



# Contents







# About YES BANK

*YES BANK is a full service commercial bank offering a comprehensive suite of products and services to its retail, MSME and corporate customers. Customer-centric and service-driven since inception, the Bank is taking confident strides into the future by blending its wide physical reach with digital capabilities to provide differentiated offerings, in line with India's evolving banking needs.*



## NEW AGE PRIVATE SECTOR BANK

Total Assets of ₹ **273,543 crore**, with Advances of ₹ **166,893 crore** (49% Corporate and 51% MSME and Retail)



## DIFFERENTIATED TECHNOLOGY PLATFORM

Market leader within Payments

-#1 IMPS Remitter Bank

-#1 in UPI P2M transactions with share in overall transactions at ~41% market share -AePS 19% market share in transaction volume (Basis off-us transactions)



## YOUNG ENTERPRISING WORKFORCE

22,270 YES BANKers with a vintage of **9 years** for Top management and **8 years** for Senior Management



## PAN-INDIA PRESENCE

**1,070** Branches, **72** BC banking outlets and **1,340** ATMs



# About this Report

*This Sustainability Report titled 'Advancing Responsible Banking – Driving CHANGE Today to Create a RESILIENT Tomorrow' comprehensively captures the successful implementation of YES BANK's integrated vision of contributing to a sustainable economy and its continuous endeavor to create value for its stakeholders, while demonstrating exemplary performance across environmental, social, and governance aspects.*

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

This Sustainability Report gives an account of YES BANK's triple bottom line performance for the period April 1, 2020 to March 31, 2021, as per the annual financial reporting cycle adopted by the Bank.

Prior to this, the Bank had released its previous Report, 'Reinforcing Responsible Banking, to build a Resilient Future', for the FY 2019-20, from April 1, 2019 to March 31, 2020. This Report includes one re-statement from the previous year.

## SUSTAINABILITY DISCLOSURE APPROACH

**This year, the sustainability disclosures continue to be:**

- Aligned with Task Force on Climate-related Financial Disclosures (TCFD) recommendations
- UN Principles for Responsible Banking (PRB)
- In accordance with GRI Standards: 'Comprehensive' option
- Assured by a Third Party (see assurance statement on [Page 74](#))

For the purpose of defining the report content, GRI Reporting Principles (Stakeholder Inclusiveness, Sustainability Context, Materiality and Completeness) have been adopted.

**The sustainability disclosure approach has been described below:**



\*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 34](#))

## SCOPE AND BOUNDARY

### Offices and Locations

- **Head Office#:** YES BANK House, Off Western Express Highway, Santacruz East, Mumbai - 400055
- Corporate Offices, National Operating Centers (NOC) in Mumbai and Gurugram, National Centralized Operations Management and Services Delivery facility in Chennai
- IFSC Banking Unit (IBU) in Gujarat International Finance Tec-City (GIFT)
- **1,070 branches** and **1,340\* ATMs** across **29 states** and **7 union territories** of India (as on March 31, 2021)
- 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 2020-21 and is outside the purview of this report. This Report includes information pertaining to YES BANK Limited unless specified otherwise.

Best efforts have been put forward 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 information and data that has been provided by its Business Units and support functions, validated by internal stakeholders, including members of the Bank's top management.

## 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 Mr. Niranjana Banodkar, Chief Financial Officer, YES BANK, at [responsible.banking@yesbank.in](mailto:responsible.banking@yesbank.in).



#Head Office as on March 31, 2021 was YES BANK Tower, ONE International Center, Tower - II, 15th Floor, Senapati Bapat Marg, Elphinstone (W), Mumbai 400 013, India

\*Includes CRMs and BNA as on March 31, 2021

# CEO Reflections: Driving Sustainable Transformation to Build Resilience

## Dear Valued Stakeholder,

I am pleased to share with you YES BANK's Sustainability Report for FY 2020-21, **'Advancing Responsible Banking – Driving Change Today to Create a Resilient Tomorrow'**, capturing our journey of transformation to create a sustainable and resilient franchise. The report provides a snapshot of the Bank's economic, environmental, social and governance performance, with an overview of the various initiatives undertaken during the year to create shared value.

**“** While climate continues to be one of the biggest threats, other environmental and social risks are also on a rise, with impacts being experienced by governments, businesses, and individuals alike. Increasing cognizance of environmental, social and governance (ESG) concerns is changing the market dynamics and having a direct influence on economic equation.

This report comes at a time when the world is witnessing 'unprecedented' scenarios. The recently released Intergovernmental Panel on Climate Change report has reiterated the severity of the ongoing climate emergency, with the U.N. Secretary General describing it as 'code red for humanity'. Climate change is making the world warmer and increasing the frequency and severity of extreme weather events, evident from the deadly heatwaves in US and Canada and floods in parts of Western Europe. India too, is particularly vulnerable and is grappling with the challenges posed by climate change. While climate continues to be one of the biggest threats, other environmental and social risks are also on a rise, with impacts being experienced by governments, businesses, and individuals alike. Increasing cognizance of environmental, social and governance (ESG) concerns is changing the market dynamics and having a direct influence on economic equation. As the world ramps up efforts to mitigate these risks and leverage the ascending opportunities, building future-ready financial markets holds utmost importance. Banks and financial institutions, being central to an economy, will have a key role to play in ensuring resilient recovery from the pandemic and accelerating transition to a sustainable economy.

**Prashant Kumar**

Managing Director & CEO





Appreciatively, we have witnessed exciting developments in mainstreaming sustainability into the financial fabric. The sector is channelizing efforts to shift towards responsible investments, evident from the rise in collaborative platforms including Net-Zero Banking Alliance, Taskforce on Nature-related Financial Disclosures, Net-Zero Asset Owner Alliance, and Finance for Biodiversity Pledge. Closer to home in India, notable recent developments include the Central Bank joining the Network for Greening the Financial System and the Market Regulator enhancing the scope of mandatory reporting on ESG. Clearly, these are steps in the positive direction and will assist countries glide on a sustainable development pathway. Going forward, there is a need to **reorient** the existing financial systems to focus on mobilization, **redirect** capital flows away from areas that accelerate climate change and aggravate inequalities and **realign** market priorities from the silos of short-term financial profit to long-term sustainable growth.

### Spearheading innovative solutions to address global challenges

At YES BANK, in line with our 'Responsible Banking' ethos, we are committed to champion the challenges posed by climate change and seize the opportunities arising out of the sustainable transition. The Bank constantly strives to mainstream sustainability in core business strategy, while mitigating the risks arising out of an ESG-driven business landscape. By endorsing global commitments, emulating benchmark practices around ESG and climate action, greening internal operations and curating policy advocacy platforms, the Bank has made significant strides to accelerate sustainable development.

During the year, YES BANK continued to chart out a sustainable growth trajectory through lending and advisory in green sectors like renewable energy and electric mobility, addressing regulation barriers through constant engagement with ecosystem stakeholders, fostering partnerships to drive collective action, developing internal capacity and piloting methodologies for assessment of ESG and climate risks. In FY 2020-21, YES BANK became the only Indian Bank to endorse support to Physical Risk & Resilience Commitment, aimed at mainstreaming climate risk measurement and disclosures. The Bank also engaged as an Informal Working Group member with the Taskforce on Nature-related Financial Disclosures (TNFD) to work towards nature-related disclosures. YES BANK partnered with the Global Center on Adaptation through its Youth Leadership Program to mobilize climate action by empowering youth. In order to align with global decarbonization pathways, the Bank applied Science Based Targets Initiative (SBTi) methodology to measure its attributable financed emission for its electricity generation sector exposure (project finance and corporate loans) and is developing targets to reduce emissions. During the year, the Bank has also catalyzed discussions at the sectoral level through dialogues around climate finance, sustainable & responsible investments and ESG Disclosures.

Internally, the Bank continued its focus on enhancing resource efficiency and implementing environment friendly practices by strengthening implementation of ISO 14001:2015 standard for Environmental Management System and undertaking digital and paperless banking initiatives. The Bank has further strengthened governance structure for ESG practices by constituting an Executive

level Sustainability Council to oversee the implementation of the Bank's sustainability and climate strategy. The Bank also created the Diversity & Inclusion (D&I) Council with the objectives of embracing diversity and inclusion as drivers for employee satisfaction as well as organizational innovation, value, and growth. As a testament to the Bank's robust ESG performance, the Bank became the only Indian Bank to be included among the 100 Best Emerging Market Performers ranking by V.E, part of Moody's ESG Solutions. The Bank also continued to be rated 'A-' (Leadership Band) by CDP for its 2020 Climate Change disclosures, and maintain its 'Prime' status by ISS ESG.

### Accelerating the Momentum

Going forward, the Bank will continue to play the role of a proactive catalyst and drive action on global and country-level sustainable development priorities through relentless commitment, controls, and collaboration.

On behalf of the entire leadership team, I thank all of you once again for the unwavering support and placing trust in YES BANK. I am certain that together we will be able to co-create solutions to galvanize action on global priorities and create a progressive, inclusive, and sustainable world.

Sincerely,



**Prashant Kumar**

Managing Director & CEO

**YES BANK**

# COVID-19 Response

*Taking optimal action to ensure the health of our employees, customers and communities has been a top priority and an ongoing process at the Bank since March 2020, when COVID-19 first necessitated lockdowns. Up until today, YES BANK continues to take – and appropriately revise – measures to ensure the safety and health of the YES BANK family as well as our larger community.*



## FOR EMPLOYEES

*Aware of the severity of the second wave of COVID-19 infections and the onslaught brought on by the Delta variant, YES BANK intensified its efforts to support employees in all possible manner. It commenced and continues to host an array of initiatives to help staff communities navigate these unprecedented times.*

YES BANK has ensured a safe and supportive working environment for employees and safe banking spaces for customers, especially those at maximum risk of being affected by COVID-19, by:

- stepping in to make key interventions at the right time
- staying responsive to changes in safety guidelines and regulations, and
- simultaneously evolving processes and systems to best suit the dynamic situation

**Minimizing exposure with work flexibility:** Necessary infrastructure support as well as IT and security support have been provided to ensure that the employees continue working from the safety of their homes. The Bank has worked with agility to operate its branches and call centers with minimal staff to minimize exposure. The Bank is also transitioning to a 'Work From Anywhere' model to support more employees.

The Bank has organized training sessions to help employees adapt to a remote working set up. To ensure work efficiency, YES BANK continues to invest in strengthening IT infrastructure and digital platforms to complement its electronically linked physical branch network.



**Sanitized spaces:** The Bank has formulated a clear standard operating procedure (SOP) outlining the necessary behavioral changes along with interventions needed at various touch points—maintaining a safe physical distance, taking steps to avoid crowding on office premises, use of hand sanitizers and face masks, and so on.

**Ensuring holistic wellness with a taskforce, helpline and fitness sessions:** The Bank partnered with healthcare providers to launch a dedicated COVID-19 helpdesk, with a hot line number, which can be reached at all hours of day and night by any YES BANKer. Under this key initiative, complimentary medical support services are available to YES BANKers and in some cases their families. The services range from complimentary online consultation with doctors as well as psychologists and counsellors for physical as well as mental well-being, to enrolment of family members for such support, ambulance booking and hospital coordination, quarantine aid with tie-ups to ensure hotel rooms at affordable tariffs, home isolation support, RT-PCR tests, medical equipment on rent, and so on. The Bank has also set up health centers across key locations so that trained paramedics, doctors and dieticians are accessible to employees at various offices of the Bank. Live fitness sessions are also conducted online in collaboration with professionals on wellness practices and meditation.

**Enhanced insurance cover:** The Bank has extended several medical benefits, insurance coverage and other related facilities, including an increase in cover for COVID-19 hospitalization and home quarantine coverage for self and family. In the unfortunate event of an employee's demise, the Bank has extended an immediate ex gratia of two months' salary to their family, and also a job offer to a family member. This is in addition to all other financial support that will be extended to the

deceased employee's family as part of insurance covers available to the employee.

**Vaccination drive:** Under an ongoing vaccination drive, the Bank, at key locations, is organizing and bearing the cost of vaccination of employees, on-site vendor staff and employees' families.

**Relief Program:** Acknowledging that our COVID-19-hit colleagues not only need comforting and encouragement, but also our generosity and aid, the Bank has put in place an internal contribution drive for employees to volunteer financial aid for impacted colleagues who may have exhausted their financial resources due to hospitalization expenses for themselves or their loved ones. The Bank matches the overall contribution received from employees, by pledging an equal amount towards this fund.

**“ The Bank has put in place an internal contribution drive for employees to volunteer financial aid for impacted colleagues who may have exhausted their financial resources due to hospitalization expenses for themselves or their loved ones.**



## FOR COMMUNITIES

*YES BANK has responded to COVID-19 through partnerships and direct interventions across 15 states in India since March 2020, committing more than INR 25 crore towards immediate and long-term response to COVID-19.*

The Bank remains committed to the needs of citizens and continues to work alongside the government and health authorities to work towards enhancing community care with impactful initiatives to benefit or assist people in dire need at a strained time. While continuing key initiatives launched last year to safeguard and support communities, new collaborative projects were embarked upon to achieve this end.

Chief among these was our collaboration with an NGO to enable our customers to contribute medical oxygen to

patients struggling for life amid an acute shortage during the second wave of COVID-19 infections in 2021. Under the initiative, customers could redeem the reward points accumulated on their YES BANK debit and credit cards to donate oxygen cylinders to needy patients across several metro cities, using the online portal.

The Bank also launched a series of volunteering campaigns – Joy of Giving -- to virtually connect employees with senior citizens who were isolated and needed human companionship during the lockdown. The same campaign was extended to orphaned children as well as young professionals, who were stranded in the aftermath of COVID-19.

With the intention of helping local businesses get back on their feet after the lockdown, the Bank launched YES for Local, an initiative to support domestic homegrown businesses. Customers could benefit from online

deals, offers and discounts while shopping online with merchants listed with the Bank.

**Raising awareness in rural areas:** YES BANKers conducted multiple online awareness sessions for over 500 rural farmers on myths around COVID-19 vaccine and precautionary measures for children affected by COVID-19. Through our implementation partners, the Bank addressed vaccine hesitancy and extended support for registration on COWIN for farmers.

The Bank contributed to PM CARES Fund for strengthening health infrastructure and immediate relief and response.

Medical equipment was provided for COVID-19 management to Gujarat Cancer Society and Army hospital.

Dry ration and hygiene kits were provided to hundreds of families impacted due to loss of livelihoods.

Immediate relief was provided to children through medical and financial assistance and scholarships.

The Bank is working towards long-term economic security for the vulnerable by focusing on:

- Job-oriented skilling
- Incubating micro enterprises
- Promoting nano enterprises



## FOR CUSTOMERS

*As the country starts unlocking again and business activity recommences, YES BANK continues to prioritize customer well-being, launching contactless payments and implementing measures to provide a sanitized and disinfected environment for them to carry out their banking activities.*

This is in addition to ensuring that all our customers have a platform to conduct their day-to-day banking activities digitally, from the safety of their homes, apart from online support and access to finances.

A convenient digital solution launched by the Bank to make finance easily available to customers, safely and speedily, was 'Loan In Seconds', where YES BANK account holders could apply for a loan digitally, with the benefits of no documentation and instant disbursement.

Last year, given the need for easy access to liquidity, the Bank enabled digital overdrafts on fixed deposits. 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.

The Bank further continues to sustain a ramped-up remote access capability to cover critical activities during partial lockdowns.



# Strategic focus areas for driving sustainable growth

*There is a new awareness gaining ground, globally. An awareness that the environment, economy and society are not three separate entities, but interconnected elements of the same whole. The earth's environment and biosphere is the birthplace of human societies. Natural resources combined with human ingenuity form the bedrock of economic systems that provide essential goods and services for societies to thrive.*

**“** YES BANK has always been mindful of its environmental and social impacts, in line with its aim to achieve growth that is sustainable. In order to employ new and effective ways of integrating ESG considerations into its business, the Bank has constantly endeavoured to align its core business more closely with global frameworks such as the United Nation's Sustainable Development Goals (SDGs), the Paris Climate Agreement, and the Principles for Responsible Banking (PRB).

The transformations occurring on this continuum, have for far too long, been viewed and treated as mutually independent processes. Hence, economic growth has been seen as beneficial to the society even if it comes at the cost of destroying forests and biodiversity. Profits in the present, have been favoured over social unrest and environmental losses in the future. This mode of thinking, however, is fast changing. There is a growing understanding now that economies, societies and the environment are intrinsically linked and challenges or risks in one sphere invariably impact the others. The vitality of our economy is therefore contingent on the health of our natural ecosystems and well-being of our communities.

## WHAT IS SUSTAINABLE GROWTH?

Sustainable growth is economic growth that takes into account the ecological and social costs and impacts of economic activity, striking a fine balance between the three. The growing awareness about the unified nature of these systems, has led to demands from across stakeholder groups, for economies and businesses to better address the reciprocity that governs their relationship with nature and future societies. This in turn has led to a global call for Environmental, Social and Governance (ESG) risks and considerations to be

integrated into future growth models, to ensure that economic growth is not decoupled from environmental sustainability and social development.

## HOW DOES YES BANK DRIVE SUSTAINABLE GROWTH?

YES BANK has always been mindful of its environmental and social impacts, in line with its aim to achieve growth that is sustainable. In order to employ new and effective ways of integrating ESG considerations into its business, the Bank has constantly endeavoured to align its core business more closely with global frameworks such as the United Nation's Sustainable Development Goals (SDGs), the Paris Climate Agreement, and the Principles for Responsible Banking (PRB).

Given its nature of business and based on the feedback of its spectrum of stakeholders, the Bank has identified five strategic focus areas for driving sustainable growth. These five areas represent spheres of most significant impact across the Bank's value chain, stakeholders, and the Bank's overall sustainable growth strategy.





## Focus Area 1: ETHICS AND GOVERNANCE

*YES BANK is committed to achieve the highest standards of governance in all aspects of its business and to conform to global standards of ethics, integrity and transparency. Going beyond compliance, the Bank intends to address key ESG issues around diversity, human rights, privacy, corruption, climate change, amongst others, and make voluntary disclosures on how the Bank is integrating sustainability into its operations and governance structures.*

### What has YES BANK done?

- Constituted a Board comprising eminent and experienced banking professionals
- Strengthened governance, compliance and underwriting frameworks by demarcating roles and responsibilities, enhancing independence and accountability
- Revised the Bank's credit delegation matrix and enhanced the Board's involvement in credit decisions
- Segregated credit risk underwriting and risk oversight functions with a separate Chief Credit Officer (CCO) reporting to the MD & CEO and Chief Risk Officer (CRO) reporting to the Board
- Enhanced the size of Compliance Function. Internal Audit Department (IAD) now reporting directly to the Audit Committee of the Board for planning & reporting
- Promoted a culture of zero tolerance towards non-compliance, through employee communication and trainings on regulatory compliance
- Strengthened governance structure for ESG practices by constituting an Executive level Sustainability Council with oversight from the Corporate Social Responsibility Committee of the Board
- Continued to make comprehensive ESG disclosures aligned to GRI & IR; and climate disclosures aligned to Task Force on Climate-related Financial Disclosures (TCFD)
- Published Policies/ Statements/ Codes on Human Rights; Responsible Lending; Environmental Management; Anti-Bribery and Corruption; Data Protection; Whistle-Blower
- Created the YES BANK Diversity & Inclusion (D&I) Council





## Focus Area 2: PEOPLE

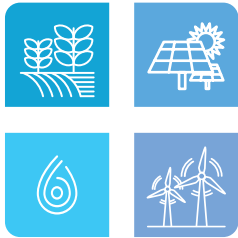
*As a service sector enterprise, Employees are not only one of the Bank's most critical stakeholder groups but also ambassadors of its core values of Trustworthiness, Transparency, Integrity, Accountability and Collaboration. By building a workplace that offers opportunities for training, development, growth and well-being, and through a culture that is inclusive, fair, empathetic and collaborative, the Bank intends to retain its workforce, attract new talent and strengthen its position as an employer of choice.*

### What has YES BANK done?

- Reduced Bank-wide attrition rate from 37.22% in FY20 to 26.22%
- Enhanced gender diversity with 18.5% women participation in workforce (4,120 permanent women employees out of 22,270 Full-Time Employees)
- Created the YES BANK Diversity & Inclusion (D&I) Council
- Conducted 4,712 training programmes – 8,96,195 man-hours of training attended by 22,067 employees; 40 man-hours of training, per executive
- Set-up a COVID-19 Task Force –
  - ▶ COVID Mediclaim Policy for all employees
  - ▶ Provided INR 20 lakh additional Term Life Insurance cover per employee
  - ▶ Enabled reimbursements on COVID-19 vaccination cost for employees and dependents
  - ▶ Instituted a 24\*7 Helpdesk to support YES BANKers with medical consultations, ambulance activation, counselling
  - ▶ Established medical centers for employees in 3 cities
- Rewarded 2,700+ employees through 'YES League of Excellence'
- Employees contributed 200+ volunteering hours across India through the Bank's employee volunteering initiative
- Employees contributed INR 21 lakh+ through the Bank's Payroll Giving programme







### Focus Area 3: **ENVIRONMENTAL STEWARDSHIP**

*YES BANK is cognizant of its environmental impacts and takes its responsibility towards climate action, seriously. The Bank continually endeavors to conserve its use of natural resources, reduce its GHG emissions and minimize its overall environmental footprint. The Bank also aims to address the potential environmental & climate risks & impacts of its lending activity, limit its portfolio emissions, and support sustainable sectors. The Bank also continues to work with stakeholders across the spectrum as a leading voice for climate transition, biodiversity conservation, and wider environmental disclosures.*

#### **What has YES BANK done?**

- Adopted an Environment and Social Policy (ESP) to assess and address potential environmental & social (E&S) risks associated with its lending activities
- Applied Science Based Targets Initiative (SBTi) method to measure its attributable financed emission for its electricity generation sector exposure (project finance and corporate loans) and is developing targets for alignment with global decarbonization pathways
- Received ISO 14001:2015 Environmental Management System certification for 8th year in a row (currently covering 732 facilities)
- Financed 950 MW of incremental solar capacity in FY21; 6.4 GW of RE projects financed, since 2015
- Achieved 5.3% reduction in emission intensity in FY21
- Digitized paper-based processes; switched to procuring 100% recycled paper (A4) for all internal operations and back-end processes, across India
- Introduced Loan in Seconds (LIS) platform for end-to-end digital loans, avoiding the potential use of approximately 5,04,540\* A4 sheets of paper\* (resulting in energy savings of 131.88 GJ)
- Conducted a pilot environmental and social assessment with 15 select strategic suppliers
- Rated 'A-' (Leadership Band) by CDP for 2020 Climate Change disclosures (second year in a row)
- Launched a Knowledge Report with IIT, Delhi on 'Impact of Climate Change on India'

- Organized the India Climate Finance Workshop with the Institute of International Finance
- Only Indian Bank Member of the Informal Working Group (IWG) for the Task Force on Nature-related Financial Disclosures (TNFD)
- Partnered the Global Center on Adaptation (GCA) for its Youth Leadership Program



*\*Estimated basis the process for manual loan sanction requiring an average of 90 A4 sheets per application*



## Focus Area 4: ROBUST BUSINESS GROWTH

*In line with its transformation, YES BANK has emerged as a stronger more resilient organization with customer centricity at the heart of its business strategy. The Bank has seen significant improvement in its operating performance and has strengthened its position in strategic areas of capital adequacy, liability generation, stressed assets recovery, retail & MSME-led growth, cost optimization and liquidity. The Bank remains focused on its priorities and aims to continue this momentum onwards and upwards in order to deliver on its strategic objectives while creating superior value for all its stakeholders.*



### What has YES BANK done?

- Successfully completed capital raise of INR 15,000 cr by way of Further Public Offering ('FPO') in FY21
- Significantly improved Capital Adequacy Ratio to 17.5% as at March 31, 2021 as compared to 8.5% as at March 31, 2020
- Increased deposits by 54.7% YoY to INR 1,62,947 cr as at March 31, 2021
- Decreased CD ratio to 102.4% as at March 31, 2021, down from 163% in March 2020
- Increased share of Retail & MSME to 51% of advances portfolio; Corporate advances at INR 81,778 cr in FY21
- Recorded INR 31,352 cr in Retail & SME disbursements; Wholesale Banking disbursements of INR 6,440 cr in FY21
- Recovered INR 4,933 cr from stressed assets pool
- Reduced Cost to Income ratio to 53.8% in FY21 (down from 65.7% in FY20)
- Improved Liquidity Coverage Ratio to 122% in FY21
- Increased Operating Profit by 41.5% YoY to INR 4,977 in FY21
- Book size of INR 3,580 crore in JLG Financing, MFI Lending and Farmer Financing in Rural India





## Focus Area 5

### DIFFERENTIATED PRODUCT SUITE & SERVICE QUALITY

*With its eye on the future, YES BANK aims to harness its digital leadership and knowledge banking approach as a means to enhance its customer experience. The Bank continues to invest significantly in new-age mediums and digital technologies such as machine learning and robotics that can enable its customers to bank remotely, receive personalized solutions, and experience a superior, digital-first service. The Bank also continues to leverage its specialized knowledge across emerging businesses such as smart cities, urban infrastructure, e-mobility, food & agri, amongst others to create new banking opportunities and deepen relationships with key customer segments.*

### What has YES BANK done?

- Received 528 new Digital Banking mandates in FY21
- Launched a suite of innovative digital platforms to drive engagement and cross-sell
- Achieved a market share of 40.6% in UPI payments
- Continued its No. 1 position as Remitter bank for IMPS transactions (as per NPCI among peer banks)
- Achieved 22.96% growth in YES Mobile registered user base YoY
- Launched Loan in seconds (LIS) platform for end-to-end digital loans
- Launched WhatsApp Banking – AI-enabled personal Banking assistant, powered by YES ROBOT with 24\*7 availability
- Launched YES Online, the Bank's new retail net banking platform
- Launched Micro ATMs through YES MONEY channel to compliment Aadhaar based cash withdrawal services
- Setup a Centralized Data, Analytics and Governance (CDAG) team
- Recruited 300 profiles across technology, product, digital, analytics background in FY21
- Supported states of Punjab, Rajasthan, Telangana and Goa in developing EV Policies
- Launched Knowledge Reports on Climate Change; Dairy Livestock & Fisheries; Tourism
- Supported 12+ city/ state transport undertakings, smart cities, and ULBs adopt e-buses and set up EV charging





# Changing Global Scenario

## ESG: Recalibrating traditional growth models

*We live in a complex and interconnected world where the evolving Environmental, Social and Governance (ESG) landscape is re-defining the way Governments operate, businesses flourish and Financial Institutions mobilize finance and meet their customer needs. 2020 being an unprecedented year was a testimony to this fact, where the world witnessed a pandemic, economic downturn, and ever-worsening climate crises. Several other material ESG risks as highlighted in the Global Risks Report 2021 include digital inequality, digital power concentration, cybersecurity failure, livelihood, and debt crisis, to name a few.*



Given that the rules of the game are changing, it is certain that the traditional economic and business growth models require an overhaul, with a focused approach to address the mounting ESG risks and leverage the emerging opportunities. Amongst the environmental risks, there is a mounting global evidence that climate change poses significant threat and is putting a stress on the growth trajectory, with evident economic, social, and environmental implications. According to the World Meteorological Organization (WMO), the decade from 2011 to 2020 is the warmest recorded decade ever. Institutional bodies such as the Intergovernmental Panel on Climate Change (IPCC), International Energy Agency (IEA) and Network for Greening the Financial System (NGFS) have published research to establish interconnectedness between climate change and its impact on various industries and economy at large. Appreciatively, this growing awareness and snowballing scientific evidence has resulted in collective action by Governments, businesses, and individuals alike.

