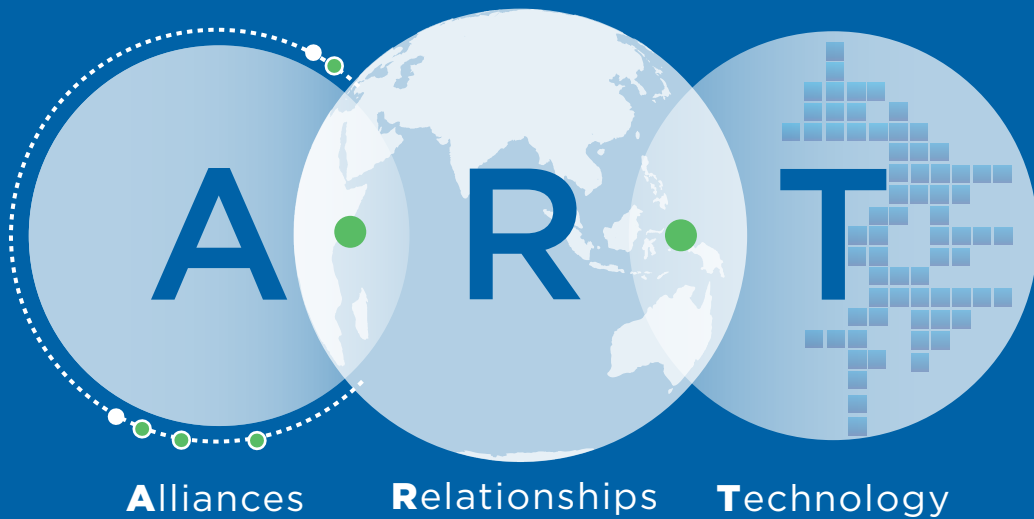


# *Leveraging*



# *for Glocal Sustainable Impact*

# AWARDS & RECOGNITIONS



Best Mid-Sized Bank, 2016, 2015, 2013, 2012, 2010, 2009 & 2008  
Consistent Performer and Best Asset Quality - Large Sized Banks 2014

**Business Today - KPMG India's Best Banks Annual Survey**



Youngest Indian Company to be part of the **Forbes Global 2000 List 2016**



Strongest Bank in India by Balance Sheet, Switzerland, 2016, Singapore, 2015, Dubai, 2013, Singapore, 2012  
Best Managed Bank in India for the 3-Year Period (2011-2013), Jakarta, 2013

**The Asian Banker Awards**



Porter Prize for Leveraging Unique Activity, 2016

Finance, Banking & Insurance, 2013

**Institute for Competitiveness Award**



Digital Bank of Distinction Corporate/Institutional Bank - Asia, London, 2016

Best Information Security Initiatives - Global Winner, New York - 2015

**Global Finance Award.**



Asia's Best Bank for CSR  
**Euromoney Excellence Awards, Hong Kong, 2016**



India's Best Bank for CSR  
**Asiamoney Excellence Awards, Hong Kong, April 2017**



Best Renewable Energy Deal (Solar) India, 2016

Best Green bond Facility Highly commended India, 2016

**The Asset Triple A Infrastructure Awards, Hong Kong**



AAA rating for Environment, Social and Governance Excellence

**MSCI ESG October, 2016**



Continues to be the First and Only Indian Bank included in

**DJSI Emerging Markets Index, New York - 2016, 2015**



Best Innovation & Sustainable Financial Products & Services, 2016  
Outstanding Business Sustainability Achievement, 2015 & 2013

**Karlsruhe Sustainable Finance Awards, Germany**



Pioneer in Emerging Markets - India  
**Climate Bonds Initiative, London Stock Exchange (LSE), London 2016**



Payments Winner (Global)  
**Transaction Banking Awards, London, 2016, 2014**



Best Bank for Payments and Collections - Asia Pacific  
Best Treasury & Cash Management Banks and Providers Awards  
**Global Finance Awards, New York, 2017**



India Domestic Trade Finance Bank of the Year, 2016, 2015  
India Domestic Cash Management Bank of the Year, 2015  
**Asian Banking & Finance Wholesale Banking Awards, Singapore**



**Indian Banks' Association**

'Best Technology Bank of the Year' - Medium Banks  
**Indian Banks' Association's (IBA) Banking Technology Awards, Mumbai, 2017**



Best Corporate Payments Project in India - 2016  
Best Trade Finance Bank in India - 2016, 2015  
Best Corporate Trade Finance Deal in India - 2015  
Best Cash Management Project in India - 2015

**The Asian Banker Transaction Banking Awards**



Only Bank in Private Sector Category  
**Business Superbrands 2016**



India's Most Admired Brand in Private sector Bank category, 2016  
**India's Most Admired Brands**



Brand Excellence (Banking and Financial Services) 2016, 2013, 2012, 2011 & 2010  
Marketing Campaign of the Year 2013  
Best use of Social Media 2013  
Best Corporate Social Responsibility Practice (Overall) 2011 & 2010

**CMO Asia Awards**

# LEVERAGING A.R.T FOR GLOCAL SUSTAINABLE IMPACT

**YES BANK believes that collaborations yield results and, as a public trust institution, play to its strengths. To a large degree, YES BANK's success in driving positive impact is accredited to the opportunities presented by its stakeholder engagements and partnerships. With a greater understanding of the needs and issues of its stakeholders, YES BANK has been able to establish the right alliances and amplify its sustainability impact, both internally and externally, leading to the realization of first-to-many sustainability initiatives**

In an increasingly connected world, no business remains a silo, and the solutions to today's challenges and ambitions require a collective, 'glocalized' approach. Technology is emerging as the go-to answer for developmental and market-based solutions, and is intrinsically linking economies, societies and the environment into a common path way of sustainable development. The massive strides in information and communication technologies offer the corporate sector an unprecedented opportunity to advance development towards achieving the world's socio-economic and environmental goals.

YES BANK believes that collaborations yield results and, as a public trust institution, play to its strengths. To a large degree, YES BANK's success in driving positive impact is accredited to the opportunities presented by its stakeholder engagements and partnerships. With a greater understanding of the needs and issues of its stakeholders, YES BANK has been able to establish the right alliances and amplify its sustainability impact, both internally and externally, leading to the realization of first-to-many sustainability initiatives.

## **BUILDING ALLIANCES FOR GLOCAL IMPACT**

Through its proactive approach and extensive engagements with its stakeholders, YES BANK, has helped cement strong community relations and leveraged its partnerships with national and international institutions, including multi-lateral organizations, development banks, governments, academia and corporate peers to bring a positive change to the lives of vulnerable or marginalized communities. It worked towards policy and regulatory

action on pertinent issues, drove investments towards the sunrise sectors of the economy, and innovated to bring India's unbanked and under-banked population into the formal economy. As a signatory to key global protocols, coalitions and alliances, YES BANK has emerged as a strong voice on key sustainability challenges.

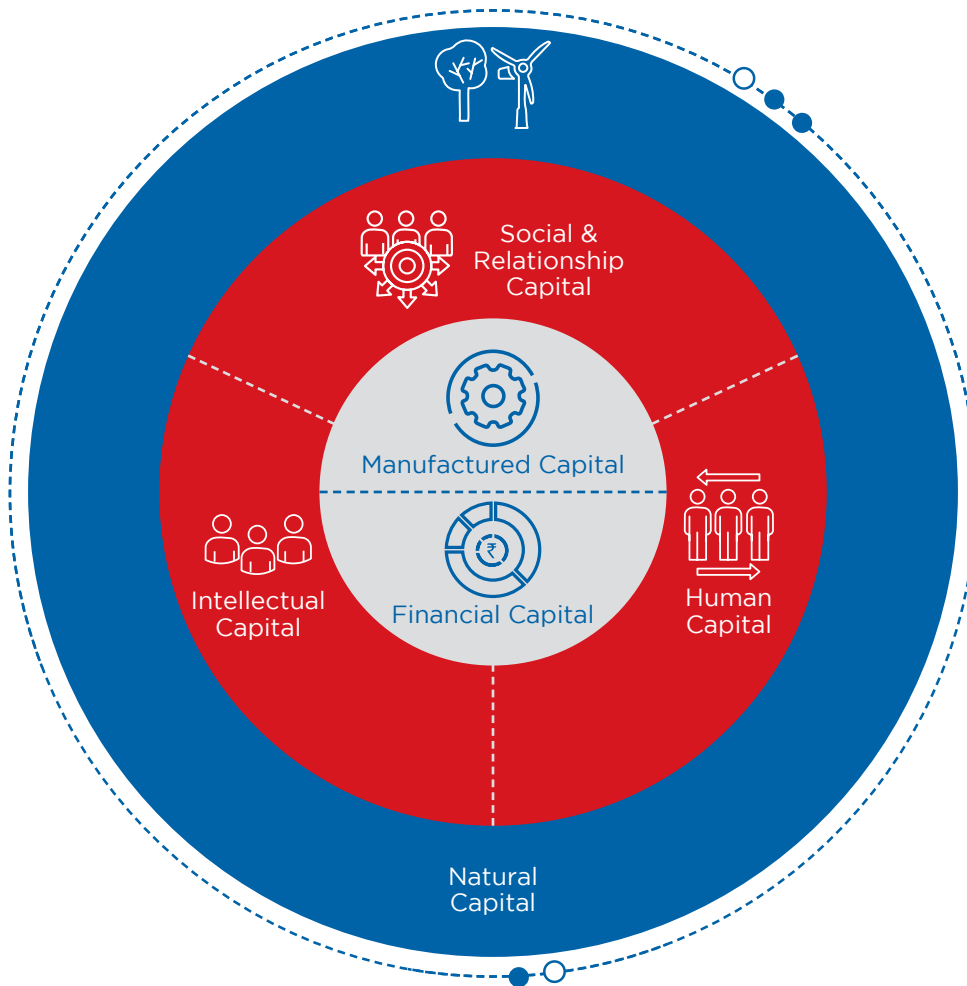
## **DRIVING GLOCAL CLIMATE ACTION**

YES BANK believes that climate change is an opportunity for the global economy to shift onto a pathway of low-carbon and inclusive growth. Through its Responsible Banking ethos, YES BANK has been addressing the low carbon transformation by adopting a 360 degree approach to mainstreaming climate action.

## **PARTNERING FOR POSITIVE COMMUNITY IMPACT**

The magnitude of developmental challenges in India covering 1.3 billion people is significant, and would require breakthrough innovative thinking and developing large scale solutions that are sustainable and scalable. YES BANK believes that participatory approaches enable the power of coalition and drive accelerated social impact that can secure the most basic needs for the vast majority of the population.

Driven by Responsible Banking, YES BANK focuses on creating shared value for its stakeholder spectrum through social, economic and environmental interventions, guided by its four pronged approach framework to 'Promote, Invest, Engage, and Collaborate & Monitor'.



**Financial Capital** is the value of money that the Bank obtains from providers of capital, that is used to support business activities and profits generated thereof, distributes amongst its stakeholders as well as retains to fund business activities.



**Human Capital** refers to the employees' competencies, knowledge and experience, and their capability to utilize them to meet stakeholder needs. It also refers to developmental programs undertaken for the employees.



**Social & Relationship Capital** refers to the relationships the Bank creates with its customers, investors, regulators, suppliers and community at large to create societal value as a responsible corporate citizen.



**Manufactured Capital** is the Bank's tangible and intangible infrastructure, including IT assets, used for value creation through business activities.



**Natural Capital** refers to the natural resources the Bank uses to create value for its stakeholders, as well as efforts to promote natural resource preservation and environmental mitigation.



**Intellectual Capital** refers to the collective knowledge, research, thought leadership, brand management and intellectual property used to support business activities and lead public discourse on global challenges.





### FINANCIAL CAPITAL

- Net profit at ₹ 3,330.1 crores, a year-on-year growth of 31.1%
- Total Assets crossed ₹ 2,15,000 crores, growing 30.1% over last year
- Net Income grew by 36.8% in FY17 to ₹ 9,954.1 crores
- Placed India's largest private sector QIP of ₹ 4,906.7 crores
- Reached over 20 lakh families at BOP through Inclusive & Social Banking
- Over 2 crore YES BANK's UPI partnered apps downloaded



### SOCIAL & RELATIONSHIP CAPITAL

- Over 20 lakh lives touched through YES COMMUNITY activities in 2016-17
- 3.66 crores lives provided access to safe and clean drinking water in 2016-17
- More than 5,500 provided skill development training in 2016-17
- 2,229 MSMEs and 10,425 workers impacted through MSME project in 2016-17
- Over 1.3 million participants in YES! i am the CHANGE program in 2016



### HUMAN CAPITAL

- 20,125 employees, up 34.17% from the previous year
- 968,401 man-hours spent on training, at an average of 48.12 training-hours per employee



### INTELLECTUAL CAPITAL

- Most followed Indian bank with over 2 million followers on Twitter as on March 31, 2017
- Ranked amongst the Top 5 Most Social Banks by digital marketing platform, The Financial Brand



### NATURAL CAPITAL

- First bank globally to migrate to ISO 14001:2015 standards
- Funded 1,158 MW of Renewable Energy in 2016-17
- 16.5% reduction in Specific GHG emissions in 2016-17
- ~6,000 tons of CO<sub>2</sub>e eliminated through environment sustainability interventions for MSMEs



### MANUFACTURED CAPITAL

- 1,000 Branches and 1,785 ATMs as on March 31, 2017
- Released the 'Supplier Code of Conduct' based on Environmental, Social and Governance (ESG) parameters, in December 2016
- Responsibly disposed 8,985 kg of E-waste through authorized empanelled recyclers

# REPORT CONTOUR

## Organizational Profile

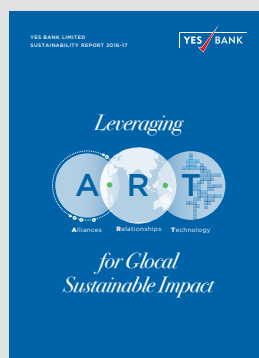
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## View our Sustainability Report 2016-17 Online

YES BANK's Sustainability Report is provided online in a digital format, aimed at enhancing its outreach and impact, and reducing the amount of paper printed and distributed.

<https://www.yesbank.in/about-us/investor-relations/yes-bank-sustainability-report>

# FROM THE MANAGING DIRECTOR & CEO'S DESK

## Dear Valued Stakeholders,

I am pleased to share with you YES BANK's Sustainability Report for FY 2016-17, titled 'Leveraging A.R.T for Glocal Sustainable Impact'.

YES BANK is the first Indian bank, and among the first in the Indian corporate sector, to release a Sustainability Report based on the GRI Standards, the latest global framework for sustainability reporting by the Global Reporting Initiative (GRI).

In line with the Bank's strategic vision and objectives, the Report continues to be aligned with the Integrated Reporting framework of the International Integrated Reporting Council, and includes the SDG Compass, as the Bank's vision and objectives are firmly aligned with select Sustainable Development Goals.

YES BANK firmly believes that in today's increasingly inter-connected world, the solutions to our shared challenges and ambitions require a collective 'glocal' approach. In order to ensure the most optimal developmental and market-based solutions, the Bank has adopted an innovative and collaborate approach towards stakeholder engagement through its A.R.T (Alliances, Relationships and Technology) philosophy. A.R.T has enabled the bank to deepen the impact of its sustainability initiatives at national and international levels.

## NEW CHALLENGES-NEW OPPORTUNITIES - NEW APPROACH

The launch of the Sustainable Development Goals (SDGs) and the transition to a low carbon economy unleashed a series of challenges and opportunities, particularly for the Banking sector. United Nations estimates that SDGs require USD 90 trillion investment till 2030, with India alone requiring USD 2.5 trillion to achieve its committed climate targets by 2030. While changes associated with transition to a lower-carbon economy present unprecedented risks, they also create significant opportunities for sustainable finance, enabled by climate policy and new technologies.



**Rana Kapoor,**  
Managing Director & CEO



**YES BANK becomes the first Indian Bank to release its Sustainability Report based on the GRI Standards.**

Additionally, Indian economy in particular is faced with the Ds of Disruption — Demographics, a young workforce seeking employment opportunities, Deregulation, in Banking & financial services, as also other sectors, and Digitization. Any Disruption brings with it both opportunities and risks.

Given the foregoing, responsible and innovative banking underpinned by new age technology innovations (across financial services, health, education, agriculture, energy and others) has emerged as one of the key strategic factors.

### **CSR & SUSTAINABILITY: IDEAS IN ACTION**

YES BANK has been at the forefront of creating a market for delivering innovative financial solutions, having hardwired Responsible Banking within its core business strategy. YES BANK is also one of the few organizations in the country who have taken clear, time bound targets towards climate action.

Towards the same, the Bank has linked CSR and sustainable development with stakeholder value creation through innovation. It has further woven sustainability principles into the core business strategy and operations of the bank, thus expanding its implementation capabilities and alliances pan India.

During the reporting period, the Bank's global engagement on key sustainability topics, such as green financing expanded significantly, and it was recognized as a thought leader on noteworthy national and international platforms.

I am pleased to share that YES BANK was the only Indian financial institution to be invited to speak at the UN High-Level Thematic Debate on financing

the SDGs, at the United Nations (UN) headquarters in New York in April 2016, which had participation from key Member States and Observers, UN agencies such as the UNDP and UNEP, central banks, and multilateral development banks. Recognized for its expertise on sustainable finance, the bank was invited to be a part of several international platforms on climate action and green & SDG financing, including those organized by World Bank, G20 and the United Nations (UN). These included particularly influential platforms like the UN Private Sector Forum at the UN General Assembly in September 2016, which had a cross-section of experts from public, private and non-governmental sectors to discuss and find solutions to the main challenges faced in accelerating and strengthening implementation of all SDGs, particularly in the areas of data and monitoring, financing, clean energy, poverty alleviation and inequities, infrastructure, and oceans.

**YES BANK issued its third green bond, successfully raising ₹ 330 CR through an issue of a 7 year Green Infrastructure Bond to FMO, the Dutch development bank, on a private placement basis**

Significantly, in November 2016, at the COP22 in Marrakech, Morocco, the Bank's CSR project, 'Say YES to Sustainable MSMEs in India' was released and showcased as a Role Model case study by the World Resources Institute, and was exhibited at the India pavilion. The study highlights YES BANK's positive contribution in reducing greenhouse gas emissions in the MSME (Micro Small & Medium Enterprises) sector through its CSR interventions.

YES BANK continued to be a signatory to key protocols focused on climate action and sustainable development, including the UN Environment Programme Finance Initiative (UNEP FI), Carbon Pricing Leadership Coalition, UN Global Compact, CDP, Natural Capital Finance Alliance (earlier the Natural Capital Declaration), and is member of key national and global alliances including the India GHG Program, TERI Council for Business Sustainability, and the World Business Council for Sustainable Development.

I am pleased to share that YES BANK has pledged GBP 1 million to the London School of Economics and Political Science (LSE) to support the IG Patel Chair - named in honour of the former Governor of the Reserve Bank of India and former Director of LSE. The chair will be held initially by Professor Lord Nicholas Stern and would also support the work of the LSE India Observatory

**YES BANK was the only Indian financial institution to be invited to speak at the UN High-Level Thematic Debate on financing the SDGs, at the UN in New York in April 2016.**

towards developing and enhancing research and programs around India's economy, politics and society. This agreement has led to YES BANK joining LSE's Benefactors' Board, the highest accolade bestowed upon those who make transformative philanthropic commitments to the School.

In line with YES BANK's commitments made at the COP21 in October 2015 towards mobilizing USD 5 billion for climate action in India by 2020, the Bank financed 1,158 MW in clean energy sectors during the year, bringing it closer to achieving its stated target.

During the reporting period, YES BANK successfully raised ₹ 330 crores through an issue of a seven-year Green Infrastructure Bond to FMO, the Dutch development bank, on a private placement basis. This was YES BANK's third green bond issuance over the past two years, having raised an aggregate of ₹ 1,645 crores in green infrastructure bonds.

In July 2016, under a World Bank initiative, YES BANK became the first Financial Institution in India to sign an MoU with SIDBI for promoting energy efficiency in the MSME sector by creating a Partial Risk Sharing Facility (PRSF).

## SETTING BENCHMARKS IN REPORTING & DISCLOSURES

I firmly believe that reporting on climate change impacts would help make markets more efficient, and the economy more stable and resilient, through transparency. Towards this, YES BANK continued to mainstream Triple Bottom Line accounting and reporting in India, and is a member of the <IR> Lab India. To promote sustainability disclosures within Indian Industry, the Bank hosted the official launches of the latest GRI Standards in Mumbai and New Delhi.

In order to further foster transparency and disclosures, in 2015, YES BANK became the first Indian bank to be included in the prestigious Dow Jones Sustainability Indices (DJSI) – Emerging Markets Index, and is included in the Index for the second consecutive year in 2016, continuing to be the only Indian bank in the DJSI.

In a significant achievement, YES BANK was assigned an ESG rating of AAA by MSCI ESG Research,

assessing the Bank on pertinent Environmental, Social and Corporate Governance parameters. The assessment acknowledged the Bank's efforts to expand financial inclusion driven by technological innovations and integrating environmental and social risks into its credit risk assessment framework.

YES BANK is the first Indian Banking signatory to the UN Global Compact, and as signatory, I reaffirm the Bank's commitment and support to the Compact's Ten Principles. The Bank continues to report at the GC Advanced level on its 'Communication on Progress' for 2017.

This year, YES BANK became the first bank globally to migrate to the new ISO 14001:2015 certification.

This extraordinary achievement is backed by a new Environmental Management Policy, robust process driven approaches and initiatives, and a comprehensive e-learning module for employees. The certification now covers the Bank's 444 Metro-Urban branches and 3 corporate offices.

Towards mainstreaming Environmental, Social and Governance (ESG) best practices across its value chain, the Bank formulated its Supplier Code of Conduct and organized a 'Sustainable Procurement' Workshop for its strategic suppliers. Going forward, the Bank intends to extend the adoption of the Code across all its suppliers and continue to conduct such workshops.

## A.R.T OF DIGITAL BANKING

I am pleased to advise that YES BANK has emerged as a leader in embracing the Digital Banking ecosystem by adopting the A.R.T model. YES BANK is also progressively evolving to provide Banking as a Platform and as a Service. In the reporting period, the Bank launched the YES FINTECH business accelerator program for fintech startups, designed to support and nurture disruptive solutions in financial services delivery, receiving 753 applications for the 15 week program of which 12 startups have been selected for the first cohort.

In line with Digital India, the Bank, in its efforts to broaden the base of digital payments infrastructure in India, launched SIMsePAY, a unique innovation

YES BANK has emerged as a leader in embracing the Digital Banking ecosystem by adopting the A.R.T model

based on the frugal 'sim-sleeve' technology that allows any account holder to avail mobile banking services without the need for internet or smart phones.

## **BANKING THE NEXT BILLION**

In its 13 years of achieving institutional excellence, YES BANK has maintained a steadfast focus on inclusive growth and banking for the 'Next Billion'. Through award-winning products and services that leverage simple business models to impact the Bottom of the Pyramid, the Bank has been positively impacting millions of individuals directly and indirectly in rural and urban India.

The Bank's CSR programs continue to be guided at the highest level by its Board-approved CSR Policy, and focus on Livelihood and Water Security, Skill Development and Environment Sustainability. YES COMMUNITY, the Bank's unique branch-led community engagement program, touched 20.2 lakh lives in 2016-17, through its branches in every state and union territory of India. The Bank's Livelihood and Water Security program provided access to safe and clean drinking water to more than 3.66 crore lives in FY 2016-17. The Bank's interventions in the MSME sector on environmental sustainability impacted 2,229 MSME units and 10,425 workers in 11 states.

During the year, YES BANK launched an innovative and transformational, blended finance project in pilot mode that works towards promoting livelihood security among 600 under-privileged women salt farmers in the Little Rann of Kutch region while significantly lowering their emissions footprint. The first phase of the pilot initiative, highlighted in this Report, demonstrates how innovative structures can be leveraged towards facilitating mainstream finance for inclusion and scale.

YES BANK has become also the first private sector company to enter into a CSR commitment with the National Highways Authority of India under its 'Adopt a Green Highway' program. As part of the commitment, the Bank would develop and maintain a green corridor along the Mumbai-Nashik highway in Maharashtra.

'YES! i am the CHANGE', the social film making challenge launched by YES FOUNDATION, YES BANK's social development arm, emerged as the world's largest social film movement in 2015. I am

proud to share that the movement has achieved unparalleled success, with participation of over 13 lakh individual participants comprising 3.24 lakh teams, submitting over 29,000 films, and the launch of a new initiative, the YES FOUNDATION Social Film Grant, in FY 2016-17.

I am pleased to share that YES BANK is now backed by over 20,000 'Professional Bankers', driven by a YES BANK culture that, encourages open and honest Communication, strengthens Connect between employees and community, supports Career development and shows that it Cares as an organization. During the reporting period, the Bank significantly enhanced its capabilities through the adoption of HR Digitization, including big data, mobility, social media, 'gamification' and cloud computing. The YES SCHOOL of BANKING has become the first and only Learning & Development function to receive the dual certification of ISO 9001:2008 and ISO 29990:2010 in the Indian banking industry.

It is a matter of significant pride that YES BANK continues to be recognized in India and across the world for its sector-leading work towards sustainable development, financial inclusion, and innovation in banking & finance. Among its recognitions received during the reporting period, YES BANK won the Euromoney Award for 'Asia's Best Bank for CSR', the 'Innovative Bond Structure of the Year' by Environmental Finance magazine, and the Award for 'Most Effective Domestic Community Investment' by the Ethical Corporation.

As the Bank moves towards actualizing its vision of 'Building the Finest Quality Bank of the World in India by 2025', it remains committed to achieving Size and Scale as a Large High Quality Bank in India underpinned by the Responsible Banking ethos, with an imperative on deepening 'Mind Share' and growing our 'Market Share'.

Thank you.  
Sincerely,



**RANA KAPOOR**

Managing Director & CEO



# ABOUT THIS REPORT

**This Sustainability Report, ‘Leveraging A.R.T for Glocal Sustainable Impact’, reports on YES BANK’s sustainability performance for the period April 01, 2016 to March 31, 2017, as per the annual financial reporting cycle adopted by the Bank.**

102-46

The Bank had released its previous Report, ‘Glocalizing Responsible Banking Mindshare & Outcomes in India’, for the FY 2015-16, from April 01, 2015 to March 31, 2016. This Report does not include any significant re-statements from the previous year.

102-48

This year, YES BANK will be the first Indian bank to release a Sustainability Report based on the newly released Global Reporting Initiative (GRI) Standards for sustainability reporting, while continuing its alignment with the Integrated Reporting (<IR>) guidelines of the International Integrated Reporting Council (IIRC). This report has been prepared in accordance with the GRI Standards - Comprehensive option, and follows the GRI Reporting Principles for defining report content - Stakeholder Inclusiveness, Sustainability Context, Materiality and Completeness. The Bank has completed the GRI Materiality Disclosure Service for this Report, and the GRI Organizational Mark is included in the GRI Content Index.

YES BANK is the first Indian banking signatory to the UN Global Compact, reporting at the GC Advanced Level. This Report is mapped to the SDG Compass, which attempts to align GRI reporting with the Sustainable Development Goals (SDGs).

102-45

This Report includes information pertaining to YES BANK Limited, with its registered office at Nehru Centre, 9<sup>th</sup> Floor, Discovery of India, Dr. A.B. Road, Worli, Mumbai – 400 018, Maharashtra, India. As on March 31, 2017, YES BANK had 1,000 branches and 1,785 ATMs across 29 states and 7 union territories of India, and has two National Operating Centers in

Mumbai and Gurgaon and one National Centralized Operations Management and Services Delivery facility in Chennai. The Bank has one subsidiary, YES Securities (India) Limited, incorporated in March 2013, whose CSR activities would be conducted as part of YES BANK Limited. The Subsidiary does not form a part of the reporting scope. The Report includes information pertaining to YES FOUNDATION, established in December 2012 as a public charitable trust with an independent Governing Council. All the entities included in the Bank’s Annual Report 2016-17 form part of the Sustainability Report for 2016-17.

Sustainability reporting is a process of continual improvement and the Bank has been working towards addressing the concerns of its internal and external stakeholders, identified through extensive stakeholder engagement activities. This Report makes the best effort to adhere to the Principles for Defining Report Quality as per the GRI Sustainability Reporting Standards. The Report has been prepared internally and includes information and data that has been provided by the Bank’s Business Units and has been validated by internal stakeholders, including members of the Bank’s top management and Board. The Report has also been externally assured by KPMG (Registered), India.

YES BANK welcomes feedback and suggestions on this Report which may be communicated to Ms. Namita Vikas, Group President & Global Head – Climate Strategy & Responsible Banking, YES BANK, at [responsible.banking@yesbank.in](mailto:responsible.banking@yesbank.in). This Report can be accessed online at [www.yesbank.in](http://www.yesbank.in).

*The icons are placed to indicate the Disclosures included in the GRI Materiality Disclosure Service.*

# ABOUT YES BANK



YES BANK is committed  
to its vision of  
**'BUILDING THE FINEST  
QUALITY BANK OF THE  
WORLD IN INDIA BY 2025'**  
having evolved its organizational  
ethos into the 'Professionals'  
Bank of India'

YES BANK, India's fourth largest private sector Bank, is a high quality, customer-centric, service-driven, private Indian bank, catering to the future businesses of India. Since its inception in 2004, YES BANK has fructified into a 'Full Service Commercial Bank' that has steadily built Corporate and Institutional Banking, Financial Markets, Investment Banking, Corporate Finance, Branch Banking, Business and Transaction

Banking, and Wealth Management business lines across the country, and is well-equipped to offer a range of products and services to corporate and retail customers.

For a nation on the fast track to economic growth, the banking industry plays a pivotal role to support and sustain this growth for the long-term. YES BANK



aims to provide a consistent and superior banking experience with simplicity, empathy and totality, and catalyze higher inclusive growth for the nation.

YES BANK is a public limited company listed on the Bombay Stock Exchange and the National Stock Exchange of India, and there has been no significant change in its shareholding pattern, the details of which are available in its Annual Report for FY 2016-17, at <https://www.yesbank.in/about-us/investors-relation/financial-information/annual-reports>.

As on March 31, 2017, YES BANK has 1,000 branches and 1,785 ATMs in all 29 states and 7 union territories of India, and has two National Operating Centers in Mumbai and Gurgaon.

The Bank has one international Representative Office in Abu Dhabi, UAE. The Bank's employee strength as on March 31, 2017 is 20,125 employees.

More information on the Bank's bouquet of products and services is available at its website, [www.yesbank.in](http://www.yesbank.in).



For several years, YES BANK has been setting best practices in the area of Corporate Social Responsibility. This year's Sustainability Report, a benchmark edition as it follows the Integrated Reporting framework, shows the deep commitment of the organization to integrate and promote sustainability and report on its impacts across stakeholders.

