Independent Assurance Statement

The Directors and Management,
IDFC First Bank Limited,
Naman Chambers, C-32, G Block,
Bandra East, BKC Mumbai MH 400051

Introduction and Engagement

IDFC First Bank Limited (herein referred to as IDFC) commissioned TUV India Private Limited (TUVI) to conduct the independent external assurance of IDFC's social responsibility information, which includes "limited assurance" for the applied reporting period. This assurance engagement was conducted against the ISO 26000 guideline . The onsite verification was conducted on 20 and 21 September 2023 at Naman Chambers, C-32, G- Block, Bandra East Bandra Kurla Complex Mumbai -400051. TUV verified the "core subjects" like "Organizational Governance", "Human Rights", "Labor Practices", "The Environment", "Fair Operating Practices", "Consumer Issues", "Community Involvement and Development" for the period from 1 March 2022 till 1 April 2023. This assurance engagement was conducted in accordance with ISAE 3000 (revised).

This independent assurance opinion statement has been prepared for IDFC only, to assure its social responsibility information, more particularly described in the scope, below. In the process of Assurance, TUV India Private Limited will not accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or to any person by whom the independent assurance opinion statement may be read. This statement is intended to be used by stakeholders and management of IDFC. This independent assurance opinion statement is prepared by TUV India Private Limited based on the review of the information presented to it by IDFC. The review does not extend beyond such information and is solely based on it. In performing such a review, TUV India Private Limited has assumed that all such information is complete and accurate. Any queries that may arise under this independent assurance opinion statement or matters relating to it should be addressed to IDFC only.

Management's Responsibility

The IDFC's management is responsible for the submission of accurate social responsibility information under the criteria stated in the ISO 26000 guideline. This responsibility includes the selection and application of appropriate methods to prepare the Report (social disclosure) as well as the usage of reasonable assumptions and estimates for individual social responsibility information disclosures. Furthermore, the responsibility also includes designing, implementing and maintaining systems and processes relevant for the preparation of the report in a way that it is free of – intended or unintended – material misstatements.

Scope, Boundary and Limitations of Assurance

The scope of the assurance includes the verification of social responsibility information as per the ISO 26000 guideline.
Assurance Engagement includes the following:

i. Verification of the application of the various policies, principles as mentioned in the ISO 26000 guideline, and the quality of information presented in the Reports (social disclosure) over the reporting period;
ii. Review of the policies, initiatives, practices and performance described in the Reports (social disclosure);
iii. Review of the disclosures made in the Reports (social disclosure) against the requirements of the ISO 26000 guideline
iv. Verification of the reliability of the ISO 26000 guideline Disclosure on "core subjects"
v. Confirmation of the fulfilment of the ISO 26000 guideline; as declared by the management of IDFC

The reporting topic boundaries are set out in the Report (social disclosure) covering the social responsibility performance of the IDFC is as below:

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Our engagement did not include an assessment of the adequacy or the effectiveness of IDFC's strategy or management of Social related issues. During the assurance process, TUVI did not come across the limitations to the scope of the agreed assurance engagement.

Limitations

TUVI did not perform any assurance procedures on the prospective information, such as targets, expectations, and ambitions, disclosed in the Report (social disclosure). Consequently, TUVI draws no conclusion on the prospective information. During the assurance process, TUVI did not come across any limitation to the agreed scope of the assurance engagement. TUVI expressly disclaims any liability or co-responsibility for any decision a person or entity would make based on this Assurance Statement.

Our Responsibility

TUVI's responsibility in relation to this engagement was to perform a limited level of assurance and to express a conclusion On the basis on the work performed. This engagement did not include an assessment of the sufficiency of the principles of GRI Standards: Core option, and ISAE 3000 (revised), other than those mentioned in the scope of the ESG data assurance. TUVI's responsibility regarding this verification is in accordance with the agreed scope of work which includes non-financial Quantitative and qualitative information disclosed by IDFC. This assurance engagement assumes that the data and information provided to us by IDFC are reliable, complete and true.

Verification Methodology

During the assurance engagement, TUVI gathered evidences to draw conclusions. Following activities were performed

i. A top-level review of issues raised by external parties that could be relevant to IDFC's policies to provide a check on the appropriateness of statements made in the report
ii. Discussion with senior executives on IDFC's approach to stakeholder engagement. No external stakeholders were interviewed as a part of the engagement.
iii. Interview with staff involved in social responsibility management, report preparation and provision of report information was carried out
iv. Review of key organization developments
v. Review of supporting evidence for claims made in the reports
vi. TUVI examined and reviewed the documents, data (on sample basis) and other information made available by IDFC for the reported disclosures including the Management Approach and performance disclosure;

Opportunities for Improvement

The following is an extract from the observations and opportunities for improvement reported to the Management of IDFC and are considered in drawing our conclusions on the Report (social disclosure); however, they are generally consistent with the Management's objectives.

i. IDFC may establish its website and include a channel of information and communication with its stakeholders so that the views of stakeholders, whose interests are likely to be affected by its decisions or activities; even if they do not have a formal role in the governance of the organization or are unaware of their interests.
ii. IDFC may formalize the target for Safety by 2024 (after aggregating and studying part data trends) Example: Loss time injury, Loss time injury rate, etc. and training hours for its employee till 2023. Complete assessment can be initiated by identifying the risks, hazards and controls.
iii. Occupational health can be assessed effectively by frequent monitoring. An OHC can be established inside the premises with the provision of ambulance in case of any unexpected incidents.
iv. Supplier assessment based on inclusion of protection of human rights can be considered while taking on board of new vendors.
v. Formal grievance mechanism to capture the feedbacks from local community can be established
vi. Risk assessment needs to be included for new supplier assessment;
vii. Provision of coverage of disability and invalidity clause in HR policy is required. Inclusion of more female employees for the administrative work can be considered.

Conclusions

TUVI expressly disclaims any liability or co-responsibility for any decision a person or entity would make based on this Assurance Statement. The intended users of this assurance statement are the Management of IDFC. The Management of the IDFC is responsible for the information provided in the Report (social disclosure) as well as the process of collecting, analyzing, and reporting the information presented in web-based and printed Reports, including website maintenance and its integrity. TUVI's responsibility regarding this verification is in accordance with the agreed scope of work which includes non-financial quantitative and qualitative information (Sustainability Performance) disclosed by IDFC in the Report (social disclosure). This assurance engagement is based on the assumption that the data and the information provided to TUVI by IDFC are complete and true.

Quality control: The Assurance Team complies with the Code of Ethics for Professional Accountants issued by the IESBA, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. In accordance with International Standard on Quality Control, TUVI maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Independence: TUVI follows IESBA (International Ethics Standards Board for Accountants) Code which, adopts a threats and safeguards approach to independence. It is confirmed that the assurance team is selected to avoid situations of self-interest, self-review, advocacy and familiarity. The assessment team was safeguarded from any type of intimidation.

Our Assurance Team and Independence

TUVI is an independent, neutral third party providing sustainability services with qualified environmental and social specialists. TUVI states its independence and impartiality and confirms that there is "No Conflict of Interest" with regard to this assurance engagement. In the reporting year, TUVI did not work with IDFC on any engagement that could compromise the independence or impartiality of our findings, conclusions, and recommendations. TUVI was not involved in the preparation of any content or data included in the social disclosure, with the exception of this assurance statement. TUVI maintains complete impartiality towards any individuals interviewed during the assurance engagement.

For and on behalf of TUV India Private Limited

Manojkumar Borekar
Project Manager and Reviewer
Head – Sustainability Assurance Service

Technical Inspection Services TÜV TÜV India

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