The United States of America has rejoined the Paris Agreement, China and Brazil have adopted net-zero targets, UK and New Zealand have mandated Taskforce on Climate-related Financial Disclosures (TCFD) reporting. Globally, businesses and financial institutions are adopting ambitious net-zero, biodiversity, and natural capital preservation targets. The rise in the number of commitments, industry standards and coalitions like the Taskforce on Nature-related Financial Disclosures, Net-Zero Banking Alliance and Net-Zero Asset Owner Alliance is a much-needed positive trend. In a similar stride, India too, which faces acute vulnerabilities due to the changing climate, has emerged as a strong force in the fight against climate change, evident from enabling policies, corporate action, and cutting-edge research to assess and quantify the adverse impacts. Truly, responding to the climate action call and achieving the global goals, needs enormous will, collaboration and mobilization of finance.

## Financial institutions to champion the vision of a universal, integrated, and transformative world

Financial Institutions, being central to an economy, have a key role to play in ushering an era of 'Green Capitalism' by realigning capital flows towards sustainable development priorities and away from areas that accelerate climate change and aggravate inequalities. Major collective action by the global financial sector is fundamental in driving successful implementation of the Paris Agreement and achievement of the Sustainable Development Goals (SDGs). The sector has shown enthusiasm and its agility is unchallenging. Now, the opportunity ahead is to be the champion that the world needs and respond with innovative initiatives, investments, technologies, and solutions to scale up sustainable business. Going forward, redefining and revising goals based on not just achievability but also ambition, will drive robust growth through:

- Serving the underserved markets and surmounting the developmental challenges
- Proactively tapping positive impact business and technological interventions that address climate change and other global goals
- Recalibrating internal strategy and processes including risk management, governance, transparency mechanisms
- Exploring uncharted territories with responsible finance at the core
- Collaborating with ecosystem players to achieve the shared goals

As a responsible Bank in an emerging economy, YES BANK truly believes that the vision of a sustainable and resilient world can be achieved when governments introduce conducive policies, financial sector gets involved in a substantive manner and comes forward with ambitious plans and individuals take stock of their own foot print.



*"ESG and responsible banking are taking hold rapidly in India and across the world. YES BANK's pioneering leadership in this space continues to set the pace in best-in-class standards. The Bank's unwavering commitment to ESG stewardship and responsible finance and banking is par excellence enabling a catalytic effect on the Indian Banking and Financing ecosystem narrative for the 21st century. The ongoing and concerted effort towards championing sustainable financing through its credit portfolio is exemplary and preserves the Bank's lineage within the green banking space. This cogent and thoughtful report provides transparency into the Bank's initiatives — on the progress that has been achieved and important future markers — in the true spirit of ESG disclosures for the benefit of all stakeholders."*

**Gayatri Chauhan**

Founder & CEO, BuzzOnEarth

President, GAIA The Earth Foundation

# Pathways to achieve Sustainable Development & YES BANK's 360° approach

*With growing demands for businesses to integrate ESG thinking into their business models, organizations are being called upon to redefine the paradigms of the 21<sup>st</sup> century economy. Given their role in the global financial system, financial institutions such as Banks are especially important in accelerating this momentum towards sustainable economics. YES BANK views this push towards ESG integration as an important development for the corporate sector, both from an ethical and financial perspective. The Bank has not only been committedly tracking developments in this space, but also wholeheartedly participating, and in many cases leading the transition towards the triple bottom line.*

## PATHWAYS TO ACHIEVE SUSTAINABLE DEVELOPMENT

Integrating ESG considerations into business requires a re-thinking of the business-as-usual approach. Traditional frameworks that prioritize profitability and returns over non-financial performance, may not be adequate to guide organizations towards understanding and embedding sustainability into business processes. As global ESG frameworks and standards emerge, YES BANK has identified 4 key pathways that the Bank continues to follow in order to build a sustainable business of the future.

### Pathway 1:

#### Reaching Net-Zero Emissions

*Climate change poses a significant challenge to economies globally, with India being especially vulnerable. YES BANK is committed to aligning its business to the Paris Climate Agreement's goal of limiting global temperature rise to 1.5 degrees Celsius, by reducing the carbon emissions intensity of its operations, measuring and limiting its financed emissions, and aligning its portfolio to the global 1.5-degree decarbonization pathway.*

### Pathway 2:

#### Driving positive SDG impact

*The United Nation's Sustainable Development Goals (SDGs) provide a holistic framework for sustainable development. Measuring how the Bank's business interacts and impacts the SDG's not only enables it to build a more sustainable franchise, but also empowers it to contribute to significant national priority areas, address negative impacts of the business, and play its part in building a more inclusive and sustainable society of the future.*

### Pathway 3:

#### Benchmarking ESG Performance & Disclosures

*The clarion call for ESG disclosures continues to grow louder, even as ESG reporting standards evolve and converge. Reporting on key emerging ESG indicators offers organizations a unique opportunity to develop a holistic view of their non-financial impacts, implement processes to improve ESG performance and benchmark it against global best practices and rating methodologies of national and global ESG Indices.*

### Pathway 4:

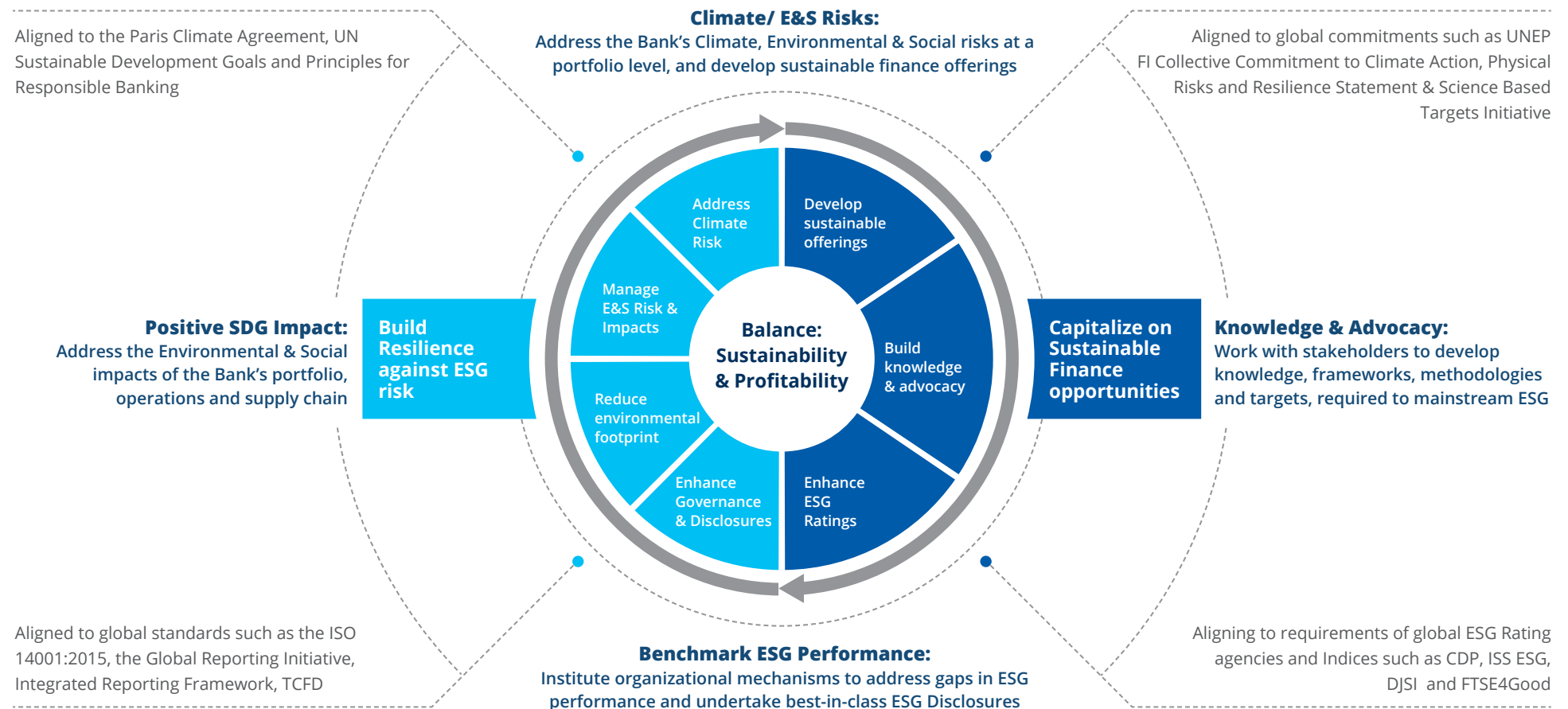
#### Knowledge sharing and Advocacy

*As the ESG landscape evolves, there is a growing need for frameworks and methodologies aimed at measuring, integrating and disclosing ESG risks such as climate risks. Working with governments, multilateral bodies, peers, the community and other stakeholders, to develop these frameworks gives organizations an opportunity to not only participate, influence and mainstream ESG thinking but also to learn, imbibe and share best practices.*



## YES BANK'S 360° SUSTAINABILITY APPROACH

In order to steadily progress along each of the four pathways and coherently integrate ESG considerations across its entire value chain, YES BANK has adopted a 360° approach to sustainability, comprising seven key elements, that together enable it to build resilience against ESG related risks, and mainstream sustainable finance.



## YES BANK'S PROGRESS ON PATHWAYS TO SUSTAINABLE DEVELOPMENT

By strategically interweaving key sustainability related elements into its business, the Bank has taken significant steps along each of the 4 pathways in its pursuit for sustainable and profitable growth.

Element	Progress			
	Pathway 1 <i>Reaching Net-Zero Emissions</i>	Pathway 2 <i>Driving positive SDG impact</i>	Pathway 3 <i>Benchmarking ESG Performance &amp; Disclosures</i>	Pathway 4 <i>Knowledge sharing and Advocacy</i>
<b>Address Climate Risk</b>	First Bank in India to use the SBTi methodology to measure its financed emissions and commit to aligning its electricity generation sector exposure, to the global 1.5-degree pathway	INR 575 cr in financing towards solar power projects in FY21. 950 MW of incremental solar capacity financed.  6.4 GW of RE projects financed, since 2015	Climate disclosures as per TCFD & CDP	Only Indian Member – ■ UNEP FI Commitment to Climate Action ■ UNEP FI and Global Commission on Adaptation Physical Risk & Resilience Statement ■ SBTi Expert Advisory Group
<b>Manage E&amp;S Risks &amp; Impacts</b>	Working towards including climate risk indicators in E&S assessments	Piloted the UNEP FI PRB Portfolio Impact Assessment tool to carry out an impact analysis of the Bank's Wholesale Banking (Corporate) portfolio and assess alignment with SDGs	Environment and Social Risk Policy for responsible lending	Only Indian Founding Member of the UNEP FI Principles for Responsible Banking
<b>Reduce Environmental Footprint</b>	Achieved a 5.3% reduction in emission intensity YoY (FY21)	Pilot environmental and social assessment with select strategic suppliers	Environmental Management Policy and ISO 14001:2015 certified Environmental Management System	Employee engagement campaigns on environmental awareness
<b>Enhance Governance &amp; Disclosures</b>	First Bank to align its sustainability disclosures to the Task Force on Climate-related Financial Disclosures (TCFD)	Reporting as per SDG Compass for FY17 to FY20	ESG disclosures aligned to Global Reporting Initiative; Integrated Reporting Guidelines; Principles for Responsible Banking; & TCFD	Organized a webinar on ESG Disclosures in the Indian context with Buzz on Earth
<b>Develop sustainable finance offerings</b>	Launched India's First Green Bond (2015) and Green Fixed Deposit product (2018) Approved as one of only 5 Accredited Entities by the Green Climate Fund, in India	Inclusive Social Banking and Microfinance Banking for rural unbanked. 9.8 lakh women customers part of Self Help Groups (SHGs) and Joint Liability Groups	Annual Green Bond Disclosures and Green Bond Impact Report	Member of the Task Force on Sustainable Finance constituted by the Department of Economic Affairs, Ministry of Finance
<b>Build knowledge &amp; Advocacy</b>	Organized the India Climate Finance Workshop in partnership with the Institute of International Finance  Launched a Knowledge Report on "Impact of Climate Change on Indian Economy", jointly with IIT Delhi	Supporting the development of NITI Aayog's SDG Impact Framework for the financial sector by KPMG	Only Indian Bank to be a member of the Informal Working Group (IWG) for the Task Force on Nature-related Financial Disclosures (TNFD), a global effort to increase the resilience of the economy and mainstream nature-related disclosures	Organized a webinar on ESG Investing with Carmignac to educate its clients  Partnered Global Center on Adaptation (GCA) for its Youth Leadership Program
<b>Enhance ESG Ratings</b>	Rated 'A-' (Leadership Band) by CDP for 2020 Climate Change disclosures (second year in a row)		Rated 'C' 'Prime Status' by ISS ESG	

## CLIMATE STRATEGY

YES BANK, in its constant quest, to mitigate the risks and leverage the opportunities arising out of a low carbon transition, has put in place a holistic and long-term roadmap. Guided by this blueprint, the Bank strives to respond to the global clarion call of climate action and contribute towards sustainable development. Key pillars of the strategy focus on:

### Financing low carbon transition opportunities

The Bank strives to mobilize finances towards low carbon transition opportunities in India, leveraging global green funds and green credit lines through innovative finance structures

### Building resilience from climate risk

Bank will develop robust framework for measuring and assessing material climate risk related to its lending operation and apply a climate lens to business decisions. Bank will strive to develop its capacity and understanding for assessing its portfolio under various scenarios and take actions to build climate resilience of its portfolio

### Sustainable Operations

The Bank will continue to reduce its carbon footprint and is committed to adopt industry best practices and standards such as ISO 14001 Environment Management System for managing/mitigating its operation's environmental impacts

### Policy advocacy, climate literacy, and robust disclosures

The Bank will engage with its stakeholders including clients, peer banks, regulators and Governments and climate scenario providers for accelerating low carbon transition. The Bank will leverage its association with global initiatives such as Partnership for Carbon Accounting Financials, UNEP FI Principles for Responsible Banking, Collective Commitment to Climate Action, Physical Risk and Resilience Commitment and Science Based Targets Initiatives, for developing forward-looking methodologies on climate assessment and integration. The Bank will align its disclosures to industry-best practices such as the TCFD recommendations.

## SCENARIO ANALYSIS

Methodologies and tools to link climate risk to traditional financial risk parameters, economic impact modelling, scenario analysis and stress testing are in early stages and are being progressively being explored through global collaboration. There are challenges that need to be addressed in terms of climate related data availabilities (such as frequency of climate events at good spatial resolution, regional and global impact on sector), availability of regional climate impact scenarios and holistic climate risk assessment tools and methodologies. To that extent, the Bank strives to be ahead of the curve through striving to build its capacity and understanding of financial impact of climate change and methodologies for scenario analysis.

As a start, the Bank has looked at methodologies and scenarios provided by the Science Based Targets Initiative for initiating assessment and taking concrete actions to align sub-portfolio (electricity generation) emissions with 1.5 degree scenario. The Bank would continue to build its capacity on this front, through piloting emerging methodologies and collaborating with regulators, peer banks, think tanks and data providers to accelerate developments at this front, both in regional and global context.



# Global Commitments



## ABOUT PRB

The Principles for Responsible Banking (PRB) provided the first-ever global sustainability framework for the banking industry. Signatories commit to aligning their business strategies to global goals such as the Sustainable Development Goals and the Paris Climate Agreement.

### YES BANK's Commitment

1. Through impact analysis, set, publish and disclose progress on minimum two targets to address two identified "areas of most significant impact"
2. Disclose the Bank's governance structure for implementing PRB and report progress on PRB implementation
3. Disclose how the Bank is aligning its business to SDGs and Paris Agreement and how it is working with stakeholders to implement sustainable practices

### Progress

Refer [page 87](#) for YES BANK's PRB disclosures



## ABOUT TASKFORCE ON NATURE-RELATED FINANCIAL DISCLOSURES (TNFD)

A global effort with a goal to provide a framework for organizations to report and act on evolving nature-related risks, in order to support a shift in global financial flows away from nature-negative outcomes and toward nature-positive outcomes.

### YES BANK's Commitment

Since September 2020, YES BANK has actively engaged as an Informal Working Group Member along with 74 other influential members across financial institutions, corporates, Governments and Consortiums, to outline the scope and workplan as well as launch the TNFD in June 2021.

### Progress

The TNFD has been successfully launched in June 2021 and has received a quadruple welcome from the G7, been positively referenced in the vision paper by the Network on Greening the Financial System (NGFS) on biodiversity and financial stability.



## ABOUT CCCA

The Collective Commitment to Climate Action (CCCA) is an ambitious global banking sector initiative supporting the transition to a net zero economy.

### YES BANK's Commitment

Align the Bank's portfolio to reflect and finance the low-carbon economy to limit global warming to well below 2, striving for 1.5 degrees Celsius

Set and publish sector-specific, scenario-based targets for portfolio alignment by 2022

Commence, publish and implement measures to accelerate shift towards low-carbon, climate-resilient technologies, business models and societies by 2020

### Progress

[https://www.yesbank.in/pdf/yes\\_bank\\_reaffirms\\_its\\_commitment.pdf](https://www.yesbank.in/pdf/yes_bank_reaffirms_its_commitment.pdf)



### ABOUT PHYSICAL RISKS & RESILIENCE COMMITMENT (PRRC)

A group of 10 leading FIs who have committed to publish more comprehensive physical climate-related risk assessments and disclosures

#### YES BANK's Commitment

Disclose climate-related physical risk, in line with the TCFD recommendations. Work towards building support for public policies to encourage climate-related physical risk disclosure across the financial sector

#### Progress

Refer [page 86](#) for YES BANK's TCFD Disclosures



### ABOUT SBTi

The Science Based Targets initiative (SBTi) drives ambitious climate action in the private sector by enabling companies to set science-based emissions reduction targets

#### YES BANK's Commitment

To develop a science-based emission reduction target within two years from the date at which an applicable methodology becomes available

#### Progress

The Bank has measured its attributable financed emission of its electricity generation sector exposure (project finance and corporate loans) and is developing targets for alignment with global decarbonization pathway. The Bank is the only Indian Bank to be a member of SBTi Expert Advisory Group



### ABOUT GLOBAL CENTRE ON ADAPTATION YOUTH LEADERSHIP PROGRAM

The program aims to mobilize the next generation of adaptation leaders around the world, empowering youth to make the case for adaptation on the global stage and make their communities more climate resilient by 2030

#### YES BANK's Commitment

To host a capacity-building internship at the Bank in association with GCA to empower talented youth with innovative ideas, entrepreneurial spirit and a drive to make a difference and help them develop their innovative climate adaptation solutions.

#### Progress

Refer [pages 61](#) for details on GCA YLP

# ESG & Climate Governance and Risk Management

*YES BANK accords high strategic priority to Environmental, Social and Governance performance and constantly works to improve the implementation and oversight of sustainability practices within its business operations. The Bank has set up a robust governance structure for strategically integrating ESG and climate considerations into its business, with the Bank's Chief Financial Officer heading the Sustainable Finance team as the highest ranking executive responsible for the Bank's sustainability strategy and reporting directly to the MD & CEO.*



The Bank's Board of Directors is apprised of the Bank's sustainability approach, targets, and key initiatives towards addressing environmental and social risks and opportunities, periodically. In FY 2020-21, the Bank strengthened its governance structure for ESG and climate action by constituting an Executive Level Sustainability Council chaired by the MD & CEO. The Sustainability Council develops and reviews the Bank's sustainability strategy, oversees the implementation of the Bank's sustainability agenda, sets targets, and monitors ESG performance. The Bank's Board Level Corporate Social Responsibility Committee provides oversight over the functioning of the Sustainability Council.

Various business units and executive level committees work in tandem under the supervision of the Bank's Board to mainstream ESG and climate action within the Bank.

## Board Level Committees monitoring ESG

**Corporate Social Responsibility (CSR) Committee of the Board:** Constituted in 2014, as a Board level committee, the CSR Committee oversees YES BANK's sustainability and Corporate Social Responsibility initiatives. Since June 2020, the Committee oversees the functioning of the executive level Sustainability Council

**Risk Management Committee (RMC):** The RMC covers the entire gamut of risk management for the organisation as a whole. This includes promoting prudent risk culture in the Bank, assessing risk universe and monitoring risk profile of the Bank, including sustainability & ESG related risks (as outlined in the ICAAP)

## Management Level Committees monitoring ESG

**Sustainability Council:** Constituted in 2020, the Council, chaired by MD & CEO, is responsible for developing and reviewing the Bank's ESG and climate strategy. This includes overseeing the implementation of the Bank's sustainability agenda, setting targets, and monitoring ESG performance. The Sustainability Council reports into the CSR Committee of the Board



**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. ERMC also oversees the Bank's preparedness for mapping and managing the non-financial risks of its operations keeping in focus their impact on the Bank's reputation and goodwill. In the identification and assessment of material risks during the Internal Capital Adequacy Assessment Process, climate risk has been recognised as key material risk under pillar II

**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 consisting of members of the top and senior management.

The Committee is responsible for review and implementation of the 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.

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### Business Units involved in implementing the Bank's sustainability agenda

**Sustainable Finance (SF) Unit:** The Sustainable Finance team co-develops and implements YES BANK's sustainability strategy. The team works with business units across the Bank to enhance their performance against ESG parameters and strives to align the Bank's business to global frameworks such as the United Nation's Sustainable Development Goals (SDGs), the Paris Climate Agreement, and the Principles for Responsible Banking (PRB). The SF unit is the custodian of the Bank's Environment and Social Policy, Environmental Management Policy, and drives the Bank's overall alignment with global decarbonization pathways

**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

**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 environmental & social assessment (preliminary and detailed due-diligence) of the loans funded by the Bank in line with Bank's Environment and Social Policy (ESP). The ESP helps to 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. Climate related indicators has been recently added for data collection and qualitative climate assessment/categorization for project loans and project related corporate loans above sanctioned amount of USD 5 million

**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

**Other business units:** There are various other specialised units across the Bank that work closely with the Sustainable Finance Team to integrate sustainability principles into their business processes with an aim to benchmark the Bank's performance with global best practices in ESG and climate action

**“** *The climate-related 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.*

## RISK MANAGEMENT

### Climate-related Risks Identification

YES BANK recognizes 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. In line with the Financial Stability Board

(FSB)'s Taskforce on Climate-related Disclosures (TCFD) recommendations, the Bank has classified these climate related risks as Transition Risks and Physical Risks.

Through a desk research, the Bank enlisted material climate-related risks faced by the financial sector. The climate-related 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 organizations failing to comply with the enhanced disclosure requirements

**Stringent Environmental Regulation:** With growing awareness on Environmental & Social (E&S) issues globally, countries have established robust E&S regulations that specify requirements for operating licenses, occupational health and safety standards, and emission/ discharge limits. Stricter environmental regulations may affect repayment capability of clients who fail to meet the enhanced regulations

**Increased Severity of Extreme Weather Events:** In recent years, severe climatic events such as droughts, cyclones, high temperatures and floods, have impacted India's economy, especially in sectors such as agriculture and allied industries. Climate change may increase the frequency and severity of climatic events, which can adversely affect employee & client performance, and therefore the Bank's revenues

### Climate-related Risk Management

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

**Organizational level:** The Bank has a formal process in place for the identification of climate risks and opportunities. ESG and climate change related risks and opportunities are evaluated by Risk Management, Infrastructure and Facilities Management (IFM) and Strategic Procurement Units, 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.

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 2020-21, 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.

Recognizing 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.

**Project level:** At a project level, E&S risk assessment is integrated into its overall credit approval framework. As part of the Bank's Environment & Social Management System (ESMS), a Board approved Environment & Social Policy (ESP) mandates appropriate assessment of E&S 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 assessment of projects and classify projects as "High", "Medium" and "Low" risk. Basis the severity of risk, further detailed Environment and Social Impact Assessment is conducted against IFC Performance Standards (A number of cross cutting topics such as climate change, gender, human rights, and water are addressed across multiple

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Performance Standards) and appropriate covenants are included in the credit documents which are monitored throughout the credit cycle.

Bank has recently put in framework for readily capturing information on key physical and transition risk related indicators from clients in preliminary assessment checklist for all projects/ project related loan (sanctioned amount above a threshold).

**Portfolio level:** At a portfolio level, the Bank has identified climate sensitive sectors and is taking a sectoral approach to measure and mitigate climate risk. This includes scenario-based assessment and building climate resilience of portfolio.

As a starting point, the Bank has specifically focused on its energy exposure, as the sector is at the center stage for the climate action globally. The Bank has analyzed the financed emission intensity in energy sector and developed internal targets to reduce the sectoral emission intensity, in line with global de-carbonization pathways.

Further, the Bank's Annual Report for FY 2020-21 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 on [Page 56](#), Risk Management Framework on [Page 69](#) and [70](#)). The Bank regularly conducts stress testing to monitor its vulnerability to extreme, but plausible, unfavourable shocks.

# YES BANK's Corporate Social Responsibility

*Since inception, YES BANK has developed and implemented various programs to enhance and create shared value through unique, scalable, and sustainable models. YES BANK's Corporate Social Responsibility (CSR) policy guides the Bank to deliver internal and external positive socio-environmental impact by following a unique approach, which focuses on:*

- Promoting principles of social responsibility and inclusive growth through awareness and support
- Investing in socially and environmentally responsible activities to create positive impact
- Engaging with stakeholders to further the sustainability agenda of the Bank and empower them with knowledge
- Collaborating with like-minded institutions and forging partnerships towards addressing the needs of stakeholders
- Monitoring the environmental and social investments of YES BANK through structured governance and transparent performance indicators

This unique, multi-pronged approach has enabled the Bank to forge meaningful associations with its stakeholders, including community groups, non-profit organizations, governments, corporate peers, and civil society and deliver exponential impact. The Bank has reviewed and made amendments to its CSR focus areas for FY 2021-22:

- **Promote education and livelihood enhancement**
- **Promote gender equality**
- **Ensure environmental sustainability**
- **Promote rural development**

With the view of actualizing and concentrating its efforts towards Sustainable Development Goals (SDGs), the Bank undertook various programmes and initiatives during FY 2020-21, in line with its previous CSR focus areas:

## LIVELIHOOD AND WATER SECURITY

'SDG 6 – Clean Water and Sanitation' sets out to 'ensure availability and sustainable management of water and sanitation for all'. Water, being at the core of sustainable development, has strong linkages with other developmental parameters such as education, health, food security and livelihoods.