One remarkable feature of YES BANK is that it also actively engages with - and helps weave - coalitions of actors both nationally and internationally to foster sustainability and build new knowledge, as illustrated by its prominent role in the Natural Capital Declaration, UNEP-FI or the Principles for Mainstreaming Climate Action Within Financial Institutions. This expansion of the notion of CSR to inter- and trans- organizational co-responsibility partnerships, is aligned with the systemic nature of sustainability, and truly makes YES BANK an agent of social change for a more just and sustainable world. It is an inspiration to many in the banking industry in India and internationally."

**Alexis Bonnel**

Agence Française de Développement  
(French Development Agency)



# YES BANK MILESTONES DURING THE YEAR

<b>March 2017</b>	<ul style="list-style-type: none"> <li>YES BANK finalizes allotment of ₹ 4,906.65 crores (USD 750 million) for Qualified Institutional Placement (QIP)</li> </ul>
<b>February 2017</b>	<ul style="list-style-type: none"> <li>YES BANK ramps up its existing portfolio of Debit Cards with the launch of new Debit Card variants</li> </ul>
<b>January 2017</b>	<ul style="list-style-type: none"> <li>YES BANK becomes the first bank globally to migrate to the new ISO 14001:2015 certification</li> <li>YES BANK implements multi-nodal Blockchain solution to fully digitize vendor financing</li> </ul>
<b>December 2016</b>	<ul style="list-style-type: none"> <li>YES BANK places ₹ 3,000 crores of Basel III compliant ATI Bonds</li> </ul>
<b>November 2016</b>	<ul style="list-style-type: none"> <li>YES BANK launches 'SIMsePAY', a unique innovation which empowers all citizens to broad-base digital banking</li> <li>YES BANK launches YES MOBILE 2.0, a mobile banking application</li> </ul>
<b>October 2016</b>	<ul style="list-style-type: none"> <li>YES BANK's ₹ 2,135 crores of senior long-term infrastructure bonds over-subscribed 2.13 times</li> <li>YES BANK receives an ESG rating of AAA from MSCI ESG Research</li> </ul>
<b>September 2016</b>	<ul style="list-style-type: none"> <li>YES BANK continues to be the first and the only Indian bank to be selected as an index component of the Dow Jones Sustainability Indices (DJSI) in the Emerging Markets Index</li> </ul>
<b>August 2016</b>	<ul style="list-style-type: none"> <li>YES BANK launches YES PAY, a digital wallet across Android and iOS platforms</li> </ul>
<b>July 2016</b>	<ul style="list-style-type: none"> <li>YES BANK receives in-principle approval from the Securities and Exchange Board of India (SEBI) for sponsoring a mutual fund</li> </ul>
<b>June 2016</b>	<ul style="list-style-type: none"> <li>YES BANK commits to target ₹ 250 crores towards Livelihood, Water Security and Environment Security by 2020</li> </ul>
<b>May 2016</b>	<ul style="list-style-type: none"> <li>YES BANK receives Government of India: CCEA approval to increase foreign investment limit to 74%</li> </ul>
<b>April 2016</b>	<ul style="list-style-type: none"> <li>IFC, YES BANK and Goldman Sachs 10,000 women partner to lend to women-owned businesses in India</li> </ul>

# YES BANK AWARDS & ACCOLADES

Award	Awarding Organization	Category / Details
<b>Institutional and Business Excellence</b>		
Forbes Global 2000 List 2016	Forbes magazine	Youngest Indian Company to be part of the list
21 <sup>st</sup> Business Today – KPMG India's Best Banks study	Business Today magazine, KPMG	Best Mid-Sized Bank
The Asian Banker Awards, Switzerland	The Banker magazine, UK	Strongest Bank in India by Balance Sheet
Global Finance Award, London	Global Finance magazine, UK	Digital Bank of Distinction Corporate/ Institutional Bank – Asia
Thomson Reuters StarMine Awards 2016	Thomson Reuters	Most Accurate Forecaster Award 2016 for the Indian economy
The Asset Triple A Asia Infrastructure Awards 2016, Hong Kong	Asset Publishing and Research, Hong Kong	Best Energy/Renewable Energy Deal, Best Green Bond Facility, Highly Commended - India
SKOCH Resilient India Award, 48th SKOCH Summit 2016	SKOCH Group	Innovative Methods of Training in Bancassurance
8th Annual Global CSR Summit & Awards	The Pinnacle Group International, Singapore	Best Workplace Practices Award, Product Excellence Award, Best Governed and Most Transparent Company Award
The Best Bank at National Level	State Forum of Bankers Club (Kerala)	New Generation Category, 2015-16
ABF Wholesale Banking Awards	Asian Banking & Finance (ABF), Singapore	India Domestic Trade Finance Bank of the Year, 2016
Exemplary Contribution to Entrepreneurship & Innovation	London Business School India Business Forum	Awarded to Rana Kapoor, Managing Director & CEO
Outstanding Contribution to Innovation in Financial Services	Indian Institute of Management Ahmedabad (IIMA)	Awarded to Rana Kapoor, Managing Director & CEO
Lakshya Business Visionary Award 2016	National Institute of Industrial Engineering (NITIE)	Awarded to Rana Kapoor, Managing Director & CEO
Exemplary Contribution to Fostering Entrepreneurial Ecosystem in India	The Entrepreneurship Cell, IIT Bombay	Awarded to Rana Kapoor, Managing Director & CEO
Business Excellence and Innovative Best Practices Academia Award	New Delhi Institute of Management (NDIM)	Awarded to Rana Kapoor, Managing Director & CEO
Exemplary Contribution to Agribusiness in Emerging Economies	Institute of Rural Management, Anand (IRMA)	Awarded to Rana Kapoor, Managing Director & CEO

Award	Awarding Organization	Category / Details
Extraordinary Contribution in the Field of Finance in India	Indian Institute of Management Indore (IIMI)	Awarded to Rana Kapoor, Managing Director & CEO
CEO of the Year, Asia-Pacific SABRE Awards 2016	The Holmes Group, Hong Kong	Awarded to Rana Kapoor, Managing Director & CEO
Leading Banker of the Decade, 2 <sup>nd</sup> Banking Summit	The Indian Chamber of Commerce	Awarded to Rana Kapoor, Managing Director & CEO
Entrepreneur of the Year 2016	Entrepreneur India magazine	Awarded to Rana Kapoor, Managing Director & CEO
Pioneer in RE Financing, Renewable Energy India Awards	UBM India	Awarded to Rana Kapoor, Managing Director & CEO
Transformational Leadership & Exemplary Contribution to Infrastructure Banking in India	Lokmat Media	Awarded to Rana Kapoor, Managing Director & CEO
The Extraordinaire: Leadership Par Excellence, Brand Vision Summit 2016	NexBrands Inc.	Awarded to Rana Kapoor, Managing Director & CEO
Best CEO Award, 8 <sup>th</sup> Annual Global CSR Summit & Awards	The Pinnacle Group International, Singapore	Awarded to Rana Kapoor, Managing Director & CEO
Best CSR Leadership Award, 8 <sup>th</sup> Annual Global CSR Summit & Awards	The Pinnacle Group International, Singapore	Awarded to Rana Kapoor, Managing Director & CEO
Exemplary Contribution to Financial Services	The Indian Econometric Society (TIES)	Awarded to Rana Kapoor, Managing Director & CEO
GIANTS International Award for Banking & Finance	GIANTS International	Awarded to Rana Kapoor, Managing Director & CEO
CEO of the Year, 5 <sup>th</sup> Legal Era Awards 2016	ARA Legal Media Group	Awarded to Rana Kapoor, Managing Director & CEO
'Most Outstanding Contribution to Tourism' Award, Travel & Hospitality (TnH) Awards 2016	Travel and Hospitality magazine	Awarded to Rana Kapoor, Managing Director & CEO
<b>Responsible Banking</b>		
ASSOCHAM Social Banking Excellence Awards 2016	ASSOCHAM	Best Social Bank in the Medium Bank category
Golden Peacock Award For Sustainability 2016, London	Institute of Directors	Private Financial Sector category
Good Corporate Citizen Award 2016	Bombay Chamber of Commerce and Industry	Banking and Financial companies category
CII ITC Sustainability Awards 2016	CII Center of Excellence for Sustainable Development	Commendation Certificate for Significant Achievement in Environment Management
10 <sup>th</sup> Environment Excellence Award 2016	Indian Chamber of Commerce	Certificate of Appreciation in Environment Excellence
Asia Sustainability Reporting Awards 2016	CSRWorks International, Singapore	Best Integrated Report - Highly Commended
The Karlsruhe Sustainable Finance Awards 2016, Germany	EOSD, City of Karlsruhe, ADFIAP	Best Innovation and Sustainable Financial Products & Services
Golden Peacock Award for Sustainability 2016	Institute of Directors	Financial Sector (Private) category
Porter Prize Awards 2016	Institute for Competitiveness	'Leveraging Unique Activities'
7 <sup>th</sup> Responsible Business Awards	Ethical Corporation, UK	'Most Effective Domestic Community Investment', for the flagship CSR project, 'Access to safe and clean drinking water'

Award	Awarding Organization	Category / Details
Euromoney Excellence Award, Hong Kong	Euromoney, UK	Asia's Best Bank for CSR
Innovative Bond Structure of the Year	Environmental Finance, UK	Acknowledgment of YES BANK's leadership in establishing the potential of green bonds in India and facilitating positive engagements with investors, governments and businesses
<b>Efficient Payments Solutions &amp; Technology/ Service Excellence</b>		
Indian Banks' Association's (IBA) Banking Technology Awards 2017	Indian Banks Association	Best Technology Bank of the Year in medium banks category
IDRBT Banking Technology Excellence Awards 2016	Institute for Development and Research in Banking Technology	Best Bank (mid-sized) Award for Cyber Defence
The Asian Bank Award	The Asian Banker, Singapore	Best Corporate Payments Project in India - 2016 Best Trade Finance Bank in India - 2016
Transaction Banking Awards 2016, London	The Banker, UK	Payments Winner (Global)
Great Lakes Data Science Excellence Awards	Great Lakes Institute of Management	Most Admired Data Science Project of the Year
FINNOVITI Awards 2016	Banking Frontiers	Innovation Award for 'API Banking' and 'Bank in a Box', 2016
Drivers of Digital Awards 2016	Inkspell Solutions	<ul style="list-style-type: none"> <li>• Best Financial/Banking website</li> <li>• Digital bank of the year</li> <li>• Digital Payment Facilitator - Special Mention</li> <li>• Drivers of Digital Awards</li> </ul>
<b>Excellence in Branding &amp; Human Capital</b>		
Award for Excellence in Branding and Marketing 2016	CMO Asia	Brand Excellence (Banking and Financial Services)
The Economic Times Best BFSI Brands Award	The Economic Times	Top BFSI Brand





*Mr. Rana Kapoor, Managing Director & CEO, YES BANK, receiving the GIANTS International Award 2016 in the field of Banking & Finance from Mr. Prakash Javadekar, Union Minister for Human Resources Development, India at the 44<sup>th</sup> GIANTS Anniversary Program at Mumbai.*


# BUSINESS OVERVIEW – HOW YES BANK CREATES VALUE

As a public trust institution, YES BANK believes that an innovative and inclusive approach towards stakeholder engagement and collaboration has enabled it to amplify the impact of its organizational activities at the grassroots, national and global levels.



YES BANK's Responsible Banking ethos runs as a core plank across all functions of the Bank, and is firmly integrated with its business strategies, approaches and targets, enabling it to create shared value for its entire stakeholder spectrum in the near and long-term.



Capitals	What YES BANK does	How YES BANK manages resources	How YES BANK measures the Capitals	Output
 <b>Financial</b>	<ul style="list-style-type: none"> <li>As a scheduled commercial Bank, YES BANK takes deposits from customers and raises funds of its own to create the pool of capital that it lends</li> <li>The Net Interest Margin between the Bank's borrowing and lending contributes to the Bank's profits, which also includes other income, such as commissions and brokerages</li> <li>The accrued financial capital is given as dividend to shareholders, interest on debt instruments, or ploughed back into the Bank</li> </ul>	<ul style="list-style-type: none"> <li>The Bank's financial capital is created in alignment with its risk appetite, the size of the economy, and within the regulatory environment</li> <li>The Bank has in place an active, well-informed and independent Board to ensure high Governance oversight</li> <li>The Bank has in place strong systems and processes with strong oversight</li> </ul>	<ul style="list-style-type: none"> <li>Key parameters of financial performance, including Market Value, Revenue and Profits, Net Interest Margins and size of the Balance Sheet, among others</li> </ul>	<ul style="list-style-type: none"> <li>The Bank's net income has grown by 31.1% year-on-year to ₹ 3,330.1 crores</li> <li>The Bank's Balance Sheet size as on March 31, 2017 was ₹ 215,059.9 crores, growing by 30.1% over March 31, 2016</li> <li>The Bank successfully placed India's largest private sector QIP of ₹ 4,906.7 crores</li> <li>The Bank reaches over 20 lakh families at the BOP through Inclusive &amp; Social Banking</li> <li>Over 2 crore downloads of YES BANK's UPI partnered apps</li> <li>The Bank continues to be the first and the only Indian bank in the DJSI Emerging Markets Index</li> </ul>


Capitals	What YES BANK does	How YES BANK manages resources	How YES BANK measures the Capitals	Output
 <b>Human</b>	<ul style="list-style-type: none"> <li>YES BANK aspires to be the 'Professionals' Bank of India', aligned with its ethos of professional entrepreneurship</li> <li>YES BANK follows the Responsible Banking ethos that exemplifies 'creating shared value' for all its stakeholders through a differentiated Banking Paradigm</li> <li>YES BANK's Human Capital engagement is targeted at developing the Bank's brand as a 'Preferred Employer of Choice'</li> <li>YES BANK emphasizes 'Knowledge' as a key differentiator and institutionalized the YES SCHOOL OF BANKING in 2007 as a Center of Excellence for learning solutions in Banking and related areas</li> </ul>	<ul style="list-style-type: none"> <li>To engage its growing workforce, YES BANK follows the 5 C's Engagement Model - Culture, Communication, Career, Connect and Care</li> <li>It engages and develops Human Capital by connecting YES BANKers with the Bank's core values, creating an intentional culture, encouraging open and honest communication, strengthening connect with employees and community, and supporting their career development</li> <li>YES BANK has made significant people investments, institutionalizing initiatives in the areas of executive engagement, improving workplace health and wellness, learning and development</li> </ul>	<ul style="list-style-type: none"> <li>Hiring and retention of the best talent from India and abroad, and reducing employee attrition</li> <li>Employee training parameters and metrics</li> <li>The Bank participates in the 'India's Best Companies to Work for' study by Great Place to Work Institute, that measures its performance across parameters such as organizational credibility, respect, fairness, pride and camaraderie</li> </ul>	<ul style="list-style-type: none"> <li>YES BANK continues to hire and retain the best talent from within India and abroad. As on March 31, 2017, the Bank's employee strength was 20,125</li> <li>YES BANK has consistently improved its score on the Trust Index as part of the Great Place to Work Survey</li> <li>The total number of training-hours spent on employee training in FY 2016-17 was 968,401 hours (classroom and e-learning) at an average of 48.12 training-hours per employee</li> </ul>
 <b>Natural</b>	<ul style="list-style-type: none"> <li>YES BANK believes that climate change is an opportunity to spur the development and adoption of clean and renewable sources of energy, and works towards integrating positive climate action into its business strategy, operations, portfolio and disclosures</li> </ul>	<ul style="list-style-type: none"> <li>Through its Environment and Social Policy, the Bank has integrated environmental and social risk assessment into its overall credit risk framework, thus reducing the negative environmental impact of its portfolio</li> </ul>	<ul style="list-style-type: none"> <li>The Bank's COP21 commitments include: <ul style="list-style-type: none"> <li>Mobilizing USD 5 billion by 2020 towards climate finance</li> <li>Planting 2 million saplings towards creating a carbon sink</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>In FY 2016-17, the Bank became the first bank globally to migrate to the ISO 14001:2015 standards</li> <li>YES BANK funded 1,158 MW of clean energy in FY 2016-17</li> <li>YES BANK is Chair of the Steering Committee of the NCFA</li> </ul>

Capitals	What YES BANK does	How YES BANK manages resources	How YES BANK measures the Capitals	Output
 <b>Natural</b>	<ul style="list-style-type: none"> <li>YES BANK is one of the largest private sector lenders in the Renewable Energy (RE) space in India and has committed to mobilize USD 5 billion towards climate action by 2020</li> <li>The Bank has committed to planting 2 million saplings by 2020</li> <li>YES BANK is member of the Natural Capital Finance Alliance (NCFA) to mainstream adoption of natural capital imperatives in financial decision making</li> <li>YES BANK is India's first ISO 14001 certified bank and has committed to reducing its emissions intensity by 10% year-on-year</li> <li>YES BANK has a key CSR initiative in the MSME sector, 'Say YES to Sustainable MSMEs in India'</li> </ul>	<ul style="list-style-type: none"> <li>YES BANK is one of the largest private sector lenders in the RE space in India with a strong lending and advisory portfolio</li> <li>As signatory to the NCFA, it is the Chair of the Steering Committee and sits on two Working Groups</li> <li>The Bank hosted Natural Capital Awards, India's only awards platform recognizing achievers in natural capital conservation</li> <li>The Bank hosts the Natural Capital Olympiad for school students</li> <li>Guided by its Environmental Management Policy, the Bank incorporates various initiatives and programs to mitigate and rationalize resource consumption and emissions</li> <li>The Bank's CSR initiative in MSME sector helps beneficiary MSMEs improve resource efficiency and reduce emissions</li> </ul>	<ul style="list-style-type: none"> <li>Increasing its RE lending portfolio</li> <li>Reducing the emissions from its operations</li> <li>The Bank tracks and reports its progress on the targets annually</li> <li>Under its MSME project, the Bank takes annual targets of the number of MSMEs it impacts, and the emissions it prevents, among other parameters</li> </ul>	<ul style="list-style-type: none"> <li>YES BANK partners with NHAI for greening of highways</li> <li>YES BANK's specific emissions for FY 2016-17 have reduced by 16.5% to 1.81 tons of CO<sub>2</sub>e per FTE</li> <li>In FY 2016-17, its CSR initiative for MSMEs benefited 10,425 workers and 2,229 MSMEs, helping them eliminate an estimated over 6,000 tons of CO<sub>2</sub>e</li> <li>The third edition of the Natural Capital Awards to be hosted in FY 2017-18</li> </ul>



Capitals	What YES BANK does	How YES BANK manages resources	How YES BANK measures the Capitals	Output
 <b>Intellectual</b>	<ul style="list-style-type: none"> <li>YES BANK follows a unique knowledge-based approach to provide customers with well informed and customized solutions</li> <li>YES BANK, through its Responsible Banking ethos, strives to be a thought leader to establish a case for sustainable development at the highest level</li> <li>YES BANK's branding strategy revolves around 'YES', underlining the twin ethos of service and trust, and the promise to deliver a superlative banking experience</li> </ul>	<ul style="list-style-type: none"> <li>The Bank has forged strong ties with national and global thought leaders, multilaterals, governments and associations to produce thought pieces aimed at positively impacting industry and policy</li> <li>YES BANK has institutionalized knowledge banking teams for various sunrise sectors of Indian economy</li> <li>YES BANK has invested significantly in new-age media and digital technologies to achieve a deep customer engagement experience</li> <li>YES BANK is among the most active and followed financial brands on social media</li> </ul>	<ul style="list-style-type: none"> <li>Platforms and forums that YES BANK is member of or active on, and its activities on such platforms</li> <li>The Bank's memberships and its contribution to platforms such as Working Groups and Committees</li> <li>Knowledge Banking reports</li> <li>Awards and Recognitions</li> <li>Social media reach and impact</li> </ul>	<ul style="list-style-type: none"> <li>The Bank provides knowledge driven banking solutions to its Business Banking clients through customized solutions for selected industry verticals</li> <li>The Bank is member of key national and global platforms, committees, and alliances</li> <li>Key domain-specific knowledge reports published</li> <li>YES BANK is ranked amongst the Top 5 Most Social Banks by The Financial Brand</li> <li>Over 2 million followers on Twitter &amp; 5.8 million Page Likes on Facebook as on March 31, 2017</li> </ul>
 <b>Social &amp; Relationship</b>	<ul style="list-style-type: none"> <li>Right since its inception, YES BANK has incorporated the ethos of Responsible Banking through which it has been mainstreaming sustainable development and aligning it with core business strategies of the Bank</li> </ul>	<ul style="list-style-type: none"> <li>The Bank's Responsible Banking ethos is driven at the highest level by the Board, including the Managing Director &amp; CEO, and is housed in the Responsible Banking unit</li> </ul>	<ul style="list-style-type: none"> <li>The impact from its community focused programs is a key parameter for measuring the Bank's social capital created</li> </ul>	<ul style="list-style-type: none"> <li>2,019,900 lives touched through branch-led YES COMMUNITY activities in 2016-17</li> </ul>

Capitals	What YES BANK does	How YES BANK manages resources	How YES BANK measures the Capitals	Output
 <b>Social &amp; Relationship</b>	<ul style="list-style-type: none"> <li>The Bank's 'Responsible Banking' approach has enabled it to create stakeholder values through projects based on unique models with scalable and sustainable impact</li> <li>As a financial institution, YES BANK works closely with unbanked and under-banked communities to raise their financial literacy</li> </ul>	<ul style="list-style-type: none"> <li>The Bank has a Board approved CSR Policy in alignment with Clause 135 of the Companies Act, 2013</li> <li>YES COMMUNITY is the Bank's unique community engagement program that serves as a knowledge exchange and awareness platform for communities around its branches and offices</li> <li>YES BANK and YES FOUNDATION have in place key CSR initiatives</li> </ul>	<ul style="list-style-type: none"> <li>Lives touched through branch-led YES COMMUNITY activities</li> <li>Impact from CSR programs</li> <li>Lives touched through the Bank's financial literacy initiatives</li> </ul>	<ul style="list-style-type: none"> <li>36,514,537 lives touched through Livelihood and Water Security in 2016-17</li> <li>Over 5,500 lives impacted through skill development initiatives in 2016-17</li> <li>2,229 MSMEs and 10,425 workers impacted through CSR initiative for MSMEs in 2016-17</li> <li>An estimated 1.3 million participants in 'YES! i am the CHANGE' program in 2016</li> </ul>
 <b>Manufactured</b>	<ul style="list-style-type: none"> <li>YES BANK has retail banking operations in all states and UTs of India, backed by national and regional offices and delivery centers</li> </ul>	<ul style="list-style-type: none"> <li>The Bank has focused on creating a fine blend of offline and online channels employing innovation and technology to reach out to and service its customers, and gain market share</li> </ul>	<ul style="list-style-type: none"> <li>The number of Bank's physical locations, including branches, offices, operating and service delivery centers, and offices and locations maintained by its Business units across rural and urban India</li> </ul>	<ul style="list-style-type: none"> <li>As on March 31, 2017, YES BANK has 1,000 branches pan-India</li> </ul>

Capitals	What YES BANK does	How YES BANK manages resources	How YES BANK measures the Capitals	Output
 <b>Manufactured</b>	<ul style="list-style-type: none"> <li>The Bank's registered office, corporate headquarters and main offices are based in Mumbai</li> <li>The Bank has in place dedicated Business units, including Retail and Branch Banking, Inclusive and Social Banking, Agribusiness and Rural Banking, that have physical presence across the country which are in direct oversight of the Bank or its banking partners</li> <li>With a focus on action and quality to achieve size and scale as a large bank in India, YES BANK is focusing on establishing a 'Digical - Digital + Physical' infrastructure</li> <li>YES BANK manages its Supply chain and procurement practices to improve efficiencies and lower costs</li> </ul>	<ul style="list-style-type: none"> <li>The Bank has significant operations in banking for the Bottom of the Pyramid (BOP), and operates through its Business Correspondent partners in most of rural and urban India to deliver products and services to the BOP</li> <li>The Bank has significant on-ground presence in agriculture and allied sectors</li> <li>The Bank invests in physical operations, which includes physical infrastructure, IT systems &amp; infrastructure, to improve efficiency and deliver relevant products &amp; services to its customers</li> <li>The Bank engages with its supply chain to improve their sustainability standards and practices</li> </ul>	<ul style="list-style-type: none"> <li>The Bank's engagements with its value chain towards improving sustainable operations and achieving efficiencies</li> </ul>	<ul style="list-style-type: none"> <li>The Bank operates 1,785 ATMs pan-India as on March 31, 2017</li> <li>It operates Two National Operating Centers in Mumbai and Gurgaon and one Central Customer Services Delivery Excellence Center in Chennai</li> <li>The Bank brings access to finance to the under-banked and unbanked population in India, through systematically leveraging ICT and business models</li> <li>In 2016-17, the Bank launched the Supplier Code of Conduct and conducted a Sustainable Procurement Workshop</li> </ul>

# INDIA BOLE YES! – CREATING A RESONATING BRAND



YES BANK, in early years of its journey, emphasized on the motto 'Experience our Expertise' with a strong focus on Knowledge Banking. With its foray into the retail sector, YES BANK, in its service driven approach, focused on 'YES FOR YOU'. The mantra of 'YES' to create a delightful banking experience was further inculcated in each and every YES BANKer and every customer touchpoint.

In 2015, as the fifth largest Indian Private Sector Bank, YES BANK launched 'INDIA bole YES!'. INDIA bole YES! is the Bank's endeavor to translate the ethos of the Bank while saluting the indomitable spirit of rising India. India is a nation of great potential, which has emerged as a global force to be reckoned with. The nation is willing to meet

Taking forward the Government of India's bold & revolutionary step of Demonetization in November 2016, the YES BANK brand took another leap - INDIA bole YES! to a LESS-CASH Economy.

challenges head on with the confidence of coming out as winners. These are the same values that YES BANK has embodied since inception and continues to nurture.

Taking forward the Government of India's bold and revolutionary step of demonetization in November 2016, the YES BANK brand took another leap - 'INDIA bole YES! to a LESS-CASH Economy'. This expression, amplified through print, TV, outdoors and social media, emphasized on the nation's motto. 'India Bole YES! to a LESS CASH Economy' is YES BANK'S commitment to being one of the early adapters, or rather, pioneers, to 'Digital way of working'. YES BANK's forte has always been to proactively adapt to the 'Future Businesses & Opportunities'.

# CORPORATE GOVERNANCE

## YES BANK'S PHILOSOPHY ON CORPORATE GOVERNANCE

YES BANK is committed to set the highest standards of Corporate Governance right from its inception benchmarked with the best in class practices across the globe. It is well-established that a well-informed, independent and effective Board is a prerequisite for strong and effective Corporate Governance.


At YES BANK, the Board of Directors is at the core of its Corporate Governance practices and oversees how the Management delivers sustainable value to its stakeholders.

The Corporate Governance framework provides sound leadership and governance to the Bank. The Code of Conduct for the Board and Senior Management, which is reviewed periodically, includes guidelines on fair practices, avoiding conflict of interest, compliances, and other pertinent corporate governance best practices.

The Bank's Responsible Banking strategy is driven at the highest level by the Board, including the Managing Director & CEO, which reviews and approves the Bank's policies and programs in the areas of CSR and Sustainable Development.

The Responsible Banking unit, headed by a Group President & Global Head, is a core plank that cuts across all functions at the Bank to integrate sustainability imperatives in business strategies, approaches and targets.

YES BANK's Annual Report for FY 2016-17 includes the Report on Corporate Governance, on pages 184-228, that covers the Bank's corporate governance philosophy, policies, details on the appointment, retirement or rotation of the Board of Directors, the various Board Committees, remuneration of the Board and employees, and a statement of compliance with the Code of Conduct and Ethics by the Board and Senior Management. The Report



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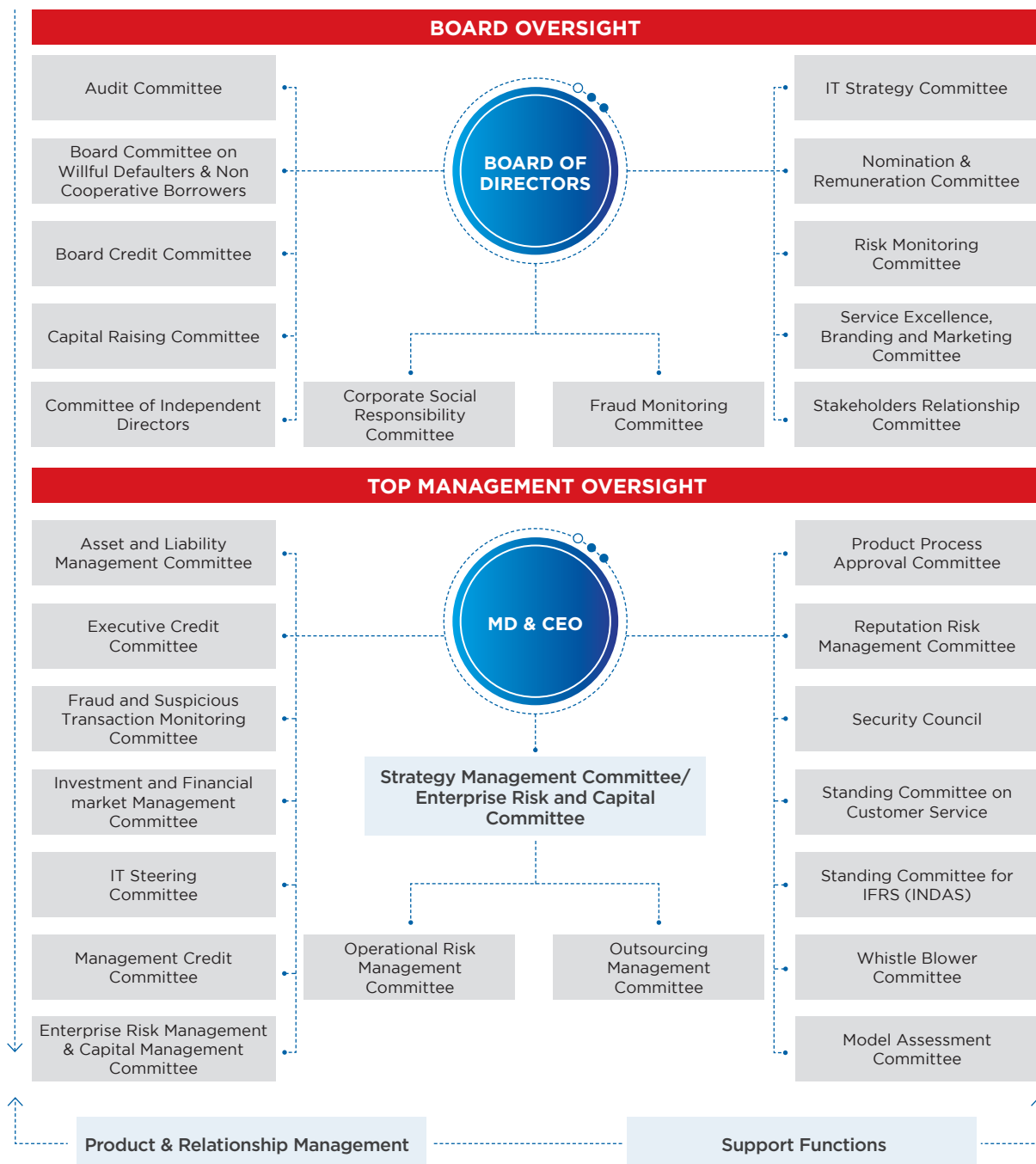
can be accessed at <https://www.yesbank.in/about-us/investorsrelation/financial-information/annual-reports>.

