



FUTURE NOW



YES BANK LIMITED
SUSTAINABILITY PERFORMANCE REVIEW 2017-18

Enhanced disclosures based on TCFD recommendations

Awards and Recognitions



Best Bank for SMEs in India
- Asiamoney Best Banks Awards 2018



Best Bank in India for CSR
- Asiamoney Awards 2017



Best Bank in India
- Asiamoney Corporate Client Choice Survey 2017



Bank of the Year – India
- The Banker Best Bank Awards 2017



Rose 493 places to #1239 World ranking in 'Forbes Global 2000 List'
- Forbes Global 2000 List of World's Largest Companies



Rose 129 places to 271 World Ranking in 'The Banker 1000 Rankings



Best Trade Finance Bank in India, 2017 Best Financial Supply Chain, 2017
- The Asian Banker Achievement Awards

The Banker



'Global Winner' in the Supply Chain Finance category
Transaction Bank of the Year for Asia Pacific
- The Banker Transaction Banking Awards 2017



Big Data Analytics use cases
-Gartner Excellence Awards



Innovation in Blockchain product (supply chain vendor financing) and YES ENGAGE
- Finnoviti Award 2018



29th Qualtech Prize for Improvement and Innovation in the BFSI Industry for use of Data Analytics
- Qimpro Consultants



Best Digital Payments System by Banks for Smart Cities
- Smart City Conclave 2017



Accelerator of the Year for YES FINTECH
- India Fintech Awards 2017



Payments Product for API Banking
-Celent Model Bank 2017 Award



'The Extraordinaire – Brand'
- Brand Vision Summit 2018



Asia's Leader in Bank-as-a-Service
- Financial Insights Innovation Awards 2017



Best Innovation in Sustainable Financial Products & Services
- Karlsruhe Sustainable Finance Award 2017



Golden Peacock Award for CSR
- Institute of Directors 2017



Vigeo Eiris Best Emerging Markets Performers 2018



Assigned 'Prime' status by Oekom Research AG



Dow Jones Sustainability Index (DJSI) - Emerging Markets (2015-2017)



MSCI All Country World (ACWI) ESG Leaders Index 2017



MSCI All Country World (ACWI) SRI Index 2017



FTSE4Good Emerging Index 2017

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View our Sustainability Performance Review online

We provide our Sustainability Performance Review online, which allows us to reduce the amount of paper we print and distribute.

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



From the Managing Director & CEO's Desk



Rana Kapoor
Managing Director & CEO

“
In FY 2017-18, the Bank set ‘the New Normal’ for India’s banking sector with enhanced disclosures and a focused climate strategy integrated with business.
”

Dear Valued Stakeholders,

In an increasingly inter-connected world, addressing today’s challenges require a collective and comprehensive futuristic approach, where balancing sustainable development with economic growth is a prerequisite. YES BANK has been striving towards creating a sustainable economy, by adopting ‘Future Now’ strategies to deliver scalable, developmental and market-based solutions.

With Responsible Banking as a centrifugal force, YES BANK has always believed that high performance on sustainability coupled with transparency and governance are key enablers for climate action and overall green growth. In FY 2017-18, the Bank set ‘the New Normal’ for India’s banking sector with enhanced disclosures and a focused climate strategy integrated with business.

YES BANK’s Sustainability Performance Review for FY 2017-18, titled “Future Now”, presented here, holistically captures the Bank’s economic, environmental, social and governance performance, as it realigns its compass, anticipating changing stakeholder expectations.

Aligned to the Financial Stability Board’s, Taskforce on Climate-related Financial Disclosures (TCFD) recommendations on climate risks and opportunities, YES BANK is the first and only Bank in India to release this report for this fiscal so far. The report highlights YES BANK’s commitments and sustainability performance, through the lens of the recommended TCFD framework and continues to be aligned with Global Reporting Initiative (GRI) Standards, the global sustainability reporting framework. The Bank’s strategic vision and objectives are firmly aligned with Sustainable Development Goals (SDGs) and are mapped to the SDG Compass developed by GRI.

At the historic One Planet Summit, held in December, 2017 in Paris, hosted by Emmanuel Macron, Hon’ble President of French Republic, Jim Yong Kim, President of World Bank Group, and António Guterres, Secretary-General, United Nations (UN), YES BANK was one of the few private sector entities across the world and the first Indian Bank to make a commitment of support to TCFD recommendations on climate risks and opportunities. The report is in line with this global commitment by the Bank.

FY 2017-18 has been a significant year for driving YES BANK's sustainability agenda, with the Bank continuing to shape global policy on climate action through its pioneering thought leadership. Placing importance on partnership and collaboration, the Bank brought together leading European development finance institutions – FMO (Netherlands), DEG (Germany) and PROPARCO (France), to champion green finance in India by signing a charter at India's first ever green finance symposium held in June 2017.

In line with YES BANK's commitment made at RE-Invest in February 2015, towards financing 5 GW of renewable energy (RE) by 2020, the Bank has already financed projects totaling ~4.7 GW till date. In January 2018, the Bank further reinforced its climate action agenda by committing to mobilize USD 1 billion till 2023 and USD 5 billion till 2030 towards financing solar energy projects in India, at the International Solar Alliance (ISA) conference organized at World Future Energy Summit 2018 in Abu Dhabi.

The Bank continues to be a signatory and supporter to key protocols and global alliances including the UN Environment Programme Finance Initiative, Carbon Pricing Leadership Coalition, UN Global Compact, CDP, Climate Action in Financial Institutions Initiative and Natural Capital Finance Alliance. YES BANK is also a member of key national alliances including India GHG Program, TERI Council for Business Sustainability and CII Climate Change Council. YES BANK is the first Indian Banking signatory to the UN Global Compact, and reaffirms its 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 report is also aligned to GRI Standards 'Comprehensive' option.

With a robust framework linking CSR and sustainable development through innovation and weaving sustainability principles into core business strategy, the Bank continues to contribute to India's SDG targets. This year saw increased focus on sectors such as health, education, sustainable agriculture, water and sanitation, energy access, climate action, infrastructure development and social inclusion.

With an aim to create shared sustainable value, the Bank's 'Livelihood and Water Security' program was scaled up during the year to provide access to clean and safe drinking water to more than 40 million lives in Delhi, Gujarat, Madhya Pradesh, Maharashtra and Rajasthan. Its 'Say YES to Sustainable MSMEs in India' initiative impacted 18,544 medium, small and micro

enterprise (MSME) units and over 28,400 workers in 14 states aiding the 'Make in India' campaign. To contribute to the country's target of creating a carbon sink, YES BANK became the first private sector Bank to partner with the National Highways Authority of India, under its 'Adopt a Green Highway' program for plantation and maintenance of 45,462 trees. In its efforts towards sound environmental management within its operations, the Bank expanded its ISO 14001:2015 certification footprint, to 744 of its locations and reduced absolute emissions by 10.60%.

The Bank's visionary approach to prioritize Environmental, Social and Governance (ESG) performance in the Indian banking sector with early efforts at bringing future to the present for all its stakeholders, has earned it recognition at various national and international platforms. In 2017, the Bank became the first Indian bank to be included in the three most prestigious global sustainability indexes – Dow Jones Sustainability Indices - Emerging Markets Index (for the third consecutive year), MSCI All Country World Index (ACWI) ESG Leaders & SRI Indexes, and FTSE4Good Emerging Index.

With the belief that future emerges from the present, the Bank this year continued to deliver on accelerated positive impact through unique, scalable and sustainable solutions, which has been its biggest differentiator. This report titled 'Future Now' comprehensively encapsulates the successful implementation of the Bank's integrated vision on contributing to a sustainable economy and its continuous endeavour to create value for its stakeholders through its Responsible Banking ethos.

I believe that transparent disclosures and this futuristic approach towards mainstreaming sustainable development, has put the Bank in a strong position to achieve its vision of 'Building the Finest Quality Large Bank of the World in India'.

Thank you.



Sincerely,
Rana Kapoor
Managing Director & CEO

About this Report

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Through the Sustainability Performance Review 2017-18, YES BANK reports on its triple bottom line performance for the period April 1, 2017 to March 31, 2018, as per the annual financial reporting cycle adopted by the Bank.

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The Bank had released its previous report, 'Leveraging A.R.T for Glocal Sustainable Impact', covering the period, from April 1, 2016 to March 31, 2017. This report does not include any significant re-statements from the previous year.

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This year YES BANK will be the first Indian Bank to release enhanced sustainability disclosures aligned to TCFD

recommendations which were released in June 2017. This report has been prepared in accordance with the GRI Standards 'Comprehensive' option. It follows the GRI Reporting Principles for defining report content – Stakeholder Inclusiveness, Sustainability Context, and Materiality and Completeness. YES BANK's sustainability disclosure approach has been described below.

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YES BANK's Sustainability Disclosure Framework



*The material issues listed here are only illustrative. For the Bank's material issues in line with GRI, please refer to page 13 of this report.

Given the significance of global goals, the report is also mapped to the SDG Compass, which attempts to align the GRI reporting framework with the Sustainable Development Goals (SDG).

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This report includes information pertaining to YES BANK Limited, with its registered office at Nehru Centre, 9th Floor, Discovery of India, Dr. A.B Road, Worli, Mumbai – 400018, Maharashtra, India. As on March 31, 2018, YES BANK had 1,100 branches and 1,724 ATMs across 29 states and 7 union territories of India, and has two National Operating Centers in Mumbai and Gurgaon, and a National Centralized Operations Management and Services Delivery facility in Chennai.

The Bank has one international Representative Office in Abu Dhabi, UAE. The scope of the Bank's environmental management system has been expanded in 2017-18 to include this office. This is reflected in disclosures for GRI Standards 302 and 305. The Bank's subsidiary, YES Securities (India) Limited, incorporated in March 2013, is excluded from the reporting scope. The Bank has incorporated wholly owned subsidiaries named YES Asset Management (India) Limited and YES Trustee Limited during the half year ended September 30, 2017. Since these entities are not operational yet, the information pertaining to them is outside the purview 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 2017-18 have been described here.

Sustainability reporting is a process of continual improvement and the Bank has been making the best effort to address the concerns of its internal and external stakeholders, identified through extensive 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 its business units and support functions, 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. This report can be accessed online at www.yesbank.in.



H.E. František Ružička

Chef de Cabinet,

Office of the President of UN General Assembly

The financial sector is critical for achieving the Sustainable Development Goals (SDGs), and India will play a key role in economic growth and development over the next century. I am deeply encouraged by the mantle taken up YES BANK to bend the curve of climate change and support the SDGs. The Bank's expertise in SDG fulfilment through its projects on the ground and thought leadership are worthy examples of how financial institutions can make a difference. I hope that the work of YES BANK can further inspire and mobilize its peers around the globe, and I wish the Bank all the very best in its pursuit of mainstreaming sustainability.



About YES BANK

YES BANK, India's fourth largest private sector Bank, is a high quality, customer-centric, service driven bank, catering to the Future Businesses of India. Since its inception in 2004, YES BANK has grown into a 'Full Service Commercial Bank' providing complete range of products, services and digital offerings, catering to corporate, MSME & retail customers. YES BANK operates its investment banking, merchant banking and brokerage businesses through YES SECURITIES, a wholly-owned subsidiary of the Bank.

India's banking sector faces the paradox of supporting the world's fastest-growing large economy and at the same time, grappling with challenges that test its strength and resilience. Besides, it is entrusted with the Government of India's ambitious plans to encourage a 'less cash' economy. Going forward, the industry has a crucial role to play in supporting and sustaining India's long-term growth. YES BANK aims to deliver consistent and superior banking experience and catalyze India's progress by facilitating inclusive growth.

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 from the previous year, the details of which are available in its Annual Report 2017-18, at <https://www.yesbank.in/about-us/investors-relation/financial-information/annual-reports>. More information on the Bank's bouquet of products and services is available at its website, www.yesbank.in.



Ayaan Adams

*Director of Private Sector Facility,
Green Climate Fund*

As the driver of the United Nations Framework Convention on Climate Change (UNFCCC)'s efforts to counter climate change, one of the Green Climate Fund (GCF)'s key missions is to mobilize private sector investments. GCF views the private sector as a critical partner and seeks investments that deliver climate impact, transformational change, and reflow potential. YES BANK shares our goal of creating a more just and sustainable world, and plays an active role in shaping international principles on responsible finance. YES BANK recognizes both the challenges and opportunities that the transition to a sustainable economy presents, and demonstrates that it is up to the task. GCF determines the appropriate financial tools such as loans, equity, guarantee and grants and concessionality based on programme specific needs, to maximize impact potential, self-sustainability and paradigm shift potential. Within our Private Sector Facility, GCF structures its concessionality for programmes to become commercially viable on their own, with a finite timeline of its involvement. YES BANK's impressive track record in sustainable finance makes clear that it has the tools and vision to be a valued partner to GCF.



YES BANK Milestones during the Year

March 2018

Launched a new robotics based 'Digital Export and Import' Payments solution as a part of its comprehensive YES TRANSACT Smart Trade product suite

February 2018

Completed issuance of its maiden USD 600 million bond issue in international debt markets successfully

January 2018

- YES BANK became the sole arranger and subscriber to India's first Social Affordable Housing Bond issued by Indiabulls Housing Finance for ₹ 1000 crores
- Committed to mobilizing USD 1 billion till 2023 and USD 5 billion till 2030 towards financing solar energy projects in India

December 2017

First to establish MTN programme on global securities market of India International Exchange at IFSC in India

November 2017

- Raised USD 400 million through two syndicated loan transactions in Taiwan and Japan comprising USD 250 million from Taiwanese banks and JPY 16.5 billion (~USD 150 million) from Japan
- YES BANK made it to the MSCI All Country World Index (ACWI) - ESG Leaders Index and MSCI ACWI SRI Index

October 2017

Launched the second edition of 'YES LiFE - Literacy for Financial Empowerment', a financial literacy CSR initiative targeting 50,000+ beneficiaries

September 2017

Continued 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 for third consecutive year

August 2017

Partnered with leading digital money transfer service WorldRemit to launch a new instant money transfer service to India

July 2017

- Partnered with the Overseas Private Investment Corporation (OPIC), and Wells Fargo on an agreement to increase lending to small and medium enterprises (SMEs) and gender financing in India
- Selected as an index constituent of the FTSE4Good Emerging Index

June 2017

- Signed a charter with FMO (the Development Bank of the Netherlands), along with DEG (the Development Bank of Germany) and Proparco (the Development Bank of France) to champion green finance in India, and committed to mobilize green investments in India's sunrise sectors
- Became the first bank in India to be certified by British Standard Institution (BSI), United Kingdom, for Enterprise Risk Management Framework ISO 31000

May 2017

Signed MoU with Bureau of Energy Efficiency (BEE) to become the Participating Financial Institution (PFI) to avail the risk guarantee under the Partial Risk Guarantee fund for Energy Efficiency (PRGFEE)

April 2017

Achieved USD 1 billion balance sheet at YES BANK's IFSC Banking Unit (IBU) in Gujarat International Finance Tec City (GIFT)

Awards & Accolades

Award	Awarding Organization	Category / Details
LEADERSHIP EXCELLENCE RECOGNITION FOR MR. RANA KAPOOR, MANAGING DIRECTOR & CEO		
Icon of the Year Awards 2017	Brands Academy	Icon of the Year
13 th Indo-American Corporate Excellence Awards 2017	Indo-American Chamber of Commerce	Promoting Indo-US relations
Indo-Australian Business Summit	Indo-Australian Chamber of Commerce	Outstanding contribution towards promoting Indo-Australian bilateral relations
Impresa Awards 2017	Indo-Italian Chamber of Commerce & Industry	Fostering Indo-Italian Business Relations
Maharashtra Vaibhav	Government of Maharashtra	Commitment to development of the State of Maharashtra
The Extraordinaire - Brand	NexBrands Inc.	Helping India rewrite milestones
NRI World Summit & Pride of India Awards 2017	NRI Institute	Global Business Leader of the Year
Society Achiever's Award 2018	Society Magazine	Exemplary performance in business and contribution to the society

INSTITUTIONAL AND BUSINESS EXCELLENCE

Asiamoney Awards 2017	Asiamoney magazine	Best Bank in India
MoneyTech Awards 2017	BusinessEx.com	Best Innovation in Corporate Banking
Business Today Best Banks Awards	Business Today-KPMG	Fastest Growing Mid-sized Bank
BW BusinessWorld Magna Best Banking Awards	BW BusinessWorld	Runner up in Fastest Growing Mid-Sized Bank
India FinTech Awards (IFTA) 2017	Government of Maharashtra	Commitment to development of the State of Maharashtra
Golden Peacock Innovative Product / Service Award 2017	Institute of Directors	Business Excellence
The Extraordinaire - Business Innovator	NexBrands Inc.	Impacting, innovating and inspiring society
India FinTech Forum	NRI Institute	Global Business Leader of the Year
29 th QualTech Prize	Qimpro Consultants	Improvement and Innovation in the Indian BFSI Industry
48 th SKOCH Summit – One Nation, One Platform	SKOCH Group	SKOCH 'CEO of the Year' (Private Sector)
YES FINTECH-Accelerator of the Year Award	Society Magazine	Exemplary performance in business and contribution to the society
The Asian Banker Transaction Banking Awards 2017	The Asian Banker	Best Trade Finance Bank in India
The Banker Bank of the Year 2017 Awards	The Banker	Bank of the Year – India
The Banker Transaction Banking Awards 2017	The Banker	Supply Chain Finance Transaction Bank of the Year for Asia Pacific

Award	Awarding Organization	Category / Details
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RESPONSIBLE BANKING

Asiamoney Awards 2017	Asiamoney magazine	Best Bank in India for CSR
Karlsruhe Sustainable Finance Award 2017	European Organization for Sustainable Development (EOSD)	Best Innovation in Sustainable Financial Products & Services
India Corporate Governance & Sustainability Vision Awards	Indian Chamber of Commerce	Best Sustainability Performance Best Sustainability Reporting
Golden Peacock Award for Corporate Social Responsibility 2017	Institute of Directors	Financial services (Private)
SKOCH- Blue Economy Award 2017	SKOCH Group	Innovative Solution to Climate Finance

TECHNOLOGY & SERVICE EXCELLENCE

Technology Solutions Awards 2017	ASSOCHAM	Most Outreaching Technology Solution
FINNOVITI Award 2018	Banking Frontiers	Innovation on Blockchain for Supply Chain Financing
BSE CIO Klub IT Awards 2017	Bombay Stock Exchange & CIO KLUB	CIO of the Year
Global Trade Review (GTR) Best Deals Award 2016	Global Trade Review	Blockchain solution
International Data Corporation (IDC) Financial Insights Innovation Awards (FIIA) 2018	International Data Corporation	APAC Leader in Digital Transformation
Celent Model Bank 2017 Award	Marsh & McLennan Companies	Payments Product for API Banking
Smart City Conclave Chandigarh	Municipal corporation Chandigarh	Best Digital Payments System by Banks for Smart Cities

EXCELLENCE IN BRANDING & HUMAN CAPITAL

ET Best BFSI Brands 2018	The Economic Times	Exemplary initiatives, practices and innovations across the BFSI sector
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Corporate Governance & Customer Satisfaction

BANK'S PHILOSOPHY ON CORPORATE GOVERNANCE

YES BANK has been committed to set the highest standards of Corporate Governance right from its inception benchmarking itself with the best in class practices across the globe. It is widely recognized that a well-informed, independent and effective Board is a pre-requisite for strong and effective Corporate Governance.

