Kotak Mahindra Bank - Climate Change 2021

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Kotak Mahindra Bank Ltd. ('KMBL' /'The Bank') is a part of India's leading financial services conglomerates, Kotak Mahindra Group. The Bank commenced its operations in February 2003 when Kotak Mahindra Finance Ltd. (KMFL), the Group's flagship company, received its banking license from the Reserve Bank of India (RBI). KMFL (now Kotak Mahindra Bank Ltd) was India's first non-banking finance company to be converted into a bank. As of 31st March 2021, the Bank has **1,604** operational branches and **2,598** ATMs with two branches operating out of GIFT (Gujarat International Finance Tec) City and DIFC (Dubai International Finance Centre), Dubai. The Bank's reach has extended much beyond its physical network with the help of its digital solutions. It is at a point where anyone in India can open a bank account from the safety and convenience of their home.

The Bank's four strategic business units - Consumer Banking, Corporate Banking, Commercial Banking and Treasury, cater to retail and corporate customers across urban, semi-urban and rural areas of India. The Bank's core business vision underscores the organisation's inclusive and sustainable mindset, with a host of products and services designed to address the needs of the unbanked and underbanked. KMBL's renewed business strategy emphasizes a 'Digital Everything' approach. Not only does it help in propagating our financial inclusion agenda but also enables customer services through environment-friendly modalities. The Bank is making investments to create simplified, technology-driven journeys and processes for customer acquisition and servicing. This will enhance customer experience and also help reduce the Bank's operational carbon footprint.

The Bank's environmental management practices are focused on reducing its operational footprint, which helps reduce impacts such as Greenhouse Gas (GHG) emissions, resource consumption and waste generation. Further, KMBL's digitisation of products and services continues to reduce its GHG emission footprint. The Bank also focuses on building energy efficiency, data centre efficiency and resource optimisation as part of KMBL's green agenda internally. KMBL's data centres have been optimised into a single facility to leverage system efficiencies and exercise better control on their energy requirement. Initiatives such as high and medium density server rooms, server consolidation and cold aisle containment have reduced the energy intensity of the Bank's data centre.

KMBL had adopted a Social and Environmental Management System (SEMS) Plan for its lending activities in February 2009. With effect from February 2021, these guidelines have been revised to cover some more ESG related aspects and has been renamed as Environmental, Social & Governance (ESG) Management Systems Plan. The ESG Management Systems Plan has laid out a detailed ESG screening and exclusion criterion for its credit risk management.

For more information please visit https://www.kotak.com/en.html

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	April 1 2020	March 31 2021	Yes	3 years

C0.3

(C0.3) Select the countries/areas for which you will be supplying data.

India

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

INR

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Operational control

C-FS0.7

(C-FS0.7) Which organizational activities does your organization undertake?

Bank lending (Bank)

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Board-level committee	The Bank established a Board level Corporate Social Responsibility (CSR) committee in FY 2014-1 5. The Board CSR Committee comprises three directors, out of which one is an independent director and two are whole time directors . The CSR Committee is responsible for reviewing the company's CSR strategy, policies and practices, ensuring the CSR activities are aligned to the Bank's CSR agenda and policy. The CSR Committee also oversees the implementation of the Business Responsibility (BR) principles whilst simultaneously carrying forward the Bank's CSR agenda. The Committee reviews the Business Responsibility report which covers KMBL's Environmental, Social and Governance (ESG) performance including GHG emissions and updates the Board about the same .

