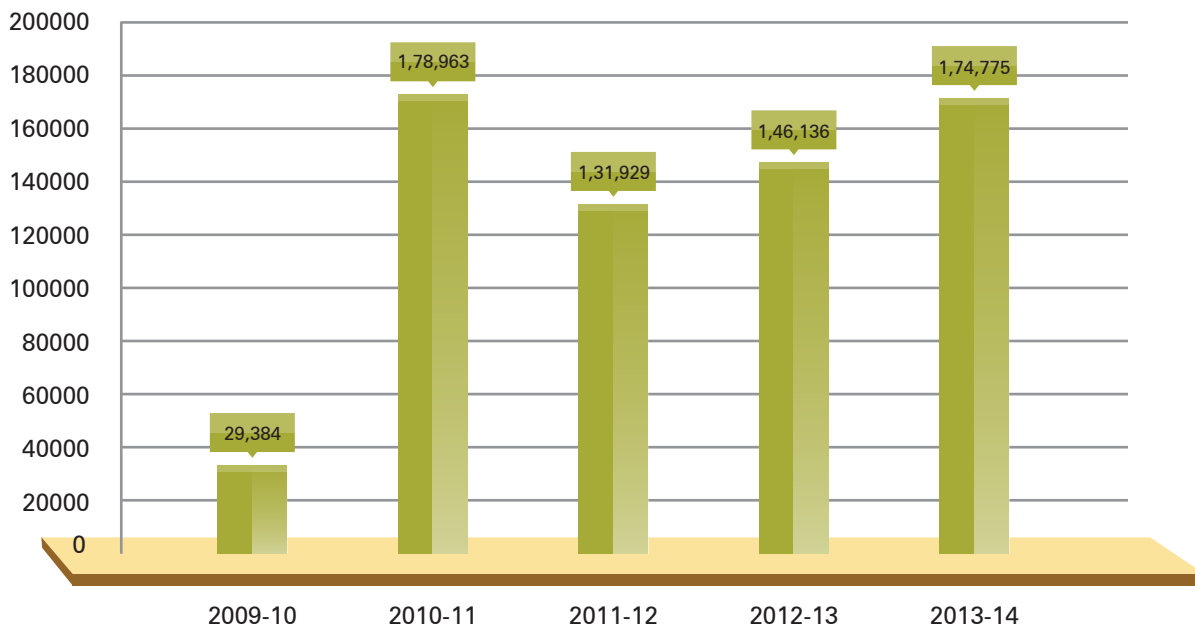
With the focus on integrating technology and financial services the Bank has continued its use of state-of-the-art, Hand-Held Terminals for the collection of loans in our Consumer Finance Division. This ensures reduction in significant amounts of paper needed for the printing of receipts for our customers.

E-statements



E-statements is a highly recommended mode of communication promoted by our Bank. Customers are made aware of the need to address the larger problem of resource depletion and mismanagement. In the spirit of this objective, National E-statements Day was celebrated across the Bank on 24th January 2014. We launched Mission 41700, an interzonal e-statement drive competition for the Green Champions. The number of new e-statements registered each year is shown below.

New E-statements Registrations



Managing Waste Judiciously

Refurbishing Toners & Cartridges

The environmental impact of toners and cartridges is evident from their entire lifecycle; their manufacturing, the pollution that they cause during the printing process and finally their disposal. In our bid to reduce these known hazards we ensure that all toners and cartridges are used to their maximum capacity, refurbished, re-used and then finally disposed responsibly.



THE AVERAGE
LASER PRINTER
CARTRIDGE

can be remanufactured

3 to 4 TIMES



Each Recycled

INK CARTRIDGE

Saves about **2** Ounces of Oil

Each Remanufactured **2LBS**
LASER CARTRIDGE
KEEPS **TWO POUNDS**
of waste out of landfills

INKJET 
CARTRIDGES

discarded in landfills

LEAK
into
SOIL




WATER
WAYS

More than
350 MILLION
PRINTER CARTRIDGES
are discarded in landfills

 **annually**

NEARLY **70%** of empty
PRINTER
CARTRIDGES
throughout
the world
are discarded



Recycling Waste Paper - WOW

The Bank has partnered with ITC in Southern India and is a contributor to its "WOW" program. The program facilitates the collection of waste paper and its recycling. This is a small but significant step towards sustainable resource consumption. We have been engaged in this partnership for the past three years and it has grown with the support of our Green Champions, who have motivated the entire workforce across branches and offices to achieve the collection and subsequent recycling of 8,025 kg of waste paper as of 31st March, 2014.

Managing E-waste

Our E-waste recycling program has been running successfully since last year and this year we were able to increase our outreach to employees and customers. The campaign named Operation Tsunami was run by the Green Champions across the Bank locations. Nearly 21,455 kg of e-waste was collected and disposed of through Government authorised recyclers namely, E-Incarnation, Greentek Reman, Green Logistics and Attero.



Adopting Cleaner Technologies

Desktop Management

In continuation with our commitment to conserve electricity we implemented various policies across the organisation on 10,739 desktops and laptops. These policies have resulted in a reduction of power consumption by about 27.87 kWh per machine per annum. This has translated into estimated savings of approximately ₹ 25.15 lakhs and a potential reduction in carbon dioxide emission by about 270 tonnes in the FY 2013-14.

Energy Efficient Signages

Our effort of installing timers in signages, which regulate the time and avoid manual intervention, at 24 branches across India. This resulted in energy and cost savings during FY 2013-14. In prominent branch locations where signages were required to be lit throughout the night, we installed LED lights to ensure efficiency and reduce electricity consumption resulting in annual savings of ₹ 49,000.

