



United Nations Global Compact

Communication on Progress

YES BANK Limited

April 2012 – March 2013

2014

CONTENTS

1. <i>CEO's Statement of Continued Support</i>	3
2. <i>About this Report</i>	5
3. <i>About YES Bank</i>	6
4. <i>Making the Connection - GRI G3.1</i>	7

FROM THE MANAGING DIRECTOR & CEO'S DESK



Dear Stakeholder,

At the outset, I confirm that YES BANK steadily continues on its sustainability growth path, with a strong commitment to environment and society.

At the UN Global Compact Leaders Summit 2013 held in New York recently, H.E. Ban Ki-Moon, UN Secretary General, called upon world leaders in business and civil society to be the “architects of a better world” and play a more integral role in shaping and implementing the post 2015 development agenda by pursuing the sustainable development goals that would be released.

Similarly, the recent events at the World Economic Forum held at Davos threw up a diverse mix of ideas on issues around “Reshaping of the World: Consequences for Society, Politics and Business.” One of the most pertinent topics was on climate change.

As a leading financial institution in the sustainability space, YES BANK has constantly played a prominent role in deepening the principles of the Global Compact in India. As an extension of our Responsible Banking philosophy, we now look to play a bigger role in shaping and influencing the domestic and international agenda.

The Year 2012-13 has been a year of significant achievements in corporate social responsibility and sustainable development for us, particularly from an Indian perspective. In this direction, with our quest towards natural capital conservation, YES BANK has been the first Indian Bank to sign the UNEP FI Natural Capital Declaration which is a global statement that demonstrates our commitment to work towards integrating natural capital into financial products and services. Further, for accurate measurement and assessing our Triple Bottom Line Impact, YES BANK adopted a robust environmental management policy and acquired the ISO 14001:2004 Certification, the world’s leading environment management system, thus becoming the first Indian bank to be certified which endorses its commitment towards environment sustainability and development.

Transparency and accountability, being one of our strongest growth pillars, the Bank released its standalone sustainability report FY 2012-13 which got an A Level Check from the Global Reporting Initiative. It has also been the best performing financial institution in the Carbon Disclosure Leadership Index of the CDP, being the leading Bank to be featured on the Index for the third consecutive year.

As a public trust institution, we accord the highest priority to corporate governance. The Board of Directors continue to play an important role in establishing and strengthening our practices related to governance, business conduct, employee rights, and corporate social responsibility. The Board periodically is updated on CSR and Sustainability initiatives.

Currently the Bank is finalising its CSR and Sustainability policy in line with the amended Indian Companies Act 2013.

To catalyze positive action within the community to create stakeholder value, YES BANK's unique community engagement programme YES COMMUNITY has been expanding in size, scale and impact year-on-year. With the ability to reach across India with its 500 bank branches, YES COMMUNITY continues to help us build strong bridges with communities and connect with them on relevant social and environmental issues.

As a financial Institution, it is important for us to be mindful of our actions and therefore the Bank's Environmental and Social Policy that it had adopted in 2006 maintains healthy portfolios with ESG mitigation in practice. To mainstream sustainability within the Indian financial sector and Corporates, YES BANK in its role as an evangelist, initiated the Sustainability Series along with UNEP FI and GIZ. The training platform aims to build skills in environmental and social risk management among Indian professionals.

Natural capital has emerged as a pivotal environmental issue globally. YES BANK has taken a lead in mainstreaming the discussion on natural capital in India by launching the Natural Capital Awards as a platform for bringing the government, industry and society together to deliberate on this crucial subject.

To leverage RESPONSIBLE BANKING, YES BANK's unique attributes which have proven to be a pioneering example of a business case for corporate social responsibility and sustainability, the Bank launched its Development Arm - YES FOUNDATION, this year. As a blue ocean strategy, YES FOUNDATION's objective is to focus on stimulating entrepreneurship, innovatively use of media for social transformation, and enabling India's inclusive growth and development.

Given the expanse of the sustainability space, I believe YES BANK has done notable work and this is being recognized by national and international organizations. During the year, we won at the FT/IFC Sustainable Finance Awards 2012, the Golden Peacock Award for Sustainability 2012, and CII ITC Sustainability Awards 2012 among other prestigious accolades.