## RISK MANAGEMENT

The risk management culture at YES BANK is top-down and bottom-up. The Board is eventually responsible for risk management, which comprises risk governance and oversight structure, and for maintaining an appropriate internal control framework.

The Bank's Annual Report for FY 2016-17 includes the Management Discussion and Analysis that comprehensively covers the Bank's Risk Management systems, policies and processes, including risk strategy, and audit and compliance, on pages 15, 94-129 of the Report. The Report can be accessed at <https://www.yesbank.in/about-us/investorsrelation/financial-information/annual-reports>.

## CORPORATE GOVERNANCE STRUCTURE



## CUSTOMER SERVICE QUALITY AND SATISFACTION

YES BANK leverages state-of-the-art technology to enhance customer delight, backed by a three pronged structure comprising customer experience, innovation and quality assurance. The Bank's Customer Experience unit captures the Voice of the Customer (VOC), and assesses performance across key service drivers.

For FY 2016-17, the Bank improved its performance in the monthly customer satisfaction surveys, done on a sample based methodology. Towards Account Opening Experience – 54% of the survey takers reported a 'Wow' experience, a further 42% reported a 'Good' experience with the rest reporting a 'Satisfactory' experience or below. Towards Overall Customer

Satisfaction – 95% of the survey takers reported a 'Wow' Experience, 3% reported a 'Good' experience with the rest reporting a 'Satisfactory' experience.

The Bank is fully compliant with the laws of the land for marketing and promotions. The Bank adheres to the guidelines of the Banking Codes and Standards Board of India (BCSBI), Goiporia Committee recommendations, Damodaran Committee recommendations and the Committee on Procedures and Performance Audit of Public Services (CPPAPS) guidelines.

A breakdown of the customer complaints received and resolved during the year is reported in section 18.7.10 – Disclosure of Complaints, on page 297 of the Annual Report 2016-17.

**YES BANK leverages state-of-the-art technology to enhance customer delight, backed by a three pronged structure.**

# YES BANK'S SUSTAINABILITY APPROACH

**YES BANK believes that as a financial institution, it has an inherent need to play a leading role in India's development. In line with its Responsible Banking ethos, YES BANK has been able to establish the right alliances and amplify its sustainability impact both within and outside the organization, leading to the realization of first-to-many sustainability initiatives.**



Responsible Banking is a key differentiator of YES BANK and is one of the six strategic pillars of the Bank along with Trust, Transparency, Knowledge, Technology and Human Capital. The vision of Responsible Banking is for YES BANK to be the benchmark financial institution for inclusivity and sustainability, and its goal is to positively impact and contribute towards the overall sustainable development mandate while simultaneously ensuring sustainable business growth for the Bank.

As a core plank that cuts across all functions at the Bank, Responsible Banking integrates sustainability with business strategy through innovative business solutions and services, and weaves sustainability principles within its operations, thus linking sustainable development with stakeholder value creation.

With a belief that integrated thinking should result in increased alignment between strategic sustainability goals and value creation in the context of the changing business environment, YES BANK has been placing greater confidence in making value creating decisions.

● As a core plank that cuts across all functions at the Bank, Responsible Banking integrates sustainability with business strategy through innovative business solutions and services.



**YES BANK was selected into the prestigious Dow Jones Sustainability Indices – Emerging Markets Index, for the second year in a row in 2016. The Index comprises of 95 companies from 14 emerging economies, which were selected after a rigorous assessment on over 600 data points in the Economic, Social and Environmental dimensions.**

## **YES BANK ASSIGNED AAA RATING BY MSCI ESG RESEARCH**

**In 2016, YES BANK was assigned a AAA rating by MSCI ESG Research, highlighting the Bank's key strengths in financial product safety and corporate governance. The Report also highlighted that there are no significant risks at the Bank from an ESG perspective. The Rating is an endorsement of the Bank's 360 degree risk framework that integrates ESG factors into its overall risk assessment framework.**





YES BANK welcomes the Sustainable Development Goals (SDGs) adopted at the historic UN Sustainable Development Summit in September, 2015. The Bank firmly believes that the role of the private sector would be critical in achieving these global goals, given its ability to mobilize finances, foreign direct investments and social impact investments.

YES BANK believes that it has a clear alignment with the SDGs, and has focused on mapping its organizational activities with the pertinent Goals, and reports its performance within the SDG Compass. In a significant achievement, the Bank was featured as a case study in the SDG Industry Matrix, a joint publication released in September 2015 by UN Global Compact & KPMG highlighting global financial sector action.

The SDG Compass maps the Bank's GRI based reporting with the SDGs and is included in this report.



YES BANK welcomes the Recommendations Report of the Financial Stability Board's Task Force on Climate-Related Disclosures (TCFD), released in December 2016. The Bank believes that enhanced disclosure of climate-related financial risks and opportunities can positively assist in addressing the global challenges of climate change. This is an important step towards promoting climate-related transparency and disclosure, encouraging organizations to better identify, assess and monitor the potential and actual climate-related risks and opportunities.

Going forward, the Bank intends to further strengthen its processes and report its performance in greater alignment with the TCFD recommendations.

# MATERIALITY & STAKEHOLDER ENGAGEMENT

**YES BANK has been improving and evolving its materiality and stakeholder mapping, and prioritization, utilizing it as an opportunity to re-align its strategy to be able to better address the pertinent issues identified by its stakeholders.**

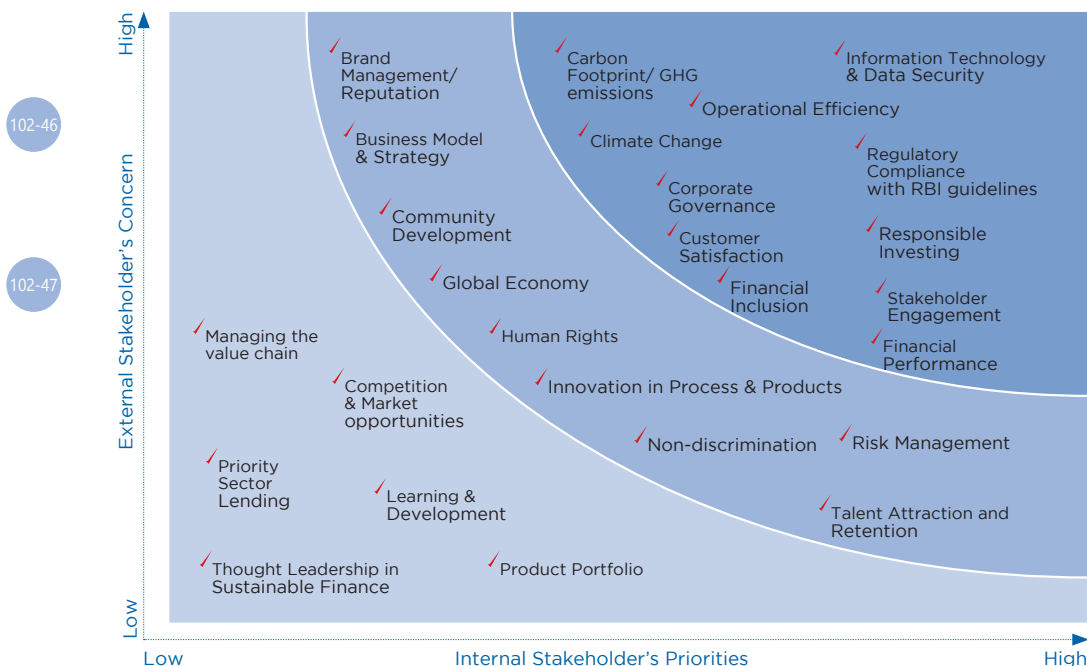
102-46 In its first year of sustainability reporting in FY 2012-13, YES BANK had undertaken an extensive internal stakeholder mapping exercise, focusing on prioritization of material issues. In the subsequent reporting periods, the Bank has expanded its mapping of its internal and external stakeholders, and recalibrated its key material issues and stakeholder prioritization.

102-40 In this reporting period, the Bank initiated Strategic Stakeholder Engagements in addition to its continuing engagement exercise with its internal and external stakeholders. Through these strategic engagements, the Bank has engaged with a broad range of industry experts, academia, thought leaders, and strategic partners, to seek specific, in-depth feedback and advice on sustainability issues that may be material to the banking industry and to YES BANK in particular.

102-42 The Bank believes that deeper engagements with such subject matter experts significantly enhance its 'strategic' knowledge and understanding on externalities that may impact its business environment. By focusing on the macro level trends that are identified in these engagements, the Bank is able to future-proof its business through improved alignment between its strategic objectives and emerging priorities. The inputs from these engagements are also an opportunity for the Bank to re-align its business risks and opportunities. In addition, the stakeholder inputs also serve as a critique of the Bank's current sustainability performance.

102-43 This Report covers YES BANK's performance on the key material issues that have been identified by its internal and external stakeholders, and are tabulated alphabetically:

## Materiality Matrix



102-44	Carbon Footprint / GHG	In its 13 <sup>th</sup> year of operations, YES BANK continues to be in a state of steady expansion and growth. With 1,000 branches, 1,785 ATMs and 20,125 employees across India as on March 31, 2017, YES BANK remains cognizant of its expanding carbon footprint, and managing its footprint and rationalizing its resource consumption become a material issue for it. The Bank has undertaken key initiatives towards digitization of products and services, rationalization in resource consumption, reduction in wastage and enhanced employee awareness that collectively are contributing towards addressing this material issue and meeting the expectations of its stakeholders.
102-47	emissions	
	Climate Change	YES BANK believes that climate change is an opportunity to spur development and adoption of clean sources of energy, and as a financial institution, it has a key role in catalyzing the transition to a low-carbon economy. Climate change could significantly affect the way the Bank does business, its lending portfolio, risk management frameworks and future strategy. The Bank's climate change strategy and action takes a multi-pronged approach, focusing on enhanced environmental and social risk assessment framework, proactive investments in clean energy and related sectors, global thought leadership on climate action, managing its carbon footprint, and greater community engagement and investments towards building climate change adaptation, mitigation and resilience.
	Community Development	The corporate sector can no longer afford to operate in a vacuum and must be responsive to the needs and imperatives of the communities in which it operates. As a public trust institution, a deeper engagement with the community and active participation in its development are key priorities for the Bank. Through a multi-faceted approach that focuses on financial inclusion, developing products and services for the Bottom of the Pyramid, and investing in community development through CSR, YES BANK has been able to go beyond its regulatory mandate to positively impact communities well beyond its areas of operations and generate strong goodwill among its stakeholders.
	Corporate Governance	YES BANK is an institution of public trust operating in the highly regulated Indian banking sector and is part of the BSE 100, BSE Bankex and BANK Nifty on the national bourses. Since inception, the Bank has remained committed to setting the highest standards of corporate governance based on the fundamental principles of transparency and accountability, ensuring that it is able to create and share value across its stakeholder spectrum. YES BANK articulates a multi-stakeholder model of accountability which is central to its functioning and implementation of its business strategy. The Bank's Board of Directors is at the core of its Corporate Governance practices and oversees how the Management serves and protects the long-term interests of its stakeholders.
102-44	Customer Satisfaction	YES BANK's success as an organization is dependent on the strength of its reputation and its ability to build stakeholder trust by achieving the highest levels of customer satisfaction. As the Bank operates across all the sectors in the Indian economy, its customer satisfaction strategy and systems must be equipped to cater to its broad customer base. The Bank leverages technology and digitization to enhance customer delight, and follows a three-pronged structure comprising Customer Experience, Innovation and Quality Assurance.
	Financial Inclusion	Despite India's rise as a global economic force, millions of Indians continue to remain excluded from the formal economy, and are thus deprived of its benefits. Financial inclusion is a national priority and the Banking sector has the critical responsibility of taking banking to the grassroots of the country. Since inception, YES BANK has striven to play a greater role in India's development and views financial inclusion not just as a regulatory mandate, but as a sound business opportunity. With a strong focus on innovation and technology, the Bank has developed 'digital' products and services catering to the unbanked and under-banked population in rural and urban India.
	Information Technology & Data Security	As a financial institution, information technology and data security are a fundamental priority for the Bank, and a critical enabler of business transformation and growth. YES BANK views 'Technology' as a strategic business enabler to build a distinct competitive advantage and achieve superior customer service standards. YES BANK's A.R.T approach has led towards the successful adoption of critical initiatives aimed at strengthening its operations as well as transformational initiatives to take the Bank forward.
	Responsible Investing	Post the adoption of the Paris Agreement in December 2015, there is a greater call globally for expanding funding to clean energy and decarbonizing portfolios of financial and investment institutions. In line with its climate action commitments, YES BANK is committed to expanding its funding for positive climate action, and has integrated environmental and social risks into its overall credit risk assessment framework to lower such risks associated with its overall portfolio. The Bank also plays a proactive role in mainstreaming the adoption of E&S risk assessment in the corporate sector through policy advocacy and thought leadership.

102-44

Risk Management	For any financial institution, strong and robust risk management systems are a critical factor for its financial security and growth. As financial institutions face myriad risks, such as credit risks, liquidity risks, market risks and foreign exchange risks, having a proactive and thorough risk framework is essential. YES BANK's risk management architecture is top-down and bottom-up, and is overseen by the Risk Monitoring Committee of the Board, with the Risk Management Department managing the day-to-day functioning.
Talent Attraction & Retention	YES BANK's success is directly linked to its Human Capital's competencies, knowledge and experience. YES BANK's human capital philosophy is aligned with its 'Professional Entrepreneurship' ethos, and follows the 5Cs Engagement Model - Culture, Communication, Career, Connect and Care, to engage and develop human capital. In line with its vision to the 'Professionals' Bank of India', the Human Capital Management team at the Bank proactively visualizes & strategizes the future talent needs of the Bank, and actualizes them by providing an integrated supply chain. YES BANK strongly believes that an engaged team of YES BANKers is critical in achieving its business goals and building a sustainable organization.

There are no significant changes in the Scope and Aspect Boundaries from the previous reporting periods.

## BOUNDARY SETTING OF MATERIAL ISSUES

102-46

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Material Issue	Linkage with GRI Standards Topics	GRI Standards Disclosures	Significant Impacts
Brand Management / Reputation	GRI 417: Marketing and Labelling GRI 418: Customer Privacy	GRI 417-1; GRI 417-2; GRI 417-3; GRI 418-1	Within YES BANK
Climate Change	GRI 302: Energy GRI 305: Emissions	GRI 302-1; GRI 302-2; GRI 302-3; GRI 302-4; GRI 302-5; GRI 305-1; GRI 305-2; GRI 305-3; GRI 305-4; GRI 305-5; GRI 305-6; GRI 305-7	Within YES BANK
Community Development	GRI 413: Local Communities	GRI 413-1; GRI 413-2	Outside YES BANK
Corporate Governance	GRI 102: General Disclosures	GRI 102-18	Within YES BANK
Financial Inclusion	GRI 102: General Disclosures GRI 417: Marketing and Labelling	GRI 102-43; GRI 102-44; GRI 417-1; GRI 417-2	Within YES BANK Impact on BOP clients
Customer Satisfaction	GRI 102: General Disclosures	GRI 102-43; GRI 102-4	Within YES BANK
Information Technology & Data Security	GRI 418: Customer Privacy	GRI 418-1	Within YES BANK
Responsible Investing	GRI 201: Economic Performance	GRI 201-1; GRI 201-2; GRI 201-3; GRI 201-4;	Outside YES BANK
Risk Management	GRI 102: General Disclosures	GRI 102-11; GRI 102-15; GRI 102-30	Within YES BANK
Talent attraction & retention	GRI 401: Employment GRI 404: Training and Education	GRI 401-1; GRI 401-2; GRI 401-3; GRI 404-1; GRI 404-2; GRI 404-3	Within YES BANK

102-42



The Bank continues to categorize its stakeholders into upstream, downstream and in-stream, basis their influence and impact on the Bank's sustainability performance.

102-43

YES BANK firmly believes that its success in driving positive impact should be accredited to the opportunities presented by its stakeholder groups and partnerships.

With a greater understanding of the needs and issues of its stakeholders, the Bank has been able to establish the right alliances and amplify its sustainability impact both within and outside the organization, leading to the realization of first-to-many sustainability initiatives.

Through effective stakeholder engagement, the Bank ensures its community development interventions stay relevant, scalable and sustainable, and are strongly aligned with the needs of the stakeholders. By building the right partnerships across corporate, government, and non-profit sectors, the Bank is implementing development projects in each and every corner of the country.

This focused engagement approach has allowed YES BANK to mainstream its sustainable development agenda from the highest level of decision-making, to the Bottom of the Pyramid.

The Bank continues to engage with its stakeholders on a continual basis using several pre-determined or ad-hoc engagement mechanisms, a summary of which is provided below:

Stakeholders	Means of Stakeholder Engagement
<b>Shareholders/ Investors</b>	<ul style="list-style-type: none"> <li>• Annual Report</li> <li>• Annual General Meeting</li> <li>• Company website</li> <li>• Analyst calls</li> <li>• Investor Meets and Road shows</li> <li>• Annual CDP Disclosure</li> <li>• Response to ESG research and ratings agencies</li> <li>• Press Releases</li> <li>• Communication from Stock Exchanges, SEBI Complaints Redress System (SCORES)</li> <li>• Bank's Registrar and Transfer Agents</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>• Branch banking</li> <li>• YES Touch – Customer service platform</li> <li>• Financial Education/Literacy initiatives</li> <li>• Social Media interaction</li> <li>• Business Correspondent network and Bottom of the Pyramid banking</li> <li>• Online and mobile initiatives towards digital banking</li> <li>• Centralized and branch-based Customer Care centers</li> <li>• Customer satisfaction surveys</li> </ul>

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Stakeholders	Means of Stakeholder Engagement
<b>Vendors</b>	<ul style="list-style-type: none"> <li>Bank's Central Procurement Unit liaises directly with most of Bank's vendors</li> <li>Periodic vendor communications</li> <li>Online procurement portals</li> <li>Supplier Sustainability Workshop</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>Employee induction – periodic, for all employees</li> <li>My Voice – grievance redressal portal</li> <li>YES CONNECT – focused employee interactions</li> <li>YES Club – Employee wellness &amp; activity platform</li> <li>YES School of Banking – Center of excellence for learning &amp; development</li> <li>Employee Satisfaction Surveys</li> <li>YES - Talent Optimization Program (Y-TOP)</li> <li>YES – Professional Entrepreneurial Program (Y-PEP)</li> <li>The Responsible Times – internal sustainability focused newsletter</li> <li>My Learning – internal e-learning platform</li> <li>YES Udaan – training and recruitment program for youth from J&amp;K</li> </ul>
<b>Regulatory Bodies</b>	<ul style="list-style-type: none"> <li>Mandatory filings with regulators including RBI and SEBI</li> <li>Engagement at banking platforms and meetings</li> </ul>
<b>Community</b>	<ul style="list-style-type: none"> <li>YES COMMUNITY</li> <li>Pan-India CSR Interventions</li> <li>YES! i am the CHANGE movement by YES FOUNDATION</li> <li>Media &amp; Press Releases</li> <li>Thought leadership forums</li> </ul>
<b>Academia</b>	<ul style="list-style-type: none"> <li>Natural Capital Initiative</li> <li>Knowledge reports</li> <li>University and School Relationship Management (USRM)</li> <li>Transformation Series – campus case study challenge</li> <li>YES Aspire to Innovate – campus scholarship program</li> </ul>
<b>Media</b>	<ul style="list-style-type: none"> <li>The Bank's Marketing and Corporate Communications unit liaises with media platforms continually</li> <li>Interviews of the MD &amp; CEO, and top management</li> <li>PR agency partnerships</li> </ul>
<b>Peer Group</b>	<ul style="list-style-type: none"> <li>National CFO Forum</li> <li>'CFO Insights' publication</li> <li>National and international platforms and forums</li> <li>Industry and trade associations</li> </ul>
<b>Industry</b>	<ul style="list-style-type: none"> <li>Memberships to national and international associations, such as WBCSD, TERI CBS, &lt;IR&gt; Lab India, UNEP Finance Initiative, etc.</li> <li>Signatory to international protocols including UN Global Compact, CDP, National Capital Finance Alliance</li> </ul>



## FINANCIAL CAPITAL

Financial Capital is the value of money that the Bank obtains from providers of capital, that is used to support business activities and profits generated thereof, distributes amongst its stakeholders as well as retains to fund business activities.

YES BANK creates value for its stakeholders in multiple ways. While some may manifest in financial value, others bring about more intangible benefits and value creation in terms of natural, human, social, or intellectual capital.

**₹ 215,060 CR**

BALANCE SHEET

**₹ 4,559 CR**

REMITTED THROUGH  
YES MONEY

**₹ 3,330 CR**

NET PROFIT

**OVER 20 LAKHS**

FAMILIES IMPACTED  
THROUGH YES LEAP

### FINANCIAL PERFORMANCE HIGHLIGHTS ECONOMIC VALUE GENERATED, DISTRIBUTED AND RETAINED

₹ in '000

Particulars	FY 2016-17	FY 2015-16	Remarks
<b>Economic Value Generated</b>			
Revenues	205,814,006	162,455,891	P&L Account, Annual Report 2016-17
<b>Economic Value Distributed</b>			
Operating costs <sup>#</sup>	23,114,977	16,795,696	Schedule 16 – Operating Expenses, P&L Account, Annual Report 2016-17
Employee wages and benefits	18,050,433	12,968,018	Schedule 16 – Operating Expenses, P&L Account, Annual Report 2016-17
Payments to providers of capital	106,278,032	93,875,249	Annexure A
Payments to Government	17,141,161	13,124,181	Annexure B
Community Investments	416,600	295,200	Annexure 1, Directors' Report, Annual Report 2016-17
<b>Economic Value Retained*</b>	<b>40,812,803</b>	<b>25,397,547</b>	
<b>Annexure A</b>			
Interest on deposits	82,040,497	71,784,174	Schedule 15 – Interest Expended, P&L Account, Annual Report 2016-17
Interest on RBI / Inter-bank borrowings / Tier I & Tier II debt instruments	22,242,771	16,456,711	Schedule 15 – Interest Expended, P&L Account, Annual Report 2016-17
Others	1,990,099	1,426,308	Schedule 15 – Interest Expended, P&L Account, Annual Report 2016-17

₹ in '000

Particulars	FY 2016-17	FY 2015-16	Remarks
Proposed Dividend	0**	4,205,316	P&L Account, Annual Report 2016-17
Dividend paid for previous year	4,665	2,740	P&L Account, Annual Report 2016-17
<b>Annexure B***</b>			
Provisions made for Income Tax during the year	17,140,211	12,267,511	Schedule 17 - Provisions & Contingencies, Annual Report 2016-17
Tax (including surcharge and education cess) on Dividend	0**	856,202	P&L Account, Annual Report 2016-17
Tax on Dividend paid for last year	950	468	P&L Account, Annual Report 2016-17

\* Calculated as per the GRI 201 Standards

# Excluding Employees Wages and Benefits, which has been shown separately

\*\* Please refer to 'Schedule 18.4.1 - Significant Changes in Accounting Policy: Proposed Dividend' in the Annual Report 2016-17 for revised accounting standards related to dividends

\*\*\* Only includes the taxes shown in the Bank's Statements of Accounts in its Annual Reports for 2016-17 and 2015-16, and does not include all the payments to government made by the Bank

A detailed Business Segment Overview is presented as part of the 'Management Discussion and Analysis' section on pages 94-129 of the Annual Report for 2016-17, available online at <https://www.yesbank.in/about-us/investors-relation/financialinformation/annual-reports>.

This section includes a performance analysis of the Bank's key business operations with direct and indirect, socio-economic and environmental impact on stakeholders.

## INCLUSIVE & SOCIAL BANKING

YES BANK firmly believes that greater participation of the unbanked and under-banked population of India in its economy would not only lead to inclusive growth but also achieve greater social justice. Since inception, The Bank has focused on 'inclusive growth' of 'emerging India' through innovative products and services for rural and urban India and has forged key partnerships to amplify its impact.

The Bank, through Inclusive and Social Banking (ISB), its specialized Business Unit, has adopted the guiding principle of Frugal Innovations for Financial Inclusion (FI4FI) to systematically leverage ICT and frugal business models to offer focused financial solutions catering to the under-banked and unbanked population in India. ISB works under the ambit of financial inclusion to reach out to the

financially marginalized by leveraging the Bank's extensive branch network, technology edge and relationship capital in the public, private and social sectors. Using sophisticated financial tools and advanced technologies, the Unit offers solutions that include direct micro-credit, micro saving, and microinsurance and remittance services across various geographical and socio-economic contexts in India.

Through YES LEAP, the Bank's flagship Self Help Group (SHG) lending program and YES JLG program, it has financed over 230,000 groups spread in 260 districts, thus directly reaching over 20 lakh families in rural and semi-urban India. YES SAHAJ, an award-winning technology solution platform based on the RBI's Business Correspondent (BC) model offers safe and secure, doorstep banking services using low cost technology. Through these programs, YES Bank has cumulatively financed over ₹ 5,200 crores.

Towards creating a multiplier effect through larger collaborations, YES BANK appoints Business Correspondents, such as NBFCs (Non-Banking Financial Company), allowing the Bank to scale up its product and service offerings for the Bottom Of the Pyramid (BOP). ISB currently works with 31 Business Correspondent partners, present in 17 states in India.



## YES LEAP

Innovating on the RBI's Business Correspondent (BC) model, YES LEAP (Livelihood Enhancement Action Program) is the Bank's innovative version of the SHG Banking Linkage program. Under LEAP, YES BANK partners with credible NGOs/private institutions and appoints them as BCs and provides its banking services through them, allowing the Bank to scale up its product and service offerings for the BOP.

YES LEAP is currently partnering with 31 BC partners, including Self Help Promoting Institutions and NBFCs, to provide comprehensive financial services to SHGs in 260 districts in India, and reaching out to over 20 lakh predominantly rural households.

Towards enhancing the impact and delivery mechanisms of LEAP, the Bank is exploring to introduce tablet-based solutions which would be able to digitally track payments and receipts, take videos of SHG meetings and group recordings, and play health and hygiene messages and track movement of BC agents.



As the majority of the SHGs linked to the YES LEAP program are women-centric, YES LEAP has been able to contribute significantly towards strengthening women entrepreneurship and financial security empowerment in rural India.

## YES JOINT LIABILITY GROUP

The YES Joint Liability Group (JLG) is an initiative to provide banking services to the BOP in rural, semi-urban and urban India, based on the Joint Liability Group methodology wherein, term loans are provided to individual members of a JLG focusing on income generation. Through YES JLG, the Bank provides direct financing, through its partners, which includes NBFCs and microfinance institutions (MFIs), with a wide network in India to be able to reach the most needy and financially excluded segments.

The program, launched in March 2015, reached 153,717 Joint Liability Group members via a network of 16 Business Correspondents as on March 31, 2017.

## YES KISAN DAIRY PLUS

YES BANK's YES Kisan Dairy Plus, a comprehensive suite of financial products in the organized dairy sector, continues to benefit both small milk producers as well as the large dairy buyer. As the bank accounts of both the buyer and the seller are linked to the

Bank's banking network, small milk producers can get paid immediately for their sale, which may take many days without such a system. With an account at YES BANK, the small dairy sellers can continue to earn interest, or use its bouquet of financial services to utilize their income.

## YES SAHAJ

YES BANK had launched YES SAHAJ in 2011 with the vision of taking basic banking to the farthest corners of the country and financially integrating the millions of Indians at the BOP, and developing innovative solutions that can overcome the limitations of traditional, brick and mortar banking.

YES SAHAJ is an innovative, low-cost, micro-ATM leveraging technological innovations within existing principles of mobile banking, India's strong mobile penetration and the RBI's BC Model, to offer basic banking to India's rural hinterland. It is a cost-efficient alternative to Hand-held Devices and allows real time, on-field reporting of repayment collection and savings amount of SHG and JLG members, enabling centralized monitoring, making it a key platform for remittance operations of two key YES BANK products - YES LEAP and YES MONEY.

## MICROFINANCE INSTITUTIONS GROUP

YES BANK promotes microfinance as a new asset class, widening access to capital through a two-pronged strategy involving the Microfinance Institutions Group (MFIG), and mainstreaming Bottom of the Pyramid clients through ISB. MFIG's product suite includes term loan facilities, loan syndications and, rated capital market loan products like pool securitization, bonds, commercial paper and pass through certificates. A detailed overview of the Unit is provided on Page 110 of the Bank's Annual Report 2016-17, accessible online at <https://www.yesbank.in/about-us/investors-relation/financial-information/annual-reports>.



## AGRIBUSINESS PRODUCT MANAGEMENT

The Agribusiness Product Management (ABPM) unit at the Bank has experienced banking and industry professionals with in-depth knowledge of the Priority Sector to deliver efficient and customized banking solutions to the core agri sectors. A detailed overview of the activities of ABPM unit is provided on pages 110 of the Bank's Annual Report 2016-17, accessible online at <https://www.yesbank.in/about-us/investors-relation/financial-information/annual-reports>.



## DIGITAL BANKING

Innovation and Technology are key brand pillars at YES BANK, which continues to maintain its focus on leveraging state-of-the-art technology and introducing innovative practices, towards its vision of 'Building the Finest Quality Bank of the World in India by 2025'.

The Bank has taken a holistic approach towards going digital and is integrating its strategy across the traditional & digital banking ecosystems by employing an Omni-channel approach to enhance the customer experience with relevant, convenient and personalized products and services.

As the new-age digital customers migrate away from the traditional banking channels and adopt digital banking, YES BANK's digital focus would be on ensuring ease of transaction, and winning and retaining customers by creating value for them that enhances the convenience and quality of their everyday lives beyond mere transactions. YES BANK has significantly expanded its bouquet of digital products that cater to varied segments of population and use cases, riding the waves of technological advancements to provide a seamless customer experience.

The Reserve Bank of India (RBI) has released its Vision 2018 document, aimed at encouraging greater use of electronic payments by all sections of society by bringing down paper-based transactions, increasing the usage of digital channels, and boosting the use of mobile banking. The Government of India's demonetization move and promotion of digital banking services has also encouraged and supported the use and acceptance of the Digital technologies to carry out day to day transactions.

The Bank has been working on disruptive technologies and frugal innovations to ensure inclusion of feature phone users and change the way customers make payments. YES BANK has created a unique, sustainable and growing business model with SIMsePAY, a breakthrough, yet simple, innovation that was conceptualized and developed under the Bank's vision to provide simple, easy to use, convenient and 24X7 banking services on the go.

such customers avoided going to a bank branch as it took them from an hour to a few hours, including the travel to and from the branch and the wait.