Along with Pinnacle LED Solution, a pilot project has been initiated for installation of LED lights in one of the corporate offices in Mumbai.

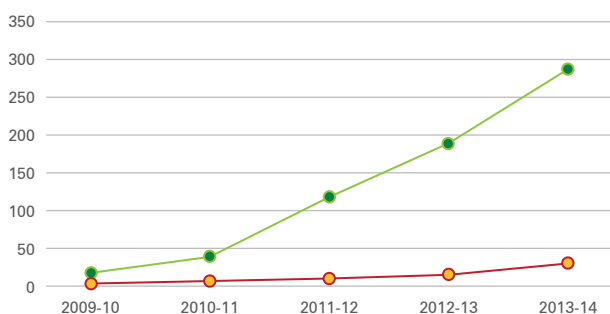
Power Saving Devices

Installation of power saving devices at select branches and offices has resulted in a reduction in the consumption of electricity and in savings of approximately ₹ 71,050 in electricity costs during FY 2013-14. With our vendor Quasar Enviro Solutions (P) Ltd we have installed 22 units of power saving devices in the Air Conditioners of 6 branches in Delhi and 18 devices have been installed at the Khar and Malad branches. Elconn Energy Systems India Pvt. Ltd also provided us with 52 power saving devices which were installed in a phased manner in electricity meters at various offices/branches in Mumbai, Goa, Hyderabad and Bangalore resulting in savings of ₹ 47.26 lakhs in the last 11 months.

Server Virtualisation

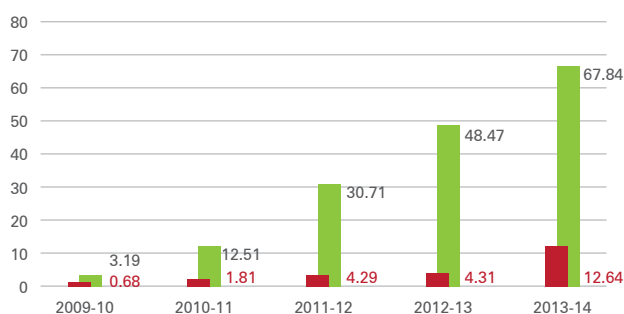
The IT industry has evolved to address customer needs for sustainable solutions and we have used this as an opportunity to expand our technological interventions in the space of server virtualisation. Over 400 servers have been virtualised on 47 physical servers resulting in cumulative savings of ₹ 1,248 lakhs in capex cost so far. In the FY 2013-14, we have put in place 296 virtual servers saving ₹ 55.20 lakhs on power consumption. We have also revamped our data centre layout in a hot-aisle, cold-aisle configuration for heat containment leading to effective cooling. Hence even with the additional servers, the requirement for additional cooling is reduced.

Comparing the installation of Physical and Virtual Servers at IBL



● Sum of Physical Servers ● Sum of Virtual Servers

Savings in Power Costs from Server Virtualisation (₹ 55.20 Lakhs)



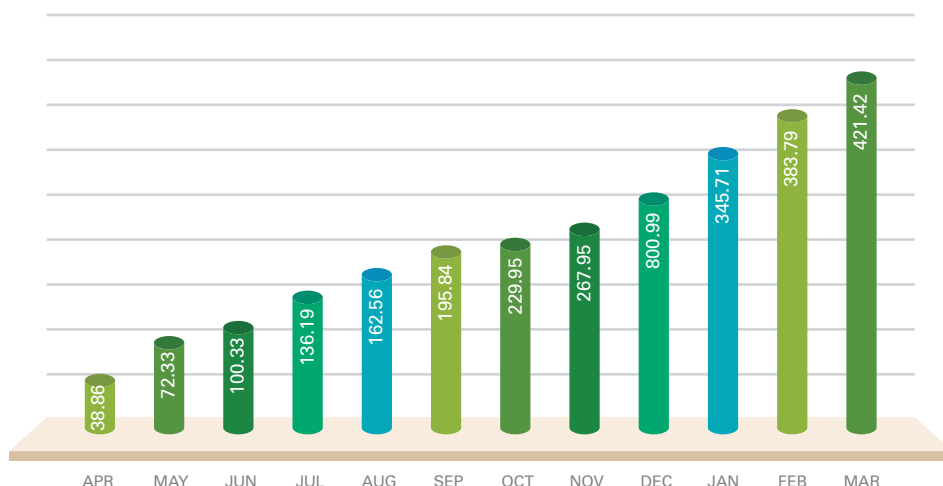
● Virtual Server Power Cost ● Physical Server Power Cost

We also continue to roll out thin client devices at our branches and the corporate offices. Each thin client device reduces power consumption by 300 kWh and saves approximately ₹ 1,800 per desktop per year. As of March 2014 we have 940 thin clients in the Bank resulting in a saving of ₹ 16.92 lakhs.

Unified Communications - Microsoft Lync

The Unified Communication System has been widely accepted across the verticals of the Bank. It's an easy-to-use, convenient communication platform that has been made available for mobile devices from February 2014. The latest version of Lync which is available since March 2014 is in sync with Skype and increases outreach to a larger audience. Due to such convenient features, the number of users and the frequency has increased, thereby saving on travelling costs and phone bills. We have managed a cumulative saving of ₹ 421.42 lakhs for the FY 2013-14 in terms of reduced travel costs, employee work-hours and other logistical features.