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – some meetings	Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding annual budgets Reviewing and guiding business plans Monitoring implementation and performance of objectives Overseeing major capital expenditures, acquisitions and divestitures	Climate-related risks and opportunities to our bank lending activities The impact of our own operations on the climate	Bank's Board CSR Committee reviews the Bank's Business Responsibility Report on an annual basis and presents the company's annual Business Responsibility Report which also includes the Bank's disclosures on climate change related information to the Bank's Board. KMBL's Enterprise wide Risk Management (ERM) framework is designed to align risk and capital management to business strategy. The ERM is designed to identify potential events that may expose the bank to risk, manage risks to be within its risk appetite and to create sustainable stakeholder value. ERM comprises of sound management of a broad range of inter-related risks, including climate change and business continuity management The ERM framework is supported by the Risk Management Committee that consists of the Chairman, Chief Executive Officer (CEO) and the Group Chief Risk Officer (CRO). The committee ensures implementation of risk management and risk culture across the organization. The risk management process is the responsibility of the Board of Directors which approves risk policies and the delegation matrix. In FY 20-21 , the Bank constituted a Credit Risk Management Committee (CRMC) for enhancing the credit risk governance structure at a management level. The CRMC inter-alia is responsible for reviewing ESG risks in the Bank's credit assessment. An ESG Management Systems Plan has been introduced with effect from February 2021 to formalize the ESG risk screening procedures in the Bank's credit practices.

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
President *The internal designation assigned is Joint President.*	Corporate Sustainability/CSR reporting line	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our own operations	Annually

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

The Bank's climate-related issues are monitored by Joint President & Group Chief CSR Officer, Kotak Mahindra Bank and his department. This senior-level executive (Head - BR and CSR) heading the Business Responsibility and Corporate Social Responsibility function, reports to the Bank's Board CSR Committee. The individual has more than three decades of experience spanning Banking, Business Journalism, PR, Corporate Communication, CSR, Environmental Social and Governance (ESG) practices, and triple-bottom-line reporting. The overall management responsibilities have been developed to ensure that the Bank's ESG practices are embedded as integral components of business functions and are integrated into operational systems and processes

The team leads the environmental sustainability initiatives across KMBL's banking operations and has identified and defined a set of Key Performance Indicators (KPI) that they monitor to manage environmental performance. These KPIs are also reported in the Bank's annual Business Responsibility Report. KMBL's strategy for managing environmental performance can be categorized as under:

- Leveraging digital banking solutions
- Energy conservation measures at KMBL's Offices and Branches
- Use of clean energy alternatives, such as wind energy
- Resource efficiency measures

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	No, and we do not plan to introduce them in the next two years	In view of the COVID-19 pandemic's impacts, we will review climate related target incentives when the entire ecosystem returns to normalcy.

C-FS1.4

(C-FS1.4) Does your organization offer its employees an employment-based retirement scheme that incorporates ESG principles, including climate change?

	We offer an employment-based retirement scheme that incorporates ESG principles, including climate change.	Comment
Row 1	No	As per domestic laws, every employee across the manufacturing and services industry including financial institutions come under the purview of the Provident Fund Act, where employees are given the option of commuting a portion of the corpus at the time of superannuation towards annuities (pension). Further, KMBL encourages and communicates to employees to consider subscribing to the government's National Pension Scheme.

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?
Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	1	The time horizon for assessing climate risks and opportunities are aligned with the time horizons of the Bank's business units, climate strategy, and its Risk Materiality Assessment process.
Medium-term	1	3	The time horizon for assessing climate risks and opportunities are aligned with the time horizons of the Bank's business units, climate strategy, and its Risk Materiality Assessment process.
Long-term	3	10	The time horizon for assessing climate risks and opportunities are aligned with the time horizons of the Bank's business units, climate strategy, and its Risk Materiality Assessment process.

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

The Bank implements an Internal Capital Adequacy Assessment Process (ICAAP) which provides KMBL's management with a view of overall risks and capital allocated to cover the risks. The ICAAP outcomes are reviewed by the senior management and formally approved by the Board. The Bank conducts periodic stress testing and sensitivity analysis as an integral part of the Bank's ICAAP. Stress Testing involves the use of various techniques to assess the impact of adverse business conditions on earnings, capital and liquidity.

As such, the Bank operates within board-approved risk appetite limits that cover material risk areas like credit, interest rate, market risk, liquidity, operational risk including climate risks. The risk appetite is set by the Board and is a top-down process consisting of specific quantitative and qualitative factors and provides an enforceable risk statement on the amount of risk the Group is willing to accept in support of its financial and strategic objectives. The Risk appetite statements are reviewed by senior management who recommend them to the Board for approval. Annual financial plans are tested against the risk appetite to ensure alignment. Regular monitoring of risk exposures is carried out to ensure that risk-taking activity remains within risk appetite.

