

# GREEN FIXED DEPOSITS

F.Y. 2022-23



**A GREEN FIXED DEPOSIT  
THAT GROWS YOUR SAVINGS  
AND HEALS THE PLANET.**



# Contents

ABOUT THE REPORT .....	3
<b>GUIDING PRINCIPLES</b> .....	3
<b>REPORTING PERIOD</b> .....	3
<b>INDEPENDENT ASSURANCE</b> .....	3
SETTING THE CONTEXT .....	3
CRITERIA for GREEN FIXED DEPOSITS .....	4
ALIGNMENT WITH SUSTAINABLE DEVELOPMENT GOALS .....	4
VERIFICATION OF DATA .....	5
<b>ANNEXURE 1: INDEPENDENT ASSURANCE STATEMENT</b> .....	<b>Error! Bookmark not defined.</b>

# GREEN FIXED DEPOSITS: A REVIEW

## ABOUT THE REPORT

This report illustrates a milestone in the Bank's endeavour to imbibe best-in-class practices while exhibiting transparency and ensuring accountability. It provides the understanding of the approach established at IndusInd Bank to review the Bank's scheme of Green Fixed Deposits.

### GUIDING PRINCIPLES

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The Sustainability initiatives at IndusInd Bank are guided by various policies and guidelines which are approved by the board committees of the Bank. All the business practices, decision making, operations, processes and systems are governed by these policies and guidelines. It lays the foundation of the strategy undertaken by the Senior Management of the Bank to achieve ESG targets of the Bank. All the updated sustainability linked policies and guidelines can be accessed at:

<https://www.indusind.com/in/en/sustainability/policies.html>

### REPORTING PERIOD

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IndusInd Bank voluntarily adopts targets for improving ESG performance. This report presents the review of Green Fixed Deposits. The Green Fixed Deposits scheme was launched by Bank on December 23, 2021 and the scheme was active till May 31, 2022. The review is done for the period F.Y. 2022-23.

### INDEPENDENT ASSURANCE

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Transparency and accountability being core values at IndusInd Bank forms the foundation of the Bank's responsibility towards its investors and other stakeholders. IndusInd Bank Limited (IBL) has engaged Ernst & Young Associates LLP (EY) as an independent assurance provider on the information provided in this report. The assurance statement of EY on Green Fixed Deposits can be referred to at the end of this report (Annexure 1).

For questions regarding the report, contact: [sustainability@indusind.com](mailto:sustainability@indusind.com)

## SETTING THE CONTEXT

Environmental and social concerns have been rising all over the globe. At IndusInd Bank, one of the key focus areas as a part of sustainable banking, has been to contribute to social and environmental causes. By launching the 'Green Fixed Deposits', IndusInd Bank offered customers with an avenue for deposits creation wherein the deposit proceeds are being utilised to finance projects and firms supporting the United Nations Sustainable Development Goals (UNSDGs).

The Green Fixed deposits were offered to both retail and corporate customers. Proceeds from these deposits were mapped to assets financed in a wide array of sectors falling under the UNSDG category including

- energy efficiency,
- renewable energy,
- clean energy,
- green transport,
- water, sanitation & hygiene,
- education,
- healthcare,
- impact NBFC,
- social infra,
- livelihood and inclusive finance

## CRITERIA for GREEN FIXED DEPOSITS

Deposit proceeds mapped to the advances linked to United Nations Sustainable Development Goals were purported to be qualified as 'Green Fixed Deposits'.

Specialised tenor slots were designated within the fixed deposit rate card for Green Fixed Deposits, highlighting the dedicated tenors under which these Green Fixed Deposits were offered. Below are the value and tenor slabs for a fixed deposit to be eligible as 'Green Fixed Deposits':

From 23-Dec-2021 to 17-Jan-2022:

Fixed deposit value (INR)	Fixed deposit tenor	
	From	To
More than 5 crores	344 days	354 days
	1 year 6 months	Below 1 year 7 months
	2 year	Below 61 months
Less than 5 crores	2 year	Below 61 months

From 18-Jan-2022 to 31-May-2022:

Fixed deposit value (INR)	Fixed deposit tenor	
	From	To
More than 5 crores	355 days	364 days
	1 year 6 months	Below 1 year 7 months
	2 year	Below 61 months
Less than 5 crores	2 year	Below 61 months

Any fixed deposit getting auto renewed and falling under tenor/value as mentioned as Green Fixed Deposit in fixed deposit rate card as on date of renewal will also be eligible as 'Green Fixed Deposits'.