**Cumulative Savings through
 Unified Communications - ₹ 421.42 Lakhs**



Applications of Lync	Estimated saving per inter-city session per call
Presence awareness (Time saved in locating the person)	₹ 10.83
Video calls (Cost saved to travel for the inter-city meeting)	₹ 15,000.00
Audio calls (Cost on local / STD call)	₹ 2.00
Application (or Desktop) sharing	₹ 1,000.00
Instant messaging (IM) - equiv call cost	₹ 0.50
Audio conferencing (avoid Arkadin cost)	₹ 3.00
Video conferencing	₹ 1,000.00

Assumptions:

- 1) Intercity travel avoided if video call is for at least 15 min;
- 2) Avg. hourly employee cost = ₹ 650/- (per minute cost ₹ 10.83 – used for presence awareness).
 Parameters considered for calculating the relative costs.
 - Total No. of sessions (only those over 15 mins)
 - Total Savings (₹)

Our Solar Rooftop

The roof-top solar, grid-tied, power system, implemented at our premises in Karapakkam, Chennai is a pilot project that uses string invertors and is expected to generate 45 kW of power. The installation generated a total of 21,679 kWh of energy in the FY 2013-14 and resulted in a saving of ₹ 1.3 lakhs in commercial electricity and an additional saving of ₹ 2.6 lakhs in DG power.



In grid interaction systems, the DC power generated from the solar panels is converted to AC power using a power conditioning unit and is fed to the grid of the three phase line of the premises. The panels generate power during the daytime which is utilised fully by powering the captive loads and feeding excess power to the grid as long as the grid is available. In the event of the solar power not being sufficient due to cloud cover etc., the captive loads are served by drawing power from the grid. The grid interactive rooftop solar system thus works on a net metering basis wherein we pay the utility on a net meter reading basis only. The grid interactive systems do not require battery backup as the grid acts as the backup for feeding excess solar power and vice versa.

Karapakkam: Solar Energy Generation

Month	Power Produced through Solar	Cost Savings from Solar (@ ₹ 7 per unit)
Nov-13	3,281.4	22,969.8
Dec-13	4,691.1	32,837.7
Jan-14	5,079.6	35,557.2
Feb-14	4,983.9	34,887.3
Mar-14	6,677.7	46,743.9
Apr-14	5,730	40,110
May-14	5,514	38,598



Solar ATMs

Our Bank also continues to reap benefits from our 100 solar powered ATMs which have resulted in the generation of 1,23,241 units of energy with a saving of ₹ 7.60 lakhs in commercial electricity and savings of ₹ 14.78 lakhs in DG power. The solar-powered ATMs have also helped mitigate a total of 146.66 MT of carbon emissions.

Solar-Windmill Hybrid

Our association with Nature Conservation Society, Amravati (NCSA) continues to grow through the mechanism of financial support. We provided the organisation with ₹ 1.70 lakhs to set up a unit that generates renewable energy, with a capacity to generate about 1kW (500 watt wind and 500 watt solar) of electricity at their community centre at the Melghat Tiger Reserve. This is a hybrid unit that uses solar panels and a micro-turbine that initially stores the solar and wind energy in its batteries. This is then converted by an inverter into the appropriate wattage for use by the centre. This centre, first set up by NCSA in 2006, is a focal point to promote activities that lead to the development of self-sufficient villages in Melghat. The centre is not dependent on the Government for electricity and produces sufficient amount of energy to run basic appliances.

Greening our Assets

Our move towards low-carbon processes has been evident in our procurement strategies, nevertheless we believe in targeting larger emission reductions through the greening of our physical assets. This year we have conceptualised and planned for our first green branch at Gurgaon to be LEED Gold certified (Commercial Interior Version 3) by the US Green Building Council. The office facility has a gross area of 2,000 sq ft and will target LEED Gold Rating.

Features of our Green Branch

The facility saves approximately **40% of potable water** by installation of water efficient low flow fixtures in toilets and the pantry. **34 kilolitres** of water is saved annually.

The total connected lighting power is **11% below ASHRAE standards**, the lighting design is further optimised by installing daylight sensors in areas that have sufficient natural lighting and motion sensors in closed rooms. This translates to savings of **0.5 MT of CO₂**.

The **air conditioning system** design is zoned based on occupant usage and space requirements and is controlled by installing variable refrigerant flow systems for open floor office spaces. For closed rooms, sensors are installed.

Notable design features have helped improve the working environment for business users. The facility provides sufficient supply of fresh air, which exceeds minimum ASHRAE standard 62 requirements by **30%**.

More than **95%** of the construction waste has been diverted away from landfill.



The recycled content value is **20% of the total material cost and 20% of the materials** have been manufactured regionally.

Developing a Green Management Framework

CSR Governance

Our CSR committee was formed on 14th Oct 2013 at the Board level in conjunction with regulatory requirements. The committee comprises of Mr. Ashok Kini (Chairman), Mrs. Kanchan Chitale, Mr. Vijay Vaid and Mr. Romesh Sobti. The Sustainability portfolio is in the care of Mr. Paul Abraham who is responsible for the Company's CSR and sustainability endeavours. Mr. Adwait Hebbar manages as the Head of Corporate Services under whom the

Department is achieving significant milestones. Mr. Sudhin Mathew ensures the smooth running of our programs internally and externally in his capacity as Head Corporate Sustainability. Our governance structure, supported by a robust environmental policy, guides our Bank through the mission and targets that we aspire to achieve year-on-year.