In the Indian context, access to safe and clean drinking water is extremely critical to ensure survival and progress of rural, underprivileged and marginalized section of the society. In concurrence with SDG 6, YES BANK launched its Livelihood and Water Security initiative in 2014, with the aim to provide access to safe, clean and affordable drinking water to urban, rural and semi-rural communities. The plethora of initiatives undertaken by the Bank over the years has positively impacted the community members and improved their health and welfare.

### Providing access to safe and clean drinking water

The Bank is addressing the issue of water security in the states of Maharashtra and Haryana.

The Bank embarked to develop robust drinking water distribution network for rural households in Maharashtra by developing and retrofitting water sources in villages. With this initiative, during the year, around 1,000 individuals got 200 liters of potable water supply on daily basis, through improved supply and distribution infrastructure, switching from electric pumps to solar pumps and construction of rainwater harvesting structures. The sustainability of water infrastructure will be ensured by formation of

Water Management Committees (WMC), which are mainly established to manage local water infrastructure, supply water to entitled water users, and to implement management decisions agreed between the members on maintenance and usage of infrastructure. The participatory approach adopted in this initiative has led to community involvement and ownership, making it a self-sufficient project and resulting in water security throughout the year including dry summers.

The Bank has collaborated with an implementation partner to install Water ATMs and water health centers to provide safe and clean drinking water to urban marginalised people of Gurugram and Nagpur. The water is available at a nominal price at these ATMs and Water Health Centers, which also provide livelihood opportunities to the ATM operators. These initiatives have a multi-pronged effect on the overall development of the target beneficiaries by improving general health and welfare of community members.

### Enhancing Rural Livelihoods

To support rural and tribal farmers below poverty line through agriculture-based interventions, the Bank continued to engage in the ongoing project to promote sustainable livelihoods. These interventions focused on building strong community institutions, Agri-market linkages and value chain for better price realization, improving access to finance and developing inclusive supply chain solutions. The initiative aims to improve farm productivity, leading to increased household income and enhanced quality of life.

During the year, over 9,000 farmers from Gujarat, Madhya Pradesh, and Rajasthan were engaged through training & capacity building sessions, market linkage

modules and productivity enhancement initiatives for crops like maize, gram and wheat. Additionally, 2,000 farmers from Madhya Pradesh and Maharashtra were provided training to form farmer development groups and were facilitated in securing access to agriculture credit and financial management services.

## EMPLOYABILITY AND ENTREPRENEURSHIP

### Say YES to Sustainable MSMEs in India

Micro, Small and Medium Enterprises (MSME) segment is the largest contributor to Indian manufacturing sector and one of the biggest employers in the country. MSMEs play a critical role in India's economic growth by realizing the 'Make in India' mission. However, the sector also accounts for a significant portion of India's total industrial pollution, largely due to the use of obsolete technologies and poor management practices.

YES BANK's first-of-its-kind CSR initiative 'Say YES to Sustainable MSMEs in India', was conceptualized to support MSMEs in adopting best practices in Energy Efficiency (EE) and Occupational Health & Safety (OHS). The initiative has helped MSMEs integrate sustainability into operations, reduce overall carbon footprint, enhance global competitiveness in terms of output and efficiency, and contribute to the India's 'Zero Defect, Zero Effect' vision.

The intervention was launched as a pilot project in FY 2014-15 as part of the European Union's 'Scaling Up Sustainable Development of MSME Clusters in India' initiative. Other partners to the initiative included the United Nations Industrial Development Organization (UNIDO), Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), Global Reporting Initiative (GRI),

Indian Institute of Corporate Affairs (IICA) and Small Industries Development Bank of India (SIDBI) in Punjab.

In partnership with the Foundation for MSME Clusters (FMC) and Entrepreneurship Development Institute of India (EDII), the project has grown its focus from foundry sector to cover 17 MSME sectors.

Since inception, the initiative has supported over 54,925 MSMEs and benefited more than 1,00,000 workers across 57 cluster locations. The initiative has also helped MSMEs reduce carbon emissions and improve occupational health and safety systems through multifaceted interventions including:

- Workshops on promoting energy efficiency, renewable energy (RE), and clean technology
- Energy audits of MSMEs
- Structured Occupational Health and Safety (OHS) interventions, including health camps, first-aid trainings and safety trainings
- Empowering MSMEs through financial literacy camps, including GST transition support



## ENVIRONMENTAL SUSTAINABILITY

With a relentless commitment of protecting the environment and reducing the negative impact of human activities on the planet, YES BANK has made climate action and environmental sustainability a core focus area.

### Biodiversity Conservation

India is home to a rich biodiversity, many of the species being endemic to specific areas, and under threat from various anthropogenic factors. As a financial institution, YES BANK has taken focused measures to ensure conservation of biodiversity and endangered species, while mitigating the factors affecting them.

The Bank has steadily worked towards preventing extinction of critically endangered / endangered species by supporting, habitat restoration (protected & potential) and community-led interventions across, NCR, Rajasthan and Sikkim. Through such initiatives, the Bank assisted in creating a holistic local ecosystem for promoting conservation and preservation of natural capital.

Ensuring, improving the quality of education and health, promoting responsible tourism, increasing the forest cover, reducing dependence on fuel wood, preventing forest fires, adjusting to changing rainfall patterns, enhancing awareness on legal protection status and building capacity, are part of such conservation project activities for long-term survival.

Engagement with relevant stakeholders by imparting trainings, conducting workshops, organizing special camps, empowering forest guards and providing material support, identifying local stewards,

strengthening anti-poaching activities, diversifying livelihood opportunities and enabling local communities to become partners, are included under the conservation plan depending on geography and species.

- **Habitat Conservation for Sparrows:** Nest making workshops for conserving House Sparrows were conducted in schools and colleges of Delhi NCR covering 5,000 students, along with Eco Roots Foundation
- **Red Panda Conservation:** Through focused intervention by World Wide Fund, the Bank supported the conservation of Red Panda habitats in Sikkim and adjoining areas. The project since inception in December 2019, followed a multi-pronged approach aimed at reducing the direct and indirect threats to the species, building community stewardship for ensuring contiguity and long-term survival of red pandas, and filling in key gaps in knowledge, thereby bringing in evidence based conservation interventions for maximum impact. The project enabled households and schools to switch to energy efficient cookstoves. A study was initiated to understand the household level fuel-wood usage across three villages and the results show a reduction of around 62 percent in firewood usage after switching to ICS. Moreover, a survey was conducted in 32 villages across Neora Valley National Park to understand people's perception on red panda and resource dependence on red panda. Subsequently, support was provided to families for agriculture through supply of seeds and for some in beekeeping as an income generating activity. Himal Rakshaks conducted biodiversity monitoring in Barsey Rhododendron Sanctuary and findings were

presented to the Forest Department. A short film was also developed for awareness generation on red panda conservation and more than 100 students were engaged on red panda awareness.

- **Conservation of Great Indian Bustard:** To provide suitable habitat for the birds, the Bombay Natural History Society has removed shrubs from Ketolai village from areas frequented by GIB with the help of the villagers; developed pasture land; conducted landscape-level survey for reviewing renewable energy projects in Thar Desert for sensitivity mapping, completed mortality report at Degrai Mata Oran, collected village-level information from local youth for Ketolai, Chacha, Dholia, Dhaniya and Loharki villages; roped in GIB friends (Godavan Mitras) for village-level wildlife conservation awareness and sensitised the Border Security Force for the areas under their control

### Tree Plantation Initiative

YES, BANK is the first Indian private sector Bank to collaborate with the National Highways Authority of India (NHAI), and work towards the vision of creating green highways. Under the Ministry of Road Transport and Highways 'Adopt a Green Highway' initiative, the Bank has adopted a 40-kilometer stretch along the Mumbai – Nashik Highway. The Bank continues to maintain 45,462 trees along the stretch. This endeavor will contribute towards achieving India's commitment to creating an additional carbon sink of 2.5 to 3 billion tonnes of CO<sub>2</sub> equivalent by 2030.



### Training to farmers on financial literacy and climate-smart technologies

YES BANK designed a unique financial literacy training program to educate farmers on the costs & benefits of investing in and adopting eight climate-smart technologies such as mulching, drip irrigation and paddy thresher, amongst others. The program trained 395 farmers in neighborhoods around the Bank's rural branches in Haryana & Rajasthan, by FY 2020-21.

### SOCIAL TRANSFORMATION

The developmental challenges faced by India require innovative and inclusive solutions with a potential to create a multiplier effect, addressing both scale and impact. Towards this, YES FOUNDATION, one of the implementing arms of YES BANK CSR, adopted a differentiated approach focusing on stimulating entrepreneurship and building responsible youth citizenship. The initiatives undertaken by the Foundation aim to address the gaps in the development sector by strengthening Design and Innovation-led Creative Entrepreneurship (DICE) solutions, thereby contributing towards building of an empowered and equitable India.

#### Grant & Accelerator program

YES FOUNDATION (YF) Grant & Accelerator program helps existing social impact organizations to improve quality of operations, adopt management best practices, scale up impact and emerge as benchmark organizations in the sector.

22 NGOs and social enterprises were selected in 2018 for this program through a competitive application process. Capacity building of these selected

organizations was undertaken through workshops and mentorship sessions focused on Governance, Compliance, Controls, Performance and Risk Management. Subsequently, projects were identified to enable scale-up of each of these organizations through a three-year grants support. A multidisciplinary mentoring was organized to provide handholding support to the selected partners to address their organization-specific challenges. The outlined objectives from the mentorship phase were to provide functional and sector mentorship, advisory support, and relevant industry connections to the grantee organizations.

To strengthen and promote best practices in financial management, each organization was assigned an individual functional/sector mentor on the basis of the challenges expressed. The mentorship has been completed and the organisations continue to be supported through milestone based grants to achieve their outlined programme objectives.

#### Employee volunteering program

Launched in October 2020 under #ZimmedariSeTayyari initiative of the Bank, employee volunteering focused on engaging employees and their family members across several initiatives and causes. Employees contributed more than 200 hours towards volunteering for multiple activities under three volunteering initiatives:

1. **Joy of Giving:** In this initiative, employees connected with senior citizens in old age homes through group video calls. Volunteers played fun games and engaged in conversations with the elderly. Volunteers also conducted sessions on body movement exercises with patients of Parkinson disease. Due to COVID -19 restrictions when people

were struggling to cope with mental health issues, as a part of 'Lend an Ear' activity, individual phone calls were scheduled between volunteers and senior citizens where conversations helped alleviate anxiety and stress.

2. **Khushiyon Ki Karein Zimmedari Se Tayyari:** In this initiative, employees supported underprivileged youth and the differently abled through multiple sessions on job ready skills (focusing on attitude, growth mindset, effective communications, etc.). As a part of 'Buddy Program', volunteers interacted with students from rural parts of India and conducted sessions on storytelling, poem recitation and spoken English.
3. **Gift wrap joy:** In this initiative, employees interacted with orphaned children and children suffering from terminal diseases and sent them gifts of their choice to spread joy and warmth.

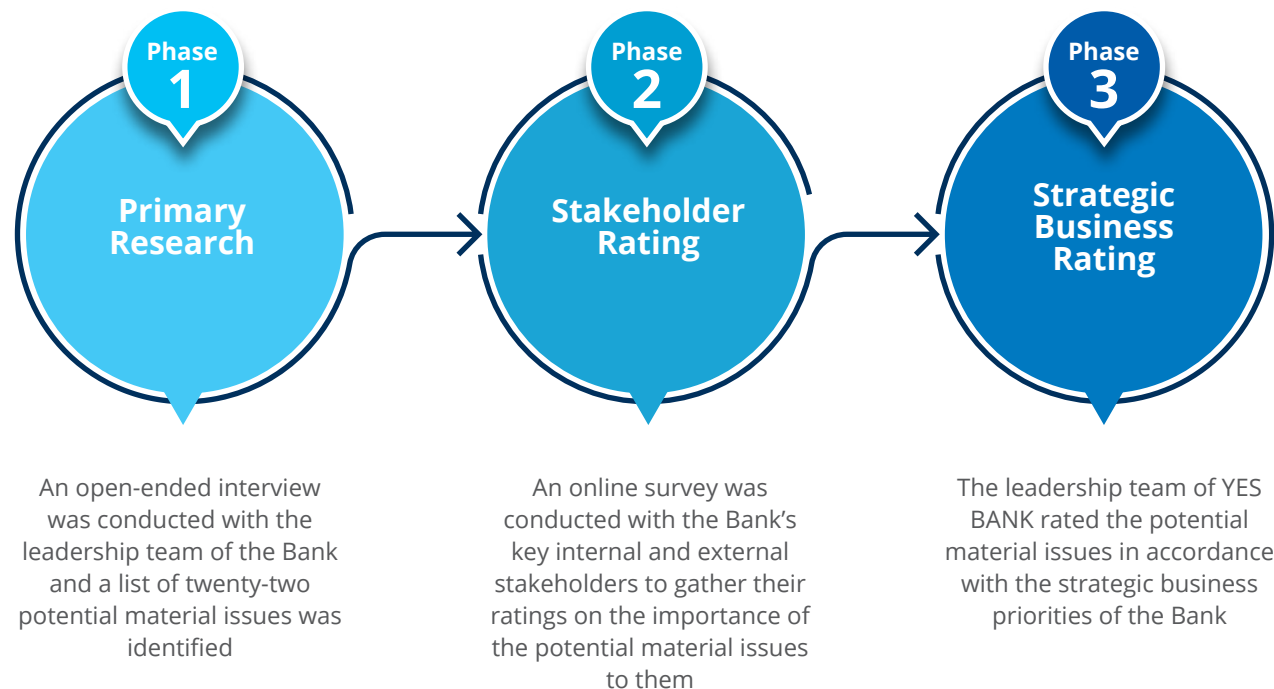
#### Employee Payroll Giving

YES BANK continues a payroll giving initiative for its employees. Employees registered under the programme contribute a stipulated amount from their salary every month, toward a cause of their choice from options shared by the partner who, in turn, shares a progress report with the employee along with details of impact created through the funds. During the reporting period, an amount of more than INR 21 lakh was received as donations from employees.

# Materiality Assessment and Stakeholder Engagement process

## Assessment of Material Issues

*In FY 2020-21, the Bank carried out an extensive materiality assessment process in consultation with its internal and external stakeholders to identify pertinent issues that act as enablers or disablers to the ability of the Bank to create value in the short, medium and long term. The critical inputs received from these engagements allow the Bank to recalibrate its strategy, serve as an opportunity to address emerging risks and leverage opportunities to future-proof its business. The process was carried out in three phases shared below:*



The material issues prioritized by the stakeholders (Phase 2) are plotted on the Materiality Matrix against the priorities of strategic business importance (Phase 3), resulting in a list of 16 key material issues.

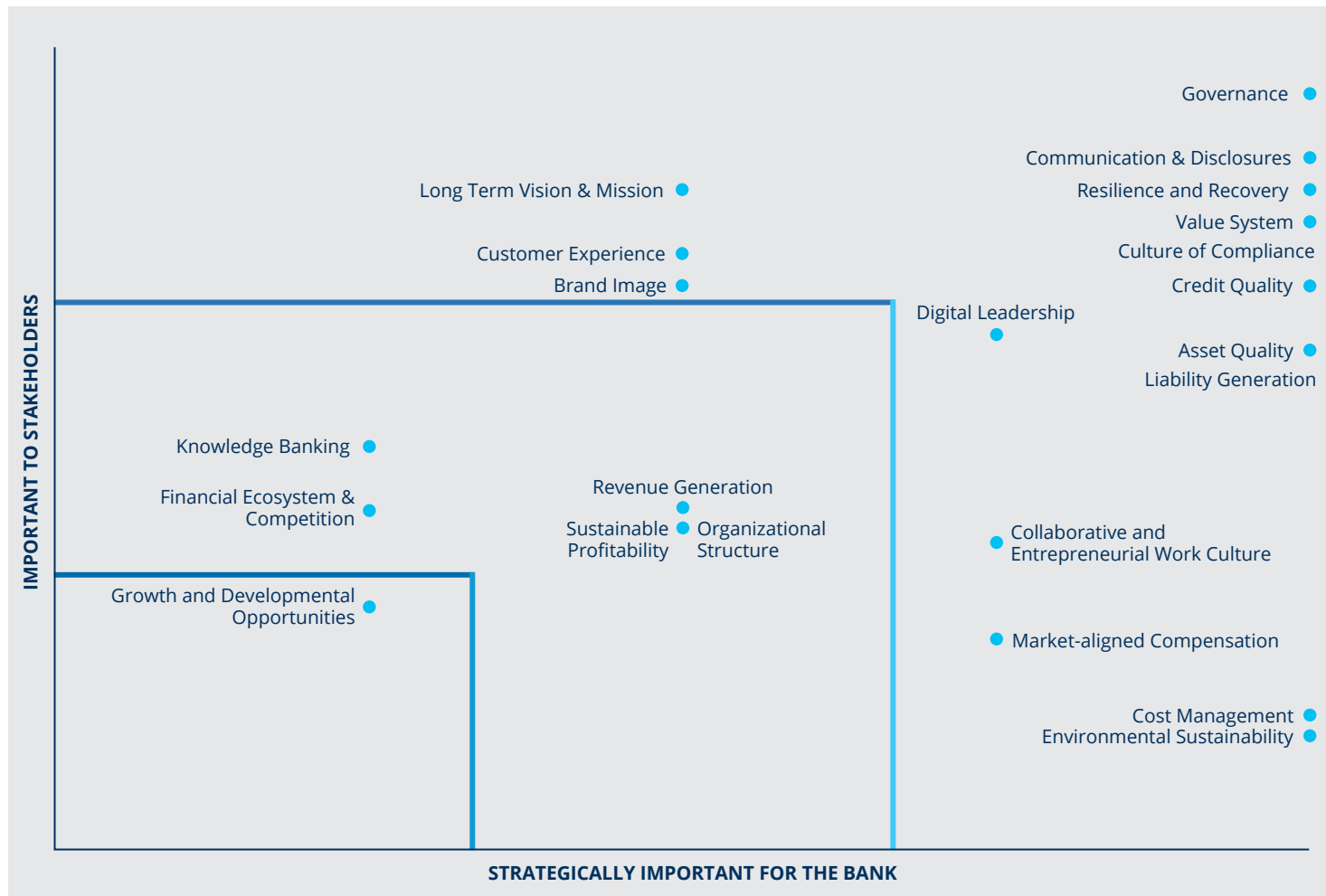
As part of the online survey, apart from rating the material issues, stakeholders laid importance and expressed interest in understanding Bank's strategy and stance around improving customer service, digitization initiatives, employee development and strengthening core financials.

The Bank had initiated strategic stakeholder engagements in addition to its on-going internal and external stakeholder engagement exercise. The Bank has engaged with a broad range of stakeholders, investors, peers, employees and vendors.

### Stakeholders

Shareholders & Investors	Employees	Regulatory Bodies
Industry & Peers	Media	Customers
Community	Academia	Vendors

## YES BANK's Materiality Matrix



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

<b>Asset Quality</b>	The Bank's ability to undertake measures to maintain best in class asset quality and minimize gross NPAs
<b>Brand Image</b>	The Bank's ability to strengthen its brand image and rebuild trust by integrating elements of openness and authenticity
<b>Collaborative and Entrepreneurial Work Culture</b>	The Bank's ability to create a work culture that espouses fairness, empathy and independence. A work environment that encourages cross-silo collaboration and professional entrepreneurship
<b>Communication &amp; Disclosures</b>	Establishing a regime of open, transparent, authentic and sincere communication and proactive disclosures across stakeholder groups
<b>Cost Management</b>	The Bank's ability to improve its profitability by optimizing costs and building a long term frugal, efficient and scalable cost structure
<b>Credit Quality</b>	The Bank's ability to improve its overall credit risk and rating through rigorous risk assessment and stress-testing, going beyond regulatory compliance
<b>Culture of Compliance</b>	Building an organizational culture that goes beyond compliance, surpasses global best practices and is driven by the purpose of "doing the right thing"
<b>Customer Experience</b>	The Bank's ability to continue delivering superior customer experience and connect through differentiated solutions and service, capitalizing on high employee to customer ratio
<b>Digital Leadership</b>	The Bank's ability to consolidate its market leadership in digital banking and ensure it is future-ready through continued investments in technology and talent
<b>Environmental Sustainability</b>	The Bank's ability to carry out its business operations in a sustainable way by minimizing its consumption of natural resources, limiting its carbon footprint and constantly improving its environmental performance
<b>Governance</b>	The Bank's ability to strengthen its governance frameworks and institutionalize integrity through robust systems and processes geared towards accountability and transparency
<b>Liability Generation</b>	The Bank's ability to strengthen its liability profile with a focus on granularity and mobilize low-cost deposits in metro/ urban areas
<b>Long Term Vision &amp; Mission</b>	The articulation of a long-term, shared vision for the Bank that eliminates uncertainties and fosters confidence in the future, across the Bank's rank & file
<b>Market-aligned Compensation</b>	The Bank's ability to build a market-competitive compensation system for employees, on par or better than peers in the Banking and Financial sector and the emerging FINTECH space
<b>Resilience and Recovery</b>	The Bank's ability to attract long-term capital, maintain a steady recovery in the face of a slow economic revival and build resilience against any potential shocks such as Covid 19
<b>Value System</b>	Articulating a clear value system for the Bank that would define its character, long term focus and ability to balance robust growth with the highest standards of integrity

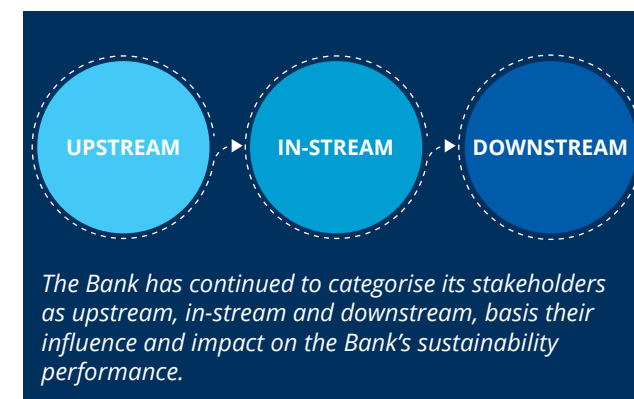
## BOUNDARY SETTING OF MATERIAL ISSUES

Material Issue	Linkage with GRI Standards Topics	GRI Standards Disclosures	Significant Impacts
<b>Governance</b>	GRI 102: General Disclosures 2016	GRI 102-18 to GRI 102-39	Within YES BANK
<b>Communication &amp; Disclosures</b>	GRI 102: General Disclosures 2016	GRI 102-43; GRI 102-44	Within and outside YES BANK
<b>Resilience and Recovery/ Asset Quality/ Digital Leadership</b>	GRI 201: Economic Performance 2016	GRI 201-1; GRI 201-2; GRI 201-3; GRI 201-4	Within and outside YES BANK
<b>Culture of Compliance</b>	GRI 404: Training and Education 2016 GRI 419: Socioeconomic Compliance 2016	GRI 404-1; GRI 404-2; GRI 404-3; GRI 419-1	Within YES BANK
<b>Value System</b>	GRI 102: General Disclosures 2016	GRI 102-16; GRI 102-17	Within YES BANK
<b>Credit Quality</b>	GRI 102: General Disclosures 2016	GRI 102-15; GRI 102-30	Within YES BANK
<b>Liability Generation</b>	GRI 102: General Disclosures 2016 GRI 201: Economic Performance 2016	GRI 102-6; GRI 201-1; GRI 201-2; GRI 201-3; GRI 201-4	Within and outside YES BANK
<b>Cost Management</b>	GRI 201: Economic Performance 2016 GRI 204: Procurement Practices 2016	GRI 201-1; GRI 201-2; GRI 201-3; GRI 201-4; GRI 204-1	Within and outside YES BANK
<b>Environmental Sustainability</b>	GRI 302: Energy 2016 GRI 305: Emissions 2016 GRI 306: Waste 2020 GRI 307: Environmental Compliance 2016	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; GRI 306-1; GRI 306-2; GRI 306-3; GRI 306-4; GRI 306-5; GRI 307-1	Within (includes Abu Dhabi Representative Office) and outside YES BANK
<b>Collaborative and Entrepreneurial Work Culture</b>	GRI 401: Employment 2016 GRI 404: Training and Education 2016 GRI 405: Diversity and Equal Opportunity 2016 GRI 406: Non-Discrimination 2016	GRI 401-1; GRI 401-2; GRI 401-3; GRI 404-1; GRI 404-2; GRI 404-3; GRI 405-1; GRI 405-2; GRI 406-1	Within YES BANK
<b>Market-aligned compensation</b>	GRI 202: Market Presence 2016	GRI 202-1; GRI 202-2	Within YES BANK
<b>Long Term Vision &amp; Mission</b>	GRI 102: General Disclosures 2016	GRI 102-14; GRI 102-15	Within YES BANK
<b>Customer Experience</b>	GRI 102: General Disclosures 2016 GRI 418: Customer Privacy 2016	GRI 102-43; GRI 418-1	Within and outside YES BANK
<b>Brand Image</b>	GRI 417: Marketing and Labelling 2016	GRI 417-1; GRI 417-2; GRI 417-3;	Within and outside 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 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.



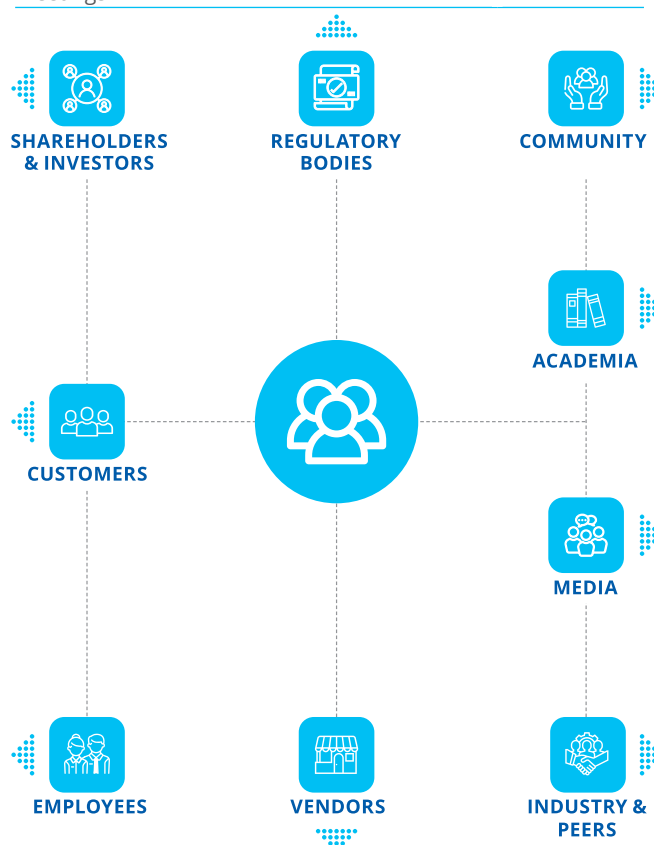
The Bank continues to engage with its stakeholders on a continual basis through a combination of several pre-determined, structured, and need-based engagement mechanisms. A summary of the engagement mechanisms is provided below:

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

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

Means of Communication	Frequency
Employee Service Desk – grievance redressal platform	Permanent
Interactive employee engagement	Eventual
Employee wellness & activity platform	Permanent
YES School of Banking	Permanent
My Learning@YES – internal e-learning platform	Permanent
Employee Performance Management	Annual

Means of Communication	Frequency
Mandatory filings with regulators including RBI and SEBI	Periodic & Eventual
Engagement at banking platforms and meetings	Eventual



Means of Communication	Frequency
Online procurement portals	Permanent
Supplier Sustainability Workshops	Eventual
Vendor Communications by Strategic Procurement Unit	Eventual

Means of Communication	Frequency
Employee Volunteering through our institutionalized EVOLVE initiative	Periodic
Beneficiary interactions as part of CSR project monitoring	Periodic
Capacity building of CSR implementation partners	Periodic
Media & Press Releases	Eventual
Thought Leadership forums	Eventual
Annual Report	Annual

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

Means of Communication	Frequency
Press Releases & Media coverage	Eventual
Interviews of the MD & CEO, and top management	Eventual
Bank's digital assets including website	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, National Capital Finance Alliance	Annual

# Ethics and Governance

## Bank's Philosophy on Code of Governance

*YES BANK, now re-built and backed by rich legacy of fair, ethical, and transparent governance practice of India's best public sector bank, is committed to achieve higher standards of Corporate Governance and has successfully re-gained 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 Company's Management) in shaping Bank's performance. Transparency and Accountability are the fundamental principles to sound Corporate Governance, which ensures that the organization is managed and monitored in a responsible manner for 'creating and sharing value'.