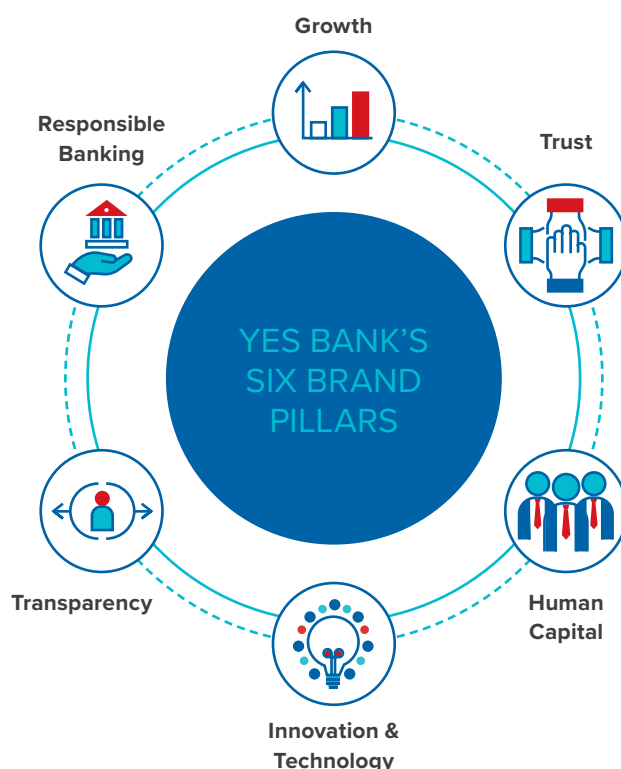
At YES BANK, the Board of Directors is at the core of its Corporate Governance practices and oversees how the Management delivers sustainable value to its stakeholders. The Corporate Governance framework provides sound leadership and governance to the Bank. The Code of Conduct for the Board and Senior 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 sustainable development agenda & climate 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.

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 2017-18 includes the Report on Corporate Governance, on pages 179- 201 of the Annual Report, 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 Bank's Corporate Governance structure is available on page 169 of the report, which may be accessed at <https://www.yesbank.in/about-us/investorsrelation/financial-information/annual-reports>.



CUSTOMER SERVICE QUALITY AND SATISFACTION

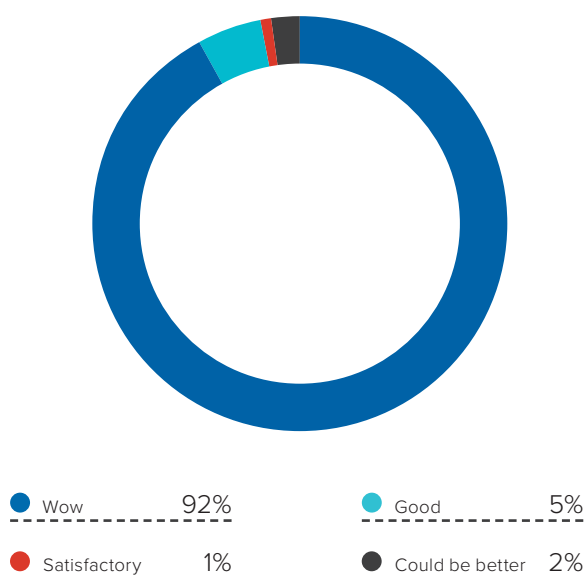
YES BANK leverages state-of-the-art technology to enhance customer delight by focusing on a three pronged strategy comprising of customer experience, innovation and quality assurance. The Bank's Customer Experience unit captures the Voice of the Customer (VOC) through transaction and engagement feedback, utilizing smartphone features, and assesses performance across key service drivers. The Bank deploys Service Quality Reviews of customer channels and process reengineering to simplify service procedures.

During FY 2017-18, the Bank improved its performance in the monthly customer satisfaction surveys, conducted on a sample-based methodology. The results of the Bank's overall customer satisfaction survey is included below.

The Bank is fully compliant with the regulations pertaining to 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) and Reserve Bank of India's master circular on customer service 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 269 of the Annual Report 2017-18.

In its endeavor to sustain focus on customer service, the Bank has implemented a Customer Relationship Management system and mapped the resolution time and escalations against complaints in line with the highest benchmarks of peer banks.

CUSTOMER SATISFACTION SURVEY RESULTS



The Bank has further started monitoring Net Promoter Score (NPS) basis customer experience across its various customer channels to bring in additional push towards customer advocacy.

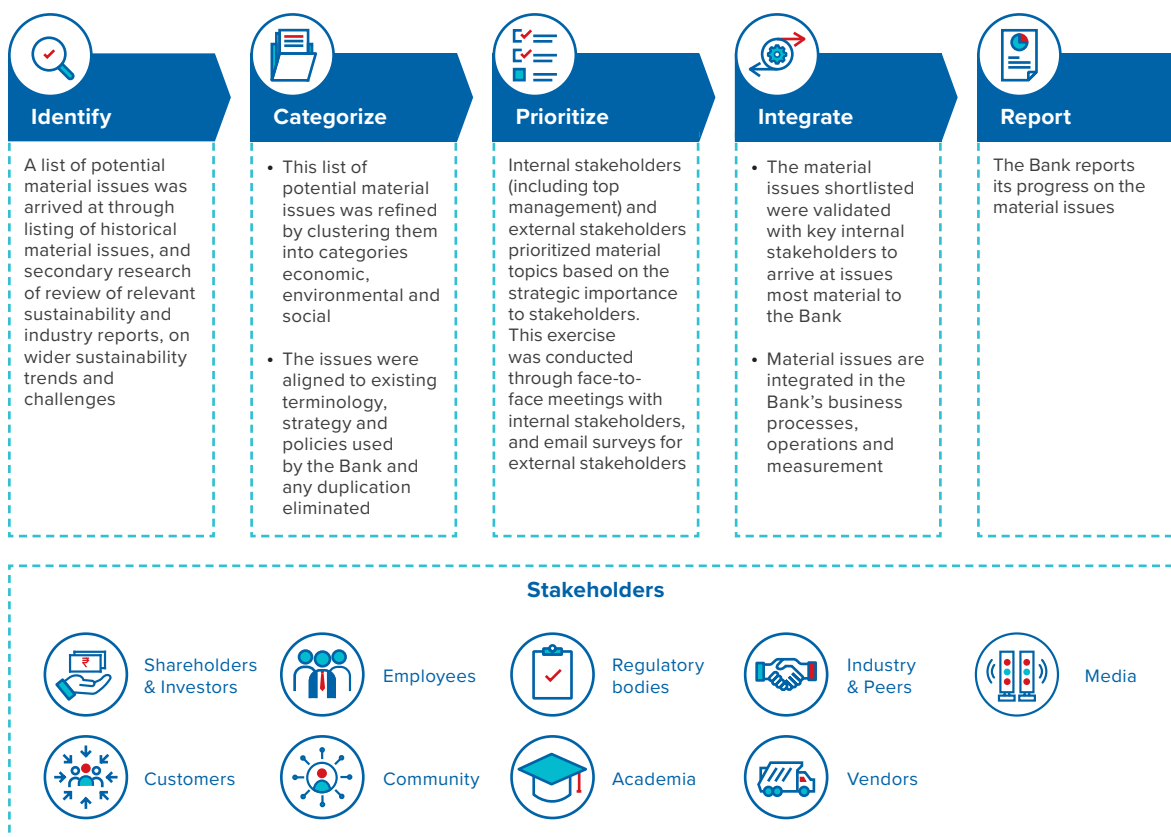
Materiality & Stakeholder Engagement

YES BANK emphasizes greatly on being receptive to its entire stakeholder spectrum. Over the years, the Bank's materiality and stakeholder mapping and prioritization has evolved allowing it to re-align its strategy on the most pertinent issues identified by its internal and external stakeholders.

For the current reporting cycle, the Bank engaged and interacted with its key stakeholders to establish its material issues through strategic stakeholder engagements. The process followed for the identification and prioritization is described below:

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Materiality Process



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Through strategic engagements, the Bank has sought specific feedback and advice on sustainability issues that may be material to the banking industry and to YES BANK in particular. The stakeholders consulted included a broad range of industry experts, academia, thought leaders, and channel partners. The Bank believes that deeper engagements with such subject matter experts and industry thought leaders significantly enhances its 'strategic' knowledge and understanding on externalities that may impact its business environment. The Bank endeavors to future-proof its business through

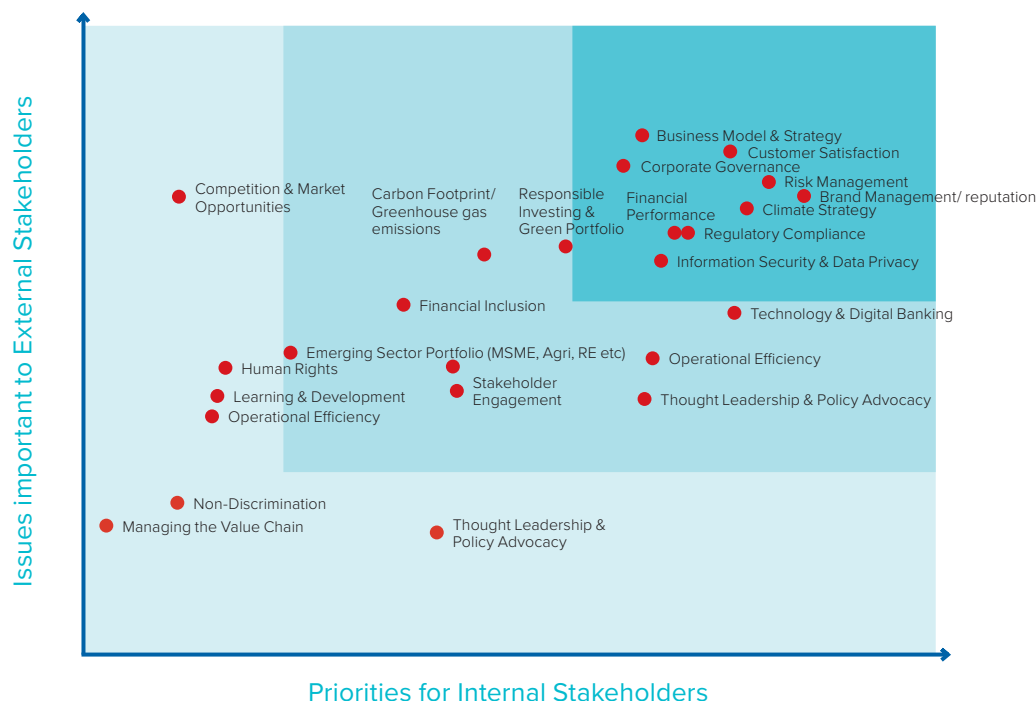
improved alignment between its strategic objectives and emerging priorities, by focusing on macro level trends that are identified in these engagements. The inputs from these engagements are also an opportunity for the Bank to re-align its business risks and opportunities.

The material issues prioritized by the stakeholders have been plotted on a Materiality Matrix that maps the issues important to external stakeholders with the priorities of internal stakeholders.

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YES BANK Materiality Matrix



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THIS REPORT COVERS YES BANK'S PERFORMANCE ON THE KEY MATERIAL ISSUES DEPICTED IN THE MATERIALITY MATRIX, AND ARE TABULATED BELOW ALPHABETICALLY:

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Brand Management & Reputation	YES BANK is a public trust institution operating in a highly regulated sector. The Bank's reputation as perceived by external stakeholders such as the public, clients, and investors is a key aspect for the Bank. As a young and dynamic bank, strengthening its brand value and goodwill is a key material issue.
Business Model & Strategy	YES BANK strives to positively impact its stakeholder spectrum through multidimensional approaches, and gauges its success on integrated outcomes. The value created through its financial, human, social & relationship, natural, intellectual and manufactured capitals over the near and long terms is extremely critical.
Carbon Footprint / GHG emissions	In its 14 th year of operation, YES BANK continues to be in a state of steady expansion and growth. With 1100+ branches, 1,724 ATMs and 18,238 employees across India as on March 31, 2018, YES BANK remains cognizant of its expanding carbon footprint. Managing its footprint and rationalizing its resource consumption becomes a material issue for the Bank. It has therefore 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.
Climate Strategy	YES BANK believes that climate change is an opportunity to spur development and adopt cleaner sources of energy. As a financial institution, the Bank believes it has a key role in catalysing the transition to a low carbon economy. Climate change could significantly affect the way the Bank does business, including impact on its lending portfolio, risk management frameworks and future strategy. The Bank's climate strategy 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 including investments towards building climate change adaptation, mitigation and resilience.

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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 they operate. 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, development of products and services for the bottom-of-the-pyramid population, and investment 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 operation 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, BANK NIFTY and NIFTY 50 on the national bourses. Since inception, the Bank has remained committed to setting 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.
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, metrics 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 banks 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.
Financial Performance	Financial performance is integral to sustainability of the Bank. Sustainable practices and solid financial performance are a result of good management, which allows additional investments in sustainability that in-turn improves financial performance.
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, customer trust and growth. YES BANK views 'Technology' as a strategic business enabler to build a distinct competitive advantage and to achieve superior customer service standards. YES BANK's A.R.T (Alliances, Relationships and Technology) approach has led towards the successful adoption of critical initiatives leading to strengthened operations to take the Bank forward.
Operational Efficiency	The Bank is in a rapid expansion phase, and reducing its operational costs per branch/per employee is an important issue. The Bank has identified energy and resource management and waste reduction as key focus areas towards improving its operational efficiency.
Responsible Investing	Post the adoption of the Paris Accord in December 2015, there is a greater call globally to expand funding towards clean energy and decarbonising portfolios of Financial and Investment Institutions (FIIs). 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 Environmental & Social risk assessment in the corporate sector through policy advocacy and thought leadership.
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 both top-down and bottom-up, and is overseen by the Risk Monitoring Committee of the Board, with the Risk Management Unit managing the day-to-day functioning.
Regulatory Compliance	The Bank operates in a highly regulated sector with strong compliance requirements from the Government and the RBI. Regulatory compliance is a non-negotiable requirement for the Bank and all rules have to be complied with, without exception.