Employee Engagement Green Champions Program

At IndusInd Bank, we believe that no policy change will be successful if the internal stakeholders do not buy-in to the company's sustainability initiatives. Thus our entire initiative is supported by our employees for whom we have incorporated a robust and unique engagement program that forms a part of the formal structure of the Bank.



Green Stars making a difference!

Through FY 2013-14 we have monitored our GCs on the basis of their outreach and impact. Their efforts on this front have shown good results, with reductions in energy and paper consumption. The Adopt-a-Plant & Tree Plantation programs and innovative waste management initiatives were planned by CERES and executed and monitored by the GCs. The program has increased employee pride and commitment, giving the workforce a compelling new way to connect with the Bank as well as the customers. Looking at the enthusiastic reception of the GC program, the Bank recently launched an employee support program for the GCs aptly named Green Commandos for which more than 1300 employees registered. Both the Green Champions and the Green Commandos have been formally recognised by the Bank and have the honour of carrying badges identifying them in their e-mail signatures and on their business cards.

We inducted 35 Green Champions into the *Hum aur Hariyali* program in a 3-day workshop in October 2013 at Mumbai at the IBL corporate office, Sanjay Gandhi National Park and Shantivan (a BMC dumping ground converted to an ayurvedic garden) where the CSR journey, GC roles and responsibilities and activities were shared.

Snapshot of Green Champions Activities

Joy of Giving Week

Joy of Giving Week was initiated at 25 branches and 5 corporate houses to support Mumbai Mobile Crèche, a NGO providing day-care facilities, education and other amenities to children of construction site workers. They currently operate from 36 sites across Mumbai. The Green Champions collected clothes for 2000 children (1 set per child), toys for 300 children (old and new) and new stationary for almost 500 children of the NGO.

Green Ganesha

Celebrating Indian festivals brings with it significant environmental impacts. To address this issue, IndusInd Bank continues to educate its employees and customers about the harmful impact of non eco-friendly Ganesh idols. This year 250 eco-friendly Ganesh idols made from clay were distributed across 8 branches in Hyderabad. We also created awareness about the pollution levels of Hussain Sagar Lake that receives 25,000 Ganesh idols of various sizes every year and the need to change our behaviour.



Adopt - A - Plant & Tree Plantation Drive

Our Jammu Branch carried out a plantation drive with children from Apple Kids Kindergarten School. The message sent across was 'Grow more Trees and Save the Earth'. This was a first of its kind initiative that received a positive response from the entire community. Forty students and other members of the local community made the event a success. The Udaipur Branch also initiated an Adopt-a-Plant activity with the residents of Adinath Nagar & Panchratna Complex. Our team is inspired to take this event across the states to promote goodwill towards the environment.





X-mas sale by Children of SUPPORT NGO

On the Eve of Christmas the Green Champions from West Zone and the CSR Team organised an X-MAS sale. The sale was held on 24th December 2013 at Solitaire Corporate Park from 12.00pm to 3.00pm. Handmade articles made by the children of SUPPORT, such as handmade bags, cloth pouches, key chains, earrings and table mats, were on display. Thereafter the children were taken to our Credit Card Contact Center Office where the team headed by Tuesy Chhatwal had organised a party. For entertainment there were games, dances and drama organised by our employees who also participated in the festivities and distributed gifts to the children of SUPPORT.

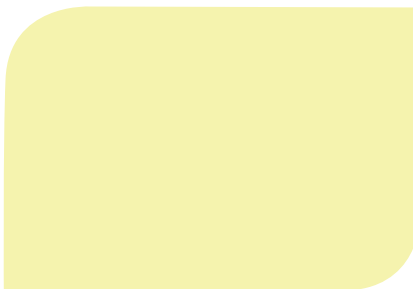
Blood Donation Camp

A blood donation camp was organised by the Green Champions of North Zone at their Zonal Office in Delhi on 20th December 2013. The GCs organised the drive to spread awareness on health issues associated with polluted environments and Mr. Anil Rao addressed the solutions in his inaugural speech. This camp was open to all employees and customers who together contributed to the collection of 71 units of blood, despite the cold weather.



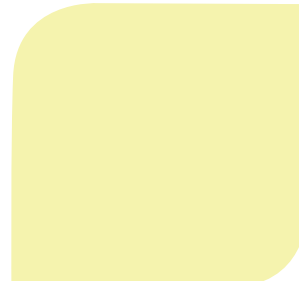
World Environment Day Celebrations

IndusInd Bank celebrated World Environment Day on the 5th of June through a series of events across the country organised by the Green Champions. Activities such as distribution of saplings under the Adopt-a-Plant program, plantation drives with customers from our rural communities, nature walks and a street play activity for employees were all a part of the day's program.



WOW Initiative

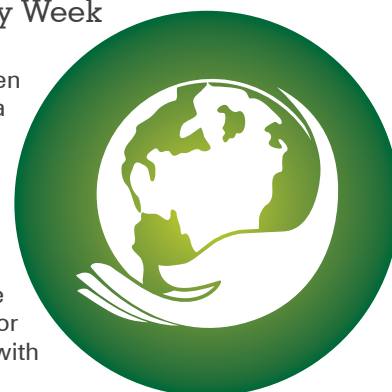
Our partnership with ITC & Ramky on the Wealth Out of Waste (WOW) program continues to gather steam with regular collection drives. This year, at Hyderabad, the GCs took it a step forward and donated all the exchanged stationary goods to 100 girls who are part of the Rainbow Home, run by the NGO APSA, on 3rd August 2013. Employees also donated blankets to the children.