The Bank's analysis of the transactions also indicated that approximately 8% of transactions originated and terminated within particular areas in the same city, clearly indicating that this remittance service is also finding usage in conducting business transactions within the same city.

Given that brick and mortar branches continue to attract customers seeking personalized services or advisory, transforming such traditional channels into Digital & Self Service Branches would also be a key focus area for Bank. As the Bank expands into deeper geographies, the importance of branches as a key relationship tool and point of contact for product and services remains high and the Bank would continue to leverage its increasing Branch network for need based product advisory, cross-sell and customer engagement.

Details on Digital Banking initiatives and achievements are available on pages 12, 100-101 of the Bank's Annual Report FY 2016-17, accessible online at <https://www.yesbank.in/about-us/investors-relation/financial-information/annual-reports>.

The size and volume of digital banking transactions done through YES BANK's products and services continued to scale up rapidly in FY 2016-17, aided by Government policy initiatives and interventions. The number of Mobile Banking transactions rose from approximately 6.9 lakh in FY 2015-16 to over 1.05 crore transactions in FY 2016-17, a significant jump of over 1400%, with over 2.58 lakh active Mobile Banking users in the reporting period. Similarly, the number of transactions on the Bank's Retail Net Banking channel rose to almost 1.25 crore from 48 lakh in the previous year, a growth of over 150%. Similarly, the number of active net banking users in the reporting period almost doubled to 3.04 lakh.

## YES MONEY

Since its launch in 2011, YES MONEY, the Bank's award-winning, innovative domestic remittance platform has cumulatively remitted close to USD 2.5 billion in domestic remittances.



The Bank conducted informal interviews with the product's early users for their feedback. Users indicated that SIMsePAY's biggest advantage was that it saved their time, while providing ease and reliability. Many

YES MONEY operates on the custom-built, multi-platform Remittance Knowledge Bridge which synergizes India's vast spread of hyper-local family owned stores into being full-fledged, secure BC partners of the Bank towards meeting the remittance needs of millions of unbanked and under-banked population in India.

YES MONEY takes advantage of India's deep penetration of mobile telephony and works within the existing regulatory framework of the RBI to provide a hassle-free, digital, low-cost and customer-friendly service.

YES MONEY	FY 2016-17	FY 2015-16
Number of Business Correspondents <sup>1</sup>	38	27
Number of transactions done (lakhs) <sup>2</sup>	124.72	95.67
Total value of transactions (₹ in crores) <sup>2</sup>	4,558.59	4,080.52
Number of Unique senders (lakhs) <sup>2</sup>	17.18	14.98

<sup>1</sup> Cumulative as on March 31, 2017

<sup>2</sup> For FY 2016 - 17

### **YES FINTECH - Business Accelerator Program to deepen YES BANK's collaborations with financial technology start-ups to co-create disruptive innovations**

As part of YES BANK's Alliances, Relationships & Technology (A.R.T) approach to Digitized Banking, YES BANK launched YES FINTECH - a unique business accelerator program in January 2017 to support and nurture disruptive solutions in Financial Services delivery.

It was launched in collaboration with T-Hub - India's fastest growing start-up engine catalysing innovation, scale and deal flow, and Anthill ventures. LetsTalkPayments, a global platform for financial technology insights is the Knowledge partner. YES FINTECH would augment the Bank's on-going collaborations with start-ups in the fintech space and help it co-create disruptive innovations in the financial inclusion, MSME focused solutions, payments, lending, compliance, risk management, trade finance, capital markets and forex & treasury space.

YES FINTECH Accelerator is designed to be a 15 week multi-mode dual location program (based in Mumbai and Hyderabad) and would select global start-ups to support and nurture disruptive solutions in Financial services delivery and integrate such technologies into the Bank's ecosystem.

In the inaugural cohort announced in March 2017, 12 start-ups would be joining YES FINTECH. They were selected from the top 35 start-ups who showcased their solutions to the YES FINTECH Leadership over a 2 day pitching session. The month-long application phase of the program had received phenomenal response from the global community of fintechs, with 753 applicants from around the world. The inaugural cohort of 12 start-ups will go through a 15 week program which will involve 3 week onsite interactions at Mumbai and Hyderabad and 12 weeks offsite interactions.



## SOCIAL & RELATIONSHIP CAPITAL

**Social & Relationship Capital refers to the relationships the Bank creates with its customers, investors, regulators, suppliers and community at large to create societal value as a responsible corporate citizen.**

**2,019,900**

LIVES TOUCHED  
THROUGH YES  
COMMUNITY

**5,437**

PEOPLE PROVIDED  
SKILLS TRAINING

**36,514,527**

LIVES PROVIDED  
ACCESS TO SAFE &  
CLEAN DRINKING  
WATER

**10,425**

MSME WORKERS  
TRAINED

### POSITIVE SOCIAL IMPACT INITIATIVES - YES COMMUNITY



YES COMMUNITY, YES BANK's innovative branch-led community engagement and impact model, continues its focus on pertinent social and environmental issues of local and global significance. During the reporting period, the Bank enhanced its partnerships with non-profit organizations, local and state governments, and its corporate peers to scale up to deliver and scale up impact on the ground.

In FY 2016-17, YES COMMUNITY witnessed strong growth, and impacted 2,019,900 lives through 6,156 activities, thus convincingly surpassing its target of touching ten Lakh lives in the year. Key programs initiated under YES COMMUNITY included:

#### GREENING INDIA'S NATIONAL HIGHWAYS



One of India's commitments under its Nationally Determined Contributions (NDC) is to create additional carbon sink of 2.5 to 3 billion tons of CO<sub>2</sub> equivalent through additional forest and tree cover by 2030. Towards this commitment, enhancing the tree cover around India's rapidly expanding national highways has an immense potential to expand the country's green cover and generating employment opportunities for the rural community.

The Ministry of Road Transport and Highways (MoRTH) of the Government of India promulgated the Green Highways (Plantations, Transplantations, Beautification and Maintenance) Policy - 2015, to develop green corridors along National Highways, envisioning the development of eco-friendly national highways with participation from communities, farmers, NGOs, the private sector, financial institutions, government agencies and the Forest Departments. The National



*Nitin Gadkari (Union Minister for Road Transport and Highways, Government of India) and Namita Vikas (Group President & Global Head - Climate Strategy & Responsible Banking, YES BANK) launching the charter with NGHM at the 'Green Highways Project - Way Ahead' workshop*

Green Highways Mission (NGHM) under National Highways Authority of India (NHAI), has been entrusted with the task of implementing roadside plantations, which is expected to generate ten lakh direct employment opportunities in the plantations sector in the next ten years.

In 2016, YES BANK became the first private sector institution to partner the NGHM under its 'Adopt a Green Highway' initiative. As a part of its CSR mandate under 'Environmental Sustainability', the Bank has committed to developing a green corridor along the Mumbai-Nashik-Pimpalgaon Highway in Maharashtra.

Towards raising awareness on the topics and exploring synergies for collaboration between YES BANK and NGHM, a joint Charter was launched by Nitin Gadkari, Union Minister for Road Transport and Highways, Government of India at the NGHM organized workshop on the theme 'Green Highways Projects - Way Ahead' on July 1, 2016 at New Delhi. YES BANK and NGHM signed a formal MoU on November 7, 2016 in New Delhi.

To raise awareness on the importance of greening highways and its role in maintaining ecological sustainability, YES BANK and NGHM conducted nationwide painting and slogan writing competitions under the initiative of 'Green Highways for Sustainable Environment' to spread the message amongst students in schools and colleges. These competitions were conducted in 402 locations, touching 70,350 students with the winning paintings and slogans produced into a widely-distributed coffee table book.

## 'SWACHHAGRAHA' PROGRAM ON WASTE MANAGEMENT

The Prime Minister launched the 'Swachh Bharat Abhiyan' with a clarion call to all citizens by proclaiming - "A clean India would be the best tribute India could pay to Mahatma Gandhi on his 150 birth anniversary in 2019". Waste management being a critical element of public health and safety, the national cleanliness campaign identified Solid and Liquid Waste Management (SLWM) as one of its key focus areas.

In line with the government's campaign, YES COMMUNITY launched the 'Swachhagraha' program on Waste Management to promote eco-friendly practices within the community.



*Waste Paper workshop for school students, conducted at the Bareilly branch*



**We thank YES BANK for supporting NGHM through their community engagement platform - 'YES COMMUNITY', which gave NGHM a greater visibility."**

**Dr. A. K. Bhattacharya**

Mission Director  
National Green Highways Mission







*A waste segregation workshop organized by the Rajahmundry branch for the local community*

Through this initiative, branches conducted workshops on waste segregation and launched 'Make your own paper bag' drives by partnering with local municipal authorities, Resident Welfare Associations (RWAs), youth clubs, colleges, schools, traders associations and NGOs to help educate and sensitize local communities on different types of waste, waste disposable methods and recycling.

To encourage the habit of recycling among students and the youth, branches conducted workshops on making paper gift bags from waste paper in schools, with 371 schools participating across multiple locations.

### TREE PLANTATION DRIVE

Forests are said to be the lungs of the earth, and deforestation has been identified as a significant source of increasing global warming and habitat loss for flora and fauna. Towards this, India has committed to creating an additional carbon sink through additional forest and tree cover by 2030 as part of its NDCs. In line with India's commitment, YES BANK has committed to planting two million saplings by 2020 thus contributing to India's carbon sink.

During the year, 525 YES BANK branches collaborated with community members and civil and



*The Nagpur branch collaborated with the regional Indian Army unit to conduct the tree plantation drive*

government organizations to plant 105,000 saplings in public spaces.

### NATIONAL ROAD SAFETY WEEK

India observes the National Road Safety Week from 9<sup>th</sup> to 15<sup>th</sup> January every year to raise awareness on safe driving practices.



*The Panjim branch partnered Goa Police to conduct a Traffic Education Program for students and community*

YES BANK considers road safety to be an important aspect of community development, as it not only impacts personal safety of citizens but also accelerates economic activity.

In 2016-17, the Bank's branches conducted YES COMMUNITY activities under the theme 'Your safety secures your family - Be cautious on Road' with an objective to increase awareness on importance of safe roads through collaborative efforts of relevant stakeholders. Branches partnered with local two-wheeler dealers, along with a national partnership with Hero Moto Corp, to conduct the awareness campaigns at two-wheeler showrooms, that included sharing brochures on 'do's & don'ts' by two-wheeler drivers and conducting quizzes.

## FINANCIAL LITERACY



The Government of India's move on demonetization and its promotion of various digital financial transaction methods has prompted millions of Indians to adopt digital banking platforms in an unprecedented way. Towards supporting the government's vision, YES BANK, is converting its branches into Digital Banking Literacy Centers and conducting sensitization sessions for its customers and the community at large on harnessing the power of digital banking.

The initiative's three broad objectives are to spread awareness on financial transactions through all available digital banking platforms, essentials for a secure digital banking transaction, and to mobilize volunteers for an "Each one Enrich one" campaign. At a few locations, branches also conducted financial literacy camps that included sessions on 'fake note detection', and elementary quizzes on financial literacy.

## SWACHHATA MOUD APP DOWNLOAD PROGRAM



In 2016, the Ministry of Urban Development, Government of India rolled out the 'Swachhata' App that empowers citizens to submit civic complaints to their urban local bodies. YES BANK's branches in Puducherry and Ajmer partnered with their respective Municipal Corporations to run campaigns on raising awareness about the app and getting citizens to download it. The Puducherry branch reached out to 1.5 lakh individuals through campaigns conducted across the city, and the Ajmer branch provided wifi spots for citizens to download the app, and touched 85,000 individuals.



*Community Water Systems installed at Hamal Panchayat School, Pune*

## SCALING UP YES COMMUNITY IMPACT LIVELIHOOD & WATER SECURITY

Water is vital for survival of all known life forms but less than 0.3 % of all freshwater on the planet is available for use. The sparse availability of clean water makes it a very precious resource and makes it imperative for society to consume it sustainably and equitably.



The SDGs cover a wide range of issues across the three pillars of sustainable development, and include a dedicated goal on water and sanitation (SDG 6) that sets out to "Ensure availability and sustainable management of water and sanitation for all". With water at the very core of sustainable development, it has strong linkages to all of the other SDGs, and underpins many of them. Realizing SDG 6 would go a long way towards achieving much of the SDG's 2030 agenda.

In concurrence with SDG 6, YES BANK believes that access to safe and clean drinking water is critical and has identified 'access to safe and clean drinking water' as a key challenge. The Bank launched its Livelihood and Water Security initiative under the YES COMMUNITY umbrella in 2014, and under the initiative, aims at providing affordable solutions that provide clean and safe drinking water in urban, rural and semi-rural communities.



On the occasion of COP21 in October 2015, YES BANK took a key commitment to touch 100 million (10 crores) lives through its safe and clean drinking water program by 2020. Since its launch, YES BANK has already provided access to safe & clean drinking water to more than 50 million (5 crores) lives through this initiative, touching over 36.6 million (3.66 crores) lives in FY 2016-17 alone.

The Bank continues to use the innovative, membrane-based water purification technology developed by its social start-up partner. The technology requires no electricity or chemical-dosing for the purification process, and the innovative filters use an internationally patented gravity based technology to purify water from any freshwater source, are quick and easy to assemble, and need minimum maintenance, making it ideal for the Indian context.

In a significant move towards this goal, the Bank joined hands with the Indian Railways in 2015 to provide safe and clean drinking water at 1,000 railway stations across India by 2019.

In the first phase (FY 2015-16) of the project, the Bank had set up 100 community water filter systems across 'D' and 'E' category railway stations in the Konkan belt and other locations in Maharashtra.

In the second phase of implementation in FY 2016-17, YES BANK expanded its reach and provided access to safe and clean drinking water at additional 192 railway stations in Solapur, Bhusawal, Nagpur and Pune divisions through installation of purification systems.

Expanding upon its current partnerships, YES BANK has partnered with the Delhi Jal Board to dispense safe and clean drinking water by installing Community Water centers and Water ATMs in urban slums of Delhi. In the first phase, the initiative would serve communities in six locations with a combined population of over one Lakh people. Purified water would be available at nominal prices at these ATMs to instil a sense of ownership and discourage waste. Additionally, the initiative would create livelihoods for the ATM operators.

In addition to focusing on the availability of clean water, YES BANK's interventions also focus on sensitization of communities in health, supplementary education, sanitation and overall social welfare.

### SKILL DEVELOPMENT THROUGH YES STEADY

YES BANK launched YES STEADY (Skills Training and Enhancement for Development of Youth) in 2014 to provide employability training to youth through targeted skill building initiatives. In the first phase, the Bank had partnered with the Deshpande Foundation to provide employability training to youth in Karnataka and Telangana states, inducting 1,200 students.

In FY 2016-17, 1,382 students were inducted into the program and underwent skill training under various focus sectors such as agriculture, accountancy, electrical works, BPO & soft skills, and primary teachers training. The students are provided with employment linkages through a formal placement cell and are connected with an alumni network of Deshpande Foundation's existing programs.



**YES BANK's holistic interpretation of 'Capital' is admirable. It indicates the Humanness at the core of the organization. Understanding that 'Water is Life' and then driving efforts to provide over 20 to 25 million people with pure drinking water for their daily needs is a unique and outstanding achievement."**

**Ashok Kurien**

Founder-Promoter

Zee Entertainment Enterprises Ltd.



In addition, YES BANK supports four NGO partners in running Community Knowledge Centres in Maharashtra, Tamil Nadu and Kerala, with 4,055 students completing their training in 2016-17.

### SAY YES TO SUSTAINABLE MSMEs IN INDIA



India's MSME sector has demonstrated admirable innovativeness and resilience towards economic shocks. Responsible for generating over 100 million jobs throughout the country's geographical expanse, this sector is known for employment generation calibre, low capital and technological requirement, promotion of inherent skills, use of local resources and exportability of products.

In FY 2014-15, YES BANK launched the first-of-its-kind CSR initiative for the MSME sector - 'Say YES to Sustainable MSMEs in India', to promote environmental sustainability and Occupational Health and Safety (OHS) among MSMEs in the manufacturing sectors, in partnership with Foundation for MSME Clusters (FMC) and Entrepreneurship Development Institute of India (EDII).

In FY 2016-17, the initiative impacted 2,229 MSMEs on Energy Efficiency and OHS through sensitization workshops, safety trainings, first-aid trainings, and health camps, benefitting 10,425 workers across 11 states, 18 locations and 13 sectors including Foundry, Dyeing, Rubber, Plastic, General Engineering,



*Safety training and Health Camp underway in the Foundry cluster in Faridabad, Haryana*

Textile, Rice Mills, Auto ancillaries, Industrial tools and pumps, Sports goods, Handicrafts and Railway vendors. Since its inception, the project has already impacted 3,252 MSMEs, benefitted 23,112 workers and helped reduce an estimated 6,000 metric tons of CO<sub>2</sub> emissions.

Continuing its focus on providing path breaking solutions, YES BANK has on-boarded Small Industries



*Energy Efficiency and Occupational Health & Safety workshop being organized in Hyderabad, Telangana with Micro Units Balanagar Association*



We are very happy that YES BANK has initiated the Environmental Sustainability project in our plastic manufacturing industries at Rajkot. During the sensitization workshop, we have been very well guided for energy conservation and improving OHS measures in our industries. The proactive members are going for the interventions in Energy Conservation and OHS under YES Bank CSR project. The association is supporting all these interventions under the project."

#### Kishor Sanghvi

President

Rajkot Plastic Manufacturers Association



Aji GIDC Industries Association welcomes the initiative taken by YES BANK under the project 'Say YES to Sustainable MSMEs in India'. In the current situation in global market, there is a need to be productive as well as committed to society by keeping the environment clean. The interventions under this project on improving energy efficiency and OHS measures support our competitiveness in global market. This will definitely have good impact in long run."

**Jivanlal Patel**

President

Aji GIDC Industries Association - Rajkot

Development Bank of India (SIDBI) to extend an all-inclusive solution for increasing the energy efficiency of the MSMEs in these sectors, thus making it a one-stop solution provider for fulfilling OHS and Energy Efficiency (EE) requirements of the MSMEs.

As a best practice, YES BANK has attempted to calculate the project's evaluative Social Return On Investment (SROI) for FY 2015-16. SROI is a principle based method for measuring the extra-financial value of an initiative relative to the inputs invested.

To calculate the SROI, the Bank conducted a thorough analysis of inputs from the stakeholders for the initiative, the outputs achieved and the corresponding outcomes. The inputs were based on data collected from beneficiary MSME units and implementation partners through questionnaires.

The Net SROI achieved was 6.98, or in other words, the social impact generated by the project is almost 7 times the value of the inputs invested by the stakeholders.

In the process of measuring the SROI, the following key findings emerged:

- ₹ 2.8 crores was saved by the MSMEs through YES BANK's energy efficiency interventions\*
- ₹ 16.9 crores was saved by the MSMEs through YES BANK's OHS interventions\*

○ 5,181 hazardous incidents and health issues were avoided\*

○ 4.03 working days were saved for each employee, annually by increasing the operational efficiency and productivity\*

○ 98.6% of the benefitted MSME units were satisfied with this intervention^

\* Extrapolated figures from stakeholder response

^ Based on stakeholder response

YES BANK has formal grievance platforms in place for all its community engagement programs and has put in place mechanisms for ensuring maximum stakeholder participation in project design and implementation.

## EMPLOYEE PAYROLL GIVING

YES BANK continues to partner with GiveIndia for the payroll giving initiative for its employees. Employees registered under the program contribute a certain portion of their salaries every month, as selected by the employees themselves, which can be donated to a cause of their choice. To ensure that 100% of the employee contribution is donated, the Bank pays for all the administrative charges to participate in the platform. During the reporting period, a total of ₹ 1,785,759 was received as contributions for the program.

## YES FOUNDATION - BUILDING AN EMPOWERED AND EQUITABLE INDIA



India's development challenges require innovative and inclusive solutions with a multiplier effect, addressing scale and impact. Backed by YES BANK's over a decade of positive impact, YES FOUNDATION, a public charitable trust governed by an independent Governing Council, follows a differentiated approach innovatively harnessing media to channel high octane youth energy and stimulate entrepreneurship for an empowered and equitable India.

YES FOUNDATION addresses the gaps in the development sector by strengthening Design and



Innovation-led Creative Entrepreneurship (DICE) solutions by youth and non-profits, redefining the contours of social development. The Foundation's programs address the biggest challenge facing India – the mindset, especially of the youth. These “mindset transformation programs” successfully harness the latent capabilities of millions of youth into positive action for India's inclusive development resonating responsible citizenship across the country.

### YES! I AM THE CHANGE



YES FOUNDATION launched its flagship program, YES! i am the CHANGE (YIAC), in 2013 as a nationwide mindset transformation program to inculcate the spirit of responsible youth citizenship through the impactful medium of films. YIAC is a multi-cause awareness program which enables individuals from every walk of life to play their part in the inclusive development of the country. It features a 101-Hour Social Filmmaking Challenge where participants make 3 minute short films on social causes.

The topics are socially relevant such as child rights and education, environment, women empowerment, or livelihood and employment, and aligned with the UN Sustainable Development Goals. This enables the YIAC films to form an open repository of invaluable communication resources with an Indian context for the use of NGOs and yet maintain an international social alignment. The immersive process of participation leads to experiential learning and in the process, advocates and volunteers are created for causes and NGOs.

In 2015, YIAC had emerged as the World's Largest Social Film Movement with 500,000 youth participants from 2,500 cities and towns pan India and since then, it has grown exponentially. Highlights from YIAC's fourth edition in FY 2016-17 include:

- YIAC received an unprecedented response of over 1.3 million participants and over 29,500 films (almost 1000% increase over previous year)
- Over 34,000 films on Sustainable Development Goals (SDGs) have been accumulated over four years in a variety of national and regional languages that are available for free use to NGOs to further their causes. These films are showcased by YES FOUNDATION on various platforms to sensitize youth and promote responsible youth citizenship

- Students across 5,000 schools and colleges in India engaged through various on-ground activities, digital engagement, workshops, social film festivals and screenings to bring awareness about pertinent social causes. Youth are also sensitised on responsible consumption of media
- Training provided to 800 NGO professionals on zero budget filmmaking and using films for advocacy, resource mobilization and volunteer mobilization
- YES! i am the CHANGE (YIAC) 2014 and 2015 entered the Limca Book of Records as the Largest Social Filmmaking Challenge in India



**YES BANK has already heralded a change in the commercial banking space and it is heartening to note that YES FOUNDATION is creating a similar change in the social space. I am certain that under the leadership of Mr. Rana Kapoor, YES FOUNDATION will create change agents, who in turn will create more change agents by their own actions, laying a strong foundation for the future of India.”**

**Shri Suresh Prabhu**

Hon'ble Union Minister for Railways  
Government of India



**YES! i am the CHANGE has shown that the youth is not the future, but the present who are socially motivated and are giving back to the society. It's a perfect demonstration of national integration and will make India proud even on international platforms.”**

**Shaina NC**

National Spokesperson  
Bharatiya Janata Party



**YES! i am the CHANGE** is a mind-blowing initiative that gets young minds to participate in social topics. Behaviour Change is the most difficult thing in life, which requires commitment for years, hence I salute these young changemakers.”

**Piyush Pandey**

Co-Executive Chairman, Ogilvy & Mather  
Jury Member, YIAC 2016



To strengthen nation building, it is important to galvanise youth to take up participatory, holistic development initiatives. I would like to congratulate Mr. Rana Kapoor and his exceptional vision in creating YES! i am the CHANGE, a pioneering social initiative which has set a worldwide benchmark in taking innovation and social impact to scale.”

**G.M. Rao**

Founder Chairman  
GMR Group



Innovation is about thinking differently to make a difference. A successful innovation has speed, scale and sustainability. We can't afford to have aspiration, trust and compassion deficit in India. I am a dangerous optimist. I want us to create Microsoft and Google here in India. I congratulate Rana Kapoor and YES FOUNDATION for creating positive change and combining it with innovation.”

**Dr. R.A. Mashelkar**

President  
Global Research Alliance

- YIAC was the overall winner of the 2016-17 Peer Awards for Excellence, UK. It was also the winner in each of the Judging Criteria – Impact, Innovation and Inspiration
- YIAC won Gold at the 6<sup>th</sup> Asia Pacific Customer Engagement Forum and Awards (ACEF) for Successful Use of CSR Activity in the Online Media category.



We are happy to partner with YES FOUNDATION to mainstream Sustainable Development Goals and it was a great experience to be Jury though it was very difficult to choose the winning films since they all displayed such passion and creativity.”

**Jaco Cilliers**

Country Director, UNDP India  
Jury Member, YIAC 2016



*Guests, Governing Council members and Jury members at the YES! i am the CHANGE Awards ceremony in Mumbai*



In February 2017, stalwarts of India's film, government, corporate and development sectors celebrated the best social films by 1.3 million youth across 2,500 cities and towns pan-India at YES FOUNDATION's YES! i am the CHANGE Awards ceremony. Chief Guests, G.M.Rao, Founder Chairman, GMR Group, Shaina NC, Social Worker and National Spokesperson, Bharatiya Janata Party and Piyush Pandey, Executive Chairman and Creative Director, Ogilvy & Mather India felicitated the top films.

In the past, Amitabh Bachchan, Vidya Balan and Rakeysh Omprakash Mehra have felicitated the winners.

The top YES! i am the CHANGE films were selected by a 19-member eminent jury, including celebrated actor Shabana Azmi, Ashu Suyash, MD & CEO, CRISIL, Magsaysay Award winner Anshu Gupta, Founder, Goonj, Zahabiya Khorakiwala, Managing Director, Wockhardt Hospitals and Rebecca Tavares, UN Women's Representative for India, Bhutan, Maldives and Sri Lanka, among others.

The awards ceremony was followed by a two-day YES! i am the CHANGE Social Film Festival showcasing the top YIAC films. The Festival was inaugurated by the doyen of Indian innovation, Dr. R. A. Mashelkar and included interactive sessions with eminent individuals such as celebrated Film Director Shyam Benegal, and Anshu Gupta.

## YES FOUNDATION CHANGEMAKER INITIATIVE

YES FOUNDATION Changemaker Initiative was launched in 2015 to honour and support the projects of past participants of YIAC who have gone beyond filmmaking, are focused on developing innovative solutions and consistently contribute towards social causes.

The first initiative mentored by YES FOUNDATION was 'Missing', a unique international awareness campaign on human trafficking by Leena Kejriwal, public artist and YES! i am the CHANGEMAKER Awardee 2015.



*Onir (Filmmaker), Pooja Bhatt (Actor), Prerana Langa (CEO, YES FOUNDATION), Namita Vikas (Member, Governing Council, YES FOUNDATION), Dr. Ashvini Madhukar Joshi, IAS (Collector, Mumbai), Leena Kejriwal (Awardee 2015) at the launch of 'Missing'*



### RAVI IYER AND ROXANNE DAVUR

Ravi Iyer, a YES! i am the CHANGE participant made a film on 'Probably Paradise', a shelter for terminally ill animals run by the inspirational Roxanne Davur in Karjat, Maharashtra. Post the Challenge, Ravi and his team have become active supporters of the shelter and used the film to raise funds to set up a solar electricity system at the animal shelter. Ravi's heart-warming film enabled Roxanne to reach out to more volunteers and donors for Probably Paradise.

**"What this film has given me is a 'moving visiting card'. Whenever I show the film to people, you can actually see it in their eyes that, they are completely in awe of it."**

#### Roxanne Davur

Everyday Hero awardee



Ever since we've made the film, there are a lot more NGOs who come to us saying they want to shoot with us. People have become more aware of animal rights, animal care. It's definitely had an impact on us."

**Ravi Iyer**  
Changemaker awardee



### MEGHATITHI KABEER AND SANJAY KUMAR

New Delhi-based filmmaker Meghatithi made a film on the extraordinary story of Sanjay Kumar and his team of Gotakhors (divers) who selflessly work to clean the Yamuna. His YIAC film has not only created awareness but has also given the Yamuna gotakhors nationwide recognition and support from the government and other corporates. Today, Meghatithi continues to mobilize people and work towards social causes.

"I found that the Yamuna divers are a symbol of people's fight for trying to clean the river. I've been grateful for the learning they have given me: you don't need great resources to do something meaningful in life."

**Meghatithi Kabeer**  
Changemaker awardee



I am very happy about the film Meghatithi Sir has made on us. Thanks to his efforts, our work has been recognized and we have received the YES FOUNDATION Award."

**Sanjay Kumar**  
Everyday Hero awardee



### AMAR RAMESH AND JOSEPH SEKAR

Amar Ramesh made a film on 'The Birdman' Joseph Sekar, a camera mechanic who unfailingly feeds over four thousand birds every day, spending 40% of his income. The film received tremendous response and galvanised support for Joseph from a cross-section of society. The positive response towards his film and the realization that films can provoke social action led Amar to start his own firm called 'Big Short Films' to tell inspiring stories of everyday heroes.

"I am glad that the 3-minute YES! i am the CHANGE film has changed Sekar's life. More than him, I feel like there's a lot more change in me. And YES! i am the CHANGE!"

**Amar Ramesh**  
Changemaker awardee



A love-based life is the real way of life. Living such a compassionate life is everyone's duty, my duty and your duty too. Please try to pursue it..."

**Joseph Sekar**  
Everyday Hero awardee

### YES FOUNDATION MEDIA FOR SOCIAL CHANGE FELLOWSHIP

To enable and deepen youth social engagement further, YES FOUNDATION launched the YES FOUNDATION Media for Social Change Fellowship in 2016, a high impact program to develop socially conscious youth leadership, in association with ISDI|WPP School of Communication and, supported by International Advertising Association - India Chapter and YES BANK.

The objective of the Fellowship is to develop socially conscious youth leadership through exposure to





social issues and credible NGOs, and to strengthen the communication efforts of NGOs and maximize their social impact. The 2-month Fellowship provides high potential youth in the 18-25 year age group an opportunity for intensive and sustained engagement with social issues through regular capacity building trainings and structured placement with credible NGOs. The Fellows are trained by industry leaders in a 1-week intensive, Induction training on marketing, communications, digital and social media. This is followed by a 7-week, full-time placement in NGOs where Fellows lead well-defined communication projects such as developing films, websites, social media campaigns, or case studies for NGOs with guidance from industry leaders, interspersed with fortnightly training and mentoring by distinguished external experts and senior NGO professionals.

Participation in the Fellowship hones the leadership skills of the youth and is a stepping stone towards their professional careers. Most importantly, exposure to social issues sensitises the youth and enables them to emerge as social leaders.

In 2016, the inaugural edition, 45 youth were selected to be a part of the Fellowship cohort from 922 aspirants across 166 cities and towns pan-India. They were placed with 19 credible NGOs, across Mumbai. In 2017, the second edition of the Fellowship will be

scaled to 200 Fellows placed with 50 partner NGOs across Mumbai, Delhi and Bengaluru.



