



Climate Action in Financial Institutions

PRINCIPLES FOR MAINSTREAMING CLIMATE ACTION

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YES BANK's Natural Capital Initiative

Institution	Principle	Related Work Stream(s)
	<p>PRINCIPLE 1: COMMIT to Climate strategies</p>	

Publication date: 2017

Date Policy/Tool Established	Additional Capacity Required (e.g., staff, resources, other)	How Established?
YES BANK launched the Natural Capital Initiative in 2013	Knowledge and industry partners are on-boarded depending on project requirements. A dedicated team within the sustainability unit of the Bank works on project conceptualization and implementation.	Given YES BANK's proactive approach in the natural capital and climate change space, it was a conscious effort by top management to bundle initiatives.
Monitoring, reporting tools		How Implemented?
Separate monitoring mechanisms are put in place for specific projects. For example, in case of conservation projects, the CSR implementation partner and the participating State government is involved in periodic monitoring activity. The process and actual numbers for any project/ activity that comes under the Natural Capital Initiative is externally verified.		<p>The Bank collaborates with relevant stakeholders (Governments, corporate, NGOs, academia, international agencies) and contribute through:</p> <ul style="list-style-type: none"> • Policy advocacy as part of Natural Capital Finance Alliance (NCFA) • Natural capital conservation projects targeted towards biodiversity conservation • Natural Capital Awards as a unique recognition platform to reward the pioneering achievements of actors on natural capital in India.

Key Lessons

- Having a proactive approach and being an early mover in sunrise sectors (like natural capital) creates opportunities for assuming knowledge leadership.
- All stakeholders have a critical role to play when it comes to natural capital conservation and creating awareness is an important first step towards mobilizing action.
- Over the last few years, natural capital has assumed profound significance and would be a propeller for green and sustainable growth in future.

Introduction

YES BANK has been at the forefront of mainstreaming natural capital, and launched its Natural Capital Initiative in 2013. The objective of the Natural Capital Initiative was to co-create an ecosystem that would help in developing enabling regulatory framework, disclosure mechanisms and reporting measures to integrate, value, and account for natural capital. Given its strong commitment, YES BANK became the first Indian signatory to the Natural Capital Declaration, now a part of Natural Capital Finance Alliance (NCFA).

Development and Design

The Natural Capital Initiative has been designed to engage with a diverse set of stakeholders across the Bank's value chain through policy advocacy, undertaking actual on-ground conservation projects and recognizing the proactive organizations and individuals in the natural capital space through awards platform.

Implementation

Participation through Steering Committee and Working Groups of Natural Capital Finance Alliance.

As the Chair of the Steering Committee of Natural Capital Finance Alliance (NCFA) since January 2016, YES BANK is providing strategic direction to NCFA and contributing towards two Working Groups on 'Accounting for Natural Capital' and 'Understanding impacts and dependencies on Natural Capital'.

Natural Capital Conservation: YES BANK has undertaken species conservation projects with State governments and relevant ministries. Examples include:

- **Say YES to SAVE THE GODAVAN:** In 2015-16 YES BANK, in partnership with the Government of Rajasthan, launched a unique initiative towards protecting the critically endangered Great Indian Bustard, where over 450 hectares of land was secured using barbed wire and local community was sensitized to conserve the habitat. These initiatives have borne results as the enclosures have now become a breeding

place for GIB and there are increased number of sightings

- **Say YES to GREEN HIGHWAYS:** In 2016-17 YES BANK became the first private sector player to enter into a CSR commitment with the National Highway Authority of India under its 'Adopt a Green Highway' program and launched 'Say YES to Green Highways'. As part of its CSR mandate, the Bank has committed to develop a green corridor of 41 Km along the Mumbai-Nashik-Pimpalgaon Highway in the Indian State of Maharashtra.

Natural Capital Awards: NCA is one of the flagship initiatives of the Bank to identify, reward and showcase the finest efforts of individuals, groups and corporations dedicated towards spearheading biodiversity growth, environmental stewardship and climate change. The Bank has successfully conducted 3 editions of the awards.

Experience and Impact

- YES BANK has incorporated a blue ocean strategy and hardwired a strong focus on natural capital to become a market creator. Being the first to enter new markets and, it has enabled Bank to create opportunities for others to follow.
- YES BANK's conservation projects have led to protection of critically endangered species including One-Horned Rhinoceros and Great Indian Bustard.
- YES BANK has assumed significant leadership in the natural capital space in India and is actively engaging internationally on several natural capital related aspects such as piloting the Drought Stress Testing Tool and Natural Capital Protocol Finance Sector Supplement .
- Given its knowledge leadership in the space, YES BANK released two knowledge reports on 'Natural Capital Mapping: Towards Achieving SDG's in India' and 'Valuing Natural Capital: Applying the Natural Capital Protocol'.
- The Bank has recently concluded the third edition of the Natural Capital Awards, where the event was graced by Dr Harsh Vardhan, Minister

of Science & Technology, Earth Sciences and Environment, Forest & Climate Change. The awards witnessed tremendous participation from 522 corporate and 10,135 individuals for Corporate category (Eco-corporate) and photography category (Pixel Perfect & Trailblazer).