Corporate & Global Market Operations (CGMO) Sustainability Week

Over the past two years employees from the CGMO division of the Bank have been conducting Sustainability Week to achieve the two-fold objective of creating a conducive environment for employee engagement and driving the sustainability agenda of the Bank. The event was organised in collaboration with the CSR team and created a stir among both old and new employees.

This year's 3rd Annual Sustainability Week focused on the overarching themes of Waste & Resource Consumption and Biodiversity & Greening. The primary aim was to create awareness about issues pertaining to these themes and their impact on the industry and individuals alike. Sustainability Week created an environment for exchanging best practices and tips via E-learning and knowledge sharing sessions with experts.



Some of the on-the-ground activities completed during the week included the promotion of the environment e-learning module and conversion to 'e-statement friendly' accounts. Another initiative implemented across the Bank was the substitution of plastic water bottles with stainless steel bottles for all employees. CGMO also led a focused effort to replace normal PC's with thin computing systems and address energy efficiency concerns at the Bank.

'Just Do It' Program - Paper Conservation

CGMO's 'Just Do It' (JDI) program empowers staff to generate and implement improvement ideas to enhance delivery to clients. Projects are initiated in the area of process improvements, cost savings and risk mitigation. As part of JDI numerous structured projects have been initiated to eliminate the usage of paper. The Global Remittances Department's (GRD) program - Project Paperless has resulted in significant savings in Phase 1 of its implementation. Similar savings have been realised in Treasury Operations and Cash Management Operations as well. These projects were conceptualised and implemented by our staff, resulting in savings of over 3,00,000 sheets of A4 equivalent paper on an annual basis.



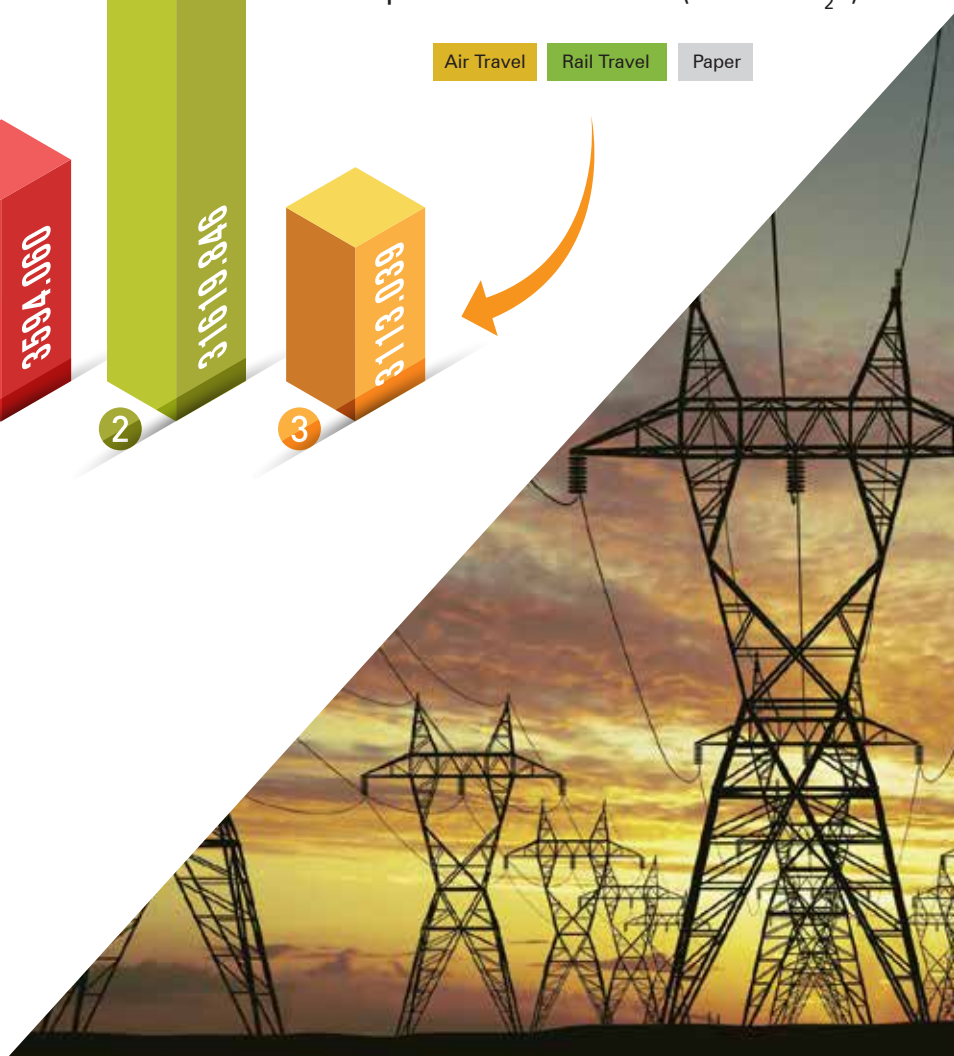
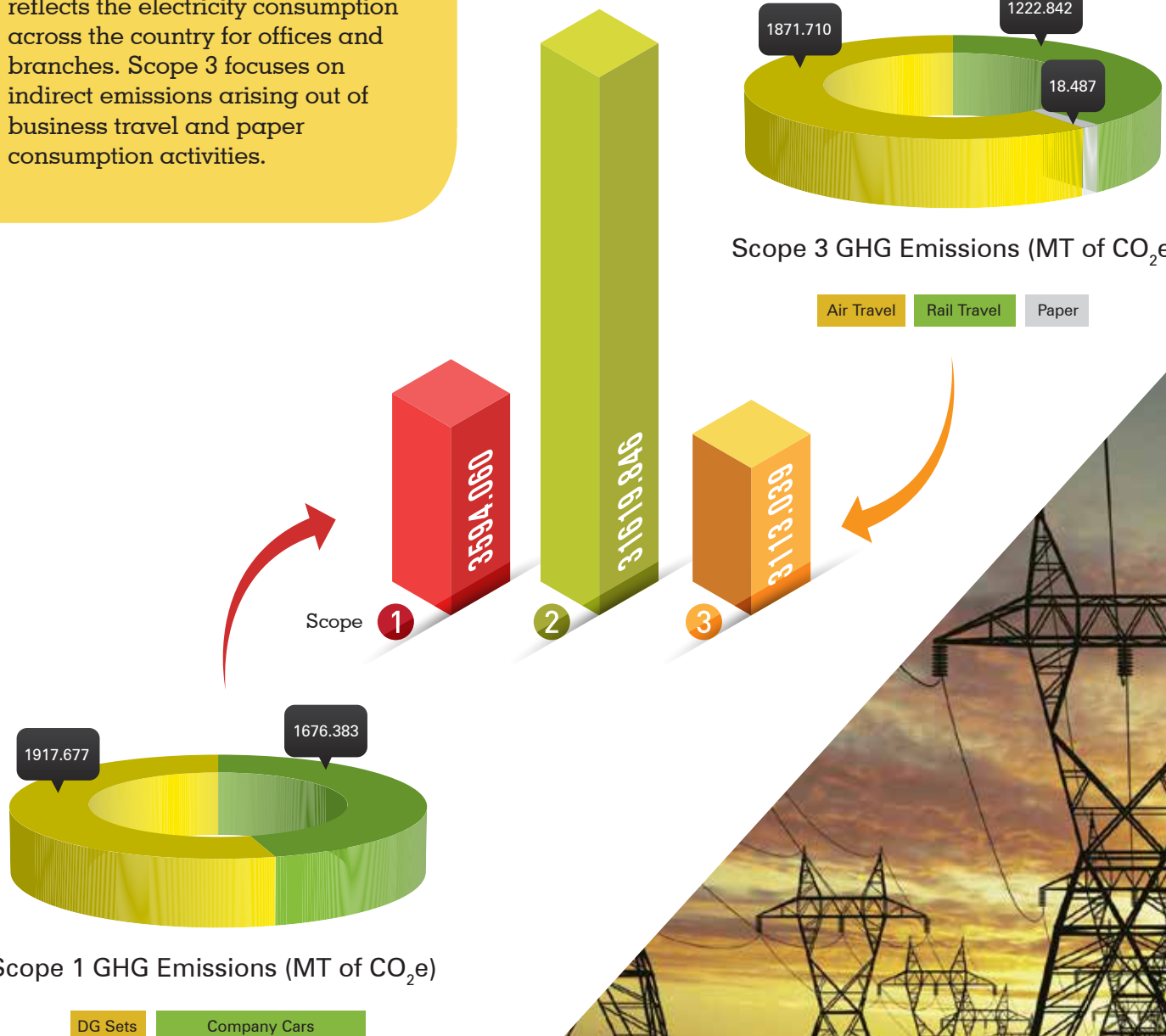
Reporting of Environmental Performance

