



SUSTAINABLE BANKING RE-IMAGINED



YES BANK LIMITED

SUSTAINABILITY PERFORMANCE REVIEW 2018-19

Enhanced disclosures for FY 2018-19 based on Principles for Responsible Banking and TCFD Recommendations

Report Contour

Managing Director & CEO's Desk	2	Opportunities	29
'Responsible Banking': Re-imagining Banking for a Sustainable Future	4	Positive Impact Climate Finance	29
About this Report	5	Renewable Energy Lending & Advisory	29
Sustainability Disclosure Approach	5	Powering Solar Projects	29
Scope and Boundary	6	Energy Efficiency Investments	29
About YES BANK	7	Sustainable Investment Banking	29
YES BANK Milestones during the Year	8	Aligning Business with SDGs	30
Awards & Accolades	9	Case Study: India's First Green Retail Product	31
Corporate Governance & Customer Satisfaction 10		Mainstreaming Sustainable Finance in India	32
Bank's philosophy on Corporate Governance	10	Co-creating an Ecosystem for Sustainable Finance	34
Customer Service Quality and Satisfaction	11	Climate Literacy amongst school students	34
YES BANK's Sustainability Approach	12	Metrics & Targets	35
Materiality Assessment and Stakeholder Engagement process	14	GHG emissions from YES BANK's Operations	35
Assessment of Material Issues	14	Case Study: Harnessing Solar Energy	36
YES BANK's Materiality Matrix	15	YES BANK's Portfolio Carbon Intensity	36
Boundary Setting of Material Issues	17	Exposure to Low Carbon Products	36
Stakeholder Engagement	18	Green Bonds	37
Creating Shared Value through Responsible Banking	20	Impact	37
Combating Climate Change	20	Independent Assurance Statement	39
Policy Advocacy and Thought Leadership	20	GRI Content Index	41
Positive Community Impact	21	Principles for Responsible Banking - Public Reporting Template	48
Enhanced Disclosures based on Taskforce on Climate-related Financial Disclosures	22	SDG Compass	53
Governance	23	Human Rights Statement	62
Strategy	25		
Risk Management	27		
Climate-related Risks Identification	27		
Climate-related Risk Management	28		
At Organizational level	28		
Project Level	28		
Portfolio Level	28		

Managing Director & CEO's Desk

Dear Valued Stakeholder,

It gives me great pleasure to present YES BANK's Sustainability Performance Review for FY 2018-19, titled '**Sustainable Banking Re-imagined**'. The Bank steadfastly continues on its journey of holistic & inclusive growth. This report emphasizes YES BANK's economic, environmental and social performance, while highlighting its strategic sustainable initiatives.

Catalyzed by the COP21 Paris Agreement and the 2030 Agenda for Sustainable Development, the world has coalesced to address Sustainable Development Goals (SDGs) through growing investments and robust policy frameworks. The European Union's latest agreement to integrate sustainability risks and opportunities into procedures, involving institutional investors, underscores the global push towards sustainable finance. The passing year has also witnessed a shift towards responsible investments, with stock exchanges increasingly mandating Environmental, Social and Governance (ESG) disclosures. Several sustainability-centric products have made it to the markets, from climate bonds to sustainability-linked loans.

India is striding ahead too, with initiatives by the Government on disclosures like National Guidelines on Responsible Business Conduct, by Ministry of Corporate Affairs which sends a strong signal to corporate India to mainstream sustainable development and integrate it with business strategies and operations.

YES BANK has accelerated its commitment & actions in line with India's sustainable development growth trajectory by mobilizing sustainable finance, greening its core operations, & addressing needs of the community through unique, scalable and sustainable Corporate Social Responsibility (CSR) programmes.

This report highlights how the Bank has been identifying & leveraging climate finance opportunities which have resulted in significantly surpassing the ambitious voluntary target of financing 5 GW of renewable energy by 2020. Inclusion of YES BANK in key global sustainability indices exhibits the Bank's continuous efforts towards improved performance on ESG parameters. In 2018, YES BANK continued to be the first and only Indian Bank to be selected as an index component on the Dow Jones Sustainability Indices (DJSI) – Emerging Markets Index, for fourth consecutive year. YES BANK also became the



Ravneet Gill,
Managing Director & CEO

first & only Indian Bank to be included in the RobecoSAM-DJSI Sustainability Yearbook's 2018 edition, which indicates that the Bank's ESG performance is within 30% of top performing companies in the banking sector globally.

YES BANK is the first and only Indian Bank to align its business strategy to United Nations Principles for Responsible Banking. Mindful of the United Nations (UN) estimate of an annual requirement of USD 2.5 trillion for achieving SDGs in developing countries by 2030, the Bank developed an innovative financial mechanism to engage and involve its retail customer base. On World Environment Day 2018, YES BANK launched India's first-ever Green Future: Deposit, a fixed deposit product, wherein equivalent proceeds were earmarked towards sectors aligned with SDGs, through paperless transactions, and trees planted on behalf of depositors.

Given the criticality of water in enhancing economic, environmental and social growth of communities, the Bank continued to scale up its 'Livelihood and Water Security' program, and provided access to clean and safe drinking water to more than 3.5 crore lives. Its 'Say YES to Sustainable MSMEs in India' initiative impacted 27,906 Micro, Small and Medium Enterprise (MSME) units, and over 37,555 workers aiding the 'Make in India' campaign.

Going forward, from a sustainable development perspective, the Bank will focus on:

- ▲ Deciphering and integrating climate risks in core operations
- ▲ Financing positive impact sectors through innovative financial products
- ▲ Policy advocacy through thought leadership
- ▲ Enhanced transparency through disclosures
- ▲ Strategic CSR in focus areas of Livelihood & Water Security, Women Empowerment and Environmental Sustainability

On behalf of the entire leadership team, I reaffirm our commitment of building India's finest and most admired financial services company, an enlightened institution, with emphasis on sustainability and governance. I thank all our stakeholders for their sustained support which has held the institution in great stead, and invite you to partner with us as we work towards embracing the opportunities of the future.



Ravneet Gill,

Managing Director & CEO

Responsible Banking: Re-imagining Banking for a Sustainable Future

Since inception, 'Responsible Banking' has been a key differentiator and one of YES BANK's six strategic pillars, along with Trust, Transparency, Knowledge, Technology and Human Capital. The Bank adopts strategies that link sustainable development with stakeholder value creation, by embedding sustainability considerations in its core business strategy. This laser-sharp focus on actualizing 'Responsible Banking' is reflected in YES BANK's multiple 'industry-first' achievements that have established its legacy of institutional excellence.



Launched India's first Green Retail Liability Product in 2018, Green Future: Deposit



Provided Occupational Health & Safety (OHS) & Energy Efficiency training to 37,555 workers, and helped 27,906 MSMEs in FY 2018-19



First & only Indian Bank to be listed on Dow Jones Sustainability Indices (DJSI) Emerging Markets for four consecutive years (2015-2018), selected in FTSE4Good Emerging Index for two consecutive years (2017, 2018) and selected in MSCI ACWI ESG Leaders & SRI Indexes in 2017



Provided access to 3.5 crore lives with safe & clean drinking water in FY 2018-19



First Indian Bank to launch Green Bonds in 2015



About this Report

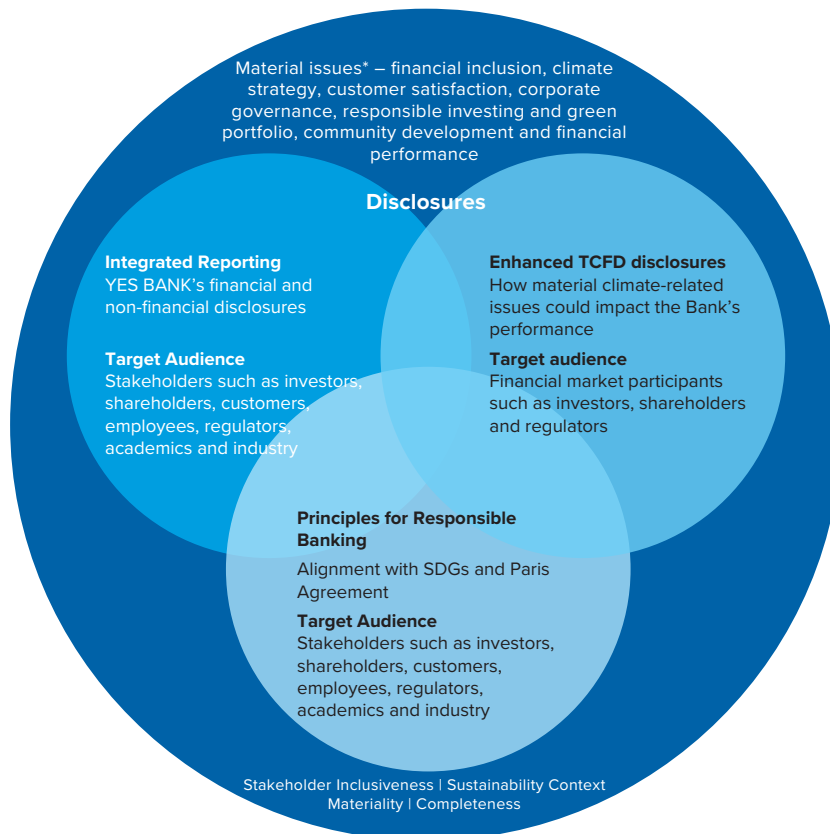
102-50 This Sustainability Performance Review, titled 'Sustainable Banking Re-imagined', comprehensively captures the successful implementation of YES BANK's integrated vision of contributing to a sustainable economy and its continuous endeavour to create value for its stakeholders, while demonstrating exemplary performance across environmental, social, and governance aspects.

Through this Report, the Bank has provided a balanced and transparent view of its sustainability approach, including strategy, targets and performance, to its internal and external stakeholders.

102-48 This Sustainability Performance Review reports YES BANK's triple bottom line performance for the period April 1, 2018 to March 31, 2019, as per the annual financial reporting cycle adopted by the Bank.

102-51 Prior to this, the Bank had released its previous Report, 'Future Now', for the FY 2017-18, from April 1, 2017 to March 31, 2018. This Report does not include any significant re-statements from the previous year.

102-46 Sustainability Disclosure Approach



YES BANK's Sustainability Disclosure Approach

*The material issues listed here are only illustrative. The Bank's material issues, in line with GRI, are detailed on Page 15-16.

102-46

This year, YES BANK has become the first Indian Bank to align its Sustainability Performance Review with UN Principles for Responsible Banking (PRB). Towards transparency and accountability, this disclosure follows draft PRB, given that these principles would be formally released in September, 2019.

102-54

The sustainability disclosures continue to be:

- ▲ Aligned with recommendations by Task Force on Climate-related Financial Disclosures (TCFD)
- ▲ In accordance with GRI Standards: 'Comprehensive' option
- ▲ Mapped to SDG Compass, which aligns GRI reporting framework with SDGs
- ▲ Assured by Third Party (see assurance statement on Page 39-40)

The Report follows GRI Reporting Principles for defining content – Stakeholder Inclusiveness, Sustainability Context, Materiality and Completeness.

Scope and Boundary

Offices and Locations

- ▲ Corporate Office: YES BANK Tower, IFC – 2, 15th Floor, Senapati Bapat Marg, Elphinstone (W), Mumbai 400 013, Maharashtra, India
- ▲ National Operating Centers (NOC) in Mumbai and Gurugram, National Centralized Operations Management and Services Delivery facility in Chennai
- ▲ IFSC Banking Unit (IBU) in Gujarat International Finance Tec-City (GIFT)
- ▲ 1,120 branches and 1,456 ATMs across 29 states and 7 union territories of India (as on March 31, 2019)
- ▲ Scope of the Bank's environmental management system was expanded in FY 2017-18 to include the Bank's International Representative Office in Abu Dhabi, UAE

Key Subsidiaries

YES BANK has three subsidiaries:

- ▲ YES Securities (India) Limited (YSIL)
- ▲ YES Asset Management (India) Limited (YAMIL)
- ▲ YES Trustee Limited (YTL)

The information about the three subsidiaries is included in the Bank's Annual Report 2018-19 and is outside the purview of the reporting scope. This Report includes information pertaining to YES BANK Limited.

102-45

Best efforts have been put to ensure that the Report adheres to Principles for Defining Report Quality as per GRI Sustainability Reporting Standards. This 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.

Independent Assurance

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.

About YES BANK

At YES BANK, our differentiation begins with a single word – YES.

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 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 & Brokerage businesses through YES SECURITIES and its Mutual Fund business through YES Asset Management (India) Limited, both wholly-owned subsidiaries of the Bank.

YES BANK has a pan-India presence across all 29 states and 7 Union Territories in India with a footprint of

1,120
Branches

1,450+
ATMs



including an IBU at GIFT City, and a Representative Office in Abu Dhabi.



VISION

YES BANK is committed to its vision of 'Building the Finest Quality Large Bank of the World in India' having evolved its organizational ethos into the 'Professionals' Bank of India'.