The year 2014 is significant for YES BANK, as it embarks upon its 10th year journey, moving closer to achieve our Version 2.0- our Vision of building the "Best Quality Bank of the World in India." We look forward to achieving greater heights, as we remain committed to YES BANK's Responsible Banking philosophy to be a "benchmark financial institution for sustainability".

Thank you.

Sincerely,

Rana Kapoor
Founder, Managing Director & CEO

About This Report

YES BANK is the first Indian bank to be a signatory to the Global Compact. Since 2009, the Bank has remained committed to supporting the ten principles of the Global Compact within its sphere of influence and making them a part of its strategy, culture and operations.

YES BANK became India's first commercial bank to release its sustainability report, "Catalyzing a Shared Sustainable Future", for the year 2012-13 that adhered to the GRI G3.1 reporting guidelines of the Global Reporting Initiative (GRI). The Report has received an 'A' Level Check Certificate from the GRI and addresses the three principles of Inclusivity, Materiality and Responsiveness set by AccountAbility within the accountability standard AA1000APS – 2008.

The Bank's sustainability report is available in the public domain to all stakeholders at <http://www.yesbank.in/investor-relations/sustainability-report.html>.

In keeping the complementary nature of the reporting frameworks and their common objectives, this document will be using the two frameworks – the Global Compact and the GRI G3.1 Sustainability Reporting Guidelines, together, basing it on the GRI G3.1 and UNGC linkage document, "Making the Connection: GRI G3.1 And UNGC".

The Linkage Document is available in the public domain at www.globalreporting.org.

Report Application Level		C	C+	B	B+	A	A+
Standard Disclosures	Profile Disclosures <small>OUTPUT</small>	Report on: 1.1 2.1 - 2.10 3.1 - 3.8, 3.10 - 3.12 4.1 - 4.4 , 4.14 - 4.15	Report Externally Assured	Report on all criteria listed for Level C plus: 1.2 3.9, 3.13 4.5 - 4.13, 4.16 - 4.17	Report Externally Assured	Same as requirement for Level B	Report Externally Assured
	Disclosures on Management Approach <small>OUTPUT</small>	Not Required		Management Approach Disclosures for each Indicator Category		Management Approach disclosed for each Indicator Category	
	Performance Indicators & Sector Supplement Performance Indicators <small>OUTPUT</small>	Report fully on a minimum of any 10 Performance Indicators, including at least one from each of: social, economic, and environment.**		Report fully on a minimum of any 20 Performance Indicators, at least one from each of: economic, environment, human rights, labor, society, product responsibility.***		Respond on each core and Sector Supplement* indicator with due regard to the materiality Principle by either: a) reporting on the indicator or b) explaining the reason for its omission.	
		<p>* Sector supplement in final version</p> <p>** Performance Indicators may be selected from any finalized Sector Supplement, but 7 of the 10 must be from the original GRI Guidelines</p> <p>*** Performance Indicators may be selected from any finalized Sector Supplement, but 14 of the 20 must be from the original GRI Guidelines</p>					

About YES Bank

YES BANK, India's fourth largest private sector bank, is an outcome of the professional entrepreneurship of its founders and the Bank's highly competent management team, to establish a high quality, customer centric, service driven, private Indian bank catering to the "future businesses of India".

As one of India's youngest and fastest growing banks, YES BANK has striven to be a part of India's growth story and has adopted a strategic approach to sustainability. The Bank's sustainability strategy is driven by its responsible banking philosophy which has produced credible and tangible results for the Bank and the wider stakeholder community.

By focusing on banking excellence to help drive economic opportunities, the Bank endeavours to create sustainable value for all stakeholders and evolve its organizational ethos into the Professionals' Bank of India with the vision of "Building the Best Quality Bank of the World in India."