Responding to the risk of climate change, CERE has been mapping carbon emissions for the Bank for the last three years. We have also consciously been making an effort to reduce emissions through our numerous sustainability interventions.

This year our carbon footprint reflects an increase in emissions from last year due to expanding operations, however, our sincere efforts to reduce carbon emissions are reflected in our decreased emission intensity which has reduced by 16.91% from the last financial year. We are committed to further reducing our environmental footprint and achieving sustainable outcomes for the Bank, our clients and society.

In the FY 2013-14, our total calculated GHG emissions amounted to 38,327 metric tonnes of CO₂e. The main portion of our GHG emissions arise from electricity use (cooling, lighting and equipment) at our offices and branches. The increase in absolute emissions represents in part, an increase in the number of branches and offices along with staffing levels during the year. We are consistently improving and refining our data collection methods, and as a result the scope of our carbon footprint increases further each year. The data we present reflects our ongoing efforts to improve data quality and robustness.

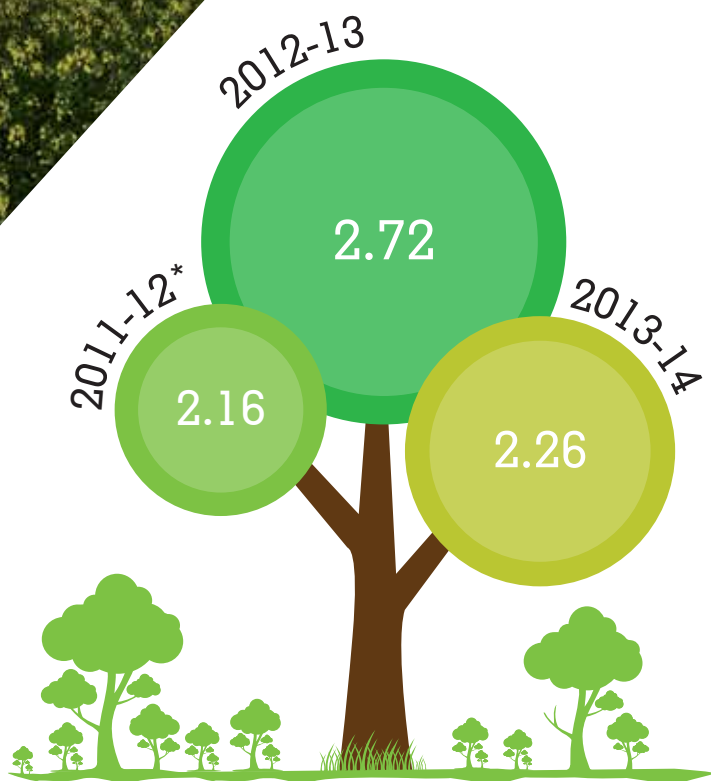
Our greenhouse gas (GHG) emissions currently represent our most significant material environmental issue. Our Scope 1 direct emissions are attributed to fuel consumption for company cars and generator sets. Scope 2 reflects the electricity consumption across the country for offices and branches. Scope 3 focuses on indirect emissions arising out of business travel and paper consumption activities.





