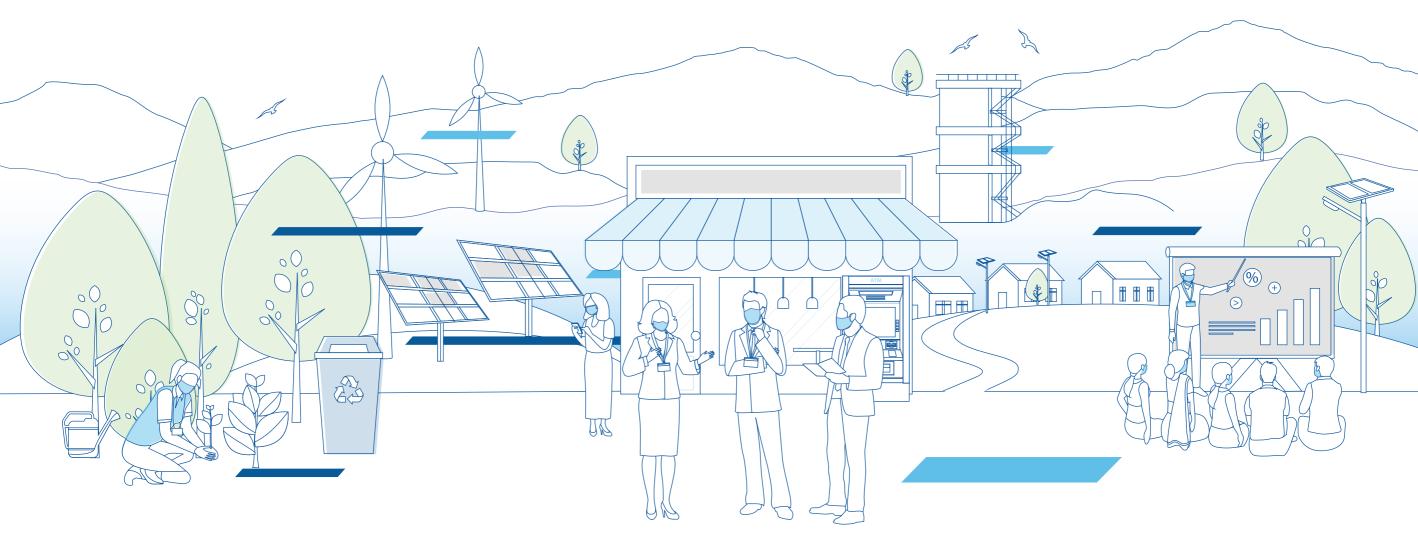
# Reinforcing Responsible Banking, to build a **Resilient Future**





YES BANK LIMITED | SUSTAINABILITY PERFORMANCE REVIEW 2019-20



#### **HOW TO NAVIGATE THE REPORT**

This is the navigation bar.

You can use this to switch to different chapters within a section or to a different section altogether. The blue colour will highlight the chapter you are currently in. You can directly access the chapters from this contents page.

More information in some cases will be provided by way of hyperlinks in the text. Alternatively navigation panel will guide you to the specific links

# VIEW OUR SUSTAINABILITY PERFORMANCE REVIEW ONLINE

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

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



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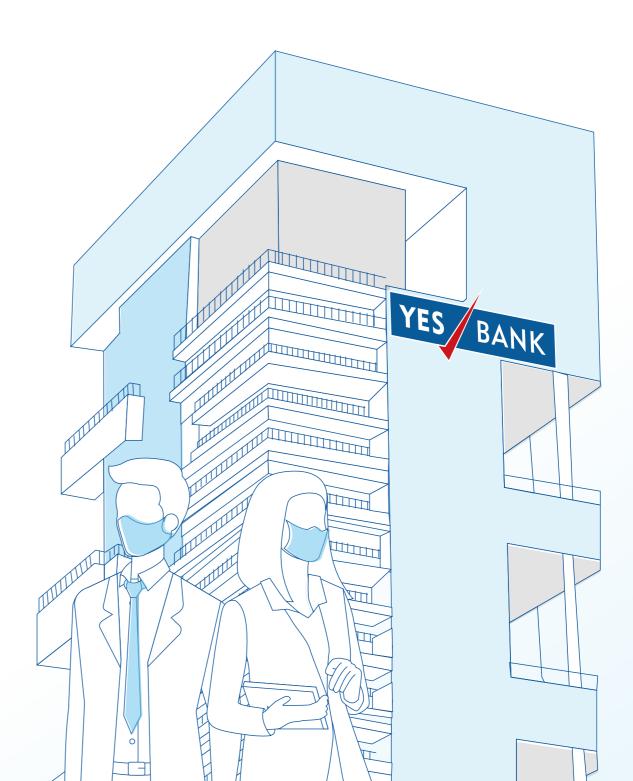
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# About this Report

This Sustainability Performance Review entitled 'Reinforcing Responsible Banking, to build a Resilient Future' comprehensively articulates the implementation of YES BANK's integrated vision to contribute to a sustainable economy. The Bank's relentless endeavour has been to create value for its stakeholders, while demonstrating industry-leading performance across environmental, social, and governance (ESG) parameters.

Although the Bank has to operate in a constantly evolving business and regulatory landscape, YES BANK strives to provide a balanced and transparent view of our sustainability approach to all our stakeholders. This includes strategy, targets and performance under the guidance of the management and the Board.

This Sustainability Performance Review reflects YES BANK's triple bottom line performance from **April 1, 2019 to March 31, 2020** in line with the Bank's annual financial reporting cycle.

The Bank had released its previous Report, 'Sustainable Banking Re-imagined for FY 2018-19, from April 1, 2018 to March 31, 2019. This Report does not include any significant re-statements from the previous year.

#### **Sustainability Disclosure Approach**

This year, the sustainability disclosures continue to be:

- Aligned with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations
- In line with the UN Principles for Responsible Banking (PRB)
- In accordance with GRI Standards: 'Comprehensive' option
- Mapped to the Sustainable Development Goals (SDG) Compass, which aligns the GRI reporting framework with the SDGs
- Assured by a Third Party (see assurance statement on Page 35)

For the purpose of defining the report content, GRI Reporting Principles (Stakeholder Inclusiveness, Sustainability Context, Materiality and Completeness) have been adopted. For more details kindly refer to YES BANK's Annual Report FY2019-20.

# YES BANK'S SUSTAINABILITY DISCLOSURE APPROACH

#### Material issues\*

Financial inclusion, climate strategy, customer satisfaction, corporate governance, responsible investing, community development and financial performance

#### **Disclosures**

#### GRI Standards

YES BANK's environment economics and social impacts

#### Target Audience

Stakeholders such as investors, shareholders, customers, employees, regulators, academics and industry

#### Principles for Responsible Banking Alignment with SDGs and Paris

Alignment with SDGs and Pari Agreement

#### **Target Audience**

Stakeholders such as investors, shareholders, customers, employees, regulators, academics and industry

#### **Enhanced TCFD Disclosures**

How material climate-related issues could impact the Bank's performance

#### **Target Audience**

Financial market participants such as investors, shareholders and regulators

Stakeholder Inclusiveness |Sustainability Context | Materiality | Completeness

\*The material issues listed here are only illustrative. The Bank's material issues, in line with GRI, are detailed in the Report (see Materiality Assessment on Page 13)

#### **SCOPE AND BOUNDARY**

#### Offices and Locations

- Head Office: YES BANK Tower ONE International Center, 15th Floor, Senapati Bapat Marg, Elphinstone (W), Mumbai 400 013, India
- Corporate Offices, National Operating Centres (NOC) in Mumbai and Gurugram, National Centralised Operations Management and Services Delivery facility in Chennai
- IFSC Banking Unit (IBU) in Gujarat International Finance Tec-City (GIFT)
- 1,135 branches and 1,423 ATMs across 29 states and 7 union territories of India (as on March 31, 2020)
- International Representative Office in Abu Dhabi, UAE (Scope of the Bank's environmental management system was expanded in 2017-18 to include this office)

#### **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 19-20 and is outside the purview of this Report. This Report includes information pertaining to YES BANK Limited.

The Bank puts in its best efforts to ensure that the Report adheres to the Principles for Defining Report Quality as per the GRI Sustainability Reporting Standards. This Report has been prepared internally and includes relevant information and data provided by the Bank's business units and support functions, validated by internal stakeholders, including members of the Bank's leadership team.

#### **Independent Assurance**

The Report has also been externally assured by KPMG Assurance and Consulting Services LLP.

YES BANK welcomes feedback and suggestions on this Report, which may be communicated to the Responsible Banking Team at responsible.banking@yesbank.in.



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### From the MD and CEO's Desk

# Charting a sustainable way forward

#### Dear Valued Stakeholder,

It gives me great pleasure to connect with you for the first time and to present YES BANK's Sustainability Performance Review for FY 2019-20. I would like to take this opportunity to thank our customers, employees, regulators and all stakeholders for steadfastly standing behind us as we continue to transform into a stronger institution.

This year has seen YES BANK make significant strides in its journey with a recapitalised balance sheet, renewed commitment to institutional governance, and a recalibrated strategy to achieve sustainable value creation for all stakeholders. The year has also witnessed a global health crisis that has affected every aspect of our lives, and continues to pose a significant challenge to economic and social systems worldwide. COVID-19, more than any other crises has reminded us that businesses do not operate in a vacuum and that the vitality of our economy is contingent on the health and well-being of our communities. It is therefore incoherent to chart out a sustainable business strategy without accounting for Environmental, Social and Governance (ESG) risks and opportunities. While YES BANK continues to build up momentum on its path to growth, this Report outlines the Bank's efforts at building resilience by embedding ESG thinking into its business strategy.

#### **ENVIRONMENT**

The COVID-19 situation has caused widespread turmoil with unprecedented human and financial costs. The International Monetary Fund (IMF) forecasts global GDP to contract by 4.9% in 2020 due to nationwide lockdowns. As COVID-19 dominates headlines, it is easy to forget another global challenge that looms large. The potential impacts of climate change could not only be much worse than the current crisis, but also sooner than previously thought. By 2030, rising temperatures could put upto 4.5% of India's GDP at risk, annually, according to a report by the McKinsey Global Institute. YES BANK has therefore made climate risk integration a key priority. To safeguard its portfolio, the Bank has adopted an Environment and Social Policy, integrating environmental and social risks into its overall credit risk assessment framework. To minimise the environmental impact of its operations, the Bank has adopted a robust **Environment Management Policy aimed at reducing** resource consumption and greening its operations. In FY 2019-20, the Bank achieved a 5.51% reduction in its carbon emissions intensity (y-o-y) and was awarded the ISO 14001:2015 Environmental Management System (EMS) Certification for 732 of its facilities.

To safeguard its portfolio, the Bank has adopted an Environment and Social Policy, integrating environmental and social risks into its overall credit risk assessment framework.





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### From the MD and CEO's Desk

The Bank has also been committed to mainstreaming climate finance and in FY 2019-20, became the second private sector Bank in India to be approved as an accredited entity by the Green Climate Fund (GCF).

In FY 2019-20, YES BANK committed to aligning its business strategy with the Paris Climate Agreement and the Sustainable Development Goals (SDGs) by becoming the only Indian signatory to the Principles for Responsible Banking (PRB). The PRB developed jointly by YES BANK, the UN Environment Programme Finance Initiative (UNEP FI) and 29 other global banks provides the first global framework to integrate sustainability across all business areas of a bank.

The Bank has also been committed to mainstreaming climate finance and in FY 2019-20, became the second private sector Bank in India to be approved as an accredited entity by the Green Climate Fund (GCF). The accreditation will enable YES BANK to propose and implement climate projects funded by GCF.

#### SOCIAL

As an essential public service, banking plays a crucial role in the smooth functioning of a society, especially in times of crisis. Recognising this vital role, employees at the Bank have responded with extraordinary commitment and empathy, dedicating themselves to serving and supporting customers

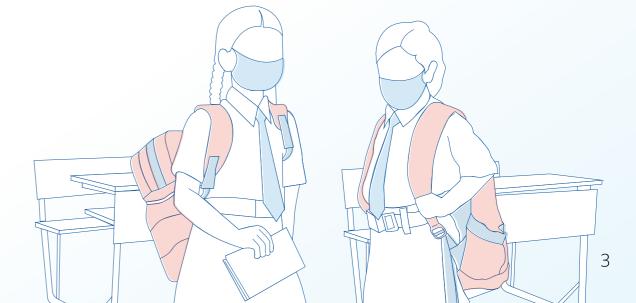
and communities through COVID-19. YES BANK employees also voluntarily contributed a day's salary totalling ₹ 1.9 crore to the Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund).

While navigating through the unique challenges posed by COVID-19, the Bank has made concerted efforts at balancing the needs of its customers and safeguarding the health and well-being of its employees. With sanitised and disinfected work environments and implementation of sequential work shifts, the Bank has tried to achieve the twin objectives of extended customer service windows and reduced peak-hour employee commute. The Bank has also ramped up remote access capabilities and ensured uninterrupted banking services through its digital channels.

YES BANK contributed ₹ 10 crore to the PM CARES Fund to support the government's efforts in combatting COVID-19. The Bank also partnered Akshaya Patra,

to provide cooked meals to daily wage workers and migrant labourers affected by the lockdown.

The Bank has always laid emphasis on driving positive socio-environmental impact through unique, scalable and sustainable Corporate Social Responsibility (CSR) programmes. In FY 2019-20, the Bank continued to implement its SDG-linked CSR programmes at the grassroots level. Under its Livelihood and Water Security programme, the Bank positively impacted 84,127 individuals from rural communities in the states of Maharashtra, Gujarat, Madhya Pradesh and Rajasthan. With the dual aim of promoting safe menstrual hygiene practices and creating women micro-entrepreneurs, the Bank's Menstrual Hygiene Management programme touched 2,222 women and 3,800 adolescent school girls in the rural areas of Rajasthan. The Bank also imparted employability training to 721 youth and 410 underprivileged women (including women with disabilities), during the year.





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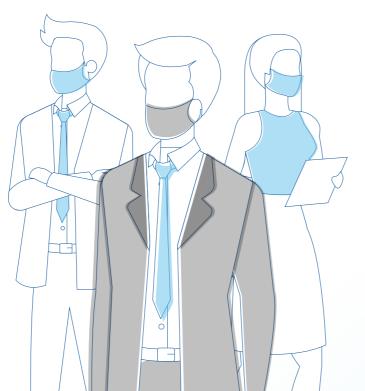
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### From the MD and CEO's Desk

#### **GOVERNANCE**

Good governance is the backbone of any financial institution. And hence I am pleased to apprise you of the fact that YES BANK, now backed by a diverse and experienced Board, is fully committed to achieving the highest standards of corporate governance in all aspects of its business. With significant changes already in place, the Bank's internal systems and processes are being recalibrated to conform to global standards of integrity, risk management, regulatory compliance and disclosures.

As we undertake systemic changes and refocus on building trust through enhanced transparency and disclosures, you will be happy to know that the Bank



continues to be recognised as a benchmark financial institution in triple bottom line reporting. With strict adherence to GRI standards and Integrated Reporting guidelines of the International Integrated Reporting Council, YES BANK has continued to raise the bar on how it reports its non-financial, ESG performance. The Bank is also the first in India to align its annual disclosures to the Financial Stability Board's Taskforce on Climate-related Financial Disclosures (TCFD) recommendations.

In FY 2019-20, YES BANK became the only Indian bank to be included in FTSE4Good Emerging Index for the 3rd consecutive year (2017, 2018 & 2019) and was awarded 'PRIME' status by ISS ESG (previously known as OEKOM Research AG) for the 2nd consecutive year (2018 and 2019). The Bank was also rated 'A-' (Leadership Band) by the Carbon Disclosure Project (CDP), for its 2019 Climate Change disclosures.