Stakeholder Engagement	The process of stakeholder engagement serves as a tool for understanding the expectations and interests of stakeholders, which is critical to shared value creation for the Bank. The feedback allows the Bank to re-align its strategy on the most pertinent issues identified.
Talent Attraction & Retention	YES BANK's success is directly linked to its human capital's competencies, knowledge and experience. Its human capital philosophy is aligned with its 'Professional Entrepreneurship' ethos, and follows the 5C Engagement Model, comprising culture, communication, career, connect and care, to engage and develop human capital. In line with its vision to the 'Professionals' Bank of India', the Bank's Human Capital Management team proactively visualizes and strategizes its future talent needs and actualizes them through an integrated supply chain. YES BANK strongly believes that an engaged team is critical to achieve its business goals and build a sustainable organization.
Technology & Digital Banking	As new-age digital customers migrate from traditional banking channels to digital banking, it offers YES BANK an opportunity to lead innovation by creating a digital paradigm and partnering with the network leaders. The focus would be on ensuring ease of transaction, and winning and retaining customers by creating value for them. In line with Digital India initiative of the Government, the Bank continues to maintain its focus on innovation and technology, to broaden the base of digital payments infrastructure within the country.

BOUNDARY SETTING OF MATERIAL ISSUES

Material Issue	Linkage with GRI Standards Topics	GRI Standards Disclosures	Significant Impacts
Brand Management / Reputation	GRI 417: Marketing and Labelling	GRI 417-1; GRI 417-2; GRI 417-3; GRI 418-1	Within YES BANK
Business Model & Strategy			Within YES BANK
Climate Strategy; Carbon Footprint/ GHG Emissions; Operational Efficiency	GRI 302: Energy GRI 305: Emissions	GRI 302-1; GRI 302-2; GRI 302-3; GRI 303-4; GRI 303-5; GRI 305-1; GRI 305-2; GRI 305-3; GRI 305-4; GRI 305-5; GRI 305-6; GRI 305-7	Within YES BANK (expanded to include Abu Dhabi Representative Office)
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
Financial Performance; Responsible Investing	GRI 201: Economic Performance	GRI 201-1; GRI 201-2; GRI 201-3; GRI 201-4;	
Customer Satisfaction	GRI 102: General Disclosures	GRI 102-43; GRI 102-4	Within YES BANK
Information Technology & Data Security; Technology & Digital Banking	GRI 418: Customer Privacy	GRI 418-1	Within YES BANK
Risk Management	GRI 102: General Disclosures	GRI 102-11; GRI 102-15; GRI 102-30	Within YES BANK
Regulatory Compliance			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

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In FY 2012-13, in its first year of sustainability reporting, YES BANK had undertaken an extensive stakeholder mapping exercise, which included materiality identification and prioritization, the Bank categorized its stakeholders into three broad groups as upstream, downstream and in-stream, based on the level of influence and impact that the stakeholder groups exert on the Bank. YES BANK firmly believes that its success in driving positive impact should be accredited to the opportunities presented by its stakeholder groups and partnerships.

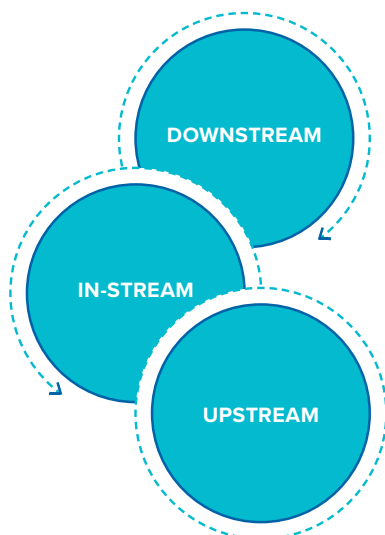
The Bank has been able to establish right alliances and amplify its sustainability impact both within and outside the organization, leading to the realization of first-to-many sustainability initiatives. The Bank ensures that its community development interventions stay relevant, scalable and sustainable, and are strongly aligned with the needs of the stakeholders.

Thus, through its focused approach towards each of these stakeholder groups, YES BANK is mainstreaming its sustainable development agenda from the highest level of decision making to the most disadvantaged at the Bottom of the Pyramid.

102-44

YES BANK'S STAKEHOLDER GROUPS

102-46

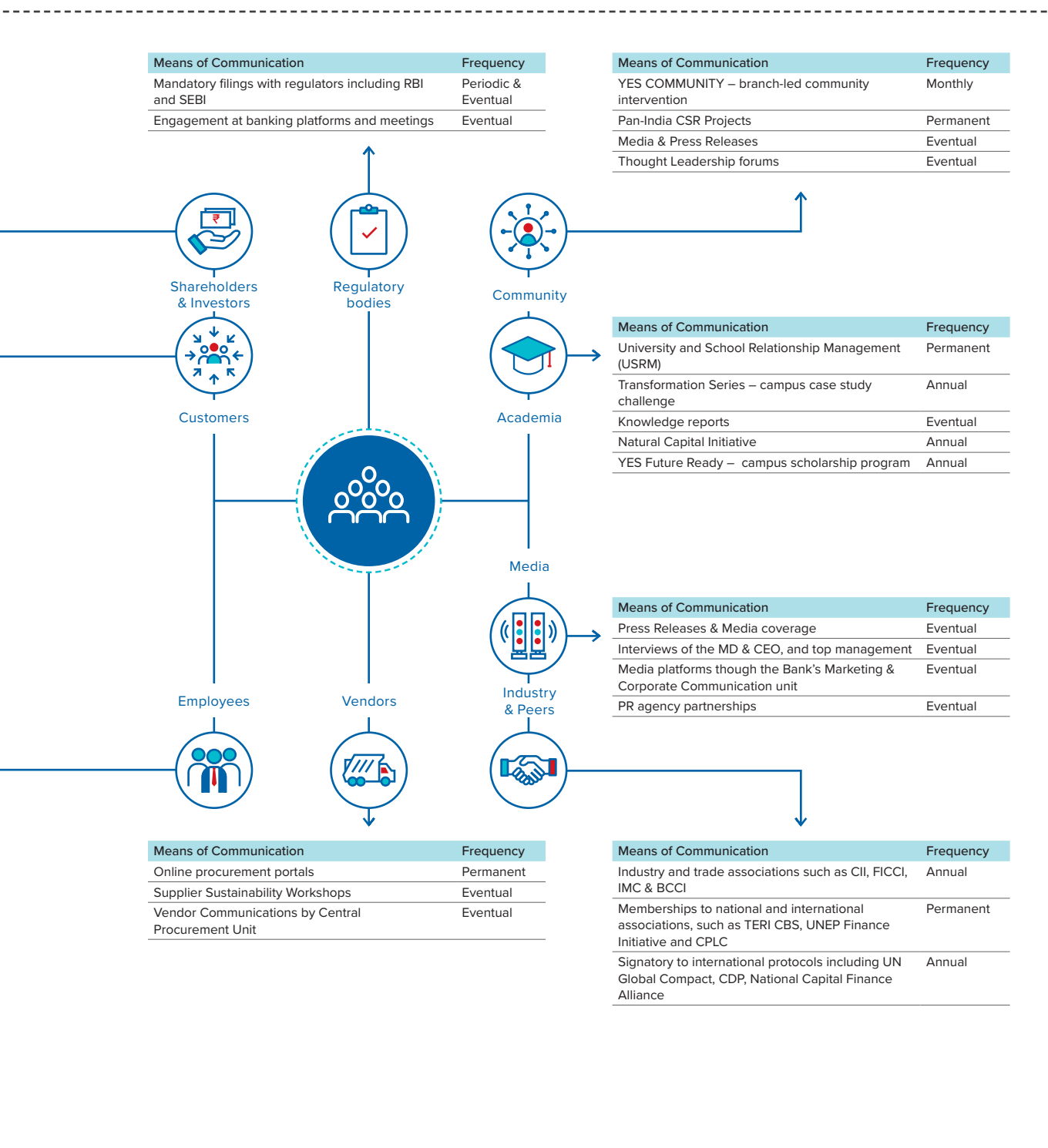


The Bank continues to engage with its stakeholders on a continual basis through an amalgamation of several pre-determined, structured, and need based engagement mechanisms. A summary of the engagement mechanisms is provided here:

Means of Communication	Frequency
Annual Report	Annual
Annual General Meeting	Annual
Company website	Permanent
Analyst calls	Quarterly
Investor Meets & Road shows	Eventual
Annual CDP Disclosure	Annual
Response to ESG research and ratings agencies	Eventual
Press Releases	Eventual
Communication from Stock Exchanges, SEBI Complaints Redress System (SCORES)	Eventual
Bank's Registrar & Transfer Agents	Eventual

Means of Communication	Frequency
Branch banking	Permanent
YES Touch – Customer service platform	Permanent
Financial Education/Literacy initiatives	Eventual
Social Media interaction	Permanent
Business Correspondent network and Bottom of the Pyramid banking	Permanent
Online and mobile initiatives towards digital banking	Permanent
Centralized and branch-based Customer Care centers	Permanent
Customer satisfaction surveys	Annual

Means of Communication	Frequency
HCM Helpdesk – grievance redressal platform	Permanent
YES CONNECT – interactive employee engagement	Monthly
YES Club – Employee wellness & activity platform	Permanent
YES School of Banking – Center of excellence for learning & development	Permanent
Employee Satisfaction Surveys	Annual
My Learning – internal e-learning platform	Permanent
YES - Talent Optimization Program (Y-TOP)	Annual



YES BANK's Sustainability Approach

YES BANK believes that as a financial institution, there is an inherent need to play the role of a catalyst in India's development agenda. The Bank has been able to establish strong alliances and amplify its sustainability impact both within and outside the organization, leading to the realization of first-of-many sustainability initiatives.

Responsible Banking is a key differentiator of YES BANK and is one of the six brand 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. This integrated thinking approach has resulted in increased alignment towards strategic sustainability goals and value creation.

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.



YES BANK was selected into the prestigious Dow Jones Sustainability Indices – Emerging Markets Index, for the third year in a row in 2017. The Index comprises of 91 companies from 14 emerging economies, which were selected after a rigorous assessment on over 600 data points. YES BANK is the only Indian bank, among 49 global banks, to be included in DJSI.



In 2017, YES BANK made it to the MSCI All Country World Index (ACWI) - ESG Leaders Index and MSCI ACWI SRI Index. YES BANK is amongst the top 12% of the global financial industry on Environmental, Social & Governance (ESG) Performance and highest compared to the top-10 largest banks globally. The Rating is an endorsement of the Bank's 360 degree risk framework that integrates ESG factors into its overall risk assessment framework.



In the reporting period, YES BANK was selected as an index constituent of the FTSE4Good Emerging Index. The selection into FTSE4Good highlights YES BANK's sectoral leadership in environmental, social and governance (ESG) performance. YES BANK was rated above the threshold for companies in Emerging markets as well as that of Developed markets, by FTSE Russell.



YES BANK is the only Indian Bank to be assigned a Prime status for its ESG performance, by Oekom Research, a leading ESG research and ratings provider. YES BANK's performance is among top-12% of the banking sector globally.



Benoît Leguet

*Managing Director,
I4CE – Institute for Climate Economics*

Since 2015, YES BANK is actively involved in the Climate Action in Financial Institutions Initiative, which enables operational teams to share their experience with public and private peers from different parts of the world and to learn from them. The charter signed in 2017 with the development banks of the Netherlands, Germany and France to champion green finance in India is one example of YES BANK's commitment for sustainability and climate action. It demonstrates how, as India's fourth largest private sector bank, YES BANK can influence the financial sector in India towards mainstreaming sustainability and climate action and disseminating good practices.



Guillaume Barberousse

*Responsable Division Banques et Marchés Financiers,
Head of Financial Institutions Group, Proparco*

FY2017-18 has been yet another year of great achievements for YES BANK in terms of Responsible Banking. YES BANK is leading by example in the Indian market, in particular when it comes to green finance. Beyond generating green assets in its loan book, YES BANK actually plays a critical role at a much larger level in raising awareness on green finance and climate-related challenges amongst partners, clients and investors. The success of YES BANK's several green-labelled issuances is a testimony of the specific position that the Bank has carved out for itself in the Indian market. Proparco is therefore very happy to support the development of Green Finance through its partnership with YES BANK, the leading player in that space in India and a long standing client of Proparco.

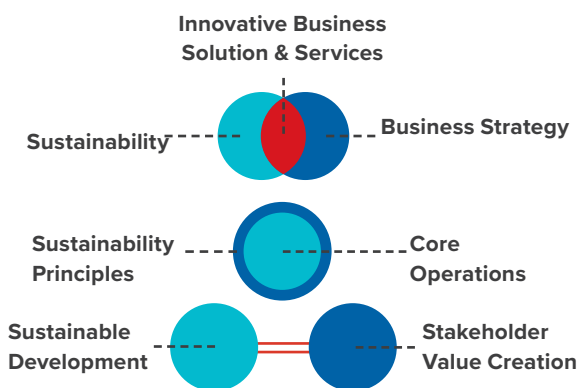


Creating Shared Value through Responsible Banking

Rapid globalization and digitization are increasingly shaping a changing world in an unprecedented manner. Technological advances that are unparalleled in their speed and impact are making it imperative for businesses to innovate and be Future Ready, Now.

Bringing the future to the present for the Bank, therefore, involves an intrinsic, sustainable transformation by future-proofing the business. Developing solutions to minimize the negative effects while taking advantage of the positive impact of future events holds the key. To reap full benefits of this evolution, innovations in technology, policy formation and finance are the way forward. Thus at YES BANK, Future Now, is not only a commitment to business but also towards achieving the global development goals.

YES BANK institutionalized Responsible Banking as a key differentiator and one of its six brand pillars since inception. It believes that there was an inherent need to play a central role in India's economy to create a positive social and environmental impact.



With a greater understanding of its stakeholders' needs, and an uncompromising focus on corporate governance and risk management, YES BANK has been able to establish sustainability impact through cutting-edge solutions in climate finance and community interventions. The Bank's visionary approach to prioritizing Environmental, Social & Governance (ESG) performance in the Indian banking sector with early efforts at bringing future to present for all its stakeholders has borne fruit, endorsed by recognition at various platforms.

FUTURE-READY CLIMATE ACTION

YES BANK believes that financial institutions are catalysts to a sustainable economy. Building a sustainable future involves propagating the use of future-ready technologies like block chain, electric vehicles and smart buildings. Such sunrise sectors offer an investment opportunity of USD 3.1 trillion in India. The Bank, through its Responsible Banking ethos, is pioneering this low carbon transformation with a focus on:

- Integrating Environmental & Social parameters into its lending decisions
- Innovating for the Bottom of the Pyramid by leveraging technology
- Proactively investing in positive impact sectors
- Greening its own operations
- Climate literacy

The Bank's 360-degree risk framework, integrating ESG parameters is central to future-proofing its business. The Bank proactively looks at mitigating emerging risks and creates new opportunities in India's climate resilient business sectors. YES BANK believes that climate change is a business opportunity for transition to a low carbon economy and has pioneered the Green Bond market in India.

In December 2017, the Bank became the first Indian bank to solely arrange and subscribe to a Social Bond, with the proceeds dedicated to affordable housing projects.

This, along with a pilot blended finance project for salt pan farmers in Little Rann of Kutch, showcases the Bank's futuristic approach to financial innovations for sustainable communities today.

POLICY ADVOCACY FOR FUTURE

Through its proactive approach, YES BANK has helped cement strong community relations and leveraged its partnerships with national and international institutions, multi-lateral organizations, academia and corporate peers to bring positive transformation.

The Bank has lent technical and practitioner's perspective to policy and regulatory action on pertinent issues, with an aim to drive investments towards the sunrise sectors of the economy, while innovating to bring India's unbanked and under-banked population into the formal economy. In its role as a thought leader, YES BANK has created platforms and developed knowledge reports on issues of national importance such as:

- Financing Sustainable Development Goals (SDGs)
- Natural capital conservation
- Circular economy
- Electric mobility

YES BANK is a member of key national and global alliances including the India GHG Program, TERI Council for Business Sustainability, CII Climate Change Council and Natural Capital Finance Alliance.

The Bank continues to be a signatory and supporter to key protocols and global alliances focused on climate action and sustainable development, including the UNEP FI, Carbon Pricing Leadership Coalition, UN Global Compact, CDP, Climate Action in Financial Institutions Initiative, Financial Stability Board's Taskforce on Climate-related Financial Disclosure recommendations.

POSITIVE COMMUNITY IMPACT, TODAY

India, as a developing, 1.3 billion strong nation, requires massive investments of up to USD 2.5 trillion to fulfill its SDGs by 2030. Apart from financial investments and commitments, YES BANK believes that a participatory approach enables the power of coalition and drives accelerated social impact securing the most basic needs for a vast majority of the population. Guided by its four-pronged approach framework to 'Promote, Invest, Engage, and Collaborate & Monitor', YES BANK has helped develop innovative CSR models to bring a positive change to the lives of vulnerable or marginalized communities.

In 2017-18, through its flagship branch-led community engagement program, YES COMMUNITY, the Bank touched 3.21 million lives through 12, 764 activities. With an aim to make India's MSME sector sustainable and globally competitive, the Bank's unique CSR program has supported 18,544 MSMEs across 14 states and 17 sectors through focused interventions in energy efficiency, occupational health and safety and financial literacy. Towards the Bank's commitment to bring access to safe & clean drinking water to 100 million lives by 2020, the Livelihood and Water Security initiative touched over 40 million lives in the reporting period.