We have chosen to report GHG intensity based on full-time employee strength (FTE), as this is the most relevant measure for the nature of our business. This intensity measure will assist us in obtaining a complete and reliable understanding of fluctuations in GHG emissions that result from changes in business activity, which will therefore provide us with greater accuracy and clarity in comparing data between years. We have a year on year rolling target of a 2% reduction in per capita emissions as mentioned in our environmental policy. This goal is based on calculating the associated emission reduction required to achieve our long-term objectives.

With a greater understanding of our environmental footprint, we are now developing medium to longer-term goals and programs to deliver them. Our aim is to reduce our overall footprint, even within a growing global business. This will be our focus into FY 2014 and beyond.



We calculate our carbon intensity to estimate greenhouse gas emissions based on the scope 1 & scope 2 activity data. This figure depicts our per capita emissions for the last 3 years. Compared to last year this year (2013-14) our intensity has reduced to 2.26 MT CO₂e per capita due to our numerous interventions such as the installation of renewable energy projects and energy efficient technology to name a few.

*In the FY 2011-12 our emissions did not include emissions arising out of CFD/VFD operations hence in the following year there is an increase in our per capita emissions.

Sustainability Report

IndusInd Bank believes that transparency is an integral part of sustainability and has reported on its CSR activities and GHG emissions through several channels. The Bank has published details about its CSR programs in its Annual and Sustainability Reports and is also a signatory to the Carbon Disclosure Project (CDP). With this report, IndusInd Bank will have published its fourth Annual Sustainability Report. We continue to make efforts to improve the scope and integrity of our Sustainability Report by referencing NVG and GRI guidelines.

CDP Reporting

As a signatory we have been publishing our carbon footprint data voluntarily and have also committed to reducing our per capita carbon emissions. This is IndusInd Bank's fifth year as a CDP signatory and this is the third year we have made our results available in the public domain.

Looking Ahead

In the coming years we are preparing to expand our CSR activities to align our business goals with our sustainability strategies. We have identified opportunities to show and maintain our leadership in this space and continue to explore various options to do more. Our focus in the year ahead will include:

Transition to a lower carbon economy- engage with clients and new lines of business

Addressing Climate Change & Resource Optimisation Operational Goals - Energy, Waste, Water and Paper

Evaluating our environmental risks to business: Policy & Risk Management

Extending Employee Engagement Programs

Setting New Goals

In addition to the above mentioned roadmap we will also include the following goals to be initiated in the next FY 2014-15. These goals will further define and broaden our impact and outreach respectively. They are in no particular order and will develop simultaneously within the Bank.

- We are in the process of creating our CSR policy and strategy in conjunction with the Companies Act, 2013.
- We will define our focus areas for the forthcoming year.
- There will be evaluation matrices built into our strategy to select, monitor and evaluate projects on the basis of their impacts.

- IndusInd Bank regards communication with all interested parties as the basis of its green management activities.
- Our disclosure to our stakeholders will follow our principles of transparency and ethics via our revamped internet site in the public domain. Follow us on: <http://www.indusind.com/content/csr-home.html>

- With the dual purpose of supporting rural development and consolidating our position in the rural markets we intend to develop a financial literacy program that will not only educate the rural customers but also support their inclusion in society.



- We will launch our first green branch on our premises, a initiative which we hope to emulate across our offices and branches in India.

- The successful implementation of the formal GC program has influenced our decision to expand the program.
- GC themes such as supporting communities, biodiversity & greening and promoting awareness and best practices that have been implemented through GC activities will further engage all stakeholders.

- The Bank will continue to apply technological solutions that help in reducing our operational footprint apart from supporting low carbon projects externally.
- Our successful pilot project of converting to LED lighting in the office space will be aggressively implemented in properties owned by us.