With a view to bring in more transparency and accountability, the Bank upgrades its systems and policies regularly, to meet the challenges of dynamic and challenging business environment and to provide reasonable assurance with regards to maintaining of proper internal controls and monitoring of operations. YES BANK's Board is committed to adhere to 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 past year, several Corporate Governance issues were raised by Stakeholders and Regulators. Taking a positive note of such observations, the Bank has worked effortlessly to strengthen its governance and disclosure practices and promises to continue to be on the progressive path to nourish Corporate Governance practices to make it more effective from regulatory and market perspective.

## GOVERNANCE STRUCTURE

YES BANK's Corporate Governance Structure has been designed keeping in view of the regulatory and business requirements, which provides a comprehensive framework to (i) enhance accountability to shareholders and other stakeholders, (ii) ensure timely implementations of the plans and accurate disclosures of all material matters, (iii) deal fairly with shareholders and other stakeholder interests, and (iv) maintain high standards of business ethics and integrity.

### Board of Directors

During the Financial Year 2020-21 the Board of Directors consisted of Eight Directors including One Non-Executive Chairman, One Managing Director & Chief Executive Officer, Two Non-executive Directors as named under the Yes Bank Limited Reconstruction Scheme, 2020 ("YBL Reconstruction Scheme"), Two Directors nominated by the State Bank of India and Two Directors appointed by the Reserve Bank of India as Additional Directors. Accordingly, the Bank has eminent personalities from diverse fields and long banking experience as the Directors on its Board. The composition of Board of Directors represents the optimal mix of professionalism, qualification, knowledge, skill sets, track record, integrity, expertise and diversity of experience as required in the Banking Business.

#### FY 2020-21

Age	Above 50	
Gender	Male	Female
Board of Directors	8	0
<b>Total</b>	<b>8</b>	<b>0</b>

## CULTURE OF COMPLIANCE

Ensuring compliance with regulatory requirements, furthering Compliance Culture amongst YES BANKers and building trust among all its stakeholders is an overarching consideration at YES BANK. The dedicated Compliance Department strives to be at the forefront of regulatory changes and continues to work closely with all businesses and operations at the Bank, in order to be compliant with all existing and new requirements.

To further this objective, the Chief Compliance Officer of the Bank reports directly to the Audit Committee of the Board of Directors of the Bank. The Bank also strengthened its compliance function with 30% higher headcount. The key functions of this department in line with the various RBI guidelines including the RBI circular dated September 11, 2020 include identifying effective procedures and corresponding controls to support the Bank's business divisions as well as dissemination of key regulatory updates affecting the various businesses of the Bank. The department also reviews new products and processes from a regulatory compliance perspective, provides guidance on compliance-related matters, conducts compliance reviews and imparts training to employees on compliance aspects, among others.

## POLICIES ON ETHICS AND GOVERNANCE

### Code of Conduct

The Bank is committed towards conducting business and dealing with all its stakeholders, with highest ethical standards and in compliance with all applicable laws and regulations. All employees of the Bank are expected to abide by the Bank's Employee Code of Conduct which can be accessed at [https://www.yesbank.in/regulatory\\_policies](https://www.yesbank.in/regulatory_policies). In addition, the Board has formulated and adopted Code of Conduct and Ethics for the Board of Directors and Senior Management. The said code has been reviewed and approved by the Board and has been hosted on the website of the Bank at <https://www.yesbank.in/about-us/corporate-governance>.

### Gifting Policy

As part of the Bank's corporate philosophy, all employees are advised to refrain from accepting any favour, gift, entertainment or any other benefit, the quantum or frequency of which exceeds normal business contact.

### Anti-Bribery and Anti-Corruption Policy

The Bank has implemented a group-wide Anti-Bribery and Anti-Corruption policy which defines and prohibits bribery/ corruption of any kind (including facilitation payments) and outlines the corruption control and reporting mechanisms. A summary of the policy can be accessed at [https://www.yesbank.in/pdf/ybl\\_anti\\_bribery\\_and\\_corruption\\_statement\\_pdf](https://www.yesbank.in/pdf/ybl_anti_bribery_and_corruption_statement_pdf).

## Anti-Money Laundering Policy

The Bank has a Board approved KYC/AML policy (the Policy) in place which provides for a broad framework for adherence with the local regulatory requirements related to Know Your Client/Anti Money Laundering/ Combating Financing of Terrorism. The policy consists of following:

- Customer Due Diligence (CDD) includes collection of KYC documents, verification of the same from independent & reliable sources and identification and verification of beneficial owners in case of legal entity clients. Clients are also subject to periodic updation of client due diligence requirements once in 2 years for high risk customers, once in 8 years for medium risk customers and once in 10 years for low risk customers. Non-face-to-face sourcing of the clients is made subject to additional due diligence as per local regulatory guidelines like obtaining KYC documents certified by the authorized persons etc
- Conducting necessary name screening against regulatory prescribed negative lists before opening client account so as to ensure that the identity of the customer does not match with any person with known criminal background or with banned entities such as individual terrorists or terrorist organizations etc
- Conducting enhanced due diligence for Politically Exposed Person (PEP) clients and obtaining senior management approvals for their account opening. Such accounts are subject to enhanced monitoring on an ongoing basis
- A comprehensive transaction monitoring process to ensure that client transactions are consistent with customers' business and risk profile and the source of funds and Regulatory reporting to the FIU-IND as prescribed under the regulations
- Maintaining records of client identification data/information for the period of 5 years from the closure of client relationship and transaction records for the period of 5 years from the date of transaction
- KYC/AML policy and procedural requirements are subject to an independent review by the Audit function and subject to necessary reporting to the Top management of the Bank
- The Bank is also externally assessed by the Reserve Bank of India under Risk Based Supervision (RBS)

## Whistle Blower Policy

In compliance with the provisions of SEBI (Listing Obligations and Disclosure Requirements, 2015) and other applicable laws and in accordance with principles of good corporate governance, the Bank has devised and implemented a Vigil Mechanism, in the form of 'Whistle Blower Policy'. The details of the Whistle Blower Policy are available on the website of the Bank <https://www.yesbank.in/about-us/corporate-governance>.

## Prevention of Sexual Harassment of Women at Workplace

The Bank has Zero tolerance towards any act on the part of any executive which may fall under the ambit of 'Sexual Harassment' at workplace and is fully committed to uphold and maintain the dignity of every women executive working in the Bank. The Policy regarding Prevention & Prohibition of Sexual Harassment at Workplace provides for protection against sexual harassment of women at workplace and for prevention and redressal of complaints. For more details refer to [page 42](#) of this report.

## TRAINING

The Bank espouses to promote a culture of zero tolerance to non-compliance which is regularly communicated to employees by the Top Management. All employees are required to complete mandatory certifications & re-certifications on internal policies and procedures i.e. Code of Conduct, KYC-AML, Information Security, Operational Risk Management & YES GRACE. Senior Leaders receive further training on regulatory and compliance issues on an ongoing basis. More details on compliance related training can be found on [page 47](#).

# People

*YES BANK employees have played a critical role in the Bank's transformational journey. Our employees have acted as our brand ambassadors in aligning their actions with the Bank's stated values, as we build a culture based on Trustworthiness, Transparency, Integrity, Accountability and Collaboration.*

For us at YES BANK, Human Capital comprises of the employees' knowledge, skills, competencies, creative ability and the mindset to deliver value by way of stakeholder outcomes. Employee learning has always been a priority for the Bank, and we continue to develop our employees through learning programmes undertaken; to enhance the knowledge, skills and capabilities of our employees.

The Bank's Human Capital philosophy focuses on recruiting top quality human capital and empowering them to push their boundaries beyond their comfort zones alongwith inculcating a mind-set based on a deep sense of organisational commitment and ownership. This encourages our employees to deliver superior outcomes which in turn, enhances the market share and drives sustainable growth.

The complaints received by the Bank were handled promptly and effectively with utmost sensitivity and confidentiality by the said Internal Committees. In cases where allegations were established, appropriate actions were taken in line with the Internal Committee's recommendations.

## Human Capital Policies

The Bank has various human capital policies towards the code of conduct, rewards & benefits, training and compliance to various governance/regulatory norms. The Code of Conduct strengthens the Banks commitment to the highest ethical standards and compliance with all applicable laws and regulations. Being an equal opportunities employer, the Bank ensures a diverse mix of candidates with varied professional/education background from various parts of the country and social strata. The Bank also encourages career progression and promotes internal job movement across functions. The human capital policies define the procedure to be followed in case of a grievance related to discrimination and aim to ensure that the workplace is free from any discrimination. The conflict of interest guidelines educate employees on possible conflict of interest areas within the Bank. The guidelines also explicitly chart out responsibilities for senior management, employees and employees in supervisory capacities so that they can identify and manage conflict of interest situations effectively.

## HUMAN CAPITAL INITIATIVES

### Encouraging Gender Respect: Say YES to G.R.A.C.E

Through the robust 'Say YES to G.R.A.C.E' (Gender Respect and Commitment to Equality) framework, the Bank creates awareness while periodically disseminating and reiterating the Bank's Policy for Prevention of Sexual Harassment, which is in line with 'The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressed) Act & Rules, 2013'. G.R.A.C.E also reaffirms the Bank's commitment to be an equal opportunity employer and has zero tolerance to any discrimination. The key points of the Act and the details of the Internal Committees are shared with all the employees and are displayed at all branches and offices of the Bank. The Bank has Internal Committees to investigate and inquire into sexual harassment complaints in line with the Bank's policy. During FY 2020-21, 10 complaints were filed of which 1 complaint was pending at the end of the financial year.



**22,270**  
Total Employees



**8,96,196**  
Training Hours



**4,712**  
Training Programs



**22,067**  
Employees Trained



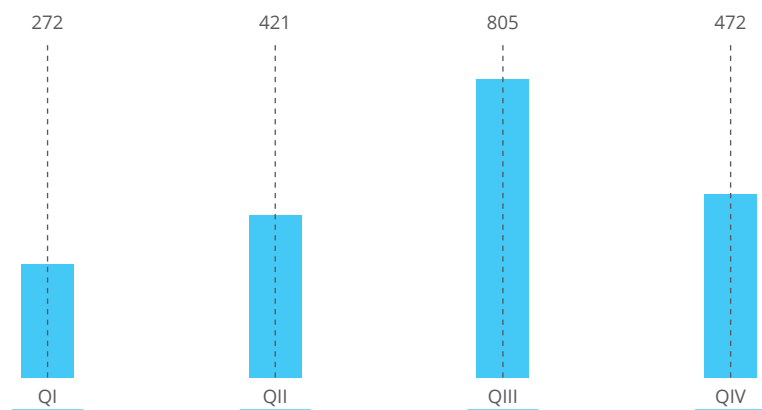
## Listening To Employees

The 'Employee Service Desk' assists to provide a consistent and superior service experience to its employees. It is a simple and easy-to-use platform that allows employees to raise all Human Capital Management related queries and concerns through email, voice call (Interactive Voice Response) and a Query Management System. The platform then offers satisfactory closure to these concerns.

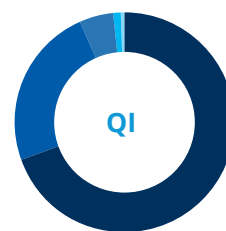
A unique toll-free Interactive Voice Response (HCM IVR) facility (1800 2000 515) is available for all YES BANKers, as part of the Bank's continued efforts to improve human capital service delivery. It enables employees to address all Human Capital Management related enquiries. An Employee Query Management System (EQMS) is also used by the employees to leverage technologies and further enhance HCM service delivery through structured and timely query resolution.

The Employee Service Desk aims at providing employees a direct access to the Bank's HCM team. The following charts depicts the extensive use of the tool for various categories for the FY 2020-21.

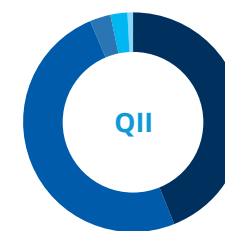
## Total No. of Queries (Nos.)



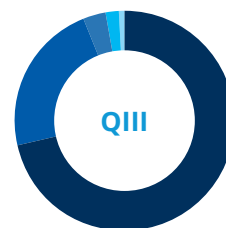
## Count of Category Queries - Category-Wise Distribution



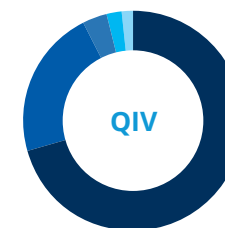
● 189	Salary & Reimbursement
● 65	Human Resource Management System
● 14	Benefits
● 3	Employee Grievance
● 1	HCM Policy



● 185	Salary & Reimbursement
● 210	Human Resource Management System
● 12	Benefits
● 11	Employee Grievance
● 3	HCM Policy



● 576	Salary & Reimbursement
● 181	Human Resource Management System
● 27	Benefits
● 15	Employee Grievance
● 6	HCM Policy



● 334	Salary & Reimbursement
● 103	Human Resource Management System
● 17	Benefits
● 11	Employee Grievance
● 7	HCM Policy

## Employee Health & Safety

The Bank has been cognizant of the challenges faced by its employees and their families in weathering COVID-19 and has undertaken several measures to provide relief and assistance in addressing the health crisis.

**A dedicated HCM Task Force:** COVID-19 was set-up to address queries and take initiatives related to the health, safety & wellbeing of employees. A comprehensive COVID Medclaim policy covering hospitalization of COVID+ employees was introduced during the year. The Bank also covered all employees for an additional sum assured of Rs. 20 Lakh per employee, under a separate Group Term Life Insurance Policy.

**Some of the other health and wellness initiatives launched for employees and their family members are mentioned below:**

- Virtual medical assistance for employees and their family members.
- Session on “Rebounding Stronger in New Normal” was conducted focusing on overcoming challenges in personal and professional life during the present scenario.
- Wellness program covering sessions on various ailments by specialized doctors; followed by knowledge mailers shared with employees.
- Sessions by dietician on adopting healthy lifestyle.
- Monitoring of health of infected and quarantined employees.
- Regular fumigation of Branches and Corporate Office.
- Periodic advisories to employees on precautionary, safety and health measures.
- Reimbursement of COVID-19 vaccination cost for employees and dependents.
- The Bank provides flexible working models to its employees including a combination of working from the office and working remotely. The Bank ensures ‘**social distancing**’ at the workplace along with required health and safety guidelines. Further, the Bank is also transitioning to a long term ‘**Work From Anywhere**’ model to provide hybrid working models to employees.

These initiatives by the Bank have contributed to improve the mental & physical well-being of our employees and their family members.

## Occupational Health & Safety

In order to ensure overall occupational health, safety and well-being of its employees and contractual workers, the Bank has put in place emergency preparedness and response mechanisms, with individual locations having a designated ‘Emergency Handling Team’. The Bank has identified emergency scenarios including fire, flood, armed robbery, bomb threats, earthquakes and first aid. YES BANK, as part of its ISO 14001 Environment Management System implementation, considers fire as a significant aspect and has put in place Emergency Preparedness and Response procedures. There are periodic trainings and feedback sessions conducted for employees (including contractual workers) and security personnel to equip them to deal with fire-related emergencies. Individual locations are required to mandatorily conduct a fire evacuation drill once in every six months, with participation of staff and contractual employees. During the year, there were 3 fire-related incidents that took place, with no other incident related to any other emergency scenarios mentioned above. There were nil injuries/lost time because of the 3 fire-related incidents.

The Sustainability Council (which meets twice a year) reviews and monitors the activities undertaken by the Bank under the Environment Management Policy (EMP) and its compliance to ISO 14001:2015 requirements (including any health and safety related issues that may arise). There are periodic internal and external audits to ensure compliance and continual improvement.



## Parental Leave Initiatives

The Bank provides maternity benefit of 26 weeks to female executives to celebrate motherhood and bonding. In addition, the Bank also provides access to crèche facilities as per the statutes, adoption leave benefit for adopting a child upto the age of 14 years and paternity leave for male executives to celebrate the onset of fatherhood & responsibility. Gift vouchers are presented for the new-borns; to all new mothers resuming work post maternity leave. Further, with the recent transitioning to the 'Work From Anywhere' models the female executives will be given an option to claim the reimbursement upto a defined limit, for paid service of one nanny with child/children upto 3 years of age. The analysis of return to work after maternal and paternal leaves is presented below:

Particulars	FY 2020 – 21		FY 2019 – 20	
	Maternal	Paternal#	Maternal	Paternal#
Employees taking Parental leave	216	975	224	1,238
Employees resuming work	215	975	221	1,238
Employees retained after resuming work in the reporting period	203	850	214	1,043
Return to Work Rate ^	99.5%	100%	98.7%	100%
Employees retained 12 months after resuming work	NA*	NA*	151	919
Retention Rate (after 12 months) ^	N/A*	N/A*	68.3%	74.2%

\* To be reported in FY 2021-22 reporting cycle

^ The percentage of "return to work rate" has been calculated based on the employees that returned to work in the reporting period after parental leave ended and "retention rate" has been calculated based employees that resumed work after parental leave ended and were still employed 12 months after their return to work. In line with the calculation approach, a revision in the previous year reporting has been disclosed above for maternal leaves.

# No correlation has been determined between paternal leave and voluntary exits.

## Employee Engagement & Wellness

The Bank aims to utilize the collective skills, capabilities and experience of all employees in pursuit of its business objectives. The Bank has 5C Employee Engagement Framework (Care, Connect, Communication, Career, Culture) with the objective to:

1. Cater to overall - mental & physical wellbeing of an employee
2. Provide continuous developmental opportunities to boost employees career growth
3. Build a culture of collaboration & appreciation
4. Provide a positive work environment where employees feel committed

Some of the key engagement initiatives that have been conducted include:

**Samwad:** To strengthen every YES BANKer's sense of ownership, motivation and trust with the Bank, an employee connect initiative titled "Samwad – The Dialogue" was launched in FY21. Samwad is a quarterly dialogue for business leaders to engage with their team members. Through Samwad, leaders from the management team share key messages, discuss quarterly business results, reiterate YES BANK's values and talk about the significant focus areas of the Bank and the industry in general. During this interactive session, employees are also provided with a Q &A opportunity to seek clarity on various aspects of running the Business.

**YES Foundation Day:** The Bank celebrated its YES Foundation Day on March 18, 2021, to commemorate work achievements. The intent was to further embody and align our behaviours and actions to the Bank's stated values as we build a culture based on Trustworthiness, Transparency, Integrity, Accountability and Collaboration. YES BANK unveiled an anthem based on our values during the Foundation Day event by the MD & CEO. The celebrations included Y-Factor (a Talent Platform for YES BANKers), where the employees showcased their talent in Singing/Dancing/Solo Performing. This mega event saw around 400+ participants from all branches. Ten winners were announced across the three categories.

**LIVE Fitness Sessions:** The Bank has launched a host of LIVE sessions on Guided Meditation, Yoga, and Zumba. These sessions facilitate our employees to embrace a healthy lifestyle and workout regime to maintain their physical and mental well-being. Since these sessions are virtual, we see enthusiastic participation from employees and their family members.

**Medical Services for YES BANKers:** The Bank has collaborated with BesideU to provide medical centres across five major locations (2 in Mumbai, 2 in Delhi and 1 in Chennai). The centres are well equipped with an experienced General Physician and nurse. Tele-consultations were extended during the pandemic. In addition to this, there is a dietician available once a week. There are also quarterly diagnosis sessions for Eye/ Dental/ hair treatment etc.

**Women's Day:** "We can all choose to challenge and call out gender bias and inequality. We can all choose to seek out and celebrate women's achievements. Collectively, we can all help create an inclusive world". #ChooseToChallenge was the theme for International Women's Day 2021. International Women's Day, March 8, 2021, was virtually celebrated at YES BANK. The event began with a webinar on 'Overcoming Self Doubt' focusing on challenging inhibiting beliefs, followed by virtual Pilates masterclass by a celebrity fitness and Pilates instructor. A virtual photo booth called 'Strike a Pose' was available to YES BANKers where employees could click & upload their selfies with the Women's Day 2021 Pledge on "#ChooseToChallenge".

## DIVERSITY & INCLUSION

At YES BANK, employee compensation philosophy is gender agnostic and the compensation is based on parameters comprising role, experience, proficiency, level of competency, relevant performance assessment measures etc. For 86% of employees, comprising General and Junior Management, the ratio of the basic salary and remuneration of women to men in the Bank is around 1. For the remaining 14% comprising Middle Management & above this ratio varies from 1.00 to 0.85.

### Diversity & Inclusion (D&I) Council

Diversity and Inclusion are extremely critical aspects for building a strong and successful organisational culture. For us at YES BANK, creating an environment that is inclusive towards employees of all backgrounds, genders and identities is extremely important, not just because it is the right thing to do but also because we believe that it is the most important thing to do. A diverse and inclusive culture does not happen by chance. It requires a cultural transformation wherein we all practice 'conscious inclusion' through thoughts, beliefs and behaviors that value and leverage our differences. With this objective in mind, the YES BANK Diversity & Inclusion (D&I) Council has been created with the key objectives of:

- Helping the Bank Embrace Diversity and Inclusion as drivers for employee satisfaction as well as organizational innovation, value and growth
- Serving as a Diversity & Inclusion advocacy and enablement group for the Bank, while constantly tapping the collective D&I knowledge and experience

## Employee Performance Management

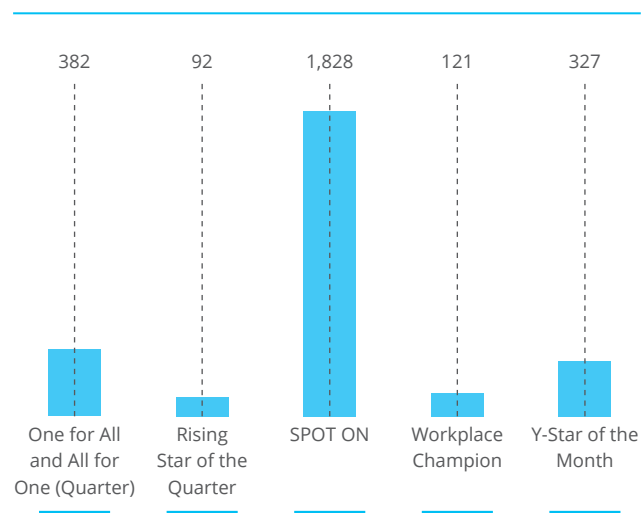
The annual performance review process was redesigned this year in line with the transformations taking place across the Bank. The normalization curve was removed and a shift from numerical ratings to performance descriptors has been made. The definitions of the performance descriptors not only focus on executive's achievements vis-à-vis expectations of the Bank, but also emphasize on the need to uphold core values of the Bank and consistently adhere to regulatory compliance norms.

The performance review begins with Self-Assessment, followed by Reporting Authority (Manager) and Reviewer (skip-level Manager) Assessment and concludes with a Committee Review. Committees comprising of cross-functional leaders and HCM representatives review the assessment of senior executives and sign-off their performance descriptors. This stage of the process has been introduced to ensure objectivity, transparency and collaboration.

The timeline for completing the process has been advanced to enable communication of performance review feedback soon after the financial year end and help executives understand their achievements as well as development areas right at the start of the new financial year.

## Rewards and Recognition: YES LEAGUE OF EXCELLENCE

At YES BANK, rewards & recognition is driven digitally through an online portal called the 'YES LEAGUE OF EXCELLENCE'. It provides a formal recognition platform to reward excellence at YES BANK and in turn, create a culture of appreciation. YES BANKers have the option to appreciate and wish their colleagues on account of professional achievements or personal occasions. Reporting managers can nominate team members for rewards on basis of performance. In FY 2020-21, 2,700+ employees received rewards and 1,800+ appreciation messages/wishes were exchanged through the Rewards and Recognition portal. The number of rewards given under various categories are as follows:



## LEARNING & DEVELOPMENT

### YES School of Banking (YSB)

YES BANK has always emphasized a knowledge-driven approach for visualizing the future and focusing on developing capacity and capability to nurture the brightest and best quality talent. Key Human Capital, organizational development, and learning initiatives at YES BANK are domiciled under the aegis of YES SCHOOL OF BANKING (YSB). Institutionalized in 2007, YSB was created with a vision to build a 'Centre of Excellence for learning solutions in banking and related areas.

YES SCHOOL OF BANKING is accredited with the latest ISO 9001:2015 Standard on Quality Management System Certification. This is a validation that YSB has Risk-Based Thinking in its approach and continues to ensure business satisfaction by creating and deploying learning solutions that meet stakeholder requirements through sustained improvement in employee knowledge, skills, and behavior

### Online Learning Management System

My Learning@YES is the Bank's online Learning Management System (LMS) which supports digital learning in partnership with Cornerstone On Demand. My Learning@YES provides learners with increased access to learning content (in-house courses and externally integrated content partners) learning scorecards to measure actualization against learning paths. The system offers social learning, advanced reporting & analytics, conducting and management of classroom training, attendance tracking, and training schedule management in addition to accessing the e-learning modules. The LMS also has a mobile-first approach enabling learning on the go, allowing users

to go through modules and appear for tests from the app ensuring better time utilization and higher learning engagement for employees.

**Live Digital Training:** To overcome the challenges posed by the pandemic, the YSB team created and rolled out a virtual classroom methodology (Live Digital Training) to enable a conducive learning environment in which participants can interact with trainers and each other like they do in a traditional classroom. The YSB team actively employed different strategies to engage the virtual learners and make the new online training medium interactive to learn.