YES BANK Milestones during the Year

March 2019	<ul style="list-style-type: none"> ▲ Mr Ravneet Gill takes charge as MD & CEO, YES BANK
February 2019	<ul style="list-style-type: none"> ▲ Winner of multiple accolades for excellence at the Indian Banks' Association Banking Technology Innovation Awards 2019-Best Technology Bank of the Year, Best use of Data & Analytics and Most Customer - Centric Bank using Technology ▲ Winner of Aegis Graham Bell Award 2018 for 'Innovation In Data Science'
January 2019	<ul style="list-style-type: none"> ▲ Digitized Government of Maharashtra's 'Yellow Revolution Programme' (supply chain of entire Egg Production in Maharashtra) by extending last mile banking services to 35,00,000+ Self-Help Group members in the state
December 2018	<ul style="list-style-type: none"> ▲ Winner of Qualtech Award For Continuous Improvement and Innovation
November 2018	<ul style="list-style-type: none"> ▲ Winner of 'Product Innovation of the Year Award' among 100+ financial services companies at IFC's Global SME Finance Awards
October 2018	<ul style="list-style-type: none"> ▲ First and only Indian Bank to be included as an index component of the Dow Jones Sustainability Indices (DJSI) in the Emerging Markets Index for fourth consecutive year ▲ Winner of 'Golden Peacock Award for Sustainability - 2018' at the Institute of Directors, India's 18th Annual London Global Convention on Corporate Governance & Sustainability and Global Business Meet ▲ First Indian Bank to join the Natural Capital Coalition
September 2018	<ul style="list-style-type: none"> ▲ Highest number of ISO 14001:2015 certified green facilities, globally ▲ INR 4,000 Crore proposed Basel III Tier 2 bonds receive Care AAA from Care ratings and IND AA+ from India Ratings & Research; stable outlook
August 2018	<ul style="list-style-type: none"> ▲ Included in the FTSE4Good Emerging Index for second consecutive year ▲ Institutionalized YES BANK Chair for Climate Modelling at IIT Delhi ▲ Adjudged Global Winner, Payments at 'The Banker-Technology Projects Awards, 2018', instituted by The Banker, a London-based leading global financial publication promoted by The Financial Times
July 2018	<ul style="list-style-type: none"> ▲ YES FOUNDATION enabled over 550 high potential youth to emerge as changemakers ▲ Winner of multiple accolades for excellence in retail and corporate banking at the Asian Banking and Finance Awards 2018 ▲ Upgraded to 'AAA' with stable outlook by Care ratings ▲ Received SEBI approval to launch Mutual Fund Business
June 2018	<ul style="list-style-type: none"> ▲ Launched GREEN FUTURE: DEPOSIT, India's first ever green retail deposit product ▲ Launched YES SCALE, a multi-sector accelerator to support sunrise sectors of the economy ▲ Collaborated with National Mission for Clean Ganga (NMCG) for Yamuna river ghat clean-up drive. Over 15 tons of garbage cleaned from the river ghat ▲ Received final license from SEBI for Custodian of Securities Business
May 2018	<ul style="list-style-type: none"> ▲ Only Indian Bank to be awarded 'PRIME' status by OEKOM Research AG ▲ Awarded for 'Best Implementation Of Digital Payments' at BW Businessworld Digital India Summit & Awards 2018 ▲ Partnered with National Skills Foundation of India (NSFI) for imparting Good Agricultural Practice (GAP), Financial Inclusion and Digital Literacy to over 10,000 farmers—first phase across 15 districts in Rajasthan & Haryana launched ▲ Adjudged 'Best Bank in India for Small and Medium-Sized Enterprises (SMEs)' at the Asiamoney Best Bank Awards 2018, hosted by the prestigious global financial publication Asiamoney, part of the Euromoney Group, UK
April 2018	<ul style="list-style-type: none"> ▲ Winner of 'Golden Peacock National Training Award' 2018 for equipping workforce with 'Future-Ready' skills ▲ YES SECURITIES adjudged "India's Best Investment Bank" by Global Finance magazine at its 2018 World's Best Investment Bank Awards ▲ Launched 'YES GST', an Industry First GST backed OD Facility for MSMEs

Awards & Accolades



Corporate Governance & Customer Satisfaction

Bank's philosophy on Corporate Governance

Since inception, YES BANK has been committed to set the highest standards of Corporate Governance, benchmarking itself with the best in class practices globally. It is widely recognized that an active, 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 and protects the long-term interest of 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, compliance, avoiding conflict of interest, and other pertinent corporate governance best practices.

The Bank's sustainable development agenda 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 execution of the sustainable development agenda is carried out by the Responsible Banking unit, headed by the Group President & Global Head. The unit 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 2018-19 includes the Report on Corporate Governance (see from page 131 to 183). It covers philosophy, policies, details on appointments, retirements or rotation and resignations of Board of Directors, 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 governance aspects around climate related risks and opportunities are covered in the Governance section on page 23 in this report. (The Bank's Corporate Governance structure is available on page 142 of the Annual report FY 2018-19, which may be accessed at <https://www.yesbank.in/about-us/investors-relation/financial-information/annual-reports>).

“



As the Dutch development bank, FMO's mission is to empower entrepreneurs in emerging markets to build a better world through a firm commitment to sustainable development. FMO supports clients to manage their environmental and social impact and improve their corporate governance. FMO and YES BANK both believe that integrating sustainability into core business makes sound business sense. Therefore it has been great to see how YES BANK has progressed in its efforts to fight climate change and reduce inequalities.

Linda Broekhuizen

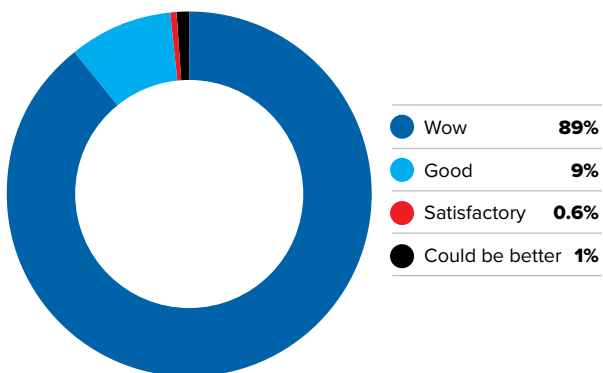
Chief Investment Officer, FMO

”

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 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 assessing performance across key service drivers. The Bank deploys Service Quality Reviews of customer channels and process reengineering to simplify service processes with a view to provide consistent and superior banking experience to its customers.

During FY 2018-19, the Bank improved its performance in the monthly customer satisfaction surveys, conducted on a sample-based methodology. Towards overall customer satisfaction, the survey takers reported:



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

The Bank has initiated 'closed loop' customer feedback by implementing methodologies like carrying out service recoveries of the Detractors, acquiring accolades, and deepening of relationship with the promoters. Key customer inputs are channelled into process tweaking for an improved and more convenient service delivery.

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 the Annual Report FY 2018-19 (see section 18.7.10 – Disclosure of Complaints, on page 254).

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.

“



FY 2018-19 marks another year for which YES BANK has combined pioneering thought leadership with catalytic action at the intersection of business strategy and sustainability. YES BANK's comprehensive approach is a model for other institutions seeking to find pathways to improve bottom line performance while holding the highest standards for sustainability. Institutions that follow YES BANK's example as stewards of natural capital are ones that are investing for the long run, creating benefits for society while simultaneously strengthening the resilience of their own businesses.

James Newcomb

Managing Director, Rocky Mountain Institute

”

YES BANK's Sustainability Approach

The intrinsic connection between the economy, society and environment requires corporates to go from business-as-usual to a holistic approach, involving sustainable and innovative pathways, towards balancing economic growth with sustainable development.

Since its inception in 2004, YES BANK's 'Responsible Banking' ethos has acted as an enabler to deliver sustainable growth. The Bank has developed & implemented sustainability and climate strategy, aimed at integrating Environmental, Social, Governance parameters with core business, from a risks and opportunities perspective.

YES BANK constantly strives to positively impact its stakeholder spectrum and measures its success basis the shared value created through six capitals as specified by Integrated Reporting—financial, human, social & relationship, natural, intellectual and manufactured capitals. The Bank is aligned to Sustainable Development Goals (SDGs), and has mapped its organizational activities with pertinent goals, reporting its performance through the SDG compass.

This approach has resulted in unique landmark transactions, innovative business initiatives, and strategic partnerships, positively impacting environmental, social and governance performance.

“

YES BANK continues to be at the forefront of the natural capital movement in India, both through their pioneering use of natural capital assessments within the bank, and for their broader promotion of the approach. The 2018-19 Sustainability Report demonstrates the Bank's commitment and development to this approach. I was honoured to be invited to judge YES BANK's most recent Natural Capital Awards, and I was encouraged to see so many examples of the exciting work taking place within Indian businesses.



John Lelliott

Chairman of the Board, Natural Capital Coalition

”

“



YES BANK's sustainability performance is work par excellence. Never had I encountered a financial institution whose DNA since its inception has been sustainability-oriented that has strengthened from year to year. Its holistic and integrated approach to sustainability is a model worth emulating and replicating by other banks and financial institutions. On behalf of the Association of Development Financing Institutions in Asia and the Pacific (ADFIAP), I commend and congratulate YES BANK for its steadfast commitment to sustainability performance and lasting sustainable development for its stakeholders.

Octavio B. Peralta

Secretary General, Association of Development Financing Institutions in Asia and the Pacific

”

ESG Highlights:



ENVIRONMENTAL

- First Indian Bank to launch Green Infrastructure Bond in 2015, followed by the private placement by International Finance Corporation (IFC) for Green Masala Bond, and issuing Green Infrastructure Bond with FMO in 2016
- Committed to mobilize USD 5 billion towards climate action by 2020
- Committed to mobilize USD 1 billion by 2023 towards solar projects, and USD 5 billion till 2030
- First Bank globally to migrate to ISO 14001:2015; 744 locations certified
- First and only Indian Banking signatory to Natural Capital Finance Alliance (NCFA) & Chair of Steering Committee



SOCIAL

- Sole arranger and subscriber to India's First Social Bond, with proceeds allocated to Affordable Housing in 2018
- Launched India's first Green Retail Liability Product, Green Future: Deposit in 2018
- Reached 25 lakh families at the bottom-of-the-pyramid through Inclusive and Social Banking's YES Livelihood Enhancement Action Program (YES LEAP) in 2018
- Provided access to 3.5 crore lives with safe & clean drinking water in FY 2018-19
- Provided OHS & Energy Efficiency training to 37,555 workers, and helped 27,906 MSMEs in FY 2018-19
- Developed 818 socially conscious youth leaders and impacted 251 non-profit organizations through the Media for Social Change Fellowship program (2016-2018)



GOVERNANCE

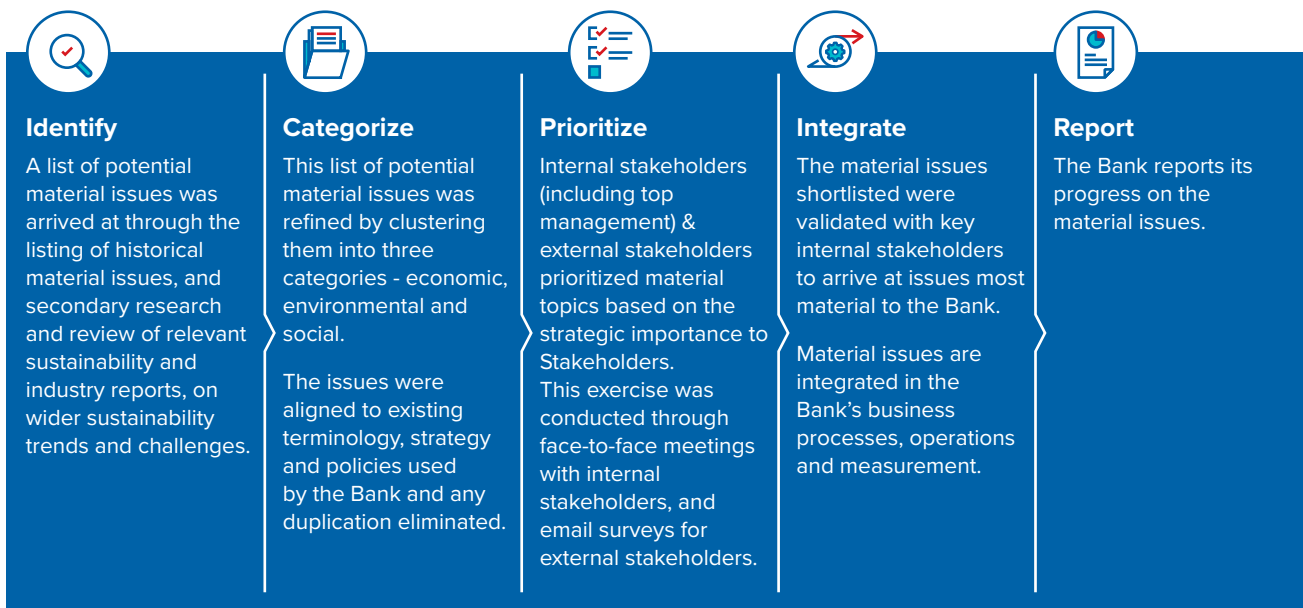
- First & only Indian Bank to be listed on DJSI Emerging Markets Indices for four years consecutively (2015-2018), selected in prestigious FTSE4Good Emerging Index for two consecutive years (2017, 2018), selected in MSCI ACWI ESG Leaders & SRI Indexes in 2017, included in Vigeo Eiris Best Emerging Markets Performers Ranking (2018) and only Indian Bank to be awarded 'Prime' Status by OEKOM Research Ag
- Attracted investor confidence resulting in credit lines from reputed multilaterals and development finance institutions (DFIs) like 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)
- First Indian Banking signatory to UNEP FI
- First Indian Bank to support recommendations of the Financial Stability Board's Taskforce on Climate-related Financial Disclosures (TCFD)
- First Indian banking sector signatory to UN Global Compact, abiding by its ten principles and continuing to report Communication on Progress at GC Advanced level

Materiality Assessment and Stakeholder Engagement process

YES BANK continues to place great emphasis on being receptive to its stakeholders. Over the years, the Bank's materiality process and stakeholder mapping, prioritization and engagement strategy has evolved. This has allowed it to recalibrate its strategy on most pertinent issues identified by its internal and external stakeholders. The critical inputs received from these engagements serve as an opportunity to address emerging risks and leverage opportunities, thereby future-proofing its business.

Assessment of material issues

In FY 2017-18, YES BANK undertook a detailed exercise involving its key stakeholders to identify, categorize, prioritize, integrate and report its material issues, in order to strengthen its focus areas for sustainability initiatives. The process followed for identification and prioritization is shared below:



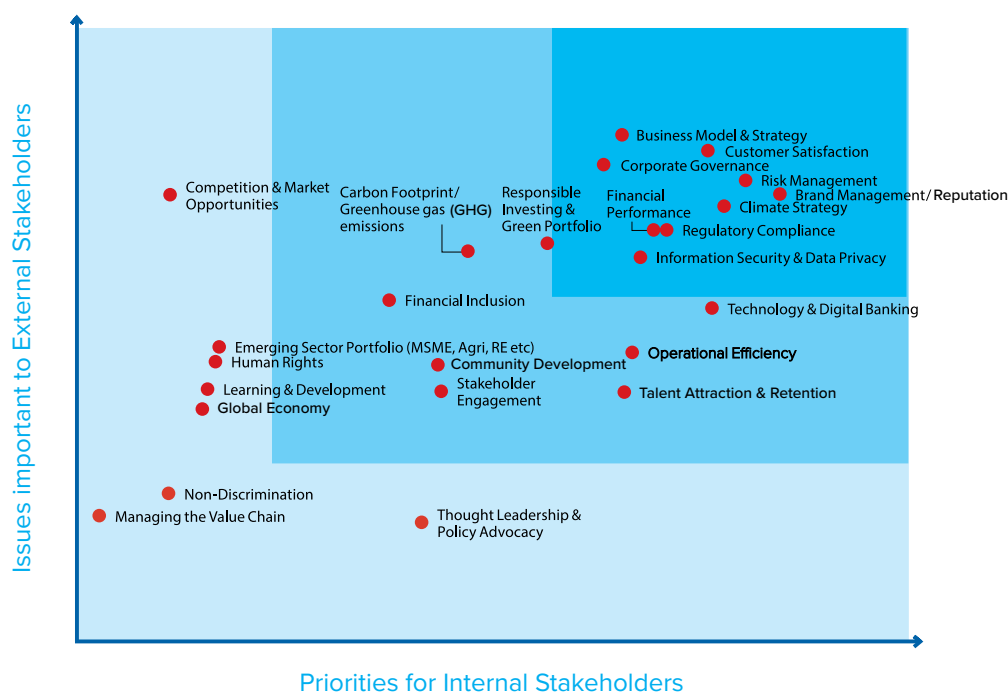
The material issues prioritized by the stakeholders have been plotted on a Materiality Matrix that maps the issues important to external stakeholders with the priorities of internal stakeholders. The material topics presented in the matrix (*on next page*) have remained largely the same as in previous year.