YES FOUNDATION, the social development arm of YES BANK, continued to catalyse the social development ecosystem through an enhanced impact model of its flagship program - YES! i am the CHANGE, by setting up a grant fund for non-profit organizations and social enterprises. Additionally, grantees will receive accelerator support for a period of 3 years. The Foundation's Media for Social Change Fellowship program was expanded to three cities, developing 213 socially conscious youth leaders supporting 101 non-profit organizations.

YES BANK is spearheading the future of sustainable finance in India particular through the Responsible Banking vision, which is to be the benchmark financial institution for sustainability and inclusivity.

CREATING POSITIVE IMPACT

ACCESS TO SAFE AND CLEAN DRINKING WATER



40 million+

Number of Lives given access to safe and clean drinking water in 2017-18



5.2 million+

Litres of water dispensed through 7 Water Health Centres

YES COMMUNITY



3.21 million

Number of Touch points



12,764

Activities engaging the community on sustainability issues

SAY YES! TO SUSTAINABLE MSMEs IN INDIA



18,544

MSMEs impacted through energy efficiency and OHS interventions



28,454

MSME workers positively impacted through energy efficiency and OHS interventions



13,500

Tons of CO₂e reduced through YES BANK's interventions

SKILL BUILDING AND ENTREPRENEURSHIP



943

Students trained and employed under YES STEADY

YES! I AM THE CHANGE (YIAC)



29,805

Registrations for social film making challenge



11,501

Films submitted

Enhanced disclosures based on Taskforce on Climate-related Financial Disclosures

Impacts that were previously considered by financial institutions to be externalities are now becoming more material, given today's risk environment. The threat of climate-change on businesses has made it imperative for markets to receive and react to the right information in order to mitigate risks and seize the right opportunities. Transition to a low carbon economy has never assumed greater focus.

The year 2017 has been significant from the perspective of integrating climate action into corporate strategies, with Financial Stability Board's Taskforce on Climate-related Disclosures (TCFD) putting forth its recommendations. The recommendations acknowledge that climate risks have the potential to affect the efficiency and effectiveness of markets, financial institutions and the economy at large. It provides a framework for disclosing climate-related risks and opportunities beyond current practices, by including them in mainstream financial filings.

In December 2017, YES BANK became the first and the only Indian bank to support TCFD at the One Planet Summit hosted by French President Emmanuel Macron in Paris to mark the second anniversary of the historic Paris Agreement. The Bank believes that enhanced disclosure of climate-related financial risks and opportunities can positively contribute to mitigating climate change. Beginning with this report for FY 2017-18, the Bank intends to further strengthen its processes and report its performance in greater alignment with the TCFD recommendations.

The enhanced disclosures are based on the TCFD framework:



Governance
Governance around climate related risks and opportunities

Strategy
Actual and potential impacts of climate related risks and opportunities on the organisation's business strategy and financial planning

Risk Management
The processes used to identify, assess and manage climate-related risks and opportunities

Metrics and Targets
The metrics and targets used to assess and manage relevant climate-related risks and opportunities



Rana Kapoor

Managing Director & CEO, YES BANK

YES BANK, is a strong proponent of ESG disclosures, and welcomes the recommendations on climate-related financial disclosures by TCFD. I am sure this intervention by FSB and TCFD would accelerate overall understanding of climate-related risks and opportunities towards better decision making which in turn would fuel climate finance globally, especially impacting emerging economies. The recommendations with its holistic disclosure framework play a critical role in mobilizing public and private finance for climate action, and future-proofing of businesses, thus enabling a sustainable global financial system.



Governance

YES BANK views climate change as an opportunity for the world to move towards a low carbon economy. The Bank accords high strategic priority to climate action and has integrated it into its business strategy.

The Bank's Board of Directors has a direct oversight for climate change impact mitigation. The Group President & Global Head, Climate Strategy & Responsible Banking is also the Bank's Chief Sustainability Officer (CSO). The CSO is the highest ranking executive responsible for strategy and managing day-to-day issues regarding climate change and reports directly to the Managing Director & CEO. YES BANK's climate strategy comprises a multi-pronged approach including accelerating climate finance, thought leadership at the national and global level, environmental and social risk management of the Bank's lending portfolio, community action on environmental sustainability through CSR, and mitigating its own carbon footprint. The implementation of this plan and its progress is periodically presented to the Managing Director & CEO and the Board of Directors ensuring highest level of ownership and transparency.

To demonstrate its commitment to low carbon growth, on the occasion of Conference of Parties (COP) 21 climate summit in Paris in December 2015, YES BANK had taken a commitment to target mobilizing USD 5 billion towards climate finance in India by 2020 commitment. In addition, the Bank committed to planting 2 million saplings by 2020 to augment India's carbon sink. The Board and top management review the Bank's progress periodically towards achieving these stated targets.

YES BANK addresses climate change related issues directly or indirectly through various committees, business units and functions. They include (presented here in alphabetical order):

- **BOARD OF DIRECTORS:**

YES BANK's Board of Directors is presented with a quarterly update on all the sustainable development initiatives undertaken at the Bank, including progress against the climate action strategy. The Board's guidance and oversight helps the Bank create new benchmarks within the sector

- **CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE OF THE BOARD:**

Constituted in 2014, the CSR committee oversees YES BANK's Corporate Social Responsibility initiatives, which also include various climate change mitigation projects promoting environmental sustainability

- **ENTERPRISE RISK MANAGEMENT COMMITTEES:**

The Bank's Risk Management Unit is designed to establish an effective, non-silo-based Enterprise Risk Management (ERM), which further constitutes two Committees – Enterprise Risk Management and Capital Management Committee (ERCC) and Reputation Risk Management Committee (RRMC) -

- **Enterprise Risk Management and Capital Management Committee (ERCC):**

ERCC is responsible for overseeing and ensuring that all material risks are identified, measured, monitored and controlled in accordance with the Bank's risk appetite, as well as within regulatory guidelines. In a materiality mapping exercise by internal stakeholders, climate strategy and operational eco-efficiency have been recognized as key material issues

- **Reputation Risk Management Committee:**

Reputation Risk Management Committee oversees the Bank's preparedness for mapping and managing the Environmental & Social (E&S) risks of its operations keeping in focus their impact on the Bank's reputation and goodwill

- **ENVIRONMENTAL AND SOCIAL (E&S) RISK TEAM:**

A dedicated E&S Risk team, which is a part of the Risk Management Unit of the Bank and reporting to Chief Risk Officer (CRO), facilitates environmental, social and climate due-diligence of projects funded by the Bank. This helps ensure that all activities are environmentally and socially prudent and compliant to the regulatory environmental and social standards as applicable or likely to be in force in future

- **OPERATIONS RISK MANAGEMENT COMMITTEE:**

The Bank has constituted the Operational Risk Management Committee (ORMC), consisting of Senior Management of the Bank for implementation and monitoring of the Operational Risk Framework throughout the Bank. The Committee is also responsible for reviewing the Operational Risk profile of units, understanding future changes and threats, and concurring on areas of highest priority and related mitigation strategy. Operational Risks include risks resulting from physical risks arising from the impact of climatic (i.e. extremes of weather) or geologic

(i.e. seismic) events. The Bank has further implemented a Business Continuity Management Committee (BCMC) as a sub-committee of ORMC, responsible for development, implementation and ongoing monitoring and review of the effectiveness of the Business Continuity Plans (BCP) across the Bank. The Business Continuity Plan includes any potential service disruption arising from extreme weather or geologic events as a result of climate change. The Bank is ISO 22301 certified, an International Business Continuity Standard, to manage its business continuity.

- **RESPONSIBLE BANKING UNIT:**

Responsible Banking Unit is entrusted as custodian of implementation of the Bank's climate strategy and sustainable development agenda with support from other strategic business units and support functions.

- **RISK MANAGEMENT UNIT:**

The Risk Management Unit is headed by the CRO, who leads the Credit Risk (Underwriting) unit, General Legal Counsel and other Risk units. The CRO reports to the MD & CEO. The CRO is responsible for ensuring an effective implementation of an enterprise-wide risk management framework through risk policies, processes, limits and controls that enable prompt risk identification, accurate risk measurement and effective risk mitigation. The CRO is also responsible for risk compliance and monitoring, as well as reviewing and presenting risk reports, policies and dashboards to Risk Management Committee of the Board.

- **OTHER BUSINESS UNITS & INTERNAL COMMITTEES:**

The Bank has specialized teams, like Inclusive and Social Banking (ISB) focusing on financial inclusion, Digital Banking focusing on digitization and technological innovation in mainstream banking, Corporate Finance (CF) and Sustainable Investment Banking (SIB) dedicated to on renewable energy/ clean technologies finance and advisory and Food and Agri Strategic Advisory and Research (FASAR) centered on agriculture and allied economy. These specialized units work towards business agendas which are strongly underpinned by climate action, and are mainstreaming sustainability priorities in YES BANK's core business of finance and lending.

In addition, teams like the Infrastructure & Digital Network Management (IDNM), Quality Assurance (QA), Business and Digital Technology Solutions (BDTS), Operations and Services Delivery (OSD) and Service Excellence (SE) form the foundation for the Bank's operations. Moreover, they work in alignment with the Responsible Banking team towards implementation of environmental and social initiatives, including the ISO 14001:2015 certification for its Environmental Management System, which has led to rationalization in resource consumption and improved operational efficiency across the organization.

YES BANK proactively engages with national and international institutions, and leverages its partnerships to bring positive climate action. The Bank's engagements and positive impact policy advocacy for climate action is highlighted in the 'Opportunities' section of this report.

Strategy

YES BANK believes that financial institutions are catalysts to a sustainable economy. The Bank has striven to be a part of India's growth story and has adopted a strategic approach to sustainability led by its visionary MD & CEO, a proactive Board, and committed top management. It believes building a sustainable future involves propagating the use of future-ready technologies like blockchain, AI, big data, electric vehicles and smart buildings. Such sunrise sectors offer an investment opportunity of USD 3.1 trillion in India. The Bank, through its Responsible Banking ethos, is pioneering this low carbon transformation with a focus on:

- Integrating environmental and social parameters into its lending decisions
- Innovating for the bottom-of-the-pyramid population through leveraging technology

- Proactively investing in positive impact sectors
- Greening its own operations
- Climate literacy

YES BANK is fully committed towards unlocking innovative financial mechanisms for achieving India's ambitious target of combating climate change in the near and long term. The Bank's 360-degree risk framework, which integrates ESG parameters, is central to strengthening its risk framework. The Bank proactively looks at mitigating emerging risks and creating new opportunities in India's climate resilient business sectors. As a part of its 'Future Now' plan, the Bank has formulated a climate finance strategy, to embed future climate risks into the Bank's present actions.



YES BANK believes that climate change is a business opportunity for transition to a low carbon economy and has pioneered the Green Bond market in India. In December 2017, it became the first Indian bank to solely arrange a Social Bond, the proceeds of which would be deployed towards financing affordable housing projects. This, along with a pilot blended finance project for destitute women salt pan farmers in Little Rann of

Kutch to switch from diesel to solar power, showcases the Bank's futuristic approach to financial innovations for sustainable communities today.

The Bank supports the global goals seeking to limit the average global temperature rise to no more than 2°C above pre-industrial levels. Towards this, the Bank has made climate action commitments –

YES BANK COMMITMENT TO TARGET MOBILIZING USD 5 BILLION FOR CLIMATE ACTION BY 2020



On the occasion of Conference of Parties (COP) 21 climate summit in Paris, in December 2015, YES BANK made a commitment to mobilize USD 5 billion from 2015 to 2020 for climate action through lending, investing and raising capital towards mitigation, adaptation and resilience. To achieve holistic impact and aid India's target of meeting its Nationally Determined Contributions (NDCs), the Bank also committed to achieve the following by 2020:

- Target funding of 5,000 MW of clean energy
- Gradually increase percentage of Renewable Energy in its power portfolio
- Contribute towards creating a carbon sink by planting 2 million saplings
- Touch 100 million lives through its safe and clean drinking water program
- Offset carbon emissions of the Bank's operations

COMMITMENT TO MOBILIZE USD 5 BILLION TOWARDS FINANCING SOLAR ENERGY PROJECTS IN INDIA



YES BANK committed to mobilizing USD 1 billion till 2023 and USD 5 billion till 2030 towards financing solar energy projects in India at the International Solar Alliance (ISA) conference organized at World Future Energy Summit 2018 in Abu Dhabi, in January 2018.

This significant announcement is part of YES BANK's commitment to support ISA's vision of creating a robust ecosystem for solar energy globally and the Government of India's target of achieving 100 GW of solar energy by 2022.

The Bank has been able to attract investor confidence resulting in credit lines from reputed multilaterals and development finance institutions (DFIs) like International Finance Corporation (IFC), Overseas Private Investment Corporation (OPIC), Asian Development Bank (ADB), Netherlands Development Finance Company (FMO), European Investment Bank (EIB) and the Development Bank of Austria (OeEB).

SCENARIO ANALYSIS

The TCFD has recommended that banks and organisations use scenario analysis to assess their resilience to climate-related scenarios. Scenario analysis is a way of testing to see what might happen. It can be used to test whether business strategies are sufficiently robust and flexible to withstand potential implications – in this case from climate change.

YES BANK is assessing the relevance of climate scenario analysis on its portfolio as recommended. Scenario analysis aims to assess the impact derived from climate change, both in the form of physical risks (i.e. natural disasters caused by climate change) or by the transition to an economy with lower emissions (due to the impact of regulatory, technological and market changes). This analysis would help the Bank in testing the resiliency of its portfolios against a range of issues, including climate change and assess the impact of environmental factors on credit risk of its loans using a stress testing approach, a form of scenario analysis. Additionally, YES BANK is working with leading academic institutions in the country to develop climate models.



Mark Gough

*Executive Director,
Natural Capital Coalition*

In recent years, YES Bank has emerged as an international leader in the natural capital space. The work of the bank is not only an example to other financial institutions, but also to businesses across sectors and the global economy. YES BANK has demonstrated that taking a natural capital approach can aid organizations in the mitigation of risk, identification of opportunities and development of organization-wide strategies. They have shown that natural capital assessments can lead to better decisions that benefit business, while also creating co-benefits for the environment and wider society. We are very encouraged that YES BANK has been applying the Coalition's Natural Capital Protocol in much of this work; from their assessment of the real value of water in the Indian beverage sector, to their most recent assessment to measure the natural capital impacts and dependencies associated with the projects financed with their ambitious green bonds program. I strongly support YES BANK's intention to continue to mainstream natural capital approaches in their organizational practices, investment decisions, and wider strategy.



Risk Management

The recommendations of TCFD acknowledge that climate risks have the potential to affect the efficiency and effectiveness of markets, financial institutions and the economy at large. In December 2017, YES BANK became the first Indian bank to support the TCFD recommendations on climate risks and opportunities at the One Planet Summit hosted in Paris.

The risk management culture at YES BANK is driven both top-down and bottom-up. The Board is responsible for risk management, which comprises risk governance and oversight structure, and for maintaining an appropriate internal control framework. Through its Risk Monitoring Committee, the Bank's Board reviews and approves the threshold limits of risk to be taken in line with the Bank's strategic objectives and risk appetite. YES BANK's risk culture also involves proactive risk identification, appraisal and time-bound initiatives to mitigate risk with the objective of balancing it with returns. The Bank has set robust risk filters and systems that enable it to detect early warning signals and embrace appropriate proactive actions.

The Bank continues to strengthen strategic partnerships with some of the best global IT majors with the objective to develop innovative features that enhance process efficiencies to mitigate operational risk and provide sector-specific banking solutions. The effectiveness of YES BANK's risk governance continues to be reflected in its best-in-class credit metrics.

CLIMATE-RELATED RISKS IDENTIFICATION

The Bank's Risk Management framework is forward-looking and includes coverage of environmental and climate risks. The Bank's Environment and Social Policy recapitulates its commitments to mainstream environmental and social issues as an integral dimension of business. It enables the Bank to develop processes to recognize, evaluate, and to the highest degree possible, monitor the environmental and social facets of its banking operations and stakeholders, reinforcing the Bank's commitment to sound sustainability practices.

As a financial intermediary, YES BANK gains exposure to material climate-related risks through its borrowers, customers, or counterparties. Through desk research, a list of 10 material climate-related issues for the Bank were identified. The top management across various Business Units ranked these risks in order of relevance

to the Bank. Based on the feedback, a rank was assigned to all risks in the list. The top-3 climate-related risks with the maximum potential to generate significant change in Bank's business operations, revenue or expenditure were identified. The Bank has classified climate-related risks as Transition Risks and Physical Risks.



Transition risks have been identified as risks which arise from efforts to address environmental change, including but not limited to regulatory changes in policies, technological changes or shifts in investor sentiment and consumer behavior. Physical risks are risks which arise from the impact of climatic (i.e. extremes of weather) or geologic (i.e. seismic) events. Extreme weather or geologic events, due to climate change increase the risk to the Bank's physical assets and pose a risk of service disruption.