### Key Learning Programs / Modules

Some of the key learning modules initiated by the YES SCHOOL OF BANKING during the year are:

#### Regulatory / Compliance Mandatory Programs

**Implementation of RBI Circulars:** In line with the Capacity Building guidelines by RBI, employees in specific roles were enrolled for mandated Certification programs. Additionally, relevant CXOs, select Top Management Officials and members of the Board completed the Certification in IT and Cyber Security.

**Fraud prevention/awareness sessions** are covered as part of the YESsentials Program. Risk and Compliance topics like Code of Conduct, Basics of Information Security, KYC, AML and Basics of ORM, YES GRACE (Gender Respect and Commitment to Equality) are covered as part of onboarding for new employees. The Bank undertakes comprehensive training for employees on the Code of Conduct, followed by a mandatory certification test, which is valid for one year. Every employee is required to undergo recertification upon the expiry of the certification.



**Risk Management and Compliance Training** for existing employees. Classroom Sessions were delivered by subject matter experts on topics like Operational Risk, Business Continuity Management, Anti-bribery & Anti-corruptions, Information Security & IT Cloud Security, Credit Risk, Credit Processes and Procedures, RBI Regulations with Credit Portfolio Management, ORM Disaster Recovery, Certified Anti Money Laundering Investigator, RBI Regulation on Trade / FEMA, Workshop on State Level Bankers Committee, LBC Workshop, IT Program on Risk Implications Excellence and Training on ORM, as an advanced approach and other Risk Programs.

**YESsentials** is a high-impact induction program that orients new employees on key areas that every YES BANKer must be aware of. The YESsentials induction program is the first critical training for employees on key regulatory and compliance issues, including Know Your Customer (KYC) and Anti-Money Laundering (AML) guidelines, Information Security, products & processes and Human Capital Management policies & procedures. During the reporting period, 171 induction programs were conducted for 6,572 executives and 933 executives were inducted through the e-learning modules.

**YES ELITE – Operations Service Delivery Role-Based Certification Program:** Operations & Service Delivery (OSD) unit of the Bank is a critical function that provides backend operational excellence, leading to consistent and superior customer experience. There is a need to constantly upskill the existing OSD manpower and resources. A certification program was designed exclusively for the OSD team, that gives insight into the practical functioning of the unit, prepare the executives to minimize risk, and enhance their knowledge regarding the rules and regulations. This certification has further enabled capability building within the Bank and thus helps

in providing best-in-class customer service and enhancing customer loyalty.

**Going Beyond (Customer Experience Program):** A training intervention was rolled out for the corporate service excellence team, to enhance the efficiency and effectiveness of the executives in handling customer queries and providing a delightful customer experience, thus impacting the Bottom line of the organization by increasing wallet share and stickiness.

**Cybersecurity Awareness:** In the current Pandemic situation, technology has substantially helped everyone professionally and personally. In a crisis or for communication the importance of Information and Cyber Security was crucial. Hence multiple training sessions were conducted on Cybersecurity Awareness throughout the year.

**Branch Business Leader Certification Program:** The Bank's vision placed Retail Banking at the pilot's seat which thereby made the Branch Business Leaders (BBLs) as key contributors to its growth story. An important way to execute the journey successfully was to reimagine the role of BBLs as Business Owners who are not only Profit Centre Heads but also the Ambassadors of the Bank. The Branch Business Leader Certification Program' was hence launched in September 2020 to equip BBLs with the necessary Functional, Leadership, and Professional Development skills to excel in their roles. This program started with a Knowledge Assessment and basis score earned in the assessment they participated in a differentiated learning roadmap (Beginners/Advanced). The learning roadmap lasted for 11 weeks which included subjects focusing on necessary Functional, Leadership, and Professional Development skills.

### **Relationship Management Workshops on Trade**

**Finance:** These workshops were designed to update frontline RMs in SEB and MIB on Business Banking Trade & Forex products. This workshop enables RMs to identify potential leads and pitch the right product to enhance revenue generation

**Know Your Processes Workshop:** To keep the frontline BSD team updated on Branch Banking Products & Portfolio Management, this intervention was designed to enable them to identify potential leads and pitch the right product to enhance revenue generation and customer engagement.

### **Leadership and Professional Development**

The YES SCHOOL OF BANKING team enabled customized and blended leadership and behavioral learning interventions with an intent to positively impact business outcomes. In the pandemic scenario, the learning initiatives were redesigned with a comprehensive blend of impact-driven digital methodologies like Mobile learning, E-learning, Live digital training, and Webinars to ensure effective learning for YES BANKers.

LEADVANTAGE is YES BANK's strategic talent development strategy that is aimed at addressing the learning needs of leaders at different management levels. The focus this year was on spearheading change, nurturing strategic resources, building a leadership pipeline, and preparing future-ready leaders.

Some key training programs conducted under the Leadership & Professional Development umbrella were:

- **Creating Leadership Impact:** Adaptive Leadership & Leading Change -. The program focused on identifying personal leadership drivers & pivots and driving adaptive leadership, understanding the change management model and influencing change.

- **Virtual Leaders:** Transitioning to a Virtual leader & Developing High Performance Virtual Teams – The focus of this program was to identify the media to earn & build trust, implement techniques and strategies for high impact communication, enhance team performance, and drive business and projects despite the challenges of a virtual environment.
- **Design Thinking:** The program's target was to build on the collaborative skill of an individual, develop a people centric problem-solving approach and encourage the creation and testing of many potential ideas through the design thinking process.
- **Coaching for Performance:** The program was aimed at understanding the role of a manager as a Coach. It focused on creating a goal-setting mindset, polishing the art of giving feedback, sharpening communication skills and applying the concepts of the Coaching model to develop a high-performance team.
- **Managerial Efficacy:** The program was designed for the first-time managers which focused on decoding the productivity paradigms, bringing about a shift in the new Manager's mindset, identifying different managerial styles and implementing influential coaching discussion to improve the team's performance.
- **Shikhar – Leadership Program:** An experiential leadership offsite was planned for the Retail Liabilities Leadership team and their key stakeholders. The objective of the workshop was to enhance SCALABILITY, SKILLS, SPEED & EXECUTION FOCUS of the leadership team as they lead the next level of retail liabilities growth. This workshop aimed at ensuring that they 'embody' and 'align' their behaviours and actions to execute their business strategies in line with YES BANK's growth plans. The workshop included sessions on Collaboration & Trust, Leadership Communication, Crucial Conversations, Execution Focus, Mindfulness, Individual Strengths and Team Behaviours, Performance Management.

## KEY LEARNING MATRIX

### Employee training – programme-wise breakup

Particulars	FY 2020-21	FY 2019-20	FY 2018-19
Total classroom-training programs conducted	4,712	5,044	5,410
Total executives trained in programs above	20,769	17,161	16,132
Total executives trained (E -Learning)	21,814	22,691	20,306

### Employees training (classroom) – gender-wise breakup

Particulars	FY 2020-21	FY 2019-20	FY 2018-19
Male	16,969	13,906	13,117
Female	3,800	3,255	3,015
<b>Total</b>	<b>20,769</b>	<b>17,161</b>	<b>16,132</b>

### Employees training (classroom) - management category wise breakup

Particulars	FY 2020-21	FY 2019-20	FY 2018-19
Top management	58	38	57
Senior management	151	107	163
Middle management	2,506	1,902	1,960
Junior management	7,645	6,336	5,824
General management	10,409	8,778	8,128
<b>Total</b>	<b>20,769</b>	<b>17,161</b>	<b>16,132</b>

### Training programme (classroom) - category wise breakup

Particulars	FY 2020-21	FY 2019-20	FY 2018-19
Behavioural and leadership skills	992	400	639
Employee induction	171	261	241
Mandatory policies and compliance	310	163	476
Process training	452	677	553
Product training	2,787	3,543	3,501
<b>Total</b>	<b>4,712</b>	<b>5,044</b>	<b>5,410</b>

### Training hours (classroom & e-learning)

Particulars	FY 2020-21	FY 2019-20	FY 2018-19
Participant man-hours (Classroom)	2,77,596	3,53,374	2,97,871
Participant man-hours (E Learning Room)	6,18,599	4,59,370	4,11,303
Participant man-hours (Classroom & E-Learning)	8,96,196	8,12,744	7,09,174
<b>Participant man-hours per executive</b>	<b>40.24</b>	<b>35.38</b>	<b>33.55</b>

Data points include YES BANK Limited full-time employees (India & Overseas) and exclude fixed term contractual employees (trainees, advisors, etc.).

### Effectiveness of Training Programmes

The training programme effectiveness is measured using Kirkpatrick's globally recognized four level evaluation model:

- **Level 1:** For programs (with duration more than or equal to 1 day), we measure "Reaction" by way of administering a survey which gives us quantifiable metrics.
- **Level 2:** For certain product, process, sales, service, certification programs etc. we measure "Learning" by way of administering post training assessment tests.
- **Level 3:** For leadership programs, we ensure implementation of key learning's from the session within 30 days of attending the program (duly documented) and ensure transfer of learning's from 'workshop' to 'workplace'
- **Level 4:** For learning initiatives viz. Productivity Enhancement programs, we measure "Results" by comparing targeted outcomes pre & post training.

### University & School Relationship Management (USRM)

UNIVERSITY & SCHOOL RELATIONSHIP MANAGEMENT program (USRM) is a structured, sustainable, and scalable engagement program to create and maintain mindshare for YES BANK among students from top business schools of India, thereby positioning the Bank as a preferred employer.

### YES Professional Entrepreneurship Program (Y-PEP)

The Y-PEP program is YES BANK's flagship campus recruitment program that endeavours to hire the most sought-after talent from the best business schools in India. The program positions YES BANK as an 'Employer of Choice' across premium business school campuses and helps develop a robust talent pool to drive the Bank's future growth. The Bank has recruited more than 1,000 Y-PEPs since the inception of the program. For the batch of 2021, we have recruited 39 Y-PEPs from some of the Top Business Schools in the country. Owing to the pandemic, the recruitment process was conducted virtually ensuring the safety of everybody.

As a Bank we initiated the YES Emerging Professional Entrepreneurship Program (Y-EPEP) in 2015. This is YES BANK's summer internship program where we engage with Management Graduates from Top Business schools in India for two-month projects in Product Management, Trade, Relationship Management, Risk, Alliances & Partnerships, etc. We have engaged with more than 250 Y-EPEPs over the years. For the Y-EPEP batch of 2021, we have hired 34 summer interns.

### DIGITALISATION INITIATIVES

**E-visiting card:** New feature was included to the HCM App which benefits in contactless sharing, significant cost saving by discontinuing printed cards, decrease in Bank's carbon footprint and quick access anywhere/anytime.

**YES Pass:** YES Pass was launched to regulate office attendance in YES BANK premises such that employees attend office in a pre-planned manner; to avoid crowding and to ensure "Social Distancing" during the pandemic.

## HUMAN CAPITAL DATA POINTS

As on March 31, 2021, the Human Capital strength of the Bank was 22,270 employees which is an approximately 3% decrease as compared to previous year. Key highlights for FY 2020-21

- All employees of the Bank are paid above minimum wage of respective locations
- All YES BANK employees are free to exercise the lawful right to Freedom of Association. However, the Bank does not have any trade union.
- Women in revenue generating positions: 12.8%
- Average hiring cost/FTE: INR 13,938
- Absentee rate: 0.9%
- Median pay of employees: INR 7,50,000

The key area of the Human Capital are as follows:

### People Demographics – Diversity

#### FY 2020-21

Management Band	Under 30		30-50		Above 50		Total
	Male	Female	Male	Female	Male	Female	
Top management	0	0	33	6	24	2	65
Senior management	0	0	176	16	17	2	211
Middle management	5	0	2,475	325	40	4	2,849
Junior management	777	285	6,151	959	7	1	8,180
General management	4,136	1,658	4,304	861	5	1	10,965
<b>Total</b>	<b>4,918</b>	<b>1,943</b>	<b>13,139</b>	<b>2,167</b>	<b>93</b>	<b>10</b>	<b>22,270</b>

### People Demographics – Region

#### FY 2020-21

Management Band	North	East	West	South
Top Management	2	0	62	1
Senior Management	38	3	155	15
Middle Management	752	121	1,541	435
Junior Management	2,471	456	3,810	1,443
General Management	3,700	701	4,434	2,130
<b>Total</b>	<b>6,963</b>	<b>1,281</b>	<b>10,002</b>	<b>4,024</b>

## Total Attrition during the Year

#### FY 2020-21

Particulars	Under 30		30-50		Above 50		Attrition Rates
	Male	Female	Male	Female	Male	Female	
Top Management	0	0	8	3	9	1	32.31%
Senior Management	0	0	40	1	1	0	19.91%
Middle Management	2	0	318	67	3	0	13.69%
Junior Management	269	86	1,178	169	0	0	20.81%
General Management	1,574	722	1,167	221	0	0	33.60%
<b>Total</b>	<b>1,845</b>	<b>808</b>	<b>2,711</b>	<b>461</b>	<b>13</b>	<b>1</b>	
<b>Attrition Rates</b>	<b>37.52%</b>	<b>41.59%</b>	<b>20.63%</b>	<b>21.27%</b>	<b>13.98%</b>	<b>10.00%</b>	<b>26.22%</b>

Note: Attrition is based on Head Count as on March 31, 2021 and includes only voluntary exits.

## Total Hires during the Year

#### FY 2020-21

Particulars	Under 30		30-50		Above 50		Hire Rates
	Male	Female	Male	Female	Male	Female	
Top Management	0	0	0	0	0	0	0.00%
Senior Management*	0	0	6	2	4	0	5.69%
Middle Management	2	1	162	19	1	0	6.49%
Junior Management	322	102	970	127	0	0	18.59%
General Management	1,834	747	816	160	3	0	32.47%
<b>Total</b>	<b>2,158</b>	<b>850</b>	<b>1,954</b>	<b>308</b>	<b>8</b>	<b>0</b>	
<b>Hire Rates</b>	<b>43.88%</b>	<b>43.75%</b>	<b>14.87%</b>	<b>14.21%</b>	<b>8.60%</b>	<b>0.00%</b>	<b>23.70%</b>

Note: Hiring information is based on the employees onboarded during the FY 2020-21.

Data points include YES BANK Limited full-time employees (FTEs) (India & Overseas) and exclude fixed term contractual employees (trainees, advisors, etc.)

\*11 out of the 12 Senior Management executives hires were from the local community

# Environmental Stewardship

*YES BANK is cognizant of its environmental impacts and responsibility towards addressing climate action. The Bank continually endeavors to conserve natural resources by greening core operations, minimize the environmental impact of the Bank's portfolio, mobilize finance to spur growth in sustainability-aligned sectors and advocate for enabling policies through advocacy and partnerships.*

## FACILITATING SUSTAINABLE FINANCE

YES BANK believes that financial institutions, being central to an economy, have a critical role to play in driving climate action and spur growth in sunrise sustainable sectors. The Bank's holistic strategy encompasses launching innovative financial mechanisms, embedding environment and social considerations in lending transactions, mobilizing finance through supranational funds and providing investment banking and advisory services.

## Environment and Social Policy

YES BANK believes that it is imperative for banks to have a framework to recognise, evaluate, monitor, and manage the environmental and social elements in its day-to-day decision-making. Besides, it is becoming increasingly imperative for banks to consider the 'sustainability dimension' while making credit decisions. YES BANK has been adopting a proactive approach to address environmental and social impacts that could result from its lending activities. Towards this, the Bank's Environment and Social Policy (ESP), implemented in 2006, serves as a structured approach towards responsible lending.

The ESP, as an integral part of its Environment & Social Management System (ESMS), sets out the overarching framework for identification and management of potential and/or existing Environmental & Social (E&S) risks commensurate with the nature and scale of transactions and their potential impacts. Through this policy, the Bank integrates environmental and social risks into its overall credit risk assessment framework, which goes beyond financial risk mitigation. It has voluntarily adopted the policy, based on international frameworks such as the Equator Principles and IFC Performance Standards. The ESP is a crucial part of the Bank's credit risk appraisal process and the Bank further continues to mainstream environment and social considerations across its lending by strengthening ESP integration with the overall credit risk assessment framework.

## Green Climate Fund

YES BANK was approved as an accredited entity by Green Climate Fund (GCF) in November 2019, post a rigorous assessment of the Bank's key administrative and financial capacities (general management, financial management, control frameworks, transparency and accountability), fiduciary capacities (project management, grant awards, on-lending and blending), and environment and social safeguards and gender capacities. The Bank was one of the first Indian private Banks to be nominated as 'Direct Access Entities' for GCF by the Ministry of Environment, Forests and Climate Change. The Bank is expediting agreement with GCF to access GCF funding for climate mitigation and adaptation projects in India. The Bank is exploring potential project pipelines in climate change sectors like e-mobility, water & waste management, green real estate & energy efficiency, and climate smart agriculture.

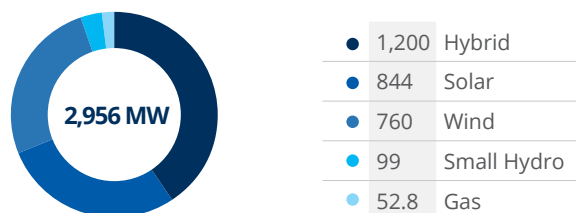




## Renewable Energy Lending and Advisory

In FY 2020-21, YES BANK has extended financing solutions of INR 575 Crore for Solar Projects of 950 MW. The Bank has been a market leader in financing renewable energy projects with INR 32,500 Crore of sanctioned facilities extended for 6.4 GW of renewable energy projects since 2015, significant percentage (~75%) of which have also been successfully downsold/refinanced. Currently, the Bank continues to have positive outlook on the renewable sector and is exploring growth opportunity in this segment with strong promoter / project / counterparty comfort.

### Overall clean energy portfolio as on March 31, 2021 (MW)\*



\*Underwritten/ Participation basis

### During the year, YES BANK also participated in marquee renewable energy focused virtual conferences, including:

- Workshop on Operating Performance of Solar and Wind IPP in November 2020 conducted by ICRA
- Workshop on Opportunities in INVIT in November 2020 conducted by Khaitan & Co
- Seminar on City Gas Distribution in November 2020 conducted by CRISIL
- RE-INVEST Virtual Conference in December 2020 conducted by MNRE, GoI
- Program on Battery Storage in March 2021 conducted by NITI AAYOG, GoI

## Northern Region Strengthening Scheme (NRSS) XXIX Transmission Project

*The Kashmir Valley region, besides dealing with socio-economic problems, suffers from blackouts during the harsh winter months. The Northern Region System Strengthening Scheme (NRSS) XXIX Transmission Project was commissioned to deliver over 1,000 MW of electricity from Punjab to the Kashmir Valley by strengthening the National Grid. The project assumes national importance since it not only addresses the power shortage problem but also helps connect the Kashmir Valley to Punjab and the rest of the country. The project was inaugurated by Honorable Prime Minister, Shri Narendra Modi. NRSS was a Special Purpose Vehicle (SPV) formed by Sterlite Power for the implementation of this interstate transmission project, spread across Punjab and Jammu & Kashmir (J&K).*

*YES BANK has supported the project during its entire life cycle by providing under construction project financing. YES BANK was joint underwriter for project debt of USD 321 MM during construction stage. Subsequently, post commissioning, the Bank helped the company raise funding from multiple investors. YES BANK assisted the company for bond/non-convertible debenture issuance of USD 428 MM. This is the largest debt capital market issuance by a Private Interstate Transmission Project in India. Post commissioning, the project was acquired by India Grid Trust in July 2019 and now delivers over 1,000 MW of electricity from Punjab to the Kashmir Valley by strengthening the National Grid.*

**“** YES BANK's wholly-owned subsidiary, YES SECURITIES (India) Limited. The SIB team has rich sector-expertise and experience in providing investment banking and advisory services in the sustainability space, including renewable energy, clean technology, environmental services, healthcare, and education.

### Sustainable Investment Banking

YES BANK was early to recognize the emergence of sustainability-focused capital raise and deal making activities globally and in India. A dedicated Sustainable Investment Banking (SIB) practice resides within YES BANK's wholly-owned subsidiary, YES SECURITIES (India) Limited. The SIB team has rich sector-expertise and experience in providing investment banking and advisory services in the sustainability space, including renewable energy, clean technology, environmental services, healthcare, and education. SIB specializes in private equity fund raising, mergers & acquisitions, technology transfer, business advisory and corporate restructuring, among others. Since 2007, it has successfully executed over 40 transactions in the sustainability sector, cumulating to a transaction value of over USD 8.0 billion. During the reporting period, SIB successfully closed the following transactions:

- Acted as an exclusive advisor to Sterling Wilson Private Limited for divestment in its 72.5 MW operating solar assets to Adani Green Energy Limited
- Acted as an exclusive advisor to EverSource Capital for private equity placement in VA Tech Wabag's Hybrid Annuity Model (HAM) based sewage treatment plant. This deal marks the entry of private equity player in the water HAM sector
- Acted as an exclusive advisor to Eoxis Asia Private Limited, for divestment of stake in 15 MW operational solar asset to a Ashapura Green Energy, a Gujarat based renewable energy company

Currently, the SIB team is running multiple mandates for sale of over 500 MW of renewable assets. The team also represented YES BANK's strong sector expertise and thought leadership in the renewable energy and sustainability sectors at Solar Quarter in September 2020.

### Knowledge and Advisory mandates

To further YES BANK's commitment towards India's holistic and inclusive growth, the Corporate & Government Advisory (CGA) group works across emerging sectors such as Smart Cities and Urban infrastructure, E-mobility, Tourism & Livelihood, by executing knowledge and advisory mandates of social and economic importance. Details about the initiatives can be found on [Page 70](#) under the 'Differentiated Product Suite & Service Quality' section.

### Exposure to low carbon products: Green Bonds

Green Bonds have emerged as a mainstream financing mechanism for providing structured finances to vital clean energy and are playing a pivotal role in realization of India's renewable energy potential. Since the maiden issuance by YES BANK, the Green Bonds market has witnessed a steady growth and is currently pegged at over USD 10 billion.

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 was used to finance Green Infrastructure Projects as per 'Eligible Projects' outlined in the Bank's internal guidelines that are in adherence to the Green Bond Principles (GBP).

### Impacts

Through financing solar and wind power plants, these bonds strengthen India's energy security while reducing fossil fuel dependency. These bonds have been crucial in financing climate change mitigation with avoidance of emissions of CO<sub>2</sub>, SO<sub>2</sub>, NO<sub>x</sub> 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 31<sup>st</sup> March, 2021 is provided below:

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

Project Location	Description	Total Fund Based Utilization, INR Cr	Estimated** positive E&S impacts - CO <sub>2</sub> Emission Reduction (tCO <sub>2</sub> e / yr)	Known significant negative E&S Impacts
Maharashtra	31.5 MW wind energy project	97.46	45,910.90	None
Telangana	42 MW solar energy project	120.23	66,312.86	None
Karnataka	40 MW solar energy project	141.31	79,736.44	None
Telangana	48 MW solar energy project	42.70	81,224.12	None
Madhya Pradesh	92 MW wind energy project	117.64	1,69,921.78	None
Rajasthan	50.4 MW wind energy project	86.04	1,00,045.59	None
Madhya Pradesh	27.3 MW wind energy project	43.62	55,660.26	None
Madhya Pradesh	29.4 MW wind energy project	75.49	59,941.82	None
Telangana	50 MW solar energy project	152.23	97,124.75	None
Telangana	3.26 MW rooftop solar installation across 9 locations	6.96	3,678.54	None
Maharashtra	15 MW wind energy project	25.72	27,778.75	None
Maharashtra	10 MW wind energy project	21.44	19,424.95	None
Gujarat	8.75 MW wind energy project	46.02	16,996.83	None
Maharashtra	9 MW wind energy project	12.57	17,482.45	None
Andhra Pradesh & Rajasthan	105 MW & 50.4 MW wind energy project	10.57	3,01,863.72	None

#### Proceeds Utilization\* Against Bond Issuance Size of INR 330 Cr (December 2016)

Project Location	Description	Total Fund Based Utilization, INR Cr	Estimated** positive E&S impacts - CO <sub>2</sub> Emission Reduction (tCO <sub>2</sub> e / yr)	Known significant negative E&S Impacts
Gujarat	30 MW wind energy project	35.79	59,337.09	None
Rajasthan	300 MW solar energy project	71.74	4,62,361.56	None
Madhya Pradesh	66 MW wind energy project	202.25	1,32,824.17	None
Maharashtra	6.25 MW wind energy project	10.00	9,397.51	None
Karnataka	9.6 MW wind energy project	10.15	9,825.94	None
Andhra Pradesh	100 MW wind energy project	0.07	1,59,500.33	None

\* The temporary unallocated proceeds (INR 315 Cr of bond issued in August 2015) have been invested in Government Securities. In bilateral discussion with investor for allocation to eligible projects.

\*\* 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.

## PORTFOLIO-LEVEL ANALYSIS TO MAXIMIZE POSITIVE IMPACT

### Measuring financed emissions and aligning electricity generation sector exposure to 1.5° pathway

YES BANK is committed to align its business to the Paris Climate Agreement's goal of limiting global temperature rise to 1.5 degrees Celsius. Achieving this goal requires countries and businesses to bring down CO<sub>2</sub> emissions to a net-zero by the year 2050. In FY 2020-21, the Bank took significant steps towards aligning its business with the global 1.5 degree pathway, by measuring the financed emissions of its electricity generation sector exposure and working to align it with sectoral decarbonization pathways.

**“** In FY21, the Bank took significant steps towards aligning its business with the global 1.5° pathway, by measuring the financed emissions of its electricity generation sector exposure and working to align it with sectoral decarbonization pathways

The Bank identified the electricity generation sector as a climate-intensive sector, given its sensitivity to global and national decarbonization efforts. The Bank calculated the financed emissions for its electricity generation sector exposures by using the Partnership for Carbon Accounting Financials (PCAF) methodology.

This included emission estimation for project finance and corporate loans in electricity generation sector which were on the Bank's loan book as on March 31, 2020. The total attributed emissions financed by the Bank through the electricity generation sector in FY20, amounted to 5,470 ktCO<sub>2</sub>. The resulting emission intensity of the Bank's electricity generation sector portfolio stood at 554.67 gCO<sub>2</sub>/kwh. The Bank then used the Sectoral Decarbonization Approach methodology by the Science Based Targets initiative (SBTi) to develop pathways for decarbonizing its electricity generation sector portfolio in line with the 1.5 degrees, global warming scenarios, taking FY20 as the base year for financed emission intensity in the sector. In line with the 1.5-degree scenario, the carbon intensity target for the Bank's electricity generation sector portfolio for FY 31 is estimated to be 131 gCO<sub>2</sub>/kWh.