The Bank had initiated strategic stakeholder engagements in addition to its on-going internal and external stakeholder engagement exercise. The Bank has engaged with a broad range of stakeholders including community, industry experts, academia and channel partners.

Stakeholders



YES BANK's Materiality Matrix



The Report covers YES BANK's performance on key material issues depicted in the materiality matrix, and are tabulated below alphabetically:

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 including public, clients, and investors is a key material issue	
102-44	Business Model & Strategy	Value created through YES BANK's business model leveraging financial, human, social & relationship, natural, intellectual and manufactured capital over the short and long term is extremely critical to determine economic, social and environmental performance
Carbon Footprint/ GHG emissions	YES BANK is cognizant of its expanding carbon footprint. Managing its footprint and rationalizing its resource consumption is a material issue	
102-47	Climate Strategy	YES BANK believes that climate change could significantly affect the way the Bank does business, including impact on its lending portfolio. Climate change also serves as an opportunity to spur sustainable growth and catalyse transition to a low-carbon economy. Hence, a strategic approach towards climate action is important to manage risks and leverage emerging opportunities
Community Development	The corporate sector can no longer afford to operate in a silo and must be responsive to the needs 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	
Corporate Governance	Transparency and accountability are the fundamental principles to sound corporate governance, which would ensure that the Bank is managed and monitored in a responsible manner for 'creating and sharing value'. Commitment to set the highest standards of corporate governance is therefore an important issue for the Bank	
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 multiple sectors in the Indian economy, fine-tuning its customer satisfaction strategy, metrics and systems to cater to the broad customer base is important	

Financial Inclusion	Financial inclusion is a national priority and the banking sector has the critical responsibility of achieving this shared goal. Since inception, YES BANK views financial inclusion not just as a regulatory mandate, but as a sound business opportunity
Financial Performance	Financial performance is integral to the 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 Security & Data Privacy	As a financial institution, information security and data privacy are a fundamental priority for the Bank, and a critical enabler of business transformation, customer trust and growth
Operational Efficiency	Reducing the operational costs per branch/ per employee is an important issue for YES BANK and the Bank has identified energy & resource management and waste reduction as key focus areas towards improving its operational efficiency
Responsible Investing & Green Portfolio	Catalyzed by the COP21 Paris Agreement and the SDGs, there is an unprecedented call for the global financial community to increase investments in positive impact sectors. Hence, it is imperative for YES BANK to mobilize funding for positive climate action sectors
Risk Management	For any financial institution, strong and robust risk management systems are a critical factor for ensuring financial security and consistent growth. As financial institutions face myriad risks, including credit risks, liquidity risks, market risks and foreign exchange risks, having a proactive and thorough risk management framework is essential
Regulatory Compliance	The Bank operates in a highly regulated sector with strong compliance requirements from the Government and Reserve Bank of India. Regulatory compliance is a non-negotiable requirement and all rules have to be complied with, without exception
Stakeholder Engagement	The stakeholder engagement process serves as a tool for understanding the needs, expectations and interests of stakeholders, which are critical to creating shared value for the Bank. The stakeholder feedbacks allows the Bank to re-align its strategy on pertinent issues
Talent Attraction & Retention	YES BANK's success is directly linked to its human capital's competencies, knowledge and experience. Therefore, it is important that the human capital philosophy focuses on creating the right mindset to enable business performance and engaging employees to achieve business goals
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 through digital transformation. The focus continues to be on ensuring ease of transaction, and achieving heightened customers engagement and experience

“



YES BANK has proven its outstanding sustainability credentials for the past many years and continues to be a leader in responsible banking. It is also a signatory of the Karlsruhe Resolution for Sustainable Banking and Finance, Germany which demonstrates the Bank's commitment to the UN resolution on SDGs, the COP21 and to maximize the socio-economic impact of digitization. We take this opportunity to also congratulate the Board, Management and all the staff members of YES BANK for winning the Karlsruhe Sustainable Finance Awards. These achievements are testament to the continued leadership of YES BANK in responsible banking. I wish YES BANK every success in future endeavors to

further strengthen its sustainability credentials.

Arshad Rab

CEO, European Organisation for Sustainable Development, Germany

”

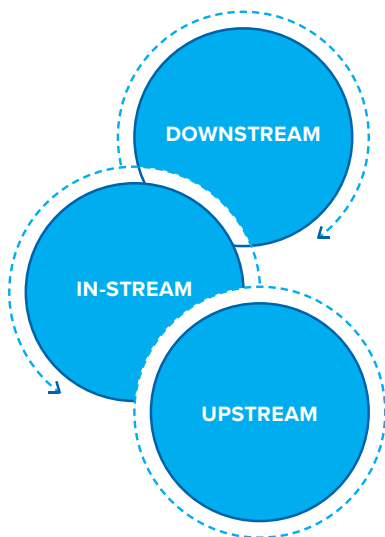
Boundary Setting of Material Issues

Material Issue	Linkage with GRI Standards Topics	GRI Standards Disclosures	Significant Impacts
Brand Management/ Reputation	GRI 417: Marketing and Labelling GRI 418: Customer Privacy	GRI 417-1; GRI 417-2; GRI 417-3; GRI 418-1	Within YES BANK
Business Model & Strategy	GRI 102: General Disclosures	GRI 102-14; GRI 102-15	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 305-1; GRI 305-2; GRI 305-3; GRI 305-4; GRI 305-5; GRI 305-6; GRI 305-7	Within YES BANK (includes 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
Customer Satisfaction	GRI 102: General Disclosures	GRI 102-43	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 & Green Portfolio	GRI 201: Economic Performance	GRI 201-1; GRI 201-2; GRI 201-3; GRI 201-4;	Within and outside YES BANK
Information Security & Data Privacy; 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	GRI 102: General Disclosures	GRI 102-15; GRI 102-30	Within YES BANK
Stakeholder Engagement	GRI 102: General Disclosures	GRI 102-40; GRI 102-42; GRI 102-43; GRI 102-44	Within and outside 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

Stakeholder Engagement

In FY 2012-13, YES BANK had undertaken an extensive stakeholder mapping exercise, which included materiality identification and prioritization. Since then, the Bank has continued to categorize its stakeholders as upstream, in-stream and downstream, basis their influence and impact on the Bank’s sustainability performance. 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 forge strategic alliances and relationships to amplify its sustainability impact both within and outside the organization, resulting in multiple industry-first sustainability initiatives. The Bank ensures that its tailor-made engagement strategies are strongly aligned with the needs of the stakeholder groups. 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.



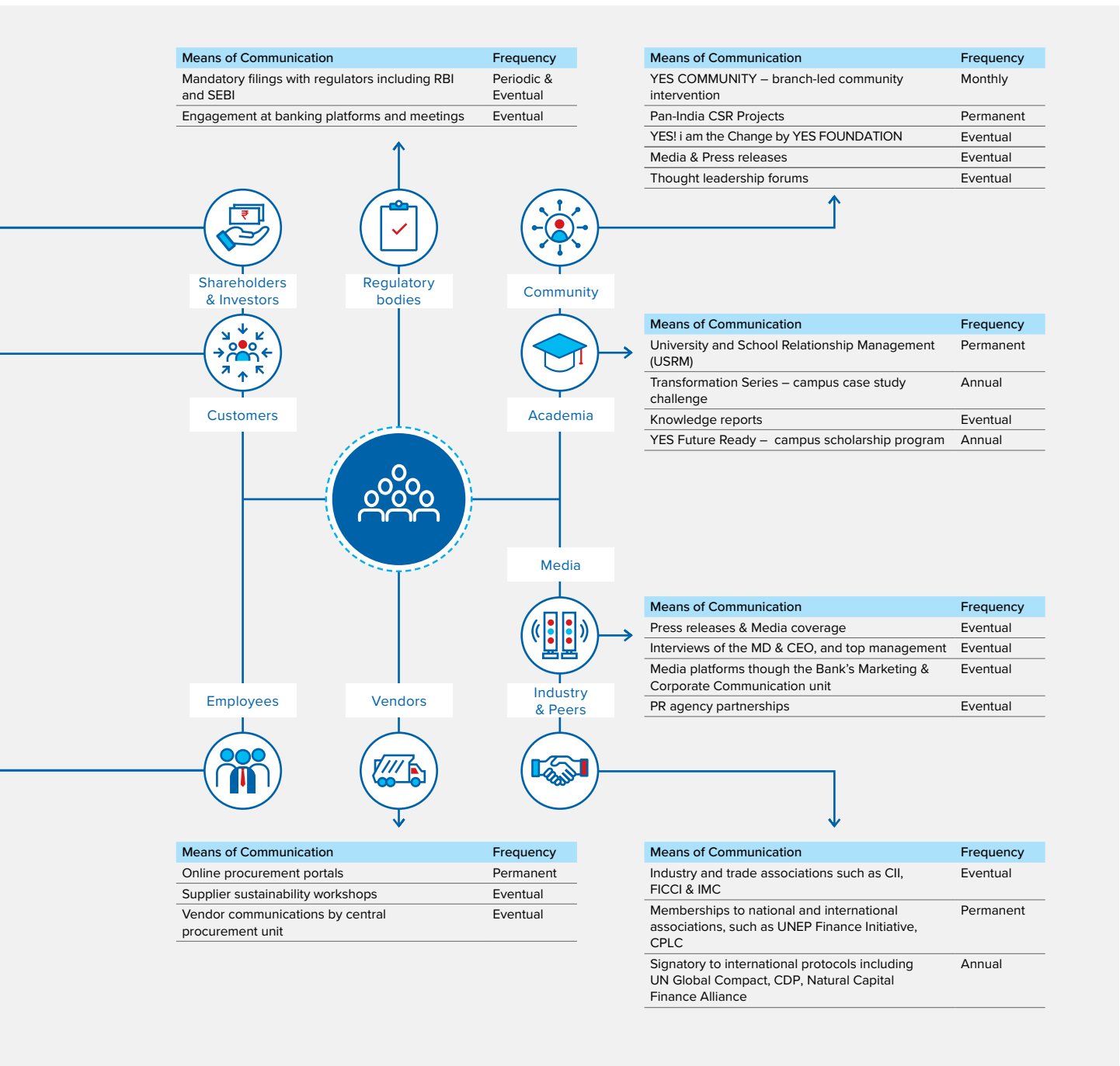
102-43

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

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	Permanent
Employee satisfaction surveys	Annual
My Learning – internal e-learning platform	Permanent
Employee performance management	Annual



Creating Shared Value through Responsible Banking

YES BANK endeavors to address developmental challenges through its unique array of green products and services, positive-impact community projects, policy advocacy and thought leadership initiatives.

Combating climate change

Financial institutions, being central to an economy, can play a pivotal role by embedding climate change considerations in investment strategies to mitigate risks and seize the right opportunities. Failure of transitioning to a low carbon economy would result in undermining projected financial returns and weakening environmental and social performance.

Central to future-proofing its business, YES BANK's 360-degree risk framework ensures integration of ESG parameters in all its business operations. The Bank proactively looks at creating new opportunities in India's climate resilient business sectors. YES BANK believes that climate change is a business opportunity for transitioning to a low-carbon economy and has innovated first-of-its-kind green products in India, including pioneering the country's Green Bond market.

In June 2018, YES BANK launched India's First Green Retail Liability Product – Green Future: Deposit

Policy Advocacy and Thought Leadership

Towards public good and in order to address social and environmental concerns, YES BANK has undertaken a knowledge-based approach. This entails thorough research on sectors affecting climate change and social parameters. Culminating into a thought leadership position, the Bank has been publishing knowledge reports that focus on policy reforms and mainstream financial mechanisms towards sustainable development. This has also led to active participation at key national and international sustainability platforms, government & multilateral consultations and co-creating knowledge-sharing platforms.

With an aim to drive investments towards the sunrise sectors of the economy, the Bank has lent a technical and practitioner's perspective to policy and regulatory action on relevant sustainability issues. In FY 2018-19, the Bank released 'Innovating Pathways to Sustainable Finance in India', a knowledge report that analyses barriers and opportunities in mobilizing sustainable finance in India, serving as a keystone towards formalizing a sustainable finance architecture in the country.

In June 2018, YES BANK was the only Indian Bank invited by the 72nd President of United Nations General Assembly to speak at high-level event, 'Financing for SDGs: Breaking the bottlenecks of Investment, from Policy to Impact.'

To catalyze action towards SDGs, YES BANK has co-created knowledge platforms with UN in India, Ministry of Environment, Forest & Climate Change (MoEFCC), Ministry for Development of North Eastern Region (DoNER) and National Mission for Clean Ganga (NMCG).

YES BANK continues to be a signatory to key protocols including UNEP FI, UN Global Compact, CDP, Climate Action in Financial Institutions Initiative and Natural Capital Finance Alliance (NCFA).

YES BANK is the only Indian Bank to co-develop the UN Principles for Responsible Banking with its global peers, for aligning the Banking sector with UN SDGs and the Paris Climate Agreement.

Positive Community Impact

With India's unique developmental challenges, collective action by all actors is a pre-requisite for securing basic needs of the vast population. In a participatory approach, guided by 'Promote, Invest, Engage, Collaborate & Monitor', the Bank has undertaken innovative models to drive accelerated scalable and sustainable impact.

