

IndusInd Bank

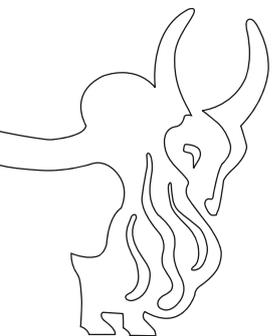
VALUES OF **THE PAST**
PROSPERITY FOR
THE FUTURE



REDISCOVERING THE INDUS VALLEY CIVILIZATION

5th SUSTAINABILITY REPORT

2014-2015



By printing this report on Cocoon Silk recycled paper, the environmental impact was reduced by 31 kg of landfill waste, 4 kg of CO₂, 1,149 litres of water, 72 kWh of energy and 51 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



TABLE OF CONTENTS

Message from Managing Director

About this Report

Report Profile

Our Reporting Framework

SUSTAINABLE BANKING

I. Our Story	10
1. Our Bank by the Numbers	10
2. Organizational Structure	12
3. Our CSR Mission	13
4. Awards & Accolades	14
II. Corporate Governance, Ethics & Integrity	15
1. Policies & Guidelines	16
2. Compliance & Vigilance	16
3. Our Risk Management Systems	18
III. Stakeholders: Listening, Learning & Engaging	19
1. Our Key Stakeholders	19
2. Determining Materiality	21
3. Public Policy & Advocacy	23

GROWING FINANCIAL CAPITAL

CREATING ECONOMIC VALUE	26
I. Financial Performance	26
1. Innovating Our Products & Services	28
2. Fostering Economic Development	29
3. Financial Inclusion & Rural Banking	31

NURTURING SOCIAL CAPITAL

PRIORITIZING OUR STAKEHOLDERS	36
I. Our Most Valued Asset: Employees	36
1. Workforce by Numbers	36
2. Employee Attrition	37
3. Employee Benefits & Welfare	37
4. Employee Health & Safety	38
5. Employee Training & Education	40
6. Talent Management	42
7. Employee Engagement	43
II. Human Rights	48
1. Equal Opportunity Employment	48
2. Internal Communication for Employees	48
3. Employee Service Rules & Code of Conduct	49

4. Sexual Harassment Policy	49
5. Stakeholder Reporting Channels	50
6. Ethical Procurement	51
III. External Stakeholders: Customers	51
1. Privacy Policy	51
2. Complaint Redressal Mechanism	52
3. Customer Satisfaction & Loyalty	52
IV. Community Development	53
1. Spreading Financial & Legal Literacy	53
2. Promoting Cleanliness	54
3. Skill Development of Drug Rehabilitated Children	55

PROTECTING NATURAL CAPITAL

ENVIRONMENTAL STEWARDSHIP	58
I. Materials & Waste	59
1. Paper Consumption	59
2. Managing Our Hazardous Waste	60
3. Supply Chain Management	61
II. Energy	61
1. Electricity Conservation & Efficiency	61
2. Technology vs. Transportation	63
III. Engaging Employees on Environmental Sustainability	63
1. Our Green Champions Program	63
2. CGMO Sustainability Week	64
IV. Green is the New Burgundy	65
1. Biodiversity Quarter	65
2. World Environment Day	66
V. Tackling Climate Change	67
1. GHG Accounting & Inventorization	67
2. Mitigating Our Carbon Footprint	69



Message from Managing Director

Four thousand years ago on the banks of the Indus and Ghagghar-Hakra rivers, the Indus Valley Civilization gave the world its first glimpse of the transformative power of Indian business and commerce. Today, IndusInd Bank carries on this proud tradition and pursues a path of integrity and transparency on the road to profitability. Our continuing commitment to long-term business success is bolstered by our focus on inclusive growth, societal development and environmental stewardship. It thus gives me immense pride in presenting to you, our valued stakeholder, IndusInd Bank's Fifth Annual Sustainability Report. The report inscribes our rigor and commitment to sustainability across our value chain.

This year despite a weak economic environment the Bank has seen growth across several fronts. Our operating profit increased by 19.71% to ₹ 3,225.07 crores, while our net profit increased by 27.39% to ₹ 1,793.72 crores. Our constant efforts at product innovation have led to the launch of an exclusive range of credit cards and the expansion of our gem and jewellery business. We have also revolutionized the digital banking platform and have connected with customers in ways not imagined before, including the launch of our video banking service. With our expanding e-banking facilities we have also continued to ensure customer privacy and security. We take product responsibility and customer service extremely seriously, a commitment that is reflected in our increasing customer loyalty. Our endeavour has been to bring value to our customers and ease their business in manifold ways.

In the rural and priority banking sectors we have touched over 1.7 million households through our various financial instruments and services. Priority sector lending bolsters the nation with the infusion of capital into micro, small and medium industries and we are happy to have a lending footprint of ₹ 23,017.30 crores on this front. Specifically, this year we have ventured further into areas of renewable energy and sustainable agriculture finance with outlays of ₹ 459 crores for the wind and solar energy sectors and ₹ 725 crores for the construction of food storage and dairy facilities.

Our employees are one of our most important assets and we place value on developing and managing talent and engaging with our staff across multiple platforms. This year the Bank oversaw 5,23,000 hours of learning in areas of leadership development, team building, effective communication, compliance and technology banking products & operational processes amongst others. Employees receive regular performance reviews and have

access to a number of reporting and grievance redressal channels, including a robust and secure whistle-blowing platform. Unique to IndusInd Bank, our Green Champions program goes a step further and engages employees on an environmental and social front, giving them the opportunity to further their own sustainability goals, as well as those of the Bank, while developing important leadership and communication skills.

On the corporate sustainability front we have also instituted a CSR policy and a CSR committee of the board, an apex body that will govern the strategic path of our CSR program. Our CSR strategy has been developed in line with the United Nations Millennium Development Goals and focuses on financial inclusion, climate change and rural development. An important project, undertaken by the Bank this year is 'IndusInd Swachh Vidyalaya' that will support the construction of toilet facilities in schools in rural Kolhapur under the banner of the PM's Swachh Bharat Mission. We have also supported financial and legal literacy programs for women across India in partnership with our business correspondent Samhita.

In terms of environmental stewardship this has been a year of many firsts. We gained a leadership position in the Carbon Disclosure Project rankings and have become the first Indian Bank to obtain ISO 14064-1 : 2006 assurance for our carbon footprint assessment. We have also taken several steps to curtail our carbon emissions including the use of energy efficient technologies, a focus on green IT solutions and the launch of our first LEED gold rated branch in Gurgaon.

Our vision of being a sustainable bank is thus supported by adopting a value chain approach to de-risk business, enhance the value of our products and services and restore the environment. This report is a testament to all of our efforts towards sustainability. Going forth we hope to continue to embed and adopt sustainable practices with the aim of imparting a positive impact on the society with your participation and support.

Yours sincerely,

Romesh Sobti
Managing Director & CEO

INDUSIND BANK

SUSTAINABILITY REPORT 2014-15

About this Report

IndusInd Bank views sustainability reporting as an important tool in its relationship with customers, employees, shareholders and investors. We view this report as an opportunity to share with our stakeholders our social and environmental agenda as well as our performance on a number of non-financial indicators. With this report, IndusInd Bank releases its Fifth Annual Sustainability Report. Here we travel a road less traversed and narrate our story alongside that of the Indus Valley Civilization, whose innovative culture and community life has fostered the Bank's genesis.

Report Profile

Reporting Period & Cycle:

The reporting period for this sustainability report is the financial year April 1, 2014 to March 31, 2015, referred to hereafter in short as FY '14-15. This is the Fifth Annual Sustainability Report, the previous reports can be found at: <http://www.indusind.com/content/csr-home/sustainability-report.html>

Scope & Boundary:

IndusInd Bank is a mid-sized Bank with 801 branches and 1,487 ATMs at 514 locations across India. This report represents the pan-India operations of the Bank and includes business verticals that cater to a wide suite of products across consumer and corporate banking needs. There are no revisions in the organizational

boundary from the previous reporting year and no aspect of the Bank has been excluded from this report.

Report Content:



This report has been prepared in accordance with Global Reporting Initiative's (GRI) most recent Sustainability Reporting Guidelines - G4 and conforms to the 'Core' set of disclosures covering 44 indicators. A complete list of disclosures can be found in the GRI Content Index on Page 72-74 of this report. A framework of the report's content is presented below:

Our Reporting Framework



Sustainable Banking:

This section covers both report and organizational profiles and discusses the Bank's key stakeholders and lists material topics. It also outlines the organization profile, description of key risks, business strategy, opportunities including method of stakeholder engagement and material topics.



Growing Financial Capital:

This section enlists the Bank's economic performance during the FY '14-15 and discusses the risks and opportunities emerging at a global, national and sectoral level. It describes the indirect economic impact created by the business and operations in various sections of society and community.



Nurturing Social Capital:

This section summarizes performance across several social indicators including employee welfare and labour policies, product responsibility and accountability, supply chain management and community outreach.



Protecting Environmental Capital:

This section presents the Bank's environmental impact, key metrics, e.g. energy use, waste and greenhouse gas emissions as well as an overview of the Bank's climate change mitigation and management activities.

The Bank has published its Annual Business Responsibility Report for the FY '14-15 which is publicly available on our website at <http://www.indusind.com/investor/reports-and-presentation/annual-reports.html>



Sustainable Banking

Discovery

On a hot, sultry day in the late 1920's Charles Masson, a deserter from the East India Company's Bengal Artillery, stumbled upon the ruins of a prehistoric brick city while travelling through the dense jungles and grasslands of the Indus River Basin. He later recorded this unusual sighting in his book 'Narrative of various journeys in Balochistan, Afghanistan, and the Panjab', thus making it one of the first recorded descriptions of the ancient city of Harappa.

“A long march preceded our arrival at Haripah, through jangal of the closest description. East of the village was an abundance of luxuriant grass, where, along with many others, I went to allow my nag to graze. When I joined the camp I found it in front of the village and ruinous brick castle. Behind us was a large circular mound, or eminence, and to the west was an irregular rocky height, crowned with remains of buildings, in fragments of walls, with niches, after the eastern manner... The entire neighbourhood is embellished with numerous pipal trees, some of them in the last stage of lingering existence; bespeaking a great antiquity, when we remember their longevity. The walls and towers of the castle are remarkably high, though, from having been long deserted, they exhibit in some parts the ravages of time and decay... Tradition affirms the existence here of a city, so considerable that it extended to Chicha Watni, thirteen cosses distant...”





Harappa

Mohenjo-daro

Lothal

Our Story

IndusInd Bank derives its name from the famous Indus cities and the vast and epic civilization they represent. The Indus Valley Civilization stands for innovation, progress, development, sound business practices and fair and responsible trade; values that the Bank hopes to emulate as it takes its place in the financial sector as one of India's most successful mid-sized Private Sector Banks.

Mr. Srichand P. Hinduja, a leading NRI businessman and head of the Hinduja Group, founded IndusInd Bank in April of 1994 with the objective of contributing to India's economic and social development. When envisioning the Bank he drew inspiration from a small banking and trading town called Shikarpur that lay on the banks of the Indus River. The Hinduja's originate from Shikarpur and thus, in the words of Mr. Hinduja, this makes "IndusInd Bank itself a lineal descendent of a very ancient and important economic heritage of the subcontinent". In this way the finance and trading traditions of the mercantile community of the Indus Valley Civilization are carried on by IndusInd Bank into the 20th and 21st centuries.

Today the Bank offers a range of financial services and products. Apart from consumer banking, corporate and commercial banking, vehicle financing and a full suite of other banking services, this year the Bank has introduced market first products such as the Video Branch, a step forward from our 'Responsive Innovation theme'. The year under review was the first of the new triennial planning cycle with the theme of 'Intelligent Domination and Specialization' with strategy to gain 'Market Share with profitability' through Dominance, Diversification and Differentiation (3D). With this the Bank is on its path to being a 'high street' brand.

We now have 801 branches and 1,487 ATMs spread across 514 geographical locations of the country, with a head office located at One India Bulls, Elphinstone Road, Parel, in Mumbai. The Bank also has representative offices in London, Dubai and Abu Dhabi and a strategic alliance in Doha. It enjoys clearing bank status for both major stock exchanges - BSE and NSE - and major commodity exchanges in the country, including MCX, NCDEX, and NMCE.



Our Bank by the Numbers

Employee Demographics

As the Bank grows so does its employee base and this year the Bank's employee strength stands at 19,121 people, an increase of 22.64% from last year. While we respect our employees' human rights our employees are not covered by collective bargaining agreements. Grievances are addressed through an open and comprehensive redressal framework.

Employee Strength



Financial Performance

Despite a weak operating environment the Bank managed to post consistent results in the FY '14-15. We witnessed robust growth on all key success parameters including, Net Profit, Operating Profit, Net Interest Income, Fee Income, Return on Assets and Return on Equity.

This year's key performances are outlined below.



Key Business Highlights 2014-15

Revenue

22%
₹ 5,824 Cr

Net Profit

27%
₹ 1,794 Cr

Operating Profit

20%
₹ 3,225 Cr

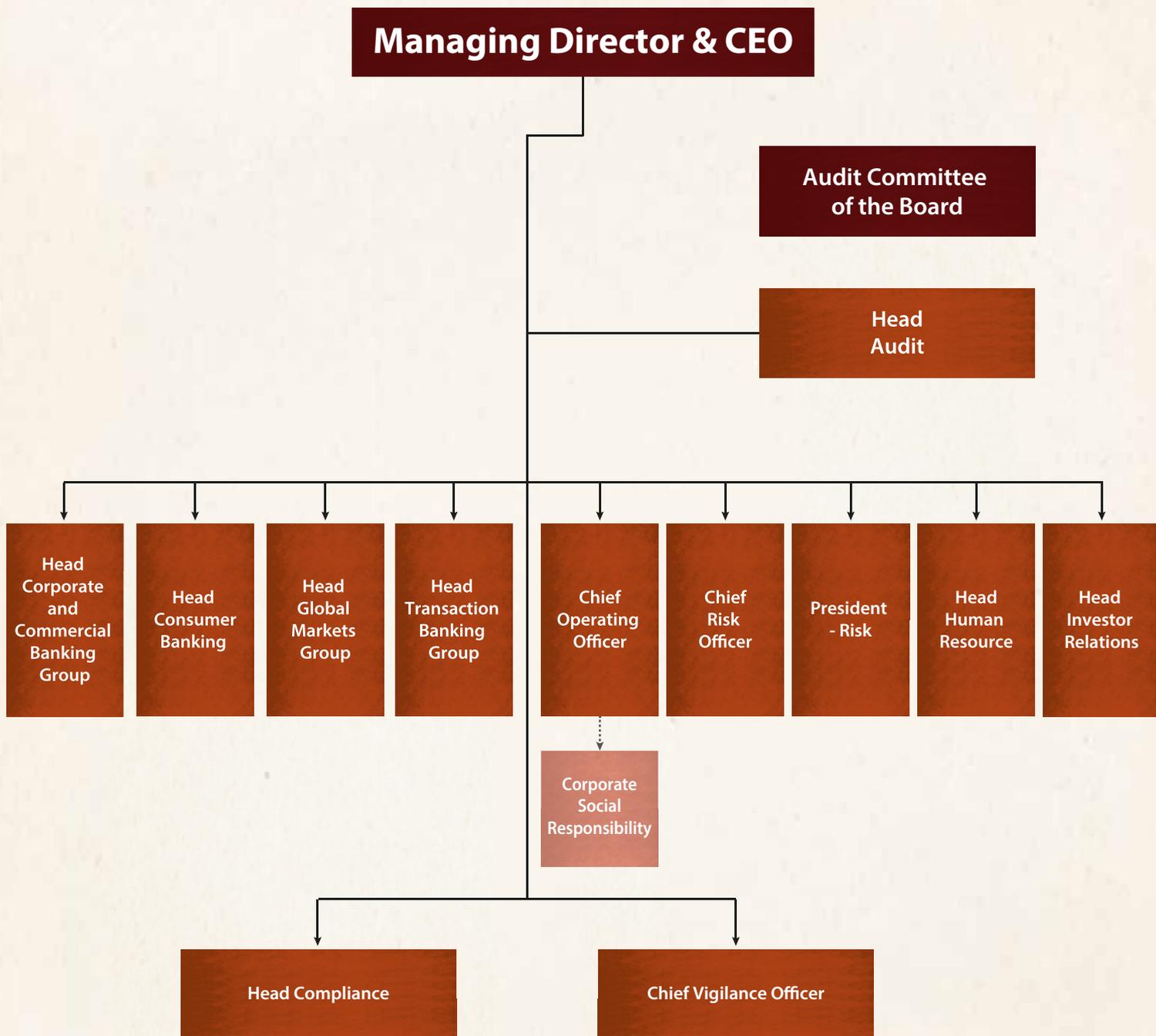
Net Interest Income

18%
₹ 3,420 Cr

Fee Income
₹ 2,404 Cr
Annual Growth of 27%

1.90% RoA
RoE 18.59%

Earnings Per Share
₹ 33.99
from ₹ 26.85



Our CSR Mission

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

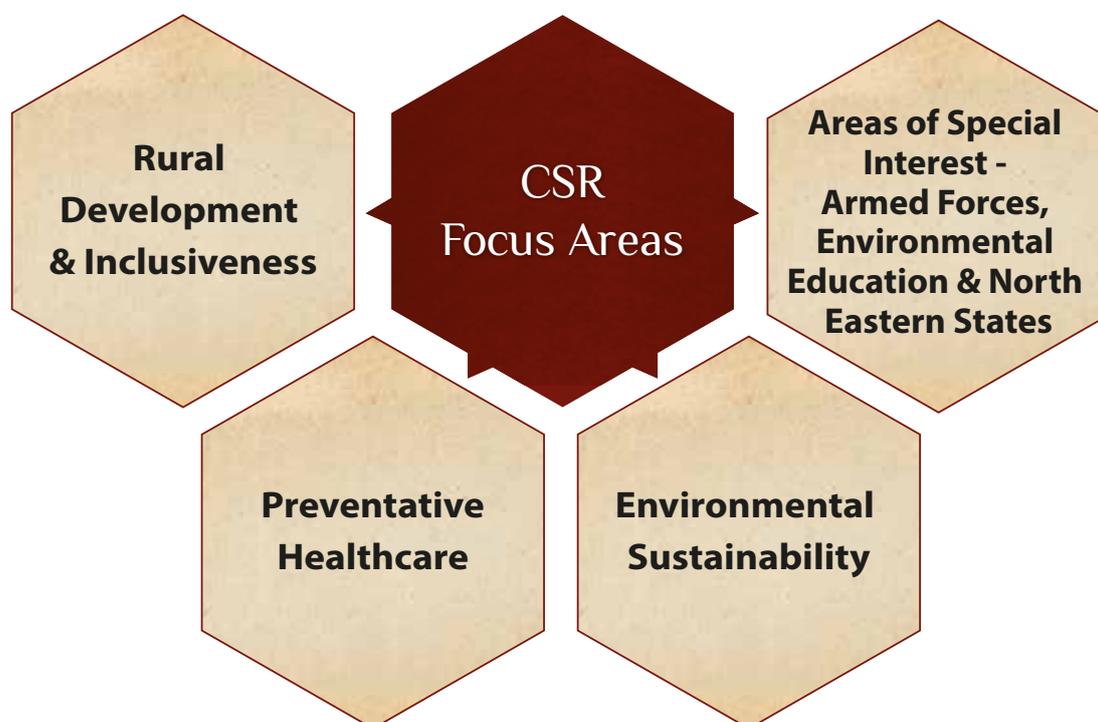
In FY '13-14 we instituted a CSR Policy and Strategy Document that reiterated the Bank's mission and outlined 4 major areas of focus for our CSR program. The policy was developed in accordance with the requirements of Section 135 of the New Companies Act, 2013 and was also guided by the principles outlined in the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGSEE) and the UN Global Compact.