#### **LOOKING FORWARD**

As YES BANK steadily advances on its renewed journey of transformation, we will continue to reinforce our responsible banking ethos, deliver on our commitments, and harness the Bank's leadership position in ESG to better serve our customers, stakeholders and communities. The Bank will continue to lead and support the global clarion call for mainstreaming sustainability and capitalise on the opportunities presented by an ESG-driven business landscape.

The Bank will continue to lead and support the global clarion call for mainstreaming sustainability and capitalise on the opportunities presented by an ESG-driven business landscape.

On behalf of the entire leadership team, I reaffirm our commitment towards building a franchise that is focused on holistic, ethical and sustainable value creation. I thank all our stakeholders for their continued support, which has been a source of inspiration to us all, and I invite you to be part of the new YES BANK.



#### PRASHANT KUMAR,

Managing Director & CEO, YES BANK Ltd.



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#### **About YES BANK**

# A redefined **YES**.

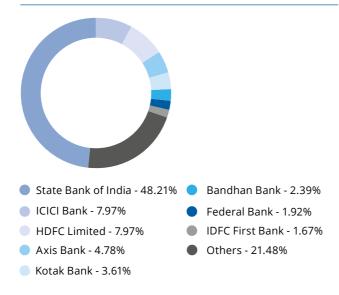
Reinforcing its commitment to the highest standards of compliance and governance, YES BANK is paving the path to sustainable value creation with a recapitalised balance sheet and a recalibrated strategy. As a 'full service commercial bank' backed by marquee financial institutions and offering a comprehensive suite of products and services to its corporate, MSME and retail customers, YES BANK is taking confident strides into the future by blending its wide physical reach with digital capabilities to provide a differentiated banking experience.

#### STRONG OWNERSHIP

#### Backed by marquee financial institutions

In March 2020, YES BANK underwent a reconstruction process under the guidance of the Reserve Bank of India. Today, the Bank has a unique public-private partnership model, supported by India's leading financial institutions as key shareholders.

#### **SHAREHOLDING MODEL AS ON MARCH 31, 2020**





#### STRENGTHENED GOVERNANCE & RISK FRAMEWORKS

- New Board comprising eminent and experienced professionals, led by Mr. Sunil Mehta as Chairman (ex-Chairman of PNB and ex-AIG) and Mr. Prashant Kumar as MD & CEO (ex-CFO of SBI)
- Board includes two nominees from RBI and SBI, respectively
- Stronger governance and compliance culture
- Segregation of Risk Underwriting and Risk Oversight functions with separate Chief Risk Officer and Chief Credit Officer
- Erstwhile promoter reclassified as public shareholder\*
- Upholding transparency by conducting business with the highest degree of integrity, ethics and compliance with regulatory guidelines.



#### **RING-FENCED LEGACY ASSET QUALITY ISSUES**

- Separate vertical for stressed asset resolution
- Provision Coverage Ratio to 73.77% as on March 31, 2020

<sup>\*</sup> Effective June 12, 2020



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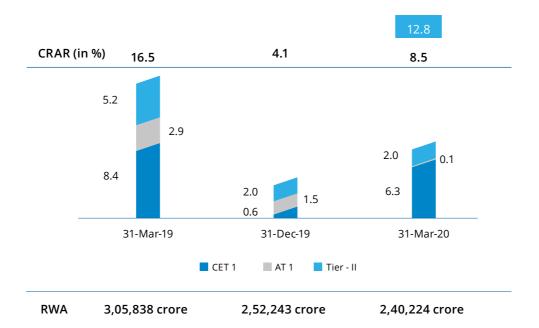
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#### About YES BANK

#### CAPITAL ADEQUACY POST RECONSTRUCTION

Total CRAR as on March 31, 2020 after considering Total Tier II Capital Funds at 6.4%. However, Tier II ratio currently capped at 2% resulting in Total CRAR at 8.5%.





#### SIMPLIFIED MANAGEMENT STRUCTURE

Flatter structure to synergise and build scale and efficiencies. Multiple corporate products & relationship units aggregated under two main heads of Wholesale Banking and Retail Banking



#### **DIGITAL LEADERSHIP & RETAIL REACH**

Market leader in digital payments led by a differentiated technology platform

#### **Differentiated Technology Platform**

Market leader within Payments

- -#1 IMPS Remitter Bank
- -#1 in UPI P2M transactions with
- ~31% market share
- -AePS 40% market share in transaction volume<sup>^</sup>

#### Pan-India Presence

**1,135** Branches, **21** BC Manned Banking outlets and **1,423** ATMs\*

<sup>\*</sup> Includes CRMs and BNA as on March 31, 2020



#### **RECALIBRATED STRATEGY**

- Stronger focus on granular advances and liabilities.
   Targeting higher Retail & MSME composition and CASA ratio
- Wholesale Banking to be liability-led, transaction heavy and asset

#### **ADVANCES MIX**

56%

Corporate Banking

13% Small and Micro Enterprises 8%

**Medium Enterprises** 

24%

**Retail Banking** 



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### YES BANK's Sustainability Approach

# Shared value through shared responsibility

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.

As a public trust institution, YES BANK is cognisant of its catalytic role in spearheading action to achieve sustainable development. In order to ensure long-term financial stability, the Bank has mainstreamed sustainability in īts core business strategy and adopted a robust 360° approach to deliver internal and external measurable positive socio-environmental impact. With an aim to create shared value across its stakeholder spectrum, the Bank has woven sustainability considerations as part of its DNA through:



Embedding Sustainable Development and Climate Action considerations in business, from risks and opportunities perspective. The holistic strategy aims to integrate Environmental, Social, Governance (ESG) parameters in lending decisions, mobilise sustainable finance and reduce operational impact



Strategic engagements and collaboration with stakeholders across its value chain on all aspects of Sustainability and Corporate Social Responsibility



Deep focus on enhanced transparency and accountability through disclosures on pertinent sustainability topics

'Responsible Banking' is a key differentiator and acts as a core plank that runs across all functions of the Bank. The ethos of Responsible Banking is firmly embedded in the Bank's strategy and acts as an enabler to deliver holistic, inclusive and sustainable growth. The Bank has accelerated its commitments and action in line with India's sustainable development growth trajectory by facilitating sustainable finance, addressing needs of the community through unique, scalable and sustainable Corporate Social Responsibility (CSR) programme, greening its core operations and advocating for policies to embed sustainability within the financial ecosystem.

This laser-sharp focus on evangelising a sustainable economy, is reflected in multiple 'industry-first' achievements that have established YES BANK's legacy of institutional excellence. Unique landmark transactions coupled with innovative business models, products & services, have enabled YES BANK to display exemplary performance across ESG parameters.



YES Bank's commitment to sustainability and responsible banking has made it a respected market leader in India and across the globe. The realisation of this commitment through practical efforts to expand financial inclusion to all sections of Indian society has helped advance the Government of India's efforts to achieve the Sustainable Development Goals.

The pioneering work of YES Bank on innovative approaches to risk management, enhanced TCFD disclosure, and climate strategy continues to be recognised internationally, leading to its selection as a key member of the Dow Jones Sustainability Index. I applaud this record of success and welcome YES Bank's continued leadership in the global arena of responsible investment.

#### Dr. Irving Mintzer,

Professor of Public Policy and Director, The Initiative on Closing the Investment Gap in Sustainable Infrastructure, University of Maryland School of Public Policy



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### YES BANK's Sustainability Approach

#### HIGHLIGHTS OF ESG INITIATIVES AND 'INDUSTRY-FIRST' ACHIEVEMENTS

#### **ENVIRONMENTAL**

- Rated A (Leadership Band) by CDP for 2019 Climate Change disclosures
- First Bank globally to migrate to ISO 14001:2015; 732 locations being certified
- Continues to maintain 45,462 trees on a 40 km stretch along the Mumbai-Nashik Highway under 'Adopt a Green Highway' initiative
- First and only Indian banking signatory to Natural Capital Finance Alliance (NCFA) & Chair of Steering Committee
- Focused interventions to conserve endangered/ critically endangered species including Pangolin, Red Panda, Great Indian Bustard and House Sparrow



#### **SOCIAL**

- Reached 2.9 million+ families at the bottom-ofthe-pyramid through Livelihood Enhancement Action Programme till FY 2019-20
- Provided financial literacy training to 2,30,000+ bottom-of-the-pyramid customers till FY 2019-20
- Continues to provide access to safe & clean drinking water across 1,005 semi-urban and rural railway stations in FY 2019-20
- Impacted 90,149 lives in rural geography through Livelihood and Water Security initiative in FY 2019-20
- Provided Occupational Health & Safety and Energy Efficiency Training to 54,000+ MSMEs till FY 2019-20
- Conducted SDG literacy sessions in 292 schools, reaching out to 29,000+ students in FY 2019-20
- Launched India's 1st Green Retail Liability Product, Green Future Deposits in 2018
- Sole arranger and subscriber to India's First Social Bond in 2018, with proceeds allocated to affordable housing

#### **GOVERNANCE**

- First and only Indian bank to be included as a constituent of the FTSE4Good Emerging Index for three consecutive years (2017-2019)
- Awarded 'Prime' Status by ISS ESG (previously OEKOM Research AG) (2018,2019)
- First and only Indian bank to be listed on DJSI Emerging Markets for 4 years consecutively (2015-2018)
- Included in Vigeo Eiris Best Emerging Markets Performers Ranking in 2018
- Selected in MSCI ACWI ESG Leaders & SRI Indexes in 2017
- First Indian banking signatory to UNEP Finance Initiative, and a member of its Global Steering Committee
- First Indian bank to be on Green Bond Principles
   Social Bond Principles Advisory Council,
   International Capital Market Association
- First Indian bank to launch Green Bond Impact Report
- First Indian bank to support Task Force on Climate Related Financial Disclosure
- First and the only Indian bank to be the founding member of UN Principles for Responsible Banking



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### COVID-19 Response

# Adapting to the new **normal**

COVID-19 has had significant socio-economic impact, altering our ways of interaction, service and life itself. The Bank has made concerted efforts to support employees, customers and communities, especially those most affected, in adapting to the new normal.

#### **KEY INTERVENTIONS BY YES BANK**

#### 1. For employees

The Bank has implemented measures to provide a sanitised and disinfected work environment for the safety and well-being of employees. It formulated a clear SOP (standard operating procedure) outlining the necessary behavioural changes along with interventions needed at various touch points to contain the COVID-19 spread. Further, a Human Capital taskforce for COVID-19, along with medical helplines, has also been set up for employees. The Bank also supported employees in helping adapt to a remote working set up through training sessions.

#### 2. For communities

The Bank remains committed to the needs of citizens and continues to work alongside the government and health authorities to further support customers and communities.

- The Bank contributed ₹10 crore to the PM CARES Fund
- Employees contributed a day's salary totalling
   ₹1.9 crore to the PM CARES Fund
- Partnered with Akshaya Patra to support their efforts in providing cooked meals to daily wage workers, migrant labourers, and the low income and

marginalised sections of society, whose livelihood has been affected by the current lockdown

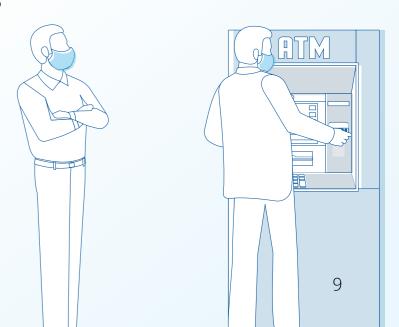
 Enabled contribution to these causes through redemption of accumulated Reward Points on YES BANK Debit and/or Credit Card using the online portal, YES Rewardz

#### 3. For customers

- The Bank ensured availability of services in 95%+ branches and ATMs immediately
- All digital channels were available round the clock to provide uninterrupted banking services
- The Bank quickly ramped up remote access capability to cover critical activities from day one of the nationwide lockdown. At this stage, remote access was enabled for 10,000 users to support the business, with the option of scaling up as needed
- The Bank rolled out sequential planning of employees working in shifts with twin objectives – extending customer service windows at branches and avoiding employee travel at peak hours
- Critical and non-critical activities were immediately reviewed. Using agile digital innovation platforms, the Bank was also able to launch products and solutions enabling consumers to open accounts

digitally and complete their KYC remotely via Video KYC. Understanding the need for easy access to liquidity, the Bank also enabled digital overdrafts on fixed deposits

The Bank is constantly monitoring the evolving macroeconomic environment and proactively working towards minimising the impact. With partners, customers and communities, the Bank is facilitating actions that contribute meaningfully to the ongoing efforts.





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### Corporate Governance

# Achieving resilience with good governance

# BANK'S PHILOSOPHY ON CODE OF GOVERNANCE

YES BANK, now backed by India's largest public sector bank, is committed to achieving higher standards of Corporate Governance and is on the road of re-gaining the trust and faith of the stakeholders by strengthening its governance and disclosure practices.

Effective Corporate Governance is the interaction between various participants (shareholders, Board of Directors, and the Company's management) in shaping the Bank's performance. Transparency and accountability are the fundamental principles to sound Corporate Governance, which ensures that the organisation is managed and monitored in a responsible manner for 'creating and sharing value'.

With a view to bring in greater transparency and accountability, the Bank upgrades its systems and policies regularly to meet the challenges of a dynamic and challenging business environment and to provide reasonable assurance with regard to maintaining proper internal controls and monitoring of operations. YES BANK'S new Board is committed to adhering to the highest standard of ethics, transparency, disclosures and governance and to protect the interest of all its stakeholders. The Board is focused on ensuring both the Corporate Governance and Risk Controls of the Bank.

YES BANK's Corporate Governance framework ensures that timely disclosures are made and accurate information is shared regarding the financial performance, operations as well as the leadership and governance of the Bank.

During the year, several Corporate Governance issues were raised by the stakeholders and regulators. Taking a positive note of such observations, the Bank is working to further strengthen its governance and disclosure practices to make it more effective from the regulatory and market perspective.

#### **GOVERNANCE STRUCTURE**

YES BANK's Corporate Governance structure has been designed keeping in view the regulatory and business requirements, and provides a comprehensive framework to:



Enhance accountability to shareholders and other stakeholders



Ensure timely implementations of the plans and accurate disclosures of all material matters



Deal fairly with shareholders and other stakeholder interests, and



Maintain high standards of business ethics and integrity

#### **BOARD OF DIRECTORS**

During the FY 2019-20, the Bank has witnessed many changes in the Board of Directors triggered by the regulatory intervention. In the month of March, Reserve Bank of India (RBI) in exercise of the powers conferred under 36ACA of the Banking Regulations Act, 1949 (BR Act) in consultation with the Central Government, superseded the Board of Directors of the Bank and in the interim, Mr. Prashant Kumar was appointed as the administrator under Section 36ACA (2) of the BR Act for a period of 30 days and all powers of the Board of Directors were vested in him. The Bank was under the control of the Administrator for the period from March 06, 2020 to March 25, 2020. Under the YBL Reconstruction Scheme, a new Board of Directors of the Bank was constituted, which took charge with effect from March 26, 2020.\*

\*Kindly refer to YES BANK Annual Report for more details: https://www.yesbank.in/pdf/annual\_report\_2019\_2020\_pdf



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### **Customer Satisfaction**

# Curating evolved customer experiences

#### **Customer Service Experience and Satisfaction**

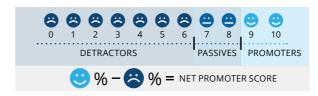
YES BANK leverages state-of-the-art technology to enhance customer delight by focusing on a three-pronged strategy comprising Customer Experience, Innovation and Quality assurance. The Bank's Customer Experience unit captures the Voice of the Customer (VOC) and Customer Scoring through transaction and engagement feedback, utilising the digital platform, and assessing performance across key service drivers.

During FY 19-20, the Bank continued to sustain its performance in the monthly Customer Satisfaction surveys conducted on sample based methodology. Towards overall Customer Satisfaction, the survey takers reported 85% - wow, 13%- good, 1% - satisfactory and 0.4% - Could be better ratings respectively.