**I was always keen to contribute towards the education sector and this Fellowship was the perfect opportunity. In the first week, we met professionals from the media industry and social sector. I believe these interactions were essential to gain first hand insights from industry stalwarts and develop a deeper understanding of Media for Social Change. My biggest takeaway from the Fellowship is the realization that life skills are as important as technical knowledge. I am thankful to have taken my first step towards being a social change leader!"**

**Pragati Khabiya**

YES FOUNDATION Media for Social Change Fellow



**This initiative is an excellent platform for young students to be socially aware and become responsible community leaders. Salaam Bombay Foundation's experience with Nicholas, Sara and Manika was enriching and it was wonderful to see their efforts culminate into an end product that will bring smiles on the faces of thousands of underprivileged children across Mumbai."**

**Ishant Chaudhary**

YES FOUNDATION Media for Social Change Fellow Mentor, Salaam Bombay Foundation



**YES FOUNDATION Media for Social Change  
Fellows 2016 with NGO mentors**



**YES FOUNDATION Media for Social Change Fellowship is a positive step to create a platform where youth can come together, channelize their aspirations for India, and use their skills for issues they feel strongly about.**

**As a mentor to the Fellows, I only had to channelize their energy towards a goal- which was creating high-quality media and communication material for some of the best education NGOs in Mumbai. The eight Fellows that I worked with came with a lot of new ideas and the desire to know more about the development sector - and that attitude did wonders. By the end of their Fellowship, I was surprised with the final output and so were our partner NGOs - we designed a logo for our partner NGO Anandi, created a website from scratch for NGOs like Anandi and Spark-A-Change, helped design a brochure and a newsletter for Maharashtra Dyslexia Association, produced a film capturing impact of Special Education-focused NGOs like Gharkul - all this and much more in a period of 7 weeks!**

**I think the YES FOUNDATION Media for Social Change Fellowship is not just a volunteering opportunity but a potential movement that can make India what it aspires to be."**

**Chirag Sutar**

YES FOUNDATION Media for Social Change  
Mentor, ATMA

## YES FOUNDATION SOCIAL FILM GRANT



YES FOUNDATION actively supports emerging filmmakers and works towards sensitising professional filmmakers on social filmmaking to tackle the dearth of strong communication resources for NGOs, especially on the Sustainable Development Goals (SDGs). Towards this, YES FOUNDATION Social Film Grant was launched in association with UNDP India

in 2016. It is a competitive film production fund for exceptionally talented emerging filmmakers to make 1-minute Public Service Films on the SDGs.

Four high quality films produced as a part of the program are being used on digital platforms by UN affiliates and YES FOUNDATION to popularize SDGs amongst youth and policymakers.

Street Dreams, a Public Service Announcement film on Zero Hunger (SDG 2) produced under the Social Film Grant was launched on Independence Day 2016, and garnered 4.7 million views on Twitter, 1.2 million views on Facebook and over 52,000 re-tweets/shares.

## YES INNOVATE

YES INNOVATE is a high impact program promoting Communications and DICE (Design and Innovation-led Creative Entrepreneurship) to accelerate social impact of NGOs and social enterprises. The program envisages a strategic national platform to bring together major actors in the development ecosystem (corporates/corporate foundations, NGOs and government agencies) and proactively facilitate knowledge sharing and effective partnerships for channelization of CSR funding in India.



***Hemant Gupta (MD & CEO, BSE Sammaan CSR Ltd.), Namita Vikas (Member, Governing Council, YES FOUNDATION) and Prerana Langa (CEO, YES FOUNDATION) signing a joint Charter to bring innovation and excellence in the development sector, at Mumbai***



*(L-R): Vivek Talwar (Chief Culture Officer, Organization Excellence & Transformation, TATA Power), Mrinalini Kher (Co-Founder Yuva Parivartan & Honorary Secretary and Trustee, Kherwadi Social Welfare Association), Namita Vikas (Member, Governing Council, YES FOUNDATION), Deepak Arora (CEO, Essar Foundation), Sujata Khandekar (Co-Founder and Director, CORO) and Mayuri Mishra (CEO, ShaktiShi) at a panel discussion on Effective Development Communication & CSR Implementation organised by YES FOUNDATION in association with BSE Sammaan in Mumbai*

In addition, YES FOUNDATION and BSE Sammaan have signed a joint charter which aims to bring innovation and excellence to the development sector, amplify social impact of NGOs and catalyse India's social transformation.

## YES GLOBAL INSTITUTE

YES Global Institute, a practicing think-tank, has been established as a division of YES BANK to focus on channelizing private sector capital towards India's development.



YES Global Institute's interventions with predominant impact in Natural Capital and Intellectual Capital have been included in the respective sections of this Report.

## SOCIAL IMPACT

Social Impact vertical at YES Global Institute is looking to bring about social transformation by catalyzing private capital for development by harnessing the true spirit of entrepreneurship. The Institute believes that the next wave of growth and more importantly, equitable growth would come from the emergence of an economy based on the principles of DICE. This would create an enabling ecosystem to catapult social economic growth leading to the betterment of the Bottom of the Pyramid by jumpstarting innovative thinking among the youth and the community members. Towards this endeavor, the Institute looks to collaborate and partner with various stakeholders including policy makers, impact investors, government, industry and academia to facilitate the enablement of a conducive ecosystem.

The Institute is also involved in enabling the Impact Investing ecosystem in India by capturing the MINDSHARE in this sector and bringing the best global practices to augment the development of the Impact landscape.

## YES CULTURE



The Institute, through its YES Culture initiative is dedicated towards the promotion, development and conservation of India's cultural heritage. YES Culture is positioned to drive financing and inclusive socio-economic development through the promotion of creative and innovative Indian arts. The Institute engages with the government, industry and academia to foster synergies between stakeholders.

YES Culture works towards identifying stand-out initiatives that can be engaged with as key participants and partners. It also focuses on public engagement with heritage sites to promote conservation. An important aspect of its work is advocating research on cultural issues and organizing platforms to augment awareness of India's rich cultural heritage.



## INTELLECTUAL CAPITAL

Intellectual Capital refers to the collective knowledge, research, thought leadership, brand management and intellectual property used to support business activities and lead public discourse on global challenges.

### FIRST

INDIAN BANKING  
SIGNATORY TO NCFA  
AND CPLC

### OVER 2 MILLION

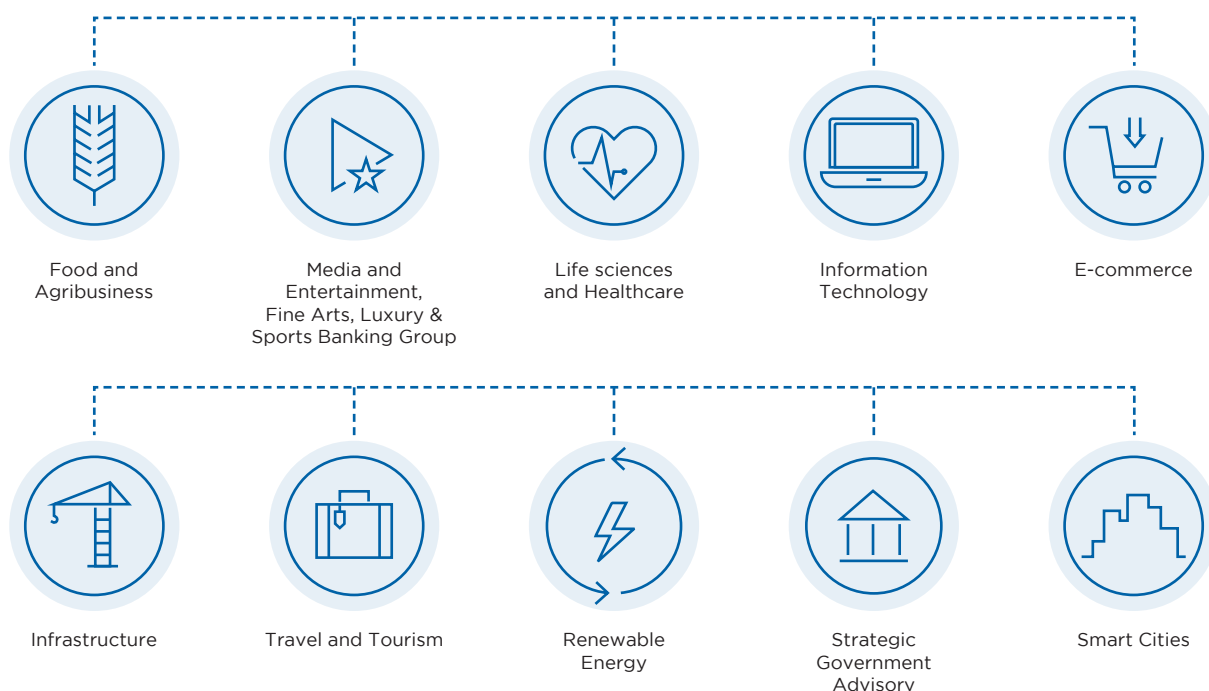
FOLLOWERS ON  
TWITTER

### OVER 5.8 MILLION

FACEBOOK FANS

### THOUGHT LEADERSHIP

YES BANK, since its inception, has followed a knowledge-based approach, enabling it to provide its stakeholders with well-informed and customized solutions. The Bank has identified specific growth sectors of the Indian economy and institutionalized specialized Knowledge Banking divisions within the Bank to spearhead its knowledge focus and develop tailor-made product offerings for industry verticals.



## GLOBAL ENGAGEMENT ON SUSTAINABLE DEVELOPMENT



During the year, YES BANK significantly expanded its global engagement on key sustainability topics and was recognized as a Thought Leader on key national and international platforms.



The Bank spoke at the UN High-Level Thematic Debate, at the UN in New York in April 2016. The Bank was also invited as the Lead Discussant to the UN Private Sector Forum at the UN General Assembly in September 2016.

The Bank also spoke at the World Bank Group's Dialogue for Climate Action in Vienna in May 2016, and, also spoke at the Climate Week organized by the World Bank in New York in September 2016, where it was applauded for its pioneering role in launching green bonds in India.

YES BANK was the only Indian bank to be invited to speak at the G20 ESG Workshop in Berne, Switzerland in May 2016, where the Bank's pioneering work in green finance was highlighted.

Significantly, at the COP22 in Marrakech, Morocco, the Bank's CSR project, 'Say YES to Sustainable MSMEs in India' was highlighted as a Role Model case study by the World Resources Institute, and showcased at the Conference's India Pavilion.

YESBANK remains a signatory to key protocols focused on climate action and sustainable development, including the UN Environment Programme Finance Initiative (UNEP FI), Carbon Pricing Leadership Coalition, UN Global Compact, CDP, Natural Capital

Finance Alliance, and member of influential national and global alliances including the India GHG Program, TERI Council for Business Sustainability, and the World Business Council for Sustainable Development.

## NATURAL CAPITAL FINANCE ALLIANCE

YES BANK, in 2013, became the first Indian signatory to the Natural Capital Declaration, now a part of the Natural Capital Finance Alliance (NCFA), a joint initiative of the UNEP FI and Global Canopy Programme. As a signatory, the Bank remains committed

to bringing together an ecosystem that would help develop an appropriate regulatory framework, disclosure mechanisms and reporting measures to integrate, value, and account for natural capital.

YES BANK has been re-elected unanimously to be the Chair of the Steering Committee of NCFA for 2018, overseeing NCFA's strategy and providing direction/oversight for the Working Groups and the Secretariat. In its role, YES BANK:

- is responsible for ensuring that all Working Groups deliver effective and complementary outputs to support implementation of the NCFA commitments
- reviews progress across all Roadmap activities on a quarterly basis
- reviews key implementation planning documents to agree milestones and outputs for NCFA implementation



**The financial sector is critical for global sustainability and India will be a key player in economic growth and development over the next century. In this context, it's good to know that YES BANK is committed to building a better world and WBCSD is looking forward to supporting them in their efforts."**

**Peter Bakker**

President  
World Business Council for Sustainable Development





- reviews key outputs of Working Groups to ensure they support implementation of NCFA commitments, delivering against objectives in the roadmap and business plan
- oversees budgetary decisions on the distribution of funds across Working Groups and expenditure within Working Groups
- works with the Secretariat to ensure that Working Groups establish adequate third-party independent peer review processes to help ensure the quality and credibility of outputs

### **PARTNERSHIP WITH UNITED NATIONS ENVIRONMENT PROGRAM FINANCE INITIATIVE (UNEP FI)**



YES BANK, as the first Indian signatory to the UNEP FI, a global partnership between the UNEP and financial sector, continues to play a leadership role at the platform.

Namita Vikas, Group President & Global Head – Climate Strategy & Responsible Banking, YES BANK, was the Asia-Pacific Chair of the UNEP FI for 2016, and the Bank was elected to its Global Steering Committee. As a part of the Board of the Banking Commission of UNEP FI, the Bank is actively engaged in its primary work streams such as the Positive Impact Working Group (PIWG), whose role is to define and carry out the activities necessary towards Positive Impact Finance (PIF). The Principles for Positive Impact Finance were launched in Paris on January 30, 2017 by 19 leading

banks and investors including YES BANK, totalling USD 6.6 trillion in assets. The Principles provide guidance for financiers and investors to analyze, monitor and disclose the social, environmental and economic impacts of the financial products and services they deliver. YES BANK was one of the key members involved in the development of the Principles and going forward, the Bank will consider piloting the Principles on a portion of its portfolio. YES BANK's deep engagement with UNEP FI has also provided it the opportunity to be a part of climate finance discourse under the aegis of the UN Secretary General's team on Climate Change.

### **DEVELOPING VOLUNTARY GUIDELINES ON RESPONSIBLE FINANCING FOR INDIA**

YES BANK, under the aegis of Indian Banks' Association (IBA) and in partnership with GIZ, has been a key stakeholder in developing the National Voluntary Guidelines on Responsible Financing. The Guidelines aim to promote financial institutions to adopt the principles, which include guidance on ethical conduct and Environmental & Social (E&S) governance, E&S risk management, minimizing environmental footprint in internal operations, environmentally friendly products, services and investment, enabling inclusive human and social development, stakeholder engagement, commitment to human rights, and disclosure.

### **E&S RISK ASSESSMENT FOR SME LENDING**

In the reporting period, YES BANK, jointly with KPMG International and GIZ, conducted two workshops on Environmental & Social (E&S) Risk Assessment for the Bank's SME Lending teams in



**For more than a decade already, YES BANK has been a sustainability leader both in India and within the UNEP-FI membership. YES BANK has not only continuously improved its own sustainability management but also inspired other banks and stakeholders with its commitment."**

**Eric Usher**

Head  
UNEP Finance Initiative



the Emerging Business Banking (EBB) and Small Business Banking (SBB) units. The trainings were conducted in Mumbai and Delhi with an objective to improve their understanding of the MSME sector through an E&S lens, and to expand the scope of risk management to include non-financial risks. Over 50 business leaders from the Bank participated in the two workshops.



*E&S Risk Assessment for SME Lending workshop in Mumbai*

## CARBON PRICING LEADERSHIP COALITION



In May 2016, YES BANK became the first Indian Bank to join the Carbon Pricing Leadership Coalition (CPLC), a first-of-its-kind voluntary partnership of national and sub-national governments, businesses, and civil society organizations, led by the World Bank Group.



In line with the increased emphasis on “putting a price on carbon”, corporate sector and governments have been scaling up their conversations to address climate change and a transition from ‘concern’

to ‘action’. Towards this, the World Bank Group, business associations and investors have called on governments and corporations around the world

to support carbon pricing to bring down emissions and drive investments into cleaner options.

Launched in December 2015 during the COP21 climate negotiations in Paris by the World Bank and other founding members, the CPLC’s vision is to cover 25% of global GHG emissions by explicit carbon prices by 2020 and to double this again by 2030. As a private sector partner to CPLC, YES BANK has committed to working towards building the momentum of carbon pricing.

The coalition currently has 28 government partners including Canada, Italy, France, Germany, Switzerland and the UK, and 136 private sector partners including Coca-Cola HBC AG, Ernst & Young, Nestlé, HSBC, Unilever, Mahindra and Tata Group, among others.

## KNOWLEDGE REPORTS FINANCIAL STRUCTURES FOR SOLAR ENERGY

The International Solar Alliance (ISA) was launched



at COP21 in December 2015 at Paris, as a coalition of 121 solar resource-rich countries, to accelerate investments in solar energy by developing innovative financial mechanisms that reduce cost of capital, and enhance investor confidence and commitment to the sector. ISA aims

to achieve 1,000 GW of deployed solar capacity by 2030 across its member countries, which is expected to require investments to the tune of at least USD 1 trillion.

This report attempts to address the need for enhancing investment and availability of funds for solar energy through financial and non-financial mechanisms and structures. It encourages policy makers and financial institutions to think beyond the ‘notions’ for developing innovative approaches towards this global mandate. The report was placed at the 3<sup>rd</sup> meeting of International Solar Alliance at New York on April 22, 2016.



## TRANSPLANTING GROWTH - GREENING OUR HIGHWAYS



India stands at the cusp of economic revolution as the fastest growing economy in the world. Roads and transportation infrastructure are bound to play a quintessential role in connecting and sustaining the economy and also assisting in social cohesion. As India goes on to create these new avenues of

its success, due considerations have to be given to environmental aspects in their planning and construction process.

Transplantation of trees along the highways presents a win-win situation for the economy, environment and society. This report puts transplantation at the center of discussion as the 'preferred' technique for

plantation along the highways, highlighting the need for developing guidelines to do so in a methodical manner. The report also presents a sample matrix to select the right varieties for transplantation along the highways. The paper was launched by Nitin Gadkari, Minister of Road Transport and Highways, Government of India, at New Delhi on July 1, 2016.

## CLIMATE CHANGE AS A DRIVER OF ENERGY EFFICIENCY IN MSMEs

Micro, Small and Medium Enterprises (MSMEs) play



a very important role in India's growth story, contributing about 38% to the GDP, accounting for nearly 40% of the exports and employing 117 million people. Given their significance, it is important for the MSME sector to embrace low carbon pathways to drive sustainability and create a climate resilient

economy. Energy efficiency therefore, assumes greater importance and needs particular attention within the MSME sector.

This report is a step towards exploring new and innovative mechanisms to scale up and drive energy efficiency projects in the MSME sector. It undertakes primary research on six MSME clusters across the country and sets out strategies directed towards climate-targeted development of the MSMEs, focused on 'hardware' such as technology, infrastructure, and financing, and 'software' such as skill development, collaboration and inclusivity. The report was widely disseminated at the 11<sup>th</sup> CII Sustainability Summit 'Global Goals & Competitiveness' in New Delhi on September 14, 2016.



**Launch of Knowledge Report 'Transplanting Growth - Greening our Highways' by Nitin Gadkari (Minister of Road Transport and Highways, Government of India), Namita Vikas (Group President & Global Head, Climate Strategy & Responsible Banking, YES BANK) at New Delhi**

## COMPENDIUM OF GLOBAL SUCCESS STORIES IN SOLAR POWER



YES BANK, under the guidance of India's Ministry of New and Renewable Energy (MNRE) and International Solar Alliance (ISA), prepared a compendium of global success stories from across 60 countries in a case study format. The compendium highlights replicable and scalable models

demonstrating deployment of new technologies, business models, innovative financing mechanisms and enabling policy frameworks. It is a valuable document for all the relevant stakeholders including Government, businesses, policy makers, and financial institutions to co-create an enabling environment to fuel solar sector development in the country through knowledge sharing and replication of best practices. The compendium was released at the International Energy Conference in Vadodara on October 6, 2016.



*Launch of the 'Compendium of Global Success Stories in Solar Power' by Piyush Goyal (Minister of State with Independent Charge for Power, Coal, New and Renewable Energy and Mines, Government of India), Vijay Rupani (Chief Minister, Gujarat) and senior Government officials at the International Energy Conference in Vadodara*

## FASAR



In line with YES BANK's approach to be a knowledge-driven organization, a specialized Food & Agribusiness Strategic Advisory & Research group (FASAR) has been established within the Bank, housing industry specialists with immense sector knowledge and relevant experience and expertise in the conceptualization and implementation of food & agri-initiatives.



FASAR continues to closely work with corporate sector, small & medium enterprises, multinationals, central government, state governments and multilateral agencies to execute project advisory, strategic advisory and policy advisory across the key growth sectors such as agri exports, agri inputs, agricultural marketing, agri value chain, dairy, animal feed, food processing & food parks, food services,

food safety, farm mechanization, horticulture, marine industry, organic value chain, poultry industry, plantations, warehousing and cold chain, among others.

FASAR also conducts in-depth research on various sub-sectors of food & agri domain and publishes knowledge reports and research papers on key trends and developments in the sector. The team has authored knowledge reports with various partners covering the latest industry trends and sectoral issues.

In FY 2016-17, FASAR took up 26 new advisory mandates and executed projects on Agri Infrastructure, Value Chain, Sugar Industry, Agri exports, Farm mechanization, Food Processing, Plantations, Organic, Dairy and Feed.

In the reporting period, FASAR released sector-specific reports on Dairy, Innovations in Indian agriculture, farm mechanization, cold chain, organic, Indian seafood industry, FDI in food retail and horticulture, in partnership with its various external stakeholders.

### STRATEGIC GOVERNMENT ADVISORY



Strategic Government Advisory (SGA) is a dedicated division aimed at deepening YES BANK's engagement and partnerships with a wide range of stakeholders including central government ministries, state governments, bilateral & multilateral agencies, key educational institutions, think-tanks, industry associations/chambers, international trade bodies, corporate partners and voluntary groups. SGA houses Knowledge Bankers with cross-functional domain expertise and experience across key sectors such as Infrastructure (including social infrastructure), Tourism, Education and e-Governance.

SGA is a division unique to the banking industry and has extended strategic advisory services and supported development programs through a wide variety of engagements including Policy Advocacy, Bid Process Advisory, and implementation of specific projects on Public Private Partnership (PPP) mode. In addition, the division provides thought leadership, knowledge partnerships, and research & advisory services to State and Central Government organizations. The strength of this approach lies in the Bank's capability to effectively integrate all project stages – right from conceptualization, structuring of projects, and extending to facilitating investments from the private sector.

SGA also works with the Government sector to participate in developing innovative financial and banking solutions to cater to the unique needs of the Public Sector, to secure empanelment for the Bank, and to identify areas outside the current realm of engagement where banks can deliver on their role as drivers of economic growth. These include showcasing of mechanisms for better returns, developing cashless payment and transaction solutions and achieving efficiency across the financial supply chain between



*YES BANK as Knowledge Partner to the Incredible India Tourism Investors Summit 2016 has supported State Governments in showcasing their tourism investment opportunities. Nikhil Sahni (Group President, Government Banking and National Head, Branch Banking, YES BANK) addressing the delegates of the event*



*Nikhil Sahni (Group President, Government Banking and National Head, Branch Banking, YES BANK) moderating a session during the Global Rajasthan Agritech Meet at Jaipur*

Union government, State governments, Local governments and citizens or beneficiaries.

SGA has successfully executed over 300 mandates and knowledge reports over the last 12 years, with focused research that offers visionary perspectives, documents successful interventions and highlights investment potential in different regions of the country.

## BUSINESS ECONOMIC BANKING

India remains one of the fastest-growing large economies of the world, aptly described as the brightest spot on the global map. The Indian economy has transitioned from being in a state of crisis of confidence in 2013 to being a bright spot in 2017.

A lucid and comprehensive understanding of all the trends and nuances of the Indian economy is imperative in the ever-changing global economic order. Business Economics Banking (BEB) is the research and knowledge-driven team, domiciled within the Bank, which provides authoritative, cutting edge macro/markets outlook and sector-specific research content, for both external and internal consumption. The team, through active participation in client meetings and Industry engagements, aims to further deepen YES BANK's Mindshare.

With strong international linkages and memberships, forums, digital enablement of vast economic research and forecasts, as well as strategic convenings with key Government and Industry stakeholders, BEB plays a leading role in positioning the Bank 'globally'.

The BEB team, led by eminent economist Dr. Shubhada Rao, who brings with her close to three decades of unparalleled experience, publishes periodic reports of evolving macroeconomic data and thematic reports on key economic trends. Over the years, primary research and reports published by BEB have been referred to and cited by key stakeholders including the Government, global investors, media and top clients. As a validation of its expertise, the team won the 'Reuters Most Accurate Forecaster Award' for 2016 for the Indian economy.

## YES GLOBAL INSTITUTE

YES Global Institute, the practicing think tank established as a division of YES BANK, houses all the knowledge verticals within the Bank.



*Mr Rana Kapoor (Managing Director & CEO, YES BANK) sharing his views on the future of banking, at the YES BANK Economic Times Global Business Summit at New Delhi*

YES Global Institute's approach on taking themes forward is to be a leading ecosystem player, thereby connecting capital to growth and development projects. This is done via its research, analysis, convenings of global leaders, and launching market-based solutions for engaging private sector capital in India's evolution. Aligning with the global economic trends, the Institute recognizes new-age, innovative social entrepreneurs solutions' and links them with impact investments to generate financial and social returns.

## GLOCAL FORUMS

YES Global Institute strongly believes that India's social indices have to improve immensely if the dream of inclusive and sustainable growth is to be realized and it envisages a new equilibrium of demand and supply side interventions to put India on a road to high social sector growth.

The Glocal Forums at the Institute work towards bringing in key insights from the socio-economic context of developed countries and localize appropriate solutions for the Indian context. The Institute undertakes extensive outreach, thought leadership and research across the innovation, technology and social space to build suitable





*YES Global Institute in partnership with ISDI, hosted Professor John Hoffmire (University of Oxford) (First from Left), on a talk and simulation on Crowd-Funding. Radha Kapoor (Founder & Executive Director, ISDI) and Preeti Sinha (Senior President and Global Convener, YES Global Institute) with the delegates.*

networks and generate the required momentum for change in policy and mindset. The focus regions for global outreach are the USA, Europe, the UK, Asia and Rest of the World.

### RESEARCH AND POLICY ADVOCACY

- Ongoing project on, 'Developing a Credit Market for Higher Education' aimed at attractive replaceable capital to self-financed differentiated education models
- Research report on 'Re-imagining Higher Education in India' aimed at structural challenges in the Indian higher education system including internationalization

For more details on YES Global Institute and its initiatives, please visit the Institute's website <https://www.yesinstitute.in/>

### NATIONAL CFO FORUM

With an objective to recognize and appreciate the indispensable role of the CFO in an organization, YES BANK launched the National CFO Forum as a unique knowledge initiative in 2011. Launched with a

15 member governing council and 100 members, the forum has grown into the largest community of CFOs and financial leaders in India with 600 members and a 40 member governing council.

The Forum now has 8 regional chapters, and CFOs and top finance leadership from leading private, MNC & public sector companies across industries participate in various Forum initiatives for business expansion and growth. In addition to conclaves



and roundtables hosted across India, the Forum publishes the quarterly magazine, YES CFO Insights, as a valuable repository of experiences, thoughts and insights of CFOs in India, focusing on contemporary themes, pertinent to recent economic developments and policy changes.



*National CFO Forum Conclave in progress at Bengaluru in August, 2016*



## NATURAL CAPITAL

**Natural Capital refers to the natural resources that the Bank uses to create value for its stakeholders, as well as efforts to promote natural resource preservation and environmental mitigation.**

**1,158 MW**

RENEWABLE ENERGY  
SECTOR EXPOSURE

**2,229 MSMEs**

SUPPORTED  
THROUGH SAY YES  
TO SUSTAINABLE  
MSMEs

**16.5%**

DECREASE IN  
SPECIFIC GHG  
EMISSIONS

**447**

LOCATIONS ISO  
14001:2015 CERTIFIED

YES BANK, in its 13 years since inception, has firmly placed Natural Capital as one of its key focus areas. The Bank has one of the largest Renewable Energy lending portfolios among private sector banks, is the first Indian bank to be ISO 14001 certified for Environmental Management System, is the first Indian signatory to the Natural Capital Declaration (now the NCFA), is recognized as a Climate Disclosure Leader, and drives environmental sustainability initiatives as its CSR focus.

released in 2016 which entails achieving internal natural resource consumption efficiencies and firmly outlines the Bank's commitment to achieve a minimum of 10% reduction in its carbon emissions intensity annually through broad-level actions. The new policy highlights greater commitments to environment protection and commitment to source renewable energy for greening the Bank's operations.

### INTEGRATING NATURAL CAPITAL: A CONTINUAL IMPROVEMENT JOURNEY

In line with its commitment to achieve internal natural resource consumption efficiencies and minimizing its carbon footprint, YES BANK became the first commercial bank in India to achieve the ISO 14001:2004 certification in 2013. The certification was based on the Bank's Environmental Management Policy that outlined the Bank's commitment to achieve a 5% reduction in its carbon emissions intensity annually.

In the reporting period, YES BANK became the first bank globally to migrate to the latest ISO 14001:2015 Environment Management System (EMS) standard, within a year of its release. The Bank has also enhanced the boundary of its EMS, covering 444 metro urban branch locations and 3 office locations, and has included its Retail Asset operations in the certification program.

The recertification to the new standard is based on the Bank's new Environmental Management Policy





## EMPLOYEE ENGAGEMENT AND COMMUNICATION



Extensive awareness campaigns and training programs were conducted throughout the year, which helped the Bank involve all employees to collaboratively work towards reaching higher environmental performance standards. The Bank trained all its employees on the Environmental Management System through a comprehensive E-Learning module, leading

to greater employee awareness and participation. The Bank also widely circulated resource conservation mailers, signage and posters internally.



## DIGITAL & PAPERLESS BANKING:

The Bank continued its efforts to gradually move towards paperless banking, by digitizing paper-based products and processes, wherever possible.

Its key initiatives during the year included:

- Document Digitization:** The initiative, in collaboration with the Bank's partner NEWGEN, aims to reduce paper used in account opening



and verification forms through digitization of documentation and verification. It has saved over 75,000 sheets of A4 size paper in the Bank's retail operations in the reporting period, based on the estimated number of sheets typically required

- Click to Happiness: The Bank had initiated a completely digital personal loan system for employees in December 2015, processing 2,582 loan applications by March 2017, thus avoiding the potential use of approximately 258,200 A4 sheets of paper (based on the estimate of each manual loan sanction process requiring an average 100 A4 sheets per application)
- e-KYC: In 2015, the Bank had initiated electronic verification for its new customers, through e-KYC (Know Your Customer), resulting in greater paper savings as a result of reduced requirement for physical documents
- Digital Reimbursements: The Bank has digitized all employee reimbursement claims, such as mobile phone, local conveyance, outstation travel and staff relocation, through an internal YES PAY platform. The initiative, since it became operational in October 2014, has resulted in total paper savings of 186,881 A4 size sheets (as on March 31, 2017). This saving consists of avoiding 36,311 employee mobile expense claims based on an estimated average 3 sheets per claim, and 38,974 local conveyance expense claims based on an estimated average 2 sheets per claim

## REDUCE, REUSE AND RECYCLE

During the year, the Bank continued its focused efforts in resource consumption reduction through various initiatives. Key initiatives include:

- a partnership with a waste aggregator for up-cycling waste
- a pilot project to recycle all paper waste generated by the Bank. The pilot is running across 66 branches and the corporate office in Mumbai
- the Bank promoted car-pooling among its employees using mobile app based solutions at some of its major locations
- the Bank encouraged individual business units to take commitments at a leadership level to reduce their dependency on paper resulting in more accountability and ownership

## E-WASTE MANAGEMENT

Owing to the high dependency on technology, electronic waste is a primary environmental concern for the Bank. The Bank has empanelled Central Pollution Control Board (CPCB) - authorized third party e-waste handlers for disposal of e-waste from its locations across India.