Through a unique community engagement program, YES COMMUNITY, the Bank has touched 2.35 lakh lives with 2,774 monthly activities in the reporting period. Further, the Bank's distinctive Corporate Social Responsibility (CSR) program 'Say YES to Sustainable MSMEs in India' has supported 27,906 MSMEs through focused interventions in energy efficiency, occupational health and safety, and financial literacy camps, including GST transition support. The program has successfully integrated sustainability into core operations, reduced carbon footprint, and enhanced global competitiveness of Indian MSMEs. With an aim to provide safe and clean drinking water to urban, rural and semi-rural communities, the Livelihood and Water Security initiative touched 3.5 crore lives in the reporting period.

In order to provide a boost to the thriving start-up ecosystem in India and foster innovation across key sectors of the economy, YES BANK launched its multi-sector accelerator program – YES SCALE, focusing on smart cities, cleantech, agritech, life sciences tech and edutech. With over 1000 applications, 19

start-ups were selected in the first cohort focusing on cleantech, agritech, and smart cities, with an opportunity to commercialize their solutions in association with industry partners.

Towards an empowered & equitable India, YES FOUNDATION, the social development arm of YES BANK, continued with its differentiated approach focusing on building innovative and inclusive ecosystems to catalyse social transformation. In FY 2018-19, youth and social impact organizations across India participated in the YES! i am the CHANGE social Filmmaking Challenge, which received 11,511 film entries from over 1.5 lakh participants. YES! i am the CHANGE Grant and Accelerator program, selected 23 social impact organizations which will receive grants worth INR 6.9 crores and 3 year accelerator support. The Media for Social Change Fellowship program, in a span of three years, has developed 818 socially conscious youth leaders and impacted 251 non-profit organizations.

Through these initiatives, the Bank is fulfilling its Responsible Banking vision - 'to be the benchmark financial institution for sustainability and inclusivity in India'.

In order to measure the social impact created through CSR projects, YES BANK, as a best practice, continues to adopt a principle-based method called the Social Return on Investment (SROI). The Bank periodically conducts a comprehensive analysis of inputs from critical stakeholders, outputs achieved, and corresponding outcomes to measure the performance and efficacy of its projects.

ACCESS TO SAFE AND CLEAN DRINKING WATER



3.5 crore

lives provided access to safe and clean drinking water in 2018-19

YES COMMUNITY



2.35 lakh

lives touched through YES COMMUNITY activities

SAY YES TO SUSTAINABLE MSMEs IN INDIA



27,906

MSMEs impacted through energy efficiency and OHS interventions



37,555

MSMEs workers positively impacted through energy efficiency and OHS interventions

LIVELIHOOD SECURITY



10,859

farmers trained in Good Agricultural Practices (GAP), financial Inclusion and digital literacy

YES! i AM THE CHANGE (YIAC)



1.5 lakh

Participants



11,511

Films submitted

For details on these projects please see pages 25-30 of YES BANK Annual Report FY 2018-19, available here: <https://www.yesbank.in/about-us/investors-relation/financial-information/annual-reports>

Enhanced disclosures based on Taskforce on Climate-related Financial Disclosures

The Financial Stability Board established an industry-led initiative titled Task Force on Climate-related Financial Disclosures (TCFD) to develop voluntary, consistent climate-related financial disclosures. In 2017, this taskforce released its recommendations, applicable to non-financial and financial companies across sectors and jurisdictions. The recommendations are structured around four thematic areas that represent core organizational elements: Governance, Strategy, Risk Management, & Metrics and targets.

In December 2017 at the One Planet Summit in Paris, YES BANK was a part of few private sector entities globally and the first & only Indian bank to make a commitment of support to TCFD recommendations on climate risks and opportunities.

In FY 2017-18, YES BANK was the first Indian Bank to release its enhanced sustainability disclosures aligned to TCFD recommendations and continues to do its reporting basis these recommendations.



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

Governance

YES BANK accords high strategic priority to climate action and has leveraged the technical capabilities and strengths of its business units to integrate climate change considerations into its business operations.

The Bank's Board of Directors has a direct oversight on climate change impact mitigation & adaptation plans and periodically reviews the progress made towards achieving the stated targets. The Group President & Global Head, Climate Strategy & Responsible Banking, who is also the Bank's Chief Sustainability Officer (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 addresses climate change related issues directly or indirectly, and drives action on the climate strategy through various committees, business units and functions at the Bank. 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 to ensure highest level of ownership and transparency. 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 overlooks YES BANK's Corporate Social Responsibility initiatives, which also include various climate change projects promoting environmental sustainability

▲ Enterprise Risk Management Committees:

The Risk Management Unit in the Bank is designed to establish an effective, non-silo-based Enterprise Risk Management (ERM) which further constitutes of 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 efficiency have been recognized as key material issues

▲ Reputation Risk Management Committee (RRMC):

RRMC oversees its 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

▲ Operations Risk Management Committee (ORMC):

The Bank has constituted the 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, understand future changes and threats, and concur on areas of highest priority and related mitigation strategy.

Operational Risks include risks resulting from physical risks, due to direct physical impacts of climate change and range from acute risks (such as extreme weather events) to chronic risks (like gradual rise in sea level and temperature). Due to these acute and chronic changes in climate, the Bank faces a risk to its physical assets, which could result in service disruption. In order to tackle such a situation, 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 Bank is ISO 22301 certified, an International Business Continuity Standard, to manage its business continuity.

The various business units and teams involved in the Bank's climate action agenda include:

▲ Risk Management Unit:

The Risk Management Unit is headed by the Chief Risk Officer (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 various 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 various risk reports, policies and dashboards to Risk Management Committee and the Board of Directors.

▲ **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 reports to the Chief Risk Officer (CRO), undertakes preliminary environmental, social & climate due-diligence of the 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 the future

▲ **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

▲ **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), focusing on financing renewable energy and clean technologies, Food and Agri Strategic Advisory and Research (FASAR) focusing 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 and Network Management (IDNM), Quality Assurance (QA), Technology Solutions (BDTS), Operations and Service Delivery (OSD) and Service Excellence (SE) which form the foundation for the Bank's business operations, 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.

YES BANK proactively engages with national and international institutions to bring positive climate action, highlighted in the 'Opportunities' section of this report.

Strategy

YES BANK has integrated sustainability into its business, leading the shift within the industry. With sustainability principles well-embedded into its business strategy, the Bank has ensured that it responds to sustainable development and climate change in a holistic manner, thus creating stakeholder value through innovative business solutions and services. The Bank's sustainability strategy focuses 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 operations
- ▲ Climate and SDG literacy

YES BANK is fully committed towards unlocking innovative financial mechanisms for achieving India's ambitious target of combating climate change and has formulated a climate agenda to deliver on its commitments.



SCENARIO ANALYSIS

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

The Bank is working on a plan to implement climate scenario analysis as recommended by TCFD. With an aim 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).

The Bank has explored tools like ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure) by Natural Capital Finance Alliance, for understanding impacts of environmental change on the Bank's portfolio. Such tool-based analysis would help the Bank in testing resilience of its portfolio against a range of issues, including climate change.

Towards this, YES BANK is also working with leading academic institutions like Indian Institute of Technology, Delhi to develop and improve climate modelling methodologies.

Risk Management

The recommendations of TCFD acknowledge that climate risks have the potential to affect efficiency and effectiveness of markets, financial institutions and the economy at large.

The Board is responsible for risk management, which comprises of 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 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 an 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 global IT majors for developing innovative features that enhance process efficiencies, 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 mainstreaming environmental and social considerations as integral dimensions of business. It enables the Bank to develop processes to recognize, evaluate and monitor environmental and social impact of its banking operations, to the highest degree possible.

As a financial institution, YES BANK is exposed to material climate-related risks through its borrowers, customers or counterparties. In FY 2017-18, the Bank enlisted 10 material climate-related risks faced by the sector, through desk research. Both transition risks and physical risks were included. Transition risks are those, which arise from efforts to address climate 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. Such events increase the risk to the Bank's physical assets and pose a risk of service disruption.

These risks were ranked by senior management, in the order of relevance to the Bank in the foreseeable medium-term. Based on this survey, top ranking climate-related risks with maximum potential to generate significant change in the Bank's business operations, revenue or expenditure were identified to establish a climate risk profile. The top-3 risks identified 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 requirements

▲ 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 droughts, cyclones, 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 employee & client performance, and therefore the Bank's revenues

Climate-related Risk Management

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

Organizational level

The Bank has a formal process in place for the identification of climate risks and opportunities. ESG and climate change related risks and opportunities are evaluated by Risk Management, Infrastructure & Digital Network Management (IDNM) and Procurement teams, for the projects and initiatives under respective domains.

In FY 2018-19, 'Climate risks' were added to the Bank's Internal Capital Adequacy Assessment Process¹ (ICAAP), which is an integral part of the management and decision making process in the Bank. Going forward, Climate-related risks will also be reviewed annually to establish adequacy of measures taken by the Bank, along with the ongoing annual review of the ICAAP.

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 which is ISO 22301 certified, an International Business Continuity Standard. In 2018, it continues to have the highest number of locations certified under ISO 14001:2015 Environment Management System (EMS) standard, globally. The recertification to the new standard is based on the Bank's Environmental Management Policy released in 2016, which commits to achieving 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. As part of the Bank's Environment & Social Management System (ESMS), a Board-approved Environment & Social Policy (ESP) mandates appropriate assessment of E&S and climate risks for project finance. The Policy is based on international best practices and regulations, such as Equator Principles and IFC Performance Standards. The Bank has dedicated experts housed within the Risk unit who are responsible for implementing the provisions of the ESP. These experts 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 economy, where the sector accounts for 18% of the country's Gross Domestic Product (GDP) and provides employment to 50% of the workforce, making it a primary source of income. Most industry sectors are dependent on agriculture either directly or by utilizing agri-products as their raw material. Therefore, to manage the climate-related risks arising from agricultural production at the 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.

Further, the Bank's Annual Report for FY 2018-19 includes the Management Discussion and Analysis that comprehensively covers the Bank's Risk Management systems, policies and processes, including risk strategy, and audit & compliance. (see sections Risk Management and Board Of Directors & Key Managerial Personnel on pages 86-90, 108-116). The Bank conducts quarterly stress tests to assess the potential impact of risks to the Bank.

¹RBI guidelines on Basel II & III framework helps banks implement superior risk management practices and assess adequacy of capital vis-à-vis the various risks faced. The Basel-II framework includes three mutually reinforcing pillars, viz., Minimum Capital Requirements (Pillar 1), Supervisory Review and Evaluation Process (SREP) (Pillar 2) and Market Discipline (Pillar 3). Under the Pillar 2 - SREP, RBI has directed banks to implement a Board-approved policy on Internal Capital Adequacy Assessment Process (ICAAP), commensurate with the bank's size, level of complexity, risk profile and scope of operations. The ICAAP covers the Bank's assessment of capital adequacy in light of risks not fully captured in Pillar 1, not at all captured in Pillar 1 and those arising due to external factors.

Opportunities

YES BANK is committed to identifying and leveraging opportunities that support mitigation and adaptation actions addressing climate change. The two-pronged approach of positive impact climate finance and policy advocacy not only focusses on improving the present but also influencing future change.

Positive Impact Climate Finance

YES BANK's holistic climate agenda encompasses the launch of innovative green financial mechanisms, integration of sustainability principles into operations, and establishing its credentials as a green bank among sustainability-focused investors.

In February 2015, YES BANK committed to mobilize USD 5 billion toward climate action, till 2020, with specific sector-wise targets. The Bank has already surpassed its target of financing 5 GW of Renewable Energy (RE) projects, by an additional 1.8 GW.

With an aim to mainstream sustainable finance, YES BANK has over the years, developed long-term partnerships with leading global development financial institutions such as International Finance Corporation; Overseas Private Investment Corporation; Asian Development Bank; Netherlands Development Finance Company (FMO); Development Bank of Austria (OeEB) and European Investment Bank, among others. These partnerships help the Bank in promoting financing opportunities in areas such as energy efficiency, renewable energy and gender financing.

Renewable Energy Lending & Advisory

Government of India has expanded its Renewable Energy (RE) capacity target to 175 GW by 2022. YES BANK has sanctioned credit for establishing RE projects of capacity 2,705 MW for FY 2018-19, thus fuelling clean energy and contributing to Government's target. Broad categorization of these projects is as under:

Renewable Energy category	Capacity (MW)
Solar	550
Wind	955
Integrated Renewable Energy Projects	1,200

²YES SECURITIES is outside the scope of the Sustainability Performance Review FY 2018-19. Given the importance of Sustainable investment Banking in YES BANK's overall sustainability performance, it has been reported here

Powering Solar Projects

The Bank is an associate organization that supports the International Solar Alliance (ISA). In FY 2017-18, the Bank committed to mobilize USD 1 billion till 2023 and USD 5 billion till 2030 towards financing solar energy projects in India. YES BANK is on track to meet this commitment and has already financed USD 1.75 billion till FY 2018-19.

Energy Efficiency Investments

In July 2016, under a World Bank initiative that provides partial guarantee of 75% for loans up to INR 15 crore for energy efficiency projects, YES BANK became the first Financial Institution in India to sign an MoU with SIDBI for implementing this scheme. Further in May 2017, the Bank signed another MoU with the Bureau of Energy Efficiency (BEE) to become Participating Financial Institution (PFI) for availing risk guarantee under the Partial Risk Guarantee Fund for Energy Efficiency (PRGFEE), which provides 50% guarantee or INR 10 crore, whichever is less.

Sustainable Investment Banking² (SIB)

YES SECURITIES, the subsidiary of the Bank provides investment banking and advisory services in the sustainability space, including renewable energy, clean technology, environmental services, healthcare, and education. It specializes in private equity fund raising, mergers & acquisitions, technology transfer, business advisory and corporate restructuring, among others. It has successfully completed 36 transactions, amounting to a value of over USD 7.5 billion. SIB represented its strong sector expertise and thought leadership in the renewable energy sector at key conferences and seminars like RE Assets India 2019.

Aligning Business with SDGs

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 53-61 of the report. An overview of the Bank's alignment with SDGs is included below.



Case Study: India's first green retail product

Challenges

- ▲ Developing innovative financial mechanisms for realizing UN estimated requirement of USD 2.5 trillion investment per year, in developing countries to achieve SDGs by 2030
- ▲ Involving retail customers in climate action

The Innovation- Making it Meaningfully Green

Fixed Deposit is an extremely popular investment instrument for the middle-class income group in India, which offers attractive interest rates in lieu of funds being deposited with banks for a particular term. In its quest to contribute towards achieving SDG financing, on the occasion of World Environment Day, YES BANK launched an innovative retail product—India's first-ever green fixed-deposit.