The Bank has also institutionalised Net Promoter Score (NPS) as a key metric to drive superior service experience, customer loyalty and advocacy across its various customer channels.

NPS: Net Promoter Score (NPS) is a metric for measuring Customer Experience and is a predictor of Customer Loyalty. It has been adopted by several global organisations to improve Customer Experience across products and services. A company's NPS is defined as the percentage of customers who are Promoters (i.e. customer rating 9 or 10) of the company's products or services, minus the

percentage who are Detractors (i.e. customer rating between 0 to 6 as demonstrated below)



Along with measuring NPS, the Bank has also initiated 'close looping' customer feedback by implementing methodologies like carrying out service recoveries of the Detractors, Winback initiative to retain customers, and deepening of relationship with the Promoters. Specific insights based on the Voice of the Customer

(VOC) are reviewed monthly with the respective stakeholders /functions to drive improvement in People, Process and Technology/Infrastructure so as to enable consistent and superior banking experience to customers.

The Bank is making steady progress in its commitment to Customer Service Experience and Satisfaction, as demonstrated by improving customer Net Promoter Scores across customer channels. During the year, the Bank saw 25 points improvement in Branch banking NPS (47) and between 20-29 points improvement in the various Digital Channel's (Mobile App, Online Banking & ATM channels) NPS from the beginning of the financial year.

ANKING		CX PERFORMANCE	EXPERIENCE GAP	CX+INDEX
1	HSBC	117	9	122
2	Standard Chartered	115	4	119
3	cîtî	113	-3	110
4	YES BANK	108	0	108
5	IndusInd Bank	101	16	106
6	PICICI Bank	105	-9	96
7	kotak° Kotak Mahindra Bank	97	-2	95
8	HDFC BANK	102	-9	93
9	सिडिकेटबैंक SyndicateBank	92	0	92
10	AXIS BANK	97	-6	91

A study was conducted by Kantar IMRB (one of the world's leading Data research and Insights companies) in 2019 to find out which banks have the experience advantage. In this study, YES BANK was ranked 4th amongst the top 10 banks in India and #1 in the Indian Private Banking category for delivering "Superior Customer Experience in 2019". YES Bank was the highest ranked Indian private sector bank at the CX+ award for "Delivering Lasting Memories"



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Materiality Assessment and Stakeholder Engagement process

# Determining shared priorities

Stakeholder centricity continues to be core to YES BANK's strategy. Over the years, the Bank's materiality process and stakeholder mapping, prioritisation and engagement strategy have evolved, allowing it to recalibrate its strategy on the 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 to future-proof the business.

#### ASSESSMENT OF MATERIAL ISSUES

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



### Identify

A list of potential material issues was arrived at through the listing of historical material issues, secondary research and review of relevant sustainability and industry reports on wider sustainability trends and challenges.



#### Categorise

This list of potential material issues was refined by clustering them into categories Economic, Environmental and Social.

The issues were aligned to existing terminology, strategy and policies used by the Bank and any duplication eliminated.



#### Prioritise

Internal stakeholders (including top management) & external stakeholders prioritised material topics based on the strategic importance to stakeholders. This exercise was conducted through face-to-face meetings with internal stakeholders, and email surveys for external stakeholders.



#### Integrate

The material issues shortlisted were validated with key internal stakeholders to arrive at issues most material to the Bank.

Material issues are integrated in the Bank's business processes, operations and measurement.



#### Report

The Bank reports its progress on the material issues.



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The material issues prioritised by the stakeholders have been plotted on a Materiality Matrix that maps the issues important to external stakeholders with the priorities of internal stakeholders. Since the Bank conducts materiality assessment once in three years, the material topics presented in the matrix have remained largely the same as in previous years. The next materiality assessment will be conducted in FY 2020-21.

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

#### **Stakeholders**



Industry &

Community

Peers





Employees







Academia



Vendors

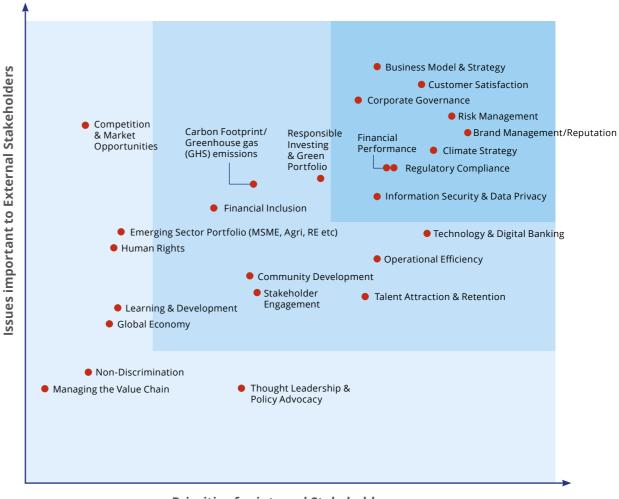
Regulatory

200

Customers

bodies

YES BANK'S MATERIALITY MATRIX



**Priorities for internal Stakeholders** 



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### Materiality Assessment and Stakeholder Engagement process

The Report covers YES BANK's performance on key material issues depicted in 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.
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 cognisant of its expanding carbon footprint. Managing its footprint and rationalising its resource consumption is a material issue.
Climate Strategy	Climate change can significantly affect the way the Bank does business, including impact on its lending portfolio. However, it is an opportunity to spur sustainable growth and catalyse the transition to a low-carbon economy. Hence, a strategic approach towards climate action is important to manage long-term 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 and imperatives of the communities in which they operate. As a public trust institution, a deeper engagement with the community and active participation in its development are the Bank's key priorities.
Corporate Governance	Transparency and accountability are fundamental principles to sound corporate governance, ensuring that the Bank is managed and monitored responsibly 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 organisation 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 is important to cater to the broad customer spectrum.
Financial Inclusion	Financial inclusion is a national priority and the banking sector has the critical responsibility to achieve this shared goal. Since inception, YES BANK views financial inclusion not just as a regulatory mandate, but also as a sound business opportunity.
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### Materiality Assessment and Stakeholder Engagement process

Financial Performance	Financial performance is integral to the Bank's sustainability. Sustainable practices along with consistent and robust financial performance are a result of sound 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 Bank's fundamental priority, 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 and resource management and waste reduction as key focus areas to step up operational efficiency.
Responsible Investing & Green Portfolio	Catalysed 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 mobilise funding for positive climate action sectors.
Risk Management	For any financial institution, strong and robust risk management systems are critical to ensuring financial security and consistent growth. As financial institutions face myriad risks (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 the Reserve Bank of India (RBI). Regulatory compliance is non-negotiable and all rules have to be complied with, without exception.
Stakeholder Engagement	The stakeholder engagement process helps gauge the requirements, expectations and interests of stakeholders, which are critical to creating the Bank's shared value. The stakeholder feedback 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 culture to enable business performance and engage employees to achieve business imperatives.
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 the ease of transactions, and achieving heightened customer engagement and experience.



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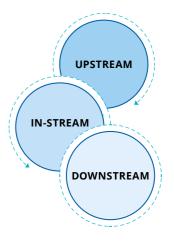
#### **BOUNDARY SETTING OF MATERIAL ISSUES**

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 305: Emissions GRI 302: Energy	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 prioritisation. Since then, the Bank has continued to categorise its stakeholders as upstream, in-stream and downstream, basis their influence and impact on the Bank's sustainability performance.

YES BANK believes that its success in driving positive impact is the outcome of the opportunities presented by its stakeholder groups and partnerships.



The Bank has continued to categorise its stakeholders as upstream, in-stream and downstream, basis their influence and impact on the Bank's sustainability performance.

The Bank fosters strategic alliances and relationships to amplify its sustainability impact both within and outside the organisation, resulting in multiple industry-first initiatives. Its tailor-made engagement strategies are strongly aligned with the evolving needs of every stakeholder group. The Bank is mainstreaming its sustainable development agenda from the apex of decision-making to the most disadvantaged.



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### Materiality Assessment and Stakeholder Engagement process

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:

Frequency

Means of Communication

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	Eventual
Complaints Redress System (SCORES)	
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
Centralised and branch-based Customer Care centres	Permanent
Customer satisfaction surveys	Annual

Means of Communication	Frequency
HCM Help desk – grievance redressal platform	Permanent
YES CONNECT – interactive employee	Monthly
engagement	
YES Club – Employee wellness & activity	Permanent
platform	
YES School of Banking	Permanent
Employee Satisfaction Surveys	Annual
My Learning – internal e-learning platform	Permanent
Employee Performance Management	Annual

Means of Communication		Frequency
Mandatory filings with regula		Periodic & Eventual
Engagement at banking platfo	orms and meetings	Eventual
SHAREHOLDERS	REGULATORY	COMMUNITY
& INVESTORS	BODIES	
		ACADEMIA
CUSTOMERS		MEDIA
EMPLOYEES	VENDORS	INDUSTRY &
	***************************************	PEERS
Means of Communication		Frequency
Online procurement portals		Permanent
Supplier Sustainability Works		Eventual
Vendor Communications by S	trategic Procurement Unit	Eventual

Means of Communication	Frequency
YES COMMUNITY	Eventual
Pan-India CSR Projects	Permanent
Media and Press Releases	Eventual
Thought leadership	Eventual

Means of Communication	Frequency
University and School Relationship	Permanent
Management (USRM)	
Transformation Series –campus case study challenge	Annual
Knowledge partnerships	Eventual
Yes Future Ready – scholarship programme	Annual

Means of Communication	Frequency
Media and Press Releases	Eventual
Interviews of the MD & CEO, and top management	Eventual
Media platforms though the Bank's Marketing & Corporate Communication unit	Eventual
PR agency partnerships	Eventual

Means of Communication	Frequency
Industry and trade associations such as CII, FICCI & IMC	Eventual
Memberships to national and international associations, such as UNEP Finance Initiative, CPLC	Permanent
Signatory to international protocols including UN Global Compact, CDP, Natural Capital Finance Alliance	Annual



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### **Creating Shared Value**

# Building a Resilient Future through Responsible Banking

YES BANK believes that responsible banking is all about crafting shared value by addressing financial inclusion and the developmental challenges of India. The Bank's unique array of green products and services, community projects, policy advocacy and thought leadership initiatives are geared to drive positive societal and environmental impact.



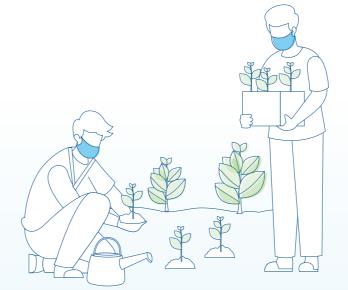
#### **COMBATING CLIMATE CHANGE**

The Bank acknowledges the risks posed by environmental degradation and climate change. Therefore, in line with Sustainable Development Goal 13 (SDG 13), there is an urgent need to transition to a low-carbon economy to fight the growing menace. Failure to transition to a low-carbon economy would undermine projected financial returns and jeopardise 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. The 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 FY 2019-20, YES BANK received approval as an accredited entity with Green Climate Fund

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.





#### 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 and multilateral consultations and cocreating knowledge-sharing platforms.

YES BANK, as a Founding Member Bank of Principles for Responsible Banking, participated at the global launch and signing ceremony in New York in September 2019



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### **Creating Shared Value**

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 2019-20, the Bank released 'ESG Investing scenario in India', a knowledge report that presents a situational analysis of the emerging India landscape by identifying the barriers, highlighting the opportunities and benefits of aligning investments with ESG. Given the relevance of the topic for India's financial sector, YES BANK organised a high-level convention on 'Scaling ESG Investments in India', which brought together a targeted group of leading financial institutions, investment community, policy makers and ESG leaders, for a focused discussion on ESG integration.

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). More details in this Report on Page no 30.

In FY 2019-20, the Bank released 'ESG Investing scenario in India', a knowledge report that presents a situational analysis of the emerging India landscape by identifying the barriers, highlighting the opportunities and benefits of aligning investments with ESG



#### **POSITIVE COMMUNITY IMPACT**

With India's unique developmental challenges, collective action by all stakeholders 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.

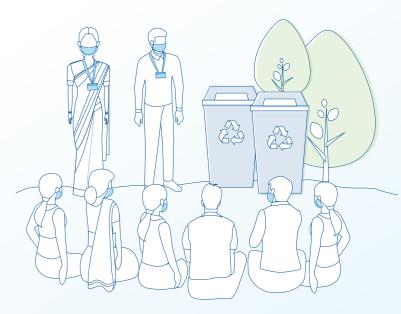
Through a unique community engagement programme, YES COMMUNITY, the Bank has touched over 54,500 lives in the reporting period. Further, the Bank's unique Corporate Social Responsibility (CSR) programme 'Say YES to Sustainable MSMEs in India' has supported 5,000 MSMEs to adopt industry-best practices to enhance energy efficiency, adopt circular economy business models, improve financial literacy levels and ensure occupational health & safety of their workers.

During the year, the Bank provided access to safe and clean drinking water to commuters at 1,005 railway stations across Maharashtra, Gujarat, Rajasthan, Goa and Karnataka through the maintenance of 1,025 water purification systems, which were previously installed.

The Bank expanded its Livelihood and Water Security programme through various community-level interventions, including restoration and rejuvenation of water bodies, construction of traditional water conservation structures, building capacity of farmers

to create farmer associations, facilitating access to credit, ensuring affordable and sustainable access to safe and clean drinking water. These interventions have positively impacted 84,127 individuals from rural communities in Maharashtra, Gujarat, Madhya Pradesh and Rajasthan.

To protect India's rich biodiversity, YES BANK helps conserve endangered/critically endangered species like Pangolin, Red Panda, Great Indian Bustard and House Sparrow, through science-based research, habitat restoration (protected & potential) and community-led interventions across Assam, Madhya Pradesh, NCR, Rajasthan and Sikkim.





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### **Creating Shared Value**

Advancing sustainable development is part of the Bank's efforts to actualise its Responsible Banking vision – 'To be the benchmark financial institution for sustainability and inclusivity in India'.



**Livelihood and Water Security** 

1,025

Water purification systems maintained at 1,005 'D' and 'E' category railway stations

# **2,220 women and 3,800 girls**

Touched through Menstrual Hygiene Management Programme



**Environment Sustainability** 

39,292

Students covered under Nest Making Workshops

45,462

Trees maintained under 'Adopt a Green Highway' Initiative



YES COMMUNITY

54,500

Lives touched through YES COMMUNITY activities



Say YES! to Sustainable MSMEs in India

5,000

Number of MSMEs impacted through energy efficiency and OHS interventions

For more details on YES BANK's CSR interventions for FY 2019-20, please refer Pages 54-60 in YES BANK Annual report FY 2019-20



Employability and Entrepreneurship

**721** 

Youths provided with employability training focusing on agriculture, accountancy, electrical works, BPO

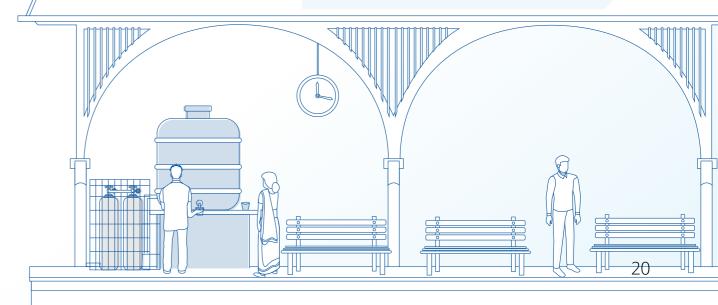
410

Underprivileged women imparted training to pursue a career in the retail sector

"In 2019, WWF India and YES Bank came together to work on a project to conserve the Red Panda in Sikkim and Darjeeling hills in West Bengal. We value and appreciate YES Bank's support towards protecting our natural heritage, especially the focus on this lesser-known species from the forests of Eastern Himalayas. We look forward to a rewarding collaboration as we endeavour to work with local communities and the state governments to protect the rich biodiversity of the Eastern Himalayas, and strengthen community stewardship for better management of Red Panda habitats."