After a systematic process to identify and assess climate-related risks relevant to YES BANK in the foreseeable medium-term, the top-risks are selected and the Bank's risk profile is established. These top-3 risks for the Bank are:

- **ENHANCED DISCLOSURE POLICIES:**

Introduction of enhanced disclosure policies by the government and/or regulatory bodies may result in legal proceedings or penalties for organizations failing to comply with the enhanced disclosure policies.

- **STRINGENT ENVIRONMENTAL REGULATION:**

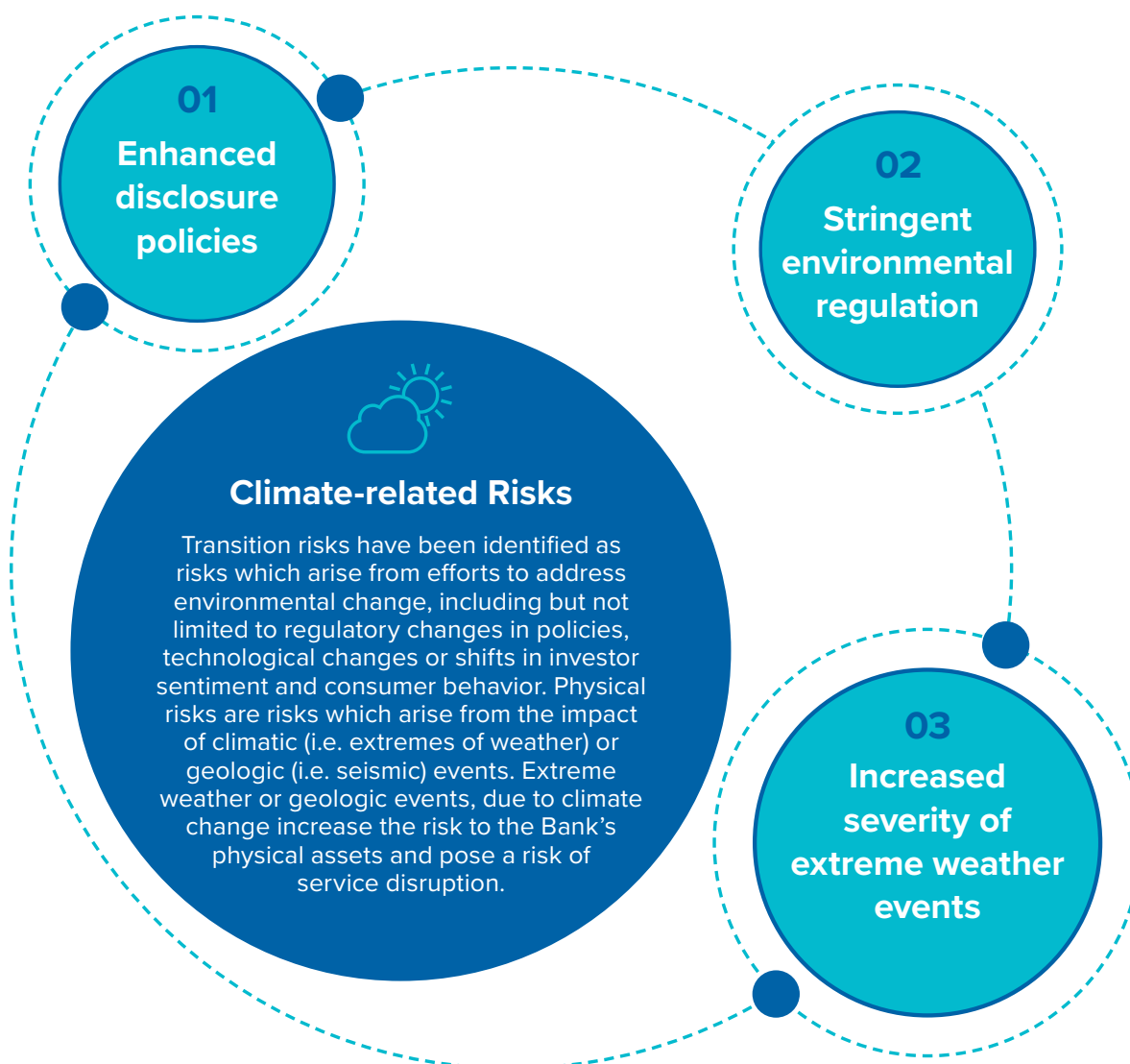
With growing awareness on Environmental & Social (E&S) issues globally, countries have established robust E&S regulations that specify requirements for operating licenses, occupational health and safety standards, and emission/discharge limits. Stricter environmental regulations may affect repayment

capability of clients who fail to meet the enhanced regulations.

- **INCREASED SEVERITY OF EXTREME WEATHER EVENTS:**

In recent years, severe climatic events such as drought, high temperatures and floods, have impacted India's economy especially in sectors such as agriculture and allied industries. Climate change may increase the frequency and severity of climatic events, which can adversely affect the customers' production levels, and therefore revenue.

Each of these identified top risks has an associated macroeconomic or idiosyncratic scenario. To assess the impact of these risks on the Bank, internal scenario analysis and stress testing models and methodologies are being developed.



Each of these identified top risks has an associated macroeconomic or idiosyncratic scenario. To assess the impact of these risks on the Bank, internal scenario analysis and stress testing models and methodologies are being developed.

Climate-related risks are reviewed annually to establish the available measures the Bank would have to undertake in order to survive an extremely severe financial crisis. The plan sets out a series of financial and macroeconomic stress scenarios, with differing degrees of severity, that include idiosyncratic and/or systemic events that are relevant for the entity. The base case for stress testing further assumes that the Bank will grow the balance sheet in a stress environment at its normal growth rate and will apply stress at the end of each financial year on projected financials.

CLIMATE-RELATED RISKS MANAGEMENT

In line with its sustainability-focused vision and commitments, YES BANK has in place systems towards managing its climate-related risks at an organizational, project and portfolio levels.

AT ORGANIZATIONAL LEVEL

The Bank has a formal process in place for the identification of environmental and social risks and opportunities, which also includes risks and opportunities around climate change. ESG and climate change related risks and opportunities are evaluated by the Risk Management, Infrastructure & Digital Network Management (IDNM) and Procurement teams, for the projects and initiatives under their respective domains. The Bank has an Internal Cost Committee which also looks at environmental impact of several cost-saving initiatives, as well as maintaining a consistent approach to evaluating and managing environmental, human health and safety risks in procurement.

To manage any potential service disruptions due to climate change, YES BANK has a robust Business Continuity Plan and is certified with ISO 22301, an International Business Continuity Standard. In 2017, it also 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 recertification to the new standard is based on the Bank's new Environmental Management Policy released in 2016, which commits to achieve a minimum of 10% reduction y-o-y in its carbon emissions intensity through broad-level actions.

PROJECT LEVEL

At a project level, E&S risk assessment is integrated into its overall credit approval framework. YES BANK has a Board-approved Environment & Social Policy (ESP) which mandates that all the projects the Bank lends to, above

a predefined threshold, are assessed for their E&S risks in addition to their financial risk assessment. The Policy is based on international best practices and regulations, such as the Equator Principles and IFC Performance Standards. The Bank has dedicated E&S Risk assessment experts housed within the Risk unit who are responsible for implementing the provisions of the ESP. These experts are supported by the Risk unit and the Responsible Banking unit to undertake preliminary E&S due-diligence of projects, and recommend appropriate covenants to be included in the credit documents which are monitored throughout the credit cycle.

PORTFOLIO LEVEL

India is pre-dominantly agriculture-based where the sector accounts for 18% of the country's Gross Domestic Product (GDP) and provides employment to 50% of the country's workforce. This makes agriculture the main source of income. Most industry sectors are dependent on agriculture either by directly being involved in farming or by utilizing agri-products as their raw material. Therefore, to manage the climate-related risks arising from agricultural production at portfolio level, YES BANK analyses Ministry of Agriculture's monsoon distribution data on several parameters – (i) temporal (ii) spatial (iii) geographical (iv) state- and district-wise basis to determine the impact of distribution variation on agriculture output. This analysis is taken into account by the Bank's Risk Management and lending teams while engaging with their clients. This is one example of the knowledge-driven approach undertaken by the Bank towards de-risking its portfolio against climate change.

Additionally, the Bank is working on a plan to implement climate scenario analysis as recommended by TCFD. Scenario analysis aims to assess the impact derived from climate change, both in the form of physical risks (i.e. natural disasters caused by climate change) or by the transition to an economy with lower emissions (due to the impact of regulatory, technological and market changes). Responsible Banking Unit along with the Risk Management team is developing various scenarios to assess the impact of climate change on the Bank's business. This analysis would help the Bank in testing the resiliency of its portfolios against a range of issues, including climate change and assess the impact of environmental factors on credit risk of its loans using a stress testing approach, a form of scenario analysis.

Further, the Bank's Annual Report for FY 2017-18 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 101-104, 120-124 of the Report. The Report can be accessed at <https://www.yesbank.in/about-us/investorsrelation/financial-information/annual-reports>.

Opportunities

YES BANK is committed to identifying and leveraging the opportunities that climate finance presents. The two pronged approach adopted by the Bank, positive impact climate finance and policy advocacy, focuses not only on bringing about actual change in the present, but also influencing change in the future.

POSITIVE IMPACT CLIMATE FINANCE

Financial institutions can play a major role in driving climate action, which requires them to adopt a proactive approach with innovative financial mechanisms. YES BANK aims to enhance its recognition as a green bank with the launch of green products, ensuring sustainable operations, and deepening ties with DFIs and sustainability-focused investors. In line with its commitment of financing 5 GW of RE projects taken in 2015, the Bank has already successfully financed ~4.7 GW.

In February 2015, YES BANK issued India's first-ever green bond (also the 1st amongst the emerging economies) in accordance with the Green Bond Principles, by raising USD 160 million. Subsequently in 2015, IFC issued its first green masala bond on the London Stock Exchange and privately placed USD 50 million in YES BANK's green bonds. The Bank continued its leadership in Green Infrastructure Bonds and raised USD 50 million through an issue of 7-year Green Infrastructure Bond to FMO, the Dutch Development Bank, on a private placement basis in September 2016. This was FMO's 1st investment in a Green Bond in India.

MAINSTREAMING GREEN FINANCE IN INDIA

Given the momentum in climate finance in the country, YES BANK organized India's first ever investment symposium on 'The Opportunity of Green Finance in India' along with FMO (the Development Bank of the Netherlands), DEG (the Development Bank of Germany) and Proparco (the Development Bank of France). The symposium shed light on the increasing investment potential of green assets in India and Asia Pacific region and facilitated dialogue among 50 different domestic and international financial institution, spanning the public and private sector including regulators, stock exchanges, rating agency, and banks.

During the symposium, the Bank signed the charter with FMO, DEG, and Proparco to champion green finance in India. The four banks committed to mobilize green investments, seize opportunities in India's sunrise



(L-R) Mr Ashishkumar Chauhan, MD & CEO, Bombay Stock Exchange (BSE), Ms Karin Homermann, Vice President, DEG, Mr Rana Kapoor, Managing Director & CEO, YES BANK, Mr Guillaume Barberousse, Head of Banking & Capital Markets, Proparco, Ms Linda Broekhuizen, Chief Investment Officer, FMO, and Ms Namita Vikas, Group President & Global Head - Climate Strategy and Responsible Banking, YES BANK at Green Finance Symposium in Mumbai

sectors, and contribute to achieving India's Nationally Determined Contributions (NDCs) and Sustainable Development Goals (SDGs).



Mr Rana Kapoor speaking at International Solar Alliance's (ISA) Founding Conference on 11th March, 2018 at the Rashtrapati Bhawan Cultural Centre, New Delhi

COMMITMENT TOWARDS SOLAR PROJECTS

YES BANK is one of the associate organizations supporting International Solar Alliance (ISA), a treaty based international Inter-Governmental alliance of 121 solar resource rich countries lying fully or partially between the Tropics of Cancer and Capricorn, for achieving their mission of mobilizing USD 1,000 billion by 2030 for massive deployment of solar energy.

Given the Bank's leadership in the renewable sector knowledge and financing, the Bank was invited to participate in the International Solar Alliance's (ISA) Founding Conference on 11th March, 2018 in New Delhi, which was attended by 34 Heads of State/Government and ministerial delegations, from ISA member nations and 25 select Indian industry leaders, including Mr Rana Kapoor, Managing Director & CEO, YES BANK. The event was inaugurated by Honourable Prime Minister of India, Shri Narendra Modi and Honourable President of France Mr Emmanuel Macron, the

founding signatories of ISA. As a knowledge partner, YES BANK prepared the ISA Compendium of global case studies of solar energy deployment from 20 ISA member countries which was released at the event.

This conference came at the heel of World Energy Summit 2018, held in January 2018, where YES BANK made a commitment to mobilize USD 1 billion till 2023 and USD 5 billion till 2030 towards financing solar energy projects in India.

RENEWABLE ENERGY LENDING & ADVISORY

India has undertaken an ambitious target of setting up 175 GW renewable energy (RE) capacity by 2022. Apart from RE target, India's NDCs are laid out to drive climate action in the country where an investment of USD 2.5 trillion is required. In line with the Bank's climate action commitment, YES BANK's RE exposure as on 31st March 2018, is 1264.96 MW. These projects are across solar, wind and hydro-power projects.



Linda Broekhuijzen

Chief Investment Officer,
FMO

FMO is convinced that to accelerate green finance and to have a meaningful impact, it is essential that financial institutions, governments and international development finance institutions bundle forces. Together with YES BANK, DEG and Proparco, FMO organized "The Opportunity of Green Finance in India" symposium in June 2017. YES BANK has integrated sustainability into its daily operations and seeks to create lasting value for its clients. FMO supports YES BANK's pro-active approach to positive impact business solutions that propel local prosperity.



Eric Usher

Head - UNEP FI

The challenges posed by global climate change and depleting ecosystem wealth need to be addressed by market leadership, the sort that YES BANK has Demonstrated for many years and continues to build upon across the organisation.



Case Study

Financing Hybrid Annuity-based PPP Model for waste treatment

BACKGROUND

The ~ 2,500 km long Ganga river, third largest in the world by discharge is also the fifth most polluted in the world, affecting the lives of 500 million people living in its basin. Annually, 12,000 million litres discharge (MLD) of sewage is generated in the basin, against a treatment capacity of only 4,000 MLD. In January 2015, the Government of India approved its flagship program for abatement of pollution, conservation and rejuvenation of the river Ganga, 'Namami Gange', with a budgeted outlay of INR 20,000 crore (~USD 3 billion). The program includes 63 sewage treatment plant (STP) projects with ~1200 MLD capacity, 28 river front development projects and 22 entry level projects, modernization and renovation of 182 ghats and 118 crematoria and five bio-diversity centers, among various initiatives.

FINANCING WASTE TREATMENT

In the first-of-its-kind, National Mission for Clean Ganga (NMCG) – an implementation arm of National Ganga River Basin Authority (NGRBA), awarded creation and maintenance of sewage treatment infrastructure under Hybrid Annuity-based Public-Private-Partnership (PPP) model to the private sector for construction and maintenance of 50 MLD STPs. The Hybrid Annuity-based-PPP Model (HAM) is a mix of the EPC (engineering, procurement and construction) and BOT (build, operate, transfer) models. In EPC model, the government pays private players to build infrastructure, while the private player plays no role in ownership & maintenance (O&M). While in the BOT model, the private player plays a prominent role in building, operating and maintaining of infrastructure for a specified period of time before transferring the asset back to the government. In case of HAM, EPC (40%) and BOT-Annuity (60%) are combined.

With 100% central sector funding, the project had to be undertaken by a Special Purpose Vehicle (SPV) of the winning bidder, with the following structure:

- 40% of the capital cost quoted to be paid on completion of construction
- Remaining 60% of the cost to be paid over the life of the project as annuities along with operation and maintenance cost (O&M) expenses
- Both the Annuity and O&M payments, linked to the performance of the STP ensure continued performance of the assets created due to better accountability, ownership and optimal performance

This is the first instance of HAM adoption for sewage management sector, and YES BANK was the sole banker for the project. Similar PPP models have been successfully implemented in the public infrastructure sector, such as highways in India. While financing water sector projects in India has been a challenge due to various issues, replicating the HAM model in water segment has higher potential of success similar to the highway sector.

OTHER DETAILS

- **Technology:** Sequential Batch Reactor (SBR) technology with biological nitrogen and phosphorous removal
- **Authority:** Uttar Pradesh Jal Nigam
- Funding under 'Namami Gange' program under the National Mission for Clean Ganga (NMCG) of the Government of India



Current defunct pumping station to be rehabilitated as part of project



Current status - waste water directly being released to Ganga



Site for 50 MLD STP Project

RENEWABLE ENERGY FINANCE FACILITY

YES BANK launched a USD 400 million renewable energy finance facility as a joint initiative with European Investment Bank (EIB) to support the expanding renewable energy sector. This facility will be supported by EIB with an investment of USD 200 million, alongside financing from YES BANK, project promoters and other financial institution.