- In FY 2016-17, the Bank responsibly disposed 1,510 assets as e-waste which included desktops, printers and laptop hardware, UPS, and server hardware
- The Bank continued its partnership with Canon to responsibly dispose 135 empty toner cartridges during the year

## INFRASTRUCTURE

YES BANK has been incrementally investing in technology to renew existing infrastructure to improve performance and enhance resource efficiency.



- The Bank has been migrating to LED lighting in phases. As on March 31, 2017, 3,128 LED lights have been installed at 136 new branch locations, with a potential saving of 226,780 kwh of energy consumption and approximately ₹ 22.6 lakh in monetary savings annually
- To optimize water usage, the Bank has installed pressure compensating aerators in water faucets at its main office locations
- CO<sub>2</sub> monitoring equipment was installed at YES BANK Tower, Mumbai to monitor and improve the ambient air quality in the work space

### Steps taken towards conservation of energy;

YES Bank's energy management initiatives over a 2 year period aim to reduce 18-20% energy consumption through sustainable facility management

- Installation of IoT based energy monitoring system which helps in dynamic monitoring of consumption across facilities and results in 5

to 7 % savings. The pilot study conducted over 10 branches was successful and the Bank would target metro urban branches for implementation in 2017-18. In a second level pilot, it achieved between 8-12% drop in energy consumption in FY 16-17

- Power factors at branches are being monitored above 0.9 with the help of capacitor bank and monitoring panels are installed to reduce risk of penalty levied by DISCOMs
- An air conditioning replacement model has been developed with a criteria for replacing old models with an energy consumption of 1.6 -1.8

times of peak load, and temperature control with dedicated AHU units for centralized AC systems are being carried out

- Retrofit solutions for HVAC systems, which have potential savings of 10-15%, will be incorporated in a phased manner over a 2 year period. Maintaining AC temperature above 25 degrees Celsius all the time has helped the Bank to achieve 3% saving of hourly kwh consumptions
- 92% of YES Bank branches are issued Petro cards for procurement of diesel, which has resulted in enhanced transparency, reduced wastages and cost savings of 15-20% over the previous financial year

## PERFORMANCE IN ENVIRONMENTAL PARAMETERS

Parameter	Units	FY 2016-17	FY 2015-16	FY 2014-15
Scope 1 Emissions – Diesel	tCO <sub>2</sub> e	942	1098	994
Scope 1 Emissions – Refrigerant ##	tCO <sub>2</sub> e	1,349	553	-
Scope 2 Emissions #	tCO <sub>2</sub> e	34,226	30,946	28,196
Total Emissions (Scope 1+2)	tCO <sub>2</sub> e	36,518	32,598	29,190
Scope 3 Emissions **	tCO <sub>2</sub> e	2,642	1,544	908
Diesel Consumption	Liters	356,359	415,305	375,666
Grid Electricity Consumption	MWh	41,740	37,740	34,385
Total Employees as on March 31, 2017	FTE	20,125	15,000	10,810
Scope 1 & 2 emission intensity per employee		1.81	2.17	2.70
% Reduction Y-o-Y	%	16.50	19.52	6.25

\* Diesel Consumption and related Emissions have taken extrapolated data for March 2017 basis of the average of previous 11 months data

\*\* Scope 3 includes Business Air Travel by the employees

# Grid Electricity Consumed has been calculated from the electricity bills for all locations, hence a 15% reduction in the calculation has been considered to account for Government taxes and overheads

## Scope 1 emissions include CO<sub>2</sub>, N<sub>2</sub>O and CH<sub>4</sub> emissions from YES BANK's diesel usage and 10% refrigerant leakage from the AC systems. The emission factors and GWP (Global Warming Potential) values have been taken from GHG Protocol. The cost of diesel consumed pan bank is converted in quantities consumed by using state level diesel prices.

**Note:** Scope 2 emissions include CO<sub>2</sub> emissions from electricity consumed by YES BANK. The emission factors have been taken from CEA's (Central Electrical Authority) CO<sub>2</sub> database, version 10. The cost of electricity consumed pan bank is converted in quantities of electricity consumed by using state level tariffs. Like 2012-13 (base year), operational control approach for measuring and managing these emissions is used.

As a service sector organization, the Bank is reporting specific GHG intensity covering its Scope 1 and Scope 2 emissions, which comprise its significant energy usage, linked with GRI Standard 301 requirements. Given the disclosure, the Bank does not separately report the energy intensity.

## WATER FOOTPRINT

Considering the nature of the Bank's business and locations it operates in, there are no significant negative impacts on the communities around its areas of operation, and the Bank's primary consumption of water is for drinking and municipal purposes. Based on the assumption that approximately 45 liters of water is consumed per employee per day (Source: Manual on Water Supply and Treatment, Institutional Needs, Central Public Health & Environmental Engineering Organization, Ministry of Urban Development, Government of India) the Bank has estimated that in FY 2016-17, the water consumption at all its facilities was approximately 187,240 m<sup>3</sup>\*. Given the Bank is in a stage of steady growth,



the consumption has grown from 133,213 m<sup>3</sup> in FY 2015-16 and 100,268 m<sup>3</sup> in FY 2014-15 respectively. The Bank encourages branches to lead their own mitigation initiatives and shares best practices across other branches. Water efficient faucet design is one key initiative taken at corporate offices in 2016-17, with 96 water efficient faucets installed with a design capacity of saving 1 litre of water per minute, leading to an estimated 105,000 liters<sup>#</sup> of water saving annually. The Bank is looking at monitoring water consumption at branches periodically and metering systems are being installed.

\* Estimated number of working days per employee calculated excluding weekends, annual leaves, public holidays and averaged sick leaves

# Assumption: Everyday approx. 3000 employees use water taps for 1 minute on average.

## LEADERSHIP IN CLIMATE DISCLOSURE



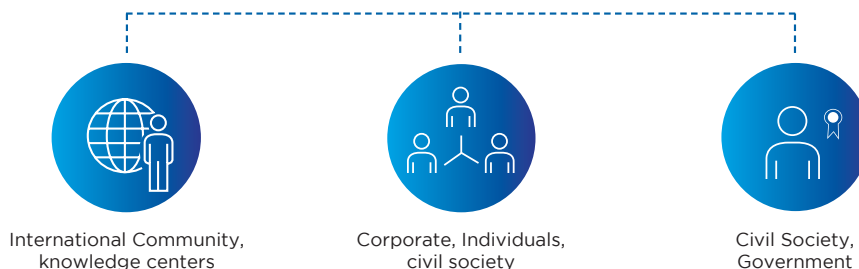
YES BANK was the first Indian banking signatory to the CDP and has been reporting its carbon emissions since 2009. Backed by its enhanced disclosures on emissions and a clear climate action strategy, the Bank has been recognized as a Climate Disclosures Leader consistently. The Bank's responses for FY 2016-17 to the CDP were submitted by its annual deadline of June 29, 2017.

## NATURAL CAPITAL INITIATIVE

### INITIATIVE



### STAKEHOLDERS



YES BANK had launched the Natural Capital Initiative in 2013, reflecting its proactive approach in the natural capital space. The objective has been to bring together an ecosystem that would help in developing appropriate regulatory framework, disclosure mechanisms and reporting measures to integrate, value, and account for natural capital. This commitment was also emphasized by the Bank becoming the first Indian signatory to the Natural Capital Declaration, now a part of Natural Capital Finance Alliance (NCFA).

### NATURAL CAPITAL FINANCE ALLIANCE - STEERING COMMITTEE AND WORKING GROUPS

YES BANK has been the Chair of the Steering Committee of NCFA since January 2016, overseeing NCFA's strategy and providing direction/oversight for the Working Groups and the Secretariat. The Bank's activities at the NCFA are included in the Intellectual Capital section of this Report.

### NATURAL CAPITAL CONSERVATION - SAY YES TO SAVE THE GODAWAN

In FY 2015-16, YES BANK, in partnership with the Government of Rajasthan, launched the 'Say YES to Save the Godawan' initiative towards protecting the critically endangered Great Indian Bustard (GIB) or

Godawan, the state bird of Rajasthan. As part of the initiative, enclosures were developed in the Desert National Park near Jaisalmer for the bird to reduce human intervention in its natural habitat. The Bank also engaged with the rural community by sensitizing them on conserving the habitat. Efforts over the past two years have borne results as the enclosure has now become an activity hub for Godawan and other species such as desert cats and vultures. Total number of sightings has increased manifold as more of these critically endangered birds now find a safe haven here.

### SAY YES TO GREEN HIGHWAYS

India has committed to creating an additional carbon sink of 2.5 to 3 billion tonnes of CO<sub>2</sub> equivalent through additional forest and tree cover by 2030, as part of its Nationally Determined Contributions (NDC). Enhancing the tree cover around India's rapidly expanding national highways has a potential to not only expand the country's green cover but also generate employment opportunities for the rural community, and is being driven by the National Green Highways Mission (NGHM), under the National Highways Authority of India (NHAI), Ministry of Road Transport and Highways, Government of India.

YES BANK is the first private sector player to enter into CSR commitment with the NHAI under its 'Adopt a Green Highway' program and launched 'Say YES to Green Highways' in FY 2016-17 under the YES COMMUNITY umbrella. Details on the initiative are covered under Social & Relationship Capital section of this Report.

### NATURAL CAPITAL INITIATIVES BY YES GLOBAL INSTITUTE

The increasing effects of climate change on species and habitats coupled with the ecological externalities of economic growth accentuate the need for a Natural Capital focus. Following a 'Triple A' approach: Awareness, Advocacy & Action, YES Global Institute is working towards promoting India's 'green economic growth', with themed projects under the banners of Eco-Tourism, Forestry and Wildlife, Agriculture and Urban Ecology. During the reporting period, its initiatives included:

- **YES Global Institute Natural Capital Conservation Dialogue Series:** The dialogue deliberated on innovative instruments for financing natural capital projects and ecosystems services

*7 GIBs were spotted in Camera Traps within the YES BANK supported safe enclosures in the Desert National Park, Rajasthan. (Photo credit: Anoop KR, Dy. Conservator of Forests, Desert National Park, Jaisalmer, Rajasthan)*

- **International Bamboo Studio:** The unique bamboo design studio and workshop organized by National Institute of Design's (NID) Centre for Bamboo Initiatives was held in Bengaluru and supported by the Institute
- **Natural Capital Awareness Videos:** Working with Tittar Lodge Productions and actor Gul Panag, the Institute is creating a unique awareness video on Organic Food Cultures in India. The 'Organic Langar' in Golden Temple in Amritsar and 'Urban Organic Farming' in Mumbai are key case studies
- **Natural Capital Advocacy:**
  - The Institute has been instrumental in drafting a policy motion on 'Protection, restoration and sustainable use of urban water bodies in India' at the IUCN's World Conservation Congress 2016 in Hawaii, USA
  - Global Bamboo Summit 2016: The Institute supported the Global Bamboo Summit 2016 organized by the Union Government and Government of Madhya Pradesh, in Indore, Madhya Pradesh. The Institute is also focused on reinvigorating opportunities in the sector and advocating for the need for collective action and policy
  - **Ecotourism Potential at Tiger Reserves around Nagpur:** The Institute has led a study identifying eco-tourism opportunities at Umred, Karandhala, Tadoba-Andheri, Navegaon and Nagzira tiger reserves in Maharashtra. The Institute is also working towards highlighting the current infrastructural gaps to provide a roadmap for development

## ENVIRONMENT & SOCIAL POLICY



YES BANK believes that it is critical for banks to have an established framework to recognize, evaluate, monitor and manage the environmental and social facets in their day-to-day decision-making processes. It is also becoming increasingly imperative for banks to consider the 'sustainability dimension' in making credit decisions. In line with its Responsible Banking strategy and practices, YES BANK has been taking a precautionary approach to environmental and social impacts, resulting from its lending activities.

The Bank's Environment and Social Policy (ESP), in implementation since 2007, serves as a structured approach towards responsible lending. Through this policy, the Bank integrates environmental and social risks into its overall credit risk assessment framework. The Bank has voluntarily adopted the policy which is based on international frameworks such as the Equator Principles and IFC guidelines. The ESP continues to be a crucial part of the Bank's credit risk appraisal process, which goes beyond the realm of financial risk mitigation.

## POSITIVE IMPACT CLIMATE FINANCE

YES BANK believes that proactive corporate intervention is critical to achieving global climate goals, with financial institutions having a larger role in driving climate action. The Bank remains committed to playing the role of a catalyst and working towards unlocking innovative financial mechanisms for achieving India's ambitious targets for combating climate change in the near and long-term.

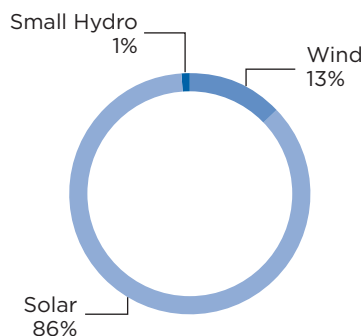
With the integration of positive climate action into its business strategy, operations, reporting and disclosures, risk frameworks, and business portfolio, YES BANK continues to have one of the largest portfolios in renewable energy in the private banking space, and has successfully scaled up its lending to key renewable energy projects in wind, solar and small hydro, executing some of the largest deals in this sector.

## RENEWABLE ENERGY LENDING & ADVISORY

It is estimated that USD 2.5 trillion would be needed by 2030 to fund India's NDCs. The need for climate finance continues to grow in India, which demonstrated by its ambitious target to achieve 175 GW Renewable Energy capacity by 2022. The market remains a witness to an expansive growth with an additional capacity of over 11 GW of clean energy added in FY 2016-17 alone. As on March 31, 2017, YES BANK had an exposure of 1,158 MW of Renewable Energy projects including solar, wind and small hydro, and holds a leadership position in this space.

## RENEWABLE ENERGY EXPOSURE BY ENERGY SOURCE 2016-17

(%)



Transactions of the Bank during the reporting period include:

- Underwriter of Term Debt of ₹ 1.7 billion for 40 MW Solar power project in Maharashtra
- Refinancing of Term Debt of ₹ 0.45 billion for 6 MW Solar Power Project in Maharashtra/Uttar Pradesh
- Refinancing of Term Debt of ₹ 0.10 billion for 5 MW Small Hydro Project in Himachal Pradesh
- Underwriter of Term Debt of ₹ 0.17 billion for 2 MW Small Hydro Project in Himachal Pradesh
- Participated through Term Debt of ₹ 0.60 billion for 30 MW Solar Power Project in Madhya Pradesh
- Underwriter of Term Debt of ₹ 1.76 billion for 30 MW Solar power project in Telangana
- Underwriter of Term Debt of ₹ 2.53 billion for 48 MW Solar power project in Telangana
- Underwriter of Term Debt of ₹ 1.17 billion for 24 MW Wind power project in Gujarat
- Underwriter of Term Debt of ₹ 32.45 billion for 500 MW PV Solar Power Project in Andhra Pradesh (NTPC)
- Underwriter of Term Debt of ₹ 1.95 billion for the 34 MW Wind Power Project in Gujarat
- Underwriter of Term Debt of ₹ 1.71 billion for the 34 MW Wind Power Project in Gujarat
- Underwriter of Term Debt of ₹ 2.05 billion for 34 MW PV Solar Power Project in Telangana
- Underwriter of Term Debt of ₹ 3.23 billion for 50 MW PV Solar Power Projects in Telangana
- Underwriter of Term Debt of ₹ 2.69 billion for 42 MW PV Solar Power Projects in Telangana
- Underwriting cum Refinancing of Term Debt of ₹ 3.51 billion for 51 MW Wind Power Project in Karnataka
- Refinancing of Term Debt of ₹ 250 million for 8.25 MW Wind Power Project in Maharashtra
- Underwriter of Term Debt of ₹ 3.33 billion for 50 MW PV Solar Power Project in Telangana (NTPC)



"I love YES BANK! They have made sustainability and green finance a core part of their market identity and are pushing through programs to back that up. In the context of the vast environmental challenges we face, this pro-active stance is not only essential but to be applauded."

**Sean Kidney**

Chief Executive Officer  
Climate Bonds Initiative





- Refinancing of Term Debt of ₹ 1.72 billion for 20 MW PV Solar Power Project in Rajasthan under NVVN
- Underwriter of Term Debt of ₹ 2.52 billion for 50 MW PV Solar Power Project in Rajasthan under NVVN
- Underwriter of Term Debt of ₹ 2.72 billion for 40 MW PV Solar Power Project in Karnataka (SECI)
- Underwriting of Term Debt of ₹ 2.60 billion for 60 MW Solar PV Power Project in Karnataka

### YES BANK ISSUES ITS THIRD GREEN BOND TO FMO



Green bonds have emerged as a key financing mechanism to fund climate adaptation and mitigation projects and drive the global economy's transition to a low-carbon future. Since India's maiden issuance of ₹ 1,000 crore in February 2015 by YES BANK, the green bond space in India is estimated to have grown to over ₹ 19,500 crore (approximately USD 2.7 billion) as on March 31, 2017. In August 2015, YES BANK strengthened the Indian green bond market further with the issuance of ₹ 315 crore (USD 50 million equivalent) bond to International Finance Corporation (IFC) on a private placement basis. IFC's investment is drawn from its offshore Masala Bond program of USD 3 billion.

In September 2016, YES BANK issued its third green bond, ₹ 330 crore (approx. USD 50 million equivalent) to FMO, the Dutch Development Bank, on a private placement basis with a 7-year tenure. This is FMO's first Investment in a Green Bond issued in India, with FMO investing in YES BANK's bonds through its own sustainability bonds. YES BANK would use the raised amount to finance Green Infrastructure including solar and wind projects. This issuance has received a third-party pre-assurance by KPMG India, and in line with the internal guidelines instated by YES BANK, is aligned with the Green Bond Principles 2016.

One of the unique features of the transaction lies in its innovative financing structure. FMO, has used the proceeds of sustainability bonds raised by them to invest in this third green bond issued by YES BANK. Following a similar structure by IFC last year, this provides an effective mechanism to channelize funds for green financing from foreign green investors to emerging nations like India.

### YES BANK SIGNS MOU WITH SIDBI FOR ENERGY EFFICIENCY OF MSMEs

With over 51 million MSME units in India, accounting for 40% of India's total exports and contributing to 38% of its GDP, the sector is emerging as a power house for growth in India. Committed to enhancing the overall competitiveness and sustainability of this agile sector, YES BANK strongly believes that financial institutions need to play the role of sustainability catalysts and transform their financial systems to become more inclusive, and make MSMEs and climate finance a part of their core business strategy.



Identifying the massive energy saving potential in manufacturing MSMEs, Small Industries Development Bank of India (SIDBI) launched a Partial Risk Sharing Facility (PRSF) scheme under a World Bank initiative that provides partial guarantee of 75% of the loans up to ₹ 15 crore for energy efficiency projects. In July 2016, YES BANK became the first Financial Institution to sign an MoU with SIDBI to implement this scheme.

### YES BANK RAISES MONEY THROUGH ITS LARGEST INFRASTRUCTURE BONDS ISSUANCE

YES BANK successfully raised ₹ 21.35 billion in Senior Long-term Infrastructure Bonds (in September, 2016). The issue garnered huge demand from diverse set of domestic investors including Insurance companies, Asset Management Companies (AMC's), Pension Funds, Provident Funds, and corporate sector. Against base issue size of ₹ 10 billion, another ₹ 11.35 billion was raised using the Green-shoe exercisable option. This multifold subscription depicts the enormous belief of these diverse set of investors in the Bank's development ethos. The proceeds from these bonds shall be used to finance long-term infrastructure projects including its associated sub-sectors, along with affordable housing sector, as a part of YBL's overall retail strategy.



### YES BANK'S ENGAGEMENTS WITH THE MINISTRY OF NEW AND RENEWABLE ENERGY (MNRE)

YES BANK continues to work with Ministry of New and Renewable Energy (MNRE), Government of India, on key initiatives. Significantly, the Bank is the Knowledge Partner for the International Solar Alliance (ISA), launched at COP21 Summit in December 2015 by Indian Prime Minister Narendra Modi and French President Francois Hollande. The Bank has delivered multiple presentations / reports on the ISA arena including a presentation on 'Mobilizing USD 1 trillion



for ISA Solar Projects' during the second meeting of ISA's International Steering Committee in Abu Dhabi in January, 2016. YES BANK also released a Knowledge Report on 'Financial Structures for Solar Energy' during ISA's third meeting in April, 2016 in New York.

In addition, YES BANK is a member of the US-India Clean Energy Task force, and has provided its inputs regularly on renewable energy policy recommendations, including PPA standardization and innovative financing market instruments such as warehousing.

### SUSTAINABLE INVESTMENT BANKING



Sustainable Investment Banking (SIB) is a knowledge focused vertical at YES BANK providing investment banking and advisory services in the sustainability space, including renewable energy, clean technology, environment, and education.

SIB specializes in private equity fund raising, mergers & acquisitions, technology transfers, business advisory, corporate restructuring, and has successfully completed 34 transactions cumulating to a transaction value of USD 7.5 billion.



*Sustainable Investment Banking Sectors and Services.*



In 2016, G20 Ministries of Finance and Central Banks commissioned analysis from CISL on green finance. During the course of our global review of environmental risk analysis by financial institutions, we were pleased to learn more about YES BANK's work to assess its exposure to so-called 'natural capital' impacts.

Such systematic approaches to understanding the relationship between a bank's financing activities and outcomes such as land-use conversion, water and air pollution and natural resource consumption are at the forefront of practice worldwide. Embedding this kind of thinking into decision-making processes guiding client selection, risk pricing and product development is the next big task – and one that we single out in CISL's ten-year plan, 'Rewiring the Economy', such that the Sustainable Development Goals are delivered as an outcome of everyday business practice."

#### Andrew Voysey

Director, Sustainable Finance  
University of Cambridge Institute for Sustainability Leadership (CISL)



During the reporting period, SIB successfully closed the following transactions in the RE space:

- Acted as an exclusive advisor to Atria Power for raising ₹ 7500 million Mezzanine capital from Piramal Group
- Acted as an exclusive advisor to Fonroche Energie SAS for sale of 22.3 MW operating solar projects to Hinduja Group
- Acted as an exclusive advisor to Indo Rama Renewables for sale of 30 MW operating wind assets to Tata Power Renewable Energy

## REVIEW OF YES BANK'S PRACTICES IN ENVIRONMENTAL RISK ANALYSIS



Under its first Presidency of the G20, China established a Green Finance Study Group (GFSG), reporting to the G20 Finance Ministers and Central Bank Governors. The GFSG's objective is to identify institutional and market barriers to green finance and, based on country experiences and best practices, analyze options

for private green investment, thereby facilitating the green transformation of the global economy.

To deliver this objective, the GFSG has been addressing a set of interrelated challenges across five areas of research, three of which have a sectoral focus ('greening the banking system', 'greening the bond market', 'greening institutional investment') and two of which are cross-cutting ('risk analysis' and 'measuring progress').

The GFSG, in knowledge partnership with the Center for Sustainable Finance at the Cambridge Institute for Sustainability Leadership (CISL) presented a compendium of the tools and techniques that financial institutions are developing to analyze environmental risks so as to mainstream financial decision-making. YES BANK was the only Indian bank to be included in the study and its approach to measuring and managing its exposure to natural capital risks was highlighted in the compendium.

In the context of a study commissioned by the GIZ on behalf of the German Ministry for Economic Cooperation and Development (BMZ), the Bank engaged Trucost to understand these risks and potential opportunities. The recommendations suggest a need for more data on natural capital risk exposure and working with clients to address these risks, amongst others.

# CASE STUDY

## Innovative Solutions to Climate Finance: Blended Finance to enable high impact and transformational projects

### OBJECTIVE



YES BANK, a local NGO, and a regional cooperative bank, are undertaking a pilot project in transformational blended finance to demonstrate how innovative structures could be leveraged towards facilitating mainstream financing for inclusion and scale.



The pilot initiative is expected to strengthen livelihood security of 600 underprivileged women salt farmers in Gujarat, enabling them to replace diesel pumps with solar pumps for salt production in the Little Rann of Kutch region. The endeavor is intended to achieve the following outcomes:

- Enable savings of the salt farmers, and channelize these savings towards building long-term income generating assets, thus contributing to eradication of extreme poverty
- Promote gender empowerment
- Ensure environmental sustainability
- Build a financial structure that can progressively facilitate an economically and environmentally sustainable social business project



*Solar pumps installed as part of the pilot blended finance project at little Rann of Kutch, Gujarat, India*

### BACKGROUND

India provides 8% of the 270 million tonnes global demand for salt. The state of Gujarat accounts for 76.7% of India's salt production (27.8 million tonnes in 2015), concentrated in the Little Rann of Kutch, where the primary method of production is by pumping out brine logged in the ground, having a higher salinity than sea water, using diesel powered pumps.

Salt farming in the Little Rann of Kutch employs close to 43,000 people, most of whom are women

belonging to the Agariya community, on leased state land. However, due to flooding during the monsoon season, the inland salt farming is limited to a six month period from November to April in a year.

At present, the prevalent practice is for salt farmers to agree at the beginning of the season to sell their crop to the traders, who provide a monthly advance to meet operating costs, most of which is spent on procuring diesel. When the production season ends, traders deduct their advance, with interest, while paying for the salt, resulting in low savings for the farmer and keeping them in a cycle of poverty.

Given the high cost of diesel and the resulting CO<sub>2</sub> emissions from its use, solar PV offers a valuable alternative given the abundance of high irradiation in the region.

## PROJECT IMPLEMENTATION

The cooperative bank is providing loans to 600 women salt farmers to purchase solar pumps with a tenor of 5 years, and a repayment scheduled only during the earning season. These loans are supported by grants from YES BANK towards credit enhancement, credit affordability and implementation support to the local NGO, the on-ground implementing agency.

Salient features of the blended finance facility:

- Marginal investment from the salt farmer towards the cost of the solar pump
- Grant for credit enhancement (default guarantee) by the private bank to the cooperative bank
- Grant for interest subvention to make the loans affordable to the salt farmers
- Grant for capacity building towards creating service and support staff for maintenance of the solar pumps
- Hypothecation: Lien on the solar pump, to enable repossession by the lending bank, in the event of default
- Insurance on solar pump: Third party property and casualty insurance

Benefits of this innovative financial structure:

- Aligns the interests of the stakeholders in the value chain: the cooperative bank, women salt farmers, the NGO, and the donor (private bank)
- Distributes the risk amongst the stakeholders while substantially reducing risks for the primary lender
- Intelligently uses the donor grant to reduce risks for the stakeholders in their endeavor to deliver energy inclusion products and services to women at the Bottom of the Pyramid
- Creates a positive impact on livelihoods, gender empowerment, energy inclusion, financial inclusion and strengthening the trade of an essential commodity like salt
- Serves as a demonstrative facility for development banks, multilateral organizations and donor/philanthropists to consider to increase financing to under-financed sectors with sustainability and social impact

## PROJECT IMPACTS

The benefits recorded in the intervention's pilot phase included:

- **Environment:** directly replaces a fossil fuel with clean energy where each solar pump saves estimated 2.70 tonnes of CO<sub>2</sub> equivalent annually
- **Health:** Salt farmers who switched to solar pumps felt an immediate improvement in their health due to reduced strain and no fumes
- **Economic:** Savings accrued from shifting to solar from diesel usage is more than the needed loan repayment amount per year. After the installments have been fully paid, the annual savings for the farmer increases multi-fold in the last 20 years of the estimated 25 year life of the solar pump
- **Gender empowerment:** The NGO ensures that the ownership of the asset lies with women which would increase their direct income, and indirectly facilitate their participation in decision-making in their family and within the community



## HUMAN CAPITAL

**Human Capital refers to the employees' competencies, knowledge and experience, and their capability to utilize these to meet stakeholder needs. It also refers to developmental programs undertaken for the employees.**

**20,125**
**EMPLOYEES**
**48.12**
**TRAINING HOURS PER  
EMPLOYEE**
**3,640**
**TRAINING PROGRAMS**
**16,096**
**EMPLOYEES  
CLASSROOM TRAINED**


YES BANK's Human Capital philosophy focuses on creating the right mindset to enable business performance, by empowering and encouraging 'YES BANKERS' to push their boundaries beyond their comfort zones, and embrace challenges and drive growth, thereby deepening mind share and growing it into market share.

The Bank engages with and develops its Human Capital by creating a 'YES BANK culture' that encourages open and honest Communication, strengthens Connect among employees and community, supports Career development and shows that it Cares as an organization. All of these are underpinned by YES BANK's integrated Vision and Values framework. YES BANK has always placed emphasis on 'Knowledge' as a key differentiator, wherein it continually strives to enhance the capability and capacity of its Human Capital by creating an environment of continuous learning that equips its employees with knowledge and skills that are aligned with the Bank's strategic objectives, business goals, job and regulatory requirements.

The Bank's University & School Relationship Management (USRM) program is a structured, sustainable and scalable engagement process to create and maintain the maximum mindshare for YES BANK among students from the top business schools in India, thereby positioning it as a preferred Employer of Choice. Hiring of 107 management graduates from premier B-Schools in FY 2016-17 through the Y-PEP (YES Professional Entrepreneurship Program), the flagship program for campus recruitment, is testimony to the success of USRM.

In line with creating competitive advantage through HR Digitization, characterized by big data, integration, mobility, social media, 'gamification', and cloud computing, the Bank is in the process of adopting a new HRIT system. It would enhance its ability to manage employees in a more flexible, agile and customized manner, by integrating talent management into the fabric of everyday business and by becoming a vital component of YES BANK's performance, re-affirming its commitment towards 'Building the Finest Quality Bank of the World in India by 2025.'

### HEALTH AND WELLNESS

#### YES CLUB FIT - A WELLNESS INITIATIVE

YES BANK launched an innovative pedometer-based WELLNESS initiative called 'YES CLUB FIT' to further augment the health quotient of executives, irrespective of age, gender and fitness levels. The initiative is designed to help participants become more active within the time and space constraints of modern life, via a format that is fun, team oriented and relevant. This was complemented with regular sessions on ergonomics, meditation, zumba and lifestyle management.



#### SAY YES TO G.R.A.C.E

Through 'Say YES to G.R.A.C.E' (Gender Respect And Commitment to Equality), a robust framework, the Bank creates awareness, and periodic dissemination and reiteration of the Bank's revised Policy for Prevention of Sexual Harassment, in line with 'The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act & Rules, 2013.' The Bank has region-wise Internal Committees to investigate and inquire into sexual harassment complaints.