In the following events a Fixed deposit will cease to be 'Green Fixed Deposit':

- If any overdraft facility availed against such Green Fixed Deposit
- In the event of Green Fixed Deposit closure (full/ part) prior to maturity

## ALIGNMENT WITH SUSTAINABLE DEVELOPMENT GOALS

As on March 31, 2023, 100% of the deposits raised under the Green Fixed Deposits were mapped to the projects and firms financed which supports the United Nations Sustainable Development Goals (UNSDGs)

Below are the 17 Sustainable Development Goals (SDGs) as defined by United Nations:



## VERIFICATION OF DATA

Banking being an essential service, transparency and accountability is the gold standard that IBL adheres to at all times. Ensuring the reliability of information is crucial to tracking and reporting progress internally and externally. A close examination of the process by an Independent Assurance provider helps identify opportunities for improvement and ensures accuracy and credibility of data and information.

An independent assurance for the data and information in this report is provided by Ernst & Young Associates LLP (EY). Allocation of proceeds from Green Fixed Deposits to the UNSDG linked assets is assured by Ernst & Young Associates LLP in accordance with International Standard on Assurance Engagement 3000 (Revised). Assurance statement can be found on next page

## Independent Practitioner's Assurance Report

To,  
**The Management and Board of Directors**  
IndusInd Bank Limited,  
PNA House, 4<sup>th</sup> Floor,  
Plot No. 57, Street No. 17, MIDC, Andheri (E)

### Scope

We have been engaged by IndusInd Bank Limited to perform a 'limited assurance engagement,' as defined by International Standards on Assurance Engagements (ISAE 3000), here after referred to as the engagement, to report on Green Fixed Deposits Criteria (the "Subject Matter") contained in Green Deposits-A-Review-FY23 report ("the Report") for the period from 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023.

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

### Criteria applied by IndusInd Bank Limited

The Report includes details of Green Fixed Deposits Criteria and mapping of its proceeds against advances linked to United Nations Sustainable Development Goals (UNSDGs) (hereafter referred to as "Green Fixed Deposits Portfolio") for the Financial Year 2022-23. The development of the Report and Green Fixed Deposits Portfolio is based on the Bank's Green Fixed Deposits Criteria; its content and presentation are the sole responsibility of the management of the Bank. Bank's Green Fixed Deposits Criteria is defined on page no. 4 of Green Deposits-A-Review-FY23 report. As a result, the subject matter information may not be suitable for another purpose.

### IndusInd Bank Limited's responsibilities

IndusInd Bank Limited's management is responsible for selecting the Criteria, and for presenting the Green Fixed Deposits FY 2022-23 in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records, and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

### EY's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000 (Revised)'), and the terms of reference for this engagement as agreed with IndusInd Bank Limited on 22<sup>nd</sup> June 2023. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

### **Our independence and quality management**

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### **Description of procedures performed.**

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Green Fixed Deposits FY 2022-23 and related information and applying analytical and other appropriate procedures.

Our procedures included:

- Conducted interviews with select personnel at Corporate Office to understand the process for collecting, collating, and reporting the subject matter as per Bank's Green Fixed Deposits Criteria.
- Interaction with key personnel to understand client's Green Fixed Deposits portfolio performance on a sample basis. It was based on client's internal data management system and basis audited financial statement. The classification of Green Fixed Deposits was defined by the client;
- The classification of Green Fixed Deposits was defined by the client and criteria for classification is defined on page no. 4 of Green Deposits-A-Review-FY23 report;
- Data assurance through the review of data on a sample basis, pertaining to the following:
  - 'Green Deposits' linkages to Green and Climate Finance Themes Included: Renewable Energy, Energy Efficiency, Green Buildings, Clean Energy, Water, Sanitation & Hygiene, and Clean Transportation.
  - 'Green Deposits' linkages to Social, Livelihood and Inclusive Finance Themes Included: Education, Healthcare, Impact NBFC, Social Infrastructure, Affordable Housing, Agriculture, and Inclusive Finance.



- Execution of an audit trail of claims and data streams, on a selective test basis, to determine the level of accuracy in the collection, transcription, and aggregation processes followed;

We also performed such other procedures as we considered necessary in the circumstances.

### **Other matter**

The assurance scope excludes:

- Data and information outside the defined reporting period (1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023);
- Data and information on the economic and financial performance of the Company;
- Data, statements, and claims already available in the public domain through Annual Report, Sustainability Report, or other sources available in the public domain;
- The Company's statements that describe the expression of opinion, belief, inference, aspiration, expectation, aim, or future intention provided by the Company;
- The Company's compliance with regulations, acts, and guidelines with respect to various regulatory agencies and other legal matters

### **Conclusion**

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to Green Fixed Deposits Criteria for the period from 1st April 2022 to 31st March 2023 in order for it to be in accordance with United Nations Sustainable Development Goals (UNSDGs)

**Restricted use:** This report is intended solely for the information and use of IndusInd Bank Limited and is not intended to be and should not be used by anyone other than IndusInd Bank Limited.

For and on behalf of Ernst & Young Associates LLP



Chaitanya Kalia  
28/02/2024  
Mumbai, India