This initiative is EIB's first-of-its-kind engagement with any Indian commercial bank. The 15-year tenor is also EIB's longest tenor lending. The new financing program will streamline financing for a range of renewable energy projects being built and operated by leading Indian corporations and private sector developers. Eligible solar projects have been identified in the states of Rajasthan, Telangana, Maharashtra and Karnataka and additional projects are being examined.

Additionally, in October 2017, YES BANK signed a long-term credit line of USD 30 million with OeEB, the Austrian development bank, for dedicated financing of wind and solar power projects in India.



Mr Donal Cannon, Head of Regional Representation for South Asia, EIB with Mr Arun Agrawal, Group President, International Banking, YES BANK at the launch of USD 400 million RE finance facility

FINANCING FOR ENERGY EFFICIENCY

With over 51 million Medium Small & Micro Enterprises (MSMEs) 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. YES BANK strongly believes in making financing for sustainable MSMEs a part of their core business strategy.

The Bank signed a MoU with Bureau of Energy Efficiency (BEE) to become the Participating Financial Institution (PFI) for availing risk guarantee under the Partial Risk Guarantee fund for Energy Efficiency (PRGFEE). The PRGFEE is an innovative financial instrument which uses the public resources to channelize private sector finance towards promoting of Energy Efficiency in different sectors of the economy, including MSMEs, buildings and municipalities.

YES BANK will channelize finance for energy efficiency projects through BEE approved Energy Services Companies (ESCOs). The Bank also trained its select employees across the country through the BEE – PRGFEE workshop.

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, healthcare, and education.

SIB specializes in private equity fund raising, merger & acquisition, technology transfer, business advisory, corporate restructuring, and has successfully completed 41 transactions cumulating to a transaction value of over USD 7 billion.

GENDER & MSME FINANCING



(L-R) Dev Jagadesan, Acting President and CEO, OPIC, Arun Agrawal, Group President, International Banking, YES BANK, and Thomas D. McCaffery, Executive Vice President, Wells Fargo Bank signing the agreement for the USD 150 million* credit line

An estimated 3 million women-owned businesses in India employ over 8 million people. However, only about a quarter can get the finance they need to grow and create jobs. To address this financing gap, YES BANK partnered with the Overseas Private Investment Corporation (OPIC), the U.S. Government's Development Finance Institution, and Wells Fargo on an agreement to increase lending to micro, small and medium enterprises (MSMEs) in India. Under the agreement, OPIC provided USD 75 million in financing and up to USD 75 million in syndicated financing jointly arranged by Wells Fargo Bank and OPIC to YES BANK. Specifically, USD 50 million of the financing is being used to expand support to women-owned businesses, while another USD 50 million is being utilized for financing MSME businesses in low-income states. This was the third such transaction between OPIC and YES BANK after the first transaction of USD 265 million OPIC facility in 2016, towards India's MSME financing.

* The credit line was stated erroneously as USD 400 million in YES BANK Annual Report 2017-18, page 33.

POLICY ADVOCACY

KEY ALLIANCES AND PARTNERSHIPS

Given its leadership role in financing sustainable sectors in India, YES BANK has shared its views and insights at various global platforms bringing together experts from government, select financial institutions, private and institutional investors. Such strategic partnerships have helped unlock financing solutions for projects aimed at realizing the SDGs. Some of the major engagements that the Bank has are:



YES BANK is first Indian signatory to the UNEP FI, a global partnership between the United Nations Environment and the financial sector to bring about systemic change in finance to support a sustainable world. Namita Vikas, Group President & Global Head – Climate Strategy & Responsible Banking, YES BANK, is elected to be a member of the Positive Impact Steering Group, whose role is to chair the initiative's quarterly meetings, defining and periodically reviewing the outreach strategy and validation of working group outputs.



YES BANK, in 2013, became the first Indian signatory to the Natural Capital Declaration, now a part of the Natural Capital Finance Alliance (NCFA). YES BANK has been re-elected unanimously in 2018 for the third time to be the Chair of the Steering Committee of NCFA for overseeing NCFA's strategy and providing direction/oversight for the Working Groups and the Secretariat.



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. As a private sector partner to CPLC, YES BANK has committed to working towards building the momentum of carbon pricing.



YES BANK is a signatory member to Climate Action in Financial Institutions, a coalition of over 30 financial institutions to mainstream climate action in their core business operations. As a part of the coordination group, the Bank is currently leading the work stream on 'Spreading a Climate Strategy into a whole organization'. YES BANK's case studies have been included in the 2017 Climate Mainstreaming Practices Report launched on 11th December 2017 by Climate Action in Financial Institutions.



YES BANK is the first Indian bank to support recommendations of the Financial Stability Board's Taskforce on Climate-related Disclosures (TCFD) and is committed to implementing the disclosure recommendations.



YES BANK was the first Indian banking signatory to the CDP and has been reporting its carbon emissions since 2009. The Bank has been recognized as a Climate Disclosure Leader for five consecutive years.



YES BANK is a member of FICCI Water Mission, aimed at promoting and providing thought leadership on water efficiency in the country. With the Mission, the Bank works on creating awareness on the issues of water scarcity, quality and generating a discourse on sustainable use of water. This work complements the Bank's work in mainstreaming natural capital amongst private sector businesses.



YES BANK is a UN Global Compact signatory since 2009. It was the first Banking sector signatory to UNGC. The Bank abides by its ten principles and continues to report its Communication on Progress at GC Advanced level. In India, the Bank is an active member of UN Global Compact Network India, and part of its Governing Council.

THOUGHT LEADERSHIP AND KNOWLEDGE REPORTS

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. As a part of its knowledge banking, the Bank regularly develops knowledge reports specific to these sectors. The Bank released 6 knowledge reports in the domain of climate finance and responsible banking in the FY 2017-18:



Valuing Natural Capital: Applying the Natural Capital Protocol



Natural Capital Mapping: Towards Achieving SDGs in India



Scaling SDG Finance in India



Circular Economy: A Business Imperative for India



Electric Mobility Paradigm Shift: Capturing the Opportunities



FEWling the Growth: Food Energy and Water Nexus for Livelihood Security in India

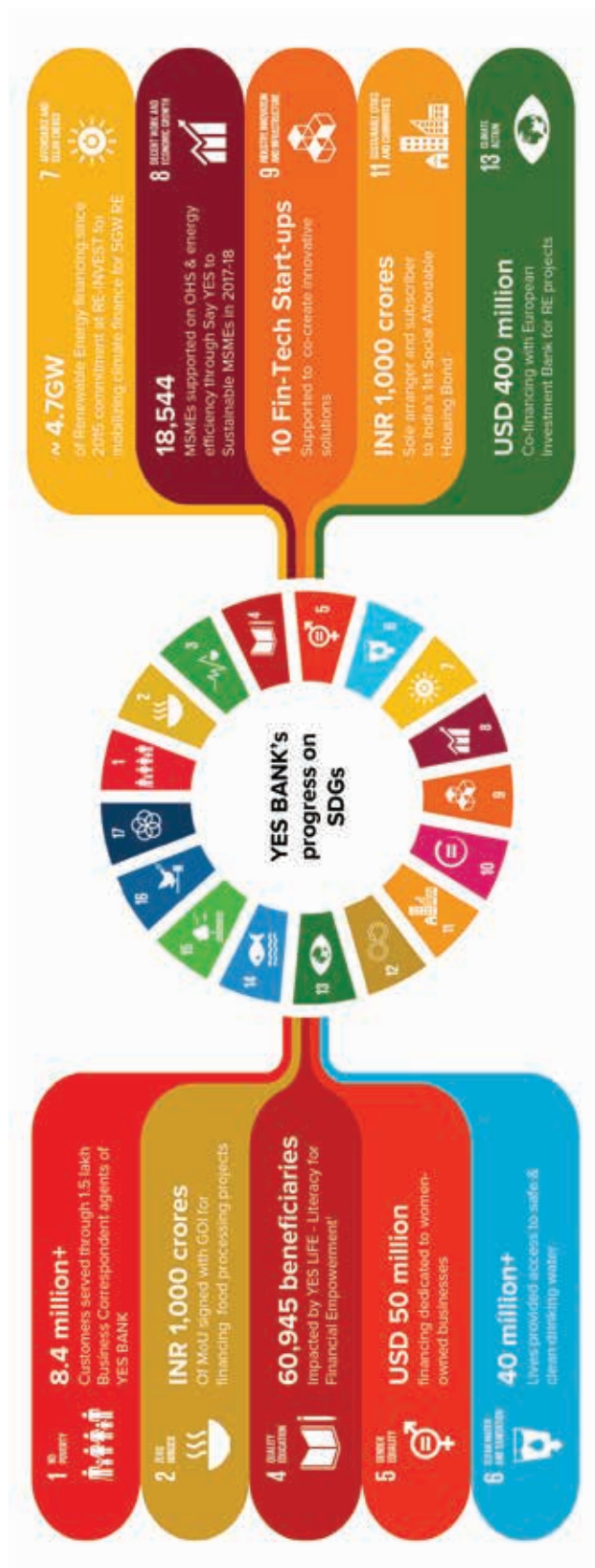
The reports are available online at the link

<https://www.yesbank.in/responsible-banking/policy-advocacy-through-thought-leadership/thought-leadership/knowledge-reports>



ALIGNING BUSINESS WITH SUSTAINABLE DEVELOPMENT GOALS

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 through GRI's SDG Compass, included in pages 51-57 of the report. An overview of the Bank's alignment with SDGs is included below.



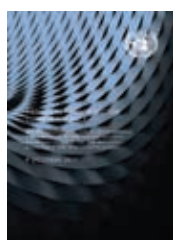
YES BANK'S SUCCESS STORIES ALIGNED TO SDGs FEATURED IN GLOBAL CASE STUDIES



Climate Mainstreaming Practices Report 2017 by Climate Action in Financial Institutions, pages 56-57, 82-83, 87-88, 94-96



The Blended-Finance project featured as a UN case study and a short video of the project available at <https://www.youtube.com/watch?v=VyOyllwXTj4>



United Nations Secretary General's Report 'Trends in Private Sector Climate Finance'



Environmental risk analysis by financial institutions – a review of global practice by Cambridge Institute of Sustainability Leadership



UNGC-KPMG SDG Industry Matrix for YES BANK's actions towards SDGs, pages 19, 26, 34 & 40

Scan the QR codes to read these reports.



Kamal Singh

Executive Director,
UN Global Compact Network India

India needs strong private sector partnerships to drive sustainable development. UN Global Compact Network India works closely with the private sector to harness this potential and fuel green growth. YES BANK is at the forefront of India's development agenda, and I commend their vision in spotting this opportunity early on to become a pioneer in climate finance & corporate social responsibility. They have truly put India on the global sustainability map.



Metrics & Targets

YES BANK uses metrics and targets to assess the impact of climate-related risks on its business activities. The Bank believes in transparent reporting backed by a robust system of tracking and measuring its metrics. Towards this, the Bank has reported on the following metrics for FY 2017-18:

- GHG Emissions from the Bank's own operations
- Portfolio Carbon Intensity
- Exposure to low carbon products
- Green Bond impact

GHG EMISSIONS FROM YES BANK'S OPERATIONS

YES BANK has enhanced the scope of its Environment Management System (ISO 14001:2015) to 744 locations, including rural branches and YES Securities into the certification program. With digitization as a key focus area, the Bank continued its efforts to gradually move towards paperless banking, by digitizing paper-based products and processes.

PERFORMANCE OF ENVIRONMENTAL PARAMETERS

YES BANK GHG Inventory	FY 2017-18	FY 2016-17	FY 2015-16
Scope 1 – Diesel (tCO ₂ e) **	921.03	942.44	1,098.33
Scope 1 – Refrigerant (tCO ₂ e) **	2,059.04	1,349.30	552.88
Scope 2 – Emission (tCO ₂ e) #	29,668.27	34,226.39	30,946.40
Total Emission (Scope 1+2) (tCO ₂ e)	32,648.34	36,518.13	32,597.62
Scope 3 Emission (tCO ₂ e) **	4,420.89	2,642.23	1,543.82
Total FTE as on 31 st March	18,238.00	20,125.00	15,000.00
Diesel Consumption (Litre)	348,263.61	356,359.05	415,305.34
Grid Electricity Consumption (MWh)	36,180.82	41,739.50	37,739.52
Emission Intensity (tCO ₂ e/FTE)	1.79	1.81	2.17
% Reduction of Emission Intensity Y-o-Y	1.35	16.5	19.52
% Change in FTE Y-o-Y	(9.38)	34.17	38.76
% Change in Total Absolute Emission Y-o-Y	(10.60)	12.03	11.68

** 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 2 emissions includes negligible emissions generated by electricity consumption by YES Securities Ltd, a subsidiary, since it is operating out of same NOC Mumbai building premises.

Scope 1 emissions include CO₂, N₂O and CH₄ 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. Like 2012-13 (base year), the Bank has used operational control approach for measuring and managing these emissions. Scope 1 - Refrigerant emissions have increased significantly over the year, due to increased air conditioning (AC) requirements in terms of AC tonnage, which is independent of energy consumption and energy efficiency measures.

Note: Scope 2 emissions include CO₂ emissions from electricity consumed by YES BANK. The emission factors have been taken from CEA's (Central Electrical Authority) CO₂ 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), we have used operational control approach for measuring and managing these emissions.

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.

YES BANK'S PORTFOLIO CARBON INTENSITY

YES BANK believes that apart from emissions generated by its own operations, as a financial intermediary it is also responsible for financing the emissions of other companies through its lending practices. The Bank is cognizant of the risks associated with transition to low carbon economy, which may lead to increased risk of stranded assets and non-performing assets for the Bank. In line with the TCFD's recommendations, YES BANK calculated its portfolio carbon intensity for its exposure to the electricity sector. The weighted carbon intensity of the Bank's portfolio for FY2017-18 is 151.95 tons of carbon dioxide equivalents (tCO₂e) per INR crore revenues.

YES BANK, through its positive impact climate finance continuously strives to enhance its RE portfolio. The Bank has successfully financed ~4.7 GW RE projects towards its green energy commitment of financing 5 GW taken in February 2015.

Note:

Due to limited availability of data, the measurement of the Scope 1 and Scope 2 weighted average carbon emission intensity for advances is based on the Bank's exposure as on 31st March 2017. The weighted average carbon intensity is measured as the portfolio's exposure to each borrower's carbon intensity. Each borrower's carbon intensity is expressed in tons of carbon dioxide equivalents (tCO₂e) per INR crore of revenue. This metric is calculated in line with the guidance for Asset Owners contained in the Annex to the "Recommendations of the Task Force on Climate-related Financial Disclosures". The calculation is limited to electricity (non-renewable generation) sector, which is one of the most carbon-intensive sectors in the Bank's portfolio currently. Additionally, for the calculation, only companies with revenues more than INR 1 Crore have been considered. This data may vary over time as the Bank's exposure to the sector changes.

EXPOSURE TO LOW CARBON PRODUCTS

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 is demonstrated by the country's ambitious target to achieve 175 GW RE 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, 2018, YES BANK had an exposure of 1,264.96 MW of RE projects including solar, wind and small hydro, and holds a leadership position in this space.

YES BANK's RE exposure as on 31st March 2018, is across solar, wind and hydro power projects.

Renewable energy category	Capacity (MW)	As percentage of exposure (%)
Solar (ground mounted and rooftop) power projects	932.26	73.70
Wind power projects	331.20	26.18
Hydro power projects	1.50	0.12
TOTAL	1,264.96	100.00

GREEN BOND IMPACT REPORTING

Since the first issuance by YES BANK in February 2015, green bond issuances in India are witnessing a steady growth, making India one of the top ten green bond markets globally. These instruments are playing a pivotal role in the realization of India's RE potential and towards achieving its globally committed target of 175 GW of renewable capacity by 2022. YES BANK has issued three green bonds:

● FEBRUARY 2015:

YES BANK issued India's first-ever Green Infrastructure Bonds, raising an amount of INR 1000 crore (USD 160 million). This 10-year tenor bond witnessed strong demand from leading investors including insurance companies, pension & provident funds, foreign portfolio investors, new pension schemes and mutual funds

● AUGUST 2015:

YES BANK raised INR 315 crore (USD 50 million), through the issue of Green Infrastructure Bonds to International Finance Corporation (IFC), on a private placement basis. It is IFC's first investment in an emerging markets' green bond issue in the world. The bonds are for a tenor of 10 years. IFC paid for the placement using the proceeds from its first Green Masala Bond program, that aimed at raising capital in the offshore rupee market

● DECEMBER 2016:

YES BANK has raised INR 330 crore (USD 50 million), through an issue of a 7-year Green Infrastructure Bonds to FMO, the Dutch Development Bank, on a private placement basis. This is FMO's first investment in a green bond issued by an Indian bank. FMO has paid for placement using the proceeds from their sustainability bonds issued in 2015

The amount raised is used to finance green infrastructure projects as per 'eligible projects' outlined in the Bank's internal guidelines that were put in place in adherence to Green Bond Principles by International Capital Market Association. KPMG, India has provided assurance on the internal tracking method and the allocation of funds of green bonds for FY 2017-18.