A business-as-usual product was converted to a green product wherein for every investment made, equivalent proceeds were earmarked towards SDG-aligned sectors. Given that the customers could only opt for the Green Future: Deposit through YES BANK Net Banking or YES Mobile Banking Application, the product issuance process was entirely paperless. To make the product offering attractive for retail depositors, it was launched at a best-in-class interest rate.

In order to contribute towards creating a carbon sink, for every Green Future: Deposit, YES BANK planted a tree that was geo-tagged, and issued an e-certificate to the depositor. A social enterprise that specializes in creating sustainable ecosystems through afforestation, was partnered in order to bring in the

local community to take ownership of planting and preserving the trees.

The product got an overwhelming response from retail customers, surpassing the intended target.



Tree plantation site locations in Yavatmal District with representatives of Grow-Trees.com, local plantation partner, Harsul Village and YES BANK

“



The financial sector is critical for achieving the SDGs and climate goals. All financial actors including public, private, domestic, international and market players including regulators, need to work synergistically to mobilize climate finance. YES BANK is leading this agenda in India and I hope their efforts inspire and mobilize others to follow suite.

Eric Usher
Head, UNEP FI

”

Mainstreaming Sustainable Finance in India

YES BANK has been able to unlock financing solutions for projects aimed at realizing SDGs through key strategic partnerships. Some of the major engagements of the Bank are as follows:



▲ Climate Action in Financial Institutions

In order to systematically integrate climate change considerations across financial institutions' strategies, programs and operations, YES BANK continues to support 'Climate Action in Financial Institutions' initiative, a coalition of over 42 public and private financial institutions. As a coordination group member representing the 'Commercial banks in developing nations' constituency, the Bank provides strategic direction on critical issues related to work programmes, focus areas and strategic partnerships



▲ Indian Institute of Technology, Delhi

With an objective to develop and improve climate modelling methodologies, YES BANK signed an MoU with IIT Delhi for institutionalizing the YES BANK Chair for climate modelling. This partnership is slated to formulate an India-centric climate model at Department of Science and Technology (DST), Center of Excellence (COE), in Climate Modelling



▲ Natural Capital Coalition

Given the criticality of Natural Capital for financial institutions, YES BANK became India's first Bank to join Natural Capital Coalition in 2018. As a member of the coalition, the Bank aims to integrate natural capital-led perspectives into its strategy and operations in order to drive sustainability based decision-making



▲ Natural Capital Finance Alliance

To support development of natural capital risk measurement tools and mainstream this dialogue, in 2013, YES BANK became the first Indian signatory of the then Natural Capital Declaration, now Natural Capital Finance Alliance (NCFA). YES BANK continues to be Chair of the Steering Committee of NCFA for overseeing its strategy and providing direction/ oversight to Working Groups and the Secretariat. The Bank provided feedback on NCFA's ENCORE tool and supported the tool's global launch



▲ SBTi

The Science Based Targets initiative aims to provide the private sector, with a clearly defined pathway to future-proof growth, by specifying extent of reduction of GHG emissions and the timelines. In September 2018, YES BANK committed to develop a science-based emission reduction target, in line with the SBTi definition and Call to Action criteria



▲ UNGC

For communicating the Bank's efforts to support and uphold Ten Principles of the UN Global Compact, YES BANK became a UNGC signatory in 2009. The Bank abides by its ten principles, and continues to report its Communication on Progress at GC Advanced level. The Bank actively engages with UN Global Compact Network India (UNGONI), by being part of its Governing Council. UNGONI also partnered with the 4th edition of the YES BANK Natural Capital Awards



▲ UNEP FI

In order to contribute towards making systemic change in finance and aligning it to sustainable development, YES BANK became the first Indian signatory to UNEP FI in 2006, a global partnership between United Nations Environment and the financial sector

- **Global Steering Committee (GSC):**

YES BANK got elected to UNEP FI's GSC from 2019 to 2021. The GSC provides executive direction on strategic, structural issues, work programs and budgets on a regular basis

- **Principles for Responsible Banking (PRB):**

YES BANK is the only Indian Bank working with 27 global peers and UNEP FI, jointly representing more than USD 17 trillion in assets, as a founding member of 'Principles for Responsible Banking'. These Principles, set to be launched in September 2019, provide guidance to banks to align holistically with societal goals and needs as expressed in SDGs and the Paris Climate Agreement. As a founding member, YES BANK is co-developing this comprehensive framework that could enable banks to engrain sustainability at the strategic, portfolio and transaction levels. The Bank is playing a key role in framing its implementation guidance and assessment criteria as a core member. The Bank along with its founding peers and UNEP FI is also developing methodologies for holistic impact identification and assessment. This could equip banks with effective tools for identifying significant impacts and assist in maximizing positive footprint on the society, while reducing and mitigating negative footprint. This initiative is one of the key efforts of the Bank to bring value creation, for both shareholders and society, at the epicentre of the global banking industry. These Principles would be key in enabling investors, policy makers and regulators, clients and civil society to compare and promote accountability among banks for their environmental, social and economic impacts

- **Positive Impact Initiative (PII):**

YES BANK, as a member of Positive Impact Initiative Steering Group, provides strategic direction to the Initiative by reviewing its Governance structure, amplification & outreach strategy, and forging new partnerships. The Bank is also a part of the working group, and is collaborating with other PI community members to test PI model frameworks to arrive at comprehensive impact analysis through corporate finance and investments, with unspecified use of funds and proceeds

“



As an 'Institute of Eminence', IIT Delhi believes that academia has a critical role to play in accelerating positive socio-environmental transformations. In order to actualize this belief, IIT Delhi and YES BANK announced a partnership in FY 2018-19 to undertake joint research and promote climate-smart development. It is heartening to witness how YES BANK, as a national leader in the sustainability space, is accelerating action on climate change and driving high impact business solutions targeted towards achieving sustainable development

Prof. V Ramgopal Rao

Director, Indian Institute of Technology, Delhi

”

Co-creating an Ecosystem for Sustainable Finance

In order to explore opportunities and address challenges for scaling SDG financing in India, YES BANK along with United Nations India Business Forum, organized a roundtable in New Delhi in October 2018. The discussions largely focused on the need for innovating SDG-aligned financial instruments like SDG Bonds, blending private investment and CSR to ensure effective risk adjusted returns, and ways to further fuel the growing green bonds market in India. The roundtable brought together diverse stakeholders including UN Agencies, Central Government Ministries, International Development Financial Institutions, domestic and international banks, large conglomerates, embassies and think tanks.

With an objective to highlight the need and growing importance of embedding sustainability within the financial system, YES BANK co-curated an educational workshop titled 'Sustainable Finance in India' along with RBI-promoted Centre for Advanced Financial Research and Learning (CAFRAL) in June 2018. Experts from banking and multinational think-tanks touched upon various aspects of sustainable finance, including emerging global trends, potential opportunities, frameworks to assess Environmental, Social and Governance risks, role of policy and importance of measuring the unquantified non-financial impact of financing activity. Several senior officers from Indian banks and financial institutions attended and benefited from the workshop.

Given YES BANK's leadership role in mobilizing green finance in India, President of the 72nd General Assembly of the United Nations, invited the Bank to share evolution of climate finance in India, during the high-level event 'Financing for SDGs: Breaking the bottlenecks of Investment, from Policy to Impact'. The event was convened to catalyse private sector investments to achieve SDGs and witnessed participation from UN General Assembly members, distinguished representatives of governments, businesses, foundations and financial institutions.

YES BANK's unique initiatives have been captured in the form of a 'toolbox' by the UN, to share recommendations/ best practices on SDG financing with a wider audience. The toolbox* features initiatives from select global financial institutions and was launched at the World Investment Forum.



Roundtable on Scaling SDG financing in India, New Delhi

Climate Literacy amongst school students

Awareness about climate change is the first and most important step to mobilize on-ground action. In order to spread awareness and empower the future generations, YES BANK, under its community engagement program – YES COMMUNITY has collaborated with implementation partners to impart experiential learning on environmental aspects and inspire young minds to envision a sustainable world, where they are enablers of change.

On the occasion of Earth Day 2018, YES BANK conducted 'End plastic pollution' workshops at National Science Center, New Delhi. Two half-day workshops were conducted across 50 schools in Delhi/ NCR covering over 900 students and teachers. The workshops were curated for spreading awareness amongst students to end plastic pollution (theme for Earth Day 2018 and World Environment Day 2018) and consisted of a drawing competition, extempore speech competition and interactive lectures by experts on the theme.

YES BANK, in another endeavour, conducted SDG literacy workshops across 45 schools, educating 6300 students to be climate and environmental leaders of tomorrow. (See YES COMMUNITY section on pages 27-28 of the Annual Report FY 2018-19 for more details).



'End plastic pollution' workshop at the National science Centre, New Delhi



*Toolbox is available at <https://worldinvestmentforum.unctad.org/financing-for-the-sdgs/> and YES BANK's case study is available here [https:// worldinvestmentforum.unctad.org/wp-content/uploads/2018/09/YES-BANK-Case-study.pdf](https://worldinvestmentforum.unctad.org/wp-content/uploads/2018/09/YES-BANK-Case-study.pdf)

Metrics & Targets

YES BANK uses metrics and targets to assess and manage relevant climate-related risks and opportunities 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 2018-19:

- ▲ 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

As on March 31, 2019, YES BANK leads the BFSI sector globally with the highest number of ISO 14001 certified green facilities with 744 certified locations, including 4 corporate offices, YES Securities and the Abu Dhabi Representative Office. The Bank continued its efforts to gradually move towards paperless banking, by digitizing paper-based products and processes. Focused interventions have been undertaken to renew existing infrastructure, improve operational performance and enhance resource & energy efficiency.

As part of the energy conservation initiatives, in FY 2018-19, the Bank replaced 3,592 LED units. They are estimated to save 747.9 GJ of energy consumption, every year. The estimated annual reduction in electricity consumption that may be attributed to these LEDs is 2,07,750 KWh, helping the Bank avoid 170.35 tCO₂e emissions. Overall, the Bank spent about INR 4.25 crore in FY 2018-19 on energy conservation (including AC retrofitting, LED projects at corporate offices and branch locations).

In FY 2018-19, the Bank's estimated energy consumption within its operational boundaries was 145,932.13 GJ. The energy consumed by its outsourced data centers is estimated at 164.26TJ.

YES BANK GHG Inventory	FY 2018-19	FY 2017-18	FY 2016-17
Scope 1 – Diesel (tCO₂e)[#]	905.38	921.03	942.44
Diesel Consumption (Litre)	342,345.83	348,263.61	356,359.05
Scope 1 – Refrigerant (tCO₂e)[#]	2,172.92	2,059.04	1,349.30
Scope 2 – Emission (tCO₂e)^{##}	30,453.16	29,668.27	34,226.39
Grid Electricity Consumption (MWh)	37,138.00	36,180.82	41,739.50
Total Emission (Scope 1+2) (tCO₂e)	33,531.46	32,648.34	36,518.13
Total FTE as on March 31, 2019	21,136	18,238	20,125
Emission Intensity (tCO₂e/FTE)	1.59	1.79	1.81
% Reduction of Emission Intensity YoY	11.38	1.35	16.50
Total Scope 3 Emissions (tCO₂e)	45,823.67^{###}	4,420.89*	2,642.23*

[#] Scope 1 emissions include 10% refrigerant leakage from the AC systems. The emission factors and GWP (Global Warming Potential) values have been taken from GHG protocol. The estimated ODS emissions from HCFC-22 is equal to 66.02 Kgs of CFC-11 equivalent. The cost of diesel consumed pan bank is converted in quantities consumed by using state-level diesel prices. Like 2012-13 (base year), we have used operational control approach for measuring and managing these emissions. The equivalent NOx and SOx emissions through diesel consumption are 22,642.15 gm/year and 11,792.53 gm/year respectively.

^{##} Grid Electricity Consumed has been calculated from the electricity bills. 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, and currency chests.

^{###} Scope 3 emissions for FY 18-19 includes emissions from business air travel (4,499.74 tCO₂e), daily employee commute (1,041.08 tCO₂e), paper consumption (including couriers) (2,866.70 tCO₂e) and outsourced data centres (37,416.14 tCO₂e). Scope 3 for FY 2018 & 2017 constituted business air travels only. In addition to business air travels, this year, emissions through daily commute by employees, paper consumption, couriers (assuming 1 envelope and 1 A4 paper per courier), and electricity consumption at outsourced data centres are also included in Scope 3 emissions.

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 13. The cost of electricity consumed pan bank is converted in quantities of electricity consumed by using state level tariffs, wherever required. 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 305 requirements. Given the disclosure, the Bank does not separately report the energy intensity.

Case Study: Harnessing Solar Energy

With an aim to explore new avenues for reducing its carbon footprint and in alignment with the Bank's Environment Management System, YES BANK has successfully piloted a project of installing a solar power system in one of its branches. The bank has set up a 5 KVA solar power system in Bund Garden branch in Pune, Maharashtra in November 2018. In FY 2018-19, the branch drew an estimated 4,725 kWh of electricity, avoiding 3.87 tCO₂e emissions.



Going forward, YES BANK would continue exploring such opportunities to switch to non-fossil fuel based sources of energy for running its operations and combating climate change by reducing its carbon footprint.

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 reducing the emissions of other companies through its lending practices. The Bank is cognizant of the risks associated with the transition to a low carbon economy, which may lead to increased risk of stranded and non-performing assets for the Bank. In line with TCFD 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 FY2018-19 is 144.06 tCO₂e per INR crore revenues.

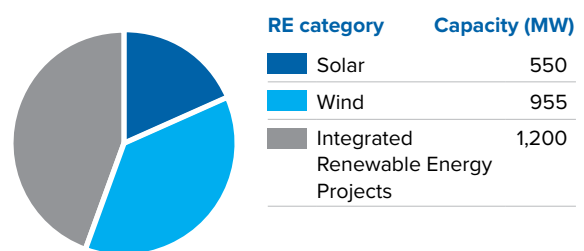
Note:

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 March 31, 2018. 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

YES BANK focuses on innovating green financial mechanisms to finance the sunrise sectors. In line with YES BANK's COP21 commitments, YES BANK has sanctioned credit for establishing renewable energy projects of capacity 2,705 MW, as on March 31, 2019.