## YES BANK & SBTi

*SBTi aims to provide the private sector with a clearly defined pathways to future-proof growth by enabling companies to set science-based emissions reduction targets. 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.*

*YES BANK is the only Indian Bank to be a member of SBTi Expert Advisory Group, tasked with providing inputs, expectations and needs on methodologies and approaches being developed by SBTi for target setting to align portfolio with global de-carbonization pathways.*

## Impact analysis of portfolio against Sustainable Development Goals (SDGs)

The United Nations' 17 Sustainable Development Goals (SDGs) provide a holistic blueprint for building a sustainable society of the future. The SDGs provide the banking sector an opportunity to align its business activities and financing to larger societal goals and outcomes, and to ensure that financial systems of the future are geared towards sustainable growth. In 2019, YES BANK along with 32 global Banks and UNEP FI, founded the UNEP Principles for Responsible Banking (PRB) – the first global framework for enabling the banking sector to align its business to the objectives of the SDGs and the Paris Climate Agreement. YES BANK continues to be the only Indian Founding signatory amongst 230 global Banks that have joined PRB's call to action. The PRB framework calls upon banks to undertake an impact analysis of their portfolios in order to assess how their businesses interact with and impact the 17 SDGs, and to minimize negative impacts and maximize positive impacts of their businesses.

In FY21, YES BANK piloted the UNEP FI PRB Portfolio Impact Assessment tool to assess its Wholesale Banking (Corporate) portfolio (which represented 52% of the Bank's book size as of December 31, 2020) and identified the sub-portfolio's positive and negative impact areas. The tool assesses the potential impacts of the Bank's exposure towards various sectors on 22 key impact categories, derived from core elements of SDGs (as defined in the UNEP FI Impact Radar). These impact categories include availability and quality of water, food, education, employment, housing, health & sanitation, energy, climate change, resource efficiency, waste, information, culture & heritage, mobility, air, soil etc. The assessment covered 68% of the Wholesale Banking portfolio, spanning top 15 business segments/ activities (by exposure volume) such as real estate activities; wireless telecommunication; power generation, transmission & distribution; construction of roads and railways; higher education; manufacture of basic iron & steel; amongst others.

**“** YES BANK continues to be the only Indian Founding signatory amongst 230 global Banks that have joined PRB's call to action. The PRB framework calls upon banks to undertake an impact analysis of their portfolios in order to assess how their businesses interact with and impact the 17 SDGs, and to minimize negative impacts and maximize positive impacts of their businesses.

**Challenges faced:** The Bank had to take an extensive exercise of mapping the International Standard Industrial Classification (ISIC) and Basic Statistical Return (BSR) codes, and then, preparing the portfolio data for the pilot.

**Limitation:** The study does not measure or quantify the impacts of the Bank's financing. It only provides insights on potential negative and positive areas of impact (based on the impacts that sectors financed may have on the tool's impact categories and country specific needs/ priorities). Also, the study is limited to wholesale banking exposure of the Bank (covering only 68% of wholesale banking portfolio).

**Results and learnings:** The pilot identified Economic Convergence, Employment and Energy as areas of positive impact, while Climate Change and Resource Efficiency/ Security as impact areas where the Bank may have potentially significant negative impact. Out of these impacts, Climate Change is identified as having the highest priority in the Country Need Scoring (India's needs/ priorities) within the tool. The Bank considers climate change to be one of its key focus areas and has already initiated work by taking SMART climate targets. The Bank will be utilizing the amended Portfolio Impact Assessment tool published on July 16, 2021 for further assessment of its portfolio. The Bank is committed to develop, adopt and disclose strategies to minimize its negative impacts and maximize positive impacts of its business activities.





*"We are pleased to witness and be a part of YES BANK's 8 year journey of continually improving its Environmental Management Systems and reducing its environmental footprint. We wish them all the best for the future."*

**Jagdheesh Manian**  
HEAD – CIF South Asia, (CERTIFICATION)  
Bureau Veritas India Pvt. Ltd.

## SUSTAINABLE OPERATIONS

### Achieving operational environmental excellence

In 2014, YES BANK became the first bank in India to receive the ISO 14001:2004 certification for bringing down resource usage, waste generation & disposal costs, energy consumption, and implementing environment friendly practices. In 2017, YES BANK became the first bank globally to migrate to the ISO 14001:2015 standard for its Environmental Management System (EMS). During the course of its certification, the Bank has made significant progress ranging from reduction in consumption of key aspects like electricity and diesel to completely moving towards using recycled paper A4 sheets for all internal consumption across all locations. As on March 31, 2021, YES BANK is leading the BFSI sector globally with the highest number of ISO 14001 certified facilities with 732 certified locations, including 5 corporate offices, YES Securities and the Abu Dhabi Representative Office.

### Digital and Paperless Banking

YES BANK is committed to continuously benchmark and enhance its environmental performance through strategic reduction of its carbon footprint intensity to fulfil its environmental obligations and stakeholder expectations towards supporting sustainable growth. There is significant scope to enhance staff productivity and customer delight by introducing paperless journey. The Bank has established strong digital strategies to meet the increasing demands of digital customers. The Bank is holding up efforts to gradually move towards paperless banking, by digitizing paper-based products and processes. The Key initiatives undertaken during the year include:

**Loan in Seconds:** The Bank has introduced Loan in seconds in FY 2020-21, thus avoiding the potential use of approximately 5,04,540 A4 sheets of paper (equivalent to avoiding 696.93 GJ energy consumption). The calculation is based on the estimate of each manual loan sanction and disbursement process requiring an average 90 A4 sheets per application.

**E-Statement of Accounts and Income Tax (IT Certificates):** YES BANK's digital focus is on ensuring ease of transaction, and thereby winning and retaining customers by creating value. The Bank introduced paperless banking and developed digital solutions for providing E-SOA and IT Certificates. As initiative, this has significantly offered service gesture and also avoiding the potential use of approximately 2,11,240 A4 sheets of paper and 37,496 envelopes (equivalent to avoiding 39.45 GJ of energy consumption).

**Digital Post Disbursal Documents (registration certificate, Insurance, Invoice):** In collaboration with the Bank's outsourced partner, YES BANK launched the YES PDD application, which aims to reduce paper used in post disbursal document copies through digitization of documentation and verification. It has saved over 45,377 A4 sheets of paper in the Bank's retail operations in FY 2020-21 (equivalent to avoiding 61.19 GJ of energy consumption).

**VAHAN Robotics:** YES BANK's retail strategy, both on the lending as well as the borrowing side, revolves around creating scalable model within sourcing, processing, and last mile fulfilment where fungible tech-enabled platforms with digital interfaces are envisaged. Over a period, the idea is to replace the more archaic with cutting edge innovations. Vehicle Loans is one of unique product offering from YES BANK. Customer

requires to submit Vehicle registration certificate post loan disbursement. YES BANK introduced Robotics platform for downloading of available certificates through Government VAHAN website. This has significantly reduced the turnaround time from 2 days to 1 day, thus also avoiding the potential use of approximately 36,467 A4 sheets of papers (equivalent to avoiding 47.47 GJ of energy consumption).

### Reduce, Reuse and Recycle

During the year, the Bank continued its focused efforts in resource consumption reduction through:

- Recycling 4,123 batteries across locations
- Responsibly recycling 144 Kg waste, leading to 212 MT of carbon footprint reduction

### Managing E-waste

Owing to its high dependence on technology, e-waste is a primary environmental concern for YES BANK. Thus, the Bank has empaneled Pollution Control Board authorized third-party e-waste handlers for disposal of e-waste from its locations across India. During FY 2020-21, the Bank responsibly disposed 6,658.2 kg of e-waste, which included desktops, printers and laptop hardware, UPS, and server hardware.

### Water Footprint

Considering the nature of the Bank's business and locations it operates in, there are no significant negative impacts on the communities around its areas of operation, and the Bank's primary consumption of water is for drinking and municipal purposes.

Based on the assumption that approximately 45 litres of water is consumed per employee per day (Source: IS

1172:1993-Code of Basic Requirements for Water Supply, Drainage And Sanitation), the Bank has estimated that in FY 2020-21, the water consumption at all its facilities was approximately 2,47,371.570 m<sup>3</sup>\*. The Bank encourages branches to lead their own mitigation initiatives and share best practices across other branches.

### Infrastructure – Key steps to enhance resource and energy consumption

YES BANK has been channelizing investments in technology to renew existing infrastructure, improve performance and enhance resource and energy efficiency

- The Bank has been migrating to LED lighting in phases. In the current financial year, YES BANK has replaced 1,980 LED units across its facilities. They are estimated to save 149.09 GJ of energy consumption, every year. The estimated annual reduction in electricity consumption that may be attributed to these LEDs is 49.90 MWh, helping the Bank avoid 41,414 tCO<sub>2</sub>e emissions. The Bank has also replaced CFL Signages to LEDs across its 43 branches
- The Bank is in the process of phasing out air conditioning systems that use ozone depleting coolants and in the current reporting cycle, the Bank has replaced 823 tonnage of R22 air conditioners in 96 branches with energy efficient (star rated) systems that use eco-friendly coolants
- YES BANK has explored the potential of using alternative sources of energy by installing 5 kVA solar power system at Pune Bund Garden branch. In FY 2020-21, the branch drew an estimated 3.58 MWh of electricity (12.89 GJ of energy consumption) through this system, avoiding 2.96 tCO<sub>2</sub>e emissions. YES BANK would continue to explore alternative sources of energy in future

- The Bank constantly strives to improve cost and operating efficiency. To support this effort, one of the initiatives currently underway is to define utility expense targets across our branches and corporate offices. The exercise is based on zero based budgeting model to optimize utility expenses, while ensuring that customer satisfaction is not comprised and there is minimal impact on service levels

### GHG emissions from YES BANK's Operations

In FY 2020-21, the Bank reduced its energy consumption by 8% from 189.21 TJ in the previous financial year to 171.06 TJ and improved its energy intensity, within its operational boundaries from 8.24 GJ/ FTE in FY 2019-20 to 7.68 GJ/FTE in FY 2020-21##. The energy consumed by its outsourced data centres is estimated at 319.02 TJ. The Bank recorded an overall reduction of 5.3% in its emission intensity, over the previous financial year.

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

## GHG emissions from YES BANK's Operations

YES BANK GHG Inventory	FY 20-21	FY 19-20
<b>Scope 1 emission – Diesel Consumption (tCO<sub>2</sub>e) #</b>	<b>615.28</b>	<b>876.07</b>
Diesel Consumption (Litre)	232,651.84	331,262.93
<b>Scope 1 emission – Refrigerant Leakage (tCO<sub>2</sub>e) ##</b>	<b>2,522.93</b>	<b>2,569.08</b>
<b>Scope 2 emission – Grid Electricity Consumption (tCO<sub>2</sub>e) ###</b>	<b>37,385.90</b>	<b>40,722.97</b>
Grid Electricity Consumption (MWH)	45,206.66	49,241.80
<b>Total Emission (Scope 1+2) (tCO<sub>2</sub>e)*</b>	<b>40,524.11</b>	<b>44,168.12</b>
<b>Total FTE as on March 31</b>	<b>22,270</b>	<b>22,973.00</b>
<b>Emission Intensity (tCO<sub>2</sub>e/FTE)</b>	<b>1.82</b>	<b>1.92</b>
<b>Total Scope 3 Emissions (tCO<sub>2</sub>e) ####</b>	<b>77,093.40</b>	<b>48,596.25</b>
Scope 3 Emission (tCO <sub>2</sub> e)- Business Air Travels by Employees	291.78	3,301.35
Scope 3 Emission (tCO <sub>2</sub> e)- Daily employee commute (tCO <sub>2</sub> e)	77.63	1,131.56
Scope 3 Emission (tCO <sub>2</sub> e)- Paper consumption (including couriers)	3,437.64	2,961.95
Scope 3 Emission (tCO <sub>2</sub> e)- Outsourced data centres	73,286.35	41,201.39

# 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 the 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 76.66 Kgs of CFC-11 equivalent. The equivalent NOx and SOx emissions through diesel consumption are 245.97 kg and 241.23 kg respectively. In line with 2012-13 (base year), the operational control approach has been used for measuring and managing these emissions.

Scope 1 emissions also include diesel consumption for the Bank. Emission calculation for diesel consumption is based on the WRI Power tool version 2.

## 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 16. Grid Electricity Consumed has been estimated from facility-wise electricity bills and state-wise tariffs. The following two changes have been made in the methodology for estimating Scope-2 emissions (both the changes have been applied retrospectively to Scope 2 emissions (This is the Restatement). i) State-wise taxes and electricity duties have been excluded from the estimation. ii) 140 facilities have been added in our operational boundary in FY 2020-21.

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 2020-21 include emissions from business air travel (291.78 tCO<sub>2</sub>e), paper consumption including inbound and outbound couriers - assuming 1 A4 envelope and 1 A4 paper per courier (3,437.64 tCO<sub>2</sub>e), bus commute facility provided by the Bank in Mumbai for enabling employees to commute to office (77.6 tCO<sub>2</sub>e), and outsourced data centres (73,286.35 tCO<sub>2</sub>e). Given the unprecedented situation created by the COVID 19 pandemic, emissions from daily employee commute have not been estimated this year. Instead, in FY2020-21, the Bank started a bus commute facility in Mumbai on three routes for the safety and convenience of employees traveling to office during the lockdown. The emissions from this bus service have been calculated using the framework suggested by WRI and included in the daily employee commute estimation. For FY 2020-21, environmental impact estimates (for paper consumption) were made using the Environmental Paper Network Paper Calculator Version 4.0. For more information visit (<https://c.environmentalpaper.org/>). The Bank has taken several initiatives to digitize paper-based processes which have reduced its paper consumption and attributed emissions. The increased emissions from paper consumption this year, is on account of the scope for paper consumption being increased to include additional paper product categories. 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.

## FOSTERING COLLABORATIONS AND POLICY ADVOCACY TO CO-CREATE AN ENABLING ECOSYSTEM

In its constant endeavor to catalyse discussions centered around the need for enabling policy frameworks, innovative business models, financial mechanisms, and robust disclosures to mainstream climate and ESG concerns, YES BANK partnered with like-minded institutions to mobilize dialogues:

- YES BANK organized two Cloud Chats in partnership with BuzzOnEarth focusing on Sustainable & Responsible Investments and ESG Disclosures in India, witnessing global participation from US, UK, Switzerland, Japan, Hong Kong, Denmark
- YES BANK partnered with the Institute of International Finance to organize an India centric Climate Finance Workshop. The workshop featured influential national and international speakers across financial institutions, civil society, multilateral organization, and industry associations and witnessed participants across Australia, Japan, Singapore, UK, USA, France, Switzerland, Germany, Egypt, Netherlands, etc.

Given YES BANK's leadership within the sustainability space in India, the Bank was invited to share its views and insights at various international events bringing together experts from the government, select financial institutions, private and institutional investors. Through these platforms, the Bank enhanced its knowledge about the climate-aligned sectors as well as forged new alliances and partnerships to further accelerate action towards achieving the sustainable development agenda. The Bank's top management participated at key events including Climate Adaptation Summit 2021, One Earth One Future Summit 2021, Asia Pacific

Series on Carbon Pricing Series and Financial sector Think-in on Nature Based Solutions, to name a few. On all these forums, YES BANK presented and catalysed discussions centered around the need for enabling policy frameworks, innovative business models and mechanisms to scale finance to meet the global goals.

YES BANK has fostered strong ties with national and global thought leaders, academia, multi-laterals, and governments and constantly engages with them to advocate for policies that positively impact society, environment, and the industry at large.

- **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. In December 2020, YES BANK in collaboration with the Department of Science & Technology (DST) Centre of Excellence (CoE) in Climate Modeling at IIT Delhi co-authored a knowledge report on 'Impact of Climate Change on Indian Economy'. The report captures the impact of climate change on critical sectors of Indian economy including agriculture, energy, tourism, insurance, infrastructure and quantifies the adverse effects on the overall health, human productivity, and ecosystem services. The report further substantiates the impact of climate change on agriculture/ horticulture, health, and ecosystem services through live case studies.
- **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. 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

- **Global Center on Adaptation:** Given the critical role played by youth in tackling climate change, YES BANK partnered with Global Center on Adaptation (GCA) through Youth Leadership Program. The Programme aims to mobilize the next generation of adaptation leaders around the world, empowering youth to make the case for adaptation on the global stage. Through this partnership, YES BANK intends to work with GCA to support youth in bringing innovative ideas to life, build youth climate adaptation expertise, and empower young people to engage in the global
- **World Resources Institute (WRI):** As part of its ongoing efforts to help policymakers and civil society address climate change while ensuring economic prosperity and sustainable development, WRI undertook a carbon market simulation exercise across 30-40 large companies in India in FY 2020-21 to strengthen policy recommendations for carbon markets in India. YES BANK was an active participant in the simulation exercise.



*"Tackling the global challenge of climate change and accelerating transition to a green economy requires collaborative action from diverse stakeholders. In line with this belief, IIT Delhi and YES BANK have signed an MoU to promote research on climate change within the Indian context. The two institutions have also recently co-authored a knowledge report titled 'Impact of Climate Change on Indian Economy'. Such partnerships between academia and private sector are critical to accelerate action on national priorities and co-create high impact solutions. I wish YES BANK all success in its endeavors to drive action to achieve a sustainable development in India and the world."*

**Prof. V. Ramgopal Rao**  
Director, Indian Institute of Technology Delhi

# Robust Business Growth

*FY 2020-21 was a crucial year for YES BANK in its onward journey, as it continued to re-invent itself into a stronger, redefined organization while simultaneously managing the social and economic impacts of COVID-19 on its operating model. Despite the challenges, the Bank continued to strengthen its fundamentals and made significant gains in strategic areas of capital adequacy, liability generation, stressed assets recovery, retail & MSME-led growth, cost optimization, liquidity and stronger governance and underwriting frameworks.*

The Bank continued its efforts towards improving its operating profitability on the back of cross-sell, cost efficiencies and expanding margins. With its enhanced focus on retail, the Bank was able to achieve granular growth of its deposit franchise and sustained growth of its retail and MSME loan book. The Bank maintained its digital leadership and deepened customer relationship and wallet share by digitizing key processes such as the launch of video KYC for account opening and tailoring attractive

propositions such as the newly launched Loan in Seconds. The Bank also recovered INR 4,933 crore from its stressed assets pool through its dedicated Stressed Asset Management team. Led by its focus on customer centricity, digitalization and inclusive growth, the Bank has emerged a stronger, financially sound, well capitalized, and well governed institution.

## 17.5% Capital Adequacy Ratio

During FY 2020-21 the Bank successfully completed a capital raise of INR 15,000 Cr. by way of a Further Public Offering (FPO) – one of the largest public capital raises in the history of Indian Capital markets. With the above capital raise, the Bank's Capital Adequacy Ratio (CAR) significantly improved to 17.5% as at March 31, 2021 as compared to 8.5% as at March 31, 2020 and a minimum requirement of 10.875%. The Bank's CET-1 ratio comfortably stood at 11.2%; Tier I Capital Ratio at 11.3%; and Tier II Capital Ratio was 6.2% as at March 31, 2021.

## 26% CASA Ratio

The Bank saw its deposit franchise grow by 54.7% in FY21, from 1,05,364 cr as at March 31, 2020 to INR 1,62,947 cr as at March 31, 2021. The Bank's current and savings account (CASA) deposits increased to INR 42,587 cr as at March 31, 2021, resulting a CASA ratio of 26.1%. The Bank's CD ratio stood at 102.4% as at March 31, 2021. The Bank also increased its Liquidity Coverage Ratio to 122% in FY21, well in excess of the minimum regulatory thresholds.

## 51% Retail & MSME share

The Bank made significant gains in its efforts towards building a stronger retail franchise with substantial growth in its Retail and MSME advances which now account for 51% of total advances – a first for the Bank and up 700 bps YoY. The Bank recorded total advances of INR 1,66,893 cr in FY21.

## 41.5% Rise in operating profit YoY

The Bank witnessed a resurgence in its operating performance with the operating profit for FY21 increasing by 41.5% over the previous year to INR 4,977 crore. Net Interest income (NII) of the Bank increased by 9.2% to INR 7,428 cr during FY 2020-21 as compared to INR 6,805 cr in FY 2019-20. The Bank's efforts at cost optimization also paid-off with its Cost to Income ratio improving to 53.8% in FY21 (down from 65.7% in FY20). The Bank is well provided for with a Provision Coverage Ratio (PCR) of 79%



## HIGHLIGHTS OF FINANCIAL PERFORMANCE

### Economic Value Generated, Distributed and Retained

Particulars	FY 2020-21 INR in '000	FY 2019-20 INR in '000	Remarks
<b>Economic Value Generated</b>			
Revenues	233,825,559	379,230,977	P&L Account, Annual Report 2020-21
<b>TOTAL</b>	<b>233,825,559</b>	<b>379,230,977</b>	<b>A</b>
<b>Economic Value Distributed</b>			
Operating costs#	33,616,372	41,293,397	Schedule 16 – Operating Expenses, P&L Account, Annual Report 2020-21
Employee wages and benefits	24,303,780	25,998,717	Schedule 16 – Operating Expenses, P&L Account, Annual Report 2020-21
Payments to providers of capital	126,132,337	197,247,642	Annexure A
Payments to Government	(12,728,473)	(43,126,371)	Annexure B
Community Investments	NA	405,400	Annexure 1, Directors' Report, Annual Report 2020-21
<b>TOTAL</b>	<b>171,324,016</b>	<b>221,818,785</b>	<b>B</b>
<b>Economic Value Retained*</b>	<b>62,501,543</b>	<b>157,412,192</b>	<b>A-B</b>

#### Annexure A

Interest on deposits	76,662,398	120,052,790	Schedule 15 – Interest Expended, P&L Account, Annual Report 2020-21
Interest on RBI/Inter-bank borrowings/Tier I & Tier II debt instruments	52,366,790	66,661,229	Schedule 15 – Interest Expended, P&L Account, Annual Report 2020-21
Others	(2,896,851)	5,899,706	Schedule 15 – Interest Expended, P&L Account, Annual Report 2020-21
Dividend paid for last year	-	4,633,917	P&L Account, Annual Report 2020-21
<b>Payments to providers of capital</b>	<b>126,132,337</b>	<b>197,247,642</b>	<b>Schedule 16 – Operating Expenses, P&amp;L Account, Annual Report 2020-21</b>

#### Annexure B\*\*

Provisions made for Income Tax during the year	(12,728,473)	(44,078,887)	Schedule 17 - Provisions & Contingencies, Annual Report 2020-21
Tax on Dividend paid last year	-	952,516	P&L Account, Annual Report 2020-21
Payments to Government	(12,728,473)	(43,126,371)	P&L Account, Annual Report 2020-21

\* Calculated as per the GRI 201 Standards

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

\*\* Only includes the taxes shown in the Bank's Statements of Accounts in its Annual Reports for 2020-21 and 2019-20, and does not include all the payments to government made by the Bank

Note: No payment has been made by the Bank to any political organization

## BRAND IMAGE

YES BANK has adopted an ethos of responsible banking and continues to build on its brand position as a responsible, customer centric and empathetic brand, focused on supporting the financial and lifecycle needs of its customers. Using the plank of responsibility – ‘Zimmedari’, the Bank in FY21, created a defined purpose for the brand and its contribution to the community through its campaigns, ‘Kuch Naya Socho’, ‘Zimmedari Se Tayyari’, ‘Khushiyan Ki Karein Zimmedari se Tayyari’ and ‘Nayi Udaan ki Nayi Zimmedari’. The Bank’s ‘Zimmedari se Tayyari’ campaign gained significant digital traction and was listed amongst the Top 10 ads on YouTube by ET Brand Equity.

The Bank has instituted rigorous systems and processes for monitoring and tracking the brand’s media mentions in news articles and interviews across India; guidelines for designated spokespeople when responding to media queries; and protocols for employees pertaining to comments and posts related to the Bank’s social media.

## INCLUSIVE & SOCIAL BANKING AND MICROFINANCE BANKING

In line with its commitment towards sustainable and inclusive growth in the rural and semi urban segments, YES BANK, has always focused on frugal innovations and key partnerships to create and promote viable business models, while providing access to finance to the bottom-of-the-pyramid (BOP) customers. The Bank has a two-pronged strategy involving two divisions – Inclusive and Social Banking (ISB) and Microfinance Banking (MFB) – for implementation of various financial inclusion initiatives. Further, to provide comprehensive services, the Bank has aligned the ISB & MFB businesses with its Rural Branches and has also deepened its distribution channels through Business Correspondent (BC) branches and BC managed Banking Outlets (BCBOs).

### Product, Programmes, Portfolio & Outreach

The Bank promotes microfinance as an important asset class within its core business. On the wholesale side, the Bank, through its MFB division, extends Term Loans to Microfinance Institutions (MFIs) for on-lending, cash management services and rated capital market loan products like pool securitisation and Pass Through Certificates (PTCs). On the retail side, the Bank’s ISB division, through its flagship group-lending programme, ‘YES Livelihood Enhancement Action Programme (YES LEAP)’, provides financial services to women Self Help Groups (SHGs) and Joint Liability Groups (JLGs) through Corporates/ MFIs as BCs. As 100% of these groups are women centric, YES LEAP has been able to contribute significantly towards strengthening women entrepreneurship and empowerment in remote areas of India.

As on March 31, 2021, the Bank has an active women customer base of 9.8 lakh. Since the programme’s inception in 2011, the Bank has cumulatively disbursed over INR 11,852 crore to over 31 lakh families, till date. The Bank also provides higher ticket-size Micro Individual Business Loans, to graduated microfinance clients, enabling them to augment their existing business. The Bank also offers optional insurance products like a customized loan cover life insurance product and a new tailored hospital cash product for the rural and semi urban customers, to help them reduce their out of pocket expenses in case of health related emergencies. In addition to the existing 21 BC Banking outlets (BCBOs) in Unbanked Rural Centers, during the FY21, the Bank made significant progress by adding another 51 BCBOs, thereby taking the count to 72 BCBOs, through which both asset and liability solutions are offered to over 26,000 customers in the rural segment.

Women from rural, low-income households were one of the worst affected groups during the unprecedented COVID-19 crisis, as the pandemic directly impacted their capacity to repay their loans. The Bank supported its women borrowers by extending a moratorium on their EMI repayments thereby helping them to tide over their cash-flow challenges. The moratorium was availed by over 9.1 lakh customers (>90% of customers). The Bank also credited INR 13.22 cr in the accounts of 8.2 lakh borrowers who were eligible for an Interest Subvention of 2 percent, on prompt repayment of their Shishu Loans, extended under the Pradhan Mantri Mudra Yojana (PMMY).

## Customer Engagement and Benefit Programmes

The Bank undertakes various interventions to engage with its customers. To offer its customers an innovative yet easy-to-use grievance resolution mechanism, the Bank introduced the “Missed Call”. The missed call which is reciprocated with a vernacular call-back within 24 hours, enables customers to register their complaints without any hassles or cost. The Bank in collaboration with Accion International designed customized training modules to promote Financial Literacy amongst its customers. Over 2.9 lakh customers have been provided basic financial literacy training through these modules till date. Over 596 Financial Literacy Camps have been conducted this year by the rural branches of the Bank.



ISB Customers



Financial Literacy Training of Customers Meeting



## SUSTAINABLE SUPPLY CHAIN

As India's first banking signatory to the UN Global Compact, YES BANK continues to abide by the 10 principles of the compact comprising human rights, labour, environment, and anti-corruption. The Bank uses these principles as a foundation for building its sustainable supply chain practices. The Bank believes that its suppliers are integral to its ecosystem and optimises its strengths with the competencies of its supply chain partners.