NVG PRINCIPLE/ CORE ELEMENTS	STATEMENT	PAGE NO.	GRI G3.1	GRI G4
Principle 1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability		G3-4.1 to 4.9	G4 34, 37-41, 45, 47, 51, 53
Core Elements	<ol style="list-style-type: none"> 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. Businesses should not engage in practices that are abusive, corrupt, or anti-competition. Businesses should truthfully discharge their responsibility on financial and other mandatory disclosures. Businesses should report on the status of their adoption of these Guidelines as suggested in the reporting framework in this document. Businesses should avoid complicity with the actions of any third party that violates any of the principles contained in these Guidelines. 	<p>11, 15-17, 36, 52</p> <p>13, 14, 35, 57</p> <p>15</p> <p>14, 20, 57</p> <p>14, 57</p> <p>30</p>		
Principle 2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle		G3.1- EC6, DMA (environment), EN2, EN6, 7, HR2, HR6,7,	G4 EC9, DMA (environment), G4 EN2, EN6-7, G4 HR-10, HR-5-6
Core Elements	<ol style="list-style-type: none"> 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. 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. In designing the product, businesses should ensure that the manufacturing processes and technologies required to produce it are resource efficient and sustainable. Businesses should regularly review and improve upon the process of new technology development, deployment and commercialisation, incorporating social, ethical, and environmental considerations. Businesses should recognise and respect the rights of people who may be owners of traditional knowledge, and other forms of intellectual property. Businesses should recognise that over-consumption results in unsustainable exploitation of our planet's resources, and should therefore promote sustainable consumption, including recycling of resources. 	<p>21, 45</p> <p>-</p> <p>21, 25, 38, 44, 48</p> <p>49</p> <p>-</p> <p>22, 44-47, 55</p>		

NVG PRINCIPLE/ CORE ELEMENTS	STATEMENT	PAGE NO.	GRI G3.1	GRI G4
Principle 3	Businesses should promote the well-being of all employees		DMA (labour practices and decent work), LA1,10,11, HR11	DMA (labour practices and decent work), G4-10, G4-LA 9-10, G4-HR12
Core Elements	<ol style="list-style-type: none"> 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. 	<p>30, 35-36</p> <p>30-34</p> <p>30</p> <p>34</p> <p>35, 40</p> <p>35, 36</p> <p>37- 39</p> <p>33-35</p>		
Principle 4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.		GRI G3.1-4.14, 4.17	G4-24, 27
Core Elements	<ol style="list-style-type: none"> 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. 	<p>10, 23, 24, 27, 39, 52</p> <p>10, 13</p> <p>23-27</p> <p>35-36</p>		
Principle 5	Businesses should respect and promote human rights		DMA(HR), HR9, HR11	DMA(HR), G4 HR8, HR12



NVG PRINCIPLE/ CORE ELEMENTS	STATEMENT	PAGE NO.	GRI G3.1	GRI G4
Core Elements	<ol style="list-style-type: none"> 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. 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. Businesses should recognise and respect the human rights of all relevant stakeholders and groups within and beyond the workplace, including that of communities, consumers and vulnerable and marginalised groups. Businesses should, within their sphere of influence, promote the awareness and realisation of human rights across their value chain. Businesses should not be complicit with human rights abuses by a third party. 	<p>30</p> <p>30, 32, 33, 35-36</p> <p>23, 30</p> <p>30</p> <p>30</p>		
Principle 6	Business should respect, protect, and make efforts to restore the environment		GRI G3.1 EN2, 3, 4, 5, 6, 7, 10,14, 16, 17, 18, 21, 22,	G4 EN2-7, 10, 15-19, 22, 23
Core Elements	<ol style="list-style-type: none"> Businesses should utilise natural and manmade resources in an optimal and responsible manner and ensure the sustainability of resources by reducing, reusing, recycling and managing waste. 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. Businesses should ensure that benefits arising out of access and commercialisation of biological and other natural resources and associated traditional knowledge are shared equitably. 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. 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. 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. Businesses should proactively persuade and support its value chain to adopt this principle 	<p>21, 44-47, 51</p> <p>46-47, 50, 51, 53, 55-57</p> <p>-</p> <p>22, 48-51</p> <p>-</p> <p>13, 56-57</p> <p>-</p>		

NVG PRINCIPLE/ CORE ELEMENTS	STATEMENT	PAGE NO.	GRI G3.1	GRI G4
Principle 7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner		GRI G3.1 SO5	DMA (social)
Core Elements	<ol style="list-style-type: none"> 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 utilise the trade and industry chambers and associations and other such collective platforms to undertake such policy advocacy. 	- 27		
Principle 8	Businesses should support inclusive growth and equitable development		DMA (Social), SO1, SO10,	DMA (social), G4 SO1
Core Elements	<ol style="list-style-type: none"> 1. Businesses should understand their impact on social and economic development, and respond through appropriate action to minimise 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. 	22-27 21, 22-25, 39, 50 - 23, 27		
Principle 9	Businesses should engage with and provide value to their customers and consumers in a responsible manner		GRI G3.1 PR2, PR3, PR4, PR5	GRI G4 PR 2-4
Core Elements	<ol style="list-style-type: none"> 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. 	36, 39, 53-55 - 21, 45 - 45 -		

This Report has been prepared by:



Centre for Environmental Research & Education (CERE)
www.cere-india.org

Disclaimer:

Centre for Environmental Research & Education (CERE) has taken all reasonable care to ensure that the facts stated herein are true and accurate on the date of preparation and as per the information shared by IndusInd Bank Limited. CERE has not confirmed the authenticity of the information provided in the documents and has taken the information provided in good faith.

Designed By: Forecast Brandcom
www.forecastadvtg.com

To know more about the Bank's sustainability initiatives, contact us at:

IndusInd Bank

IndusInd Bank Limited
8th Floor, Tower 1, One Indiabulls Centre,
841, S. B. Marg, Elphinstone Road,
Mumbai - 400 013
Telephone: 022 2423 1999
Website: www.indusind.com

We welcome your feedback and suggestions at csrsupport@indusind.com

© IndusInd Bank - 2014. All rights reserved.

This publication and its content is copyright of IndusInd Bank Limited. Any redistribution or reproduction of part or all of the contents in any form is prohibited without the prior written permission of IndusInd Bank Limited.