Renewable energy projects sanctioned during the year are broadly categorized as:



Green Bonds

Since the maiden issuance by YES BANK in 2015, Green Bonds have emerged as an innovative instrument for financing climate action in India. Over the past few years, the Green Bonds market in India has witnessed a steady growth and is currently pegged at over USD 7 billion. Green Bonds are playing a pivotal role towards the realization of ambitious climate targets that India pledged during Paris Accord in 2015. YES BANK has issued three green bonds:

▲ **February 2015:** YES BANK issued India's first-ever Green Infrastructure Bonds, raising an amount of INR 10 billion. 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 3.15 billion through the issue of Green Infrastructure Bonds to International Finance Corporation on a private placement basis which is the first investment by IFC 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 the first Green Masala Bond program that aimed at raising capital in the offshore rupee market

▲ **December 2016:** YES BANK raised INR 3.30 billion, through an issue of a 7-year Green Infrastructure Bond to FMO, the Dutch Development Bank, on a private placement basis. This is FMO's first investment in a Green Bond issued by a bank in India. 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 are in adherence to the Green Bond Principles (GBP).

Impact

Through financing solar and wind power plants, these bonds strengthen India's energy security while reducing fossil fuel dependency. These bonds have been crucial in financing climate change mitigation with avoidance of emissions of CO₂, SO₂, NO_x and other air pollutants associated with fossil fuel based energy generation. Estimated CO₂ emission reductions are shared along with project details.

List of projects against which green bonds proceeds have been allocated as on March 31, 2019 is provided below:

Proceeds Utilization* against Bond Issuance Size of INR 1,000 Cr (February 2015)					
Sr. No	Project Location	Description	Total Fund Based Utilization, INR Cr	Estimated** positive E&S impacts - CO ₂ Emission Reduction (tCO ₂ e / yr)	Known significant negative E&S Impacts
1	Maharashtra	31.5 MW wind energy project	121.32	45,756.09	None
2	Andhra Pradesh	10 MW solar energy project	18.61	18,183.66	None
3	Madhya Pradesh	12 MW wind energy project	38.48	28,595.27	None
4	Karnataka	50 MW solar energy project	94.44	92,588.38	None
5	Telangana	15 MW solar energy project	9.29	20,945.42	None
6	Telangana	143 MW solar energy project	189.74	2,90,199.61	None
7	Telangana	15 MW solar energy project	9.29	11,731.39	None
8	Telangana	42 MW solar energy project	11.42	73,189.22	None
9	Rajasthan & Andhra Pradesh	155.4 MW wind energy project	231.20	2,55,734.57	None
10	Karnataka	40 MW solar energy project	174.92	83,390.64	None
11	Karnataka	21 MW wind energy project	56.57	48,758.60	None
12	Karnataka	32 MW solar energy project	48.25	63,870.91	None

Proceeds Utilization* against Bond Issuance Size of INR 315 Cr (August 2015)

Sr. No	Project Location	Description	Total Fund Based Utilization, INR Cr	Estimated** positive E&S impacts - CO ₂ Emission Reduction (tCO ₂ e / yr)	Known significant negative E&S Impacts
1	Andhra Pradesh	100 MW wind energy project	141.92	2,83,508.64	None
2	Telangana	30 MW solar energy project	89.72	52,278.02	None
3	Telangana	5 MW solar energy project	22.63	9,625.44	None

Proceeds Utilization* against Bond Issuance Size of INR 330 Cr (December 2016)

Sr. No	Project Location	Description	Total Fund Based Utilization, INR Cr	Estimated** positive E&S impacts - CO ₂ Emission Reduction (tCO ₂ e/ yr)	Known significant negative E&S Impacts
1	Gujarat	30 MW wind energy project	40.87	68,677.52	None
2	Telangana	50 MW solar energy project	6.32	89,207.46	None
3	Karnataka	40 MW solar energy project	188.60	85,215.53	None
4	Rajasthan	300 MW solar energy project	111.85	4,52,391.80	None

* For the Green Bonds which have been fully utilized, the cumulative lending to the projects which received the proceeds may exceed the issuance size. The temporary unallocated proceeds (INR 60.73 crore of INR 315 crore bond issued in August 2015) have been invested in Government Securities and will be allocated back to eligible projects, when available.

**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 14.0 dated December 2018' (published by the Central Electricity Authority of India) along with other relevant factors such as project PLF/CUF estimates, installed project capacity, resultant annual unit generation etc.

Independent Assurance Statement



KPMG (Registered)
 1st Floor, Lodha Excelus
 Apollo Mills Compound
 N M. Joshi Marg, Mahalaxmi
 Mumbai - 400 011, India

Telephone: +91(22) 3989 6000
 Fax: +91(22) 3090 2511
 Internet: www.kpmg.com/in

Independent Limited Assurance Statement to Yes Bank Limited on its Sustainability Report for Financial Year 2018-19

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) 2018-19. The Company's management is responsible for identifying its material topics, engaging with its stakeholders and developing the content of the Report. 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 the Report. The reporting boundary and scope of assurance included data and information for the period 01 April 2018 to 31 March 2019 for India operations, based on Global Reporting Initiative's (GRI) Standards in accordance Comprehensive option.

The boundary of the report comprises of data and information that were captured from 1120 branches and were subjected for assurance at the YES BANK Limited's corporate office. No site visits were undertaken as part of this assurance.

General Standard Disclosures	Specific Standard Disclosures
<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, 102-41, 102-42 to 102-44) • Reporting practice (102-46 to 102-52 ,102-54 to 102-55) • Management approach (103-1 to 103-3) 	<ul style="list-style-type: none"> • Environment <ul style="list-style-type: none"> o Energy: 302-1, 302-2, 302-4, 302-5 o Emissions: 305-1, 305-2, 305-3, 305-4, 305-5, 305-6, 305-7 • Social <ul style="list-style-type: none"> o Employment: 401-1, 401-2, 401-3 o Training & Education: 404-1, 404-2, 404-3 o Local Community: 413-1, 413-2 o Marketing & labeling: 417-1, 417-2, 417-3 o Customer Privacy: 418-1 • Economic <ul style="list-style-type: none"> o Economic performance: 201- 2, 201-3

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 2018-19
- Verification of claims was limited to data and information presented in the Report for the period 01 April 2018 to 31 March 2019 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 Procedure

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

Responsibilities

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
Executive Director
KPMG
June 21st 2019

GRI Content Index

GRI Standard	Disclosure	Page number(s) and/ or URL(s)	Omission	
			Part Omitted	Reason Explanation
GRI 101: Foundation 2016				
Organizational profile				
GRI 102: General Disclosures 2016	102-1 Name of the organization	7		
	102-2 Activities, brands, products, and services	7, Annual Report 18-19: 56		
	102-3 Location of headquarters	6		
	102-4 Location of operations	6		
	102-5 Ownership and legal form	Annual Report 18-19: 56		
	102-6 Markets served	6,7		
	102-7 Scale of the organization	6,7, Annual Report 18-19: 52, 100		
	102-8 Information on employees and other workers	Annual Report 18-19: 52-55, 63		
	102-9 Supply chain	19, Annual Report 18-19: 56-57		
	102-10 Significant changes to the organization and its supply chain	6		
	102-11 Precautionary Principle or approach	29,31		
	102-12 External initiatives	22,32,33, Annual Report 18-19:31-35		
	102-13 Membership of associations	32,33, Annual Report 18-19:32		

GRI Standard	Disclosure	Omission	
		Page number(s) and/ or URL(s)	Part Omitted Reason Explanation
	Strategy		
	102-14 Statement from senior decision-maker	2,3	
	102-15 Key impacts, risks, and opportunities	25-34, Annual Report 18-19: 36, 37, 40, 41	
	Ethics and integrity		
	102-16 Values, principles, standards, and norms of behavior	10,11, Annual Report 18-19: 57, 131, 165, 181	
	102-17 Mechanisms for advice and concerns about ethics	Annual Report 18-19: 112, 165-167	
	Governance		
	102-18 Governance structure	23,24, Annual Report 18-19: 131, 142	
	102-19 Delegating authority	23,24	
	102-20 Executive-level responsibility for economic, environmental, and social topics	23,24	
	102-21 Consulting stakeholders on economic, environmental, and social topics	14-19, Annual Report 18-19: 32, 156, 172	
	102-22 Composition of the highest governance body and its committees	Annual Report 18-19: 142	
	102-23 Chair of the highest governance body	Annual Report 18-19: 148-164, 167	
	102-24 Nominating and selecting the highest governance body	Annual Report 18-19: 115, 144-146	
	102-25 Conflicts of interest	Annual Report 18-19: 164, 240-241	
	102-26 Role of highest governance body in setting purpose, values, and strategy	10	
	102-27 Collective knowledge of highest governance body	10,12,23,24, Annual Report 18-19: 147-148	
	102-28 Evaluating the highest governance body's performance	Annual Report 18-19: 111-112	
	102-29 Identifying and managing economic, environmental, and social impacts	Annual Report 18-19: 86-90, 112-114	
	102-30 Effectiveness of risk management processes	Annual Report 18-19: 86-90, 112-114	
	102-31 Review of economic, environmental, and social topics	15,16, Annual Report 18-19: 147	
	102-32 Highest governance body's role in sustainability reporting	2,3,10,15, Annual Report 18-19: 121, 147	
	102-33 Communicating critical concerns	Annual Report 18-19: 42, 112, 165-166	
	102-34 Nature and total number of critical concerns	Annual Report 18-19: 43, 172, 254	

GRI Standard	Disclosure	Page number(s) and/ or URL(s)	Omission	
			Part Omitted	Reason
102-35	Remuneration policies	Annual Report 18-19: 115-116		
102-36	Process for determining remuneration	Annual Report 18-19: 115-116		
102-37	Stakeholders involvement in remuneration	Annual Report 18-19: 128, 245-248		
102-38	Annual total compensation ratio	Annual Report 18-19: 42, 128, The ratio of basic salary for men and women at the Bank is 1:1		
102-39	Percentage increase in annual total compensation ratio	Annual Report 18-19: 128		
	Stakeholder engagement			
102-40	List of stakeholder groups	18,19		
102-41	Collective bargaining agreements	As there are no unions, no collective bargaining agreements exist		
102-42	Identifying and selecting stakeholders	14,18,19		
102-43	Approach to stakeholder engagement	14,18,19		
102-44	Key topics and concerns raised	15,16,17		
	Reporting practice			
102-45	Entities included in the consolidated financial statements	6, Annual Report 18-19: 116		
102-46	Defining report content and topic Boundaries	5,17		
102-47	List of material topics	15-17		
102-48	Restatements of information	5		
102-49	Changes in reporting	17		
102-50	Reporting period	5		
102-51	Date of most recent report	5		
102-52	Reporting cycle	5		
102-53	Contact point for questions regarding the report	6		
102-54	Claims of reporting in accordance with the GRI Standards	6		
102-55	GRI content index	41-47		
102-56	External assurance	39-40		

GRI Standard	Disclosure	Page number(s) and/ or URL(s)	Omission	
			Part Omitted	Reason
Material Topics				
GRI 200 Economic Standard Series				
Economic Performance				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	14-17		
	103-2 The management approach and its components	Annual Report 18-19: 69-70, 97-98		
	103-3 Evaluation of the management approach	Annual Report 18-19: 18-19, 21		
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Annual Report 18-19: 21		
	201-2 Financial implications and other risks and opportunities due to climate change	20-31		
	201-3 Defined benefit plan obligations and other retirement plans	Annual Report 18-19: 211-212, 237-238		
	201-4 Financial assistance received from government	No such financial assistance has been received		
GRI 203: Indirect Economic Impacts	203-1 Infrastructure investments and services supported	29, Annual Report 18-19: 18-19, 21-28		
	203-2 Significant indirect economic impacts	Annual Report 18-19: 18-19, 21-28		
GRI 300 Environmental Standards Series				
Energy				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	14-17		
	103-2 The management approach and its components	Annual Report 18-19: 36		
	103-3 Evaluation of the management approach	Annual Report 18-19: 39		
GRI 302: Energy 2016	302-1 Energy consumption within the organization	35, Annual Report 18-19: 39		
	302-2 Energy consumption outside of the organization	35		
	302-3 Energy intensity	35, Annual Report 18-19: 39		
	302-4 Reduction of energy consumption	35, Annual Report 18-19: 39		
	302-5 Reductions in energy requirements of products and services	29,35, Annual Report 18-19: 39		
Emissions				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	14-17		
	103-2 The management approach and its components	Annual Report 18-19: 20, 36		
	103-3 Evaluation of the management approach	35, Annual Report 18-19: 39		

GRI Standard	Disclosure	Page number(s) and/ or URL(s)		Omission	
				Part Omitted	Reason
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	35, Annual Report 18-19: 39		Biogenic CO2 emissions in metric tons of CO2 equivalent not applicable	
	305-2 Energy indirect (Scope 2) GHG emissions	35, Annual Report 18-19: 39			
	305-3 Other indirect (Scope 3) GHG emissions	35, Annual Report 18-19: 39			
	305-4 GHG emissions intensity	35, Annual Report 18-19: 39			
	305-5 Reduction of GHG emissions	35, Annual Report 18-19: 39			
	305-6 Emissions of ozone-depleting substances (ODS)	35, Annual Report 18-19: 39			
	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	35			
GRI 400 Social Standards Series					
Employment					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	14-17			
	103-2 The management approach and its components	Annual Report 18-19: 42, 84-86			
	103-3 Evaluation of the management approach	Annual Report 18-19: 43-44			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Annual Report 18-19: 54			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Benefits provided to full time employees: Group Mediclaim Policy, Group Term Life Policy, Group Parental Policy, Group Personal Accident Policy, EDLI, Statutory Benefit: Gratuity is paid post completion of 5 years of service from DOJ to the exited employees. Trainees are not provided these benefits. Advisors (fixed term contract) can avail the above benefits as per terms of contract, except EDLI and statutory benefits			
	401-3 Parental leave	Parental leave is provided to executives as per Leave and Attendance policy of the Bank			

GRI Standard	Disclosure	Page number(s) and/ or URL(s)		Omission	
		Part Omitted	Reason	Part Omitted	Explanation
Training and Education					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	14-17			
	103-2 The management approach and its components	Annual Report 18-19: 44-49, 85			
	103-3 Evaluation of the management approach	Annual Report 18-19: 44-49			
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Annual Report 18-19: 48-49			
	404-2 Programs for upgrading employee skills and transition assistance programs	Annual Report 2018-19, 44-49			
	404-3 Percentage of employees receiving regular performance and career development reviews	100% (For employees joining on or before 30th September)			
Local Communities					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	14-17			
	103-2 The management approach and its components	Annual Report 18-19: 22-23, 25-30			
	103-3 Evaluation of the management approach	Annual Report 18-19: 19, 21-23			
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	21, Annual Report 18-19: 26-27			
	413-2 Operations with significant actual and potential negative impacts on local communities	Considering the Bank's nature of business and locations, such impact is minimal impact, Annual Report 18-19: 27, 28			
Marketing and Labeling					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	14-17			
	103-2 The management approach and its components	15, Annual Report 18-19: 158			
	103-3 Evaluation of the management approach	Annual Report 18-19: 234, 254			
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	28, 36, 37			
	417-2 Incidents of non-compliance concerning product and service information and labeling	The Bank operates in a highly regulated sector with strong systems, and no such incidents were reported.			
	417-3 Incidents of non-compliance concerning marketing communications	The Bank operates in a highly regulated sector with strong systems, and no such incidents were reported.			