#### Mr. Ravi Singh,

Secretary General & CEO, WWF India





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Enhanced Disclosures based on Taskforce on Climate-related Financial Disclosures (TCFD)

# Resilient amid new-age risks

In FY 2017-18, YES BANK became the first Indian Bank to release enhanced sustainability disclosures aligned to TCFD recommendations and continues to report sustainability disclosures aligned to the recommendations. This year as well, the Bank aligned its disclosures with TCFD.

#### **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 is apprised of the Bank's approach, stance, targets and key initiatives towards addressing climatic, environmental and social risks and opportunities periodically. The Head, Responsible Banking, is the highest ranking executive responsible for strategy and managing day-to-day issues under the guidance of the Managing Director & CEO.

YES BANK addresses climate change related issues, and drives action on the climate strategy through various committees, business units and functions at the Bank.

YES BANK's Board of Directors provides the overall oversight on sustainable development initiatives undertaken at the Bank, including climate strategy and its implementation through relevant Board level committees. Board level committees have set up relevant Executive level committees for oversight over climate risks, which are outlined below:

Corporate Social Responsibility (CSR) Committee:
 As a Board level committee, the CSR Committee

- overlooks YES BANK's Corporate Social Responsibility initiatives, which include various projects promoting environmental sustainability and climate action. The Committee is also responsible for instituting a transparent monitoring mechanism for effective implementation of the CSR projects/programmes/activities and reviews the functioning of the executive level Sustainability Council, which provides oversight and guidance for climate/sustainability actions
- Sustainability Council: The Bank has recently constituted an Executive level Sustainability Council chaired by MD & CEO. The Council will be involved in developing and reviewing strategy towards ensuring sustainable development through Bank's activities. This includes oversight of Environment and Social Policy and its implementation and overall bank's climate strategy
- Risk Management Committee (RMC): As a Board level committee, RMC covers the entire gamut of risk management for the organisation as a whole. This includes promoting prudent risk culture in the Bank, assessment of risk universe for adequacy, monitoring risk profile of the Bank as outlined in the Internal Capital Adequacy Assessment Process (ICAAP) document
- Enterprise Risk, Reputation Risk, Model
  Assessment Committee (ERMC): As an Executive level committee, ERMC 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 recognised as key material issues. ERMC also oversees the Bank's preparedness for mapping and managing the non-financial risks [including Environmental & Social (E&S) risks & climate risks] of its operations keeping in focus their impact on the Bank's reputation and goodwill
- Operational Risk Management Committee
   (ORMC): The Bank has implemented a
   comprehensive operational risk management
   framework, based on proactive and forward looking practices to ensure superior customer
   service and minimal operational risk events
   and losses. The Operational Risk Management
   Committee (ORMC) is chaired by the Chief Risk
   Officer and consists of members of the top
   and senior management. The Committee is
   responsible for review and implementation of the



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#### Governance

operational risk framework across the Bank and to review the operational risk profile of units, understand future changes and threats, and concur on areas of highest priority with related mitigation strategy. Operational risks include risks emanating 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 remains ISO 22301 certified, an International Business Continuity Standard, to effectively address these possible service disruptions. This certified and robust business continuity plan helps manage any potential service disruption at its locations.

The Board of Directors of the Bank also has an overall responsibility for Risk Management. The Board oversees the Bank's Risk and related control environment, reviews and approves the policies designed as part of the Risk Management practices. The Board ensures that comprehensive policies, systems and controls are in place to identify, monitor and manage material risks at a Bank-wide level, with clearly defined risk limits. The Board has laid down a Risk Appetite framework which articulates the quantum of risk the Bank is willing and able to assume in its exposures and business activities in pursuit of its strategic objectives and desired returns.

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

• Enterprise Risk Management (ERM) unit: YES BANK's ERM Unit is responsible for implementation of the ERM framework, risk aggregation and risk-based pricing. The ERM unit is also involved in Basel II/III compliance, Internal Capital Adequacy Assessment Process (ICAAP), bank-wide stress testing and risk assessment of Pillar II risks, such as Reputation Risk, Compliance Risk, Concentration Risk, among others

YES BANK recognises climate risk as a critical risk and since FY 2018-19, the Bank's management committees have been considering climate risk in their briefing. The Bank's Internal Capital Adequacy Assessment Process details its importance within the framework, alongside other Pillar II risks.

#### **TYPES OF RISKS**





Market



Climate

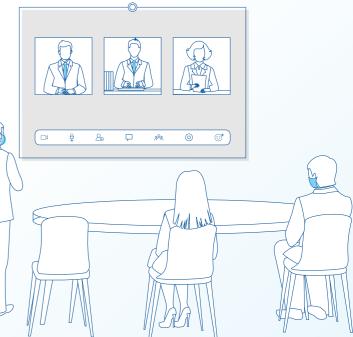






Cyber

 Risk Management Unit: YES BANK has instituted a robust risk management framework, which is implemented by the Bank's risk management function. The responsibility of overall risk management lies with the Board of Directors and four Board-level committees. Together with the management, they ideate, implement and review policies, frameworks and systems for effectively managing the Bank's existing and emerging risks, including climate risks





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#### Governance

- 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, 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 with 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 the
   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 an existing of teams, like Inclusive and

The Bank has specialised teams, like Inclusive and Social Banking (ISB) and Microfinance Banking (MFB) - focusing on financial inclusion, Digital Banking - focusing on digitisation and technological innovation in mainstream banking, Corporate Finance - Infrastructure Banking (CFIB) - with sectoral knowledge across sectors like renewable power, Sustainable Investment Banking (SIB) - focusing on financing renewable energy and clean technologies and Food and Agri Strategic Advisory and Research (FASAR) - focusing on agriculture and allied economy. These specialised 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 and Facilities Management (IFM), 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.





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### Strategy

# A holistic and long-term roadmap

As a financial institution which has embarked on a transformational journey, with a focus on integrity, trust and collaboration, YES BANK is keenly aware of its responsibility to manoeuvre finance sustainably and responsibly.

The Bank ensures that it responds to sustainable development and climate change in a holistic manner, thus creating stakeholder value and trust through innovative business solutions and services. The Bank's sustainability strategy focuses on:

- Integrating ESG parameters into lending decisions
- Innovating products and services for the bottom of the pyramid to address E&S concerns
- Proactive investments in projects that have positive societal and environmental impact
- Greening of core operations towards a low carbon economy
- Facilitating climate and SDG literacy

YES BANK is fully committed towards unlocking innovative financial mechanisms for achieving India's ambitious target of combating climate change as outlined in Nationally Determined Contributions (NDCs) and has formulated a climate agenda to deliver on its commitments.

### **CLIMATE LITERACY & POLICY FUTURE NOW CLIMATE ADVOCACY STRATEGY** • Sustainability Knowledge Series · Leveraging Technology for **Green Products** • Climate Finance Literacy Setting Science-based climate action targets **YES BANK CLIMATE CLIMATE RISK MITIGATION** SETTING CLIMATE/SDG **RELATED TARGETS** Governance Framework · Facilitating Climate Finance · Climate Risk Mitigation • Green Retail Products & · Measuring Portfolio's Impact Services on Climate Access GCF funds for financing • TCFD aligned Climateemerging sectors related Disclosures



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### Strategy

#### **Scenario Analysis**

Scenario analysis is a strategic tool for an organisation both for understanding long term implications of climate-related risks and opportunities and for informing stakeholders about how the organisation is positioning itself in light of these risks and opportunities.





In order to develop and improve organisational capabilities to use scenario analysis, YES BANK is collaborating (through YES BANK Chair) with Indian Institute of Technology Delhi to contribute towards development and improvisation of climate modeling methodology and formulation of an India centric climate model at the Department of Science and Technology (DST) Centre of Excellence (COE) in Climate Modeling. The COE in Climate Modeling is a major initiative taken by IIT Delhi and supported by the DST, Government of India, to arrive at accurate future climate change projections for the country, thereby promoting informed decision-making in the wake of global warming and climate change. The Bank initiated a joint research in FY 2019-20 to identify the impact of climate change on critical sectors of the Indian economy and assess its implications on the financial sector.







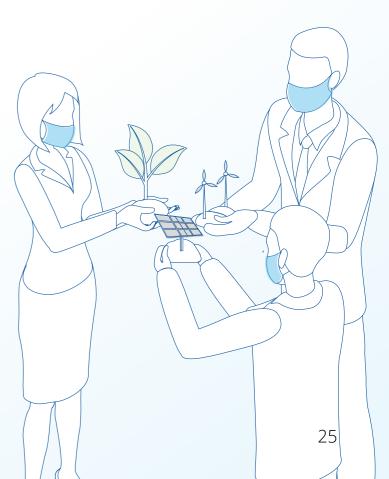






For measurement and disclosure of risks and opportunities linked to physical impacts of climate change, YES BANK, in FY 2019-20, became a member of Climate Resilience Risks and Opportunities Coalition (Climate-RROC), supported by UNEP FI and Global Center on Adaptation. Other members include Standard Chartered Bank, Rabobank, European Bank of Reconstruction and Development and Rockefeller Asset Management. This leadership group is committed to disclosing climate-related physical risks by 2021 and is working towards mobilising support for public policies to encourage climate-related physical risk disclosure across the financial sector.

For measurement and disclosure of risks and opportunities linked to physical impacts of climate change, YES BANK, in FY 2019-20, became a member of Climate Resilience Risks and Opportunities Coalition (Climate-RROC), supported by UNEP FI and Global Center on Adaptation.





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### Risk Management

# Managing challenges posed by climate change

#### Climate-related Risks Identification

The Bank's risk management framework 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 recognise, 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 behaviour. Physical risks are climatic risks which arise from the impact of extreme weather events such as flooding, droughts and storms. Such events increase the risk to the Bank's physical assets and pose a risk of service disruption.

These risks were ranked by the 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 three 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 organisations 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 licences, 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 organisational, project and portfolio levels.

#### **Organisational 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, IFM and Strategic Procurement Unit for the projects and initiatives under respective domains.

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

The Bank has also constituted an Executive level Sustainability Council to ensure deeper integration of sustainability into all aspects of business and banking. The Council would provide a formal structure and an actionable framework to include risks and opportunities arising out of climate change and sustainable development.



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### Risk Management

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 FY 2019-20, YES BANK 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.

Recognising the importance of enhanced transparency and disclosures, the Bank has been proactively reporting on its triple bottom line performance through its annual and sustainability reports. These sustainability disclosures are aligned with benchmark reporting frameworks, including Integrated Reporting, GRI Standards, TCFD recommendations, Principles for Responsible Banking and SDG Compass.

### **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 and 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 predominantly an agriculture-based economy, where the sector accounts for 16% 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 utilising agri products as their raw material. Therefore, to manage the climate related risks arising from agricultural production at the portfolio level, YES BANK analyses Indian Meteorological Department's (IMD) 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 knowledgedriven approach undertaken by the Bank towards derisking its portfolio against climate change.

Further, the Bank's Annual Report for FY 2019-20 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 36-39, 146-169). The Bank regularly conducts stress testing to monitor its vulnerability to extreme, but plausible, unfavourable shocks.



"I want to congratulate YES BANK on setting a benchmark in sustainability reporting in the Indian banking sector. The Bank's Sustainability Report stands out for its detailed analysis and transparent reporting of the Bank's unique approach to sustainability. Such comprehensive disclosures not only help stakeholders gain a consolidated view of the Bank's sustainability performance but also helps the general public to learn and understand critical issues in this space."

**Mr. Ramesh Daswani,** CSR Committee, IMC Chamber of Commerce and Industry



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### Opportunities

# Making the best of emerging trends

YES BANK is committed to identifying and leveraging opportunities that support mitigation and adaptation actions to address climate change. The two-pronged approach of positive impact climate finance and policy advocacy focuses on improving the present and influencing future change.



**Positive Impact Climate Finance** - The Bank's holistic climate strategy involves 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.

Renewable Energy Lending & Advisory - YES BANK

has financed 6.8 GW renewable energy capacity in

the preceding five years. Accounting for reduction

to renewable projects aggregating to 3,010 MW.

financial-information/investor-presentation

in exposures due to syndication and repayments, as on March 31, 2020, the Bank has credit exposures

YES BANK's portfolio break-up as on March 31, 2020

forms part of its investor presentations available at

https://www.yesbank.in/about-us/investors-relation/



**Sustainable Investment Banking (SIB)** - SIB is a knowledge-focused vertical at YES BANK. It has successfully executed over 37 transactions in the sustainability sector, totalling a transaction value of over US\$ 7.6 billion.

For more details refer to pages 44-45 of the





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### Opportunities

### **ALIGNING BUSINESSES WITH SDGs**

**YES BANK's** 

progress on

SDGs



# 3,800 GIRLS & **2,222 WOMEN**

Reached through Menstrual Hygiene Management Programme



### **3.1 LAKH**

Customers provided basic financial literacy training in rural and semiurban areas



### **10.5 LAKH WOMEN**

Customers in rural and semi-urban areas provided financial services through YES LEAP



### 70,000

Villagers were provided access to safe & clean drinking water



### 6.8 **GW**

Renewable Energy financed in the last five years



### 54,722

MSMEs supported in OHS & energy efficiency through Say YES to Sustainable MSMEs since inception



### 5.51%

Reduction of GHG emission intensity



### **US\$ 1.75 BILLION**

Mobilised towards solar energy projects in India since FY 2017-18



### **45,462 TREES**

Maintained on the Mumbai-Nashik Highway



### **7 KEY PARTNERSHIP**

With organisations such as UNEP FI and IIT Delhi amongst others





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### Opportunities

#### MAINSTREAMING SUSTAINABLE FINANCE IN INDIA

YES BANK has fostered strong ties with national and global thought leaders, multi-laterals, and governments to publish knowledge reports and organise dialogues that advocate policy decisions that would positively impact society, environment and the industry at large.



#### **International Capital Market Association**

In October 2019, YES BANK became a member of 2019-2020 Advisory Council to Executive Committee of the Green Bond Principles (GBP) and the Social Bond Principles (SBP) of the International Capital Market Association (ICMA). Along with other 39 Advisory Council members, YES BANK has been contributing to provide meaningful advice to the Executive Committee for increasing its market awareness and outreach, and to enable further engagement with specific membership categories and observers.



#### **Climate Action in Financial Institutions**

To systematically integrate climate change considerations in core business strategy, YES BANK continues to support 'Climate Action in Financial Institutions' initiative, a coalition of over 48 public and private financial institutions. As a coordination group member, YES BANK, provides strategic direction on critical issues related to work programmes, focus areas and strategic partnerships. The initiative provides a platform for the Bank to collaborate with like-minded financial institutions on areas of common interest and translate ambition into action, by gathering insights about forward-looking approaches and trends from across the world.



#### Indian Institute of Technology (IIT), Delhi

YES BANK continues to engage with IIT Delhi to develop and improvise climate-modelling methodology and contribute towards the formulation of an India-centric climate model.



#### **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 to drive sustainability based decision-making.



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### Opportunities



#### **Natural Capital Finance Alliance**

In 2013, YES BANK became the first Indian signatory to the Natural Capital Declaration [now a part of the Natural Capital Finance Alliance (NCFA), a joint initiative of the UNEP FI and Global Canopy Programme]. As a signatory, the Bank remains committed to bringing together an ecosystem to help develop an appropriate regulatory infrastructure, disclosure mechanisms, and reporting measures to integrate, value, and account for natural capital. As the Chair of the Steering Committee of NCFA, YES BANK continues to oversee NCFA's strategy and provide direction and oversight for the Working Groups and the Secretariat.