Sustainability and CSR are governed by the Corporate Social Responsibility (CSR) Committee of the Board. This committee comprises of board members including MD

and CEO, Mr. Romesh Sobti and the committee is chaired by Mrs. Kanchan Chitale. The CSR Committee approves the CSR policy and ensures that projects approved in the year are undertaken. The management overview is provided by Mr. Paul Abraham, Chief Operating Officer (COO), and at a functional level the CSR department is directly under the supervision of Mr. Adwait Hebbar, Head - Corporate Services (CS) which forms a part of the COO function at the Bank. The CSR department, headed by Mr. Sudhin Mathew, is responsible for several CSR initiatives including green procurement, community outreach programs, carbon measurement & mitigation and the Green Champions program.

Our CSR policy and details of our CSR projects are given in Annexure VI to the Director's Report on pages 41-45 of our Annual Report. Details about the CSR Committee can be found on our website at:

<http://www.indusind.com/content/csr-home/our-approach/meet-the-bank.html>



Awards & Accolades

The awards and accolades received by the Bank in FY '14-15 are a testament to the progress made in both the financial and non-financial sectors.



General Awards

- 'Banker of the Year' awarded to Mr. Romesh Sobti, MD & CEO, at the Business Standard Annual Awards 2014
- IndusInd Bank was awarded 'Best Medium-Sized Bank' and 'Fastest Growing Medium-Sized Bank' at BW BUSINESSWORLD-Magna Awards 2015
- Ranked 19th in the 'Top 50 Most Valuable Indian Brands 2014' as per the BrandZ Top 50 Ranking powered by WPP Plc & Millward Brown
- Ranked 39th in the 'Best Indian Brands 2014' as per the Economic Times & Interbrand Best Indian Brand Study
- Project 'IndusInd Bank Partnership Program' declared as Winner for FIPS Awards 2014
- 'ACI Universal Payment ACI Excellence Award 2014 - Operational Excellence' awarded for Bank's ATM features - Cash-on-Mobile, PIN reset on IVR & Stop Cheque on ATMs
- Winner: Excellence in Service Innovation & Highly Commended award: Excellence in Communication and Client On-boarding at Retail Banker International Trailblazer Awards 2015
- Overall Excellence in category of 'Best Bank Financing the Industry Highest Growth of Limits Sanctioned' at India Gem and Jewellery Awards 2013-14
- Best Payment Initiatives award (2nd Runner up) at Banking Technology Awards 2015 by Indian Banks' Association(IBA)
- Best Branchless Banking Award at BFSI Leadership Summit & Awards 2015
- Awarded the 'Top Performer' in Active Accounts (Rising DPs) by NSDL
- Talisma Insight 'Excellence in Innovation' award for the implementation of 'Always On' technology from Microsoft that helped building high availability & DR for Talisma application

CSR Awards

- Special commendation at Golden Peacock Award for Sustainability 2014, London
- Best CSR Excellence in category protecting the environment by CSR Awards-We Care-Amity Chandigarh
- Best Rural Outreach Award at Asian Sustainability Leadership Awards 2014, Dubai
- Top CSR Advocates in Asia at Asia Corporate Excellence & Sustainability Awards 2014, Singapore

Corporate Governance, Ethics & Integrity

IndusInd Bank is committed to executing our business strategy while ensuring the highest levels of ethical standards, professional integrity and corporate governance. Our governance framework follows the guidelines laid down by both RBI and SEBI and is in compliance with the Companies Act and other national legislations. It is driven by the company's Board of Directors and the various Committees of the Board.

Board of Directors

Name of Director	Nature of Directorship	Special Knowledge / Practical Experience	Occupation
Mr. R. Seshasayee	Part-time, Non-executive Chairman	Finance & General Management	Non-executive Vice Chairman, Ashok Leyland Ltd.
Mr. Ashok Kini	Independent Non-executive	Banking	Managing Director (Retd.), State Bank of India
Mrs. Kanchan Chitale	Independent Non-executive	Accountancy	Practising Chartered Accountant
Mr. Vijay Vaid	Independent Non-executive	SSI	Industrialist
Mr. T. Anantha Narayanan	Independent Non-executive	Accountancy & Agriculture	Retired Executive Director (Finance) of Ashok Leyland Ltd.
Mr. Ranbir Butola	Independent Non-executive	Finance & Economics	Former CMD of Indian Oil Corporation Ltd.
Mr. Yashodhan M. Kale [#]	Non-Independent Non-executive	Corporate Governance, Accounting & Taxation	Service
Mr. Romesh Sobti	Whole-time Director	Banking	Managing Director & CEO

Mr. Yashodhan M. Kale was inducted as Additional Director on April 16, 2015

Committees of the Board



Details of Terms of Reference and Composition Details of the Committees of the Board can be found on pages 100-106 of the Annual Report 2014-15.

Policies & Guidelines

Policies & guidelines that have been formulated to ensure the Bank follows the highest levels of professional integrity and corporate governance are given below:

Policies & Guidelines	Description
Admin Manual	The manual enlists processes related to facilities and administration and guides Standard Operating Procedures (SOP) for various administrative processes.
Employee Code of Conduct	This disciplinary code and procedure has been developed to ensure employees are aware of the high standards expected of them in the workplace and to aid management in implementing and maintaining discipline with fairness and consistency.
HR Policy	The policy pertains to regular full-time employees and covers guidelines and policies pertaining to employee welfare and benefits, work environment and business ethics.
Security Manual	The objective of this manual is to aid in effective security management at all Bank premises and contains relevant security policies, procedures and guidelines. It was prepared in alignment with Indian Banks' Association (IBA) guidelines.
Whistle-blower Policy	It is expected that this policy will encourage various stakeholders namely, the Bank's employees, customers, suppliers, shareholders, etc. to bring to the notice of the Bank any issue involving compromise/ violation of ethical norms, legal or regulatory provisions, etc. without any fear of reprisal, retaliation, discrimination or harassment of any kind.
Environment Policy	The Environment Policy brings cohesiveness to IndusInd Bank's green banking strategy and integrates sustainable action and decision making into the Bank's core business practices.
CSR Policy	The CSR Policy outlines the CSR focus areas of the Bank and outlines the roles and responsibilities of the CSR department and CSR Committee.
Privacy Policy	The Privacy Policy outlines the Bank's commitment towards keeping customers' data secure.
Workplace Health and Safety Manual	The manual lays down safety measures, escalation mechanisms and ways to handle emergency situations to ensure a safe work environment.

Compliance & Vigilance

The Bank endeavours to achieve the highest standards of compliance and corporate governance. These efforts are strengthened by our Code of Conduct which guides our senior leadership and employees to ensure that the

needs and interests of our stakeholders are taken into account in a balanced and transparent manner.

Managing Compliance Risk

The compliance function of the Bank autonomously scrutinizes and monitors at a macro level various compliance aspects of the Bank. This function vets new products and services and reviews changes to existing ones. Based on the certifications by the Branch Managers and heads of various functional units, the

Compliance Function monitors and reports to the management the compliance status on key compliance aspects. The Bank has also taken several steps to ensure better compliance at the execution stage by enhancing processes and controls and by ensuring early detection of any deviations.

Fines or actions against the Bank	
Fines paid for non-compliance by IndusInd Bank for FY '14-15**	₹ 10 lakhs
Actions initiated against IndusInd Bank for non-compliance by regulatory bodies for FY '14-15	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 '14-15, the Bank was penalised ₹ 10 lakhs by RBI. During the scrutiny of borrowal account of M/s. Deccan Chronicle Holdings Limited it was observed that the information shared with other lenders was neither in the prescribed format nor at the stipulated frequency and the end use certificate from CA/CS did not cover all the statutory prescriptions as prescribed by RBI Guidelines.*

The Bank also ensures that good corporate governance is embedded into the culture of the Bank by regularly engaging with employees and creating awareness about the Bank's compliance framework and the consequences of non-compliance. The Bank publishes

and distributes several compliance guides, shares tid-bits from around the world and compliance flashes to enhance awareness, publishes a Compliance Newsletter and also organises regular seminars on compliance and vigilance aspects.

Compliance Awareness Programs for Employees in FY '14-15

Year	Guides	Flashes	Seminars	Bytes	AML News	Tid Bits	PML Act and PML Rules
2014-15	13	21	40 Seminars covering 1,185 employees (MCSOP, Ops, Sales, Others) at 19 Centres	12	16	8	12

Compliance Visits

The Bank has put in place various mechanisms to ensure compliance. For example, test studies were carried out for sample branches/ corporate office departments/ associate agencies/ desk studies for assessing the level of compliance in significant areas. Sample checks were undertaken in areas considered important from a

compliance perspective like meeting KYC (Know Your Customer) requirements, cash transactions, handling of AML (Anti-Money Laundering) alerts, forex transactions etc. Customer service aspects like display of notices/ codes, holding customer service meetings, security & surveillance and other such aspects were also verified.

Reporting Unlawful or Unethical Behaviour

The Bank has put in place a number of reporting or escalation channels as a means of grievance redressal and addressing cases of unlawful or unethical behaviour. 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' to CIV for any Vigilance Matters, the Head of Compliance for any matters where a Compliance issue may be involved and the Head HR for any queries regarding the Code of Conduct.

Cases of Misconduct in FY '14-15: During this financial year few 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 48 were reported via the whistle-blower mechanism. No cases of corruption were found or reported during this year. All of 1,024 cases have been concluded and punishments 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 31.3.2015

Cases	Vigilance	Non-Vigilance	Total
Resolved	10	1,014	1,024
Under Process	1	68	69
Total	11	1,082	1,093

Our Risk Management Systems

The globalization of financial markets poses greater risks to banks today. The complexity of the risks urges banks to establish efficient systems and mechanisms for their identification, measurement, monitoring and management. IndusInd Bank has an integrated Risk Management Department, independent of business functions, covering Credit Risk, Market Risk, Assets-Liabilities Management (ALM), Operational Risk, and Information Security Risk functions. A robust Enterprise-wide Risk Management (ERM) framework enables effective and proactive management of various

risks while supporting business growth. It helps reduce volatility in earnings and enhances shareholder value. The Bank has implemented the 'Internal Capital Adequacy Assessment Process' (ICAAP) in line with Basel III requirements and has also set up a Board-level Committee, viz., 'Risk Management Committee' to examine risk policies and procedures developed by the Bank and to monitor adherence to various risk parameters and prudential limits by different operating departments.

Stakeholders: Listening, Learning & Engaging



Our Key Stakeholders

At IndusInd Bank, we recognize that our success as a company is linked to understanding the long-term interests of both internal and external stakeholders. We engage with a wide variety of stakeholders, including customers, suppliers, employees, shareholders, investors, regulators and civil society or non-governmental organizations (NGOs). We identified key stakeholders through a series of internal discussions with key personnel from the Bank and have a number of programs in place through which we engage with our stakeholders, gain their feedback on material issues and respond appropriately. Effective management of the issues raised by stakeholders is integral to fulfilling our ambition to be number one in customer service, trust and advocacy. Our Stakeholder Relations Committee comprises of senior management with the sole objective of redressing stakeholders' complaints.



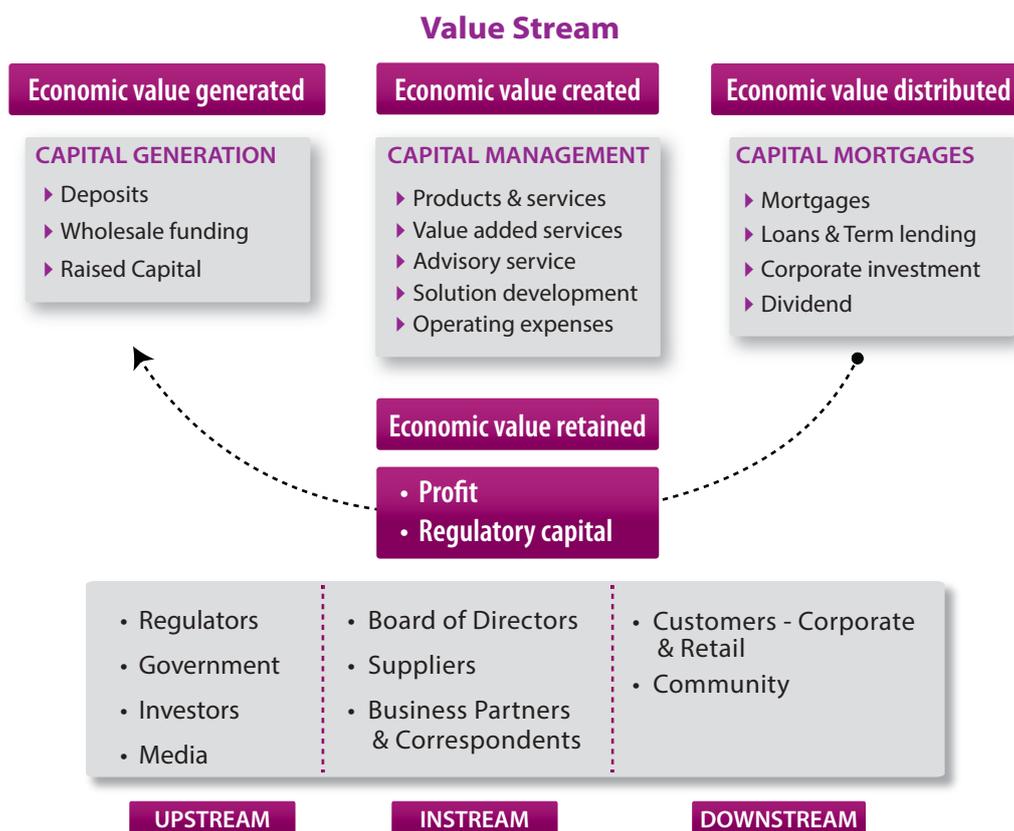
The table below provides an overview of stakeholder engagement processes for key stakeholder groups:

	Mode & Frequency of Engagement
Customers	<p>Mode: Various formal and informal means at branches, video banking, EDMs, news flashes, social media and dedicated customer care channels</p> <p>Frequency: Interactions with customers are continuous and on-going</p>
Employees	<p>Mode: HR Connect, Intranet, MyIdea program, listening post, whistle blower policy, stakeholder communication channels, training programs, leadership development workshops, rewards and recognitions, townhalls and performance management process</p> <p>Frequency: Interactions with employees are continuous and on-going</p>
Shareholders and Investors	<p>Mode: Roadshows, investor meets, emails, investor grievance mechanism, earnings calls, website, annual report, roundtables, annual general meeting, quarterly conference calls, investor conferences, non-deal roadshows and face to face meetings</p> <p>Frequency: Need based, monthly, quarterly, annually and on-going</p>
Suppliers/ Vendors	<p>Mode: One-to-one supplier meets, techno-commercial discussions, service engagements, meetings related to audit, governance and compliance and supplier sustainability program</p> <p>Frequency: Annually and on periodic basis</p>
The Board	<p>Mode: Board meetings and meetings of various Committees of the Board</p> <p>Frequency: Board meeting are held 6 times in a year, Committee meetings are held as per regulatory guidelines/ directions of the Board</p>
Regulators	<p>Mode: One-to-one meetings, group meetings, emails and letters</p> <p>Frequency: Need based</p>
Civil Society Groups NGOs	<p>Mode: Employee engagement program, employee payroll giving, financial literacy program and engaging with local civic bodies for community development programs</p> <p>Frequency: Need based and monthly</p>
Research Analyst/ Equity Broking Companies	<p>Mode: Website, emails, annual report, quarterly conference calls, analyst meets and face to face meetings</p> <p>Frequency: Quarterly, annually and on-going</p>

Our Value Chain

As a Bank which has fortified sustainability practices and disclosures, we will continue to adopt a systemic approach with an intention to de-risk business, enhance the value of our products and restore the environment. Our vision

towards sustainability is clear and the holistic approach to fulfil our vision involves having a responsible value chain. The figure below shows our value stream which includes all of our major stakeholders.



Determining Materiality

The Bank has carried out a materiality assessment to identify issues and subjects that are considered significant by our internal and external stakeholders and relevant to our industry, our business and our operations. In the past few years, we engaged with our employees through a survey. This year the engagement has been expanded to include other key stakeholders. Since the Bank operates and deals in a landscape that is regulated as well as competitive, a robust risk management and control process is applied, which also undergoes periodic improvements in order to make the Bank resilient to changes that influence the global and national economy. The materiality assessment has

helped pave the Bank's approach to ascertaining risks and opportunities, keeping the stakeholder's interests in mind.

To begin with, important aspects were identified through internal deliberations and discussions. This was followed by rating the significance of these issues from our stakeholders' perspective and the potential impact on our organization as low, medium or high. Lastly, key issues were reviewed and feedback was sought from business units and stakeholders. The figure below is a pictorial representation of the various aspects material to our stakeholders.



Topics that emerged as material from both business and stakeholders' viewpoints are as follows:

Material topics	Extent of significant impact
Compliance	Within the Bank & customers
Product responsibility - customer satisfaction & brand management	Within the Bank
Security & privacy	Within the Bank & customers
Priority sector lending	Within the Bank & community
Employee engagement	Within the Bank

Public Policy & Advocacy

The challenges of sustainable development need a collaborative, multi-stakeholder approach that brings together businesses, government, academia and civil society groups. Industry associations particularly, play a

crucial role in promoting awareness and advocacy on issues of social and environmental relevance. To this end IndusInd Bank is an active member of several industry associations including:

Industry Associations



Confederation of Indian Industries (CII)



Bombay Chamber of Commerce & Industry (BCCI)



Indian Merchants' Chambers (IMC)



Indian Banks' Association (IBA)



Indian Institute of Banking and Finance (IIBF)



International Chamber of Commerce (ICC)

How Your Bank is Making SME's Greener and More Responsible?

This year IndusInd Bank has joined the GIZ-SIDBI led project on Responsible Enterprise Finance. The Bank is part of a working group that is developing a framework for Environmental and Social Governance (ESG) based risk assessment for small and medium enterprises (SMEs). This framework will provide all Indian banks a comprehensive risk assessment framework to manage environment and social risks.





Growing Financial Capital

An Ancient Tradition of Trade & Commerce

“...the Indus [Indus Valley Civilization] dwarfed its grand neighbors in land area and population, surpassed them in many areas of engineering and technology, and was an aggressive player during humanity’s first flirtation with globalization 5000 years ago.”

- Andrew Lawler

The Indus Valley cities lived and grew by trade. Farmers brought food into the cities, workers in the cities made articles such as pots, beads and cotton cloth, traders brought raw materials that workers needed and took away finished goods to trade in other cities. The people of the Indus Valley Civilization were eager to do business with people from neighboring towns or villages as well as with people from as far as Iraq and Afghanistan. They established a vast and thriving network of trade that extended all the way up to Mesopotamia; Indus artifacts have been found far and wide, evidence of their technological innovation and penchant for commerce.

Lothal: An Engineering Marvel

Excavations along the Persian Gulf and the coastline of Gujarat suggest a significant sea-borne aspect to Harappan trade and commerce. Archaeological evidence from the ports of Lothal and Dholavira, show that ancient Indus merchants routinely plied the Arabian Sea in reed boats with cotton sails, ferrying local goods in the form of beads, ivory, shell in-lays and cotton to their sister civilizations in the west, and importing materials such as copper and agate.

In his essay on the ‘Shipping and Maritime Trade of the Indus People’, famed archaeologist S. R. Rao describes the magnificent docks at Lothal, a symbol of this thriving culture of fair business, innovation and trade

“The largest structure of baked bricks ever constructed by the Harappans is the one laid bare at Lothal on the eastern margin of the township to serve as a dock for berthing ships and handling cargo... It is trapezoid in plan with brick-built walls enclosing an excavated basin... The ships reached Lothal from the Gulf of Cambay through the estuary of a river flowing along the western margin of the town and entered the dock through a gully running east-west on the northern margin.”

- Dr. S. R. Rao

Lothal is stated to be one of the world’s oldest artificially engineered dockyards, built specifically for the purpose of loading and un-loading cargo. The dock possessed a lock-gate system - a wooden door that could be lowered at the mouth of the outlet to retain a minimum column of water in the basin so as to ensure floatation at low tides. Historians speculate that its engineers studied tidal patterns and their impact on the dock’s kiln-burnt bricks; showing a level of sophistication and innovation unique for its time.