The objective of operational risk management at the Bank is to manage and control operational risk within targeted levels as defined in the risk appetite laid down by the Board and reduce losses resulting from inadequate or failed internal processes, people and systems or from external events. Financial exposure that falls outside the range of the prescribed risk appetite of the Bank is considered as substantive financial impact.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered
Direct operations
Downstream

Risk management process
Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment
More than once a year

Time horizon(s) covered
Short-term
Medium-term
Long-term

Description of process
The Enterprise-wide Risk Management framework governs the Bank's risk identification, assessment and management process. As per the framework, climate related issues have been categorised as operational risks. The Bank's Operational Risk Management (ORM) Framework comprehensively defines the objectives, strategy and governance structure for Risk Management. The framework is supported by policies and processes to effectively manage risk. The framework and policies provide the Bank a structured and controlled approach to identify, assess and monitor operational risk exposure, design appropriate mitigation strategies, and provide timely and effective reporting to Risk Committee and the Board. The Bank also regularly monitors the climate risk-related regulatory guidance issued by India's Central Bank, Reserve Bank of India. As per the ORM framework, Business Impact Analysis (BIA) is carried out to identify the impact of risks related to climate change on our facilities. For instance, risks arising from extreme weather events like cyclones (and subsequent floods) due to climate change has been identified as a material environmental risk for the Bank. Accordingly, Business Continuity Plans (BCP) have been developed including mitigation plans for inherent risks arising out of these natural disasters and calamities, with the intent of ensuring continuity of operations and minimal disruption to customer services. These plans are periodically reviewed and tested to ensure their effectiveness to mitigate unpredictable risks. During the reporting period, BCP policy and procedural documents were enhanced to add inter-alia pandemic planning related improvements including secure system access in the work from home/remote working scenario. Downstream In order to identify and manage the impact of climate risk in its lending activities, the Bank uses a credit rating model for obtaining the internal credit rating of each corporate borrower. The Bank has a section in the Credit Assessment that needs to be filled up for all credit proposals. The current and prospective state of the business is evaluated in detail in the main section of the credit appraisal. There are specific questions that the credit analyst fills in on environmental and social assessment, hazardous materials, pollution prevention & waste management During FY 20-21, the Bank introduced a formal Environmental, Social & Governance (ESG) Management Systems Plan. The Plan has been designed taking into consideration the IFC Performance Standards and other ESG standards. As per the guidelines a thorough review of prospective borrowers' Pollution Control Board clearances, factory licenses, carbon emissions, water consumption, consumption of energy & other resources, is undertaken. Bank's credit terms are then based on the results of such evaluation. Proposals with scores below 'Satisfactory' will be monitored closely or are likely to be rejected.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	The Bank closely monitors the changing domestic and international regulatory landscape with respect to climate action. The Bank moulds its risk assessment processes per the current regulatory guidance on such issues. For instance, India's commitment to the growth of renewable energy as well as the reduction of per capita emissions presents risks to various sectors where the Bank may have exposure. The Bank has been monitoring such portfolios closely and has recently revised its credit risk assessment procedures to cover these risks.
Emerging regulation	Relevant, always included	Emerging regulations on climate action, clean energy and domestic GHG emission targets have a direct impact on KMBL's business. The social risks arising from the transition to a low carbon economy can have an adverse impact on KMBL's business. The shutdown of high employment-generating industries like power plants, fisheries etc. especially in areas with limited alternative employment, may significantly weaken the local economy and in turn the social environment. This can lead to a risk of increase in the Bank's Non-Performing Assets (NPA). While there are risks, there are also new business opportunities arising from climate change. These may be driven by the need to finance the new technologies and infrastructure required for the low carbon transition, e.g. renewable energy, green buildings, electric cars, new battery technologies, flood defences. Non-compliance to statutory regulations can affect KMBL's overall financial performance and reputation. The Bank's risk, legal and compliance team ensures that KMBL strictly meets the requirements of all regulations.