## EMPLOYEE ENGAGEMENT

To engage its growing workforce, YES BANK follows the 5C's Engagement Model comprising Culture, Communication, Career, Connect, and Care. It engages and develops Human Capital by disseminating and reconnecting YES BANKers with the Bank's core values, by creating an intentional culture, encouraging open and honest communication, strengthening connect with employees and community, supporting career development and showing its care as an organization.

### YES CLUB

With the objective of encouraging an atmosphere of fun, camaraderie, and to provide YES BANKers a platform to showcase their talent and creativity, YES CLUB was launched across its Hub Branches. 'YES CLUB' facilitates participation in activities around three broad themes: Social, Culture and Sports. Since its launch, YES BANKers across the Bank's 180 Hub branches have organised and participated in activities such as sports tournaments, adventure sports & trekking, arts and crafts exhibitions, photography contests, blood donation camps, and employee volunteering activities.

### WORKPLACE BY FACEBOOK



YES BANK strongly believes that an engaged workforce is critical in achieving its business goals. In its determined effort to make the Bank a 'Great Place to Work', YES BANK partnered with Facebook to launch 'Facebook At Work' in 2016. YES BANK was the first and only bank in India, and among the first five Indian companies, to launch the platform. The initiative was launched on May 9, 2016 at the Bank, and within 45 days of its launch, over 15,000 YES BANKERS (almost 100% of the workforce at that time) were leveraging the platform to share, collaborate, and ideate. A highly engaging platform, Facebook At Work (now renamed as Workplace by Facebook), is built with same intuitive architecture as Facebook but has additional streamlined features that are focused on improving team collaboration, motivation and efficiency within and between teams.

## YES LEAGUE OF EXCELLENCE

YES BANK launched its revamped Rewards & Recognition online portal called the 'YES LEAGUE OF EXCELLENCE' to provide a formal recognition platform to recognize and reward Excellence at YES BANK and in turn create a 'Culture of Appreciation'. All YES BANKers have the option to Appreciate & Wish their colleagues on achievements or occasions, and reporting managers can nominate colleagues for rewards such as Employee of the Month.

### EMPLOYEE SATISFACTION BAROMETER

YES BANK strongly believes that an engaged team is critical in achieving its organizational goals and building a sustainable organization. In an effort to make YES BANK a 'Great Place to Work', the Bank has been partnering with the Great Place to Work® Institute, India for the last 5 years to undertake an independent 'Executive Engagement Survey' and assessment of its workplace cultural practices. Great Place to Work® Institute, India conducts this survey annually across various organizations in India as a part of the 'India's Best Companies to Work For' - Survey.

The Trust Index Score for YES BANK has increased over the last 5 years across all dimensions viz. Credibility, Pride, Respect, Fairness and Camaraderie. The score has consistently gone up from 70 in 2013 to 72 in 2014 to 74 both in 2015 and 2016. In the 2017 study, over 13,500 YES Bankers, or 85% of the workforce at that time, participated in the survey. YES BANK improved its Trust Index Score to 75 in 2017 and was recognized among the 100 Best Workplaces and as 'Best Company to Work for in Banking/Credit Services Industry'.

## YES WE CARE - ADOPTION LEAVE

YES BANK rolled out adoption benefits for its employees, in an effort to align organizational objectives with the emerging needs of its employees. Recognizing that that many new parents are choosing adoption and that they need to spend time to build an emotional connect with the new additions to their family, the organization introduced the benefits, applicable from August 1, 2016. Under the new policy, called 'Bringing A Beautiful Yes', rolled out under the 'Yes We Care' initiative, employees adopting a child will be offered leaves. Women employees adopting a child can take up to two months of paid leave for adopting a child of 6 years of age or below, and one month of paid

leave for adopting a child over the age of six years (up to 14 years).

The Bank has also enhanced its existing paternity leave to seven days, which will be applicable in cases of adoption as well. Mothers resuming work post adoption receive a monetary gift voucher to welcome them back.

## EMPLOYEE PERFORMANCE MANAGEMENT

The Bank's Y-TOP (YES Talent Optimization Program) manages the performance of executives, ensuring timely, unbiased and transparent appraisal process for all executives. The Bank follows an annual review cycle, with every executive undergoing a multi-level performance valuation. The Bank evaluates performance purely on merit. The ratio of basic salary for men and women at the Bank is 1:1.

## MY VOICE

In line with the Bank's objective to provide a consistent and superior service experience for its employees, 'My Voice' is a simple, easy-to-use platform allowing employees to post inquiries and grievances, and provide suggestions and feedback.

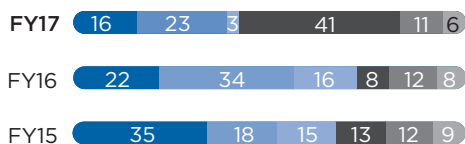
My Voice also acts to empower executives as their queries directly reach the Head of Human Capital Management at the Bank. A dedicated team analyzes queries received to identify the concern areas, analysis reports are shared with Head - Human Capital Management, and corrective actions are undertaken. No cases of discrimination were reported by employees during the year.

Most of the queries raised on My Voice were on Compensation & Benefits related matters (approximately 48%), which may be further elaborated as queries on Performance Management System, group Insurance or mediclaim, reimbursements, and salaries & taxes.

My Voice is aimed at providing direct access to Bank's HCM team. The charts below depict the extensive use of the tool across all regions.

## MY VOICE DISTRIBUTION BRANCH - REGION WISE

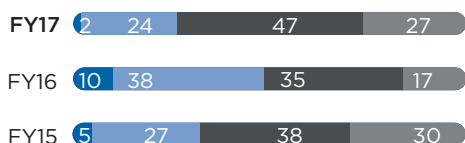
(%)



■ NCR ■ West ■ North  
■ MMR ■ South ■ East

## MY VOICE DISTRIBUTION BY MANAGEMENT

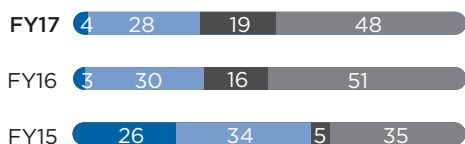
(%)



■ Senior Management ■ Middle Management  
■ Junior Management ■ General Management

## MY VOICE ANALYSIS TYPE

(%)



■ Feedback ■ Suggestions  
■ Grievances ■ Clarification

## LEARNING & DEVELOPMENT YES SCHOOL OF BANKING



Since inception, YES BANK has emphasized on a Knowledge driven approach with an objective focus on capability development, and being aspired as an 'Employer of Choice' by the brightest and best quality Human Capital.

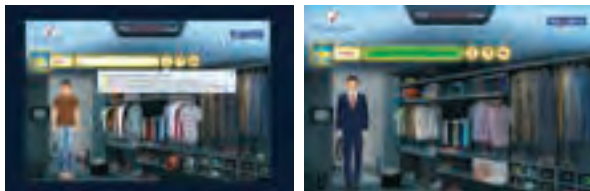
YES SCHOOL OF BANKING (YSB), institutionalized in 2007, functions as the center of excellence for Learning & Development (L&D) solutions in banking and related areas, including Behavioral & Leadership skills, Employee Induction (includes Know Your Customer and Anti Money Laundering), Mandatory Policies and compliance, Process training and Product training.



### YES SCHOOL OF BANKING BECOMES THE FIRST AND ONLY LEARNING & DEVELOPMENT FUNCTION IN THE INDIAN BANKING SECTOR TO ACHIEVE DUAL CERTIFICATIONS IN ISO 9001:2008 AND ISO 29990:2010

The dual certifications from Bureau Veritas for quality management reflect YSB's robust L&D processes including conceptualization of learning solutions and effective deployment of developmental activities across the organization to meet business requirements while continuously improving employee behavior, systems and service quality. The key parameters taken into consideration in the rigorous 3 stage evaluation process were: Customer Focus, Leadership, Involvement of People, Process Approach, Continual Improvement, Fact based Decision making and Creating Value for customers.

## GAMIFICATION FOR HIGHER ENGAGEMENT IN LEARNING



YSB launched an e-learning 'gamification' module imparting training on Grooming, Attitude & Wellness, under the YES Personality Program in September 2016. The module offers a game-based immersive learning experience with a special focus on experiential learning, allowing employees to navigate through five distinct games using avatars, selecting the most appropriate actions, and collecting points in return. Through this initiative, YSB intends to create a subconscious awareness which would result in a change of behaviour, as the game considers all real life instances and offers choices - both right and wrong, to accordingly add or deduct points.

## INDIA INC. INNOVATES WITH LEARNING

.....Yes Bank, aside from gamification learning modules that offer an immersive learning experience for employees, has a theater-based learning program. Employees learn from this offbeat and lively medium, one that invokes a behavioral change in them and boosts their self-confidence. "New ideas are essential if learning has to take place," said Deodutta Kurane, group president for human capital management. The bank also organises team-building activities where each employee participates with a drum; the rhythmic thumping helps them learn the tenets of teamwork, coordination and collaboration.....

.....India Inc also recognizes the value of the outdoors. Yes Bank runs heritage walks as part of its induction program, helping new recruits imbibe organizational values in an outdoor environment."

**Excerpts from an article in The Economic Times, 18 November, 2016**

## 'WHERE EAGLES DARE' BREAKTHROUGH WORKSHOPS

The workshops are designed to specifically enable leaders for envisioning scale at a Business Unit level, envisioning scale as collaborate teams and conducting successful meetings. The breakthrough workshop series was conducted in three phases and was attended by 111 Leaders from Top and Senior Management. As an outcome, various projects have been initiated for Support or Product Units as a result of the discussions that emerged during the workshop.

## L.E.A.P (LEADERSHIP EXCELLENCE TO MINIMIZE ATTRITION AND MAXIMIZE PRODUCTIVITY)

The L.E.A.P Program was launched for Senior and Middle Management Executives in January 2017 aimed at enhancing the leadership capability and capacity of YES BANK Leaders, minimize attrition, maximize productivity and eliminate gender bias at the workplace.



*YES Bank's Senior and Middle Management leaders at the L.E.A.P workshop in Mumbai*

## MY LEARNING@YES

MY Learning@YES, the Bank's online Learning Management System, supports e-learning as well as classroom training and caters to the need for planning, conducting and recording all key aspects of instructor-led training programs. Additionally, the system has features such as a versatile training

calendar, training schedule management, feedback mechanism and management information system. The Program incorporates the latest management research and involves a highly experiential kind of learning, where participants have the opportunity to engage in role plays, group discussions, partner conversations and case studies.

### YESSENTIALS INDUCTION PROGRAM

YESentials continues to be YSB's high impact induction program that trains new employees on essential areas that every YES Banker must be aware of and imbibe. The induction program is the first critical training for employees on key regulatory and compliance issues including Know Your Customer (KYC) and Anti-Money Laundering (AML) guidelines, information security, products and processes, and Human Capital Management policies and procedures.



*YES BANK employees in a group discussion during a YESentials Induction Program in Mumbai*



*YES BANK employees participating in a YESentials Induction Program in Mumbai*

### YES UDAAN

YES BANK has been associated with Project Udaan, an ambitious project undertaken in partnership with India's Ministry of Home Affairs and the National Skill Development Corporation (NSDC), to provide training and employment opportunities to Jammu and Kashmir's youth. The Bank launched the 4th edition of the program in FY 2016-17, offering Certification in Banking Fundamentals. The program received over 280 applications, out of which 23 youth, 12 male and 11 female candidates, were screened and selected through an online aptitude test, followed by a selection interview.

### EMPLOYEE TRAINING PROGRAMS CONDUCTED

	FY 2016-17	FY 2015-16	FY 2014-15
Total training programs conducted (Classroom)	3,640	2,737	1,596
Total executives trained in programs above	16,096	12,263	9,275
Total executives trained (E-Learning)	19,758	N/A	N/A

### EMPLOYEES TRAINED BY GENDER (CLASSROOM)

Particulars	FY 2016-17	FY 2015-16	FY 2014-15
Male	13,025	9,934	7,648
Female	3,071	2,329	1,627
<b>TOTAL</b>	<b>16,096</b>	<b>12,263</b>	<b>9,275</b>

### EMPLOYEES TRAINED BY MANAGEMENT CATEGORY (CLASSROOM)

Particulars	FY 2016-17	FY 2015-16	FY 2014-15
Top Management	65	139	N.A.
Senior Management	127	465	483
Middle Management	2,062	2,881	2,044
Junior Management	7,517	3,998	2,762
General Management	6,325	4,780	3,986
<b>TOTAL</b>	<b>16,096</b>	<b>12,263</b>	<b>9,275</b>

### TRAINING PROGRAMS BY CATEGORY (CLASSROOM)

Particulars	FY 2016-17	FY 2015-16	FY 2014-15
Behavioral and leadership skills	585	428	338
Employee induction	419	218	140
Mandatory policies and compliance	384	296	158
Process training	404	597	59
Product training	1,848	1,198	901
<b>TOTAL</b>	<b>3,640</b>	<b>2,734</b>	<b>1,596</b>

### TRAINING HOURS (CLASSROOM & E-LEARNING)

Particulars	FY 2016-17	FY 2015-16	FY 2014-15
Participant man-hours (Classroom)	386,856	N/A	N/A
Participant man-hours (e-Learning)	581,545	N/A	N/A
Participant man-hours (Classroom & e-Learning)	968,401	567,628	247,568
Participant man-hours* per executive	48.12	37.84	22.88

\* Participants man-hours includes that of who have since resigned.

### PARTICIPANT MAN-HOURS (CLASSROOM & E-LEARNING) - BY GENDER

Particulars	FY 2016-17
Male	770,270
Female	198,131
<b>TOTAL</b>	<b>968,401</b>



## PARTICIPANT MAN-HOURS (CLASSROOM & E-LEARNING) - BY CATEGORY

Particulars	FY 2016-17
General Management	461,817
Junior Management	430,174
Middle Management	72,776
Senior Management	2,533
Top Management	1,101
<b>TOTAL</b>	<b>968,401</b>

### Training targets/plans for next year:

- Mandatory certifications for select roles in Retail, Corporate and Support Business Units (BU)
- Significantly higher 'Digitized' content: E-Learning, Gamification, AV and Mobile App based learning/assessments
- Leadership training programs for Top, Senior and Middle Management leaders across BU's
- Deployment of a mix of experiential, social and formal learning techniques
- Focus on business priorities i.e. Productivity, Cross Sell, Service Culture, Go Digital



*Team North East Royals from IIM Shillong, winners of the Transformation Series 2016, being awarded by Ashok Chawla (Non-Executive Chairman, YES BANK)*

## UNIVERSITY & SCHOOL RELATIONSHIP MANAGEMENT (USRM) TRANSFORMATION SERIES

With 30,000 student participants, 4,653 ideas, 700+ educational institutions, 15 finalist teams and 3 National Winners, YES BANK Transformation Series 2016, in its fifth edition, provided a gruelling test to India's future business leaders to think beyond the usual.

Launched in 2010, the YES BANK Transformation Series offers students across the world an opportunity to work on real-life industry challenges faced by the financial sector and urges them to push the envelope, in a bid to transform 'Innovation to Impact'. Over the years, the focus of the series has been on various disruptive concepts such as digital financial inclusion and complete digitalization.

## YES PROFESSIONAL ENTREPRENEURSHIP PROGRAM (Y-PEP)

Y-PEP, the Bank's innovative and institutionalized Talent Acquisition program, continues to strengthen YES BANK's position as an 'Employer of Choice' across premium B-School campuses, and create a strong talent pool to drive the Bank's future growth. During FY 2016-17, the Bank inducted 107 candidates into the Y-PEP program. This highly qualified talent pool has contributed to consistently augmenting and supporting the Bank's knowledge based, state-of-the-art technology driven services across key banking relationships, products, knowledge advisory groups, and critical support functions.

In a first-of-its-kind initiative, YES BANK introduced a game-based evaluation round, in addition to group discussions and interviews, during the hiring process at premium B-schools across India, to assess the core competencies of the applicants. The objective was to deploy a digitally advanced assessment tool for engaging with the millennial target group of B-School students.

This highly interactive gamification app helped evaluate the following competencies of candidates that are specially customised in line with the bank's core ethics - Customer Focus, Influence and Impact, Quality Focus, Professional Entrepreneurship, Drive for Results, and YES Personality. Over 3,000 data points can be captured in a 25-minute session which is 150 times more than a traditional assessment.

### YES ASPIRE TO INNOVATE

'YES ASPIRE to INNOVATE' is YES BANK's scholarship program conceived to provide a grooming platform for outstanding young leaders, who would lead India into its next wave of socio-economic growth. The program offers individual scholarships of ₹ 2 lakh each to 30 YES ASPIRE

Scholars chosen from India's 15 premier B-Schools. The scholars also have an opportunity to interact with entrepreneurs, industry and thought leaders.



*Recipients of the 'YES ASPIRE to INNOVATE' scholarship for 2016-17 at the felicitation ceremony on March 30, 2017 at Mumbai*

### WOMEN-CENTRIC INITIATIVES



In view of the rise in societal awareness and action towards women's safety in India, YES BANK organizes awareness and training workshops for its female executives on basic preparedness and response measures, which are designed to sensitize, empower and support them in untoward situations. These guidelines were aimed at increasing safety awareness, and providing practical tips and tools that would help female executives avoid potentially hostile situations in the most practical manner.

Another key initiative that has been implemented at the Bank is a 24X7 Helpline Number for SOS situations for all bank executives. A list of next-of-kin, along with their contact numbers, has been made available with the 24X7 call center, to be able to inform them should any such necessity arise.

### HUMAN CAPITAL DATA POINTS

The entire sales and operations force of YES BANK is on its payrolls. Some industry participants have separate entities that employ the direct sales force.

#### A. EMPLOYEE STRENGTH

Particulars	FY 2016-17						
	Under 30		30-50		Above 50		Total
	Male	Female	Male	Female	Male	Female	
Top Management	0	0	76	6	16	3	101
Senior Management	0	0	195	19	7	0	221
Middle Management	54	14	2,529	354	3	2	2,956
Junior Management	2,684	805	5,075	832	3	0	9,399
General Management	4,399	1,428	1,379	241	1	0	7,448
TOTAL	7,137	2,247	9,254	1,452	30	5	20,125

Employee Strength by Region FY 2016-17	Number
North	7,153
East	1,222
West	8,857
South	2,893
<b>TOTAL</b>	<b>20,125</b>

Particulars	FY 2015-16						Total
	Under 30		30-50		Above 50		
	Male	Female	Male	Female	Male	Female	
Top Management	0	0	119	9	15	3	146
Senior Management	0	0	502	58	3	0	563
Middle Management	249	75	2,669	383	3	2	3,381
Junior Management	1,577	515	2,357	406	0	0	4,855
General Management	3,503	1,140	1,212	200	0	0	6,055
TOTAL	5,329	1,730	6,859	1,056	21	5	15,000

Particulars	FY 2014-15						Total
	Under 30		30-50		Above 50		
	Male	Female	Male	Female	Male	Female	
Top Management	0	0	89	4	8	2	103
Senior Management	0	0	397	44	1	0	442
Middle Management	225	48	1,847	261	3	2	2,386
Junior Management	1,010	351	1,619	268	0	0	3,248
General Management	2,587	780	1,089	175	0	0	4,631
TOTAL	3,822	1,179	5,041	752	12	4	10,810

## B. TOTAL ATTRITION DURING THE YEAR

Particulars	FY 2016-17						Attrition Rates
	Under 30		30-50		Above 50		
	Male	Female	Male	Female	Male	Female	
Top Management	0	0	2	0	0	0	1.98%
Senior Management	0	0	14	1	0	0	6.79%
Middle Management	10	2	261	46	1	0	10.83%
Junior Management	660	225	1,103	165	0	0	22.91%
General Management	1,847	677	480	66	1	0	41.23%
TOTAL	2,517	904	1,860	278	2	0	27.63%
ATTRITION RATES	35.27%	40.23%	20.10%	19.15%	6.67%	0.00%	

Employee Attrition by Region FY 2016-17	Number
North	2,069
East	385
West	2,284
South	823
<b>TOTAL</b>	<b>5,561</b>

Particulars	FY 2015-16						Attrition Rates
	Under 30		30-50		Above 50		
	Male	Female	Male	Female	Male	Female	
Top Management	0	0	5	0	0	0	3.42%
Senior Management	0	0	44	4	0	0	8.53%
Middle Management	59	7	399	62	0	0	15.59%
Junior Management	382	136	478	83	0	0	22.22%
General Management	1,261	399	355	58	0	0	34.24%
TOTAL	1,702	542	1,281	207	0	0	24.88%
ATTRITION RATES	31.94%	31.33%	18.68%	19.60%	0.00%	0.00%	

Particulars	FY 2014-15						Attrition Rates
	Under 30		30-50		Above 50		
	Male	Female	Male	Female	Male	Female	
Top Management	0	0	3	0	0	0	2.91%
Senior Management	0	0	18	8	0	0	5.88%
Middle Management	59	10	272	38	0	0	15.88%
Junior Management	232	84	285	56	0	0	20.23%
General Management	859	228	302	34	0	0	30.73%
TOTAL	1,150	322	880	136	0	0	23.02%
ATTRITION RATES	30.09%	27.31%	17.46%	18.09%	0.00%	0.00%	

### C. TOTAL HIRES DURING THE YEAR

Particulars			FY 2016-17				Hire Rates
	Under 30		30-50		Above 50		
	Male	Female	Male	Female	Male	Female	
Top Management	0	0	6	1	0	0	6.93%
Senior Management	0	0	26	0	1	0	12.22%
Middle Management	35	4	752	109	1	0	30.48%
Junior Management	2,133	563	2,099	283	0	0	54.03%
General Management	3,558	1,141	475	68	2	0	70.41%
TOTAL	5,726	1,708	3,358	461	4	0	55.94%
HIRE RATES	80.23%	76.01%	36.29%	31.75%	13.33%	0.00%	

Particulars	FY 2015-16						Hire Rates
	Under 30		30-50		Above 50		
	Male	Female	Male	Female	Male	Female	
Top Management	0	0	15	0	1	0	10.96%
Senior Management	0	0	95	12	1	0	19.18%
Middle Management	165	41	953	132	0	0	38.18%
Junior Management	1,314	353	866	132	0	0	54.89%
General Management	2,779	886	319	57	0	0	66.74%
TOTAL	4,258	1,280	2,248	333	2	0	54.14%
HIRE RATES	79.90%	73.99%	32.77%	31.53%	9.52%	0.00%	

Particulars	FY 2014-15						Hire Rates
	Under 30		30-50		Above 50		
	Male	Female	Male	Female	Male	Female	
Top Management	0	0	6	1	0	0	6.80%
Senior Management	0	0	33	2	0	0	7.92%
Middle Management	115	26	484	72	0	0	29.21%
Junior Management	680	230	461	78	0	0	44.61%
General Management	1,959	543	305	35	0	0	61.37%
TOTAL	2,754	799	1,289	188	0	0	46.53%
HIRE RATES	72.06%	67.77%	25.57%	25.00%	0.00%	0.00%	

Total Hires During the Year by Region FY 2016-17	Number
North	3,994
East	746
West	4,711
South	1,806
<b>TOTAL</b>	<b>11,257</b>

Employee Profile analysis is based on the database maintained by the Bank's HCM unit, which may differ from the Bank's total headcount on a particular date. HCM data does not include employees of YES FOUNDATION and YES Securities (India) Limited.

No significant variations were observed in the employment related data reported above.

## RETURN TO WORK AFTER PARENTAL LEAVES

Particulars	FY 2016 - 17		FY 2015 - 16		FY 2014 - 15	
	Maternal	Paternal	Maternal	Paternal	Maternal	Paternal
Employees taking Parental leave	148	1,005	96	758	75	657
Employees resuming work	144	1,005	93	758	74	657
Employees retained after resuming work in the reporting period	142	1,005	88	758	71	657
Return to Work Rate	95.9%	100%	91.7%	100%	94.7%	100%
Employees retained 12 months after resuming work	N/A*	N/A*	64	572	57#	508#
<b>RETURN TO WORK RATE (AFTER 12 MONTHS)</b>	<b>N/A*</b>	<b>N/A*</b>	<b>66.7%</b>	<b>75.5%</b>	<b>76%</b>	<b>77.3%</b>

\* To be reported in FY 2017-18 reporting cycle.

# Corrigendum: The number of employees retained 12 months after resuming work for FY 2015-16 was inadvertently reported as 57 for parental leaves, due to design error. Similarly, the data for FY 2014-15 was reported as 508 and 46 for maternal and parental leaves respectively.



## MANUFACTURED CAPITAL

**Manufactured Capital is the Bank's tangible and intangible infrastructure, including IT assets, used for value creation through business activities.**

**1,000**

BRANCHES

**1,785**

ATMS

**RELEASED**

 SUPPLIER CODE OF  
CONDUCT

Through its pan-India network of branches, ATMs, regional offices and customer touch points based on a robust 'digical' infrastructure, YES BANK is in a position to provide a comprehensive range of banking products and services to its entire spectrum of customers. Manufactured Capital thus, becomes a critical enabler for the Bank.

### GEOGRAPHIC FOOTPRINT

YES BANK is headquartered in the Lower Parel Innovation District (LPID) of Mumbai, and provides a seamless banking experience at its 1,000 branches and 1,785 ATMs across 29 States and 7 Union Territories of India as on March 31, 2017, through its leveraged quality, state-of-the-art branch infrastructure, cutting-edge technology and a customer-centric approach.

For details on the Bank's digital banking services and performance, please refer to the Financial Capital section of this Report.

The Bank's focus is not merely on facilitating transactions, but also in engaging, informing and involving customers and the society in a personalized manner. For details, please refer to the Social & Relationship Capital section in this Report.

### NATIONAL OPERATING CENTRES

The Bank continues to have centralized back office functions for various business lines served from National Operating Centres (NOC) in Mumbai and Gurgaon, including 'Yes Touch Contact Center' located in NOC Gurgaon. The YES Touch Contact Center is an extension of branches to serve customers, with a focus to engage and involve customers by delivering banking services on phone.

The Bank has its single largest National Centralized Operations Management and Services Delivery facility in Chennai.

### GREEN BUILDING CERTIFICATIONS

With a belief that even workspaces can be high performing from a sustainability point of view, YES BANK is considering 'Green Building' certification for YES BANK Tower, the Bank's corporate headquarters in Mumbai. A training was organized in consultation with Godrej Green Building Consultancy Services, to familiarize the Responsible Banking and Infrastructure and Digital Network Management (INM) teams with the green building concept, and the rating and certification process. It also provided an



*Green Building Training being conducted at the YES School of Banking, Mumbai*





**YES BANK Corporate Headquarters in Mumbai**

in-depth understanding of the sustainability aspects embedded in a project design such as sustainable sites, water efficiency, energy efficiency, material & resources and indoor air quality.

### YES BANK'S SUPPLY CHAIN



The Bank's procurement practices continue to be centrally driven by the Central Procurement Unit and overseen by its Central Procurement Committee. In the reporting period, the Bank continued its efforts to strengthen its supply chain based on the following principles:

- Risk Management
- Effective Cost Management
- Strengthening systems, controls and processes
- Responsible Sourcing

The Bank has a diverse supplier base, including suppliers of the key platforms on which the Bank operates. As the Bank is spread across the country, it also procures from local vendors for localised consumption of products and services. The Bank has formed strategic relationships with eminent Indian and global companies, which not only widen business platforms but also lay the foundation for sustainable growth. A comprehensive list of YES

BANK's strategic relationships can be accessed at <https://www.yesbank.in/about-us/corporate-partnership>.

With a focus on ensuring proactive management of strategic supplier partners and adequate risk management, YES BANK has been strengthening its Vendor Management framework, and endeavors to improvise and continually adopt global best practices. The Bank follows the mechanism of segregating its vendors into four categories - Strategic, Critical, Core and Basic, and based on this categorization, implements its vendor review and risk management practices. YES BANK has put in place processes to ensure Vendor redundancy/ Business Continuity Planning (BCP) for critical spends.

YES BANK has well-established vendor guidelines outlining its vendor selection criteria and compliance with laws of the land in addition to assessing a vendors' credibility, capability and cost to deliver. As part of the Bank's stated objective and commitment to implement best practices in Corporate Governance, the Bank has a web-based 'Corporate Whistleblower Initiative' (CWI) - which is an independent online reporting service aimed at facilitating secure and confidential communication between the Bank and its vendors.

The Bank has also undertaken several other key initiatives in order to strengthen the vendor management process implemented. These include:

- Process standardization for claiming Central Value Added Tax benefit
- Multiple year contracts, depending on the category of the spends
- Initiated strategic contracts with key vendors with standard terms for year round purchases for complex items

Schedule 16 - Operating Expenses, in the Annual Report 2016-17, provides a breakdown of the Bank's expenses under various operational heads, including services provided by its supply chain, on page 256 of the Annual Report. The Annual Report is accessible at <https://www.yesbank.in/about-us/investorsrelation/financial-information/annual-reports>.

## SUPPLY CHAIN SUSTAINABILITY

As the first Indian banking signatory to the UN Global Compact, YES BANK continues to abide by the 10 Principles of the Compact covering four major dimensions — human rights, labor, environment and anti-corruption, and uses them as the foundation for building its sustainable supply chain practices.

The Bank believes that its suppliers are an integral part of its ecosystem and strives to connect its strengths with its supply chain partners' competencies to make optimum use of the opportunities for sustainable development. In line with its belief, and as a part of its ESG operationalization plan, the Bank released a Supplier Code of Conduct based on Environmental, Social and Governance (ESG) parameters, which defines the Bank's commitment to human rights, fair labor practices, environmental progress and anti-corruption policies.

Through this initiative, the Bank is encouraging its suppliers to support its sustainability agenda, and expects its supply chain partners to comply with the applicable laws of the land and adhere to internationally recognized ESG standards.

To create awareness and to engage with its strategic suppliers, a 'Sustainable Procurement Workshop' was conducted at the Bank's corporate office in Mumbai, which witnessed participation from senior executives of 20 strategic suppliers. The Bank also introduced an ESG self-assessment tool for suppliers, to understand their current practices and identify areas for improvement.

## TECHNOLOGY & WORKPLACE MOBILITY

YES BANK has invested in state-of-the-art technology initiatives since its inception, and



*YES BANK's Supplier Code of Conduct was released in December 2016 towards integrating its supplier base with its sustainability priorities*



*Participants at the inaugural Sustainable Procurement Workshop organized by YES BANK at Mumbai*

is successfully implementing them. The Bank's philosophy is to engage with key partner companies who are acknowledged leaders in their products or businesses to develop specific solutions for YES BANK that become differentiators in the marketplace.

Optimizing IT asset use in service organizations is emerging as a global best practice to reduce generation of E-waste and lower operational costs. As on March 31, 2017, the Bank had an IT asset to employee ratio of 1.34. In FY 2016-17, the Bank has responsibly disposed 8,985 kgs of E-waste through authorized empanelled recyclers.

As reported in the previous reporting cycle, the Bank had adopted Citrix Workplace Cloud and Netscaler ADC solutions to empower workforce mobility and ensure faster rollout of new branches. The Bank has facilitated a unified approach to creating, publishing and delivering complete workspaces through Citrix Workspace Cloud solution. As a result of these initiatives, employees continue to have secure access to apps, desktops, data and services from any device over any network, to empower mobile employees with the freedom and flexibility to choose how they work.