#### Science Based Targets Initiative (SBTi)

The SBTi aims to provide the private sector with a clearly defined pathway to future-proof growth by specifying the extent of reduction of GHG emissions and the timelines. In September 2018, YES BANK committed to developing a science-based emission reduction target, in line with the SBTi definition and Call to Action criteria. In FY 2019-20, YES BANK became the only Indian bank to participate in the official road-testing of methodologies that could help global financial institutions to set science-based emission reduction targets.



#### **UNEP FI**

YES BANK, as the first Indian signatory to the UNEP FI, continues to play a leadership role at the platform. YES BANK, was elected as a member of the 2019 Global Steering Committee (GSC). The role of the GSC is to provide strategic direction on critical issues related to work programmes and structural issues. The Bank has actively collaborated with UNEP FI and 29 other global banks in formulating the 'Principles of Responsible Banking', to align their business practices with the objectives of the SDGs and the Paris Climate Agreement. The Principles were officially launched at the UN General Assembly, ahead of the UN Climate Action Summit in New York in September 2019. A total of 130 global banks became the 'Founding Signatories', collectively holding US\$ 47 trillion in assets, representing one-third of the global banking sector. YES BANK, as a member of the Positive Impact Initiative, was involved in the development of Corporate Impact Analysis Tool and Portfolio Impact Analysis Tool. YES BANK was the only Indian bank to be a part of the Working Group, which comprised global banks, investors and management consulting firms.



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### Collaborations and Advocacy

# Co-creating an ecosystem for sustainable financing

To explore opportunities and address challenges for ramping up Environmental, Social and Governance (ESG) investments in India, YES BANK organised a convening ('Scaling ESG Investments in India'), which brought together a targeted group of esteemed financial institutions, investment community, policy makers and ESG leaders. The objective was a focused discussion on ESG integration. The discussions emphasised challenges, opportunities and benefits of aligning investments with ESG.

YES BANK hosted the 1st Industry Consultation Meet on 'Alternative Financing Mechanisms for the Water Sector' in collaboration with 2030 Water Resources Group (hosted by the World Bank Group) in December 2019. The roundtable discussion saw participants from the public and private sector, civil society and academia. The participants were introduced to 2030 WRG and various challenges, and potential opportunities were discussed. It concluded with the formation of a working group for Alternative Financing Mechanisms for the Water Sector.

Given YES BANK's leadership role in mobilising sustainable finance in India, the Bank was invited to share its unique initiatives at influential global platforms, including the United Nations Climate Action Summit 2019, United Nations Youth Climate Summit 2019, signing ceremony and global launch of United Nations Principles for Responsible Banking, United Nations Environment Programme Finance Initiative European Regional Roundtable, Institute of International Finance Sustainable Finance Workshop, Task Force on Climate-related Financial Disclosures Good Practice Handbook Launch, and Expert Workshop on Paris Alignment.

On all these forums, YES BANK presented and catalysed discussions around the need for enabling policy frameworks, innovative business models and financial mechanisms to achieve the global goals, need for scaling up corporate ambition to achieve the targets set by the landmark Paris Agreement, and the mission critical role of financial community in scaling finance to meet the climate action targets.

#### **GREEN CLIMATE FUND**

During the year, the Bank received approval as an accredited entity with Green Climate Fund (GCF). With this accreditation, the Bank would work on developing and implementing projects that can address climate change with the support of GCF funding. This development is a testament to the Bank's commitment to catalysing sustainable, low-emission and climateresilient transformation of the Indian economy.

YES BANK hosted the 1st Industry Consultation Meet on 'Alternative Financing Mechanisms for the Water Sector' in collaboration with 2030 Water Resources Group (hosted by the World Bank Group) in December 2019.



"YES BANK has done a wonderful job mainstreaming sustainability into their operations and business models, and setting an example for the financial sector in promoting capital market solutions that support the development and growth of sustainable finance."

#### Ms. Sonja Gibbs,

Managing Director and Head of Sustainable Finance, Institute of International Finance





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### Metrics and Targets

# Parameters of progress

YES BANK uses metrics and targets to assess and manage relevant climate-related risks and opportunities in its business activities.

The Bank believes in transparent reporting, supported by a robust system of tracking and measuring its metrics. The Bank reported on the following metrics for FY 2019-20:

- GHG emissions from the Bank's own operations
- Exposure to low-carbon products
- Green Bond impact

#### **GHG EMISSIONS FROM YES BANK'S OPERATIONS**

In FY 2019-20, the Bank's estimated energy consumption and energy intensity, within its operational boundaries were 146.76 TJ (an increment of 824.98 GJ of energy consumption over the last financial year) and 6.38 GJ/FTE respectively. The energy consumed by its outsourced data centres is estimated at 179.35 TJ.

Scope 3 Emissions### (tCO <sub>2</sub> e)	48,596.25	45,823.67	4,420.89
Intensity y-o-y			
% Reduction of Emission	5.51	11.38	1.35
Emission Intensity (tCO <sub>2</sub> e/FTE)	1.50	1.59	1.79
Total FTE as on March 31	22,973	21,136	18,238
Total Emissions (Scope 1+2) (tCO <sub>2</sub> e)*	34,438.84	33,531.46	32,648.34
Grid Electricity Consumption (MWh)	37,477.26	37,138.00	36,180.82
Scope 2 emissions- Grid Electricity Consumption (tCO <sub>2</sub> e)##	30,993.69	30,453.16	29,668.27
Scope 1 emissions Refrigerant Leakage (tCO <sub>2</sub> e)#	2,569.08	2,172.92	2,059.04
Diesel Consumption (Litre)	331,262.93	342,345.83	348,263.61
Scope 1 emissions- Diesel Consumption (tCO <sub>2</sub> e)#	876.07	905.38	921.03
YES BANK GHG Inventory	FY 2019-20	FY 2018-19	FY 2017-18

# Scope 1 emissions include 10% refrigerant leakage from the AC systems (as suggested in the Default IPCC Values section of the "Refrigeration and Air-Conditioning Equipment" Worksheet by GHG Protocol, dated January 2015).

The emission factors and GWP (Global Warming Potential) values have been taken from the GHG protocol. The estimated ODS emissions from HCFC-22 is estimated at 78.06 Kgs of CFC-11 equivalent. The equivalent NOx and SOx emissions through diesel consumption are 26.31 kg and 13.70 kg respectively. Like 2012-13 (base year), the operational control approach has been used for measuring and managing these emissions.

## Scope 2 emissions include CO<sub>2</sub> emissions from electricity consumed by YES BANK. The emission factors have been taken from CEA's (Central Electrical Authority) CO<sub>2</sub> Baseline Database, Version 15. Grid Electricity Consumed has been estimated from the facility-wise electricity bills and state-wise tariffs (fixed tariff components have not been included in the estimations). The year-on-year reduction in emission intensity is estimated for the Bank's Scope 1 and Scope 2 emissions (within operational boundaries) only.

### Scope 3 emissions for FY 2019-20 include emissions from business air travel (3,301.35 tCO<sub>2</sub> e), daily employee commute (1,131.56 tCO<sub>2</sub> e), apper consumption including inbound and outbound couriers - assuming 1 A4 envelope and 1 A4 paper per courier (2,961.95 tCO<sub>2</sub> e) and outsourced data centres (41,201.39 tCO<sub>2</sub> e). Scope 3 emissions for FY 2017-18 constituted emissions from business air travels only. For FY 2019-20, environmental impact estimates (for paper consumption) were made using the Environmental Paper Network Paper Calculator Version 4.0. For more information visit HYPERLINK "http://www.papercalculator.org" www.papercalculator.org. Given the unavoidable circumstances during the lockdowns, the emissions through daily employee commute have been estimated basis the primary pan-bank survey conducted in FY 2018-19 (estimated using the framework suggested by WRI) and the corresponding change in the employee strength in FY 2019-20. Emissions through electricity consumption at off-site ATMs have not been included due to the unavailability of reliable data.

\*Substantial changes in the total emissions are also a result of the continual improvements in the adoption of emission estimation methodologies. FTE includes all full-time employees across YES BANK's pan-India and Abu Dhabi facilities. Emissions through currency chests and YES Securities (India) Limited (YSIL) (a subsidiary of YBL) which operates from NOC Mumbai (YES BANK premises) are also included. Resource consumption data for a percentage of facilities was unavailable and hence not included in the estimates.

For more details on the Bank's continued efforts to move towards paperless banking, focused interventions to renew existing infrastructure, improve operational performance and enhance resource & energy efficiency please refer to pages 46-49 of the FY 2019-20 Annual Report.



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### Metrics and Targets

#### **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 3,010 MW, as on March 31, 2020.

#### **Green Bonds**

Since the maiden issuance by YES BANK, the green bonds market has grown steadily and is currently pegged at over US\$10 billion. Driven by the commitment to mobilise US\$ 5 billion towards climate action by 2020 (according to Paris Accord), YES BANK pioneered the green bond market in India with the issuance of its first green bond in February 2015, reinforcing the case for raising green capital for climate-related projects. A unique back-to-back green bond investment with IFC via its Green Masala bond programme in August 2015 was subsequently structured by the Bank. A third green bond followed in December 2016, with the Dutch Development Bank, FMO. The amount raised is used to finance Green Infrastructure Projects as per 'Eligible Projects' outlined in the Bank's internal guidelines that adhere to the Green Bond Principles (GBP).

#### **Impacts**

Through financing solar and wind power plants, these bonds strengthen India's energy security, while reducing fossil fuel dependency. These bonds were crucial in financing climate change mitigation with avoidance of emissions of CO<sub>2</sub>, SO<sub>2</sub>, NOx and other air pollutants associated with fossil fuel based energy generation. Estimated CO<sub>2</sub> emission reductions are shared along with project details.

List of projects against which green bonds proceeds have been allocated as on March 31, 2020 is provided below:

#### Proceeds Utilisation\* Against Bond Issuance Size of ₹ 1,000 Cr (February 2015)

Sr. No	Project Location	Description	Total Fund Based Utilisation, ₹ Cr	Estimated** positive E&S impacts - CO <sub>2</sub> Emission Reduction (tCO <sub>2</sub> e / yr)				
1	Maharashtra	31.5 MW wind energy project	107.35	46,248.10	None			
2	Madhya Pradesh	12 MW wind energy project	723.55	19,693.39	None			
3	Telangana	42 MW solar energy project	3.51	71,589.87	None			
4	Karnataka	40 MW solar energy project	165.59	79,379.62	None			
Pro	Proceeds Utilisation* Against Bond Issuance Size of ₹ 330 Cr (December 2016)							

#### Proceeds Utilisation\* Against Bond Issuance Size of ₹ 330 Cr (December 2016)

Sr. No	Project Location	Description	Total Fund Based Utilisation, ₹ Cr	Estimated** positive E&S impacts - CO <sub>2</sub> Emission Reduction (tCO <sub>2</sub> e / yr)	Known significant negative E&S Impacts
1	Gujarat	30 MW wind energy project	38.17	53,111.88	None
2	Telangana	50 MW solar energy project	79.28	90,990.12	None
3	Rajasthan	300 MW solar energy project	74.45	4,57,256.23	None
4	Rajasthan	200 MW solar energy project	138.10	3,08,954.69	None

<sup>\*</sup> The temporary unallocated proceeds (₹ 315 Cr of ₹ 315 Cr bond issued in August 2015) have been invested in Government Securities and will be allocated back to eligible projects, when available.

<sup>\*\*</sup> The total CO<sub>2</sub> emission reduction for individual projects have been calculated based on the methodology outlined in the document 'CO<sub>2</sub> Baseline Database for the Indian Power Sector User Guide Version 15.0 dated December 2019' (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.



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## Independent Assurance Statement



KPMG Assurance and Consulting Services LLP

7th Floor, IT Building No. 3 Nesco IT Park, Nesco Complex Western Express Highway Goregaon (East), Mumbai - 400 063. Telephone: +91 (22) 6134 9200 Fax: +91 (22) 6134 9220 Internet: www.kpmg.com/in

# Independent Limited Assurance Statement to Yes Bank Limited on its Sustainability Performance Review Report for Financial Year 2019-20

To the Management of YES BANK Limited, YES BANK Tower ONE International Centre, 15th Floor, Senapati Bapat Marg, Elphinstone(w), Mumbai 400013, India

#### Introduction

We ('KPMG Assurance and Consulting Services LLP, or 'KPMG') have been engaged by YES BANK Limited ('YBL 'or 'the company') for the purpose of providing an independent assurance on selected non-financial disclosure in the Sustainability Performance Review report ('the Report') for the reporting period from 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2020 ('the year or the Reporting Period'). Our responsibility was to provide limited assurance on select non-financial disclosure as described in the scope, boundary and limitations.

### **Reporting Criteria**

YES BANK applies its own sustainability reporting criteria derived from Global Reporting Initiative (GRI) Standards 'In-accordance' Comprehensive option.

#### **Assurance Standards Used**

We conducted our assurance in accordance with

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



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## Independent Assurance Statement



## Scope, Boundary and Limitations

The scope of assurance was limited to selected non-financial disclosures of YES BANK Limited for the period 01 April 2019 to 31 March 2020. The boundary of the Report covers YBL's active operations in India. The data review and validation were restricted to the Corporate office which collates the data for pan India locations. The Corporate or regional branch office visits were not carried out physically. Based on the information provided by YES BANK, we have assessed the internal controls and systems.

The Disclosures subject to assurance were as follows:

#### General Standard Disclosures

- Organizational Profile (102-2, 102-4, 102-6, 102-8)
- Strategy (102-14)
- Ethics and integrity (102-16)
- Governance (102-19 to 102-21)
- Stakeholder engagement (102-40 to 102-44)
- Reporting practice (102-46 to 102-52, 102-54, 102-55)
- Management approach (103-1 to 103-3)

## Specific Standard Disclosures

#### Environmental

- o Energy: (302-1, 302-2, 302-3, 302-4, 302-5)
- Emissions: (305-1, 305-2, 305-3, 305-4, 305-5, 305-6, 305-7)

#### Social

- 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

o Economic performance: (201-2)



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## Independent Assurance Statement



#### Limitations

The assurance scope excludes the following:

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

#### **Assurance Procedure**

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

Our assurance procedure also included:

- Assessment of YBL's reporting procedures regarding their consistency with the application of GRI Standards
- Evaluating the appropriateness of the quantification methods used to arrive at the sustainability disclosures presented in the Report
- Reviewing the materiality and stakeholder engagement framework deployed at YBL
- Review of systems and procedures used for quantification, collation, and analysis of sustainability disclosures included in the Report
- Understanding the appropriateness of various assumptions, estimations and materiality thresholds used by YBL for data analysis
- · Assessment of data reliability and accuracy
- Review of select key performance data on sample basis as defined in scope, boundary and limitations was carried out virtually with corporate office using screen sharing tools



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The review and management interactions were also performed through video conferencing. Appropriate documentary evidence was obtained to support our conclusions on the information and data reviewed. Where such documentary evidence could not be collected due to sensitive nature of the information, our team reviewed the same with YBL during virtual interactions.

#### Conclusions

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

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.



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## Independent Assurance Statement



## Responsibilities

YES BANK Limited is responsible for developing the Report contents. YES BANK Limited is also responsible for identification of material sustainability topics, 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 coresponsibility for any decision a person or entity would make based on this assurance statement. Our report is released to YES BANK Limited on the basis that it shall not be copied, referred to or disclosed, in whole or in part, without our prior written consent. By reading this assurance statement, stakeholders acknowledge and agree to the limitations and disclaimers mentioned above.