↑ Creating Economic Value

IndusInd Bank endeavors to generate prosperity for the communities served with a spirit of fair trade, business, commerce and equitable distribution of capital. The Bank is on its path to double our profits, clients and branches within the next three years, while consistently adding value to all our stakeholders. We have a pan-India network of branches and offices and have representative offices in London, Abu Dhabi and Dubai. In FY '14-15, we opened an additional 73 branches in previously un-banked locations, thus increasing the reach of our banking facilities to these areas.

With impending global concern, organizations are expected to provide solutions to combat the increasing impacts of climate change. The need for corporates to institute practical instruments to combat global warming has gained urgency with the upcoming COP21

dialogue amongst nations. While infusing capital into our corporate banking portfolio especially in climate smart and responsive technology, the Bank applies a social and environmental lens to appraise projects. A robust Enterprise-wide Risk Management (ERM) framework enables effective and proactive management of various risks while supporting business growth.

Our Customer Responsive approach integrates innovation with years of banking experience to consistently offer our customers new products and services. With the objective of delivering market first services the Bank has expanded its services to include Video Branch banking facilities. Our continued focus on priority sector banking, micro-finance and financial inclusion aims to create wealth and prosperity among weaker sections of society.

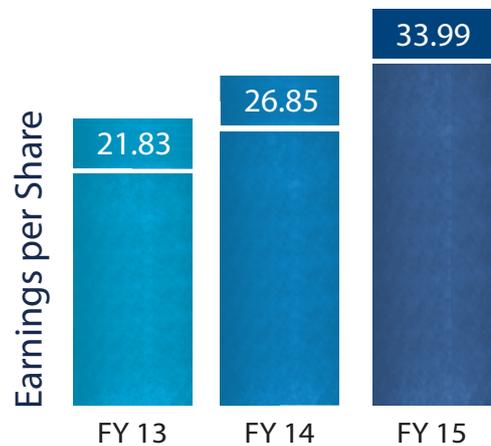
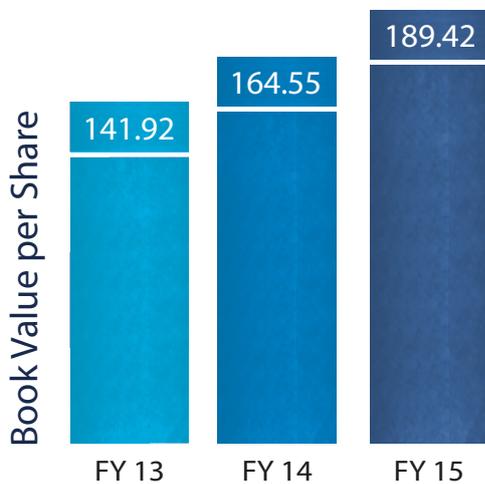
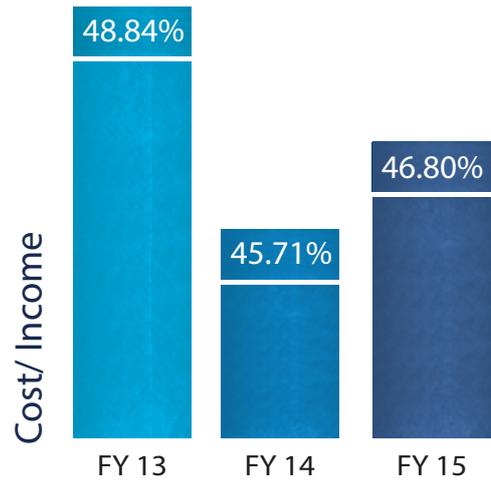
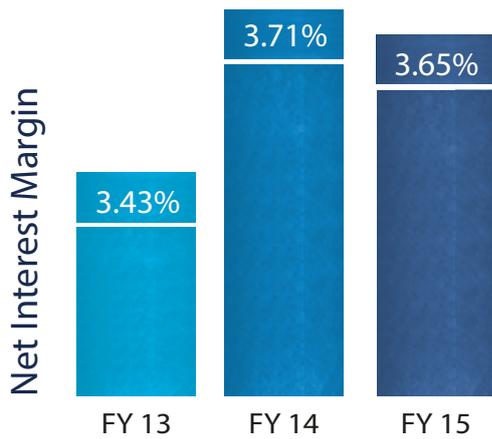
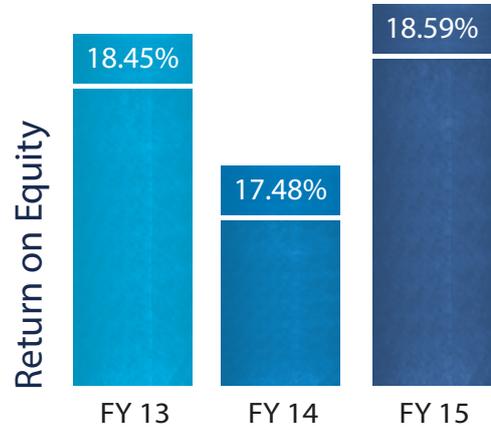
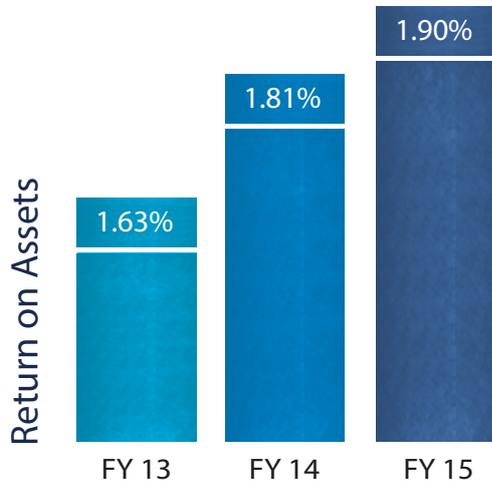
↑ Financial Performance

At IndusInd Bank we leverage our business on three performance planks: Productivity, Profitability and Efficiency. In this financial year, despite weak growth in the Indian economy and a persistently challenging operating environment, we have improved our performance on all three fronts. The Bank's business grew in terms of deposits and advances and our operating profit increased by 19.71% to ₹ 3,225.07 crores, while our net profit increased by 27.39% to ₹ 1,793.72 crores in FY '14-15.

The Bank's employee base has also grown considerably and this year we expanded our branch network to 801 branches across the country; despite this, revenue per employee stayed steady at ₹ 30 lakh. The quality of our loan book too has remained stable with net Non-performing Assets (NPAs) at 0.31% as of March 31, 2015.



A summary of our financial performance for this year is found below:



Innovating our Products & Services

IndusInd Bank consistently strives to meet the needs and expectations of our stakeholders through the use of innovative technologies and strategic investment in new and growing markets. To this end, we have introduced a number of new products and services to our portfolio in FY '14-15. In a move to digitize the banking experience we developed the 'Video Branch' that allows customers to interact with their branch through their phones, tablets and computers. We also expanded our presence on social networking platforms like Google+ and Twitter to

increase our visibility and accessibility to customers.

Credit Card has seen the introduction of new products in the form of an exclusive range of co-branded cards in partnership with Jet Airways, India's premiere international airline, and Chelsea Football Club. Furthermore, our Retail Agri Business Unit has introduced the Kisan Credit Card (KCC) - Indus Kisan as a product offering for the rural segment. Indus Kisan offers farmers financial services for their short-term and long-term credit needs.

Gems & Jewellery

In a significant development, IndusInd Bank decided to expand its existing gem and jewellery function and entered into an agreement to acquire the Indian diamond and jewellery financing business of Royal Bank of Scotland (RBS). This segment has been set up to exclusively cater to the financing of the Gems and Jewellery Industry. A critical success factor in this segment is global client knowledge; this is being achieved through long-term partnerships and

the knowledge and experience of members of the senior management of the Bank who have been associated with this portfolio in the past. The Bank was recently honoured with the award for 'Best Bank Financing the Industry - Highest Growth of Sanctioned Limits' by the Gems and Jewellery Export Promotion Council under the aegis of the Ministry of Commerce.

A Single Bead can Tell a Story



Some may dismiss jewellery as mere ornaments for women, but like coins and pottery, jewellery can be considered an archeological or cultural artifact that tells us stories about a civilization, its morals and aesthetics, its economic prowess and its technological abilities.

The rare but wondrous pieces of jewellery unearthed at numerous Indus Valley sites speak of a culture and people that were sophisticated, aesthetically-aware and



well connected. Indus craftsmen imported and harvested materials such as agate, gold, turquoise, faience and carnelian and fashioned them into bracelets, amulets, rings, brooches and earrings to adorn the women and men of those times. The civilization was also particularly involved in the art of bead making and this enterprise was a large part of the trade between the Indus Valley Civilization and its contemporaries to the West.

Video Branch

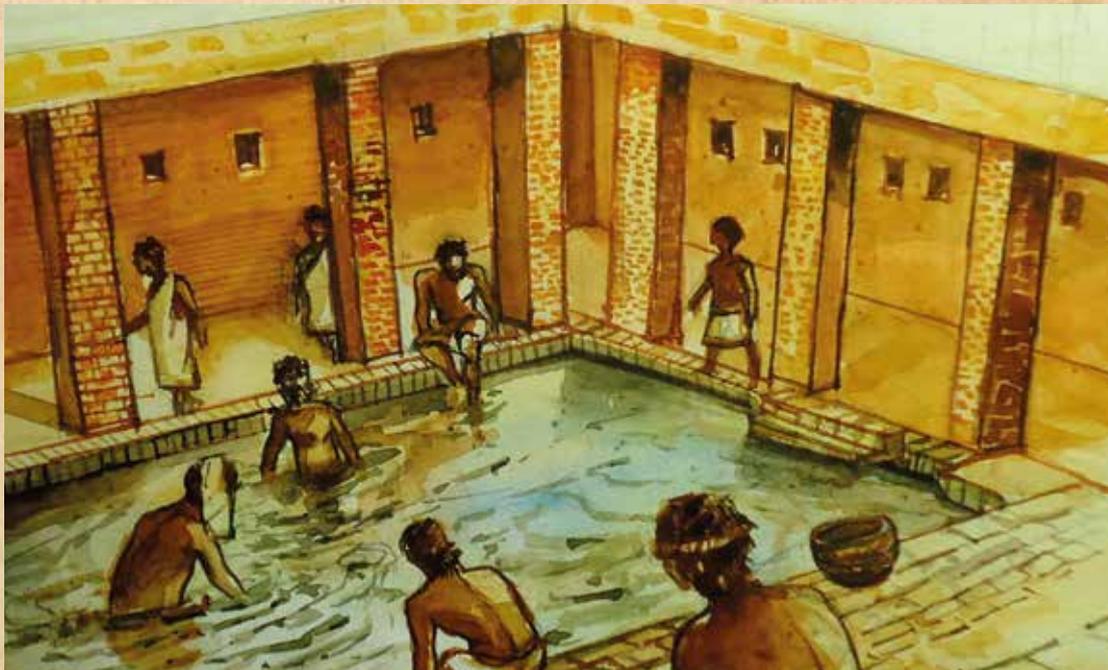
One of our unique products in FY '14-15 is the Video Branch Service, wherein customers can initiate video chat through a mobile application or web interface with the Video Contact Centre, Relationship Managers or Branch Managers. The customer is able to experience the Bank virtually through either a simple application that resides in his Mobile Device/ Tab or a one-time session through the IndusInd Website. The aim of the project is to provide virtual yet personalized banking services to customers anywhere, any time using video on demand and to revolutionize service by bringing banking services to the customer's doorstep.

The solution has been built over video technology rendered over the Internet. Deployed for the first time in the Indian banking environment, it required innovative design thinking. The project team tied in various components of technology and processes resulting in an optimized solution. The speed of design, development and deployment has been appreciated by peers and technology partners alike.



Fostering Economic Development

Infrastructure for the Greater Good



While the Indus Valley Civilization was wealthy and innovative, there is little evidence of the vast economic divide that existed between pharaoh and farmer in ancient Egypt or Mesopotamia. Rather than building grand structures that honoured the elite (while belittling the poor), Indus societies chose instead to build practical

structures like baths and granaries, that benefited communities, rather than individuals. For instance, the Great Bath is stated to be one of the earliest public water tanks of the ancient world. It used to contain a large, open space at the centre with galleries on all sides.

The Corporate and Commercial Banking Group (CCBG) offers products to meet the financing requirements of a wide spectrum of entities ranging from large corporates, SMEs, public sector units, customers in the

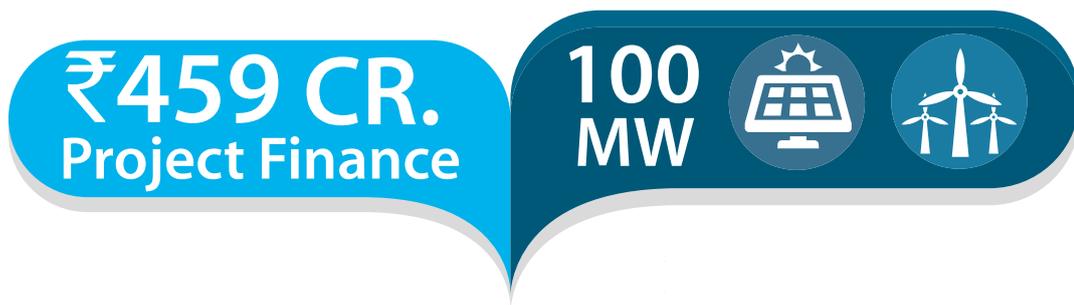
Agri segment and gems & jewellery and the microfinance industry. Our objectives promote the development of economic and social aspects of the economy.

Powering Renewable Energy Technology

This year the Investment Banking vertical of the Corporate Banking Group launched 'Project Finance' with a specific focus on wind and solar energy, roads and power transmission. With strong domain expertise in these sectors, the Bank was able to win project underwriting and syndication mandates from several large reputed Indian corporates working in these fields. In the sustainable space, the Project Finance Group has undertaken

renewable energy projects with a total commitment of ₹ 459 crores for setting up capacity of 100 MW across various wind and solar projects.

Renewable energy projects have a number of social, environmental and economic benefits that impact both the local community as well as the country as a whole. Some of these have been outlined below:



Economic Benefits

- Provides opportunities for employment and thus contributes to the economy of the region
- Renewable energy sources reduce the nation's dependence on imported fossil fuels and associated price variation, thereby leading to increased energy security

Environmental Benefits

- Renewable energy sources that replace fossil fuel-based electricity generation and do not result in the emission of greenhouse gases
- Minimal impact on local biodiversity and produce no solid, liquid or gaseous waste during the electricity generation process

Social Benefits

- Improves the availability of electricity to the local consumers (villagers & suburban inhabitants) thus creating new opportunities for growth in industries and local economic activities, resulting in greater local employment, and ultimately leading to overall development

Supporting Sustainable Agriculture

The Bank has disbursed loans in the area of sustainable agriculture and has on going dairy loans amounting to ₹ 500 crores and warehouse infrastructure loans to the tune of ₹ 225 crores. The dairy loans were predominantly used to finance the setting up and improvement of dairy storage facilities and for production of clean, healthy quality milk at the local level. Warehouse loans facilitated the modernization and development of agri-warehouse facilities across major states like Tamil Nadu, Maharashtra, Haryana, Rajasthan etc. thereby meeting the growing need

for storage capacity for agricultural commodities across the country. These projects are helping local producers bring about a sustainable economic model for storage, preservation and distribution of their produce while ensuring a reduction in loss or wastage, thereby reducing the environmental impact of production and distribution.

The investments in renewable energy and sustainable agriculture projects, together account for 3% of the CCBG loan portfolio.

Priority Sector Lending

The Bank's initiatives in Agricultural Business Finance and Inclusive Banking are housed within our Commercial Banking Group. These initiatives help us meet our priority sector lending requirements and more importantly help support the economic development of the rural sector. Priority Sector Advances aggregated ₹ 23,017.30 crores by the end of March 2015, representing 40.71% of the Adjusted Net Bank Credit (ANBC) of the previous year. The

overall Agricultural Advances stood at ₹ 7,984.73 crores and were directed towards commodities like sugarcane, oilseed and rubber as well as projects like Dairy Farming, Aquaculture and Bee-Keeping, while the Bank's finance to 'Weaker Sections' increased by ₹ 1,059.92 crores and stood at ₹ 4,745.11 crores. During the year the Bank also launched a tractor finance initiative as part of Priority Sector Lending.

↑ Financial Inclusion & Rural Banking



Financial Inclusion is a catalyst for inclusive growth. This year, the sectors of Base of Pyramid (BoP) Banking and Rural Banking received a renewed impetus with the Pradhan Mantri Jan Dhan Yojna (PMJDY) acting as a stimulant to the provision of banking access to all. During the FY '14-15, the Bank reached out to 1.7 million households from the Base of the Pyramid segment. Among these, the Bank directly reached out to approximately 7,18,000 clients across 13,300 villages and 180 slums. Most of these areas were in under-banked districts and ranked low on the CRISIL Financial Inclusion Index.

In terms of socio-economic composition 70% of this population consisted of communities belonging to backwards classes and approximately 40% of the loans provided were for the Agri and Agri-allied sectors with the rest supporting micro-enterprises such as saree trading, snack stores, tea stalls and bicycle repair shops. All of the loans given out in this segment were to women

organized in joint liability groups (JLG). Various studies have indicated that such loans accompanied by the extension of additional financial services can help empower women and improve their standard of living and, by doing so, help the larger community move out of poverty in a sustainable manner.

To address the challenge of financial inclusion IndusInd Bank moved away from a conventional approach and adopted a credit led model. We have firmly held to our belief that financial inclusion is not an end but a means to creating a strong and healthy eco-system of financial products and services that reach out to previously un-engaged sectors in a sustainable manner. To meet this goal, we have come a long way in ensuring that our banking services and financial instruments are available and accessible to a diverse number of communities through the expansion of our already extensive network of rural branches and the development of a collaborative approach in the area of micro-finance.

Micro-finance: A Collaborative and Multi-pronged Approach

Financial Inclusion is essential for the growth and economic and social development of India and its cascading effects benefit many stakeholders. Achieving meaningful financial inclusion requires the engagement of multiple stakeholders and acknowledges the role of a number of local economic players/ channels/ practitioners who have proven intermediation abilities but have been limited in their role in terms of access to funds and a diverse product range.

IndusInd Bank has therefore recognized the need for a 'Collaborative Approach' to tackle this segment, one that leverages the synergies brought in by working with local players, thus creating a 'win-win' proposition for every stakeholder in the value chain. The Inclusive Banking arm of the Group has been leading the market and has pioneered the launch of the 'Business Correspondent Model', with Microfinance Institutions (MFIs) providing micro loans to weaker sections of society. The program is now geographically well-diversified and currently spread

over 79 districts across 10 states with a network of 386 MFI branches. Given the enormity of India with its multifarious cultural nuances and remote geographies, the Bank has chosen not to adopt a "one size fits all" approach. We feel our strength lies in putting together institutional capabilities, considering the core competencies of each entity, and taking a unified approach in a mutually beneficial and sustainable manner.

Our credit led collaborative approach has yielded results well beyond our expectations. Since the commencement of the program in May 2012, we have come a long way, reaching out to 7.18 lakh people from under-privileged communities. This year, the model has successfully moved beyond credit and has extended to the addition of RuPay enabled zero balance bank accounts under the PMJDY initiative. Today we have close to 74,000 such accounts with a deposit mobilization of over ₹ 2.26 crores from people who might have never thought of getting direct banking access in the past.

Changing Lives



Urmila Devi

Meet Urmila Devi, she is 40 years old and lives in a remote village in Uttar Pradesh. Urmila's husband works in New Delhi and is the sole bread-winner for the family; she has two children and manages a kirana shop in her village for additional income.

Recently, Urmila's husband fell ill and returned to the village and she was left to finance his treatment while sustaining the family's everyday needs. To make ends meet and keep her business afloat, Urmila would borrow money at very high rates from money lenders or family; then she heard of IndusInd Bank's credit facility for women, and borrowed ₹ 10,000 to revitalize her kirana shop. After repaying her first loan, she took a second loan of ₹ 15,000 to expand her business by adding new items to her inventory. Urmila explains that, thanks to the increased income of her expanded business, she is now able to repay her old debts and afford better treatment for her husband. Urmila's life is finally turning around.

