

Assurance Statement



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Independent Limited Assurance Statement to HDFC Bank Limited on its non-financial disclosures in the Integrated Annual Report for Financial Year 2021-22

To the Management of HDFC Bank Limited, HDFC Bank House, Senapati Bapat Marg, Lower Parel (W), Mumbai – 400013

Introduction

We ('KPMG Assurance and Consulting Services LLP', or 'KPMG') have been engaged for the purpose of providing assurance on the selected non-financial disclosures presented in the Integrated Annual Report ('the Report') of HDFC Bank Limited ('HDFC Bank' or 'the Company') for FY 2021-22. Our responsibility was to provide limited assurance on the Report content as described in the scope, boundary, and limitations.

Reporting Criteria

HDFC Bank has developed its report based on the applicable accounting standards and has incorporated the principles of the International Integrated Reporting Framework (<IR>) published by the International Integrated Reporting Council (IIRC).

HDFC Bank's non-financial performance reporting criteria has been derived from Global Reporting Initiative (GRI) Standards 'in-accordance' comprehensive option.

Assurance Standards Used

We conducted our assurance in accordance with

- Limited Assurance requirements of International Federation of Accountants' (IFAC) International Standard on Assurance Engagement (ISAE) 3000 (revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information.
 - Under this standard, we have reviewed the information presented in the Report against the characteristics of relevance, completeness, reliability, neutrality and understandability.
 - Limited assurance consists primarily of enquiries and analytical procedures. The procedures performed in a limited assurance engagement vary in nature and timing and are less in extent than for a reasonable assurance engagement.

Scope, Boundary and Limitations

- The scope of assurance covers select non-financial disclosures of HDFC Bank for the period 01 April 2021 to 31 March 2022.

The Disclosures¹ subject to assurance were as follows:

General Disclosures
• Organization Profile: 102-8 • Reporting Practice: 102-48, 102-49, 102-50, 102-51, 102-52, 102-53 and 102-55
Topic Specific Disclosures
• Environmental ◦ 302 Energy 2016: 302-1, 302-3 ◦ 305 Emissions 2016: 305-1, 305-2, 305-3*, 305-4 ◦ 306 Effluents and Waste 2016: 306-2

¹ For details regarding the disclosures please refer the GRI Content Index in Integrated Annual Report on Page 126-130.



- Social
 - 401 Employment 2016: 401-1, 401-3
 - 404 Training and Education 2016: 404-1, 404-2
 - 405 Diversity and Equal Opportunity 2016: 405-1
 - 413 Local communities 2016: 413-1

*The data disclosed under 305-3 is restricted to limited upstream and downstream categories: Employee business travel (Air, Rail and Road), Upstream leased assets (Other ATMs) Purchased goods and services (paper consumption) and Waste generated from operations (E-waste disposed)

The boundary of the Report covers HDFC Bank operations in India which include:

1. 6338 branches and 18130 ATMs
2. 29 currency chests
3. 255 corporate and regional offices
4. 37 training centers and guest houses
5. 5 Data centers

The data review and validation were conducted through the Corporate office which collates the data for pan India locations. The review and management interactions were performed virtually using screen sharing tools. Based on the information provided by HDFC Bank, we have assessed the internal controls and systems.

The assurance scope excludes following:

- Aspects of the Report other than those mentioned in the scope mentioned above
- Data and information outside the defined reporting period
- The Company's statements that describe expression of opinion, belief, aspiration, expectation, aim, future intention provided by the Company and assertions related to Intellectual Property Rights and other competitive issues.
- Data related to Company's financial performance
- Data review outside the operational sites as mentioned in the boundary above
- Strategy and other related linkages expressed in the Report

Assurance Procedures

Our assurance process involves performing procedures to obtain evidence about the reliability of specified disclosures. The nature, timing and extent of procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the selected non-financial disclosures whether due to fraud or error. In making those risk assessments, we have considered internal controls relevant to the preparation of the Report in order to design assurance procedures that are appropriate in the current circumstances.

Our assurance procedures also included:

- Assessment of HDFC Bank's reporting procedures regarding their consistency with the application of GRI Standards.
- Evaluating the appropriateness of the quantification methods used to arrive at the non-financial disclosures presented in the Report.
- Review of systems and procedures used for quantification, collation, and analysis of non-financial disclosures included in the Report.
- Understanding the appropriateness of various assumptions, estimations and materiality thresholds used by HDFC Bank for data analysis.
- Discussion with the relevant stakeholders and data owners responsible for collecting the data and information presented in the report
- Review of selected key performance data as defined in scope, boundary and limitations was carried out on a sample basis through video conferencing with corporate office
- Site visits for CSR programmes conducted in Akbarpur and Bhawapur villages in Uttar Pradesh

Appropriate documentary evidence was obtained to support our conclusions on the information and



data verified. Where such documentary evidences could not be collected due to sensitive nature of the information, our team verified the same with the HDFC Bank during virtual interactions.

Conclusions

We have reviewed selected non-financial disclosures in the report of HDFC Bank for FY 2021-22. Based on our review and procedures performed, nothing has come to our attention that causes us not to believe that the non-financial performance data and information as per the scope of assurance presented in the Report is appropriately stated, in all material respects and in accordance with GRI Standards.

Data representation and calculation related errors were detected but the same were resolved during the assurance process. There is a scope for enhancing the understanding of the performance disclosures among the data owners. We have provided our observations to the Bank in a separate management letter. These, do not, however, affect our conclusions regarding the Report.

Independence

The assurance was conducted by a multidisciplinary team including professionals with suitable skills and experience in auditing environmental, social and economic information in line with the requirements of ISAE 3000 (Revised) standard.

Our work was performed in compliance with the requirements of the IFAC Code of Ethics for Professional Accountants, which requires, among other requirements, that the members of the assurance team (practitioners) be independent of the assurance client, in relation to the scope of this assurance engagement, including not being involved in writing the Report. The Code also includes detailed requirements for practitioners regarding integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. KPMG has systems and processes in place to monitor compliance with the Code and to prevent conflicts regarding independence. The firm applies ISQC 1 and the practitioner complies with the applicable independence and other ethical requirements of the IESBA code.

Responsibilities

HDFC Bank is responsible for developing the Report contents. HDFC Bank is also responsible for identification of material sustainability topics, establishing and maintaining appropriate performance management, internal control systems and derivation of performance data reported. This statement is made solely to the Management of HDFC Bank in accordance with the terms of our engagement and as per scope of assurance. Our work has been undertaken so that we might state to HDFC Bank those matters for which we have been engaged to state in this statement and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than HDFC Bank for our work, for this report, or for the conclusions expressed in this independent assurance statement. The assurance engagement is based on the assumption that the data and information provided to us is complete and true. We expressly disclaim any liability or co-responsibility for any decision a person or entity would make based on this assurance statement. Our report is released to HDFC Bank on the basis that it shall not be copied, referred to or disclosed, in whole or in part, without our prior written consent. By reading this assurance statement, stakeholders acknowledge and agree to the limitations and disclaimers mentioned above.

Prathmesh Raichura
Partner

KPMG Assurance and Consulting Services LLP
20 June 2022