**Prathmesh Raichura** 

**Executive Director** 

KPMG Assurance and Consulting Services LLP

September 18, 2020



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	-		Omining				
GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omission				
	:		Part Omitted	Reason	Explanation		
GRI 101: Founda							
General Disclosur	<u> </u>						
GRI 102: General	Organisational profile						
Disclosures 2016	102-1 Name of the organisation	_ 5	_				
	102-2 Activities, brands, products, and services	5, 47, Annual Report 19-20: 5, 187.					
		For more information, please refer to Products and Services section on https://www.yesbank.in/					
	102-3 Location of headquarters	1	_				
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	102-8 Information on employees and other workers	Annual Report 19-20: 79, 192					
		Permanent employees: 22,973, Contractual employees - 25 (Males: 15, Females: 10)					
	102-9 Supply chain	17, Annual Report 19-20: 61	_				
	102-10 Significant changes to the organisation and its supply chain	1					
	102-11 Precautionary Principle or approach	27					
	102-12 External initiatives	21, 29, 30, Annual Report 19-20: 65-68					
	102-13 Membership of associations	29, 30, Annual Report 19-20: 51, 52					
	Strategy						
	102-14 Statement from senior decision-maker	2,3, 4					
	102-15 Key impacts, risks, and opportunities	23-32, Annual Report 19-20: 44, 45, 48					
	Ethics and integrity						
	102-16 Values, principles, standards, and norms of behavior	10, 11, 47, Annual Report 19-20: 61, 62, 146, 172, 184					
	102-17 Mechanisms for advice and concerns about ethics	Annual Report 19-20: 116, 117, 170, 172, 173					



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GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omission		
GKI Standard	Disclosure	Page number(s) and/or OKL(s)	Part Omitted Re	ason l	Explanation
GRI 102: General	Governance				
Disclosures 2016	102-18 Governance structure	21, 22, Annual Report 19-20: 146			
	102-19 Delegating authority	21, 22			
	102-20 Executive-level responsibility for economic, environmental, and social topics	21, 22			
	102-21 Consulting stakeholders on economic, environmental, and social topics	12-17, 21, 22, Annual Report 19-20: 52, 161, 162			
	102-22 Composition of the highest governance body and its committees	Annual Report 19-20: 146, 155-169			
	102-23 Chair of the highest governance body	Annual Report 19-20: 151, 152, 155-169			
	102-24 Nominating and selecting the highest governance body	Annual Report 19-20: 116, 153-155			
	102-25 Conflicts of interest	Annual Report 19-20: 251, 252			
	102-26 Role of highest governance body in setting purpose, values, and strategy	10			
	102-27 Collective knowledge of highest governance body	7, 10, 21, 22 Annual Report 19-20: 152, 153			
	102-28 Evaluating the highest governance body's performance	Annual Report 19-20: 116			
	102-29 Identifying and managing economic, environmental, and social impacts	Annual Report 19-20: 36-39, 110-112			
	102-30 Effectiveness of risk management processes	Annual Report 19-20: 36-39, 110-112			
	102-31 Review of economic, environmental, and social topics	14, 15 Annual Report 19-20: 154			
	102-32 Highest governance body's role in sustainability reporting	2, 3, 4, 10, 14 Annual Report 19-20: 130, 154			
	102-33 Communicating critical concerns	Annual Report 19-20: 70, 117, 170			
	102-34 Nature and total number of critical concerns	Annual Report 19-20: 70, 161, 162, 263			
	102-35 Remuneration policies	Annual Report 19-20: 116			
	102-36 Process for determining remuneration	Annual Report 19-20: 116			
	102-37 Stakeholders involvement in remuneration	Annual Report 19-20: 124, 256-259			
	102-38 Annual total compensation ratio	Annual Report 19-20: 72, 124, 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 19-20: 124			



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CDI Chandand	Disclosure	Do an arrando	Omission				
GRI Standard	Disclosure	Page number(s) and/or URL(s)	Part Omitted	Reason	Explanation		
GRI 102: General	Stakeholder engagement						
Disclosures 2016 102-40 List of stakeholder groups		13, 16, 17					
	102-41 Collective bargaining agreements	As there are no unions, no collective bargaining agreements exist					
	102-42 Identifying and selecting stakeholders	13, 16, 17					
	102-43 Approach to stakeholder engagement	13, 16, 17					
	102-44 Key topics and concerns raised	14, 15, 16					
	Reporting practice						
	102-45 Entities included in the consolidated financial statements	1, Annual Report 19-20: 116					
	102-46 Defining report content and topic Boundaries	1, 16					
	102-47 List of material topics	14, 15, 16					
	102-48 Restatements of information	1					
	102-49 Changes in reporting	16					
	102-50 Reporting period	1					
	102-51 Date of most recent report	1					
	102-52 Reporting cycle	1					
	102-53 Contact point for questions regarding the report	1					
	102-54 Claims of reporting in accordance with the GRI Standards	1					
	102-55 GRI content index	40					
	102-56 External assurance	35					
<b>Material Topics</b>							
<b>GRI 200 Economi</b>	c Standard Series						
<b>Economic Perform</b>							
GRI 103:	103-1 Explanation of the material topic and its Boundary	12-16					
Management	103-2 The management approach and its components	Annual Report 19-20: 84, 85					
Approach 2016	103-3 Evaluation of the management approach	Annual Report 19-20: 29, 30, 41					
<b>GRI 201: Economic</b>	201-1 Direct economic value generated and distributed	Annual Report 19-20: 41					
Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	18-28					
	201-3 Defined benefit plan obligations and other retirement plans	Annual Report 19-20: 227, 248, 249					
	201-4 Financial assistance received from government	No such financial assistance has been received					
GRI 203: Indirect	203-1 Infrastructure investments and services supported	27, Annual Report 19-20: 29, 30, 41, 50, 51, 54-60, 62-65					
<b>Economic Impact</b>	203-2 Significant indirect economic impacts	Annual Report 19-20: 29, 30, 41, 50, 51, 54-60, 62-65					



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GRI Standard	Disclosure	Page number(s) and/or ORL(s)	Part Omitted	Reason	Explanation	
<b>GRI 300 Environn</b>	nental Standards Series					
Energy						
GRI 103:	103-1 Explanation of the material topic and its Boundary	12-16				
Management	103-2 The management approach and its components	Annual Report 19-20: 43-45				
Approach 2016	103-3 Evaluation of the management approach	Annual Report 19-20: 49				
GRI 302: Energy	302-1 Energy consumption within the organisation	32, 33, Annual Report 19-20: 49				
2016	302-2 Energy consumption outside of the organisation	33				
	302-3 Energy intensity	33, Annual Report 19-20: 49				
	302-4 Reduction of energy consumption	33, Annual Report 19-20: 49				
	302-5 Reductions in energy requirements of products and	27, 33, Annual Report 19-20: 49				
	services					
Emissions						
GRI 103:	103-1 Explanation of the material topic and its Boundary	12-16				
Management	103-2 The management approach and its components	Annual Report 19-20: 40, 43-45				
Approach 2016	103-3 Evaluation of the management approach	33, Annual Report 19-20: 49				
<b>GRI 305: Emissions</b>	305-1 Direct (Scope 1) GHG emissions	33, Annual Report 19-20: 49				
2016	305-2 Energy indirect (Scope 2) GHG emissions	33, Annual Report 19-20: 49				
	305-3 Other indirect (Scope 3) GHG emissions	33, Annual Report 19-20: 49				
	305-4 GHG emissions intensity	33, Annual Report 19-20: 49				
	305-5 Reduction of GHG emissions	33, Annual Report 19-20: 49				
	305-6 Emissions of ozone-depleting substances (ODS)	33, Annual Report 19-20: 49				
	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	33, Annual Report 19-20: 49				
GRI 400 Social Sta	andards Series					
Employment						
GRI 103:	103-1 Explanation of the material topic and its Boundary	12-16				
Management	103-2 The management approach and its components	Annual Report 19-20: 69-72				
Approach 2016	103-3 Evaluation of the management approach	Annual Report 19-20: 70				



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		2 1 () 1( 1121()		Omission			
GRI Standard	Disclosure	Page number(s) and/or URL(s)	Part Omitted	Reason	Explanation		
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Annual Report 19-20: 79, Total number and rate of new employee hires during the reporting period is 10,663 and 46.42% respectively. The details on age group, gender and region can be found at https://www.yesbank.in/pdf/annual_report_2019_2020_pdf					
		Total number and rate of employee turnover during the reporting period is 8,551 and 37.22% respectively. The details on age group, gender and region can be found at https://www.yesbank.in/pdf/annual_report_2019_2020_pdf					
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	Annual Report 19-20: 79, Total number of employees that took parental leave is 1,462. The details on employees that returned to work, employed post 12 months of leave, return to work rate and retention rate can be found at https://www.yesbank.in/pdf/annual_report_2019_2020_pdf					
<b>Training and Educa</b>	ation						
GRI 103:	103-1 Explanation of the material topic and its Boundary	12-16					
Management	103-2 The management approach and its components	Annual Report 19-20: 73-77					
Approach 2016	103-3 Evaluation of the management approach	Annual Report 19-20: 73-77					
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Annual Report 19-20: 76, 77, Average hours of training that the organisation's employees have undertaken during the reporting period is 35.38 and gender & employee category can be found at https://www.yesbank.in/pdf/annual_report_2019_2020_pdf					
	404-2 Programs for upgrading employee skills and transition assistance programs	Annual Report 19-20: 73-77, YES Bank has taken various training inititaives through YES School of Banking and Online platforms including regulatory and compliance modules, leadership and behavioural programmes for skill updragation and the details can be found at https://www.yesbank.in/pdf/annual_report_2019_2020_pdf					
	404-3 Percentage of employees receiving regular performance and career development reviews	100% (For employees joining on or before 30th September, exception cases need approval)					



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GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omission				
GRI Stalluaru			Part Omitted	Reason	Explanation		
<b>Local Communities</b>							
GRI 103:	103-1 Explanation of the material topic and its Boundary	12-16					
Management	103-2 The management approach and its components	Annual Report 19-20: 87, 88, 54-60					
Approach 2016	103-3 Evaluation of the management approach	Annual Report 19-20: 29, 30, 87, 88					
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	19, 20, Annual Report 19-20: 26-27, 54-60					
	413-2 Operations with significant actual and potential negative impacts on local communities	The Bank is cognizant of its responsibility towards the society and has developed and implemented various programmes and initiatives, including CSR programmes to create positive impact					
Marketing and Lab	elling						
GRI 103:	103-1 Explanation of the material topic and its Boundary	12-16					
Management	103-2 The management approach and its components	13, Annual Report 19-20: 160, 161					
Approach 2016	103-3 Evaluation of the management approach	Annual Report 19-20: 246, 263					
GRI 417: Marketing 417-1 Requirements for product and service information and and Labeling 2016 labelling		25, 26, 33, 34					
	417-2 Incidents of non-compliance concerning product and service information and labelling	The Bank operates in a highly regulated sector with strong systems, and no such incidents were reported.					
	417-3 Incidents of non-compliance concerning marketing communications	The Bank operates in a highly regulated sector with strong systems, and no such incidents were reported.	_				
<b>Customer Privacy</b>							
GRI 103:	103-1 Explanation of the material topic and its Boundary	12-16					
Management 103-2 The management approach and its components		13, Annual Report 19-20: 39, 160, 161, 165, 166					
Approach 2016	103-3 Evaluation of the management approach	Annual Report 19-20: 263					
GRI 418: Customer 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data		Annual Report 19-20: 246, 263, Nil awards passed by the Banking Ombudsman, No. of complaints from customers – 21, No. of complaints from regulators - 3					



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## **Human Rights Statement**

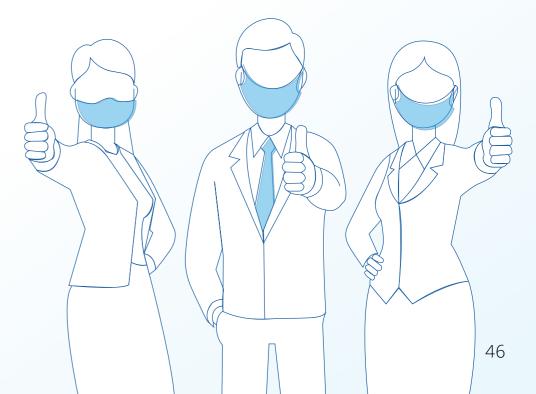
YES BANK is committed to developing a culture which inculcates respect & support for Human Rights and seeks to avoid connivance in Human Rights abuses. The Bank is committed to UN Guiding Principles on Business and Human Rights<sup>1</sup>, based on principles of "Respect, Protect & Remedy" This statement 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 Organisation's Declaration on Fundamental Principles and Rights at Work<sup>2</sup>
- Principles of the UN Global Compact, of which YES BANK was first Indian Banking signatory in 2009, and,
- IFC Performance Standards

#### YES BANK ENDEAVOURS TO ACHIEVE THE COMMITMENT BY:

- Maintaining positive legal compliance with applicable constitutional and regulatory human rights requirements and conformance to fundamental labour principles
- Undertaking an iterative, due diligence process, the focus of which is identifying, assessing and managing potential risks and impacts
- Promoting the awareness of 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



<sup>&</sup>lt;sup>1</sup> http://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR\_EN.pdf

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



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Reporting and Self-Assessment Requirements	High-level summary of bank's response	Reference(s)/Link(s) to bank's full response/ relevant information
Principle 1: Alignment We will align our business strategy to be consistent with and construction of the paris Climate Agreement and relevant national and regional from the principle of the pri	ontribute to individuals' needs and society's goals, as expressed ameworks.	d in the Sustainable Development Goals, the
1.1 Describe (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities, and where relevant the technologies financed across the main geographies in which your bank has operations or provides products and services.	Service Commercial Bank' providing a complete range of products,	
1.2 Describe how your bank has aligned and/or is planning to align its strategy to be consistent with and contribute to 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 its six strategic pillars. Understanding the criticality of SDGs and Paris Climate Agreement, 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 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 in its endeavour to align with Sustainable Development Goals (SDGs), has mapped its organisational activities with pertinent goals, reporting its performance through the SDG compass.	YES BANK's value creation strategy:  Annual Report 19-20: 29, 30  Social:  Annual Report 19-20: 54-68  Environment:  Annual Report 19-20: 43-53  Page 7  Inclusive & Social Banking and Microfinance Banking: Annual Report 19-20: 87-88  SDG Compass: Page 54  Website: Sustainable financing: https://www.yesbank.in/banking-initiatives/ responsible-banking/sustainable-finance



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## Principles for Responsible Banking

Reporting and Self-Assessment Requirements

High-level summary of bank's response

Reference(s)/Link(s) to bank's full response/ relevant information

### **Principle 2: Impact and Target Setting**

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. To this end, we will set and publish targets where we can have the most significant impacts.

#### 2.1 Impact Analysis:

Show that your bank has identified the areas in which it has its most significant (potential) positive and negative impact through an impact analysis that fulfills the following elements:

- a) Scope: The bank's core business areas, products/services across the main geographies that the bank operates in have been as described under 1.1. have been considered in the scope of the analysis.
- b) Scale of Exposure: In identifying its areas of most significant impact the bank has considered where its core business/its major activities lie in terms of industries, technologies and geographies.
- Context & Relevance: Your bank has taken into account the most relevant challenges and priorities related to sustainable development in the countries/regions in which it operates.
- d) Scale and intensity/salience of impact: In identifying its areas of most significant impact, the bank has considered the scale and intensity/ salience of the (potential) social, economic and environmental impacts resulting from the bank's activities and provision of products and services.

(your bank should have engaged with relevant stakeholders to help inform your analysis under elements c) and d))

Show that building on this analysis, the bank has

- Identified and disclosed its areas of most significant (potential) positive and negative impact
- Identified strategic business opportunities in relation to the increase of positive impacts / reduction of negative impacts

The Bank maps impacts of its activities and business and endeavours to maximise them. While the Bank strives to maximise its positive impacts, it has also focussed on reducing any negative impacts. These includes Bank's efforts in reducing its carbon footprints, optimising its operations and mitigating environmental and social impacts linked to financing, through integrating Environment Social Policy with its credit risk appraisal framework.