MAKING THE CONNECTION: GRI G3.1 AND UNGC

Global Compact Principles	GRI Performance Indicators	Sustainability Report Page Reference
Principle 1: Human Rights Businesses should support and respect the protection of internationally proclaimed human rights	Actions taken to implement Principle 1	
	Human Rights:	
	HR3: Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	45
	HR8: Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	69
	HR10: Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	69
	Society:	
	SO1: Percentage of operation with implemented local community engagement, impact assessments, and development programs.	25-27, 51
	SO9: Operations with significant potential or actual negative impacts on local communities.	70
	SO10: Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	37
	Outcomes from implementing Principle 1	
	Human Rights:	
	HR9: Total number of incidents of violations involving rights of indigenous people and actions taken.	69
	HR11: Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.	69
Principle 2: Human Rights Make sure that they are not complicit in human rights abuses	Actions taken to implement Principle 2	
	Human Rights:	
	HR2: Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken.	68
	Outcomes from implementing Principle 2	
	Human Rights:	
	HR1: Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.	67
Principle 3: Labour Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	Actions taken to implement Principle 3	
	Human Rights:	
	HR5: Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.	68
	Labor:	
	LA5: Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	66

	Outcomes from implementing Principle 3	
	Labor:	
	LA4: Percentage of employees covered by collective bargaining agreements.	66
Principle 4: Labour The elimination of all forms of forced and compulsory labour	Actions taken to implement Principle 4	
	Human rights:	
	HR7: Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	68
Principle 5: Labour The effective abolition of child labour	Actions taken to implement Principle 5	
	Human rights:	
	HR6: Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	68
Principle 6: Labour The elimination of discrimination in respect of employment and occupation	Actions taken and outcome from implementing Principle 6	
	Economic:	
	EC7: Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	62
	Human rights:	
	HR4: Total number of incidents of discrimination and corrective actions taken.	68
	Outcomes from implementing Principle 6	
	Economic:	
	EC5: Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	61
Principle 6: Labour The elimination of discrimination in respect of employment and occupation	Labor:	
	LA1: Total workforce by employment type, employment contract, and region, broken down by gender.	47
	LA2: Total number and rate of new employee hires and employee turnover by age group, gender, and region.	48-49
	LA10: Average hours of training per year per employee by gender, and by employee category.	45
	LA12: Percentage of employees receiving regular performance and career development reviews, by gender.	67
	LA13: Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	47
	LA14: Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	44
	LA 15: Return to work and retention rates after parental leave, by gender.	50
Principle 7: Environment: Businesses should support a precautionary approach to environmental challenge	Actions taken to implement Principle 7	
	Economic:	
	EC2: Financial implications and other risks and opportunities for the organization's activities due to climate change.	18

	Environmental:	
	EN26: Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	35
	EN30: Total environmental protection expenditures and investments by type.	65
	Outcomes from Implementing Principle 7	
	Environmental:	
	EN1: Materials used by weight or volume.	62
	EN3: Direct energy consumption by primary energy source.	40
	EN8: Total water withdrawal by source.	40
	EN16: Total direct and indirect greenhouse gas emissions by weight.	41
	EN19: Emissions of ozone-depleting substances by weight.	64
	EN20: NOx, SOx, and other significant air emissions by type and weight.	64
Principle 8: Environment Undertake initiatives to promote greater environmental responsibility	Actions taken to implement Principle 8	
	Environmental:	
	EN6: Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	35, 39-40
	EN7: Initiatives to reduce indirect energy consumption and reductions achieved.	39-40
	EN14: Strategies, current actions, and future plans for managing impacts on biodiversity.	37
	EN18: Initiatives to reduce greenhouse gas emissions and reductions achieved.	39, 41
	EN26: Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	35
	EN30: Total environmental protection expenditures and investments by type.	65
Principle 8: Environment Undertake initiatives to promote greater environmental responsibility	Outcomes from Implementing Principle 8	
	Environmental:	
	EN1: Materials used by weight or volume.	62
	EN2: Percentage of materials used that are recycled input materials.	62
	EN3: Direct energy consumption by primary energy source.	40
	EN4: Indirect energy consumption by primary source.	40
	EN5: Energy saved due to conservation and efficiency improvements.	62
	EN8: Total water withdrawal by source.	40
	EN9: Water sources significantly affected by withdrawal of water.	63
	EN10: Percentage and total volume of water recycled and reused.	63
	EN11: Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	63
	EN12: Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high	63