# INDEPENDENT ASSURANCE STATEMENT



KPMG (Registered)  
7th Floor, IT Building No.3  
Nesco IT Park, Nesco Complex  
Western Express Highway  
Goregaon (East), Mumbai - 400 963.

Tel: +91 (22) 6134 9200  
Fax: +91 (22) 6134 9220  
Website: [www.kpmg.com/in](http://www.kpmg.com/in)

## Independent assurance statement

To the Management of YES BANK Limited, IFC Tower, Senapati Bapat Marg, Elphinstone, Mumbai, India.

### **Introduction**

KPMG was engaged by YES BANK Limited to provide independent assurance on the selected environment, social and governance disclosures in the Sustainability Report ("the Report") for the Financial Year (FY) 2016-17.

We conducted our work in accordance with requirements of 'Limited Assurance' as per International Federation of Accountants' (IFAC) International Standard for Assurance Engagements (ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information).

### **Scope, Boundary and Limitations**

The assurance has been provided for the sustainability data presented by YES BANK Limited in its Report. The reporting boundary and scope of assurance included data and information for the period 01 April 2016 to 31 March 2017 based on Global Reporting Initiative's (GRI) Standards in accordance Comprehensive.

The Universal Standards and Topic-specific Standard Disclosures subject to assurance were as follows:

General Standard Disclosures:	Specific Standard Disclosures
<ul style="list-style-type: none"> <li>• <b>Organizational profile</b> (102-1 to 102-6, 102-8)</li> <li>• <b>Strategy</b> (102-14)</li> <li>• <b>Ethics &amp; Integrity</b> (102-16)</li> <li>• <b>Governance</b> (102-19 to 102-21)</li> <li>• <b>Stakeholder engagement</b> (102-40 to 102-44)</li> <li>• <b>Reporting practice</b> (102-45 to 102-56)</li> <li>• <b>Management approach</b> (103-1 to 103-3)</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Environment</b> <ul style="list-style-type: none"> <li>◦ Energy: 302-1, 302-2, 302-4, 302-5</li> <li>◦ Emissions: 305-1, 305-2, 305-3, 305-4, 305-5, 305-6, 305-7</li> </ul> </li> <li>• <b>Social</b> <ul style="list-style-type: none"> <li>◦ Employment: 401-1, 401-2, 401-3</li> <li>◦ Training &amp; Education: 404-1, 404-2, 404-3</li> <li>◦ Local community: 413-1, 413-2</li> <li>◦ Marketing &amp; Labelling: 417-1, 417-2, 417-3</li> <li>◦ Customer Privacy: 418-1</li> </ul> </li> <li>• <b>Economic</b> <ul style="list-style-type: none"> <li>◦ Economic performance: 201-2, 201-3.</li> </ul> </li> </ul>

The boundary of the report comprises of data and information provided at the YES BANK Limited's corporate office.

The assurance scope excludes:

- Verification of data and information related to YES BANK Limited's financial performance, sourced from its audited annual report for FY 2016-17
- Verification of claims was limited to data and information presented in the Report for the period 01 April 2016 to 31 March 2017 and mentioned in the above table
- Data and information in the Report outside this reporting period was not subject to verification
- Verification of any statement indicating intention, opinion, belief and / or aspiration by YES BANK Limited



**Methodology adopted for the assurance**

We have obtained sample evidence, information and explanations that were considered necessary in relation to the assurance scope and to arrive at conclusions mentioned below. Our work included a range of evidence-gathering procedures including:

- Review of materiality and stakeholder engagement framework deployed at YES BANK Limited
- Assessment of the systems used for data collection and reporting of the Universal Standard Disclosures and Topic-Specific Standard Disclosures of material topics as listed in the assurance scope above
- Testing on a sample basis, the evidence supporting the data and information
- Verification of data presented in the report from the corporate office
- Assessing that the report has been prepared in accordance with the GRI Standards: Comprehensive option
- Review of the Report to ensure that there is no misrepresentation of disclosures as per scope of assurance and our findings.

**Conclusions**

We have reviewed the Report of YES BANK Limited. Based on our review and procedures performed as per the scope of assurance, nothing has come to our attention that causes us not to believe that the sustainability data and information presented in the Report is appropriately stated, in line with its material topics, and in accordance with the reporting principles of GRI Standards.

We have provided our observation to the company in a separate management letter. These, do not, however, affect our conclusions regarding the Report.

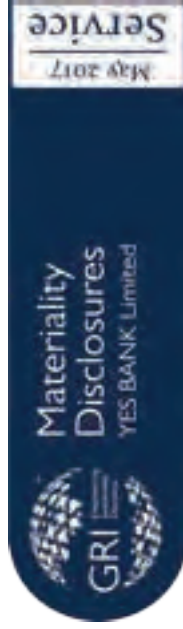
**Independence**

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 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) as well as the assurance firm (assurance provider) 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**

YES BANK Limited is responsible for developing the Report contents. YES BANK Limited is also responsible for identification of material sustainability issues, establishing and maintaining appropriate performance management and internal control systems and derivation of performance data reported. This statement is made solely to the Management of YES BANK Limited 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 YES BANK Limited 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 YES BANK Limited 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.

**Santhosh Jayaram**  
Partner and Head  
KPMG  
June 1<sup>st</sup> 2017



GRI Standard	Disclosure	Page number(s) and/or URL(s)	Part Omitted	Omission Reason	Explanation
<b>GRI 101: Foundation 2016</b>					
<b>General Disclosures</b>					
GRI 102: General Disclosures 2016					
	<b>Organizational profile</b>				
	102-1 Name of the organization	9			
	102-2 Activities, brands, products, and services	10-11			
	102-3 Location of headquarters	9			
	102-4 Location of operations	11			
	102-5 Ownership and legal form	11			
	102-6 Markets served	10-11			
	102-7 Scale of the organization	10-11, 33-34, 74, Annual Report 16-17: 4-5, 234			
	102-8 Information on employees and other workers	82-85			
	102-9 Supply chain	87-88			
	102-10 Significant changes to the organization and its supply chain	12			
	102-11 Precautionary Principle or approach	67			
	102-12 External initiatives	52-55			
	102-13 Membership of associations	53-55			
	<b>Strategy</b>				
	102-14 Statement from senior decision-maker	5-8			
	102-15 Key impacts, risks, and opportunities	5-8, 23, 27, 29-30, Annual Report 16-17: 127-129			
	<b>Ethics and integrity</b>				
	102-16 Values, principles, standards, and norms of behavior	Annual Report 16-17: 2-3, 209-211			
	102-17 Mechanisms for advice and concerns about ethics	76, 87, Annual Report 16-17: 209-210			



GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omission	
			Part Omitted	Reason
<b>Governance</b>	102-18 Governance structure	24		
	102-19 Delegating authority	23		
	102-20 Executive-level responsibility for economic, environmental, and social topics	23		
	102-21 Consulting stakeholders on economic, environmental, and social topics	28-32, 53-55, Annual Report 16-17: 202, 210		
	102-22 Composition of the highest governance body and its committees	Annual Report 16-17: 185-186		
	102-23 Chair of the highest governance body	Annual Report 16-17: 185		
	102-24 Nominating and selecting the highest governance body	23, Annual Report 16-17: 185-192		
	102-25 Conflicts of interest	Annual Report 16-17: 184, 209-210		
	102-26 Role of highest governance body in setting purpose, values, and strategy	23, Annual Report 16-17: 141-142, 184-185		
	102-27 Collective knowledge of highest governance body	23, 26, Annual Report 16-17: 187-188, 193		
	102-28 Evaluating the highest governance body's performance	Annual Report 16-17: 187-188		
	102-29 Identifying and managing economic, environmental, and social impacts	28-32, Annual Report 16-17: 15, 117-120		
	102-30 Effectiveness of risk management processes	23, Annual report 16-17: 15, 117-120, 199		
	102-31 Review of economic, environmental, and social topics	23, Annual Report 16-17: 141-142, 194, 203		
	102-32 Highest governance body's role in sustainability reporting	9, 23, Annual Report 16-17: 147, 156-158		
	102-33 Communicating critical concerns	76, 87, Annual Report 16-17: 210		
	102-34 Nature and total number of critical concerns	76, Annual Report 16-17: 220, 297		
	102-35 Remuneration policies	Annual Report 16-17: 190-193		
	102-36 Process for determining remuneration	Annual Report 16-17: 190-193		
	102-37 Stakeholders involvement in remuneration	76, Annual Report 16-17: 288-289		
	102-38 Annual total compensation ratio	76, Annual Report 16-17: 164		
	102-39 Percentage increase in annual total compensation ratio	Annual Report 16-17: 164		

GRI Standard	Disclosure	Page number(s) and/or URL(s)	Part Omitted	Omission Reason	Explanation
	<b>Stakeholder engagement</b>				
	102-40 List of stakeholder groups	28, 31-32			
	102-41 Collective bargaining agreements	As there are no unions, no collective bargaining agreements exist			
	102-42 Identifying and selecting stakeholders	28, 31			
	102-43 Approach to stakeholder engagement	28- 32			
	102-44 Key topics and concerns raised	29-30			
	<b>Reporting practice</b>				
	102-45 Entities included in the consolidated financial statements	Annual Report 16-17: 165			
	102-46 Defining report content and topic boundaries	9, 28, 31			
	102-47 List of material topics	28-30			
	102-48 Restatements of information	9			
	102-49 Changes in reporting	No such significant changes			
	102-50 Reporting period	9			
	102-51 Date of most recent report	9			
	102-52 Reporting cycle	9			
	102-53 Contact point for questions regarding the report	9			
	102-54 Claims of reporting in accordance with the GRI Standards	9			
	102-55 GRI content index	92			
	102-56 External assurance	90			
<b>Material Topics</b>					
<b>GRI 200 Economic Standard Series</b>					
<b>Economic Performance</b>					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	29, 30, 34			
	103-2 The management approach and its components	29, 33-37, Annual Report 2016-17: 9-10			
	103-3 Evaluation of the management approach	16, 28			

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90-106

GRI Standard	Disclosure	Page number(s) and/or URL(s)	Part Omitted	Omission Reason	Explanation
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	33-34			
	201-2 Financial implications and other risks and opportunities due to climate change	29, 67			
	201-3 Defined benefit plan obligations and other retirement plans	75-76, Annual Report 16-17: 190-192			
	201-4 Financial assistance received from government	No such financial assistance has been received			
<b>GRI 300 Environmental Standards Series</b>					
<b>Energy</b>					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	29-30			
	103-2 The management approach and its components	61-62			
	103-3 Evaluation of the management approach	62-65			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	64			
	302-2 Energy consumption outside of the organization	Not Reported			As a service sector organization, energy consumption outside is not a material issue
	302-3 Energy intensity	64			
	302-4 Reduction of energy consumption	62-64			
	302-5 Reductions in energy requirements of products and services	35-37, 62-63			
<b>Emissions</b>					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	29-30			
	103-2 The management approach and its components	61-62			
	103-3 Evaluation of the management approach	62-65			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	64			
	305-2 Energy indirect (Scope 2) GHG emissions	64			
	305-3 Other indirect (Scope 3) GHG emissions	64			
	305-4 GHG emissions intensity	64			
	305-5 Reduction of GHG emissions	64			

GRI Standard	Disclosure	Page number(s) and/or URL(s)	Part Omitted	Omission Reason	Explanation
<b>GRI 400 Social Standards Series</b>	305-6 Emissions of ozone-depleting substances (ODS)	64			
	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Not Reported			As a service sector organization, such emissions are relatively negligible at the Bank
	<b>GRI 400 Social Standards Series</b>				
	<b>Employment</b>				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	29-30			
	103-2 The management approach and its components	74			
	103-3 Evaluation of the management approach	75, Annual Report 16-17: 190-192			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	83-85			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	All employees are full-time employees			
	401-3 Parental leave	85			
	<b>Training and Education</b>				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	29-30			
	103-2 The management approach and its components	77-78			
	103-3 Evaluation of the management approach	77			
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	80			
	404-2 Programs for upgrading employee skills and transition assistance programs	78-79			
	404-3 Percentage of employees receiving regular performance and career development reviews	76			
	<b>Local Communities</b>				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	29-30			




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26-89

90-106

GRI Standard	Disclosure	Page number(s) and/or URL(s)	Part Omitted	Omission Reason	Explanation
GRI 413: Local Communities 2016	103-2 The management approach and its components	7, 38, Annual Report 2016-17: 156-158			
	103-3 Evaluation of the management approach	Annual Report 16-17: 203			
	413-1 Operations with local community engagement, impact assessments, and development programs	34-37, 42-44			
	413-2 Operations with significant actual and potential negative impacts on local communities	Considering the Bank's nature of business and locations, there is minimal such impact			
<b>Marketing and Labeling</b>					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	29-30			
	103-2 The management approach and its components	25, Annual Report 16-17: 112-113			
	103-3 Evaluation of the management approach	Annual Report 16-17: 204			
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	25			
	417-2 Incidents of non-compliance concerning product and service information and labeling	The Bank operates in a highly regulated sector with strong systems, and no such incidents were reported.			
	417-3 Incidents of non-compliance concerning marketing communications	The Bank operates in a highly regulated sector with strong systems, and no such incidents were reported.			
<b>Customer Privacy</b>					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	28-30			
	103-2 The management approach and its components	25, Annual Report 16-17: 112-113			
	103-3 Evaluation of the management approach	Annual Report 16-17: 204			
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	No awards were passed by the Banking Ombudsman and no such complaints were identified by the Bank			

# SDG COMPASS

SDG	Business Theme	Relevant GRI Standard	Disclosure	Location of Disclosure
 <p><b>End poverty in all its forms everywhere</b></p>	Access to land	GRI 413: Local Communities	413-2	Considering the Bank's nature of business and locations in which it operates, there is minimal negative impact of its operations to community around its locations
	Availability of products and services for those on low incomes	GRI 203: Indirect Economic Impacts	203-2	34-37
	Economic development in areas of high poverty	GRI 203: Indirect Economic Impacts	203-2	34-37, 41-44
	Economic Inclusion	GRI 103: Management Approach	103-2	29, 33-37, Annual Report 2016-17: 9-10
 <p><b>End hunger, achieve food security and improved nutrition and promote sustainable agriculture</b></p>	Access to land	GRI 413: Local Communities	413-2	Considering the Bank's nature of business and locations, there is minimal such impact
	Changing the productivity of organizations, sectors, or the whole economy	GRI 203: Indirect Economic Impacts	203-2	34-37, 41-44
	Indigenous rights	GRI 411: Rights of Indigenous Peoples	411-11	67
	Infrastructure investments	GRI 201: Economic Performance	201-1	33-34, 67-71
 <p><b>Ensure healthy lives and promote wellbeing for all at all ages</b></p>	Access to medicines	GRI 203: Indirect Economic Impacts	203-2	41-42, 43-44
	Air quality	GRI 305: Emissions	305-1	64
			305-2	64
			305-3	64
			305-6	64
			305-7	As a service sector organization, such emissions are relatively negligible at the Bank






SDG	Business Theme	Relevant GRI Standard	Disclosure	Location of Disclosure
 <p><b>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</b></p>	Occupational health and safety	GRI 403: Occupational Health and Safety	403-2	74-75, 89
	Spills	GRI 306: Effluents and Waste	403-2 306-3	74-75, 89 As the Bank is a service sector organization, it is not material to the organization
			306-2	As the Bank is a service sector organization, it is not material to the organization
			306-4	As the Bank is a service sector organization, it is not material to the organization
	Water quality	GRI 306: Effluents and Waste	306-1	64-65
	Education for sustainable development	GRI 102: General Disclosures	102-27	23, 26, Annual Report 16-17: 187-188, 193
	Employee training and education	Employee training and education	404-1	83-85
 <p><b>Achieve gender equality and empower all women and girls</b></p>	Economic inclusion	GRI 103: Management Approach	103-2	29-30, 34-35
	Equal remuneration for women and men	GRI 202: Market Presence	202-1	76
		GRI 405: Diversity and Equal Opportunity	405-2	76
	Gender equality	GRI 401: Employment	401-1	76, 82
		GRI 404: Training and Education	404-1	80
			404-3	76
		GRI 405: Diversity and Equal Opportunity	405-1	76
	Infrastructure investments	GRI 201: Economic Performance	201-1	33-34, 67-71
		GRI 203: Indirect Economic Impacts	203-1	67, 69-71
	Non-discrimination	GRI 406: Non-discrimination	406-1	74, 76
	Parental leave	GRI 401: Employment	401-3	75-76, 85

SDG	Business Theme	Relevant GRI Standard	Disclosure	Location of Disclosure
 <b>Ensure availability and Sustainable management of water and sanitation for all</b>	Women in leadership	GRI 102: General Disclosures	102-22 102-24	Annual Report 16-17: 185-186 23, Annual Report 16-17: 185-192
		GRI 405: Diversity and Equal Opportunity	405-1	76
	Workplace violence and harassment	GRI 414: Supplier Social Assessment	414-1 414-2	87-89 87-89
	Spills	GRI 306: Effluents and Waste	306-3	As the Bank is a service sector organization, it is not material to the organization
	Sustainable water withdrawals	GRI 303: Water	303-1 303-2	64-65 As the Bank is a service sector organization, no such sites affected
	Waste	GRI 306: Effluents and Waste	306-2	63
	Water efficiency	GRI 303: Water	303-3	64-65
	Water quality	GRI 306: Effluents and Waste	306-1	64-65
	Water recycling and reuse	GRI 303: Water	303-3	64-65
	Water-related ecosystems and biodiversity	GRI 304: Biodiversity	304-1 304-2 304-3 304-4	Given the Bank's sector and operational locations, there is no such site identified Given the Bank's nature of business, no such impacts identified 66 No such species identified
		GRI 306: Effluents and Waste	306-1 306-2 306-5	64-65 63, 89 As the Bank is a service sector organization, no such site identified

SDG	Business Theme	Relevant GRI Standard	Disclosure	Location of Disclosure
 <p>Ensure access to affordable, reliable, sustainable and modern energy for all</p>	Energy efficiency	GRI 302: Energy	302-1 302-2 302-3 302-4 302-5	64 Not material to the organization 64 62-64 35-37, 62-63
	Infrastructure investments	GRI 201: Economic Performance GRI 203: Indirect Economic Impacts	201-1 203-1	33-34, 67-71 67-71
	Renewable energy	GRI 302: Energy	302-1 302-2	64 As a service sector organization, energy consumption outside is not a material issue and not measured
 <p>Promote sustained, inclusive and sustainable Economic growth, full and productive employment and decent work for all</p>	Abolition of child labor	GRI 408: Child Labor	408-1	Given its nature of business and industry regulation, no such operational site or supplier has been identified
	Changing the productivity of organizations, sectors, or the whole economy	GRI 203: Indirect Economic Impacts	203-2	41-42, 43-44
	Diversity and equal opportunity	GRI 405: Diversity and Equal Opportunity	405-1	82-85
	Earnings, wages and benefits	GRI 202: Market Presence	202-1	Given the Bank operates in a highly regulated and technical sector, all its employees are paid above the minimum wages
		GRI 401: Employment	401-2	As all employees are full time, this is not material to the Bank
	Economic inclusion	GRI 103: Management Approach	103-2	29, 34
	Economic performance	GRI 201: Economic Performance	201-1	33-34
	Elimination of forced or compulsory labor	GRI 409: Forced or Compulsory Labor	409-1	87-88
	Employee training and education	GRI 404: Training and Education	404-1 404-2 404-3	79-81 78-79 76
	Employment	GRI 102: General Disclosures	102-8	82-85
	Employment	GRI 102: General Disclosures	102-8	82-85

SDG	Business Theme	Relevant GRI Standard	Disclosure	Location of Disclosure
		GRI 202: Market Presence	202-2	The Bank operates across India, and hires basis merit only
		GRI 401: Employment	401-1	82-85
	Energy efficiency	GRI 302: Energy	302-1	64
			302-2	Not material to the organization
			302-3	64
			302-4	62-64
			302-5	35-37, 62-63
	Equal remuneration for women and men	GRI 405: Diversity and Equal Opportunity	405-2	76
	Freedom of association and collective bargaining	GRI 102: General Disclosures	102-41	As there are no unions, no collective bargaining agreements exist
		GRI 407: General Disclosures	407-1	Given the nature of business the Bank is in, no such operations or suppliers are identified
	Indirect impact on job creation	GRI 203: Indirect Economic Impacts	203-2	34-37, 42-43
	Jobs supported in the supply chain	GRI 203: Indirect Economic Impacts	203-2	87-88
	Labor practices in the supply chain	GRI 414: Supplier Social Assessment	414-1	88-89
			414-2	Given the Bank operates in a highly regulated sector, no such suppliers are identified
	Labor/management relations	GRI 402: Labor Management Relations	402-1	No unions exist at the Bank. The notice period for all employees is 3 months
	Materials efficiency	GRI 301: Materials	301-1	64
			301-2	As a service sector organization, energy consumption outside is not a material issue and not measured
	Non-discrimination	GRI 406: Non-discrimination	406-1	76
	Occupational health and safety	GRI 403: Occupational Health and Safety	403-1	The Bank's Safety Committee is the key management committee responsible for health & safety of all employees
			403-2	Given that the Bank is a service sector organization, this is not material
			403-3	Given the Bank is a service sector organization, this is not a material issue


SDG	Business Theme	Relevant GRI Standard	Disclosure	Location of Disclosure
 Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation			403-4	The Bank is not in any such safety agreement
	Parental leave	GRI 401: Employment	401-3	85
	Resource efficiency of products and services	GRI 301: Materials	301-3	As the Bank is a service sector organization, this is not material to it
	Water efficiency	GRI 303: Water	303-3	64-65
	Youth employment	GRI 401: Employment	401-1	83-85
	Infrastructure investments	GRI 201: Economic Performance	201-1	33-34, 67-71
		GRI 203: Indirect Economic Impacts	203-1	67, 69-71
	Research and development	GRI 201: Economic Performance	201-1	33-34, 67-71
 Ensure sustainable Consumption and production patterns	Air quality	GRI 305: Emissions	305-1	64
			305-2	64
			305-3	64
			305-6	64
			305-7	As a service sector organization, such emissions are relatively negligible at the Bank
	Energy efficiency	GRI 302: Energy	302-1	64
			302-2	Not material to the organization
			302-3	64
			302-4	62-64
			302-5	35-37, 62-63
	Environmental investments	GRI 103: Management Approach	103	61, 65-66
		GRI 305: Emissions	305	61, 63-64
		GRI 306: Effluents and Waste	306	63
		GRI 307: Environmental Compliance	307	Given the nature of the Bank's business activities, no such non-compliances were identified
	Materials efficiency/recycling	GRI 301: Materials	301-1	64
			301-2	Not material to the organization
	Procurement practices	GRI 204: Procurement Practices	204-1	87-88

SDG	Business Theme	Relevant GRI Standard	Disclosure	Location of Disclosure
	Product and service information and labeling	GRI 417: Marketing and Labeling	417-1	25
	Resource efficiency of products and services	GRI 301: Materials	301-3	As the Bank is a service sector organization, this is not material to it
	Spills	GRI 306: Effluents and Waste	306-3	Given the nature of the its business, this is not a material issue for the Bank and no such spills/ effluents were identified
	Transport	GRI 302: Energy	302-1	64
			302-2	As a service sector organization, energy consumption outside is not a material issue and not measured
		GRI 305: Emissions	305-1	64
			305-2	64
			305-3	64
			305-6	64
			305-7	As a service sector organization, such emissions are relatively negligible at the Bank
	Waste	GRI 306: Effluents and Waste	306-2	63, 89
			306-4	Given the nature of its business, this is not material to the Bank
	Water efficiency	GRI 303: Water	303-3	64-65
	Water quality	GRI 306: Effluents and Waste	306-1	64-65
	Energy efficiency	GRI 302: Energy	302-1	64
			302-2	Not material to the organization
			302-3	64
			302-4	62-64
			302-5	35-37, 62-63
	Environmental investments	GRI 103: Management Approach	103	61, 65-66

**Take urgent action to combat climate change and its impacts\***

\* Acknowledging that the United Nations Framework Convention on Climate Change is the primary international, intergovernmental forum for negotiating the global response to climate change.



SDG	Business Theme	Relevant GRI Standard	Disclosure	Location of Disclosure
 <b>Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss</b>		GRI 305: Emissions	305	61, 63-64
		GRI 306: Effluents and Waste	306	Given the nature of the its business, this is not a material issue for the Bank and no such spills/effluents were identified
		GRI 307: Environmental Compliance	307	Given the nature of the Bank's business activities, no such non-compliances were identified
	GHG emissions	GRI 305: Emissions	305-1	64
			305-2	64
			305-3	64
			305-6	64
			305-7	As a service sector organization, such emissions are relatively negligible at the Bank
	Risks and opportunities due to climate change	GRI 201: Economic Performance	201-2	67-68
	Environmental investments	GRI 103: Management Approach	103	38, 40, 66
		GRI 305: Emissions	305	61, 63-64
		GRI 306: Effluents and Waste	306	Given the nature of the its business, this is not a material issue for the Bank
		GRI 307: Environmental Compliance	307	Given the nature of the Bank's business activities, no such non-compliances were identified
	Forest degradation	GRI 305: Emissions	305-1	64
			305-2	64
		305-3	64	
		305-4	64	
		305-5	64	
		305-7	As a service sector organization, such emissions are relatively negligible at the Bank	
	Mountain ecosystems	GRI 304: Biodiversity	304-1	As the Bank is a service sector organization, given its nature of business, no such impact identified
			304-2	As the Bank is a service sector organization, given its nature of business, no such impact identified
			304-3	66
			304-4	As the Bank is a service sector organization, given its nature of business, no such species identified

SDG	Business Theme	Relevant GRI Standard	Disclosure	Location of Disclosure
	Natural habitat degradation	GRI 304: Biodiversity	304-1	As the Bank is a service sector organization, given its nature of business, no such impact identified
			304-2	As the Bank is a service sector organization, given its nature of business, no such impact identified
			304-3	66
			304-4	As the Bank is a service sector organization, given its nature of business, no such species identified
	Spills	GRI 306: Effluents and Waste	306-5	As the Bank is a service sector organization, given its nature of business, no such water bodies identified
			306-3	As the Bank is a service sector organization, given its nature of business, this issue is not material
			304-1	As the Bank is a service sector organization, given its nature of business, no such impact identified
			304-2	As the Bank is a service sector organization, given its nature of business, no such impact identified
	Terrestrial and inland freshwater ecosystems	GRI 306: Effluents and Waste	304-3	66
			304-4	As the Bank is a service sector organization, given its nature of business, no such species identified
			306-5	As the Bank is a service sector organization, given its nature of business, no such water bodies identified
			203-2	38, 44, 50, 51, 53, 54-55, 66, 69



**Strengthen the means of Implementation and revitalize the global partnership for sustainable development**

## NOTES

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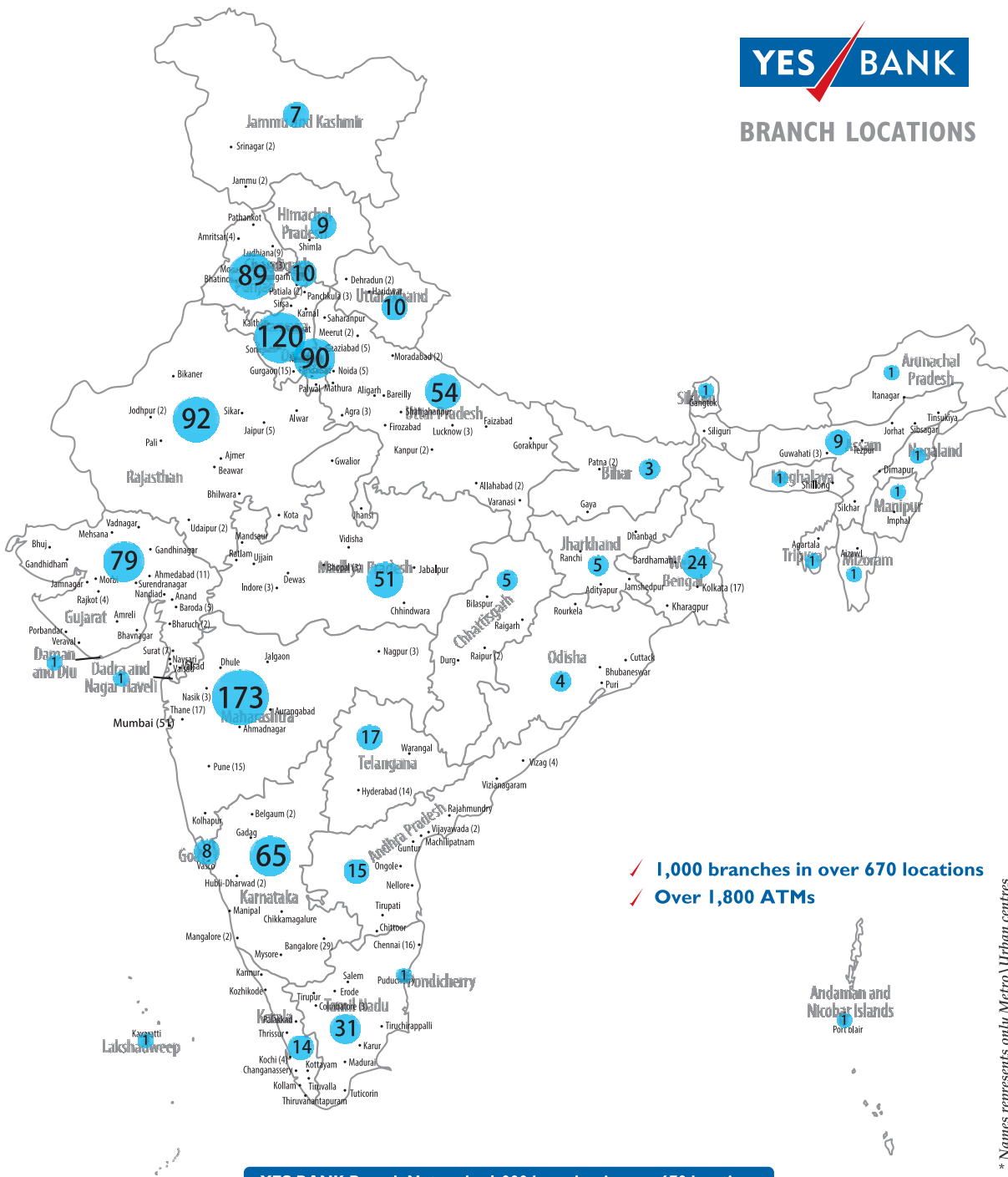
## NOTES

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

## ABOUT YES BANK



## BRANCH LOCATIONS



\* Names represents only Metro\Urban centres

**YES BANK Branch Network - 1,000 branches in over 670 locations**

[illegible][illegible]

*The map does not purport to be the political map of India or any part of India*



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