The Bank has adopted a Supplier Code of Conduct, based on Environmental, Social and Governance (ESG) parameters, defining the Bank's commitment to human rights, fair labour practices, environmental sustainability and anti-corruption policies.

Through its Supplier Code, the Bank continues to encourage its suppliers to support its sustainability agenda; comply with the land's applicable laws and adhere to globally recognized ESG standards. The Bank has also promoted the use of an ESG self-assessment tool among its suppliers to help them understand their current practices and identify improvement areas. In FY21, the Strategic Procurement Unit (SPU) along with Sustainable Finance team carried out a pilot ESG assessment survey with select strategic vendors to assess their adherence to the ESG norms. Learnings from the survey will enable the Bank to screen and score vendors on based on their ESG performance and limit the potential negative impacts of its supply chain.

### Supplier Base

The Bank has a diverse supplier base, comprising over 11,500 large, medium and small suppliers which also include providers of key platforms and services on which the Bank operates. The Bank has transacted with over 5,000 suppliers in FY21 for provision of goods and services across all its offices and branches.

### Procurement Practices

With a focus on procuring products and services from local vendors for localized consumption, most of the Bank's transactions and procurement is carried out through in-country vendors. The Bank has also formed strategic relationships with eminent Indian and global companies, which not only widen the Bank's business platforms but also encourage the sharing of best practices in sustainability.

The Bank has clearly defined the risk management framework for its suppliers, based on the risk profile of the vendor and item category. In order to mitigate the risks for the Bank, control and governance parameters have been constructed, implemented and reviewed on a periodic basis. Additionally, a Vendor Performance Evaluation Framework has been implemented wherein the Bank has instituted a mechanism for segregating its vendors into four categories: Strategic, Critical, Core and Tactical. The Bank implements its periodic vendor performance review for key vendors, based on this categorization. YES BANK has also put in place processes to ensure vendor redundancy/ Business Continuity Planning (BCP) for critical spend categories.

The Bank follows a decentralized procurement model which ensures adequate balance between cost, agility and governance controls during procurement activities. The sourcing activity and procurement operations are managed by specialists housed within the SPU with expertise in sourcing, negotiations and operations in centralized categories and respective functions for their domains.

### Compliance & Transparency

The Bank has well-established vendor guidelines, outlining its vendor selection criteria in compliance with the law, in addition to assessing vendors' credibility, capability and cost to deliver. This has been further enhanced with the introduction of the SAP Ariba e-Sourcing Platform. The e-sourcing platform enables the Bank to implement fair and transparent sourcing processes. While this has already become an integral part of the sourcing process, the Bank is continually looking to enhance the institutionalization of system-based workflows.

Towards this, the Bank has focused on skill development within the procurement team. In FY21, the team has collectively clocked more than 142 man-days of learning and development engagements on functional and cognitive skill development, including participation in conferences and seminars for knowledge enhancement.

As part of the Bank's commitment to strong governance practices, the Bank has a Whistle-blower Portal viz. 'Corporate Whistle-blower Initiative' (CWI) which is an independent online reporting service aimed at facilitating secure and confidential communication of any concerns faced by its vendors to the designated and independent Whistle-blower Committee, constituted by the Bank.

### Cost Optimization & Digitization

During FY21, the Bank continued its efforts to optimize cost structures based on spend analytics. Towards this, the procurement team collaborated with various operational and functional units to identify opportunities for value engineering and innovative solutions. Various initiatives have been implemented to reduce power consumption, use recycled paper products and eliminate the use of plastics in line with the Bank's cost-optimization and sustainability agendas.

In line with YES BANK's vision of digitization of processes and further strengthening end to end digitized procurement, the Bank is evaluating implementation of Procure to Payment solution, which will digitize its Sourcing to Procure to Payment process.

The Bank's procurement team has made significant progress in processing e-Invoice from vendors with many of its suppliers to enhance its digital procurement journey.



# Differentiated Product Suite & Service Quality

*Keeping the unique needs of its customers at the core of all business activities, YES BANK has adopted a knowledge-driven approach to provide clients with customized financial products and services. Dedicated knowledge teams at the Bank undertake in-depth research with an aim to generate insights about emerging sectors.*

This differentiated approach has enabled the Bank to capture the mindshare of critical stakeholders, including regulators, policymakers, industry associations, customers and shareholders. The growing mindshare fuels a corresponding increase in market share across business segments.

The in-house pool of diverse skills and sector-specific expertise enables the Bank to spearhead marquee events as knowledge partners and undertake various 'industry-first' initiatives by forging strategic partnerships.

## DIGITAL INNOVATION AND LEADERSHIP

YES BANK continues to maintain a laser-sharp focus on fostering innovation and leveraging technological developments to enhance the banking experience for its customers. It has adopted a holistic approach towards going digital and has integrated this strategy across its banking ecosystem.

The size and volume of digital banking transactions done through YES BANK's products and services continued to scale up rapidly in FY 2020-21.

- **Unified Payment Interface (UPI)** transactions witnessed y-o-y growth of 102.4% in terms of volume and 136.6% in terms of value. The Bank processed overall 9.05 billion transactions with value of INR 1,773,781 crore, capturing 40.6% market share in the ecosystem for FY 2020-21
- **Internet Payment Gateway** registered a y-o-y growth of 3% by contributing a total value of INR 10,942 crore. Mastercard Send and Visa Direct transactions value were at an all-time high of INR 3,837 crore, clocking an annual growth of 55%. YES BANK is one of the major contributors for Mastercard Send and Visa Direct Credit Card bill transactions
- **Immediate Payment Service (IMPS)** witnessed a y-o-y growth of 19.24% in transaction volumes and 24.59% of transaction value. The Bank

processed overall 28.59 crore transactions with value of INR 2,06,814 crore in FY 2020-21. The Bank also ranked first among all peer group banks in FY 2020-21.

- **Aadhaar Enabled Payment Scheme (AePS)** witnessed a y-o-y growth of 12.04% in transaction value and has processed a total transaction value of INR 42,968 crore. Overall, the Bank processed 37 crore transactions through AePS. The Bank also introduced an additional mode of authentication i.e. Face Authentication and also introduced a new transaction type i.e. Mini Statement for ease of customers
- **Multi-Currency Travel Card (MCTC)/Forex Card:** In FY 2020-21, the Bank enabled MCTC/Forex Card transactions on Indian International Airport. Integration with YES Pay was executed to offer a customer friendly app with host of features including wallet to wallet transfer, check balance, trigger statement, lock/unlock card etc. Over USD 13.56 million uploads were processed in FY 2020-21.
- **YES ONLINE**, an innovative retail net banking platform with world-class digital banking features was launched in October 2020. YES ONLINE offers a user-friendly, interactive net banking experience to its customers and enables its customers to access various banking products across Liabilities, Assets, Cards and Wealth Management segments in a seamless manner. The registered customer base of YES ONLINE witnessed a 33.75% y-o-y growth and reached over 21 lakh users as on March 31, 2021. A total of 1.37 crore transactions worth INR 2,52,328 crore were done through YES ONLINE in FY 2020-21. Deposits worth INR 8,062 crore were opened through YES ONLINE. Bill payments worth INR 420 crore and e-commerce transactions worth INR 7,377 crore were processed through YES ONLINE in FY 2020-21. A total income of INR 42,971,486 was generated through Net Banking EPI transactions



■ **YES Mobile, Bank's mobile banking application,** witnessed a 22.96% y-o-y growth in registered user base and crossed over 18 lakh as on March 31, 2021. A total of 1.55 crore financial transactions worth INR 59,651 crore were conducted through YES Mobile in FY 2020-21. On the liabilities front, more than 1.5 lakh fixed deposits worth INR 2,204 crores were opened through YES Mobile in FY 2020-21, an increase of 6.73% in volume and 9.60% in value vis-à-vis FY 2019-20. Additionally, on the assets side, quick loans worth over INR 31 crore were disbursed on credit cards through new enhancements on YES Mobile in the FY 2020-21.

■ **YES ROBOT** (a comprehensive, secure, AI-enabled personal Banking assistant for customers) offers its services on the Bank's website, Facebook messenger and WhatsApp. WhatsApp Banking - powered by AI capabilities of YES ROBOT was launched in July 2020, offering 60+ products & services with 24\*7 availability. YES ROBOT witnessed over 4 crore interactions in FY 2020-21, a growth of 298% as compared to FY 2019-20. In total, the BOT platform has received over 6 crore interactions since its inception in March 2019. Over 7 lakh deposits worth INR 9,807 crore were booked via YES ROBOT in FY 2020-21, an increase of 340% in value and 244% in volume as compared to FY 2019-20. BOT also remained the most preferred channel for booking deposits, contributing to ~ 61% of deposits booked every month through digital channels. Financial transactions on YES ROBOT in FY 2020-21 increased by 339% and Non-Financial by 458% as compared to FY 2019-20. YES ROBOT responded to over 2 crore customer queries raised on Facebook messenger, website and WhatsApp in FY 2020-21, a growth of 420% as compared to FY

2019-20. Several industry first functionalities were introduced on WhatsApp in FY 2020-21 such as booking deposits (FD & RD) for resident individuals, availing loan against fixed deposits (FDOD), checking of account balance and recent transactions, applying for loans and ordering cheque book for retail customers.

■ **YES BANK also delivered on the following initiatives under Prepaid Payments Instruments:**

- Launched 2 new co-branded Gift Card programs to enable corporate gifting
- Launched a pilot project on Offline payments as per RBI guidelines
- Launched 3 new co-branded programs to facilitate digital payments via BC agents
- Launched a co-branded prepaid program 'Affordplan Swasth' to issue prepaid cards to cater to medical needs of customers
- Launched a prepaid program to digitize to mass transit payments
- Initiated 'Card Tokenization' project with NPCI to enable cardless payments at merchant outlets
- YES BANK added the following features to its YES PAY platform, a mobile wallet application and a Corporate portal for managing corporate payment requirements:
  - Gift Card module on YES PAY App for management of YES BANK and partner issued Gift Cards was rolled out, enabling customers to manage all services related to Gift Cards seamlessly

- Travel Card module on YES PAY App was launched, enabling YES BANK Travel Card users to manage all functionalities related to their Travel Card seamlessly from any part of the world
- Addition of new biller was undertaken to offer the Bank's customers the convenience of paying many more utility bills which were not offered earlier

■ **YES BANK added following features to YES PAY BIZ in FY 2020-21,** a platform for various bespoke payment solutions offered to corporates through either web based platform or APIs.

- Corporate Fastag solution was launched, to offer fleet owners a one stop solution to issue, load and track Fastag spends. This is available in a web portal format or as APIs which can be integrated by the customer on their platforms
- Cash Voucher based cash disbursement solution was launched to meet the needs of the BCs which the Bank caters to through the YES MONEY program
- Corporate Gift Card solution was launched to enables large corporates to manage all gift card issuances through an easy to use portal. This portal was built keeping in mind the requirements of corporate to issue bulk gift cards and service their customers by providing them access to transaction related reports, refund reports, card management modules etc. This solution is currently being actively used by 2 large partners

## DATA PROTECTION AND INFORMATION SECURITY

Over the last few years, the financial sector has witnessed a significant increase in adoption and investment in digitization. This has led to the implementation of cutting-edge technologies. However, with the rise in digitization, security risks have emerged, which could occur due to the breach of confidentiality, integrity and availability of classified data like customers' personal and financial information. Customer information is of critical importance to YES BANK.

The Bank is committed to protecting their privacy through its Information Security unit under the Risk Management Unit. The Bank has a governance structure in place and a Board-level committee, which provides guidance and direction on information security. The Bank also has a Security Council, a management-level committee that is constituted with cross-functional representation at the leadership level, which meets quarterly to review the implementation of the Information Security management system in the Bank. The Bank has adopted Global Information Security Standard ISO 27001:2013 and implemented Board-approved Information Security Policy and Cyber Security policy, as directives to protect its information assets.

The Bank has implemented a multi-layered defense to protect against cyber-attacks. It has adopted a Cyber Security Resilient framework to manage cyber security risk. The framework rides on four pillars – Protect, Detect, Respond and Recover. To monitor Cyber Risks, the Bank has a Security Operations Centre (SOC), which keeps vigil on actionable threat intelligence, suspicious network traffic and events to timely detect any anomalies and help respond to potential incidents. Additionally, independent reviews of cyber security function are also carried by Internal audit team and presented to board level committee.

Post Moratorium and COVID situation, the Bank changed the office working model to remote working considering nationwide lockdown. The Bank had quickly adopted to work from home approach:

**“ The Bank has a governance structure in place and a Board-level committee, which provides guidance and direction on information security.**

- Remote access was provided through Virtual Private Network (VPN) and/or Virtual Desktop Interface (VDI) which is authenticated with two factor authentication. Right policies have been implemented to protect data while accessed remotely.
- As the work culture has shifted to work from home, the primary incident trend observed in the last six months was Phishing, Spear Phishing, password guessing brute attempts, network attacks etc. With emergence of various phishing threats, the Bank has also intensified its awareness by sending multiple awareness mailers and conducted workshops to all employees, contract staff and customers to ensure bank users do not fall prey to such frauds.
- To reduce the impact of phishing mails and probability of employees falling prey to phishing attacks, new tool has been implemented to ease reporting and delete similar mails from all the mail boxes

The Bank is continuously making its employees, customers, and other stakeholders aware on global cyber security threats, and issues guidance on using digital platforms in a safe and secure manner. The Bank also performs simulated phishing drills to check the awareness of its employees and contract staff and targeted trainings are given to staff who fall prey to such phishing simulations.

## CORPORATE & GOVERNMENT ADVISORY

To further YES BANK's commitment towards India's holistic and inclusive growth, the Corporate & Government Advisory (CGA) group works across emerging sectors of India's economy by executing knowledge and advisory mandates of environment, social and economic importance. The group leverages its in-depth sectoral expertise, research skills and apex-level relationship capital across the government and the industry ecosystem to assist clients, including Central and State governments, multi-lateral bodies, industry chambers and private sector players, in their developmental and growth agenda. A focused sector-oriented approach across sectors such as Smart Cities and Urban infrastructure, E-mobility, Tourism & Livelihood has led to creation of new banking opportunities and deepening of relationships with key customer segments.

### SMART Cities & Urban Infrastructure: Improving Efficiency through Technology-led Solutions

With increasing concentration of population and livelihood opportunities, India's urban centers are fast becoming gigantic engines of socio-economic growth. CGA works closely with municipal administration and urban authorities to develop smart city ecosystem through advisory and implementation support for technological solutions and digital banking products.

Since the launch of the Smart Cities Mission by the Government of India, CGA has engaged with more than 20 Smart cities through various advisory, banking and implementation support for project development. Sustainable development requires real time access to information and deployment of best possible solutions. CGA works closely with urban administration to strengthen

civic administration by leveraging tech-based solutions to improve efficiency in land records management, transportation, water and sanitation, waste management, etc. CGA also supports municipal administration in identifying innovative financing solutions including Municipal Bond for urban infrastructure development.

**Electric Vehicle:** Clean Mobility for Sustainable Future Globally, there is a paradigm shift and growing demand for transition from fossil-powered vehicles to cleaner and sustainable mobility alternatives. India is also witnessing an Electric Vehicle (EV) revolution led by the government's push towards increasing adoption and creation of charging infrastructure. CGA is working closely with several state governments in policy development, implementation support, project structuring and investment promotion. The team has supported the state

governments of Punjab, Rajasthan, Telangana and Goa for the development of the state's EV Policy. CGA has also assisted the state governments of Tamil Nadu, Telangana and Rajasthan in their investor outreach exercise for attracting EV investments into the state. CGA has provided implementation support to over 12 city/state transport undertakings, smart cities and urban local bodies in adopting e-buses and setting up of EV charging stations in their region.

Leveraging its expertise in the e-mobility sector, CGA is supporting industry players in their entry, growth and expansion plans through customized & strategic advisory engagements. CGA has executed specific EV studies addressing client's challenge areas facilitating strategic partnerships, market intelligence studies among others.



The Telangana Electric Vehicle and Energy Storage Policy 2020-2030 was unveiled at the Telangana EV Summit on October 30, 2020 in Hyderabad. Sri K.T. Rama Rao, Hon'ble Minister- Industries, IT, E&C and Sri Puwvada Ajay Kumar, Hon'ble Minister-Transport, Government of Telangana released the policy.

## Rural Development: Rejuvenating the Rural Economy

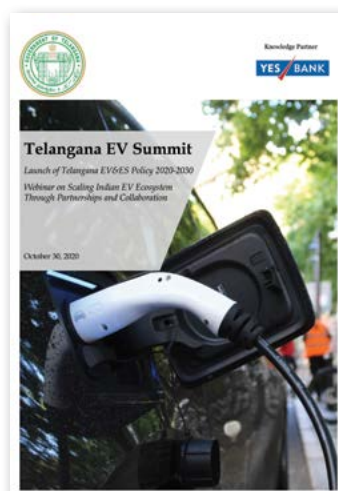
In order to unlock the true socio-economic potential of rural India, developmental initiatives for local communities and livelihood generation are being implemented on massive scale to mitigate the challenges posed by Covid-19. Among other state governments, CGA has recently worked with Meghalaya State Rural Livelihoods Society to develop strategy for livelihoods and convergence for SHGs through farm and non-farm based interventions in East Khasi Hills district.

### Some of the Key engagements for FY 2020-21 include:

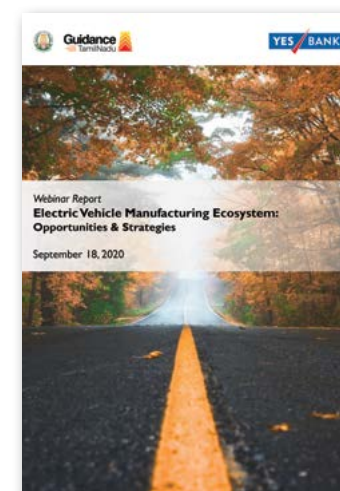
- Knowledge Partner to Rajasthan EV Industry Investors Meet organized by Rajasthan State Industrial Development and Investment Corporation (RIICO) to attract Electric Vehicle manufacturing-led investments in Rajasthan
- Knowledge Partner to Telangana EV Summit organized by the Department of Industries, Government of Telangana for launch of Electric Vehicle and Energy Storage Policy 2020-2030, and facilitating investor outreach
- Organized the Electric Vehicle investor outreach forum 'Electric Vehicle Manufacturing Ecosystem: Opportunities & Strategies' jointly with Guidance Tamil Nadu, Department of Industries, Government of Tamil Nadu



*Event report with key takeaways and recommendations from Rajasthan EV Industry Investors Meet*



*Event report with key takeaways and recommendations from Telangana EV Summit*



*Event report with key takeaways and recommendations from the Guidance Tamil Nadu – YES BANK Webinar*



- Development of Uttarakhand Pharmaceutical and Medical Device Manufacturing Policy for Department of Medical Health and Family Welfare, Government of Uttarakhand
- Development of strategy for Meghalaya State Rural Livelihoods Society on livelihoods and convergence for SHGs
- Strategic Support to Gurugram District Administration in improving COVID-19 related processes by preparing Standard Operating Procedure for contact tracing, training manuals for volunteers and reference material for citizens & frontline health workers.
- Assistance to Haryana Renewable Energy Development Agency (HAREDA) for creating a business plan to adopt Electric Vehicles in public fleet

### Knowledge Reports released during the FY 2020-21

- ASSOCHAM Tourism Webinar on 'A Road Map for Revival of Domestic Tourism for Rural Development in India': YES BANK - ASSOCHAM knowledge report on 'Rethinking Tourism in post COVID World: Domestic Tourism to Drive Revival'

### FOOD AND AGRIBUSINESS STRATEGIC ADVISORY AND RESEARCH (FASAR)

YES BANK's specialized Food and Agribusiness Strategic Advisory and Research (FASAR) unit houses industry specialists with sectoral knowledge and experience in the food and agribusiness domain. FASAR generates banking opportunities on the back of knowledge banking services, with a focus on deepening relationships with existing clients and acquiring New To Bank clients.

The unit works closely with the corporate sector, MSMEs, multinationals, Central Government, State Governments and multilateral agencies and has executed multiple mandates pertaining to project advisory, strategic advisory and policy advisory across diverse sub sectoral and thematic areas, including agri exports, agri inputs, agricultural marketing, agri policy, agri value chain, dairy, food processing, food services, food safety, farm mechanization, horticulture, marine, organic food, poultry, plantations, start-ups, warehousing and cold chain amongst others.

FASAR also regularly publishes knowledge reports and research papers on key trends and developments in the sector.

In FY 2020-21, FASAR took up **32 new advisory mandates** and executed projects on Agri Infrastructure, Export Strategy, Food Processing, Food Safety Infrastructure, Sericulture, Fisheries, Poultry, Spices and Dairy amongst others. Reiterating its focus on the North Eastern Region, the team has been undertaking various mandates in the region, including, a study on "Scope & Prospect of Oil Seeds and Coarse Cereals Cultivation in Mizoram with special emphasis to Emerging Market Opportunities, Value Chain Addition and Supply Chain Management" for NEDFi. The team also facilitated sign-off of a MOU with TOKA Multipurpose Cooperative Society Ltd. for providing Digital Banking services for under-banked people via Women's Self Help Group Members as Business Correspondence Agents (BCA) covering entire Nagaland state.

With a view to disseminate knowledge and support stakeholders across the food and agri value chain, the Bank has led various sectoral knowledge initiatives and also partnered in key industry forums.

- YES BANK curated and hosted webinars on topical themes including "Building Efficient Clean Milk Supply Chains through Farmer-Industry Linkages", "Taking the Indian Fisheries Sector to the Next Level of Growth", "Driving Scale & Efficiency in the Nutraceuticals Sector through Access to Government Schemes & Digitalization Initiatives" and anchored industry discussions with the Department of Animal Husbandry & Dairying on AHIDF, amongst others. These webinars witnessed participation of key stakeholders including from the Central Government Ministries, State Governments, Industry stalwarts, Industry associations and Academia.
- YES BANK partnered with FICCI for a series of webinars focusing on Enhancing Export Competitiveness of India's Agricultural Exports, with special focus on key categories including Rice, Fisheries, Spices and Fruits & Vegetables.
- A B2B virtual conference was organized by YES BANK in collaboration with The Royal Danish Embassy, New Delhi and the Confederation of Danish Industry, Copenhagen on "Danish Dairy Solutions & Export Credit Lines for India".
- YES BANK was the 'knowledge partner' to AMCHAM for a session on "Food Security: A step towards self-reliant India". A knowledge report on the theme capturing key nuances of food security and impact of Covid on key food sectors, was released during their AGM.
- YES BANK partnered with Confederation of Indian Industry to publish two knowledge papers on "Opportunities in Dairy Livestock Nutrition, Genetics and Healthcare Management in India" and "Indian Fisheries Sector: Achieving the Next Level of Growth".



- YES BANK also partnered with ASSOCHAM for a webinar on spices themed “Local to Global”. A Knowledge report on the theme was released during the virtual event.

## BUSINESS ECONOMICS BANKING

With a view of developing a comprehensive understanding of all trends and nuances of the Indian Economy, Business Economics Banking (BEB) acts as a research and knowledge-driven team of YES BANK. BEB’s research coverage scans the spheres of macro economy including key sectors, financial and public policy. Through its cutting-edge reports and sector-specific research content, the team focuses on converting macroeconomics and policy research into potential actionable strategies for both the Bank’s clients and internal business verticals. Through its research backed offering, the team aims to further deepen the Bank’s mindshare by actively engaging with YBL customers, domestic policymakers, multilateral institutions, global think tanks, and foreign establishments. Over the years, the periodic reports covering key facets like macro economy, sectoral analysis, policy environment, rates and currency markets have been cited by key stakeholders, including the government, global investors, media and top clients.

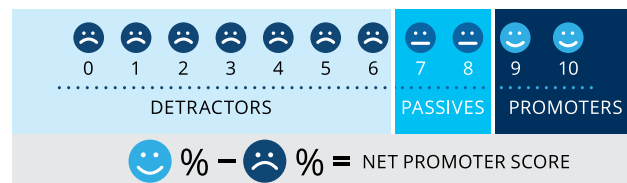
In FY 2020-21, besides engaging with several corporates at curated thought sessions, BEB shared its outlook on macro economy and the impact of COVID-19 pandemic on businesses at various webinars conducted with select leaders from India Inc., government bodies and MSME players.

## 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, utilizing the digital platform, and assessing performance across key service drivers.

The Bank has institutionalized 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 organizations 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)



During FY 2020-21, the Bank invested in a new Digital platform to further strengthen the Customer Experience measurement process which is real time and based on contextual conversations with the customers.

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 periodically 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 has put in place several initiatives internally focusing on setting a culture which is customer focused and to motivate the employees to deliver a service with empathy and ownership.

The Bank is making steady progress in its commitment to Customer Service Experience which is demonstrated by reduction in detractor trends and increase in promoter feedback, resulting in improved Net Promoter Score across channels in the Bank. The Bank ended the FY 2020-21 with 9 points improvement in Branch banking NPS as compared to the last year. The Promoter Segment improved by healthy 5% points along with 3% points reduction in Detractor Segment. The Bank’s Digital Channels (Mobile App, Online Banking & ATM channels) achieved 4 points improvement in the NPS as compared to the previous financial year led by 2% points improvement in Promoter Segment and 2% points reduction in Detractor Segment.

# Independent Assurance Statement



**KPMG Assurance and Consulting Services LLP**

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**Independent Limited Assurance Statement to YES BANK Limited on its Sustainability Report  
for Financial Year 2020-21**

To the Management of YES BANK Limited, YES BANK House, Off Western Express Highway, Santacruz East, Mumbai - 400055, 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 report ('the Report') for the reporting period from 1st April 2020 to 31st March 2021 ('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**

We have 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.



### Scope, Boundary and Limitations

The scope of assurance was limited to selected non-financial disclosures of YES BANK Limited for the period 01 April 2020 to 31 March 2021. 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	Specific Standard Disclosures
<ul style="list-style-type: none"> <li>• <b>Organizational Profile</b> (102-2, 102-4, 102-6, 102-8)</li> <li>• <b>Strategy</b> (102-14)</li> <li>• <b>Ethics and integrity</b> (102-16)</li> <li>• <b>Governance</b> (102-19 to 102-21)</li> <li>• <b>Stakeholder engagement</b> (102-40 to 102-44)</li> <li>• <b>Reporting practice</b> (102-46 to 102-52, 102-54, 102-55)</li> <li>• <b>Management approach</b> (103-1 to 103-3)</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Environment</b> <ul style="list-style-type: none"> <li>◦ Energy (2016)- 302-1, 302-2, 302-3, 302-4, 302-5</li> <li>◦ Emissions (2016)- 305-1, 305-2, 305-3, 305-4, 305-5, 305-6, 305-7</li> <li>◦ Waste (2020)- 306-5,306-6,306-7</li> </ul> </li> <li>• <b>Social</b> <ul style="list-style-type: none"> <li>◦ Employment (2016)- 401-1, 401-2, 401-3</li> <li>◦ Training &amp; Education (2016) - 404-1, 404-2, 404-3</li> <li>◦ Diversity and Equal Opportunity (2016)- 405-1</li> <li>◦ Marketing &amp; labeling (2016): 417-1, 417-2, 417-3</li> <li>◦ Customer Privacy (2016): 418-1</li> </ul> </li> <li>• <b>Economic</b> <ul style="list-style-type: none"> <li>◦ Economic performance: (201-2)</li> </ul> </li> </ul>



### Limitations

The assurance scope excludes the following:

- Disclosure 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



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 selected non-financial disclosure in 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.