GRI Standard	Disclosure	Page number(s) and/ or URL(s)	Omission	
			Part Omitted	Reason
Customer Privacy				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	14-17		
	103-2 The management approach and its components	15, Annual Report 18-19: 89, 158-159		
	103-3 Evaluation of the management approach	Annual Report 18-19: 254		
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Annual Report 18-19: 254, 234; Nil awards passed by the Banking Ombudsman, No. of complaints from customers - 21; No complaints received from regulators	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.	

Principles for Responsible Banking - Public Reporting Template

To meet the transparency requirements of the Principles for Responsible Banking, the information requested below should be addressed in your bank's public reporting. In this template, please simply provide references to the relevant information in publicly available reports or documents.

Please Note:

This is based on the draft version of the reporting template that has been put forward for consultation on 26th Nov. 2018. As the Principles are yet to be launched in September 2019 and the reporting template is yet to be finalized, this disclosure is only intended to be transparent on YES BANK's sustainability approach through the lens of draft Principles for Responsible Banking. This shall not be considered as YES BANK's self-assessment against Principles.

Principle 1 – Alignment:

We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals (SDGs), the Paris Climate Agreement and relevant national and regional frameworks. We will focus our efforts where we have the most significant impact.

1.1 Links to the description of your bank's business model, which includes the structure of the bank, sectoral focus areas, products and services, client base and geographic coverage

The 'About us' section of the bank's website provides a brief introduction to its strategy and its product offerings-

<https://www.yesbank.in/about-us/brand-pillars>

<https://www.yesbank.in/about-us/>

The Investor presentation available at <https://www.yesbank.in/about-us/investor-relations> would cover the sectoral and geographical coverage

1.2 Links to information on how your bank has aligned and/or is planning to align its strategy to be consistent with and contribute to meeting individuals' needs and society's goals, as expressed in the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks

Since its inception, YES BANK has embedded Responsible Banking ethos as one of the six strategic pillars. Understanding the criticality of SDGs and COP 21, the bank has been weaving sustainability into its operations as well as creating stakeholder value through positive impact business solutions. The bank has adopted a value creation strategy with focus on its social & relationship capital and natural capital in alignment with SDGs and Paris Climate Agreement

YES BANK's value creation strategy: Annual Report 2018-19 pgs 18-19

Social & Relationship Capital: Annual Report 2018-19, pgs 25-30,

NATURAL CAPITAL: Annual Report 2018-19, pgs 35-40

YES BANK's sustainability Approach: Annual report 2018-19, pg 20

Inclusive & Social Banking and Microfinance Banking: Annual Report 2018-19, pg 22

SDG Compass: Sustainability Performance Review Report, pgs 53-61

A brief on the bank's Sustainable financing is available at

<https://www.yesbank.in/banking-initiatives/responsible-banking/sustainable-finance>

Principle 2 - Impact

We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services.

- | | |
|---|---|
| <p>2.1 Please provide a link to a description of how and according to which criteria your bank has identified and assessed and/or is planning to identify and assess the significant risks to people and environment and the positive and negative social, economic and environmental impacts resulting from the banks activities, products and services.</p> | <p>In order to identify the focus topics for our sustainability efforts, YES BANK undertook a detailed exercise of engaging and interacting with its key stakeholders to identify, categorize, prioritize, integrate and report its material issues in the previous reporting cycle of FY 2017-18.</p> <p>Materiality Assessment and Stakeholder Engagement process: Sustainability Performance Review 2018-19, pgs 14-17</p> <p>The Bank is further working to develop comprehensive methodologies and tools for impact identification and assessment along with other 28 founding members</p> |
| <p>2.2 Links to information on how your bank has increased and/or is planning to increase the identified positive impacts and has reduced and/or is planning to reduce the identified significant negative impacts over the last 12 months/in the coming 12 months or since your last annual reporting period/during your next annual reporting period.</p> | <p>The Bank maps impacts of its activities and business and endeavours to maximize them. The bank discloses these impacts in its annual reporting to its stakeholders. While the bank strives to maximize its positive impacts, it has also focussed on reducing any negative impacts. These includes Bank's efforts in reducing its carbon footprints, optimizing its operations and mitigating environmental and social impacts linked to financing, through integrating Environment Social Policy with its credit risk appraisal framework.</p> <p>Aligning Business with SDGs: Sustainability Performance Review Report 2018-19, pg 30</p> <p>Achieving operational environmental excellence: Annual Report 2018-19, pgs 37-39</p> <p>Environment and Social Policy: Annual Report 2018-19, pg 37</p> |

Principle 3 - Clients and Customers

We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

- | | |
|--|--|
| <p>3.1 Link to a description of what policies and practices your bank has in place and/ or is planning to put in place to ensure the relationship with its clients and customers is conducted in a sustainable and responsible manner.</p> | <p>The Bank is committed to ensure sustainable and responsible relationship with its clients and customers, as highlighted by its "CODE OF BANK'S COMMITMENT TO CUSTOMERS" and "CHARTER OF CUSTOMER'S RIGHTS". The Bank strives to provide superior and seamless customer service experience to enhance its service proposition. The Bank further works with its customers in adoption of sustainable practices through innovative products, initiatives and knowledge Banking Approach (discussed in more detail in section 3.2)</p> <p>Code of Bank's Commitment to Customers - https://www.yesbank.in/pdf/ybl_cc_bci_bi_pdf</p> <p>Charter Of Customer Rights - https://www.yesbank.in/pdf/charter_of_custom_rights</p> <p>Business Processes – Creating A Quality Organization: Annual Report 2018-19, pgs 81-82</p> <p>The Service Quality Strategy: Annual Report 2018-19, pgs 82</p> |
|--|--|

3.2 Link to a description of how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities

The Bank works with and supports its customers in adoption of sustainable practices through its innovative products, initiatives and knowledge Banking Approach.

Innovative Products/instruments:

Green Future Deposits: Sustainability Performance Review Report 2018-19, pgs 31

Green Bonds: Sustainability Performance Review Report 2018-19, pgs 37-38

Environment and Social Policy:

The Bank conducts due diligence (in line with equator principles and IFC Performance Standards) and develops time-bound corrective action plans with corporate clients who are categorized as carrying significant ESG risk. This way the Bank tries to positively influence borrowers by engaging them in adopting appropriate sustainable practices to meet higher ESG industry expectations

Environmental and social risk management

<https://www.yesbank.in/beyond-banking/responsible-banking/responsible-banking/facilitating-responsible-investments/environmental-and-social>

Awareness Initiatives:

Financial literacy: Annual Report 2018-19, pgs 22

Natural Capital Awards 2018: Annual Report 2018-19, pgs 40-41

Knowledge Banking Approach:

Business Economics Banking (BEB): Annual Report 2018-19, pg 35

Sustainable Investment Banking (SIB): Annual Report 2018-19, pg 37

Food & Agribusiness Strategic Advisory & Research (FASAR): Annual Report 2018-19, pg 33-34

Principle 4 - Stakeholders

We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.

4.1 Link to information on which stakeholders has been proactively consulted, engaged, collaborated or partnered with on which issues and with what results

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.

Stakeholder Engagement: Sustainability Performance Review Report 2018-19, pgs 18-19

A few notable engagement initiatives includes:

YES COMMUNITY: Annual Report 2018-19, pgs 27-28

Thought Leadership: Annual Report 2018-19, pgs 31-32

Knowledge Reports: Annual Report 2018-19, pg 32

Natural Capital Awards 2018: Annual Report 2018-19, pgs 40-41

University & School Relationship Management (USRM): Annual Report 2018-19, pgs 50-51

The bank also supports its stakeholders through knowledge banking approach:

Business Economics Banking (BEB): Annual Report 2018-19, pg 35

Sustainable Investment Banking (SIB): Annual Report 2018-19, pg 37

Food & Agribusiness Strategic Advisory & Research (FASAR): Annual Report 2018-19, pg 33-34

Strategic Government Advisory (SGA): Annual Report 2018-19, pg 34

Principle 5 - Governance and Target Setting

We will implement our commitment to these Principles through effective governance and a culture of responsible banking, demonstrating ambition and accountability by setting public targets relating to our most significant impacts.

<p>5.1 Links to descriptions of how your bank manages social and environmental risks associated with its operations, activities, products, and services with a focus on governance structures, roles and responsibilities, and processes</p>	<p>The Bank has instituted a robust Risk Management System supported by well established governance structures, roles and responsibilities. Three elements, in particular, Environment and Social policy, Operational Risk Management and Climate Risk Management enables the bank to mitigate social, environment and climate risks</p> <p>The bank identifies and assesses potential environmental risks: Annual Report 2018-19, pg 65</p> <p>Operational Risks: Annual Report 2018-19, pg 88</p> <p>Environment and Social Policy: Annual Report 2018-19, pg 37</p> <p>Governance: Sustainability Performance Review report 2018-19, pgs 23-24</p> <p>Climate Related Risk Management: Sustainability Performance Review Report 2018-19, pg 28</p>
<p>5.2 Link to a description of how your bank has fostered and/or is planning to foster a culture of responsible banking</p>	<p>Responsible banking has been at the very centre of YES BANK since its inception. YES BANK has embedded Responsible Banking as one of its six brand pillars and has focused on fostering a culture of responsible banking through specific projects and initiatives, and via extensive employee engagement. Environment Management System and YES COMMUNITY are two such key initiatives that continually foster the culture of Responsible Banking within the organization.</p> <p>YES COMMUNITY: Annual Report 2018-19, pgs 27-28</p> <p>Environment Management System: Annual Report 2018-19, pgs 37-38</p> <p>Website: Responsible Banking https://www.yesbank.in/beyond-banking/responsible-banking</p>
<p>5.3 Please provide a link to a description of how your bank has set its targets.</p>	<p>India has taken ambitious commitment of financing 175 GW of renewable energy in its NDCs as a part of Paris Climate Agreement. Aligning itself to Government policies, YES BANK has taken ambitious commitments of mobilizing finances towards the sector. Aligning with national commitment to reduce GHG intensity of the economy, the bank has taken its own carbon intensity reduction targets</p> <p>Positive Impact Climate Finance: Sustainability Performance Review Report 2018-19, pg 29</p> <p>Powering Solar Projects: Sustainability Performance Review Report 2018-19, pg 29</p> <p>Carbon emission intensity reduction targets: Annual Report 2018-19, pg 62, first paragraph</p> <p>Further, in September 2018, YES BANK has committed to develop a science-based emission reduction target, in line with the Science Based Targets Initiative definition and Call to Action criteria</p>
<p>5.4 Links to information on your bank's short and medium/long term targets related to the Principles for Responsible Banking</p>	<p>The Bank has taken the following targets:</p> <ul style="list-style-type: none"> ▲ In February 2015, YES BANK has taken ambitious targets of financing 5 GW by 2020 of renewable energy based on India's commitments in COP 21 ▲ In FY 2017-18, YES BANK has further taken a commitment to mobilize USD 1 billion till 2023 and USD 5 billion till 2030 towards financing solar energy projects in India ▲ YES BANK has had a carbon emission intensity reduction target of 10% year on year <p>Positive Impact Climate Finance: Sustainability Performance Review Report 2018-19, pg 29</p> <p>Powering Solar Projects: Sustainability Performance Review Report 2018-19, pg 29</p> <p>Carbon emission intensity reduction targets: Annual Report 2018-19, pg 62, first paragraph</p>

5.5 Links to a discussion of your bank's progress made against your previously set targets.

In February 2015, YES BANK committed to finance 5 GW of renewable energy by 2020 at RE-Invest. The Bank has already financed projects of ~6.8 GW, surpassing the target by 1.8 GW before the stipulated time

In FY 2017-18, the Bank committed to mobilize USD 1 billion till 2023 and USD 5 billion till 2030 toward financing solar energy projects in India. YES BANK is on track to meet this commitment and already financed USD 1.75 billion in FY 2018-19.

In FY 2018-19, the Bank achieved 11.38% carbon emission Intensity reduction

RE projects financed to meet targets: Annual Report 2018-19, pg 36

Reduction of GHG Emission Intensity: Annual Report 2018-19, pg 36

Principle 6 - Transparency and Accountability




We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.


6.1 Link to a summary of your bank's progress regarding the implementation of the Principles for Responsible Banking over the last 12 months.


The Principles cannot be implemented as they are yet to be launched in September 2019. YES BANK would look at reporting on implementing going forward


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 NO POVERTY</p> <p>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 18-19: 18-19, 21-28
	Economic development in areas of high poverty	GRI 203: Indirect Economic Impacts	203-2	Annual Report 18-19: 18-19, 21-28
	Economic Inclusion	GRI 103: Management Approach	103-2	Annual Report 18-19: 69-70, 97-98
 <p>2 ZERO HUNGER</p> <p>End hunger, achieve food security and improved nutrition and promote sustainable agriculture</p>	Access to land	GRI 413: Local Communities	413-2	Considering the Bank's nature of business and locations, such impact is minimal
	Changing the productivity of organizations, sectors, or the whole economy	GRI 20W3: Indirect Economic Impacts	203-2	Annual Report 18-19: 18-19, 21-28,
	Indigenous rights	GRI 411: Rights of Indigenous Peoples	411-11	Considering the Bank's nature of business and locations, such impact is minimal
	Infrastructure investments	GRI 201: Economic Performance	201-1	Annual Report 18-19: 21
 <p>3 GOOD HEALTH AND WELL-BEING</p> <p>Ensure healthy lives and promote wellbeing for all at all ages</p>	Access to medicines	GRI 203: Indirect Economic Impacts	203-2	Annual Report 18-19: 18-19, 21-28
	Air quality	GRI 305: Emissions	305-1	Annual Report 18-19: 39
			305-2	Annual Report 18-19: 39
			305-3	Annual Report 18-19: 39
			305-6	Annual Report 18-19: 39
		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.	