IMPACT

The proceeds of the green bonds have been utilized in augmenting solar and wind energy capacities, with a significant impact of avoidance of emissions of CO₂, SO₂ and NOx apart from other air pollutants associated with energy generation. Estimated CO₂ emission reductions are shared along with project details. Through financing solar and wind power plants, these bonds contribute to positive environmental impact and also strengthen India's energy security by reducing fossil fuel dependency. List of projects against which green bonds proceeds have been allocated as on 31st March 2018 is provided here:

PROCEEDS UTILIZATION AGAINST BOND ISSUANCE SIZE OF ₹ 1000 CRORE (FEBRUARY 2015)

Sr. No	Project Location	Description	Total Fund Based Utilization, ₹ crore (as on Mar 31, 2018)	Estimated** positive E&S impacts - CO ₂ Emissions Reduction (tCO ₂ / yr)	Known significant negative E&S Impacts
1	Madhya Pradesh	12 MW wind energy project	42.74	21,410.66	None
2	Telangana	15 MW solar energy project	9.66	26,953.59	None
3	Telangana	15 MW solar energy project	9.66	26,953.59	None
4	Andhra Pradesh	10 MW solar energy project	1.24	17,241.84	None
5	Maharashtra	31.5 MW wind energy project	130.54	66,324.86	None
6	Karnataka	50 MW solar energy project	20.70	94,073.31	None
7	Telangana	143 MW solar energy project	142.48	2,49,460.44	None
8	Telangana	42 MW solar energy project	84.79	83,070.33	None
9	Andhra Pradesh & Rajasthan	155.4 MW wind energy project	239.70	3,57,426.16	None
10	Karnataka	40 MW solar energy project	115.00	86,555.90	None
11	Madhya Pradesh	250 MW solar energy project	1.00	4,92,140.83	None
12	Karnataka	46.2 MW wind energy project	2.91	1,11,340.52	None
13	Karnataka	40 MW solar energy project	23.00	64,265.81	None
			823.42*	16,97,217.84	

PROCEEDS UTILIZATION AGAINST BOND ISSUANCE SIZE OF ₹315 CRORE (AUGUST 2015)

Sr. No	Project Location	Description	Total Fund Based Utilization, ₹ crore (as on Mar 31, 2018)	Estimated** positive E&S impacts - CO ₂ Emissions	Known significant negative E&S Impacts
1	Andhra Pradesh	100 MW wind energy project	214.62	2,26,621.55	None
2	Telangana	30 MW solar energy project	1.85	59,335.95	None
3	Telangana	5 MW solar energy project	6.53	7,610.43	None
			223.00*	2,93,567.93	

PROCEEDS UTILIZATION AGAINST BOND ISSUANCE SIZE OF ₹330 CRORE (DECEMBER 2016)

Sr. No	Project Location	Description	Total Fund Based Utilization, ₹ crore (as on Mar 31, 2018)	Estimated** positive E&S impacts - CO ₂ Emission	Known significant negative E&S Impacts
1	Telangana	20 MW solar project	100.13	42,719.85	None
2	Gujarat	30 MW wind energy project	142.00	69,001.19	None
3	Telangana	50 MW solar energy project	9.14	86,420.61	None
4	Telangana	10 MW solar energy project	50.27	21,359.93	None
5	Rajasthan	50 MW solar energy project	15.45	98,893.25	None
6	Telangana	10 MW solar energy project	13.01	21,359.93	None
			330.00	3,39,754.76	
TOTAL CO₂ EMISSIONS REDUCTION (TCO₂E / YR)				23,30,540.53	

* The shortfall (of ₹ 176.58 crores and ₹ 92 crores in allocation of proceeds of ₹ 1,000 crores bond issued in February 2015 and ₹ 315 crores bond issued in August 2015, respectively) is due to the repayment of disbursement. The temporary unallocated proceeds have been invested in Government Securities and will be allocated back to new eligible projects

** The total CO₂ emission reduction for individual projects have been calculated based on methodology outlined in the document 'CO₂ Baseline Database for the Indian Power Sector User Guide Version 12.0 May 2017' along with other relevant factors such as project PLF/CUF estimates, installed project capacity, resultant annual unit generation etc.

Green Bonds are the next step towards the proliferation of renewable projects and can act as catalysts for greening the country's conventional practices including thermal and hydro power generation.

The projects funded by the Green Bonds issued by YES BANK are expected to contribute towards climate mitigation and the country's global commitment of achieving 175 GW RE capacity in the next few years. YES BANK aims to continue its pioneering efforts of financing green projects and would keep contributing towards India's sustainability goals.

Independent Assurance Statement



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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 (The Company) to provide independent assurance on the selected environment, social and governance disclosures in the Sustainability Performance Review ('the Report') for the Financial Year (FY) 2017-18.

We conducted our work in accordance with criteria 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 disclosures presented by YES Bank Limited in its Report. The reporting boundary and scope of assurance included data and information for the period 01 April 2017 to 31 March 2018 for India operations, based on Global Reporting Initiative's (GRI) Standards in accordance Comprehensive option.

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

<p>General Standard Disclosures:</p> <ul style="list-style-type: none"> • Organizational Profile (102-2, 102-4 102-6, 102-8) • Strategy (102-14) • Ethics and integrity (102-16) • Governance (102-19 to 102-21) • Stakeholder engagement (102-40 to 102-44) • Reporting practice (102-46 to 102-52, 102-54 to 102-55) • Management approach (103-1 to 103-3) 	<p>Specific Standard Disclosures</p> <ul style="list-style-type: none"> • Environment <ul style="list-style-type: none"> ○ Energy : 302-1, 302-2, 302-4, 302-5 ○ Emissions: 305-1, 305-2, 305-3, 305-4, 305-5, 305-6, 305-7 • Social – <ul style="list-style-type: none"> ○ Employment: 401-1, 401-2, 401-3 ○ Training & Education: 404-1, 404-2, 404-3 ○ Local Community: 413-1, 413-2 ○ Marketing & labeling: 417-1, 417-2, 417-3 ○ Customer Privacy: 418-1 • Economic <ul style="list-style-type: none"> ○ Economic performance: 201-2, 201-3
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The boundary of the report comprises of data and information that were captured for 1100 branches and were provided for assurance at the YES BANK Limited's corporate office. No site visits were undertaken as part of this assurance.

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 2017-18
- Verification of claims was limited to data and information presented in the Report for the period 01 April 2017 to 31 March 2018 as 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

Assurance procedures

Our assurance processes involve performing procedures to obtain evidence about the reliability of specified disclosures. The nature, timing and extent of procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the standard disclosures whether due to fraud or error. In making those risk assessments, we have considered internal controls relevant to the preparation of the Report in order to design assurance procedures that are appropriate in the circumstances. The procedures performed in a limited assurance engagement are less in extent than for a reasonable assurance engagement.

Our assurance procedure also included:

- 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 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 Sustainability Report of YES BANK Limited. Based on our review and procedures performed as per the scope of work, 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 material topics, and in line 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.



Prathmesh Raichura
Director
KPMG
June 7th 2018

GRI Content Index



GRI Standard	Disclosure	Page number(s) and/or URL(s)	Part Omitted	Omission Reason	Explanation
GRI 101: Foundation 2016					
General	Organizational profile				
Disclosures					
GRI 102:	102-1 Name of the organization	6			
General	102-2 Activities, brands, products, and services	6			
Disclosures	102-3 Location of headquarters	5			
2016	102-4 Location of operations	5			
	102-5 Ownership and legal form	6			
	102-6 Markets served	5-6			
	102-7 Scale of the organization	5-6, Annual Report 2017-18 : 62-113			
	102-8 Information on employees and other workers	Annual Report 2017-18 : 62-64, 73			
	102-9 Supply chain	17, Annual Report 2017-18: 65-67			
	102-10 Significant changes to the organization and its supply chain	5			
	102-11 Precautionary Principle or approach	27, 33			
	102-12 External initiatives	23, 36-37, Annual Report 2017-18:41-47			
	102-13 Membership of associations	23, 36-37, Annual Report 2017-18: 42			
	Strategy				
	102-14 Statement from senior decision-maker	2-3			
	102-15 Key impacts, risks, and opportunities	27, 29, 35, Annual Report 2017-18: 48-52			
	Ethics and integrity				
	102-16 Values, principles, standards, and norms of behavior	11, Annual Report 2017-18: 67, 160, 188, 202			
	102-17 Mechanisms for advice and concerns about ethics	Annual Report 2017-18:122, 188-189			
	Governance				
	102-18 Governance structure	24-25, Annual Report 2017-18: 160, 169			
	102-19 Delegating authority	24-25			

GRI Standard	Disclosure	Page number(s) and/or URL(s)	Part Omitted	Omission Reason	Explanation
	102-20 Executive-level responsibility for economic, environmental, and social topics	24-25			
	102-21 Consulting stakeholders on economic, environmental, and social topics	12-17, Annual Report 2017-18: 21, 25-26, 29-30, 182, 196			
	102-22 Composition of the highest governance body and its committees	Annual Report 2017-18: 169			
	102-23 Chair of the highest governance body	Annual Report 2017-18: 176-187, 190			
	102-24 Nominating and selecting the highest governance body	Annual Report 2017-18: 125, 171-174			
	102-25 Conflicts of interest	Annual Report 2017-18: 187, 256-257			
	102-26 Role of highest governance body in setting purpose, values, and strategy	10, Annual Report 2017-18: 129			
	102-27 Collective knowledge of highest governance body	10, 18, 24-25, Annual Report 2017-18: 175-176			
	102-28 Evaluating the highest governance body's performance	Annual Report 2017-18: 121-122			
	102-29 Identifying and managing economic, environmental, and social impacts	Annual Report 2017-18: 11, 101-104, 122-124			
	102-30 Effectiveness of risk management processes	Annual Report 2017-18: 11, 101-104, 122-124			
	102-31 Review of economic, environmental, and social topics	13, Annual Report 2017-18: 175			
	102-32 Highest governance body's role in sustainability reporting	2-3, 10, 13, Annual Report 2017-18: 132, 175			
	102-33 Communicating critical concerns	Annual Report 2017-18: 57, 122, 188-189			
	102-34 Nature and total number of critical concerns	Annual Report 2017-18: 57, 195, 269			
	102-35 Remuneration policies	Annual Report 2017-18: 125-126			
	102-36 Process for determining remuneration	Annual Report 2017-18: 125-126			
	102-37 Stakeholders involvement in remuneration	Annual Report 2017-18: 139, 260-264			
	102-38 Annual total compensation ratio	Annual Report 2017-18: 57, 139			
	102-39 Percentage increase in annual total compensation ratio	Annual Report 2017-18: 139			
	Stakeholder engagement				
	102-40 List of stakeholder groups	16-17			
	102-41 Collective bargaining agreements	As there are no unions, no collective bargaining agreement exists			
	102-42 Identifying and selecting stakeholders	12, 16-17			
	102-43 Approach to stakeholder engagement	12, 16-17			
	102-44 Key topics and concerns raised	13-16			
	102-45 Entities included in the consolidated financial statements	5, Annual Report 2017-18: 140			
	102-46 Defining report content and topic Boundaries	4, 15			

GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omission	
			Part Omitted	Reason
	102-47 List of material topics	13-15		
	102-48 Restatements of information	4		
	102-49 Changes in reporting	15		
	102-50 Reporting period	4		
	102-51 Date of most recent report	4		
	102-52 Reporting cycle	4		
	102-53 Contact point for questions regarding the report	5		
	102-54 Claims of reporting in accordance with the GRI Standards	4		
	102-55 GRI content index	45-50		
	102-56 External assurance	43-44		
Material Topics				
GRI 200 Economic Standard Series				
Economic Performance				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	14-15		
	103-2 The management approach and its components	Annual Report 2017-18: 79-80, 109-111		
	103-3 Evaluation of the management approach	Annual Report 2017-18: 28-29, 31, 38-42, 46, 50-51		
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Annual Report 2017-18: 20-35		
	201-2 Financial implications and other risks and opportunities due to climate change	Annual Report 2017-18: 226-227, 252-253		
	201-3 Defined benefit plan obligations and other retirement plans	No such financial assistance has been received		
	201-4 Financial assistance received from government	Annual Report 2017-18: 35, Annual Report 2017-18: 28-29, 31-38, Annual Report 2017-18: 28-29, 31-38,		
GRI 203: Indirect Economic Impacts	203-1 Infrastructure investments and services supported			
	203-2 Significant indirect economic impacts			
GRI 300 Environmental Standards Series				
Energy				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	13-15		
	103-2 The management approach and its components	Annual Report 2017-18: 48		
	103-3 Evaluation of the management approach	Annual Report 2017-18: 54		
	302-1 Energy consumption within the organization	40, Annual Report 2017-18: 54		
GRI 302: Energy 2016	302-2 Energy consumption outside of the organization	Not Reported		As a service sector organization, energy consumption outside is not a material issue

GRI Standard	Disclosure	Page number(s) and/or URL(s)	Part Omitted	Omission Reason	Explanation
Emissions	302-3 Energy intensity	40, Annual Report 2017-18: 54			
	302-4 Reduction of energy consumption	40, Annual Report 2017-18: 54			
	302-5 Reductions in energy requirements of products and services	40, Annual Report 2017-18: 54			
	103-1 Explanation of the material topic and its Boundary	13-15			
	103-2 The management approach and its components	Annual Report 2017-18: 30, 48			
	103-3 Evaluation of the management approach	40, Annual Report 2017-18: 54			
	305-1 Direct (Scope 1) GHG emissions	40, Annual Report 2017-18: 54			Biogenic CO ₂ emissions in metric tons of CO ₂ equivalent not applicable
	305-2 Energy indirect (Scope 2) GHG emissions	40, Annual Report 2017-18: 54			
	305-3 Other indirect (Scope 3) GHG emissions	40, Annual Report 2017-18: 54			
	305-4 GHG emissions intensity	40, Annual Report 2017-18: 54			
GRI 400 Social Standards Series	305-5 Reduction of GHG emissions	40, Annual Report 2017-18: 54			
	305-6 Emissions of ozone-depleting substances (ODS)	40, Annual Report 2017-18: 54			
	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
	Employment				
	103-1 Explanation of the material topic and its Boundary	15			
	103-2 The management approach and its components	Annual Report 2017-18: 14, 56, 99-101			
	103-3 Evaluation of the management approach	Annual Report 2017-18: 57-58, 99-100			
	401-1 New employee hires and employee turnover	Annual Report 2017-18: 63-64			
	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	All employees are entitled to parental leaves			
Training and Education	Training and Education				
	103-1 Explanation of the material topic and its Boundary	14-15			
	103-2 The management approach and its components	Annual Report 2017-18: 28, 58-60, 100-101			
	103-3 Evaluation of the management approach	Annual Report 2017-18: 58-60			
	404-1 Average hours of training per year per employee	Annual Report 2017-18: 59-60			
	404-2 Programs for upgrading employee skills and transition assistance programs	Not Reported			Since demography of YES Bank employees is young, with an average age of 31 years, no career ending programme is implemented
	404-3 Percentage of employees receiving regular performance and career development reviews	100%			



GRI Standard	Disclosure	Page number(s) and/or URL(s)	Part Omitted Reason	Omission Explanation
Local Communities				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary 103-2 The management approach and its components	14-15 Annual Report 2017-18: 18-19, 30, 32, 35-40		
GRI 413: Local Communities 2016	103-3 Evaluation of the management approach 413-1 Operations with local community engagement, impact assessments, and development programs 413-2 Operations with significant actual and potential negative impacts on local communities	Annual Report 2017-18: 28, 31, 32, 33 Annual Report 2017-18: 37-38 Considering the Bank's nature of business and locations, such impact is minimal impact		
Marketing and Labeling				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	14-15 14, Annual Report 2017-18: 20, 21, 183 Annual Report 2017-18: 250, 269		
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling 417-2 Incidents of non-compliance concerning product and service information and labeling	14, 31, 41 Not reported, Annual Report 2017-18: 158	The Bank operates in a highly regulated sector with strong systems, and no such incidents were reported.	
Customer Privacy				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary 103-2 The management approach and its components	14-15 14, Annual Report 2017-18: 11, 104, 183-184		
GRI 418: Customer Privacy 2016	103-3 Evaluation of the management approach 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Annual Report 2017-18: 269 Annual Report 2017-18: 269, 250; Nil awards passed by the Banking Ombudsman	RBI imposed a fine for non-compliance for delayed reporting of information security incident from FY 2016-17. The security breach was at vendor's end, and the Bank did not use the vendor's server for hosting customer data. Hence, no customer data was compromised. This is not included as complaints concerning breaches of customer privacy and loss of data, since the penalty was imposed for delayed reporting of incident and not breach of customer data privacy.	