### 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 co-responsibility 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**

Partner

KPMG Assurance and Consulting Services LLP

August 27, 2021

# GRI Content Index

GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omission		
			Part Omitted	Reason	Explanation
GRI 101: Foundation 2016					
General Disclosures					
GRI 102: General Disclosures 2016	Organizational profile				
	102-1 Name of the organization	3			
	102-2 Activities, brands, products, and services	3, 87, Annual Report 20-21: 4, 139. For more information, please refer to Products and Services section on <a href="https://www.yesbank.in/">https://www.yesbank.in/</a>			
	102-3 Location of headquarters	5			
	102-4 Location of operations	5, 87			
	102-5 Ownership and legal form	Annual Report 20-21: 139			
	102-6 Markets served	3, 5, 87, Annual Report 20-21: 139			
	102-7 Scale of the organization	3, 5, 51, 87, Annual Report 20-21: 68, 139			
	102-8 Information on employees and other workers	51, Annual Report 20-21: 143 Total number of permanent: 22,270, Contractual - 18 (Males: 13, Females: 5)			
	102-9 Supply chain	38, 65, 66, Annual Report 20-21: 34			
	102-10 Significant changes to the organization and its supply chain	4, 5			
	102-11 Precautionary Principle or approach	29			
	102-12 External initiatives	26, 60, 61, 70-73			
	102-13 Membership of associations	61, Annual Report 20-21: 24			
	Strategy				
	102-14 Statement from senior decision-maker	6, 7, Annual Report 20-21: 8			
	102-15 Key impacts, risks, and opportunities	20-23, 26-29, 52-61			
	Ethics and integrity				
	102-16 Values, principles, standards, and norms of behavior	39-41, 73, 87, Annual Report 20-21: 34, 98, 125, 136			
	102-17 Mechanisms for advice and concerns about ethics	Annual Report 20-21: 74, 75, 123, 125, 126, 127			
	Governance				
	102-18 Governance structure	26-28, 39, 40, Annual Report 20-21: 98, 99			
102-19 Delegating authority	26-28				
102-20 Executive-level responsibility for economic, environmental, and social topics	26, 27				
102-21 Consulting stakeholders on economic, environmental, and social topics	26-28, 34-38, Annual Report 20-21: 24, 113-115				

GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omission		
			Part Omitted	Reason	Explanation
<b>GRI 102: General Disclosures 2016</b>	102-22 Composition of the highest governance body and its committees	Annual Report 20-21: 98, 105-122			
	102-23 Chair of the highest governance body	Annual Report 20-21: 101, 103, 105-122			
	102-24 Nominating and selecting the highest governance body	Annual Report 20-21: 74, 104, 105			
	102-25 Conflicts of interest	Annual Report 20-21: 195, 196			
	102-26 Role of highest governance body in setting purpose, values, and strategy	39, 40			
	102-27 Collective knowledge of highest governance body	21, 22, 26-28, 39, 40, Annual Report 20-21: 103, 104			
	102-28 Evaluating the highest governance body's performance	Annual Report 20-21: 74			
	102-29 Identifying and managing economic, environmental, and social impacts	20-22, Annual Report 20-21: 69-71			
	102-30 Effectiveness of risk management processes	Annual Report 20-21: 69-71			
	102-31 Review of economic, environmental, and social topics	26, 35-37, Annual Report 20-21: 105			
	102-32 Highest governance body's role in sustainability reporting	6, 7, 35, 36, 39, 40, Annual Report 20-21: 85, 105			
	102-33 Communicating critical concerns	41, 42, 43, Annual Report 20-21: 75, 123, 124			
	102-34 Nature and total number of critical concerns	43, Annual Report 20-21: 115, 208			
	102-35 Remuneration policies	Annual Report 20-21: 75			
	102-36 Process for determining remuneration	Annual Report 20-21: 75			
	102-37 Stakeholders involvement in remuneration	Annual Report 20-21: 80, 200-204			
	102-38 Annual total compensation ratio	46, Annual Report 20-21: 80			
	102-39 Percentage increase in annual total compensation ratio	Annual Report 19-20: 80			
	<b>Stakeholder engagement</b>				
	102-40 List of stakeholder groups	35, 37, 38			
	102-41 Collective bargaining agreements	51			
	102-42 Identifying and selecting stakeholders	35, 37, 38			
	102-43 Approach to stakeholder engagement	35, 37, 38			
	102-44 Key topics and concerns raised	35, 36, 37			
	<b>Reporting practice</b>				
	102-45 Entities included in the consolidated financial statements	5			

GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omission		
			Part Omitted	Reason	Explanation
<b>GRI 102: General Disclosures 2016</b>	102-46 Defining report content and topic Boundaries	4, 5, 37			
	102-47 List of material topics	35, 36, 37			
	102-48 Restatements of information	4			
	102-49 Changes in reporting	37			
	102-50 Reporting period	4			
	102-51 Date of most recent report	4			
	102-52 Reporting cycle	4			
	102-53 Contact point for questions regarding the report	5			
	102-54 Claims of reporting in accordance with the GRI Standards	4, 5			
	102-55 GRI content index	79			
	102-56 External assurance	74			
<b>MATERIAL TOPICS</b>					
<b>GRI 200 Economic Standard Series</b>					
<b>Economic Performance</b>					
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	34-37			
	103-2 The management approach and its components	62, Annual Report 20-21: 44, 45			
	103-3 Evaluation of the management approach	63, Annual Report 20-21: 18-21			
<b>GRI 201: Economic Performance 2016</b>	201-1 Direct economic value generated and distributed	63			
	201-2 Financial implications and other risks and opportunities due to climate change	20-29, 52-57			
	201-3 Defined benefit plan obligations and other retirement plans	Annual Report 20-21: 172, 192-194			
	201-4 Financial assistance received from government	No such financial assistance has been received			
<b>Market Presence</b>					
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	34-37			
	103-2 The management approach and its components	42, 46			
	103-3 Evaluation of the management approach	46, 51			
<b>GRI 202: Market Presence</b>	202-1 Ratios of standard entry level wage by gender compared to local minimum wages	46, 51			
	202-2 Proportion of senior management hired from the local community	51			

GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omission		
			Part Omitted	Reason	Explanation
Procurement Practices					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	34-37			
	103-2 The management approach and its components	65			
	103-3 Evaluation of the management approach	66			
GRI 204: Procurement Practices	204-1 Proportion of spending on local suppliers	66			
GRI 300 Environmental Standards Series					
Energy					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	34-37			
	103-2 The management approach and its components	52-59			
	103-3 Evaluation of the management approach	59, 60			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	59, 60			
	302-2 Energy consumption outside of the organization	59, 60			
	302-3 Energy intensity	59, 60			
	302-4 Reduction of energy consumption	59, 60			
	302-5 Reductions in energy requirements of products and services	29, 60			
Emissions					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	34-37			
	103-2 The management approach and its components	52-59			
	103-3 Evaluation of the management approach	59, 60			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	60			
	305-2 Energy indirect (Scope 2) GHG emissions	60			
	305-3 Other indirect (Scope 3) GHG emissions	60			
	305-4 GHG emissions intensity	60			
	305-5 Reduction of GHG emissions	60			
	305-6 Emissions of ozone-depleting substances (ODS)	60			
	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	60			



GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omission		
			Part Omitted	Reason	Explanation
Waste					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	34-37			
	103-2 The management approach and its components	58, 59			
	103-3 Evaluation of the management approach	59			
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	59			
	306-2 Management of significant waste-related impacts	59			
	306-3 Waste generated	59			
	306-4 Waste diverted from disposal	59			
	306-5 Waste directed to disposal	59			
Environmental Compliance					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	34-37			
	103-2 The management approach and its components	40			
	103-3 Evaluation of the management approach	39, 40, Annual Report 20-21: 146			
GRI 307: Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations	39, 40, Annual Report 20-21: 146			
GRI 400 Social Standards Series					
Employment					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	34-37			
	103-2 The management approach and its components	42-46			
	103-3 Evaluation of the management approach	43			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	51			
	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 Medclaim 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	45			

GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omission		
			Part Omitted	Reason	Explanation
Occupational Health & Safety					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	34-37			
	103-2 The management approach and its components	8, 9, 44, 46			
	103-3 Evaluation of the management approach	14, 44			
GRI 403: Occupational Health & Safety 2018	403-1 Occupational health and safety management system	44			
	403-2 Hazard identification, risk assessment, and incident investigation	44			
	403-3 Occupational health services	9, 44-46			
	403-4 Worker participation, consultation, and communication on occupational health and safety	44, 46			
	403-5 Worker training on occupational health and safety	44			
	403-6 Promotion of worker health	8, 9, 44-46			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	8-11, 44			
	403-8 Workers covered by an occupational health and safety management system	44			
	403-9 Work-related injuries	44, Number of hours worked by an employee is around 8 hours on a working day			
	403-10 Work-related ill health	The absentee rate of 0.9% is calculated basis sick leaves availed by employees			
Training and Education					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	34-37			
	103-2 The management approach and its components	47-50			
	103-3 Evaluation of the management approach	47-50			
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	50			
	404-2 Programs for upgrading employee skills and transition assistance programs	47-50			
	404-3 Percentage of employees receiving regular performance and career development reviews	100% (For all employees eligible for the Annual Performance Review program)			

GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omission		
			Part Omitted	Reason	Explanation
Diversity and Equal Opportunity					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	34-37			
	103-2 The management approach and its components	40, 42, 46			
	103-3 Evaluation of the management approach	40, 46			
GRI 405: Diveristy and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	40			
	405-2 Ratio of basic salary and remuneration of women to men	46			
Non-Discrimination					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	34-37			
	103-2 The management approach and its components	42, 46			
	103-3 Evaluation of the management approach	42, Annual Report 20-21: 143			
GRI 406: Non-Discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	42, Annual Report 20-21: 143			
Marketing and Labeling					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	34-37			
	103-2 The management approach and its components	35, 64, Annual Report 20-21: 112-115			
	103-3 Evaluation of the management approach	Annual Report 20-21: 191, 115, 208			
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	28, 29, 54, 60			
	417-2 Incidents of non-compliance concerning product and service information and labeling	The Bank operates in a highly regulated sector with strong systems, and no such incidents were reported.			
	417-3 Incidents of non-compliance concerning marketing communications	The Bank operates in a highly regulated sector with strong systems, and no such incidents were reported.			
Customer Privacy					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	34-37			
	103-2 The management approach and its components	35, 69, Annual Report 20-21: 112-115, 119			
	103-3 Evaluation of the management approach	Annual Report 20-21: 208			
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Annual Report 20-21: 191, 208, No. of complaints from customers – 57, No. of complaints from regulators - 04			
Socioeconomic Compliance					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	34-37			
	103-2 The management approach and its components	40			
	103-3 Evaluation of the management approach	39, 40, Annual Report 20-21: 136, 191			
GRI 419: Socioeconomic Compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area	39, 40, Annual Report 20-21: 123, 136, 191			

# Task Force on Climate-related Financial Disclosures Index

Sharing below the key areas of progress made in response to TCFD recommendations

Disclosure		Report Section
<b>Governance</b>	1) Describe the Board's oversight of climate-related risks and opportunities	26
	2) Describe management's role in assessing and managing climate-related risks and opportunities	26-28
<b>Strategy</b>	1) Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term	20, 21, 23, 28
	2) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning	52-61
	3) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	22, 23
<b>Risk Management</b>	1) Describe the organization's processes for identifying and assessing climate-related risks	28
	2) Describe the organization's processes for managing climate-related risks	28, 29
	3) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management	27, 28
<b>Metrics and Targets</b>	1) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	54, 55, 60
	2) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas emissions, and the related risks	60
	3) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	29, 60

# Principles for Responsible Banking

Reporting and Self-Assessment Requirements	High-level summary of bank's response (limited assurance required for responses to highlighted items)	Reference(s)/Link(s) to bank's full response/ relevant information
<b>PRINCIPLE 1: ALIGNMENT</b>		
<b>We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.</b>		
<p><b>1.1 Describe</b> (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.</p>	<p>YES BANK, is a high quality, customer centric and service driven Bank. Since inception in 2004, YES BANK has grown into a 'Full Service Commercial Bank' providing a complete range of products, services and technology driven digital offerings, catering to corporate, MSME &amp; retail customers. YES BANK operates its Investment banking, Merchant banking &amp; Brokerage businesses through YES SECURITIES and its Mutual Fund business through YES Asset Management (India) Limited, both wholly owned subsidiaries of the Bank. Headquartered in Mumbai, it has a pan-India presence across all 28 states and 9 Union Territories in India including an IBU at GIFT City, and a Representative Office in Abu Dhabi.</p>	<p>Website: About us, <a href="https://www.yesbank.in/about-us/">https://www.yesbank.in/about-us/</a></p> <p>Website: Investor presentation, <a href="https://www.yesbank.in/about-us/investor-relations">https://www.yesbank.in/about-us/investor-relations</a></p>
<p><b>1.2 Describe</b> 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</p>	<p>BANK has embedded Responsible Banking ethos as one of the 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. Bank has adopted a value creation strategy with focus on its social &amp; relationship capital and natural capital in alignment with SDGs and Paris Climate Agreement.</p> <p>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 &amp; relationship, natural, Intellectual and manufactured capitals.</p> <p>The Bank has identified driving positive SDG impacts and reaching net zero emissions as key pathways for sustainable development for the Bank. Bank reports in detail how its aligning and planning to align in its sustainability disclosure.</p>	<p>YES BANK's value creation strategy: Annual Report 2020-21 pg 18</p> <p>Social &amp; Relationship Capital: Annual Report 2020-21, pg 21,</p> <p>NATURAL CAPITAL: Annual Report 2020-21, pg 19</p> <p>Inclusive &amp; Social Banking and Microfinance Banking: Annual Report 2020-21, pg 49</p> <p>Website: Sustainable financing: <a href="https://www.yesbank.in/about-us/sustainability-at-yes-bank/sustainable-finance">https://www.yesbank.in/about-us/sustainability-at-yes-bank/sustainable-finance</a></p> <p>Pathways to achieve Sustainable Development &amp; YES BANK's 360° approach: Sustainability report 2020-21, pg 20-23</p>



Reporting and Self-Assessment Requirements	High-level summary of bank's response (limited assurance required for responses to highlighted items)	Reference(s)/Link(s) to bank's full response/ relevant information
<b>PRINCIPLE 2: IMPACT AND TARGET SETTING</b>		
<b>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.</b>		
<p><b>2.1 Impact Analysis:</b> 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:</p> <p><b>a) Scope:</b> 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.</p> <p><b>b) Scale of Exposure:</b> 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.</p> <p><b>c) Context &amp; Relevance:</b> Your bank has taken into account the most relevant challenges and priorities related to sustainable development in the countries/regions in which it operates.</p> <p><b>d) Scale and intensity/salience of impact:</b> 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.</p> <p>(your bank should have engaged with relevant stakeholders to help inform your analysis under elements c) and d)</p> <p><b>Show that building on this analysis, the bank has</b></p> <ul style="list-style-type: none"> <li>Identified and disclosed its areas of most significant (potential) positive and negative impact</li> <li>Identified strategic business opportunities in relation to the increase of positive impacts / reduction of negative impacts</li> </ul>	<p>The Bank maps impacts of its activities and business and endeavours to maximize them. While the bank strives to maximize its positive impacts, it has also focussed on reducing any negative impacts. These includes Bank's efforts in reducing its carbon footprints, optimizing its operations and mitigating environmental and social impacts linked to financing, through integrating Environment Social Policy with its credit risk appraisal framework.</p> <p>In FY 2020-21, YES BANK conducted materiality assessment by engaging and interacting with its key stakeholders to identify, categorize, prioritize, and address emerging risks and leverage strategic business opportunities, which fulfills some of the requirements of the Principle.</p> <p>The Bank has been working with other PRB signatories in developing, understanding and implementing methodologies and tools for comprehensive impact assessment, as a part of impact analysis subgroup.</p> <p>In FY21, In line with PRB requirement YES BANK piloted the UNEP FI PRB Portfolio Impact</p> <p>Assessment tool to assess its Wholesale Banking (Corporate) portfolio (which represented 52% of the Bank's book size as of December 31,2020).The Bank has disclosed the result of the pilot, highlighting the significant potential positive and negative impacts. Based on the learning, the Bank plans to conduct a further assessment of its portfolio, utilizing the amended Portfolio Impact Assessment tool.</p>	<p>Materiality Assessment: Sustainability Report 2020-21, pgs 34-38</p> <p>Aligning Business with SDGs: Sustainability Report 2020-21, pg 57</p> <p>Achieving operational environmental excellence: Annual Report 2020-21, pg 27</p> <p>Environment and Social Policy: Annual Report 2020-21, pg 23</p> <p>Impact analysis of portfolio against Sustainable Development Goals (SDGs): Sustainability Report, pg 57</p>
<b>At present, the Bank partially meets the requirements regarding Impact Analysis. The Bank has planned concrete actions for fulfilling the requirements under this Principle</b>		

Reporting and Self-Assessment Requirements	High-level summary of bank's response (limited assurance required for responses to highlighted items)	Reference(s)/Link(s) to bank's full response/ relevant information
<b>PRINCIPLE 2: IMPACT AND TARGET SETTING</b>		
<b>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.</b>		
<b>2.2 Target Setting</b>  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 maximize the net positive impact of the set targets.	<p>Current targets are on climate change and are based on the materiality analysis and contribution to India's NDCs. The pilot impact analysis of the wholesale portfolio, also indicates climate change to be a potential significant impact area.</p> <p><b>The Bank has taken the following targets:</b></p> <ul style="list-style-type: none"> <li>• In FY21, the Bank took significant steps towards aligning its business with the global 1.5° pathway, by measuring the financed emissions of its electricity sector exposure and working to align it with sectoral decarbonization pathways.</li> <li>• YES BANK has carbon emission intensity reduction target of 10% year on year</li> </ul> <p>The Bank will review its targets based on the impact analysis piloted in FY2020-21 in line with PRB requirements.</p>	<p>Portfolio Level Analysis : Sustainability Report 2020-21, pg 56</p> <p>Carbon emission intensity reduction targets: Sustainability Report 2020-21, pg 29, second paragraph</p>
<b>The bank meets the requirement regarding target setting partially.</b>		
<b>2.3 Plans for Target Implementation and Monitoring</b>  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	<p>Current targets are monitored on a regular basis and KPIs are defined</p>	<p>Exposure to low carbon products: Sustainability Report 2020-21, pg 54</p> <p>Carbon emission intensity reduction targets: Sustainability Report 2020-21, pg 29, second paragraph</p>
<b>For the existing targets, the bank meets the requirements regarding plans for target implementation and monitoring</b>		

Reporting and Self-Assessment Requirements	High-level summary of bank's response (limited assurance required for responses to highlighted items)	Reference(s)/Link(s) to bank's full response/ relevant information
<b>PRINCIPLE 2: IMPACT AND TARGET SETTING</b>		
<b>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.</b>		
<b>2.4 Progress on Implementing Targets</b>  <b>For each target separately:</b>  Show that your bank has implemented the actions it had previously defined to meet the set target.  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)	The Bank monitors the progress on implementation of current targets and reports the status on achievement on regular basis through annual disclosures	Exposure to low carbon products: Sustainability Report 2020-21, pg 54  Carbon emission intensity reduction targets: Annual Report 2018-19, pg 62, first paragraph
<b>For the existing targets, the bank meets the requirements regarding plans for target implementation and monitoring</b>		
<b>PRINCIPLE 3: CLIENTS AND CUSTOMERS</b>		
<b>We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.</b>		
<b>3.1 Provide an overview</b> 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 <a href="https://www.yesbank.in/pdf/ybl_cc_bci_bi_pdf">https://www.yesbank.in/pdf/ybl_cc_bci_bi_pdf</a>  Website: Charter Of Customer Rights <a href="https://www.yesbank.in/pdf/charter_of_custom_rights">https://www.yesbank.in/pdf/charter_of_custom_rights</a>  Differentiated Product Suite & Service Quality: Sustainability Report Report 2020-21, pgs 67

Reporting and Self-Assessment Requirements	High-level summary of bank's response (limited assurance required for responses to highlighted items)	Reference(s)/Link(s) to bank's full response/ relevant information
<b>PRINCIPLE 3: CLIENTS AND CUSTOMERS</b>		
<b>We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.</b>		
<b>3.2 Describe</b> 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.	<p>The Bank works with and supports its customers in adoption of sustainable practices through its innovative products, initiatives and knowledge Banking Approach.</p> <p><b>Innovative Products/instruments:</b> Green Bonds</p> <p><b>Environment and Social Policy:</b> 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 rated 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</p> <p><b>Awareness Initiatives:</b> Financial literacy,</p> <p><b>Knowledge Banking Approach:</b></p> <p>Sustainable Finance Unit with strategic focus on ESG, Specialised Corporate &amp; Government Advisory (CGA) Food &amp; Agribusiness Strategic Advisory &amp; Research (FASAR) Business Economic Banking (BEB)</p>	<p>Green Bonds: Sustainability Report 2020-21, pgs 54-55</p> <p>Website: ENVIRONMENTAL AND SOCIAL RISK MANAGEMENT <a href="https://www.yesbank.in/beyond-banking/responsible-banking/responsible-banking/facilitating-responsible-investments/environmental-and-social">https://www.yesbank.in/beyond-banking/responsible-banking/responsible-banking/facilitating-responsible-investments/environmental-and-social</a></p> <p>Financial literacy: Annual Report 2020-21, pg 50 second last paragraph</p> <p>Sustainable Finance Unit Annual Report 2020-21, pg 20</p> <p>Specialised Corporate &amp; Government Advisory (CGA Annual Report 2020-21, pg 20</p> <p>Food &amp; Agribusiness Strategic Advisory &amp; Research (FASAR): Annual Report 2020-21, pg 20</p> <p>Business Economic Banking (BEB): Sustainability Report 2020-21, pg 73</p>

Reporting and Self-Assessment Requirements	High-level summary of bank's response (limited assurance required for responses to highlighted items)	Reference(s)/Link(s) to bank's full response/ relevant information
<b>PRINCIPLE 4: STAKEHOLDERS</b>		
<b>We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.</b>		
<b>4.1 Describe</b> 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.	<p>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.</p> <p><b>A few notable engagement initiatives includes:</b></p> <p>Knowledge Reports</p> <p>Policy Advocacy to co create an enabling ecosystem</p> <p><b>Bank also supports its stakeholders through Knowledge Banking Approach:</b></p> <p>Sustainable Finance Unit with strategic focus on ESG,</p> <p>Specialised Corporate &amp; Government Advisory (CGA)</p> <p>Food &amp; Agribusiness Strategic Advisory &amp; Research (FASAR)</p> <p>Business Economic Banking (BEB)</p>	<p>Stakeholder Engagement: Sustainability Report 2020-21, pgs 37</p> <p>Policy Advocacy to co create an enabling ecosystem: Sustainability Report 2020-21, pg 60</p> <p>Knowledge Reports: Sustainability Report 2020-21, pg 71-72</p> <p>Sustainable Finance Unit Annual Report 2020-21, pg 20</p> <p>Specialised Corporate &amp; Government Advisory (CGA) Annual Report 2020-21, pg 20</p> <p>Food &amp; Agribusiness Strategic Advisory &amp; Research (FASAR): Annual Report 2020-21, pg 20</p> <p>Business Economic Banking (BEB): Sustainability Report 2020-21, pg 73</p>



Reporting and Self-Assessment Requirements	High-level summary of bank's response (limited assurance required for responses to highlighted items)	Reference(s)/Link(s) to bank's full response/ relevant information
<b>PRINCIPLE 5: GOVERNANCE &amp; CULTURE</b>		
<b>We will implement our commitment to these Principles through effective governance and a culture of responsible banking</b>		
<b>5.1 Describe</b> 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.	<p>The Bank has established executive level management committee- "Sustainability Council" that provides the overall governance for the Bank's sustainability agenda including oversight and management on significant positive and negative impacts and support effective implementation of Principles.</p> <p>The Bank's sustainable development agenda is driven at the highest level by the Board, including the Managing Director &amp; CEO, which reviews and approves the Bank's sustainability policies and programs. The execution of the sustainable development agenda is carried out by the Sustainable Finance &amp; reporting 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.</p>	<p>Corporate Governance: Annual Report 2020-21, pgs 38-43</p> <p>ESG &amp; Climate Governance and Risk Management: Sustainability Report 2020-21, pg 26-29</p>
<b>5.2 Describe</b> 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.	<p>YES BANK has embedded Responsible Banking as one of its six brand pillar 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 minimizing waste and optimizing resource consumption.</p>	<p>Website: Sustainability <a href="https://www.yesbank.in/about-us/sustainability-at-yes-bank">https://www.yesbank.in/about-us/sustainability-at-yes-bank</a></p> <p>Environment Management System: Sustainability Report 2020-21, pg 29</p>
<b>5.3 Governance Structure for Implementation of the Principles</b>  Show that your bank has a governance structure in place for the implementation of the PRB, including: <ul style="list-style-type: none"> <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>	<p>The Bank has established executive level management committee- "Sustainability Council" that provides the oversight to overall sustainability strategy at the Bank including implementation of Principles. The Council is chaired by CEO and convened by CFO.</p>	<p>ESG &amp; Climate Governance and Risk Management: Sustainability Report 2020-21, pg 26</p>
Bank meets the requirement regarding Governance Structure for Implementation of the Principles		

Reporting and Self-Assessment Requirements	High-level summary of bank's response (limited assurance required for responses to highlighted items)	Reference(s)/Link(s) to bank's full response/ relevant information
<b>PRINCIPLE 6: TRANSPARENCY &amp; ACCOUNTABILITY</b>		
<b>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.</b>		
<b>6.1 Progress on Implementing the Principles for Responsible Banking</b>  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. The Bank has been working with other PRB signatories in developing, understanding and implementing methodologies and tools for comprehensive impact assessment, as a part of impact analysis subgroup. In FY21, In line with PRB requirement YES BANK piloted the UNEP FI PRB Portfolio Impact  Assessment tool to assess its Wholesale Banking (Corporate) portfolio (which represented 52% of the Bank's book size as of December 31, 2020) and identified the sub-portfolio's positive and negative impact areas.	Impact analysis of portfolio against Sustainable Development Goals (SDGs): Sustainability Report, pg 57
The Bank is in progress of implementing the Principles and has disclosed its progress and status in line with the requirements.		

# 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 Organization’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
- 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

## **YES BANK ENDEAVORS TO ACHIEVE THE COMMITMENT BY:**

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

<sup>1</sup> [http://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR\\_EN.pdf](http://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf)

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