SDG	Business Theme	Relevant GRI Standard	Disclosure	Location of Disclosure	
	Spills	GRI 306: Effluents and Waste	306-3	As a service sector organization, it is not material to the Bank	
			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.	
 <p>4 QUALITY EDUCATION</p> <p>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</p>	Education for sustainable development	GRI 102: General Disclosures	102-27	23, Annual Report 18-19: 147-148	
	Employee training and education	Employee training and education	404-1	Annual Report 18-19: 48-49	
 <p>5 GENDER EQUALITY</p> <p>Achieve gender equality and empower all women and girls</p>	Economic inclusion	GRI 103: Management Approach	103-2	Annual Report 18-19: 18-20, 22	
	Equal remuneration for women and men	GRI 202: Market Presence	202-1	The ratio of basic salary for men and women at the Bank is 1:1	
			GRI 405: Diversity and Equal Opportunity	405-2	Annual Report 18-19: 42, 86
	Gender equality	GRI 401: Employment	401-1	Annual Report 18-19: 52-55	
			GRI 404: Training and Education	404-1	Annual Report 18-19: 48-49
			404-3	100%	
	Infrastructure investments	GRI 201: Economic Performance	201-1	Annual Report 18-19: 42-43	
			GRI 203: Indirect Economic Impacts	203-1	35, Annual Report 18-19: 18-19, 21-28
	Non-discrimination	GRI 406: Non-discrimination	406-1	Annual Report 18-19: 42-43	
	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 18-19: 86	
			102-24	Annual Report 18-19: 115, 144-145	
			GRI 405: Diversity and Equal Opportunity	405-1	Annual Report 18-19: 86
Workplace violence and harassment	GRI 408: Child labour		Annual Report 18-19: 42, 63		
		GRI 409: Forced or Compulsory Labor 2016		Annual Report 18-19: 42, 63	


SDG	Business Theme	Relevant GRI Standard	Disclosure	Location of Disclosure	
 <p>6 CLEAN WATER AND SANITATION</p> <p>Ensure availability and sustainable management of water and sanitation for all</p>	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 18-19: 39	
			303-2	As a service sector organization, no such sites affected	
	Waste	GRI 306: Effluents and Waste	306-2	Annual Report 18-19: 38-39	
	Water efficiency	GRI 303: Water	303-3	Annual Report 18-19: 39	
	Water quality	GRI 306: Effluents and Waste	306-1	Annual Report 18-19: 39	
	Water recycling and reuse	GRI 303: Water	303-3	Annual Report 18-19: 39	
	Water-related ecosystems and 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	Not reported since the issue is not identified as material by stakeholders.	
			304-4	No such specie identified	
		GRI 306: Effluents and Waste	306-1	Annual Report 18-19: 39	
			306-2	Annual Report 18-19: 38-39, 66	
			306-5	Given the Bank's sector and operational locations, no such sites identified	
Energy efficiency			GRI 302: Energy	302-1	Annual Report 18-19: 39
				302-2	Not material to the organization
	302-3	Annual Report 18-19: 39			
	302-4	Annual Report 18-19: 39			
	302-5	Annual Report 18-19: 39			
	Infrastructure investments	GRI 201: Economic Performance		201-1	Annual Report 18-19: 21
GRI 203: Indirect Economic Impacts			203-1	35, Annual Report 18-19: 18-19, 21-28,	
Renewable energy	GRI 302: Energy	302-1	35-36, Annual Report 18-19: 37-38		
		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
 <p>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p>	Abolition of child labor	GRI 408: Child Labor	408-1	Annual Report 18-19: 63
	Changing the productivity of organizations, sectors, or the whole economy	GRI 203: Indirect Economic Impacts	203-2	Annual Report 18-19: 18-19, 21-28
	Diversity and equal opportunity	GRI 405: Diversity and Equal Opportunity	405-1	Annual Report 18-19: 52-55, 86
	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
			401-2	Annual Report 18-19: 42-49, 51, 63
	Economic inclusion	GRI 103: Management Approach	103-2	Annual Report 18-19: 91-93
	Economic performance	GRI 201: Economic Performance	201-1	Annual Report 18-19: 21
	Elimination of forced or compulsory labor	GRI 409: Forced or Compulsory Labor	409-1	Annual Report 18-19: 42, 63
	Employee training and education	GRI 404: Training and Education	404-1	Annual Report 18-19: 44-49
			404-2	Not Reported
			404-3	100%
	Employment	GRI 102: General Disclosures	102-8	Annual Report 18-19: 42-49, 51, 63
			202-2	The Bank operates across India, and hires basis merit only
			401-1	Annual Report 18-19: 42-49, 51
	Energy efficiency	GRI 302: Energy	302-1	35-36, Annual Report 18-19: 39
			302-2	Not material to the organization
			302-3	35, Annual Report 18-19: 39
			302-4	35, Annual Report 18-19: 39
			302-5	35, Annual Report 18-19: 39
	Equal remuneration for women and men	GRI 405: Diversity and Equal Opportunity	405-2	The ratio of basic salary for men and women at the Bank is 1:1
Freedom of association and collective bargaining	GRI 102: General Disclosures	102-41	As there are no unions, no collective bargaining agreements exist	
		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 18-19: 18-19, 21-28	
Jobs supported in the supply chain	GRI 203: Indirect Economic Impacts	203-2	Annual Report 18-19: 18-19, 21-28	
Labor practices in the supply chain	GRI 414: Supplier Social Assessment	414-1	Annual Report 18-19: 56, 57	
		414-2	Given that the Bank operates in a highly regulated sector, no such suppliers were identified	

SDG	Business Theme	Relevant GRI Standard	Disclosure	Location of Disclosure	
	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 18-19: 38-40	
			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 18-19: 63	
	Occupational health and safety	GRI 403: Occupational Health and Safety	403-1	The Bank's Operations Risk Management Committee (ORMC) 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 18-19: 39	
	Youth employment	GRI 401: Employment	401-1	Annual Report 18-19: 50-51	
	 Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	Infrastructure investments	GRI 201: Economic Performance	201-1	Annual Report 18-19: 21
			GRI 203: Indirect Economic Impacts	203-1	35, Annual Report 18-19:18-19, 21-28,
Research and development		GRI 201: Economic Performance	201-1	Annual Report 18-19: 21, 31-35	
 Reduce inequality within and among countries	Economic development in areas of high poverty	GRI 203: Indirect Economic Impacts	203-2	Annual Report 18-19:18-19, 21-28	
	Equal remuneration for women and men	GRI 405: Diversity and Equal Opportunity	405-2	The ratio of basic salary for men and women at the Bank is 1:1	
	Foreign direct investment	GRI 203: Indirect Economic Impacts	203-2	Annual Report 18-19:18-19, 21-28	

SDG	Business Theme	Relevant GRI Standard	Disclosure	Location of Disclosure
 <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p> <p>Make cities and human settlements inclusive, safe, resilient and sustainable</p>	Infrastructure investments	GRI 203: Indirect Economic Impacts	203-1	35, Annual Report 18-19:18-19, 21-28,
	 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> <p>Ensure sustainable consumption and production patterns</p>	Air quality	GRI 305: Emissions	305-1
			305-2	Annual Report 18-19: 39
			305-3	Annual Report 18-19: 39
			305-6	Annual Report 18-19: 39
			305-7	As a service sector organization, such emissions are relatively negligible at the Bank
Energy efficiency		GRI 302: Energy	302-1	Annual Report 18-19: 39
			302-2	Not material to the organization
			302-3	Annual Report 18-19: 39
			302-4	Annual Report 18-19: 39
			302-5	Annual Report 18-19: 39
Environmental investments		GRI 103: Management Approach	103	Annual Report 18-19: 36-39
		GRI 305: Emissions	305	Annual Report 18-19: 39
		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
Materials efficiency/ recycling		GRI 301: Materials	301-1	Annual Report 18-19: 38-39
			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 18-19: 56-57
Product and service information and labeling		GRI 417: Marketing and Labeling	417-1	15, 36
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 18-19: 39	
		302-2	Not material to the organization	
	GRI 305: Emissions	305-1	Annual Report 18-19: 39	
		305-2	Annual Report 18-19: 39	
		305-3	Annual Report 18-19: 39	
		305-6	Annual Report 18-19: 39	

SDG	Business Theme	Relevant GRI Standard	Disclosure	Location of Disclosure	
 <p>13 CLIMATE ACTION</p> <p>Take urgent action to combat climate change and its impacts*</p> <p>* Acknowledging that the United Nations Framework Convention on Climate Change is the primary international, intergovernmental forum for negotiating the global response to climate change.</p>			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 18-19:38-39, 57	
				306-4	As a service sector organization, it is not material to the Bank
	Water efficiency	GRI 303: Water	303-3	Annual Report 18-19: 39	
	Water quality	GRI 306: Effluents and Waste	306-1	Annual Report 18-19: 39	
	Energy efficiency	GRI 302: Energy	302-1	Annual Report 18-19: 39	
				302-2	Not material to the organization
				302-3	Annual Report 18-19: 39
				302-4	Annual Report 18-19: 39
				302-5	Annual Report 18-19: 39
Environmental investments	GRI 103: Management Approach	103	Annual Report 18-19: 18-19		
	GRI 305: Emissions	305	27-31, Annual Report 18-19: 39		
	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	Annual Report 18-19: 66		
GHG emissions	GRI 305: Emissions	305-1	Annual Report 18-19: 39		
			305-2	Annual Report 18-19: 39	
			305-3	Annual Report 18-19: 39	
			305-6	Annual Report 18-19: 39	
			305-7	As a service sector organization, such emissions are relatively negligible at the Bank	
Risks and opportunities due to climate change	GRI 201: Economic Performance	201-2	Annual Report 18-19:36-37		
 <p>14 LIFE BELOW WATER</p> <p>Conserve and sustainably use the oceans, seas and marine resources for sustainable development</p>	Environmental investments	GRI 103: Management Approach	103	27-31, Annual Report 18-19: 18-19	
		GRI 305: Emissions	305	Annual Report 18-19: 39	
		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	Annual Report 18-19: 66	
	Marine biodiversity	GRI 304: Biodiversity	304-1	Given the Bank's sector and operational locations, no such sites identified	
		GRI 304: Biodiversity	304-2	Given the Bank's nature of business, no such impacts identified	
		GRI 304: Biodiversity	304-3	No conservation project	
		GRI 304: Biodiversity	304-4	No such specie identified	
	Ocean acidification	GRI 305: Emissions	305-1	Annual Report 18-19: 39	
				305-2	Annual Report 18-19: 39

SDG	Business Theme	Relevant GRI Standard	Disclosure	Location of Disclosure	
			305-3	Annual Report 18-19: 39	
			305-4	Annual Report 18-19: 39	
			305-5	Annual Report 18-19: 39	
			305-7	Annual Report 18-19: 39	
	Spills	GRI 306: Effluents and Waste	306-3	As a service sector organization, it is not material to the Bank	
	Water discharge to oceans	GRI 306: Effluents and Waste	306-1	Annual Report 18-19: 39	
	 <p>Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss</p>	Environmental investments	GRI 103: Management Approach	103	Annual Report 18-19: 18-19
			GRI 305: Emissions	305	Annual Report 18-19: 39
			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	Annual Report 18-19: 66
Forest degradation		GRI 305: Emissions	305-1	Annual Report 18-19: 39	
			305-2	Annual Report 18-19: 39	
			305-3	Annual Report 18-19: 39	
			305-4	Annual Report 18-19: 39	
			305-5	Annual Report 18-19: 39	
			305-7	Annual Report 18-19: 39	
Mountain 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 specie identified		
Natural habitat degradation	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 specie identified		
	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		
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 specie identified		

SDG	Business Theme	Relevant GRI Standard	Disclosure	Location of Disclosure
		GRI 306: Effluents and Waste	306-5	Given the Bank's sector and operational locations, no such sites identified
 <p>Strengthen the means of Implementation and revitalize the global partnership for sustainable development</p>	Foreign direct investment	GRI 203: Indirect Economic Impacts	203-2	Annual Report 18-19:18-19, 21-28

Human Rights Statement

YES BANK is committed to developing a culture which inculcates respect & support for Human Rights and seeks to avoid connivance in Human Rights abuses. The Bank is committed to UN Guiding Principles on Business and Human Rights¹, based on principles of “Respect, Protect & Remedy” This statement is guided by a wide range of international external standards and principles, including:

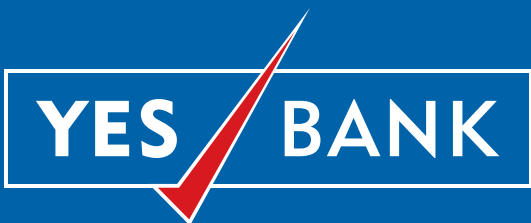
- ▲ Universal Declaration of Human Rights
- ▲ UN Guiding Principles on Business and Human Rights
- ▲ International Labor Organization’s Declaration on Fundamental Principles and Rights at Work²
- ▲ Principles of the UN Global Compact, of which YES BANK was first Indian Banking signatory in 2009, and,
- ▲ IFC Performance Standards

YES BANK endeavors to achieve the commitment by:

- ▲ Maintaining positive legal compliance with applicable constitutional and regulatory human rights requirements and conformance to fundamental labor principles
- ▲ Undertaking an iterative, due diligence process, the focus of which is identifying, assessing and managing potential risks and impacts
- ▲ Promoting awareness of the human rights with employees through training and communication and aligning the conduct of its employees
- ▲ Valuing diversity and providing equal opportunity
- ▲ Prohibition of all forms of discrimination (such as age, gender, marital status, race and religion)
- ▲ Providing access to remedy by resolving grievances in a timely and culturally appropriate manner
- ▲ Influencing the stakeholders to support the development of equivalent management systems
- ▲ Developing goodwill, stimulating economic opportunities and supporting sustainable development in the communities that host our business operations
- ▲ Continually improving human rights performance by sharing good practices and learnings

¹ http://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf

² <http://www.ilo.org/declaration/lang--en/index.htm>



Corporate & Registered Office

YES BANK Tower, IFC – 2, 15th Floor, Senapati Bapat Marg, Elphinstone (W), Mumbai 400 013, India.

www.yesbank.in