YES BANK Annual Report 2017-18, available online at https://www.yesbank.in/pdf/annualreport_2017_18_.pdf

SDG Compass

YES BANK welcomes the Sustainable Development Goals, adopted at the historic UN Sustainable Development Summit in September 2015 in New York, USA. In line with its strategic vision and objectives, the Bank believes it has a clear alignment with select Goals, is aligning its targets and outcomes along those Goals. The Bank has aligned its GRI reporting process with the SDGs, adopting the SDG Compass, developed by the GRI, UN Global Compact and WBCSD, and accessible at www.sdgcompass.org.




SDG	Business Theme	Relevant GRI Standard	Disclosure	Location of Disclosure
 <p>1. End poverty in all its forms everywhere</p>	Access to land	GRI 413: Local Communities	413-2	Considering the Bank's nature of business and locations, such impact is minimal
	Availability of products and services for those on low incomes	GRI 203: Indirect Economic Impacts	203-2	Annual Report 2017-18: 28-29, 31-38
	Economic development in areas of high poverty	GRI 203: Indirect Economic Impacts	203-2	Annual Report 2017-18: 28-29, 31-38
	Economic Inclusion	GRI 103: Management Approach	103-2	Annual Report 2017-18: 79-80, 109-111
 <p>2. Food security and improved nutrition and promote sustainable agriculture</p>	Access to land	GRI 413: Local Communities		Considering the Bank's nature of business and locations, such impact is minimal
	Changing the productivity of organizations, sectors, or the whole economy	GRI 203: Indirect Economic Impacts	203-2	Annual Report 2017-18: 28-29, 31-38
	Indigenous rights	GRI 411: Rights of Indigenous Peoples	411-11	Considering the Bank's nature of business and locations, such impact is minimal impact
	Infrastructure investments	GRI 201: Economic Performance	201-1	Annual Report 2017-18: 31
 <p>3. Ensure healthy lives and promote wellbeing for all at all ages</p>	Access to medicines	GRI 203: Indirect Economic Impacts	203-2	Annual Report 2017-18: 28-29, 31-38
	Air quality	GRI 305: Emissions	305-1	Annual Report 2017-18: 54
			305-2	Annual Report 2017-18: 54
			305-3	Annual Report 2017-18: 54
			305-6	Annual Report 2017-18: 54
			305-7	As a service sector organization, such emissions are relatively negligible at the Bank
	Occupational health and safety	GRI 403: Occupational Health and Safety	403-2	Not reported since the issue is not identified as material by stakeholders
			403-2	Not reported since the issue is not identified as material by stakeholders
	Spills	GRI 306: Effluents and Waste	306-3	As a service sector organization, it is not material to the Bank

SDG	Business Theme	Relevant GRI Standard	Disclosure	Location of Disclosure
			306-2	As a service sector organization, it is not material to the Bank
			306-4	As a service sector organization, it is not material to the Bank
	Water quality	GRI 306: Effluents and Waste	306-1	Not reported since the issue is not identified as material by stakeholders.
	Education for sustainable development	GRI 102: General Disclosures	102-27	10, 18, 24-25, Annual Report 2017-18: 175-176
	Employee training and education	Employee training and education	404-1	Annual Report 2017-18: 59-60
4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all				
	Economic inclusion	GRI 103: Management Approach	103-2	Annual Report 2017-18: 18-19, 30, 32, 35-40
	Equal remuneration for women and men	GRI 202: Market Presence	202-1	Annual Report 2017-18: 57
5. Achieve gender equality and empower all women and girls		GRI 405: Diversity and Equal and Opportunity	405-2	Annual Report 2017-18: 57
	Gender equality	GRI 401: Employment	401-1	Annual Report 2017-18: 63-64
		GRI 404: Training and Education	404-1	Annual Report 2017-18: 59-60
			404-3	100%
		GRI 405: Diversity and Equal Opportunity	405-1	Annual Report 2017-18: 57
	Infrastructure investments Performance	GRI 201: Economic Performance	201-1	Annual Report 2017-18: 31
		GRI 203: Indirect Economic Impacts	203-1	35, Annual Report 2017-18: 28-29, 31-38
	Non-discrimination	GRI 406: Non-discrimination	406-1	Annual Report 2017-18: 56-57
	Parental leave	GRI 401: Employment	401-3	All employees are entitled to parental leaves
	Women in leadership	GRI 102: General Disclosures	102-22	Annual Report 2017-18: 169
			102-24	Annual Report 2017-18: 125, 171-174
		GRI 405: Diversity and Equal Opportunity	405-1	Annual Report 2017-18: 57



SDG	Business Theme	Relevant GRI Standard	Disclosure	Location of Disclosure
 6. Ensure availability and sustainable management of water and sanitation for all	Workplace violence and harassment	GRI 414: Supplier Social Assessment	414-1	Annual Report 2017-18: 65-67
			414-2	Annual Report 2017-18: 65-67
	Spills	GRI 306: Effluents and Waste	306-3	As a service sector organization, it is not material to the Bank
	Sustainable water withdrawals	GRI 303: Water	303-1	Annual Report 2017-18: 55
			303-2	As a service sector organization, no such sites affected
	Waste	GRI 306: Effluents and Waste	306-2	Annual Report 2017-18: 53-54
	Water efficiency	GRI 303: Water	303-3	Annual Report 2017-18: 55
	Water quality	GRI 306: Effluents and Waste	306-1	Annual Report 2017-18: 55
	Water recycling and reuse	GRI 303: Water	303-3	Annual Report 2017-18: 55
	Water-related ecosystems and biodiversity	GRI 304: Biodiversity	304-1	Given the Bank's sector and operational locations, no such sites identified
 7. Ensure access to affordable, reliable, sustainable and modern energy for all			304-2	Given the Bank's nature of business, no such impacts identified
			304-3	Not reported since the issue is not identified as material by stakeholders
			304-4	No such species identified
		GRI 306: Effluents and Waste	306-1	Annual Report 2017-18: 55
			306-2	Annual Report 2017-18: 53-54, 67
			306-5	Given the Bank's sector and operational locations, no such sites identified
	Energy efficiency	GRI 302: Energy	302-1	Annual Report 2017-18: 54
			302-2	Not material to the organization
			302-3	Annual Report 2017-18: 54
			302-4	Annual Report 2017-18: 54
			302-5	Annual Report 2017-18: 54
	Infrastructure investments	GRI 201: Economic Performance	201-1	Annual Report 2017-18: 31
		GRI 203: Indirect Economic Impact	201-3	35, Annual Report 2017-18: 28-29, 31-38
	Renewable energy	GRI 302: Energy	302-1	40, Annual Report 2017-18: 54
			302-2	As a service sector organization, energy consumption outside is not a material issue and not measured



SDG	Business Theme	Relevant GRI Standard	Disclosure	Location of Disclosure
 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	Abolition of child labor	GRI 408: Child Labor	408-1	Given the 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	Annual Report 2017-18: 28-29, 31-38
	Diversity and equal opportunity	GRI 405: Diversity and Equal Opportunity	405-1	Annual Report 2017-18: 62-64
	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 minimum wages
		GRI 401: Employment	401-2	As all its employees are full time, this is not material to the Bank
	Economic inclusion	GRI 103: Management Approach	103-2	Annual Report 2017-18: 48
	Economic performance	GRI 201: Economic Performance	201-1	Annual Report 2017-18: 31
	Elimination of forced or compulsory labor	GRI 409: Forced or Compulsory Labor	409-1	Annual Report 2017-18: 65-67
	Employee training and education	GRI 404: Training and Education	404-1	Annual Report 2017-18: 59-60
			404-2	Not Reported
			404-3	100%
	Employment	GRI 102: General Disclosures	102-8	Annual Report 2017-18: 62-64
		GRI 202: Market Presence	202-2	The Bank operates across India, and hires basis merit only
		GRI 401: Employment	401-1	Annual Report 2017-18: 63-64
	Energy efficiency	GRI 302: Energy	302-1	40, Annual Report 2017-18: 54
			302-2	Not material to the organization
			302-3	40, Annual Report 2017-18: 54
			302-4	40, Annual Report 2017-18: 54
			302-5	40, Annual Report 2017-18: 54
	Equal remuneration for women and men	GRI 405: Diversity and Equal Opportunity	405-2	Annual Report 2017-18: 57
	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	Annual Report 2017-18: 28-29, 31-38

SDG	Business Theme	Relevant GRI Standard	Disclosure	Location of Disclosure
	Jobs supported in the supply chain	GRI 203: Indirect Economic Impacts	203-2	Annual Report 2017-18: 28-29, 31-38
	Labor practices in the supply chain	GRI 414: Supplier Social Assessment	414-1	Annual Report 2017-18: 67
			414-2	Given the Bank operates in a highly regulated sector, no such suppliers were identified
	Labor/management relations	GRI 402: Labor Management Relations	402-1	No unions exist in the Bank. The notice period for all employees is 3 months
	Materials efficiency	GRI 301: Materials	301-1	Annual Report 2017-18: 54-55
			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	Annual Report 2017-18: 56-57
	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 a material issue
			403-3	Given that the Bank is a service sector organization, this is not a material issue
			403-4	The Bank is not in any such safety agreement
	Parental leave	GRI 401: Employment	401-3	All employees are entitled to parental leaves
	Resource efficiency of products and services	GRI 301: Materials	301-3	As the Bank is a service sector organization, this is not a material issue
	Water efficiency	GRI 303: Water	303-3	Annual Report 2017-18: 55
	Youth employment	GRI 401: Employment	401-1	Annual Report 2017-18: 63-64

SDG	Business Theme	Relevant GRI Standard	Disclosure	Location of Disclosure
 9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	Infrastructure investments	GRI 201: Economic Performance	201-1	Annual Report 2017-18: 31
		GRI 203: Indirect Economic Impacts	203-1	35, Annual Report 2017-18: 28-29, 31-38
	Research and development	GRI 201: Economic Performance	201-1	Annual Report 2017-18: 31
 10. Reduce inequality within and among countries	Economic development in areas of high poverty	GRI 203: Indirect Economic Impacts	203-2	Annual Report 2017-18: 28-29, 31-38
	Equal remuneration for women and men	GRI 405: Diversity and Equal Opportunity	405-2	Annual Report 2017-18: 57
	Foreign direct investment	GRI 203: Indirect Economic Impacts	203-2	Annual Report 2017-18: 28-29, 31-38
 11. Make cities and human settlements inclusive, safe, resilient and sustainable	Infrastructure investments	GRI 203: Indirect Economic Impacts	203-1	35, Annual Report 2017-18: 28-29, 31-38
 12. Ensure sustainable consumption and production patterns	Air quality	GRI 305: Emissions	305-1	Annual Report 2017-18: 54
			305-2	Annual Report 2017-18: 54
			305-3	Annual Report 2017-18: 54
			305-6	Annual Report 2017-18: 54
			305-7	As a service sector organization, such emissions are relatively negligible at the Bank
	Energy efficiency	GRI 302: Energy	302-1	Annual Report 2017-18: 54
			302-2	Not material to the organization
			302-3	Annual Report 2017-18: 54
			302-4	Annual Report 2017-18: 54
			302-5	Annual Report 2017-18: 54
	Environmental investments	GRI 103: Management	103	Annual Report 2017-18: 35, 38
		GRI 305: Emissions	305	Annual Report 2017-18: 54-55
		GRI 306: Effluents and Waste	306	Given the nature of the Bank's business, this is not a material issue

SDG	Business Theme	Relevant GRI Standard	Disclosure	Location of Disclosure
		GRI 307: Environmental Compliance	307	Given the nature of the Bank's business, no such non-compliances were identified
	Materials efficiency/ recycling	GRI 301: Materials	301-1	Annual Report 2017-18: 54-55
			301-2	As a service sector organization, energy consumption outside is not a material issue and not measured
	Procurement practices	GRI 204: Procurement Practices	204-1	Annual Report 2017-18: 65-67
	Product and service information and labeling	GRI 417: Marketing and Labeling	417-1	14, 31, 41
	Resource efficiency of products and services	GRI 301: Materials	301-3	As the Bank is a service sector organization, this is not a material issue
	Spills	GRI 306: Effluents and Waste	306-3	As a service sector organization, it is not material to the Bank
	Transport	GRI 302: Energy	302-1	Annual Report 2017-18: 54
			302-2	Not material to the organization
		GRI 305: Emissions	305-1	Annual Report 2017-18: 54
			305-2	Annual Report 2017-18: 54
			305-3	Annual Report 2017-18: 54
			305-6	Annual Report 2017-18: 54
			305-7	As a service sector organization, such emissions are relatively negligible at the Bank
	Waste	GRI 306: Effluents and Waste	306-2	Annual Report 2017-18: 53-54, 67
			306-4	As a service sector organization, it is not material to the Bank
	Water efficiency	GRI 303: Water	303-3	Annual Report 2017-18: 55
	Water quality	GRI 306: Effluents and Waste	306-1	Annual Report 2017-18: 55

SDG	Business Theme	Relevant GRI Standard	Disclosure	Location of Disclosure
 13. Take urgent action to combat climate change and its impacts* <p><i>* Acknowledging that the United Nations Framework Convention on Climate Change is the primary international, intergovernmental forum for negotiating the global response to climate change.</i></p>	Energy efficiency	GRI 302: Energy	302-1	Annual Report 2017-18: 54
			302-2	Not material to the organization
			302-3	Annual Report 2017-18: 54
			302-4	Annual Report 2017-18: 54
			302-5	Annual Report 2017-18: 54
	Environmental investments	GRI 103: Management Approach	103	Annual Report 2017-18: 35, 38
		GRI 305: Emissions	305	Annual Report 2017-18: 54-55
		GRI 306: Effluents and Waste	306	Given the nature of the Bank's business, this is not a material issue
		GRI 307: Environmental Compliance	307	Given the nature of the Bank's business, no such non-compliances were identified
	GHG emissions	GRI 305: Emissions	305-1	Annual Report 2017-18: 54
			305-2	Annual Report 2017-18: 54
			305-3	Annual Report 2017-18: 54
			305-6	Annual Report 2017-18: 54
			305-7	As a service sector organization, such emissions are relatively negligible at the Bank
 14. Conserve and sustainably use the oceans, seas and marine resources for sustainable development	Risks and opportunities due to climate change	GRI 201: Economic Performance	201-2	Annual Report 2017-18: 48-49, 103
	Environmental investments	GRI 103: Management Approach	103	Annual Report 2017-18: 35, 38
		GRI 305: Emissions	305	Annual Report 2017-18: 54-55
		GRI 306: Effluents and Waste	306	Given the nature of the Bank's business, this is not a material issue
		GRI 307: Environmental Compliance	307	Given the nature of the Bank's business, no such non-compliances were identified
	Marine biodiversity	GRI 304: Biodiversity	304-1	Given the Bank's sector and operational locations, no such sites identified
			304-2	Given the Bank's nature of business, no such impacts identified
			304-3	No conservation project
			304-4	No such species identified
	Ocean acidification	GRI 305: Emissions	305-1	Annual Report 2017-18: 54
			305-2	Annual Report 2017-18: 54
			305-3	Annual Report 2017-18: 54
			305-4	Annual Report 2017-18: 54
			305-5	As a service sector organization, such emissions are relatively negligible at the Bank
			305-7	Annual Report 2017-18: 54
	Spills	GRI 306: Effluents and Waste	306-3	As a service sector organization, it is not material to the Bank

SDG	Business Theme	Relevant GRI Standard	Disclosure	Location of Disclosure
 15. Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss	Water discharge to oceans	GRI 306: Effluents and Waste	306-1	Annual Report 2017-18: 55
	Environmental investments	GRI 103: Management Approach	103	Annual Report 2017-18: 35, 38
		GRI 305: Emissions	305	Annual Report 2017-18: 54-55
		GRI 306: Effluents and Waste	306	Given the nature of the Bank's business, this is not a material issue
		GRI 307: Environmental Compliance	307	Given the nature of the Bank's business, no such non-compliances were identified
	Forest degradation	GRI 305: Emissions	305-1	Annual Report 2017-18: 54
			305-2	Annual Report 2017-18: 54
			305-3	Annual Report 2017-18: 54
			305-4	Annual Report 2017-18: 54
			305-5	As a service sector organization, such emissions are relatively negligible at the Bank
			305-7	Annual Report 2017-18: 54
	<ul style="list-style-type: none"> Mountain ecosystems Natural habitat degradation Terrestrial and inland freshwater ecosystems 	GRI 304: Biodiversity	304-1	Given the Bank's sector and operational locations, no such sites identified
			304-2	Given the Bank's nature of business, no such impacts identified
			304-3	No conservation project
			304-4	No such species identified
 17. Strengthen the means of Implementation and revitalize the global partnership for sustainable development	<ul style="list-style-type: none"> Natural habitat degradation Terrestrial and inland freshwater ecosystems Terrestrial and inland freshwater ecosystems 	GRI 306: Effluents and Waste	306-5	Given the Bank's sector and operational locations, no such sites identified
	Spills	GRI 306: Effluents and Waste	306-3	As a service sector organization, it is not material to the Bank
		GRI 306: Effluents and Waste	306-5	Given the Bank's sector and operational locations, no such sites identified
	Foreign direct investment	GRI 203: Indirect Economic Impacts	203-2	Annual Report 2017-18: 28-29, 31-38

Notes

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