Meet Radha Rani, a mother of four, lives with her poor rural family in a village named Anoo in Madhya Pradesh. She and her husband, both earn their livelihood from unorganized agricultural practices - a very unstable source of income.

In 2009, Radha Rani took her first loan of ₹ 6,000 to buy a cow and start a milk business. Over the years, she continued a healthy borrowing track record and eventually took a big loan of ₹ 40,000 in 2014. With continuous credit assistance from IndusInd Bank, she has been able to grow her cattle stock and thereby, enhance her milk selling business. Today, she owns 4 buffaloes and 1 cow and produces 20-25 litres of milk a day. She has increased her earning from a measly ₹ 50 per day to ₹ 300 per day, and is now able to provide for her family's welfare and her children's education.



Radha Rani

Consumer Finance

The consumer finance division (CFD) of the Bank extends funding for a wide range of vehicles and equipment including commercial vehicles viz, heavy, light and small vehicles 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. During FY '14-15, the Division launched the funding of Tractors, a major initiative towards Priority Sector Lending.

Aggregate disbursement made during the year was ₹ 15,534 crores, registering growth of 10%. New loan accounts numbering 9.78 lakh loans were concluded in FY '14-15, as against 9.26 lakhs in FY '13-14. IndusInd Bank's success in the vehicle finance sector is partly due to our focus on customer responsiveness and efforts to reach out to under-serviced sectors of the vehicle finance market, particularly the economically under-privileged sector, rural sector and women.

Changing Lives

Prakash

Meet Prakash, a resident of Vellore who was desperate to get a loan to purchase a truck for his business. He had a tough time getting the loan as he did not have a guarantor or any property to put up as collateral. Prakash approached IndusInd Bank for a loan and, convinced by his tenacity, the Bank financed his first APE Goods vehicle. He paid his EMI's regularly and turned out to be a safe investment. Vellore is a town in South India with an infrastructure lacking in transportation. Identifying this opportunity, Prakash applied for a second loan for an additional passenger vehicle. IndusInd Bank financed his second

acquisition too, which he paid regularly and in time.

With time, Prakash moved to expand his fleet of trucks and IndusInd Bank supported his purchases with loans. From someone who had neither the funds nor the credibility to purchase one truck, today, with IndusInd Bank's support, Prakash owns and operates a large fleet of trucks, has repaid all his loans, moved to a new house and is able to fund his children's education. Prakash has even referred a number of customers to IndusInd Bank and is an inspiring example of the Bank's ability to change lives.



Nurturing Social Capital

A day in the life of a Harappan

Harappa was a busy city laid out in blocks and surrounded by strong walls to protect the city from the strong waters of the Indus. A Harappan would most likely be a farmer living by the river and growing crops including wheat, barley, chickpeas, melons and even cotton. At dawn, the farmers would step into their fields and use wooden ploughs drawn by oxen to till the soil. The Indus River, which gives the civilization its name kept the land fertile and was also a good source of fish, an important part of the daily diet.

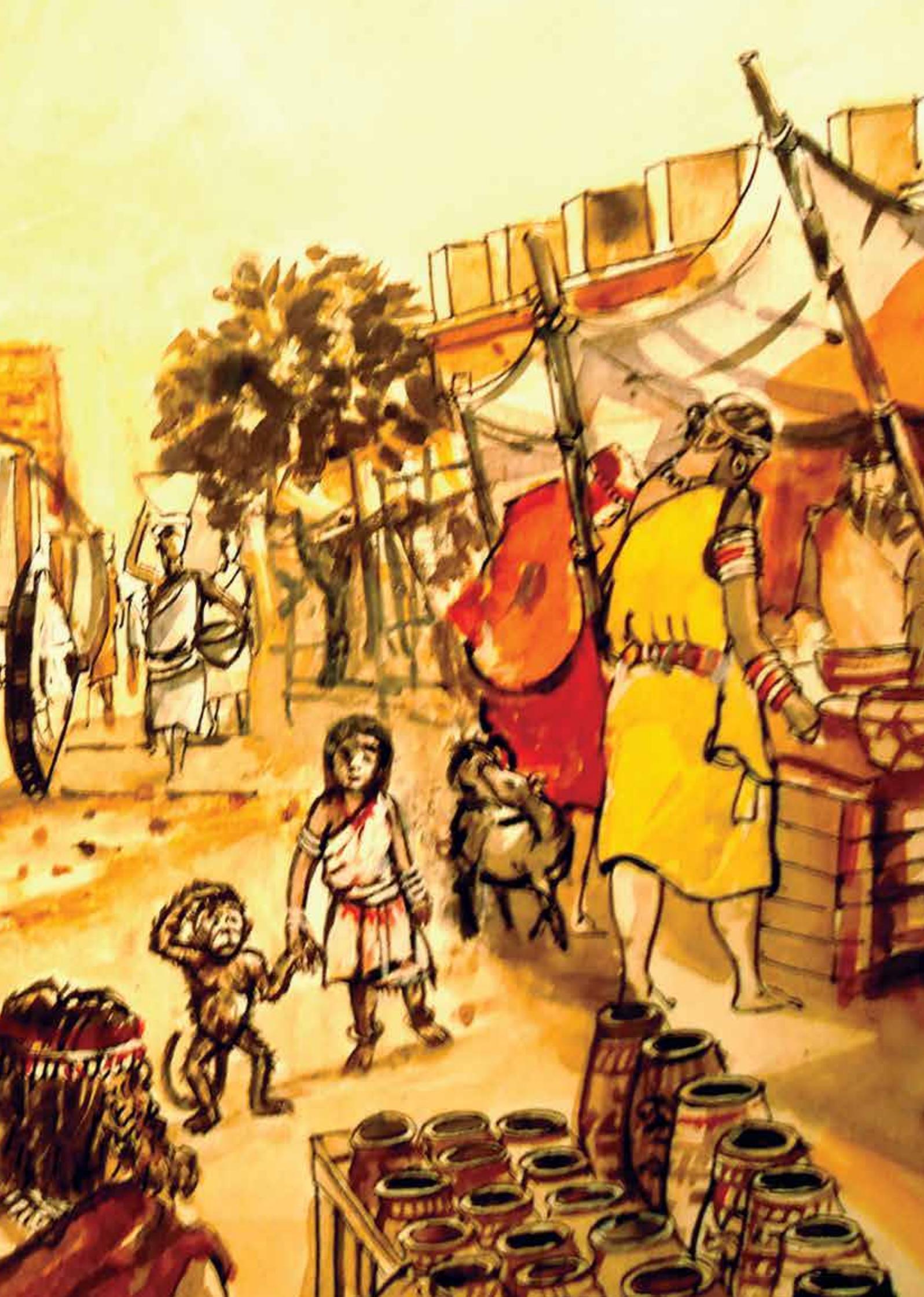
Every morning, clean water was drawn from the wells and people bathed by tipping water over themselves from a jar whilst standing on a 'shower tray'. Men and women took great interest in their appearances. Men wore a garment which resembled the modern dhoti and wore their hair in a bun along with a headband. Women wore skirts along with a substantial belt made of a string of beads, their hair folded up over a pannier or fan shaped frame or was piled high on the top of their heads. Fresh flowers or ornaments adorned the hairstyles.

The city marketplace was always full of life with farmers selling their produce in exchange for pots, jewellery and cotton from traders and artists. Intricate figurines and jewellery made up of gold, silver and copper and decorated with precious stones like jade, carnelian, agate and lapis-lazuli were found aplenty.

Harappans enjoyed art and culture and led well-balanced lives that emphasized both work and leisure. Checkerboards with game pieces made of ivory were a favourite pastime, as was gambling with die made from cubes of sandstone and terracotta. Children would play in the courtyards of their houses after helping their families with daily tasks. It is easy to imagine them laughing and frolicking with their pet monkey or dog and gambolling across dusty streets with terracotta model carts or pull-along clay animals in tow. After a long day of hard work people usually slept on the flat roofs of their homes which acted like an additional room on hot nights.

When one thinks of an Indus city, you can imagine an ancient egalitarian society that loved art and ornamentation, indulged and nurtured its children and promoted the interests of its people, above all else.





🏆 Prioritizing Our Stakeholders

Customers, employees and society at large are our biggest priority. We at IndusInd Bank treasure our internal stakeholders and strive to organize and maintain a group of like-minded, dedicated and passionate people. We are aware of the importance of a satisfied workforce and customers, hence have put in place various policies and processes to provide an ambient work environment to our employees and customers. Our HR strategy is designed to offer excellent opportunities and avenues for gaining knowledge through our ethical work culture and

challenging work assignments. We have also taken several measures to engage with customers in formal and informal modes in order to ensure satisfaction and deliver quality in terms of our products and services. Our responsibility towards the community is fulfilled by engaging with NGOs and business partners working in our focus areas and investing in projects which benefit the community. We work towards providing responsible financial services and take customer service very seriously.

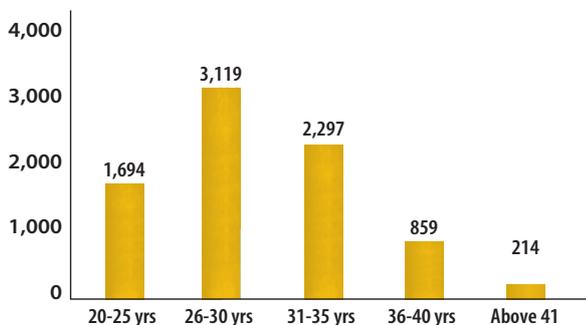
🏆 Our Most Valued Asset: Employees

Workforce by Numbers

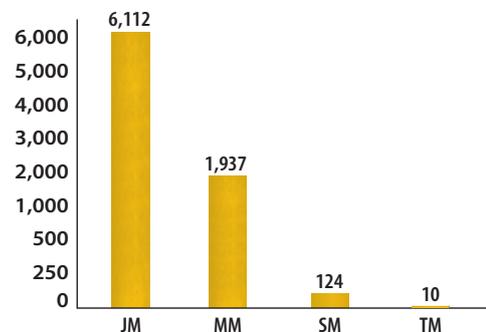
The Bank has been expanding its outreach and services and is sought by many as a desirable employer. This year our workforce has increased by 22.64% to 19,121 from

15,590 in FY '13-14. The number of employees on a contractual basis stood at 1,439 whose role is to primarily lend support to mainstream business activities.

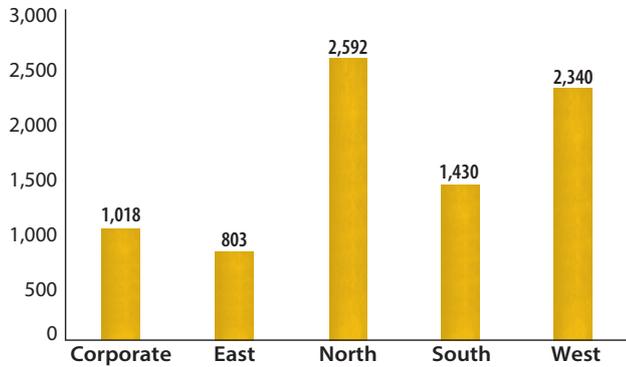
New hires by age group



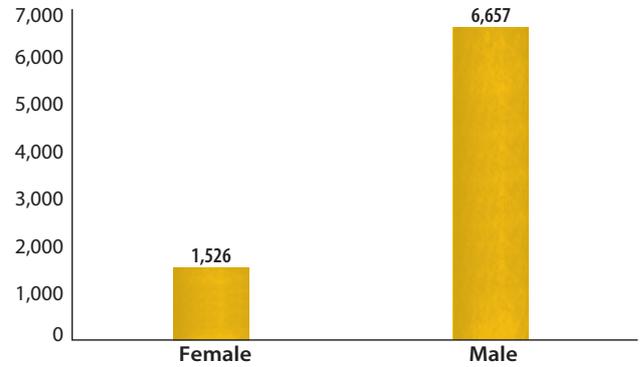
New hires by management category



New hires by region



New hires by gender



Employee Attrition

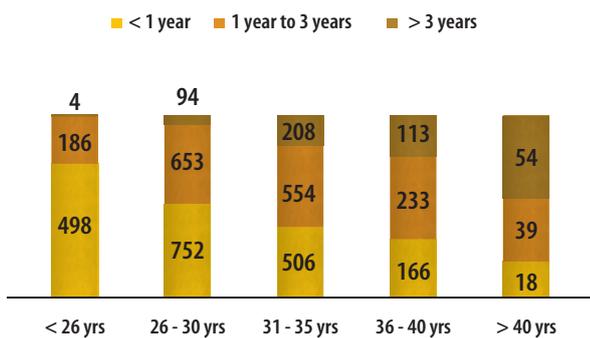
The Bank's attrition has declined and is consistently lower than market level. Similar to industry trends, the attrition is relatively higher at the levels of Junior and Lower Middle Management. However, there was negligible attrition at the Top Managerial levels that provides strategic and functional leadership across various business groups of the Bank.

The impacts of attrition affected the employees at junior and lower management levels; mostly employees working

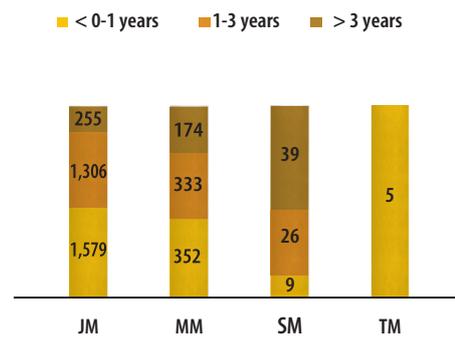
in the frontline sales and branch operations role as these groups tend to switch jobs for higher salaries and enhanced profiles.

The Bank addresses attrition through several developmental initiatives and strives to provide its employees competitive salaries, a cohesive work environment, mentoring by seniors, learning opportunities, career planning and also seeks to bond and connect with employees through various employee engagement measures.

Age Bracket & Tenure Wise Attrition



Tenure Wise Attrition across Grades



Employee Benefits & Welfare

Our HR policies are devised to attract and retain talented professionals and encourage employees in their personal and professional growth. We are aware that engaged employees are higher performers and are more motivated

to ensure success for any organization. While we work with our employees to give their best, we also reward and acknowledge their efforts through our performance management processes such as Goal Setting, Mid-year

Review and an Annual Performance Review. The Bank's Compensation Policy is based on a 'Pay-for-Performance' philosophy and the Performance Management is strongly aligned to the compensation of employees. Certain benefits and rewards such as health care and insurance are offered to the full-time employees.

Medical Benefits

Going beyond the mandate of a healthy work environment, we also take care of our employees in times of illness. Our business ethos is based on the saying that a strong body nurtures a strong mind. Our people's health and well-being is critical to our business. We back our employees monetarily for their medical expenses and also provide a range of opportunities to be active and realise their personal fitness goals.

Mediclaim: All employees and their five dependents, including their spouse, dependent children up to

21 years of age and dependent parents (up to the age of 85 years) are eligible for hospitalization benefit. The quantum of coverage is ₹ 2,50,000 per annum for the entire financial year.

Group Personal Accident Policy: All employees are covered under the Bank's Group Personal Accident Policy. The policy follows a grade-wise coverage under Group Personal Accident Insurance Policy resulting in death or permanent total disability of the employee.

Employee Stock Option Scheme

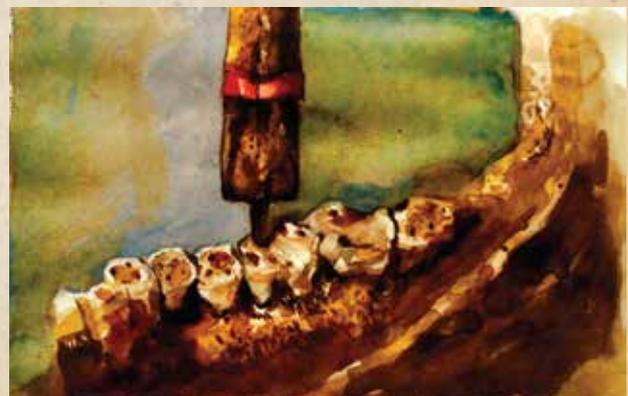
The Bank has an Employee Stock Option Scheme which enables its employees to be a part of its growth. The eligibility of an employee and number of options to be granted are approved by the Compensation Committee of the Board of Directors. A total of 3,45,67,700 Options which comprise of 6.53% of the Bank's equity capital have been granted.

Employee Health & Safety

Ancient Dentistry

In 2001, about 80 years after the discovery of the Indus Valley Civilization, archaeologists studying the remains of 2 men at one of the sites discovered proof of the knowledge of proto-dentistry. Evidence shows that the Indus people used bow drills (typically used for

woodworking and bead making) made of flint heads to remove tooth enamel and rotting dental tissue. This shows the Indus Valley people were proactive when it came to their health and wellbeing.



IndusInd Bank ensures a safe, healthy and secure work place for all its employees, contractors, visitors and customers. Our HR policy also states that our employees will have access to a hygienic and safe work environment.

Workplace Health & Safety Policy

The Bank's "Workplace Health & Safety Policy" lays down safety measures, escalation mechanisms and ways to handle emergency situations to ensure a safe work environment. The Bank also launched an e-learning module on 'Workplace Safety' with the aim of creating awareness on the various potential hazards and accidents at the workplace. Around 2,226 employees have been

sensitized about workplace safety through the module and its success is quite evident as there have been no work related fatalities or injuries in FY '14-15. We hope to engage more employees in the forthcoming year and will continue to provide them with a safe and productive work environment.

Safety First
Workplace **Safety** and **Security** issues affect us all. We all want a **safer workplace**

We all want to reduce **risk** and **return home safely** to our families
Minimizing workplace incidents and injuries

IndusInd Bank is committed towards creating a secure and safe work environment by providing information, instruction, training and supervision.

Avoid unsafe temporary connections, naked joints and wiring

WASN'T ME

PLEASE SHOW ME YOUR ID BOSS

ONLINE CERTIFICATION AFTER COURSE COMPLETION

IndusInd Learning Academy launches a new course on Workplace Safety and Security

Stepthalon

Stepthalon, an employee wellness initiative, was conducted for 105 employees of the Bank. The objective was to encourage healthy lifestyles amongst the employees and also to promote the athlete in every employee.

ANYONE ANYWHERE ANYTIME
Join the movement for movement >>>
KNOW MORE

Marathons

The Bank also encourages its employees to participate in events such as the Standard Chartered Mumbai Marathon.

This year over 50 employees participated in the marathon held in January 2015 in Mumbai.



Employee Training & Education

Since employees are our most valued asset, we constantly aim to equip them with the desired skills through training programs and E-learning modules. In FY '14-15, the Bank oversaw 5,23,000 learning man-hours for over 92,000 participants in areas of leadership development, team building, effective communication, compliance and technology banking products & operational processes

amongst others. The Bank was rated amongst the top companies in the "Indian Private Sector Services category" for its learning interventions at the BML Munjal Awards. Our Bank has also been reckoned amongst the best Indian private sector Banks by IBA for Best Use of Technology in Training and E-Learning for the past 3 consecutive years.

Training Program Details April 2014 - March 2015

Sr. No.	Type of Program	No. of Programs/ Batches	No. of Participants	Total Training Man - Hours	Average Training Man - Hrs per participant
1	Orientation to IndusInd Bank	311	9,079	1,62,351	17.88
2	Product & Sales Effectiveness Training - For all BU's (Consumer, CFD, COO, CCB and CRO)	225	4,826	99,644	20.65
3	Operational Process Training - (For GBO, CFD, C&GM Opns, CRO)	77	1,864	19,917	10.69
4	DRA Training - CFD	10	1,260	55,525	44.07
5	E - Learning	362	74,921	1,81,311	2.42
6	External Training	106	246	4,382	17.81
	Total	1,091	92,196	5,23,150	5.67

Type of training	No. of participants (Classroom & E-Learning)
Vigilance Training	3,020
KYC, Phishing, IT Security, Dos & Don'ts for Branch employees	17,787
Skills development	39,793
HR Policies	5,500
Green Banking	1,825

Workplace Safety Training

The welfare and safety of our employees is of utmost importance to us. Safety training programs are carried out time and again in order to prepare our employees against

any untoward incidents. The number of employees including permanent and contractual employees trained on work place safety is as follows:

Fire Evacuation Drill & Work Place Safety Training at IndusInd Bank in FY '14-15	
Number of offices & branches covered	Corporate, zonal, regional & back offices: 21 Locations: 110
Number of sessions/ live demonstration	121
Number of participants including E-learning module on Workplace Safety & Security	3,991
Man hours achieved	1,313
Average man hours per participant	3

As part of employee training on safety issues the Bank's Security team carries out regular fire evacuation and safety drills at various Bank locations. The employees are given training on how to act during such

emergency situations and how to avoid the same. Electrical health checks are also conducted regularly to ensure the safety of employees.