YES BANK periodically conducts materiality assessment by engaging and interacting with its key stakeholders to identify, categorise, prioritise, and address emerging risks and leverage strategic business opportunities, which fulfills some of the requirements of the Principle.

The Bank has been working with other PRB signatories in developing, understanding and implementing methodologies and tools for comprehensive impact assessment, and would be conducting an impact analysis of its portfolio.

Materiality Assessment: Pages 12-17

Aligning Business with SDGs: Page 29 Achieving operational environmental excellence:

Annual Report 19-20: 46-49

Environment and Social Policy: *Annual Report 19-20*: 45

Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Impact Analysis.



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Reporting and Self-Assessment Requirements	High-level summary of bank's response	Reference(s)/Link(s) to bank's full response/ relevant information		
2.2Target Setting  Show that the bank has set and published a minimum of two Specific, Measurable (can be qualitative or quantitative), Achievable, Relevant and Time-bound (SMART) targets, which address at least two of the identified "areas of most significant impact", resulting from the bank's activities and provision of products and services.  Show that these targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks. The bank should have identified a baseline (assessed against a particular year) and have set targets against this baseline.  Show that the bank has analysed and acknowledged significant (potential) negative impacts of the set targets on other dimensions of the SDG/climate change/society's goals and that it has set out relevant actions to mitigate those as far as feasible to maximise the net positive impact of the set targets.	<ul> <li>Current targets are based on key contributions to India's NDCs.</li> <li>The Bank has taken the following targets:</li> <li>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</li> <li>YES BANK has carbon emission intensity reduction target of 10% year on year</li> <li>The Bank will review its targets based on the impact analysis in line with PRB requirements.</li> </ul>	Exposure to low carbon products: Page 34 Carbon emission intensity reduction targets: Page 27		
Please provide your bank's conclusion/statement if it has fulfilled the requirement	ents regarding Target Setting.			
2.3 Plans for Target Implementation and Monitoring Show that your bank has defined actions and milestones to meet the set targets. Show that your bank has put in place the means to measure and monitor progress against the set targets. Definitions of key performance indicators, any changes in these definitions, and any rebasing of baselines should be transparent.	Current targets are monitored on a regular basis and KPIs are defined	Exposure to low carbon products: Page 34 Carbon emission intensity reduction targets: Page 27		
Please provide your bank's conclusion/statement if it has fulfilled the requireme	ents regarding Target Setting.			
2.4 Progress on Implementing Targets For each target separately: Show that your bank has implemented the actions it had previously defined to meet the set target.	The Bank monitors the progress on implementation of current targets and reports the status on achievement on	Exposure to low carbon products: Page 34 Carbon emission intensity reduction targets: Page 27		
Or explain why actions could not be implemented / needed to be changed and how your bank is adapting its plan to meet its set target.  Report on your bank's progress over the last 12 months (up to 18 months in your first reporting after becoming a signatory) towards achieving each of the set targets and the impact your progress resulted in. (where feasible and appropriate, banks should include quantitative disclosures)  Please provide your bank's conclusion/statement if it has fulfilled the requirement	ants regarding Progress on Implementing Targets			



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Reporting and Self-Assessment Requirements	High-level summary of bank's response	Reference(s)/Link(s) to bank's full response/ releva information	
Principle 3: Clients and Customers We will work responsibly with our clients and our customers to and future generations.	o encourage sustainable practices and enable economic activities	es that create shared prosperity for current	
3.1 Provide an overview of the policies and practices your bank has in place and/or is planning to put in place to promote responsible relationships with its customers. This should include high-level information on any programmes and actions implemented (and/or planned), their scale and, where possible, the results thereof.	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 details in next question)	Website: Code of Bank's Commitment to Customers https://www.yesbank.in/pdf/ybl_cc_bci_bi_pdf Website: Charter Of Customer Rights https:// www.yesbank.in/pdf/charter_of_custom_rights Customer Focus: Annual Report 19-20: 17-20	
3.2 Describe 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. This should include information on actions planned/implemented, products and services developed, and, where possible, the impacts achieved.	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, Green Bonds  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 categorised 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  Awareness Initiatives:  Financial literacy,  Knowledge Banking Approach:  Business Economics Banking (BEB),  Sustainable Investment Banking (SIB),  Food & Agribusiness Strategic Advisory & Research (FASAR)	Green Future Deposits: Page 8 Green Bonds: Page 34 Website: ENVIRONMENTAL AND SOCIAL RISK MANAGEMENT https://www.yesbank.in/beyond-banking/responsible-banking/responsible-banking/facilitating-responsible-investments/environmental-and-social Financial literacy: Annual Report 19-20: 87-88 Business Economics Banking (BEB): Annual Report 19-20: 67-68 Sustainable Investment Banking (SIB): Annual Report 19-20: 45 Food & Agribusiness Strategic Advisory & Research (FASAR): Annual Report 19-20: 65-66	



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Reporting and Self-Assessment Requirements	High-level summary of bank's response	Reference(s)/Link(s) to bank's full response/ relevant information
Principle 4: Stakeholders We will proactively and responsibly consult, engage and partr	ner with relevant stakeholders to achieve society's goals.	
4.1 Describe which stakeholders (or groups/types of stakeholders) your bank has consulted, engaged, collaborated or partnered with for the purpose of implementing these Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders and what issues were addressed/results achieved.	The Bank continues to engage with its stakeholders on a continual basis through an amalgamation of several pre-determined, structured, and need based engagement mechanisms.  A few notable engagement initiatives includes: YES COMMUNITY Knowledge Reports Knowledge Convening University & School Relationship Management (USRM) Bank also supports its stakeholders through knowledge banking approach: Business Economics Banking (BEB) Sustainable Investment Banking (SIB) Food & Agribusiness Strategic Advisory & Research (FASAR) Strategic Government Advisory (SGA)	Stakeholder Engagement: Pages 18-20 YES COMMUNITY: Annual Report 19-20: 59 Thought Leadership: Annual Report 19-20: 65-68 Knowledge Reports: Annual Report 19-20: 53 University & School Relationship Management (USRM): Annual Report 19-20: 78 Business Economics Banking (BEB): Annual Report 19-20: 67 Sustainable Investment Banking (SIB): Annual Report 19-20: 45 Food & Agribusiness Strategic Advisory & Research (FASAR): Annual Report 19-20: 65 Strategic Government Advisory (SGA): Annual Report 19-20: 66



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## Principles for Responsible Banking

Reporting and Self-Assessment Requirements	High-level summary of bank's response	Reference(s)/Link(s) to bank's full response/ relevantinformation
Principle 5: Governance & Culture We will implement our commitment to these Principles throug	h effective governance and a culture of responsible banking.	
5.1 Describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support effective implementation of the Principles.	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 sustainability policies and programs. The execution of the sustainable development agenda is carried out by the Responsible Banking unit. The unit is a core plank that cuts across all functions at the Bank to integrate sustainability imperatives in business strategies, approaches and targets. The Bank has recently instituted executive level Sustainability Council, that would be providing strategic guidance and oversight on mainstreaming sustainability at the Bank, including implementation of PRB at the Bank.	Corporate Governance: Page 10 Governance: Pages 21-23
5.2 Describe the initiatives and measures your bank has implemented or is planning to implement to foster a culture of responsible banking among its employees. This should include a high-level overview of capacity building, inclusion in remuneration structures and performance management and leadership communication, amongst others.	YES BANK has embedded Responsible Banking as a core plank that cuts across the functions and has focussed on fostering a culture of responsible banking through various policies and initiatives. Through Environment and Social Policy, the Bank creates a responsible lending culture. Through Environment and Management Policy, the Bank strengthens linkage between employee activities and environmental impact and drive employees to take the lead in minimising waste and optimising resource consumption.  The Bank further focus on building capacity through various e-learning and classroom training modules on various	Website: Responsible Banking https://www.yesbank.in/beyond-banking/ responsible-banking Environment Management System: Annual Report 19-20: 46
5.3 Governance Structure for Implementation of the Principles Show that your bank has a governance structure in place for the	sustainability topics The existing sustainability governance structure supports the implementation of the principles	Sustainability Council: Page 21
<ul><li>implementation of the PRB, including:</li><li>a) target-setting and actions to achieve targets set</li><li>b) remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected.</li></ul>		

Please provide your bank's conclusion/ statement if it has fulfilled the requirements regarding Governance Structure for Implementation of the Principles.



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## Principles for Responsible Banking

Reporting and Self-Assessment Requirements

High-level summary of bank's response

Reference(s)/Link(s) to bank's full response/ relevant information

# Principle 6: Transparency & 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.

1.1 Progress on Implementing the Principles for Responsible Banking

Show that your bank has progressed on implementing the six Principles over the last 12 months (up to 18 months in your first reporting after becoming a signatory) in addition to the setting and implementation of targets in minimum two areas (see 2.1-2.4).

Show that your bank has considered existing and emerging international/regional good practices relevant for the implementation of the six Principles for Responsible Banking. Based on this, it has defined priorities and ambitions to align with good practice.

Show that your bank has implemented/is working on implementing changes in existing practices to reflect and be in line with existing and emerging international/regional good practices and has made progress on its implementation of these Principles.

YES BANK initiated reporting on the alignment and implementation of Principles in FY2019 and became a signatory in September 19. From a governance perspective, the Bank has recently instituted Sustainability Council for providing strategic guidance over implementation of PRB at the Bank. The Bank has been working with other PRB signatories in developing, understanding and implementing methodologies and tools for comprehensive impact assessment and will conduct impact analysis in line with PRB requirement.

Corporate Governance: Page 10 Governance: Pages 21-23

Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing the Principles for Responsible Banking. The Bank is in progress on implementing the Principles and has disclosed its progress and status in line with the requirements.



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SDG	Business Theme	Relevant GRI Standard	Disclosure	Location of Disclosure
1. End poverty in all its forms	Earnings, wages and benefits	GRI 202: Market Presence	202-1	Given the Bank operates in a highly regulated and technical sector,
everywhere				all its employees are paid above minimum wages
	Economic development in	GRI 203: Indirect Economic Impacts	203-2	Annual Report 19-20: 29, 30, 41, 50, 51, 54-60, 62-65
	areas of high poverty			
	Management	GRI 204: Procurement Practices	204-1	Annual Report 19-20: 61, 62
	Access to land and other	GRI 413: Local Communities	413-2	The Bank is cognizant of its responsibility towards the society and
	resources			has developed and implemented various programmes and initiatives,
				including CSR programmes to create positive impact
2. End hunger, achieve food	Economic Value	GRI 201: Economic Performance	201-1	Annual Report 19-20: 41
security and improved		GRI 203: Indirect Economic Impacts	203-2	Annual Report 19-20: 29, 30, 41, 50, 51, 54-60, 62-65
nutrition and promote	Infrastructure investments	GRI 203: Indirect Economic Impacts	203-1	27, Annual Report 19-20: 29, 30, 41, 50, 51, 54-60, 62-65
sustainable agriculture	Indigenous rights	GRI 411: Rights of Indigenous Peoples	411-1	Considering the Bank's nature of business and locations, such impact
				is minimal
	Access to land	GRI 413: Local Communities	413-2	The Bank is cognizant of its responsibility towards the society and
				has developed and implemented various programmes and initiatives
				including CSR programmes to create positive impact
3. Ensure healthy lives and	Access to medicines	GRI 203: Indirect Economic Impacts	203-2	Annual Report 19-20: 29, 30, 41, 50, 51, 54-60, 62-65
promote wellbeing for all	Air quality	GRI 305: Emissions	305-1	33, Annual Report 19-20: 49
at all ages	• •		305-2	33, Annual Report 19-20: 49
•			305-3	33, Annual Report 19-20: 49
			305-6	33, Annual Report 19-20: 49
			305-7	33, Annual Report 19-20: 49
	Water quality	GRI 306: Effluents and Waste	306-1	Not reported since the issue is not identified as material by
	, ,			stakeholders.
	Waste	GRI 306: Effluents and Waste	306-2	Annual Report 19-20: 48
			306-4	Not reported since the issue is not identified as material by
				stakeholders.
	Spills	GRI 306: Effluents and Waste	306-3	As a service sector organisation, it is not material to the Bank
	Insurance	GRI 401: Employment	401-2	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
	Occupational health and	GRI 403: Occupational Health and	403-2	Not reported since the issue is not identified as material by
	safety	Safety		stakeholders.
			403-3	Not reported since the issue is not identified as material by
			.000	stakeholders.
	_			State Holder 5.



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SD	G	Business Theme	Relevant GRI Standard	Disclosure	Location of Disclosure
4.	4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	Management	GRI 102: General Disclosures	102-27	7, 10, 21, 22 Annual Report 19-20: 152, 153
		Employee training and education	GRI 404: Training and education	404-1	Annual Report 19-20: 76, 77
5.	Achieve gender equality	Women in leadership	GRI 102: General Disclosures	102-22	Annual Report 19-20: 146, 155-169
	and empower all women and girls			102-24	Annual Report 19-20: 116, 153-155
			GRI 405: Diversity and Equal Opportunity	405-1	Annual Report 19-20: 70, 79, 116, 153
		Economic Performance	GRI 201: Economic Performance	201-1	Annual Report 19-20: 41
		Gender equality	GRI 202: Market Presence	202-1	Annual Report 19-20: 187
			GRI 401: Employment	401-1	Annual Report 19-20: 79
			GRI 404: Training and Education	404-1	Annual Report 19-20: 76, 77
				404-3	100% (For employees joining on or before 30th September, exception cases need approval)
			GRI 405: Diversity and Equal Opportunity	405-1	Annual Report 19-20: 70, 79, 116, 153
				405-2	The ratio of basic salary for men and women at the Bank is 1:1
		Living Wage	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
		Infrastructure investments	GRI 203: Indirect Economic Impacts	203-1	27, Annual Report 19-20: 29, 30, 41, 50, 51, 54-60, 62-65
		Economic inclusion	GRI 204: Procurement Practices	204-1	Annual Report 19-20: 61, 62
		Non-discrimination	GRI 401: Employment	401-1	Annual Report 19-20: 79
			GRI 406: Non-discrimination	406-1	Annual Report 19-20: 70, 122
		Equal remuneration for women and men	GRI 401: Employment	401-2	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
		Parental leave	GRI 401: Employment	401-3	Annual Report 19-20: 79
		Supplier engagement	GRI 414: Supplier Social Assessment	414-1	Annual Report 19-20: 62
			• •	414-2	Given that the Bank operates in a highly regulated sector, no such suppliers were identified



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SDG	Business Theme	Relevant GRI Standard	Disclosure	Location of Disclosure
. Ensure availability and	Water withdrawal	GRI 303: Water	303-1	Annual Report 19-20: 48
Sustainable management	Impact of water withdrawal	GRI 303: Water	303-2	As a service sector organisation, no such sites affected
of water and sanitation	Recycle and reuse	GRI 303: Water	303-3	Annual Report 19-20: 48
for all	Water efficiency	GRI 303: Water	303-3	Annual Report 19-20: 48
	Impact on biodiversity and 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
			304-4	No such species identified
		GRI 306: Effluents and Waste	306-5	Given the Bank's sector and operational locations, no such sites identified
	Habitat protection or restoration	GRI 304: Biodiversity	304-3	Annual Report 19-20: 50, 51
	Water quality	GRI 306: Effluents and Waste	306-1	Not reported since the issue is not identified as material by stakeholders.
	Water discharge	GRI 306: Effluents and Waste	306-1	Not reported since the issue is not identified as material by stakeholders.
			306-5	Given the Bank's sector and operational locations, no such sites identified
	Waste and wastewater	GRI 306: Effluents and Waste	306-2	Given the Bank's nature of business, no such impacts identified
	Spills	GRI 306: Effluents and Waste	306-3	As a service sector organisation, it is not material to the Bank
Ensure access to	Economic Value	GRI 201: Economic Performance	201-1	Annual Report 19-20: 41
affordable, reliable,	Infrastructure investments	GRI 203: Indirect Economic Impacts	203-1	27, Annual Report 19-20: 29, 30, 41, 50, 51, 54-60, 62-65
sustainable and modern energy for all	Energy consumption	GRI 302: Energy	302-1	32, 33, Annual Report 19-20: 49
			302-2	33
	Energy production	GRI 302: Energy	302-1	32, 33, Annual Report 19-20: 49
	Energy efficiency	GRI 302: Energy	302-2	33
			302-3	33, Annual Report 19-20: 49
	Energy reduction	GRI 302: Energy	302-4	33, Annual Report 19-20: 49
			302-5	27, 33, Annual Report 19-20: 49
	<del></del>			