	biodiversity value outside protected areas.	
	EN13: Habitats protected or restored.	63
	EN15: Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	63
	EN16: Total direct and indirect greenhouse gas emissions by weight.	41
	EN17: Other relevant indirect greenhouse gas emissions by weight.	63
	EN19: Emissions of ozone-depleting substances by weight.	64
	EN20: NOx, SOx, and other significant air emissions by type and weight.	64
	EN21: Total water discharge by quality and destination.	64
	EN22: Total weight of waste by type and disposal method.	39
	EN23: Total number and volume of significant spills.	64
	EN24: Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	64
	EN25: Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	64
	EN27: Percentage of products sold and their packaging materials that are reclaimed by category.	64
	EN28: Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	65
	EN29: Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	65
Principle 9: Environment	Actions taken to implement Principle 9	
Encourage the development and diffusion of environmentally friendly technologies	Environmental:	
	EN6: Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	35, 39-40
	EN7: Initiatives to reduce indirect energy consumption and reductions achieved.	39-40
	EN18: Initiatives to reduce greenhouse gas emissions and reductions achieved.	39, 41
	EN26: Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	35
	EN30: Total environmental protection expenditures and investments by type.	65
Principle 10: Anti-corruption	Action taken to implement Principle 10	
Businesses should work against corruption in all its forms, including extortion and bribery	SO4: Actions taken in response to incidents of corruption.	70
	SO5: Public policy positions and participation in public policy development and lobbying.	11-12, 33
	Outcomes from implementing Principle 10	
	SO2: Percentage and total number of business units analyzed for risks	70

	related to corruption.	
	SO3: Percentage of employees trained in organization's anti-corruption policies and procedures.	70

G3.1 GUIDELINES – GC ADVANCED LEVEL

GC Advanced Criteria		G3.1	Sustainability Report Page Reference
19	CEO Commitment and Leadership	1.1 – 1.2	4-5, 16-18
20	Board Adoption and Oversight	4.1 – 4.10	7, 20, 21-24, 28, 32, 42-44
1	Mainstreaming into Corporate Functions and Business Units		
21	Stakeholder Engagement	4.14 – 4.17	13-18, 32
15-18	UN Goals	DMA Economic (EC)	24
		DMA Environmental (EN)	22, 35, 37, 38
		DMA Social –	
		Labour Practices and Decent Work (LA)	42, 45, 50
		Human Rights (HR)	36-38, 42, 50
		Society (SO)	22, 29, 33, 35, 58
		Product Responsibility (PR)	35
3	Human rights – Commitments, strategies, policies	DMA Human Rights – Goals and performance, Policy	36-37, 42
4	Human rights – Management systems	DMA Human Rights – Organizational responsibility, Training and awareness	37, 38, 50
5	Human rights - Monitoring and evaluation Mechanisms	DMA Human Rights – Monitoring and follow-up	38,42
		Performance Indicators – Human Rights	67, 68, 45, 69
6	Labour – Commitments, strategies, policies	DMA Labor Practices and Decent Work – Goals and performance, Policy	42
7	Labour – Management systems	DMA Labor Practices and Decent Work – Organizational responsibility, Training and awareness	42, 45
8	Labour – Monitoring and evaluation mechanisms	DMA Labor Practices and Decent Work – Monitoring and followup	48-50
9	Environment – Commitments, strategies, policies	DMA Environment – Goals and performance, Policy	37, 38, 40-41
10	Environment – Management systems	DMA Environment – Organizational responsibility, Training and awareness	32, 37
11	Environment - Monitoring and evaluation Mechanisms	DMA Environment – Monitoring and follow-up	40-41
		Performance Indicators – Environment	22, 35, 37-38
12	Anti-corruption – Commitments, strategies, policies	DMA Society – Goals and performance, Policy	21-22, 35
13	Anti-corruption – Management systems	DMA Society – Organizational responsibility, Training and awareness	21-22, 35
14	Anti-corruption - Monitoring and evaluation mechanisms	DMA Society – Monitoring and follow-up Performance Indicators – Society	21-22, 35
2	Value chain	3.6	6
	High standards of transparency and disclosure*	2.1 – 2.10	6, 7, 9-10, 19, 24, 53
		General use of the GRI Framework to produce COP	6

	External COP Assessment*	3.13	6
	Business & Peace**	Any and all DMA related to the company's core business operations, government relations, stakeholder engagement, and strategic social investment in high risk or conflict-affected areas	7, 8, 11-12, 13-18, 25-28, 29-34, 43-44

* This is required of GC Advanced COPs in addition to the 21 GC Advanced Criteria

** Applicable only to companies that operate in high-risk or conflict-affected areas