Fire evacuation and safety drills being conducted at our Andheri offices



Fire evacuation and safety drills being conducted at Business Square, Andheri



Fire evacuation and safety drills being conducted at Datamatics, Andheri

Talent Management

Our Bank realizes the importance of human capital and is very conscious about creating a work-place, where employees can actualize their potential. The Bank's strategic agenda continues to implement benchmark HR

practices, which intend to offer employees a fulfilling career, work-life balance, market-linked compensation & a positive work culture.



The Relic of the Dancing Girl

One of the most iconic figurines from this time is the free standing 'Dancing Girl' made out of bronze. Archaeologists and historians have been mesmerized by the free standing bronze figurine of the 'Dancing Girl'. Mortimer Wheeler, a British archaeologist once said this in a TV interview:

A girl perfectly, for the moment, perfectly confident of herself and the world. There's nothing like her, I think, in the world.

Performance Management

The Bank has deployed multiple Performance Management Processes which outline employee performance objectives through 'SMARTs', review performance, mentoring & counselling and recognition & reward based on tangible performance. The annual performance appraisal for FY '14-15 was executed in alignment with the Bank's objective of linking reward measures to performance. Over 11,600 employees were covered in the exercise, which was a 30% increase over the previous year. Mid-year Performance Reviews for FY '14-15 were used as an opportunity by the Line managers and HR to provide developmental feedback and develop performance road-maps for 13,000 employees to facilitate achievement of their annual performance objectives. Goal setting was completed for over 14,000 employees wherein their performance objectives were aligned to our overall business objectives. Talent Management activities comprising identification of High Potential Talent based on performance and potential measures, started across some Business units of the Bank with a view to create a talent pool to drive the Bank's future business growth objectives.

IndusPro Certification

The Bank conducts a unique, first-of-its-kind programme called IndusPro certification to train its frontline staff on service and relationship management skills. In order to develop this program, our Bank first tied up with Inspire One (an internationally reputed consultant) who in turn partners with three internationally recognized organizations: TMI, Kenexa and Tack International. The program won the top award - "Best Initiative of the Year" at the Global World Congress for TACK/TMI in 2013.

The business impact of providing this certification was:

- Increase in frontline staff (Relationship Manager's) productivity
- CSM BSC (Balanced Score Card) score increased by 18%
- Reduction in attrition amongst these staff
- Increase in systems application usage increased by 55%
- All staff underwent regulatory qualifications
- Informal interactions showed that the participants were more confident and enthusiastic

Management Trainee Program

The Management Trainee Program at IndusInd is an orientation program for trainees hired from the best of the management institutes at the Management Trainee (MT) level. This is a 2 month program and is run across locations in various batches. This program is a cohesive mix of classroom training and a job rotation plan. It acclimatizes the new joiners with the Bank's core values and functional knowledge required at work.

We follow the Hire-Train-Deploy model for the campus hires through these 3 steps:

- Classroom training for the Bank's core values, policies
- Job rotation plan for department specific learnings
- Mentoring and tracking their learning through the stint

Employee Engagement

The Bank's goal is to nurture its workforce and ensure employee satisfaction. Employee engagement is integral to empowering employees with various skills and knowledge on issues that are of the utmost priority to the Bank. Our flagship employee engagement program 'Hum aur Hariyali'

has come a long way since its inception in 2008. The Green Champions (GCs) Program which is a part of 'Hum Aur Hariyali' has now become an essential part of IndusInd culture. In FY '14-15, the GCs undertook various activities to promote social responsibility and environmental stewardship.

Green Champions Training Meet

The annual Green Champions Training Meet (GCTM) was held from 15-17 January at Karnala near Mumbai in partnership with CERE. This residential training program was attended by 26 enthusiastic Green Champions (GCs) across various functions of the Bank. The purpose of the GCTM was to develop the necessary knowledge, values, skills and behavior required by GCs to drive change in the fields of environmental and social sustainability. It was a

perfect platform to lay a strong foundation for the novice Green Champions and an opportunity to meet, interact and exchange ideas with each other. The Bank's core focus areas and vision and new developments in the area of CSR, specifically Section 135 of the Companies Act, 2013 were presented to the Green Champions. The 3 day event saw the GCs engage in various team work exercises, interact with biodiversity experts and our NGO partners.



Share2Care

At IndusInd Bank, we believe in providing our employees an opportunity to connect with causes close to their hearts. This year the Bank extended its flagship employee payroll giving program and has partnered with 6 NGOs that fall under the purview of our CSR focus areas. These NGOs, working for various social and environmental causes in India, receive a monthly donation from

employees that support this program. The program improves our outreach and increases employee exposure to different civil movements throughout the country. The NGOs were short listed from a large pool through a formal and in-depth process based on their transparency, credentials, area of actual impact and reach within the country.



NGOs as part of **Share2Care**



NALANDAWAY FOUNDATION

Works with underprivileged children through arts, music, dance and films



KHETI VIRASAT MISSION

Engages with farmers to promote organic farming and sustainable agricultural practices



SUPPORT

Works in the rehabilitation of drug-addicted street children



SAMARTHANAM

Empowers visually impaired, disabled and underprivileged individuals through developmental initiatives



ARANYAK

Fosters conservation of biodiversity in North East India



SWECHHA

Works in environmental and social development issues

In FY '14-15, about 16% of our employees contributed towards the Share2Care Program, together they donated approximately ₹ 4.5 lakhs to the NGOs on a monthly basis. These contributions have created a major impact in the lives of children, communities and the environment we live in. We share some of these stories of success below:



Nalandaway Arts Labs provides exposure and specialized courses to children who show promise in fine arts, craft, music, dance, drama and media. Such experiences offer children opportunities to think and feel as they explore, solve problems, express and interpret the world around them. Currently they have 10 art labs in Chennai.

546 sessions were conducted in FY '14-15 and upto 522 students were selected for structured training.



Shahrugh does not know of his parents and at 4 was living at CST railway station where he was a victim of substance abuse. Later he joined SUPPORT's Long Term Residential Program in 1999. He was then transferred to SUPPORT's Vocational Training Center in 2010 and trained in Screen Printing. In June 2013, with help from SUPPORT he started living with three other boys at Saphale and is now self-reliant.



Samarthanam received the National Award for Child Welfare under the 'institutions' category for its efforts and endeavours to support students with disabilities and from difficult backgrounds. Their prodigy, L Anjiniyah, was decorated with the National Award for exceptional achievement. Although born with underdeveloped upper limbs, Anjiniyah paints with his feet and the strokes of his painting are quite marked and pronounced for his tender age. We are proud that Anjiniyah is one among hundreds of students that benefit from Samarthanam's education program.

A 'Gift a Smile' activity was also organized at our corporate office in Mumbai where NGOs like Indian Mouth & Foot Painting Association (IMFPA), SUPPORT, ToyBank and

World Wildlife Fund (WWF) were given market-place merchandising opportunities for their artifacts and works of arts to more than 2,000 people.

Communication

The Mystery of the Indus Script

The Harappan citizens belonged to a highly advanced civilization that developed their own script as is evidenced by its existence on the various seals and tablets unearthed at numerous excavation sites. The existence of these seals and tablets has been a mystery since their discovery and scholars have made very little progress in decoding the Indus script.

Since the script is yet to be deciphered, one can't be certain about its use on seals and tablets. The seals and tablets could have been used as amulets or talismans or as markers for identification. The script could have been an administrative tool used to record and control transactions. Certain clay tags with the script have been found attached to goods that were traded between merchants. Perhaps one of the most intriguing uses of the Indus Valley script has been its use on a signboard discovered among the ruins of Dholavira. The inscription is one of the longest in the

Indus script, with one symbol appearing four times. The sign's large size and public nature make it a key piece of evidence cited by scholars that argue that the people of the Indus Valley Civilization were indeed literate.



Various Channels at the Bank

The Bank adopts transparent formal as well as informal communication channels with employees to gather feedback and to ideate innovations. Any tips, environmental messages and upcoming events are publicized through Electronic Direct Mailers (eDMs) and an internal online employee portal Pulse. Quarterly webcasts by the MD broadcast business performance, trends and the Bank's business strategy. Employee roadshows

conducted at various locations in India enabled interactions with nearly 6,500 employees. Periodic visits by HR personnel and line managers also helped to capture employee feedback. The Bank communicates with employees through various monthly and quarterly newsletters. This year the Bank has launched its environment and corporate social responsibility monthly newsletter titled 'Know Your CSR', with the aim of

informing and engaging employees on the Bank's sustainability agenda, CSR activities, Green Champions Program and green business news.

Some other communication platforms are described below:

Indus Parichay

Indus Parichay is an internal recruitment initiative, deployed to identify potential candidates from our existing employees' social network. The one-to-one direct relationship between the candidate and the referring employee and the ensuing exchange of knowledge between them allows the candidate to develop a strong understanding of the Bank, its business and the

recruitment process. Candidates' fit with the company's culture, departments and teams is improved as the expectations of candidate and employer match.

Myldea

The Myldea initiative which began in FY '08-09 continues to inspire IndusIndians to come up with solutions to complex business issues. Through this portal the Bank has in the past implemented ideas for improving business processes and customer services. The new Myldea portal has enabled real time tracking of the ideas submitted. This year the portal has received around 637 ideas out of which 19 have been implemented.

Human Rights

The Bank respects, protects, promotes and fulfils the Human Rights mandate that is recognized at the global level. We highlight some of the steps taken towards recognizing these rights pertaining to stakeholders and business processes so as to address issues related to sustainability and stakeholder management.



Equal Opportunity Employment

IndusInd Bank is an equal opportunity employer. All employees are treated equally in the HR processes relating to hiring, training, promotions and staff benefits. Each employee is provided equal opportunities on merit without any discrimination based on marital status, belief, political opinion, culture, language, ethnicity, race, gender, religion, caste, age or disability. To this end, female employees represent 16.27% of our entire employee base and differently-abled employees also form a part of the workforce. We evaluate & address special infrastructure

needs of differently abled employees and facilitate their seamless integration into the system. For one of our visually impaired employees, we have procured special software which converts text into voice for the employee to understand and respond. Like-wise in the case of hearing impaired employees, we provide training in "sign-language" to their reporting managers & colleagues which helps ease communication amongst them and makes such employees feel at home.

Internal Communication for Employees

The Bank communicates all its Employee Benefit Schemes on the intranet and at special events, in an effort 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 adheres to compliances related to Labour and Industrial laws as applicable to the employees.

Employee Service Rules and Code of Conduct

Our Bank believes in conducting our business and maintaining a fair, unbiased, safe, challenging and rewarding environment for our employees. We have ensured the highest standards of ethics, integrity and transparency within our system and support an open culture amongst all our stakeholders.

The Bank has developed its Employee Service Rules and the Code of Conduct, which defines acceptable and unacceptable behaviour across the board. The employees are informed of these codified behaviours and the consequences of their breach. These behaviours, besides being circulated periodically, are also displayed in the Banks' intranet under the HR segment so that employees have the opportunity to review them. These rules and Codes of Conduct are also often reiterated through various training activities.

Our Human Resources Department (HRD) and Board of Directors of the Bank have designed exhaustive policies and processes to deal with issues of discipline, integrity, and diligence related to the employees and also escalation mechanisms to deal with grievances that our employees and customers face. HRD implements these policies and periodic reporting is made to the Board & Top Management. Strict actions are taken against employees who are found to be deviant and face actions such as dismissals and terminations, depending upon the gravity of the misconducts. Sexual harassment cases or other



escalations of indiscipline and violations of the Code of Conduct are dealt with immediately irrespective of the grade and level of the complainants and the complaints of employees are treated in the same manner, irrespective of their seniority.

The Bank has a fair and unbiased treatment policy and ensures speedy disposal of disciplinary matters with adequate opportunity for an individual to present his or her case. If any substance is found to the allegations, the implicated employee is informed of charges and a fair and unbiased domestic enquiry is conducted in the matter, by an impartial panel or officials. Punishment, if any, is decided based on the outcome of such an enquiry

Sexual Harassment Policy

IndusInd Bank has a robust policy in place for any sexual harassment complaint. We take sexual harassment and gender inequality very seriously. The policy is in complete harmony with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and also with the directives of the Supreme Court. We also conform to the central and state government regulations and prescriptions on adherence to these guidelines to ensure that our women employees feel secure and would not have any reservations in escalating the grievances. Female employees are encouraged to notify any anxiety arising out of gender differences. These are escalated for quick investigation and the matter is considered by a committee of experts comprising female social workers and senior female executives. Both sides are heard before coming to any conclusion. Male employees

found guilty of sexual harassment are dismissed from their post with the Bank, irrespective of their importance and position. The names and identities of the female employees are kept completely confidential during the investigation to protect their interest.

During the current financial year, the Bank had organized exhaustive workshops for some of the employees on sexual harassment in the wake of the new law. A number of employees at different levels were nominated for these workshops conducted by expert organizations and experienced lawyers. These employees in turn percolate these learnings to other women employees down the line. Thus, this exercise of learning and sensitizing of gender issues and issues of sexual harassment becomes a continuous process and responsive to the need of the hour.

Stakeholder Reporting 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 are:

Whistle-blower Mechanism

A Whistle Blower Policy, enforced since March 2009, has strengthened practices to ensure ethical behaviour. It encourages various stakeholders (employees, customers, suppliers, and shareholders) to highlight any issue regarding the compromise/ violation of ethical norms and legal or regulatory provisions, without any fear of reprisal, retaliation, discrimination or harassment of any kind.

The Chief of Internal Vigilance (CIV) accesses this post and reports to the Managing Director. Thereafter, HR takes the necessary action with anonymity, after receiving the approval of the CEO. During the FY '14-15, 48 cases were reported through Whistle-blower, all of which have been cleared.



Listening Post

Listening Post is a means for employees to communicate directly to the CEO who in turn, refers the complaint to the concerned Business Units (BU)/ HR/ Vigilance, as the case may be, depending upon the nature, gravity and significance. The CEO looks into the matter personally to escalate the complaint and follows up on action or resolutions. The concerned department acts accordingly and communicates to the escalating employee about the cognizance taken or action proposed depending upon the issue under question. During FY '14-15, about 105 such communications were addressed to the CEO and all such escalations were taken to their logical end and feedback was given to the CEO.

Direct Reporting

Employees can also directly write to their higher authorities up to the CEO on any issue, especially related to unacceptable

behaviour or treatment, harassment by seniors, sexual harassment, unethical dealings or transactions and so on. The issue at hand is looked into by the concerned department and even the CEO, if the issue is of significant importance.

Employee Litigations Issues

The Bank adheres to due diligence and various legalities regarding issues of disciplinary action and staff accountability, which results in penalties such as dismissals and terminations. The issues are dealt with systematically and the concerned employees are given an opportunity to defend the allegations. During the FY '14-15, 7 employees have challenged the decision of their dismissals / terminations, in the Courts and Tribunals.

Ethical Procurement

We have a clear policy on engaging with our vendors and suppliers. We strictly ensure that none of our business processes or our vendors and suppliers, support child, forced or compulsory labour. Most of our requirements are sourced from corporates, generally where highly skilled labour is employed.

As part of the Bank's Sustainable Development Program and its attached responsibilities, the purchase order issued

to vendors and suppliers insists that they should comply with all the applicable labour laws of the country. We will like to associate with vendors and suppliers that are willing to abide by standard and progressive labour practices, including and not restricted to the non-employment of child labour, providing equal opportunity to women employees, ensuring Health, Safety and Welfare of employees and adopting safe environmental practices.

External Stakeholders: Customers

The Bank aims to provide excellent customer service; customer satisfaction is a priority for us along with responsible banking, marketing and communication. Customer data privacy and access to financial services along with sustainable procurement are issues that are material to our operations.



Privacy Policy

The Privacy Policy which is publicly available on our website reiterates our promise on keeping customer data private. We maintain physical, electronic and procedural safeguards to protect Customer Information. Employees are authorized to access Customer Information for business purposes only and are bound by a code of ethics that requires confidential treatment of Customer Information and are subject to disciplinary action if they fail to follow this code. The website hosts the contact details for customer support in case customers have queries or complaints for the Bank.

An example of the Bank's commitment towards customer data privacy is demonstrated by the implementation of the recommendations of the Goiporia Committee on

Customer Service, where all branches record complaints and suggestions through a Complaint Redressal Mechanism such as a Complaint Book, by contacting the Nodal Officer or Banking Ombudsman of the area, or online. These channels follow the Code of Bank's Commitments to Customers and Fair Practice code. Complaints are then captured in the Talisma System at all branches and the Contact Centre. This system has reduced the turn-around time for closure of most complaints to a week whereas larger issues are escalated as per the procedure to the Nodal Officer and addressed within a week thereafter. In FY '14-15, 340 complaints were pending which accounts for 1.51% of the total number of complaints.

Complaint Redressal Mechanism

The Branch Heads/ MCSOPs are responsible for the resolution of complaints/ grievances in respect to Customer service at the branches. It is his/ her foremost duty to see that the complaint is resolved completely to the customer's satisfaction and to ensure closure of all complaints received at the branches within a week. If the Branch Head/ MCSOP feels that it is not possible to solve the problem at his/ her level, he/ she refers the case to a Nodal Officer as mentioned.

Customers can also lodge complaints at the Contact Centre or through the website. When a complaint is received, our Branch/ Contact Centre endeavors to send a response within a week from the date of receipt of the complaint. In case, the Branch/ Contact Centre is unable to resolve the issue within 7 working days, the complainant can escalate the same to a Nodal Officer (nodal.officer@indusind.com).

In case, the complaint needs more time to be examined, the complainant shall be acknowledged by explaining the same. After examining the matter, a final response will be sent within 30 days from the date of the complaint.

Nodal office will endeavor to resolve the issue to the complainant's satisfaction within a week. If the complaint is not resolved within 30 days of the lodging of the complaint or if the complainant is not satisfied with the response, he/ she can approach the Banking Ombudsman, a statutory body appointed by the Reserve Bank of India to look into the provision of satisfactory service by banks. We have displayed on our website and in all our branches a notice explaining that we are covered by the Banking Ombudsman Scheme 2006 of the Reserve Bank of India. The salient features of the Banking Ombudsman Scheme are displayed in the branch notice boards and the scheme itself is displayed on our website.

Customer Satisfaction & Loyalty

The Bank carried out a 'Customer Loyalty' survey to assess satisfaction levels and track performance on customer needs and expectations. The survey findings showed customer loyalty to have significantly improved from 59% to 64% over the course of the year. The loyalty of Non-Resident (NR) customers also increased from 29% to 64%. We constantly measure customer satisfaction on our net banking facilities and have received positive feedback from customers whose satisfaction levels have increased from 58% in the 1st quarter to 66% in the 4th quarter.

In keeping with the digital age and the aim of providing innovative services to our customers, we have introduced an innovative new 'Video Branch' service which allows customers to interact with their Bank branch using a desktop, tablet or smart phone. With this innovation customers don't necessarily have to visit the branch to carry out transactions and can do the same while sitting at home or at the office.



Customers Speak



"This is outstanding service from IndusInd Bank. They've revolutionized banking services. Hats off to them."

– Ravi Poonia

"Awesome experience on the mobile. Kudos to IndusInd Bank for launching this service. Makes life a little easier for customers."