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## SDG Compass

DG	Business Theme	Relevant GRI Standard	Disclosure	Location of Disclosure
8. Promote sustained,	Freedom of association and	GRI 102: General Disclosures	102-41	As there are no unions, no collective bargaining agreements exist
inclusive and sustainable Economic growth, full and	collective bargaining	GRI 407: General Disclosures	407-1	Given the nature of business the Bank is in, no such operations or suppliers are identified
productive employment	Employment and workforce	GRI 102: General Disclosures	102-8	
and decent work for all	Employment and workforce	GRI 202: Market Presence		Annual Report 19-20: 79, 192
			202-2	Annual Report 19-20: 187
		GRI 401: Employment	401-1	Annual Report 19-20: 79
		GRI 405: Diversity and Equal	405-1	Annual Report 19-20: 70, 79, 116, 153
	Francomic Value	Opportunity  CRI 201: Economic Porformance	201 1	Approx 10 20 41
	Economic Value	GRI 201: Economic Performance	_ 201-1	Annual Report 19-20: 41
	Remuneration and benefit	GRI 202: Market Presence	202-1	Given the Bank operates in a highly regulated and technical sector, all its employees are paid above minimum wages
		GRI 401: Employment	401-2	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
		GRI 405: Diversity and Equal Opportunity	405-2	The ratio of basic salary for men and women at the Bank is 1:1
	Indirect economic impact	GRI 203: Indirect Economic Impacts	203-2	Annual Report 19-20: 29, 30, 41, 50, 51, 54-60, 62-65
	Local procurement	GRI 204: Procurement Practices	204-1	Annual Report 19-20: 61, 62
	Material efficiency	GRI 301: Materials	301-1	Annual Report 19-20: 46-49
	•		301-2	As the Bank is a service sector organisation, this is not a material
				issue
	Extended producer responsibility	GRI 301: Materials	301-3	As the Bank is a service sector organisation, this is not a material issue
	Energy efficiency	GRI 302: Energy	302-1	32, 33, Annual Report 19-20: 49
	3	33	302-2	33
			302-3	33, Annual Report 19-20: 49
			302-4	33, Annual Report 19-20: 49
			302-5	27, 33, Annual Report 19-20: 49
	Water efficiency	GRI 303: Water	303-3	Annual Report 19-20: 48
	Employment condition	GRI 401: Employment	- <del>303 3</del> 401-1	Annual Report 19-20: 79
	Parental leave	GRI 401: Employment	401-3	Annual Report 19-20: 79
	Labor relations /	GRI 402: Labour Management	402-1	No unions exist in the Bank. The notice period for all employees is
	management	Relations		3 months

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SDG	Business Theme	Relevant GRI Standard	Disclosure	Location of Disclosure
	Occupational health and	GRI 403: Occupational Health and	403-1	Annual Report 19-20: 71
	safety	Safety	403-2	Given that the Bank is a service sector organisation, this is not a material issue
			403-3	Given that the Bank is a service sector organisation, this is not a material issue
			403-4	The Bank is not in any such safety agreement
	Training and education	GRI 404: Training and Education	404-1	Annual Report 19-20: 76, 77
			404-2	Annual Report 19-20: 73-77
			404-3	100% (For employees joining on or before 30th September, exception cases need approval)
	Corporate governance body	GRI 405: Diversity and Equal	405-1	Annual Report 19-20: 70, 79, 116, 153
		Opportunity	405-2	The ratio of basic salary for men and women at the Bank is 1:1
	Non-discrimination	GRI 406: Non-discrimination	406-1	Annual Report 19-20: 70, 122
	Children and younger worker protection	GRI 408: Child Labor	408-1	Annual Report 19-20: 192
	Abolition of child labor	GRI 408: Child Labor	408-1	Annual Report 19-20: 192
	Elimination of forced labor	GRI 409: Forced or Compulsory Labor	409-1	Annual Report 19-20: 192
	Labor practices in the supply	GRI 414: Supplier Social Assessment	414-1	Annual Report 19-20: 62
	chain		414-2	Given that the Bank operates in a highly regulated sector, no such suppliers were identified
9. Build resilient	Economic value	GRI 201: Economic Performance	201-1	Annual Report 19-20: 41
infrastructure, promote	Infrastructure investments	GRI 203: Indirect Economic Impacts	203-1	27, Annual Report 19-20: 29, 30, 41, 50, 51, 54-60, 62-65
inclusive and sustainable industrialisation and foster innovation	Expenditure and investment	GRI 203: Indirect Economic Impacts	203-1	27, Annual Report 19-20: 29, 30, 41, 50, 51, 54-60, 62-65
10. Reduce inequality within	Equal opportunity	GRI 102: General Disclosures	102-8	Annual Report 19-20: 79, 192
and among countries		GRI 401: Employment	401-1	Annual Report 19-20: 79
	Economic value	GRI 203: Indirect Economic Impacts	203-2	Annual Report 19-20: 29, 30, 41, 50, 51, 54-60, 62-65
	Training and education	GRI 404: Training and Education	404-1	Annual Report 19-20: 76, 77
			404-3	100% (For employees joining on or before 30th September, exception cases need approval)
	Remuneration and benefit	GRI 405: Diversity and Equal Opportunity	405-2	The ratio of basic salary for men and women at the Bank is 1:1



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SDG	Business Theme	Relevant GRI Standard	Disclosure	Location of Disclosure
11. Make cities and human Settlements inclusive, safe, resilient and sustainable	Infrastructure investment	GRI 203: Indirect Economic Impacts	203-1	27, Annual Report 19-20: 29, 30, 41, 50, 51, 54-60, 62-65
12. Ensure sustainable	Material efficiency	GRI 301: Materials	301-1	Annual Report 19-20: 46-49
Consumption and production patterns			301-2	As the Bank is a service sector organisation, this is not a material issue
	Extended producer responsibility	GRI 301: Materials	301-3	As the Bank is a service sector organisation, this is not a material issue
	Energy efficiency	GRI 302: Energy	302-1	32, 33, Annual Report 19-20: 49
			302-2	33
			302-3	33, Annual Report 19-20: 49
			302-4	33, Annual Report 19-20: 49
			302-5	27, 33, Annual Report 19-20: 49
	Water efficiency	GRI 303: Water	303-3	Annual Report 19-20: 48
	GHG emissions	GRI 305: Emissions	305-1	33, Annual Report 19-20: 49
			305-2	33, Annual Report 19-20: 49
			305-3	33, Annual Report 19-20: 49
	ODS emissions	GRI 305: Emissions	305-6	33, Annual Report 19-20: 49
	Air pollution	GRI 305: Emissions	305-7	33, Annual Report 19-20: 49
	Water management	GRI 306: Effluents and Waste	306-1	Not reported since the issue is not identified as material by stakeholders.
	Waste management	GRI 306: Effluents and Waste	306-2	Annual Report 19-20: 48
			306-4	As a service sector organisation, it is not material to the Bank
	Spills	GRI 306: Effluents and Waste	306-3	As a service sector organisation, it is not material to the Bank
	Product information	GRI 417: Marketing and Labeling	417-1	25, 26, 33, 34



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SDG	Business Theme	Relevant GRI Standard	Disclosure	Location of Disclosure
13. Take urgent action to	Energy efficiency	GRI 302: Energy	302-1	32, 33, Annual Report 19-20: 49
combat climate change and			302-2	33
its impacts*  * Acknowledging that the United			302-3	33, Annual Report 19-20: 49
Nations Framework Convention			302-4	33, Annual Report 19-20: 49
on Climate Change is the primary			302-5	27, 33, Annual Report 19-20: 49
international, intergovernmental forum for negotiating the global	GHG emissions	GRI 305: Emissions	305-1	33, Annual Report 19-20: 49
response to climate change.			305-2	33, Annual Report 19-20: 49
			305-3	33, Annual Report 19-20: 49
			305-4	33, Annual Report 19-20: 49
			305-5	33, Annual Report 19-20: 49
	Risks and opportunities due to climate change	GRI 201: Economic Performance	201-2	18-28
4. Conserve and sustainably use the oceans, seas and	Impact on biodiversity and habitat	GRI 304: Biodiversity	304-1	Given the Bank's sector and operational locations, no such sites identified
marine resources for			304-2	Given the Bank's nature of business, no such impacts identified
sustainable development		GRI 306: Effluents and Waste	306-5	Given the Bank's sector and operational locations, no such sites identified
	Habitat protection or	GRI 304: Biodiversity	304-3	Annual Report 19-20: 50, 51
	restoration		304-4	No such species identified
	Biodiversity and ecosystem	GRI 304: Biodiversity	304-4	No such species identified
	GHG emissions	GRI 305: Emissions	305-1	33, Annual Report 19-20: 49
			305-2	33, Annual Report 19-20: 49
			305-3	33, Annual Report 19-20: 49
			305-4	33, Annual Report 19-20: 49
			305-5	33, Annual Report 19-20: 49
	Air pollution	GRI 305: Emissions	305-7	33, Annual Report 19-20: 49
	Water discharge	GRI 306: Effluents and Waste	306-1	Not reported since the issue is not identified as material by stakeholders.
	Spills	GRI 306: Effluents and Waste	306-3	As a service sector organisation, it is not material to the Bank



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Business Theme	Relevant GRI Standard	Disclosure	Location of Disclosure
Impact on biodiversity and 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
		304-4	No such species identified
	GRI 306: Effluents and Waste	306-5	Given the Bank's sector and operational locations, no such sites identified
Habitat protection or restoration	GRI 304: Biodiversity	304-3	Annual Report 19-20: 50, 51
GHG emissions	GRI 305: Emissions	305-1	33, Annual Report 19-20: 49
		305-2	33, Annual Report 19-20: 49
		305-3	33, Annual Report 19-20: 49
		305-4	33, Annual Report 19-20: 49
		305-5	33, Annual Report 19-20: 49
Air pollution	GRI 305: Emissions	305-7	33, Annual Report 19-20: 49
Spills	GRI 306: Effluents and Waste	306-3	As a service sector organisation, it is not material to the Bank
Grievance mechanisms	GRI 103: Management Approach	103-2-c-vi	Annual Report 19-20: 84, 85
	GRI 102: General Disclosures	102-17	Annual Report 19-20: 116, 117, 170, 172, 173
Ethical and lawful behavior	GRI 102: General Disclosures	102-16	10, 11, 47 Annual Report 19-20: 61, 62, 146, 172, 184
Inclusive decision making	GRI 102: General Disclosures	102-21	12-17, 21, 22, Annual Report 19-20: 52, 161, 162
		102-22	Annual Report 19-20: 146, 155-169
		102-24	Annual Report 19-20: 116, 153-155
		102-29	Annual Report 19-20: 36-39, 110-112
		102-37	Annual Report 19-20: 124, 256-259
Effective, accountable and	GRI 102: General Disclosures	102-23	Annual Report 19-20: 151, 152, 155-169
transparent governance		102-25	Annual Report 19-20: 251, 252
Anti-corruption	GRI 205: Anti-corruption	205-1	Annual Report 19-20: 190
		205-2	Annual Report 19-20: 190
		205-3	Annual Report 19-20: 190
	GRI 415: Public Policy	415-1	Annual Report 19-20: 195
	Impact on biodiversity and ecosystems  Habitat protection or restoration GHG emissions  Air pollution Spills Grievance mechanisms  Ethical and lawful behavior Inclusive decision making  Effective, accountable and transparent governance	Impact on biodiversity and ecosystems  GRI 304: Biodiversity  GRI 306: Effluents and Waste  Habitat protection or restoration  GHG emissions  GRI 305: Emissions  Air pollution  Spills  GRI 305: Emissions  GRI 306: Effluents and Waste  GRI 306: Effluents and Waste  GRI 306: Effluents and Waste  GRI 102: General Disclosures  Ethical and lawful behavior Inclusive decision making  GRI 102: General Disclosures  GRI 103: Anti-corruption  GRI 205: Anti-corruption	Impact on biodiversity and ecosystems   GRI 304: Biodiversity   304-1



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SDG	Business Theme	Relevant GRI Standard	Disclosure	Location of Disclosure
	Compliance with laws and	GRI 206: Anti-competitive behavior	206-1	Annual Report 19-20: 196, 197
	regulations	GRI 307: Environmental compliance	307-1	Annual Report 19-20: 195
		GRI 416: Customer Health and Safety	416-2	9
		GRI 417: Marketing and Labeling	417-2	The Bank operates in a highly regulated sector with strong systems, and no such incidents were reported.
			417-3	The Bank operates in a highly regulated sector with strong systems, and no such incidents were reported.
		GRI 418: Customer Privacy	418-1	Annual Report 19-20: 246, 263, Nil awards passed by the Banking Ombudsman, No. of complaints from customers – 21, No. of complaints from regulators - 3
		GRI 419: Socioeconomic compliance	419-1	Annual Report 19-20: 246
	Non-discrimination	GRI 406: Non-discrimination	406-1	Annual Report 19-20: 70, 122
	Abolition of child labor	GRI 408: Child Labor	408-1	Annual Report 19-20: 192
	Security	GRI 410: Security Practices	410-1	External experts provide requisite training to security personnel
	Workplace violence and	GRI 414: Supplier Social Assessment	414-1	Annual Report 19-20: 62
	harassment		414-2	Given that the Bank operates in a highly regulated sector, no such suppliers were identified
	Protection of privacy	GRI 418: Customer Privacy	418-1	Annual Report 19-20: 246, 263, Nil awards passed by the Banking Ombudsman, No. of complaints from customers – 21, No. of complaints from regulators - 3
17. Strengthen the means of Implementation and revitalise the global partnership for sustainable development	Economic value	GRI 203: Indirect Economic Impacts	203-2	Annual Report 19-20: 29, 30, 41, 50, 51, 54-60, 62-65



Best Corporate Trade Finance Deal (India) & Best Financial Supply Chain Management (India)

**The Asian Banker Bankers Choice Awards 2019** 

MSME Bank of the Year **ABF Retail Banking** Awards 2019

Best Public Health/ Safety (Silver) & Environmental Behavior Change (Bronze)

The ACEF Asian Leaders **Awards for Excellence in CSR** 



Cyber Security

The Banker's Tech Projects Awards 2019



The Asset Triple A Asia Infrastructure Awards 2019

Domestic Cash Management Bank of the Year, Domestic Trade Finance Bank of the Year & India Domestic Project Finance Bank of the Year (India)

**ABF Wholesale Banking** Awards 2019

Constituent of the FTSE4Good Emerging Index **FTSE Russell** 

Best Bond Adviser (India) & Best Green Bond (India) The Asset Triple A Country Awards 2019

Best Bank in India for SMEs

Asiamoney Country Awards, 2019

Best Project in the Health and Sanitation The CSR Journal Excellence

Award

Approved as "Accredited Entity

Green Climate Fund (GCF)

Best Trade Finance Bank (India)

The Asian Banker Transaction Awards 2019

Innovators in Trade Finance & 25 Best Financial Innovation Labs (YES FINTECH)

The Innovators 2019

Safe Drinking Water - Platinum Award

The Apex India Excellence Award 2019

Rating upgraded from 'C' (Awareness Band) to 'A-' (Leadership Band)









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