- Sudhanshu Sharma

"IndusInd Bank is using technology in the right way. It gives a lot of satisfaction for us to convey our queries over video branch to our relationship manager."

- T Bakyaraj

Community Development

During FY '14-15, the Bank reached out to around 1.7 million households from the Base of the Pyramid (BoP) segment both through Direct and Indirect Channels. We value our external stakeholders and the community

at large and continue to contribute to the society through various non-financial initiatives as well. A few of these initiatives have been elaborated upon below.

Spreading Financial and Legal Literacy

Our Reach in Unbanked Rural Areas: We as a Bank have taken up the responsibility of providing financial services to even the most remote and marginalized communities. In FY '14-15, we opened new branches at 73 unbanked locations and partnered with 10 business correspondents through a branch network of 373 locations (which are exclusive to the Bank), covering 10 states, 78 districts, 13,500 villages and 182 slums.

Legal Literacy Programme for Women: The Bank has partnered with Samhita, our business correspondent, to carry out a Legal Literacy Programme for marginalized women in Bhopal and Sagar districts of Madhya Pradesh. The aim of the program is to educate women on legal awareness, domestic violence and gender discrimination and establish counselling centres in areas where women have no access to legal aid and other services. The training programme informs women of their rights, entitlements

and various laws that protect them. Over 2,000 women have been trained in FY '14-15, through the programme. The project will span over a period of 42 months and will aim to cover 65,000 women. The impact of the project will be studied after a period of three years in terms of number of women covered, their knowledge on acting against abuse and legalities involved, complaints/ cases against domestic violence, reduction in number of infanticide cases registered in the local Thanas/ police stations.

Financial Literacy through the PMJDY: During the FY '14-15, the Bank has supported the Pradhan Mantri Jan Dhan Yojna (PMJDY) and has been instrumental in propagating financial literacy by means of leaflets/ banners and with the help of external authorities. Literacy camps for customers have also been held as a part of the programme on a PAN India basis.



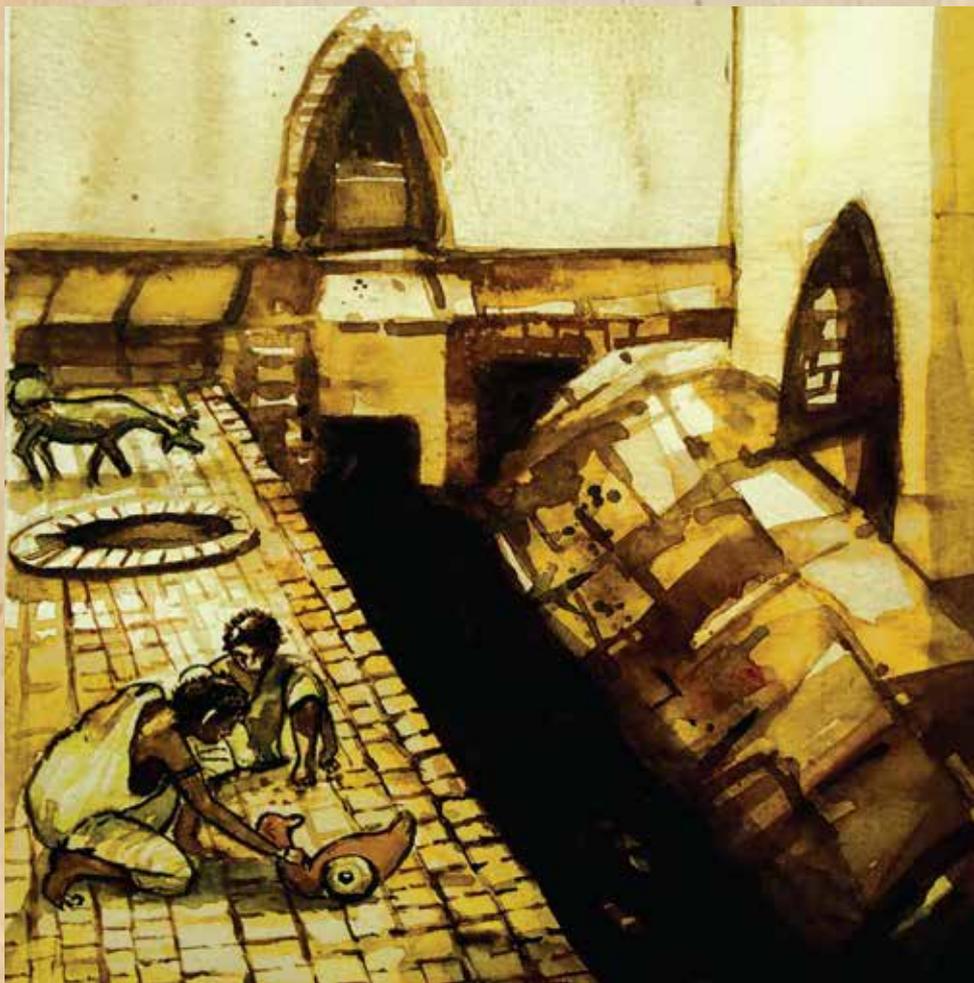
Sanitation in the Indus Valley Civilization

An elaborate sanitation and drainage system is the hallmark of the Indus Valley Civilization and is found in every settlement. Excavations at various locations have unearthed several sump pots and latrines built one above the other. The bathrooms and latrines were often found to be located next to each other and inside each home; wells were often nearby in an adjacent room. There is enough evidence to postulate that the Harappan people valued cleanliness and hygiene and used water for flushing purposes.

The drainage system planning and technology was extremely intricate and sophisticated. The drains were present at every level and were laid in an impeccable manner to facilitate the movement of wastewater and avoid any contamination. The main sewer was made from bricks smoothed and joined together seamlessly and expert masonry kept it watertight with drops at regular intervals acting like an automatic cleaning device. A wooden screen at the end of the

drains held back solid wastes and liquids entered a cesspool made of radial bricks. Tunnels carried the waste liquids to the main channel connecting the dockyard with the river estuary.

Renowned archaeologist, J. M. Kenoyer, describes the sophisticated drainage system of the civilization in one of his research papers, 'Uncovering the keys to the Lost Indus Cities'. He wrote, "Builders dug drinking-water wells in and around the city, and Harappan houses were equipped with bathing areas, latrines and sewage drains. Linked to the larger mains, which eventually emptied outside the city walls, the sewers at Harappa would have removed wastewater from the habitation areas, depositing fertile sludge on the surrounding fields. Save for the Indus cities, no other city in the ancient world featured such a sophisticated water and waste management system. Even during the Roman Empire, some 2,000 years later, these kinds of facilities were limited to upper-class neighbourhood."



IndusInd Swachh Vidyalaya

Open defecation due to inadequate sanitation facilities has been the cause of a plethora of diseases leading to deaths in our country. To address this challenge, IndusInd Bank has taken on the responsibility of supporting the government in its nation-building activity of Swachh Bharat Abhiyaan. Recent studies show that many children especially girls drop out of schools due to lack of clean toilets. Our current focus is eliminating this issue and improving the facilities for school children. In FY '14-15, 10 villages of 4 blocks (Hatkanangle, Karveer, Chandgad and Gadinglaj) in Kolhapur, Maharashtra were identified and

adopted under the banner of 'IndusInd Swachh Vidyalaya'. A total of 31 toilet blocks in 19 schools will be renovated and constructed. In addition, the Bank will also maintain the toilets for a year and then hand them over to the School Sanitation Management Committee comprising of teachers, PTA members and members from the Panchayat. The project will also aim to create awareness on health, hygiene and good sanitation practices within the local community and schools.



Skill Development of Drug Rehabilitated Children

This program is in collaboration with the Vocational Skill Development program of SUPPORT, one of our empanelled NGOs. On completion of Detoxification at Mumbai, the drug rehabilitated children are sent to Saphale for a long term residential rehabilitation program and motivated to learn basic Vocational Skills.

After completion of their training, they are placed for employment by SUPPORT in nearby private industrial units; which is the first step towards integration into mainstream society. In FY '14-15, the average age of the youth at the centre was 18-22 years with a total number of 75 members. The members were trained on specific

vocational skills to help them become employable and independent.

Of the 75 members,

- 7 were rehabilitated and re-united with family
- 10 finished the program and were discharged
- 15 were placed in various jobs
- 47 individuals in various disciplines
(Screen Printing - 8, Welding - 5, Carpentry - 7, Housekeeping - 6, Electrical Work - 6, Peer Education - 6, Welding - 3)



Protecting Natural Capital

The Indus People and the Pipal Tree

Over 5,000 years ago as a tempered monsoonal rain fed seasonal rivers, the Indus Valley Civilization blossomed along the Banks of the Indus and Ghaggar-Hakra rivers. Devastating floods were replaced by lands still fed with water but rich in silt and nutrients and ripe for agriculture. Just as today, the monsoon plays a pivotal role in the lives of the people of the Indian sub-continent, influencing everything from the economy to religion and culture, so it did during the growth and transformation of the Harappan civilization. This close connection to the environment, climate and ecology is consistently reflected in Indus Valley commerce, art and architecture and many historians argue that India's culture of environmentalism and conservation has its roots in the beliefs and ideologies of these ancient people.

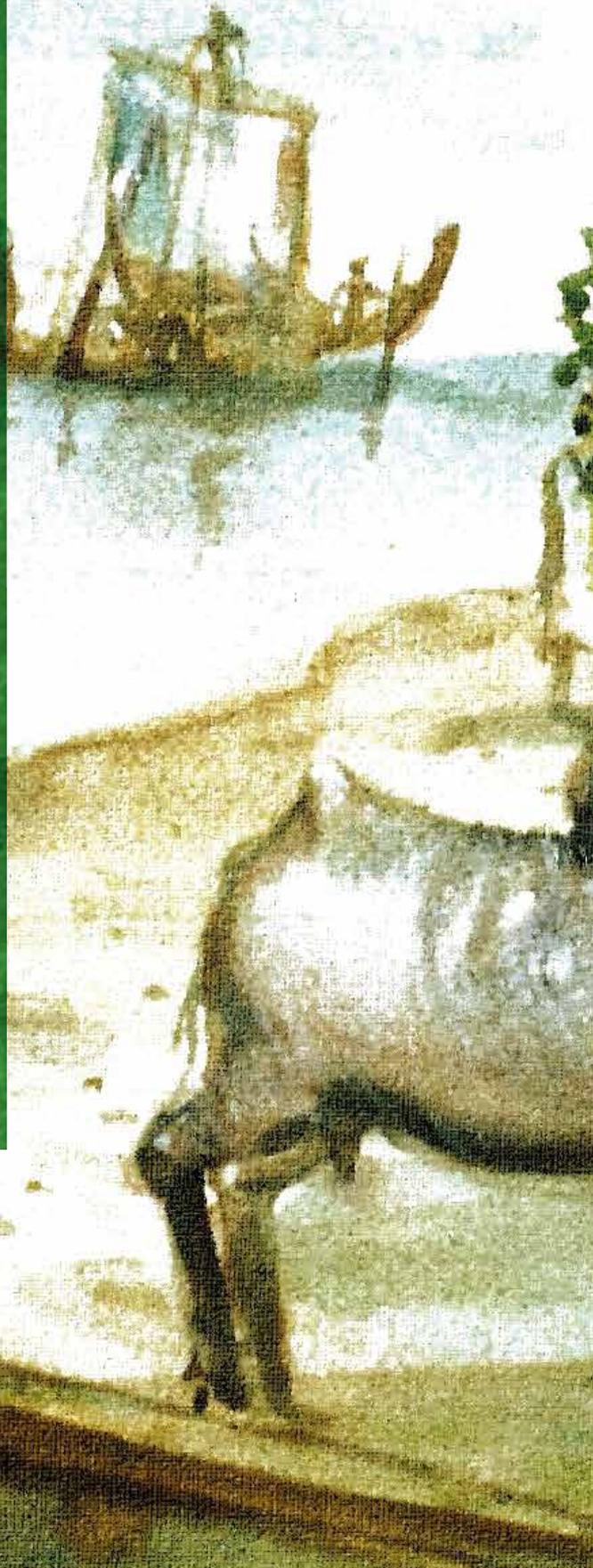
Adding weight to this suggestion are the iconic soapstone seals found at archaeological sites across the span of the Indus Valley Civilization. These seals commonly depict local wildlife including tigers, elephants, gharial, gazelle, ibex, rhinoceros and the famous Zebu bull that forms a part of IndusInd Bank's own iconography. These images demonstrate a recognition of the importance of nature and highlight the integral role it played in Harappan culture. Pictorial representations of trees like Pipal and Neem on pottery shards and seals also seem to suggest that tree worship was prevalent amongst the earliest inhabitants of the Indus Valley Civilization.

In his book - People Trees: Worship of Trees in Northern India, author David L. Haberman, quotes the scholar K. N. Shastri who went so far as to declare

“The pipal God was the supreme deity of the Indus Valley.”

Haberman goes on to say that,

“Archaeological evidence does seem to indicate that trees were conceived of as divine beings and as such played a noteworthy role in the earliest religious activities of the Indus Valley.”





Environmental Stewardship

Upholding our sustainability ethos 'Good Ecology is Good Economics'; environmental stewardship has been an integral part of our sustainability journey since 2008. Over the last seven years the Bank has worked assiduously to limit any negative impact of our operations on the environment with a particular focus

on climate change. Environment management at the Bank has been driven by an overarching environmental policy since 2012. The policy identifies a number of short and long term goals in 5 relevant areas in order to respond to the dynamic and varied threats posed by climate change.



Environmental Focus Areas

Employee Engagement

Materials & Waste

Energy

Biodiversity

Climate Change

While adopting a value chain approach, we acknowledge the backward linkages within our supply chain and have assessed these linkages for their environmental and social impact. The Bank's commitment and rigor to excel in carbon management has earned us a position on the Carbon Disclosure Project leaderboard with the second highest scores in terms of 'Disclosure' in the financial sector in India. We have consistently worked to reduce our CO₂ emissions by investing in renewable energy and green IT and infrastructure, and through our unique 'Green Champions' program, which focuses on awareness and behaviour change.

This year we became the first Indian Bank to externally assure our enterprise wide carbon footprint in accordance

with the ISO 14064-1 : 2006 framework and develop a GHG accounting and inventorization manual. This year we also opened the doors for our customers, to our first Green Branch at Gurgaon which is a gold rated LEED certified branch by the U.S Green Building Council.

IndusInd Bank complies with all relevant national and local environmental laws and received no fines or sanctions for non-compliance of the same in the reporting year and invested ₹ 2.86 crores towards managing and mitigating our environmental impact excluding spend on Green IT.

Materials & Waste

The conservation of resources and the management of waste is a key component in IndusInd Bank's sustainability agenda. Our efforts in this arena have largely focused on two major sources of resource consumption: the use of electronics and the use of paper. We have adopted several strategies including materials conservation through the use of technology and behaviour change, green procurement and waste management to mitigate our impact in this sector.

Paper Consumption:

Paper is a highly consumed commodity at IndusInd Bank. It forms an integral part of our day-to-day operations and is also crucial to the delivery of our banking services in the manner of account statements, forms, communications, bills and other documentation. In the FY '14-15 the Bank used 799.91 metric tonnes (MT) of paper. By implementing a paperless procurement acquisition process the Bank has been able to contain the increase in paper consumption to 15.32% despite a branch network growth of around 25% from the previous year.

Using Technology to Reduce Paper Use:

We have implemented several strategies to reduce paper consumption at the Bank. These include the use of IT interventions such as paperless fax, document imaging and processing and the use of multi-function



devices and hand-held terminals. We also enable our customers to make choices that reduce paper consumption downstream of our own operations by actively enlisting and incentivizing e-statement registrations and offering several other e-facilities like on-line and mobile banking.

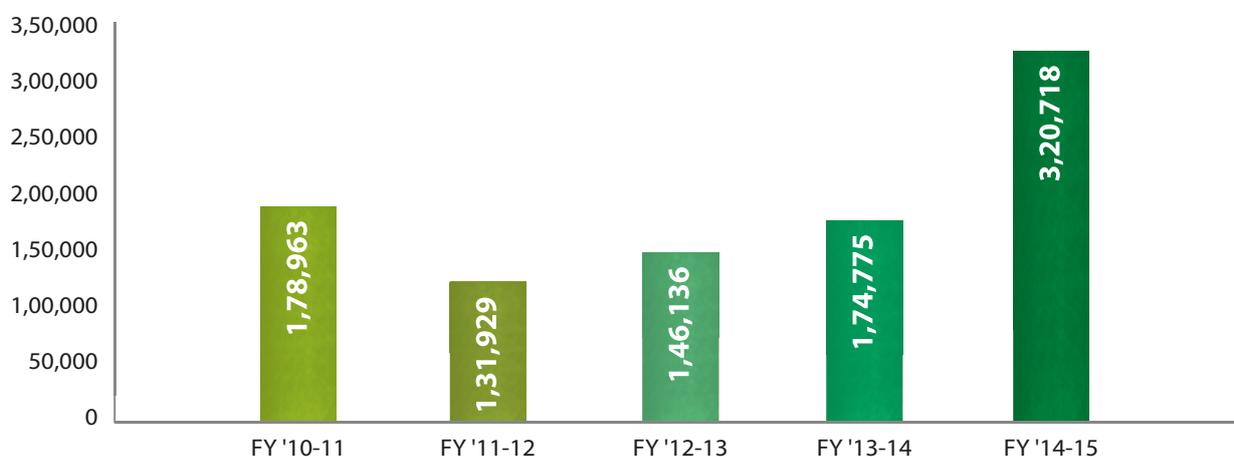
Recycling Paper:

FY '14-15 also saw the third consecutive year of our involvement in ITC's Wealth-out-of-Waste (WOW) program. Through the program we have successfully collected and recycled 11,700 kg of paper. Diverting paper from landfill reduces GHG emissions and creates raw material for new paper products.



Annual E-Statement Registrations:

E-Statement registrations showed an increase of 84% over the previous year



Responsible Procurement:

IndusInd Bank has made an effort to green its paper procurement practices. Last year we started purchasing Forest Stewardship Council (FSC) certified A4 printing paper for our offices and branches and this year we have phased four additional paper products to paper

made from 70% sugarcane waste (bagasse). The transition to recycled products is expected to reduce our annual GHG emissions by 17.87 MT of CO₂e, this percentage will improve as more products are added.

“Addressing climate change is imperative to business growth and we believe in tackling this by adoption of appropriate technology and skill.

Challenges of sourcing from a responsible supply chain and prudent deployment of natural resources has assumed urgency greater than ever before. A sustainable supply chain determines how environmentally responsive and benign we are towards the planet.

We are treading on a conscious path towards a sustainable value chain and have initiated sustainability assessments with suppliers”



Adwait Hebbar - Head Corporate Services

Managing Our Hazardous Waste

As a service sector company, IndusInd Bank doesn't generate a significant amount of hazardous waste or E-waste. E-waste is managed in accordance with the Government's 'E-waste Management & Handling Rules 2011'. During FY '14-15 the total E-waste collected and

recycled through authorized government vendors was 48,434 kg. The Bank also encourages printing vendors to ensure that waste ink and toner cartridges are disposed of responsibly.

Waste Management in the Printing Industry

The Bank is working with our empanelled print partners in one of the intensive printing clusters at Parel, Mumbai. The printing industry by nature generates a significant amount of hazardous waste, which is often disposed of through regular municipal channels. This mixing of waste creates unsanitary conditions and leads to soil and ground water pollution in dumping areas. The Bank is encouraging the printing cluster to develop a strategy to identify, segregate, manage & scientifically dispose this distinctive type of waste.



Supply Chain Management

This year the Bank has undertaken an assessment of our high volume suppliers, comprising 70% of our IT and equipment spends, on their environmental and social policies. The assessment has revealed some interesting trends that will inform our relationships with these suppliers:

GHG emissions

Over three quarters of suppliers reported that they measure their organization's carbon footprint.

Materials conservation

Most organizations reported that they measure the amount of solid waste that is generated from their facilities.

Water discharge

Over 50% of the suppliers surveyed have mentioned that they monitor their water discharge.

Environment management

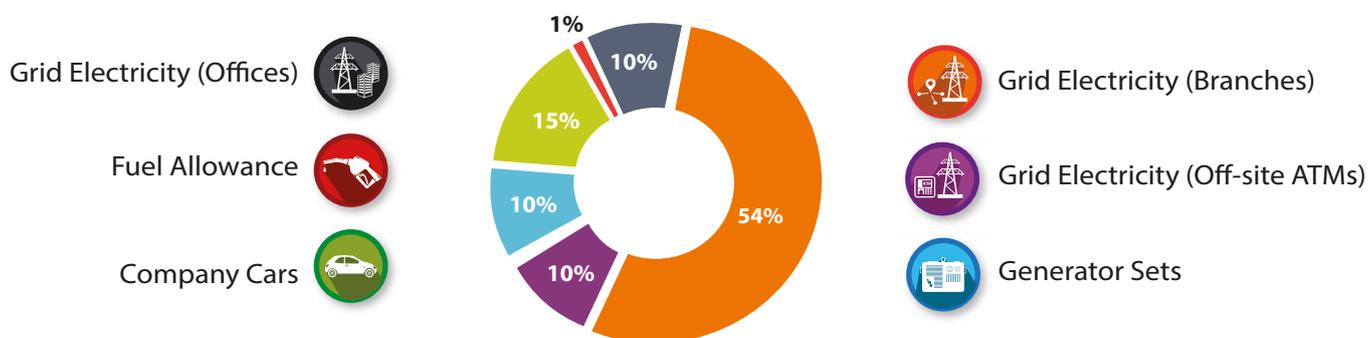
80% of these suppliers have established publicly available sustainability purchasing guidelines for direct suppliers that address issues such as environmental compliance, employment practices and product safety.

The Bank will work towards strengthening our existing relationship with companies that are informed on these subjects.

Energy

Energy, represented by electricity and fuel use, forms a substantial source of resource consumption at IndusInd Bank. It accounts for less than 5% of our operational spend, but is responsible for nearly 90% of our GHG emissions. In

FY '14-15 we utilised 55,777 MWh (2,00,797 GJ) of energy, most of which was accounted for by the use of purchased electricity at our offices and branches and off-site ATMs.



Electricity Conservation & Efficiency

Technological solutions continue to play a part in the Bank's strategy to reduce electricity consumption and improve efficiency. As with previous years we have extended several programs including the use of power-saving devices at various offices and branches, the installation of energy saving software on Bank desktops and laptops and timers implemented at signages to improve energy efficiency. We have also deployed 580 thin clients this year, an increase of 45% from previous year and

have started to switch from traditional 'trulight' signages to LED signages in a phased manner.

Green IT has been a major focus area of the Bank this year. We have been proactively migrating hardware architecture from physical to virtual servers and have virtualized 642 servers resulting in capex savings of ₹ 27 crores and electricity of ₹ 1.6 crores per year. An energy efficiency impact assessment of the data centers is also planned.

Energy Reduction Initiative Description	Scale	Electricity Saved* (in MWh)	Emissions Reduced (in MT of CO ₂)
Installed power saving devices in Branches	pan-India	497	487.5
Power saving software on 13,583 laptops and desktops	pan-India	498	433.0
Timers installed at 800 signages	pan-India	1,872	1,836.0
Deployed 580 thin clients	pan-India	174	171.0
Replacement of 'trulight' signages with LED signages	3 Zones (east, west & north)	447	434.4

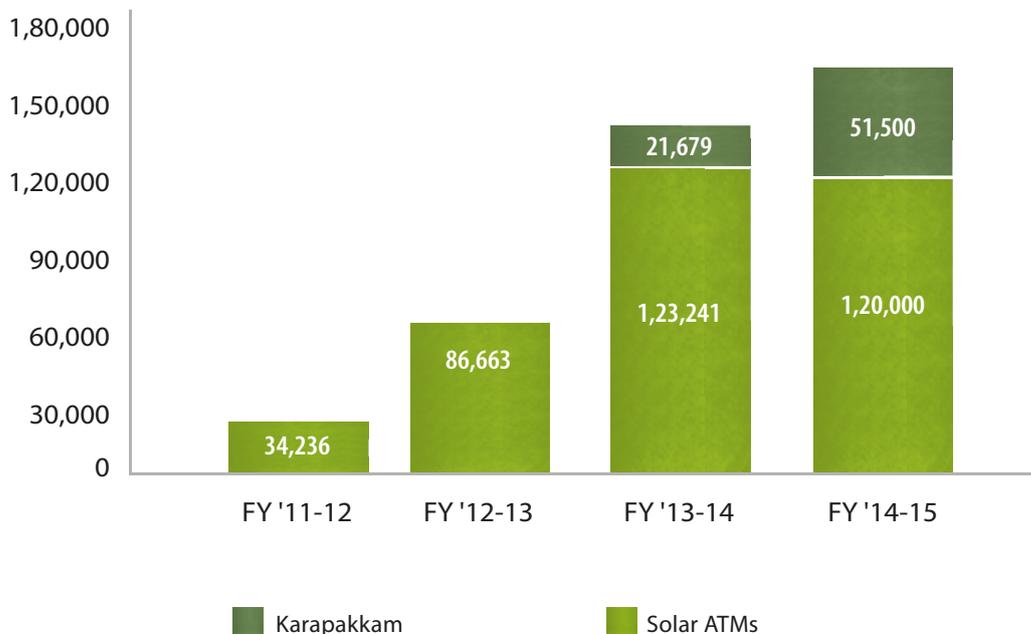
*figures represent savings over a period of one year.

Banking on Solar

Over the preceding 7 years we have implemented a number of solar installations at our premises across India. Today the Bank has a network of 100 Solar ATMs; this year they generated 120 MWh of solar energy and mitigated up to 117.72 MT of CO₂, through the avoided use of grid electricity. Our Karapakkam office also has grid integrated

rooftop solar panels, these were installed in 2013. This solar powered facility generated 51.5 MWh of power and avoided the emission of 50.08 MT of CO₂ in the FY '14-15 and contributes to 9.5% of the total energy demand of the premises.

Units of Solar Energy Generated (kWh)



Technology vs. Transportation

The Bank provides its employees with monthly fuel allowances (petro-cards) and also allows employees to use company owned vehicles for business travel. The Bank's business also frequently requires employees to travel by air and as a result business travel contributes to 33% of the Bank's Scope 3 GHG emissions.

IndusInd Bank has addressed the issue of sustainable transportation by shifting our focus to reducing the need for travel amongst both our employees and our

customers. Several of our Banking services also enable customers to avoid unnecessary travel. The Bank's strong technology platform allows customers to complete several banking transaction through e-banking and mobile banking facilities. This year, the launch of the industry's first innovative 'Video banking' service allows customers to transact from the comfort of their own homes and workplaces.

Engaging Employees on Environmental Sustainability

Our Green Champions Program



Green champion training meet at Karnala

IndusInd Bank's flagship employee engagement program - Green Champions, is an initiative designed to increase awareness about social and environmental issues and to make employee volunteers the leaders of sustainability on the ground, in turn empowering them as change makers who collectively advocate and drive

initiatives at their workplace and community. Green Champions receive intensive training and support through an annual training meet, held this year near the Karnala Bird Sanctuary in Maharashtra. Green Champions are joined by the next line of champions - the Green Commandos. Green Commandos commit to practicing sustainability in their respective workplaces and support the GCs with local campaigns.

CGMO Sustainability Week January 2015



CGMO Sustainability Week

Every year our Corporate and Global Market Operations (CGMO) department conducts a sustainability week to create awareness among the CGMO employees on issues that form the core sustainability agenda of the Bank. The 4th edition was held from 28th January - 1st February this year. Employees from CGMO as well as

other business units participated with great enthusiasm in activities like the paper and E-waste collection drive, kitchen gardening workshops, interactions with ecologists, NGO day sale and awareness campaigns on waste segregation, water conservation and elderly care.

Cleaning up the mess

The CGMO department employees came together to clean up two beaches - one in Dadar, Mumbai and the other at Elliots Beach, Chennai.



In Chennai, 55 participants collected 400 kgs of waste.



In Mumbai, 82 participants helped collect 700 kgs of waste.

Taking Charge - Climate Reality Leader

Sudhin Mathew, Head, Corporate Sustainability represented India as a climate leader in the Climate Reality Project Leadership training in Rio in 2014. Founded by Al-Gore, Ex- Vice President of USA, the project is a global movement involving, professionals from various fields, students, academicians and people from all walks of life who believe Climate Change and its impacts are factual and requires definitive action at a grass root level. He now mentors Climate Reality Leadership Corps in India by educating and engaging communities about the cause and represents the Bank's unwavering focus on sustainability and its endeavour to adopt renewable energy sources.



Sudhin Mathew, Head - Sustainability with Mario Molina - Director - Training, The Climate Reality Project

Green is the New Burgundy

Biodiversity Quarter



Paul Abraham, COO, capturing a Selfie with a tree

In celebration of India's bountiful biodiversity, IndusInd Bank launched 'Biodiversity Quarter' at the beginning of 2015. The Quarter was marked with initiatives to inform and engage employees on the true value of biodiversity. As part of our biodiversity quarter we organized a series of kitchen gardening workshops for local communities. These focused on teaching people about sustainable urban farming and the importance of urban biodiversity. About 1,000 participants participated in the workshops

held in housing colonies and office premises in Mumbai, Chennai, Delhi and Bangalore. Employees also had the opportunity to participate in a unique social media initiative SelfieWithTrees. The initiative saw selfies from more than 200 employees and over 40 unique species were identified from among the submissions. The aim of the program was to help people reacquaint themselves with local biodiversity and help them understand its unique value.

In keeping with the biodiversity theme, the Bank partnered with the Centre for Environmental Research and Education (CERE) for the plantation of 3,000 native species of trees through their Urban Afforestation Project. The plantation is expected to offset nearly 360 metric tonnes of carbon dioxide and includes 20 different native and indigenous species of trees. The aim of the project is to create green spaces within urban and peri-urban areas and to promote their aesthetic and ecological value. The Bank also supports several other NGOs working in the field of biodiversity conservation and environmental sustainability both through direct donations and through our Share2Care program.

World Environment Day

World Environment Day was celebrated in several locations of the Bank. The Bank organized a tree-walk in Uttan, a coastal area just north of Mumbai. Around 50 employees had the opportunity to explore Uttan's incredible biodiversity and immerse themselves in nature, away from the hustle and bustle of city life. The walk was followed by a beach clean-up near Bhayander. In Rajasthan, employees of Laxmangarh Branch

conducted an awareness drive and tree planting activity at Bagaria School, Laxmangarh which saw participation by students, forest department officials and customers. A tree plantation activity was also undertaken at our Malviya Nagar Branch in New Delhi where the employees came together to plant trees in their neighbourhood.

IndusInd Bank & the Satpuda Foundation Partnering for Tiger Conservation

IndusInd Bank has a long standing relationship with Satpuda Foundation, an organization that is committed to protecting wildlife and forests across the Satpuda landscape by promoting ecologically sustainable development among rural and urban communities in the region. In the past the Bank has donated jeeps to the Foundation's Community Centre at the Melghat Tiger Reserve, and has supported the installation of a 1 kW solar-wind hybrid unit at the same location. This year we have engaged with the foundation on a number of projects such as solar water pump in the buffer areas of the Pench and Melghat Tiger Reserves and the education of tribal children on biodiversity and wildlife. The Bank also supported Satpuda Foundation in their conservation efforts by helping them carry out cleanliness drives and anti-plastic campaigns in villages in the buffer areas around the Melghat and Pench Tiger Reserves.



1,250 watt solar panels installed at the Foundations Community Centre in Pench. The panels supply energy to a pump and help fetch 2,100 litres of water an hour from 170 feet underground.



Satpuda Foundation Conservation officers (pictured left) from 4 local Tiger Reserves were given a demonstration of a solar pump. The pump keeps farmers from laying transmission lines through the forest.



The Satpuda Foundation team organized regular anti-plastic programmes in which children and villagers were sensitized on the harmful effect of plastic on the environment. Plastic litter was regularly collected and buried in pits.



Satpuda foundation organized programmes to clean the neglected waterholes present in the buffer areas. These sites were selected with the help of forest officials and Village Eco-Development Committee (VEDC) members.



The educational camps were held for tribal children from six villages - Ghoti, Sillari, Pipariya, Kolutmara, Ghatpendri and Ghatkukda. Students were taken to the Nature Interpretation Complex of Kolutmara in west Pench.

Tackling Climate Change

Global warming and climate change are becoming particularly important issues in India and across the world and in this context, efforts to map and measure the Bank's carbon footprint have assumed importance. Corporate GHG inventories are critical management tools and FY '14-15 is the 5th successive year for which the Bank has been measuring its GHG emissions and reporting the same through the Carbon Disclosure Project (CDP). This year's assessment has been completed in accordance with the GHG Protocol's Corporate Accounting Standard and the ISO 14064-1: 2006 Standard. The following section provides a summary overview of our carbon footprint for this financial year; a detailed report on the same can be found at the Carbon Disclosure Project (CDP) website under 'Company & City Responses'.

GHG Accounting & Inventorization

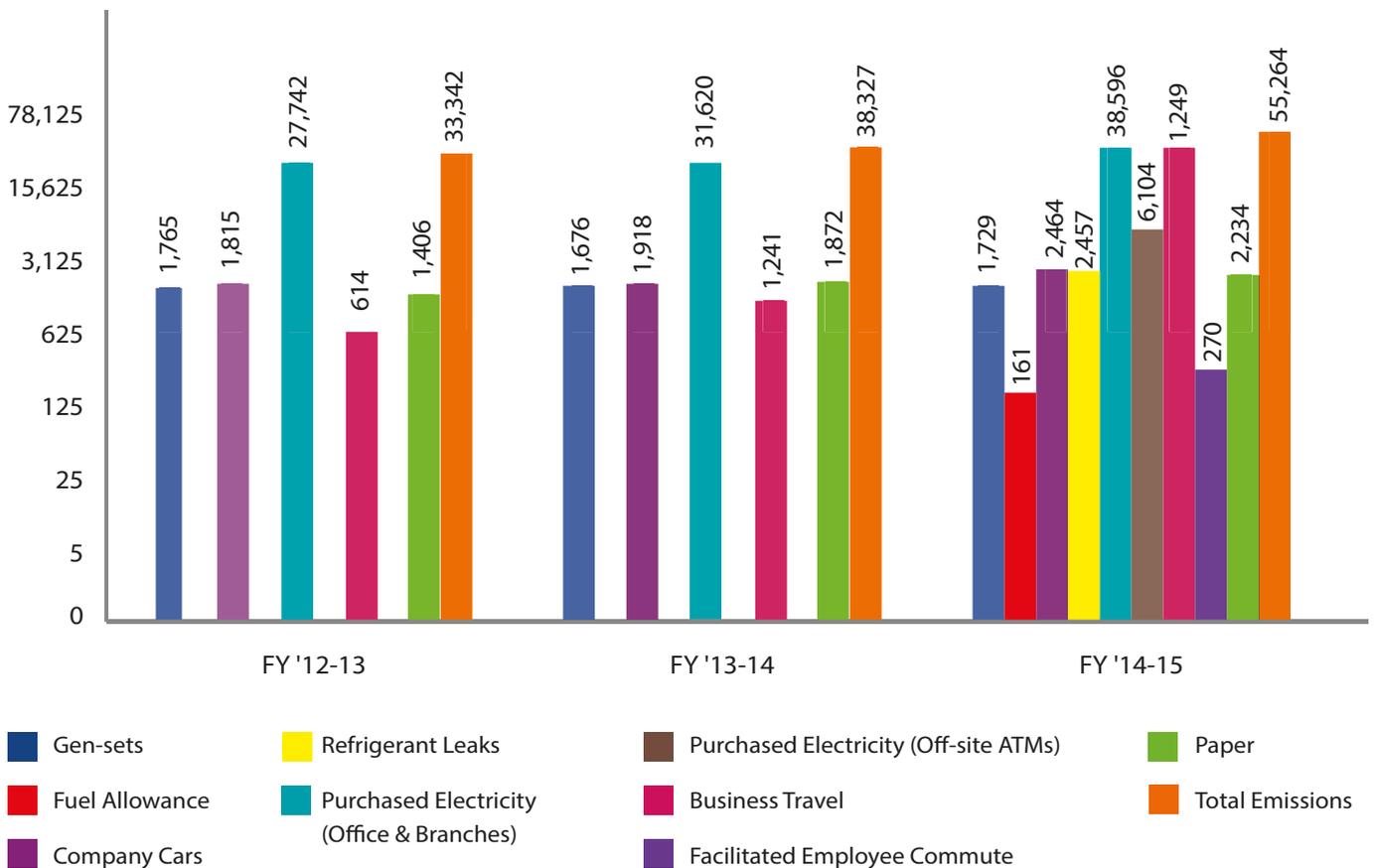
The Bank's 5th GHG inventory was established using the "Operational Control Approach" and includes all our India

operations. Our GHG inventory includes 4 major GHGs measured in metric tonnes (MT) of carbon dioxide equivalent (CO₂e).

- ★ Carbon dioxide (CO₂)
- ★ Nitrous oxide (N₂O)
- ★ Methane (CH₄)
- ★ Chlorodifluoromethane (HCFC-22)

Measured emissions were associated with direct (Scope 1) sources such as generator sets, company cars, employee fuel allowances and refrigerant leaks from air-conditioners; and indirect sources such as purchased electricity (Scope 2), business travel, company organized employee travel and paper consumption (Scope 3). The overall GHG emissions for IndusInd Bank for the FY '14-15 are estimated to be 55,265.25 MT of CO₂e. The single largest contributor to the Bank's carbon footprint was the use of purchased electricity in our offices and branches, which accounted for 69.83% of the total GHG inventory.

IndusInd Bank's GHG Inventory (MT of CO₂e)

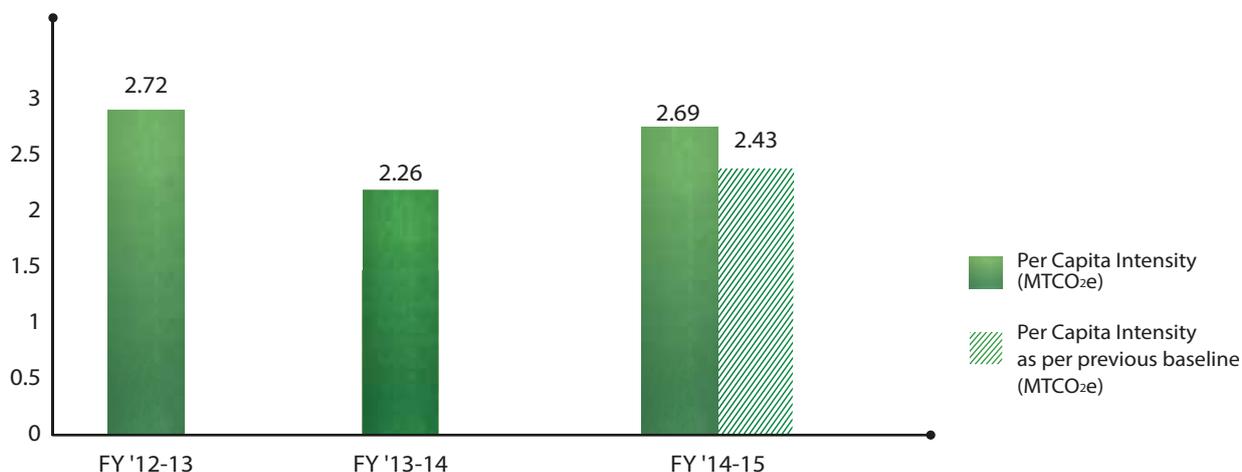


This year we made some significant changes to our accounting methodology. In an effort to ensure the transparency, accuracy and standardization of our inventory we have included two additional sources of GHG emissions - electricity consumption at off-site ATMs and refrigerant leakage from air-conditioning units at our various offices and branches - into our assessment.

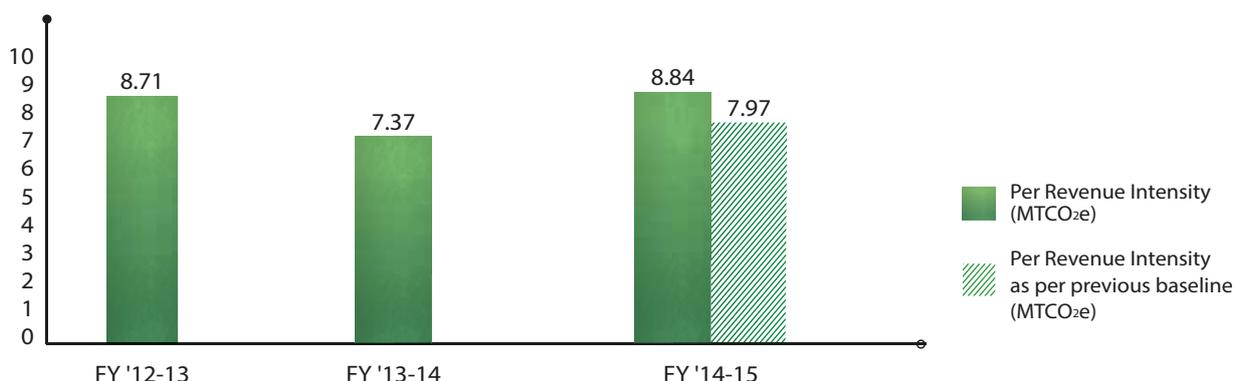
Furthermore, we have also published a specific GHG Accounting and Inventorization Manual and gone through an elaborate auditing process to receive 3rd party

verification of our inventory against the ISO 14064-1 :2006 standard. FY '14-15 will now be considered the revised base-year. We aim to reduce our GHG emissions in line with scientific and policy driven climate stabilization targets developed by IPCC and as per our relative contribution to GDP. We will also continue to measure our emissions intensity on a per capita and per revenue basis and use this figure to benchmark reductions in our overall GHG inventory.

Per Capita Intensity



Per Revenue (Cr) Intensity



**Emissions of FY '14-15 are indicated as per previous and current baselines to exhibit change due to revised emission methodology and operational boundary.*

This year the Bank's carbon intensity per full time employee (FTE) and per revenue has increased as a result of the organic growth of the Bank and a change in both methodology and operational boundary.

Mitigating Our Carbon Footprint

Over the last 7 years the Bank has made continued efforts to reduce our environmental impact, with a particular focus on mitigating our carbon footprint. Our efforts have extended from the use of numerous energy and paper saving technologies to the installations of on-site solar energy for our offices and ATMs. Our Green

Champions program too has helped inculcate behaviour change centred on energy and resource conservation. Several of these initiatives have already been discussed. A unique program this year has been the launch of our first LEED rated green branch.

Redesigning the Future, Using the Past

The ancient city builders of the Indus Valley Civilization had a luminous awareness about the use of light and shade and the play of wind, water and warmth. Their chalcolithic settlements show an impressive refinement in terms of town planning and construction and demonstrate numerous elements of green architecture and design that are being rediscovered today. Buildings were made using locally sourced materials, including sun-baked bricks – an early use of solar energy. Houses were built along an east-west corridor with south facing windows to maximize light and ventilation while minimizing heat. They took advantage of cool ground temperatures and were built in clusters using common walls, a feature of sustainable building design today.

Public buildings too used central courtyards to maximize cooling and shading. The most impressive aspect of these ancient cities was their fastidious, almost fanatical, attention to water control, including a plethora of hydraulic features such as drains, wells, sump pits, baths and bathrooms. Cities were built on a clustered grid plan and had smartly designed streets and sewage systems that were uniquely innovative for their time. Several settlements also feature archaeological evidence of elaborate rainwater harvesting systems that show that the ancient Harappans understood the principles of sustainable building design and resource use.



“ The city's architecture and street layout were organized to facilitate access to the different neighbourhoods and to segregate the public and private areas. Massive mud-brick walls enclosed each of the raised mounds, and narrow gates limited access, permitting only a single oxcart to pass at a time. Masons employed kiln-fired brick to build multi-story houses that were placed along north-south and east-west grids. Major avenues spanned more than eight meters, and some featured central dividers that may have regulated two-way bullock-cart traffic. ”



J. M. Kenoyer

Uncovering the Key to the Lost Indus Cities

Today, the ancient wisdom of the Indus Valley builders flows anew as many of the principles they used to plan and build their proto-historic settlements are being used to construct smart sustainable cities. IndusInd Bank has joined this green building revolution with the launch of its first Gold rated LEED certified branch in Gurgaon. Like its precursors in the ancient cities of Mohenjo-Daro, Harappa and Dholavira, our Green branch utilizes sustainable designs to improve energy efficiency and internal air quality, reduce energy consumption and improve material conservation.

Our Green branch has a gross area of 2,000 sq.ft. with an overall occupancy of 20. Some of the key features of the building are as follows:

1. The facility saves 48.29% of potable water by installation of water efficient low flow fixtures in toilets and pantry.

2. More than 95% of construction waste was diverted away from landfill.
3. The facility provides sufficient supply of fresh air, which exceeds minimum ASHRAE standard requirements by 30%.
4. The total connected lighting power is 11.37% below ASHRAE standard, the lighting design is further optimized by installing daylight sensors in well day lit areas and motion sensors in closed rooms.
5. Air conditioning system design is zoned based on the occupant usage and space requirements and is controlled by installing variable refrigerant flow systems for open floor office and installing sensors for closed rooms.

Bibliography

Books

- McIntosh, J., 2008. The Ancient Indus Valley: New Perspectives. ABC-CLIO.
- Kenoyer, J. M., 1998. Ancient Cities of the Indus Valley Civilization. Oxford University Press.
- Srivastava, V. C., 2008. History of Agriculture in India, Up to C. 1200 A. D., Concept Publishing Company.
- Sen, B., 2011. Indus Valley- Green lessons from the past, TERI press.

Research Articles

- Gaur, A. S. & Vora, K. H., 1999. Ancient shorelines of Gujarat, India, during the Indus civilization (Late Mid-Holocene): A study based on archaeological evidences. *Current Science*, pp. 180-185.
- Lawler, A., 2008. Boring No More, a Trade-Savvy Indus Emerges. *Science*, 320(5881), pp.1276-1281.
- Kostman, Ch. J. D., 1992. The Indus Valley Civilization: In Search of Those Elusive Centers and Peripheries. *Journal of the Association of Graduates in Near Eastern Studies*.
- Panambur, S., Mukherjee, S., & Ghosh, S., 2012. Energy Efficiency in Architectural Designs in the Indus Valley Civilization: Lessons learnt for New Designing. *IE International Conference*.
- Vahia, M. N. & Yadav, N., 2011. Reconstructing the History of Harappan Civilization. *Social Evolution & History*, 10 (2).
- Giosan, L., et al. 2012. Fluvial landscapes of the Harappan civilization. *PNAS*, 109 (26), pp.1688-1694.
- Javonillo, Ch. J., 2010. Indus Valley Civilization: Enigmatic, Exemplary, and Undeciphered, *ESSAI*, 8(21).
- Kostman, Ch. J. D., 1996. The Demise of Utopia, *Journal of the Association of Graduates in Near Eastern Studies*.
- Bhaarati, V., Indus Valley Civilisation - New insights into the script.
- Rao, S. R., 1965. Shipping and Maritime Trade of the Indus People, *Spring*.
- Meadow, R. H. & Kenoyer, J. M., 2000. The Indus Valley Mystery, *Scientific American Discovering Archaeology*.
- Kenoyer, J. M., 2003. Uncovering the Keys to the Lost Indus Cities, *Scientific American*.
- Shinde, V. & Willis, R. J., 2014. A New Type of Inscribed Copper Plate from Indus Valley (Harappan) Civilisation. *Ancient Asia*, 5(1), pp. 1-10.

Online Articles

- Violatti, C., Indus Script. Available from: <http://www.ancient.eu/Indus_Script/>. [5 June 2015]
- Indus Script. Available from: <<http://www.ancientscripts.com/indus.html>>
- McIntosh, J. & Meadow R. H., What did the Indus people wear and what material were their clothes made of? Available from: <<http://a.harappa.com/content/what-did-indus-people-wear-and-what-material-were-their-clothes-made/>>
- New World Encyclopedia contributors, Mohenjo-daro. Available from: <<http://www.newworldencyclopedia.org/entry/Mohenjo-daro>>. [12 November 2014]
- The Dancing Girl of Mohenjo-Daro- Who Was She? Available from: <<http://archaeology.about.com/od/indusrivercivilizations/a/dancinggirl.htm>>
- Dentistry Through The Ages - A History. Available from: <<http://www.affiliateddentists.com/info/dentistry-ages/>>. [24 October 2013]
- Pandey, V., Social and Economic Life of Indus Valley Civilization (Harappan Civilization). Available from: <<http://www.importantindia.com/1044/social-and-economic-life-of-indus-valley-civilization/>>. [5 August 2013]
- Carr, T., The Harappan Civilization. Available from: <<http://archaeologyonline.net/artifacts/harappa-mohenjodaro>>

Websites

- www.harappa.com
- www.bbc.co.uk
- www.ancientscripts.com
- www.archaeology.about.com
- www.newworldencyclopedia.org
- www.sewerhistory.org

GRI Content Index

General Standard Disclosures	Disclosures	Location in the Sustainability Report	Page Numbers	NVG Principle
Section: Strategy & Analysis				
G4-1	CEO Letter	Message from Managing Director	5	
Section: Organizational Profile				
G4-3	Organization name	Report Profile	7	
G4-4	Primary brands, products, and services	Innovating our Products & Services	28-29	
G4-5	Headquarters location	Our Story	10	
G4-6	Where the organization operates	Our Story	10	
G4-7	Nature of ownership and legal form	Our Story	Annual Report FY 2014-15, Annexure I to the Directors' Report, pg 25	
G4-8	Markets served	Our Story	10	
G4-9	Scale of the organization	Our Bank by the Numbers	10	
G4-10	Total number of employees by type	"Our Bank by the Numbers" "Workforce by Numbers"	10, 36-37	
G4-11	Collective bargaining agreements	Employee Demographics	10	Principle 3
G4-12	Supply chain description	Our Value Chain	21	
G4-13	Organizational changes during the reporting period	Report Profile	7	
G4-14	Precautionary principle	NA		
G4-15	External charters, principles, or other initiatives	Public Policy & Advocacy	23	Principle 7
G4-16	Membership associations	Public Policy & Advocacy	23	Principle 7
Section: Identified Material Aspects & Boundaries				
G4-17	Entities included in financial statements	NA	Annual Report FY 2014-15, Annexure I to the Directors' Report, pg 25	
G4-18	Process for defining report boundaries and content	"Report Profile" "Determining Materiality"	7, 21	
G4-19	Material aspects included in the report	Determining Materiality	21-22	
G4-20	Descriptions of material aspect boundaries within the organization	Determining Materiality	21-22	
G4-21	Descriptions of material aspect boundaries outside the organization	Determining Materiality	21-22	
G4-22	Restatements	Report Profile	7	
G4-23	Changes from previous reports in terms of scope and/or boundaries	Report Profile	7	
Section: Stakeholder Engagement				
G4-24	Stakeholder groups	Our Key Stakeholders	19	Principle 4
G4-25	How stakeholders were identified	"Stakeholders: Listening, Learning and Engaging" "Our Key Stakeholders"	19	Principle 4
G4-26	Approach to stakeholder engagement	Our Key Stakeholders	20	Principle 4
G4-27	Topics raised during stakeholder engagements	Determining Materiality	21, 22	Principle 4
Section: Report Profile				
G4-28	Reporting period	Report Profile	7	Principle 1
G4-29	Date of most recent report	Report Profile	7	
G4-30	Reporting cycle	Report Profile	7	
G4-31	Contact	Contact Us	Back cover	
G4-32	"In accordance" option	Report Profile	7	
G4-33	Report assurance	Self-assured		
Section: Governance				
G4-34	Governance structure of the organization	"Corporate Governance" "Ethics and Integrity"	13, 15	
G4-38	Composition of the board and its committees	Committees of the Board	Annual Report FY 2014-15, Corporate Governance, pg 93-107	Principle 1
G4-49	Process for communicating critical concerns to the board	Stakeholder Reporting Channels	50	Principle 1

Section: Ethics & Integrity				
G4-56	Code of conduct	Policies and Guidelines	16	Principle 1
G4-57	Mechanisms for seeking advice on ethical and lawful behavior	"Stakeholder Reporting Channels" "Complaint Redressal Mechanism" "Privacy Policy"	50, 51-52	
G4-58	Mechanisms for reporting concerns about unethical or unlawful behavior	"Sexual Harassment Policy" "Stakeholder Reporting Channels"	49, 50	Principle 1, Principle 3
Specific Disclosures	Indicators	Location in the Sustainability Report	Page Numbers	NVG Principle
Category: Economic				
G4-DMA		Creating Economic Value	26	
G4-EC1	Economic value	"Our Bank by the Numbers" "Financial Performance"	10, 11, 26 - 29	
G4-EC2	Climate change risks	NA	CDP Reponse, Risks & Opportunities, www.cdp.net	
G4-EC7	Infrastructure investments	"Fostering Economic Development" "Financial Inclusion & Rural Banking"	29 -31	Principle 2, Principle 8
G4-EC8	Indirect economic impacts	"Fostering Economic Development" "Financial Inclusion & Rural Banking" "Consumer Finance"	29 - 33	Principle 2, Principle 4, Principle 8
Category: Environmental				
G4-DMA		Environmental Stewardship	58	Principle 6
G4-EN1	Materials by weight or volume	Materials & Waste	59	Principle 6
G4-EN2	Recycled input materials	Responsible Procurement	60	Principle 2, Principle 6
G4-EN3	"Energy consumption (Scope 1 + 2)"	Energy	61-62	Principle 6
G4-EN6	Energy reductions	"Electricity Conservation & Efficiency" "Technology vs. transportation"	61-63	Principle 6
G4-EN15	"GHG emissions (Scope 1)"	GHG Accounting & Inventorization	CDP Response, Carbon Footprint Report, pg 12-14, www.cdp.net	Principle 6
G4-EN16	"GHG emissions (Scope 2)"	GHG Accounting & Inventorization	CDP Response, Carbon Footprint Report, pg 14-15, www.cdp.net	Principle 6
G4-EN17	"GHG emissions (Scope 3)"	GHG Accounting & Inventorization	CDP Response, Carbon Footprint Report, pg 15-17, www.cdp.net	Principle 6
G4-EN18	GHG emissions intensity	GHG Accounting & Inventorization	CDP Response, Carbon Footprint Report, pg 20, www.cdp.net	Principle 6
G4-EN19	Reduction of GHG emissions	Mitigating Our Carbon Footprint	69-70	Principle 6
G4-EN25	Hazardous waste	Managing Our Hazardous Waste	60	Principle 2, Principle 6
G4-EN27	Mitigation of environmental impacts of products and services	"Annual E-statement registrations" "Technology vs. transportation", "Engaging Employees on Environmental Sustainability"	59, 63 -66	Principle 6
G4-EN29	Environmental fines and sanctions	"Managing Compliance Risk" "Environmental Stewardship"	17, 58	
G4-EN30	Environmental impacts from product distribution and employee travel	Technology vs. transportation	63	Principle 6
G4-EN32	New suppliers screened using environmental criteria	Supply Chain Management	61	Principle 2, Principle 6
G4-EN33	Supply chain environmental impacts	Supply Chain Management	61	Principle 2, Principle 6
Category: Social				
Sub-category: Labor Practices & Decent Work				
G4-DMA	Prioritizing our Stakeholders		36	
G4-LA1	Number and rate of new employee hires and turnover	Workforce by Numbers	36-37	
G4-LA2	Benefits provided to full-time employees	Employee Benefits and Welfare	37-38	Principle 3
G4-LA6	Rates of injury, occupational disease, lost days, absenteeism, and work-related fatalities	Workplace Health & Safety Policy	39	Principle 3
G4-LA9	Average hours of training for employees	Employee Training and Education	40-41	Principle 3

G4-LA10	Programs for skills management managing career endings	"Employee Training and Education" "Talent Management"	40-44	Principle 3
G4-LA11	Employees receiving performance and career development reviews	Talent Management	42	Principle 3
G4-LA12	Composition of governance bodies and employees	"Workforce by Numbers" "Equal Opportunity Employment"	36, 48	Principle 3
G4-LA13	Ratio of basic salary and remuneration of women to men	Equal Opportunity Employment	48	Principle 3
G4-LA14	New suppliers that were screened using labor practices criteria	Ethical Procurement	51	Principle 3, Principle 5
Category: Social				
Sub-category: Human Rights				
G4-DMA	Prioritizing our Stakeholders		36	
G4-HR1	Investment agreements and contracts that include human rights clauses or underwent screening	Ethical Procurement	51	Principle 5
G4-HR2	Employee training on human rights	Employee Training and Education	40-42	
G4-HR3	Incidents of discrimination	Cases of Misconduct	18	
G4-HR5	Significant risk of child labor in operations and suppliers	Ethical Procurement	51	Principle 5
G4-HR10	New suppliers screened for human rights	Ethical Procurement	51	Principle 5
G4-HR12	Grievances about human rights impacts	Stakeholder Reporting Channels	50	Principle 5
Category: Social				
Sub-category: Society				
G4-DMA	Prioritizing our Stakeholders		36	
G4-SO1	Local community engagement, impact assessments and development programs	"Share2Care" "Community Development"	44 - 46, 53 - 55	
G4-SO3	Risks related to corruption	Cases of Misconduct	18	
G4-SO4	Communications and training on anti-corruption	"Managing Compliance Risk Reporting" "Unlawful or Unethical Behaviour"	17, 18	Principle 1
G4-SO5	Confirmed incidents of corruption	Cases of Misconduct	18	
G4-SO8	Fines for non-compliance with laws	Managing Compliance Risk	17	
Category: Social				
Sub-category: Product Responsibility				
G4-DMA	"Prioritizing our Stakeholders External stakeholders: Customers"		36, 51	Principle 9
G4-PR4	Non-compliance with regulations concerning product and service labeling	Managing Compliance Risk	17	Principle 9
G4-PR5	Surveys measuring customer satisfaction	Customer Satisfaction & Loyalty	52	Principle 9
G4-PR6	Sale of banned or disputed products	Managing Compliance Risk	17	Principle 9
G4-PR8	Complaints regarding breaches of customer privacy and losses of customer data	Privacy Policy	51	Principle 2, Principle 9
G4-PR9	Fines for non-compliance with laws and regulations concerning products and services	Managing Compliance Risk	17	Principle 9
Material Topic		G4 Disclosure		
Employee Engagement		G4-49, G4-57, G4-58, G4-LA9, G4-LA10, G4-LA11, G4-HR2		
Priority Sector Lending		G4-EC7, G4-EC8		
Compliance		G4-56, G4-SO3, G4-SO4, G4-SO5, G4-SO8, G4-PR4, G4-PR6, G4-PR9		
Product Responsibility- Customer Satisfaction & Brand Management		G4-49, G4-56, G4-57, G4-58, G4-SO3, G4-SO4, G4-PR4, G4-PR5, G4-PR8, G4-PR9		
Security & Privacy		G4-49, G4-PR8		



Content development:

Centre for Environmental Research and Education (CERE)

Design: Forecast Brandcom

Illustrations: Arindam Chakraborty

IndusInd Bank

Registered Office: 2401 General Thimmayya Road, Cantonment, Pune - 411 001.

Tel.: +91 20 3046 1604/ 07/ 09 | **Fax:** +91 20 2634 3241

Corporate Office: 8th Floor, Tower 1, One Indiabulls Centre,
841, S. B. Marg, Elphinstone Road, Mumbai - 400 013.

Tel.: +91 22 2423 1999 / 3049 3999 | **Fax:** +91 22 2423 1998/ 3049 3998

Visit us at www.indusind.com or email us at csrsupport@indusind.com

CIN: L65191PN1994PLC076333



To view this Report online, please scan this QR Code with your camera-enabled smartphone.

If you do not have a QR Code scanner, you may download the same from your app store.

<http://www.indusind.com/content/csr-home.html>