Technology	Relevant, always included	To counter climate impact from emissions from old legacy systems, the Bank has been actively investing in cutting edge technology for both, infrastructure and applications. The Bank also recognizes the importance of building technology capabilities focused on providing improved customer experience, increasing employee productivity, improving operational performance, capabilities for superior regulatory compliance and proactive risk management. To reduce the carbon footprint of its business operations, the Bank is heading towards a 'Digital Everything' experience and plans on continuing to invest in the delivery of multiple products and services through an integrated value proposition across acquiring, lending and transactions. In addition, over the years the Bank has been investing in technology for monitoring and managing its energy consumption.
Legal	Relevant, always included	In the current Indian Banking industry, there are no regulatory obligations pertaining to climate change. Thereby, there is no imminent material risk of litigation related to climate change.
Market	Relevant, always included	Currently, climate-related issues do not directly influence customer banking product choices. Customers are, however, increasingly becoming conscious about their carbon footprint and prefer using digital solutions and products for fulfilling their banking needs. The Bank has already embarked on a 'Digital everything' journey to counter this risk. KMBL offers a wide variety of digital solutions to its customers including net banking, mobile banking, WhatsApp Banking etc. Each of these platforms offers a multitude of user-friendly banking solutions. KMBL also offers its customers the option to opt for e-statements to save paper.
Reputation	Relevant, always included	Reputation risk covers the potential or actual damage to KMBL's image which may impair the profitability and thus, the sustainability of its businesses. Inadequate climate risk assessment processes and timely incorporation of climate mitigation and action plans is likely to contribute to the negative publicity of KMBL. Additionally, failure to identify climate risks in the bank's credit profile and investment portfolio can lead to increased risk of NPAs which can further impact the Group's reputation. KMBL has enhanced its credit risk assessment to incorporate robust environmental and climate risk-related parameters.
Acute physical	Relevant, always included	KMBL has established a robust and resilient Business Continuity Management System (BCMS) framework. It helps proactively identify and mitigate climate risks that can cause disruption, thereby minimising the physical impact of climate-related adverse incidents and ensuring continuity of its key products and services at an acceptable level. The Bank regularly reviews and improves the BCMS to prepare its systems for any future disruptions. Objectives of the BCMS are: • Design a system for resilience, resumption and recovery of its business operations and provide continuity of critical operations for timely delivery of key products and services. • Manage any incident effectively and efficiently to minimise the impact on the assets and resources, including human resources, information and infrastructure. • Safeguard the reputation of the Bank by providing continuity and consistency in critical products & services to meet the expectations of the stakeholders at predefined levels. • Comply with all relevant and applicable legal, regulatory, statutory & contractual obligations. • Manage risks proactively by periodically identifying them and applying the appropriate controls. • Increase the resilience of the organisation by building incident management and business continuity capabilities based on industry best practices (ISO: 22301:2012) and other relevant legal and regulatory guidelines. • Embed BCMS culture in the Bank's business processes across all levels of users & promote BCMS awareness amongst employees and vendors by means of effective communication, education & training. • Periodically test, exercise & maintain the Business Continuity Plan to ensure its effectiveness during emergency situations and confirm that all employees are aware of and respond to its execution. The BCM will help manage any adverse weather event or other climate change-related incident effectively and minimize its impact on the physical assets and resources such as people, infrastructure, data and other supporting assets. It also safeguards the reputation of the Bank at all times by providing continuity and consistency of critical products & services to the expectations of the stakeholders at predefined levels. The BCMS is tested annually & updated regularly. It was upgraded to incorporate remote access capabilities and security to enable staff to work from home, during FY 2020-21. Simulations for specific tests are sometimes also carried out quarterly and bi-annually.
Chronic physical	Relevant, always included	KMBL has large corporate offices and branches across India, including low lying coastal regions. The physical infrastructure and people have high climate risk exposure with increase in heat waves, heavy rainfall, flooding, rising sea levels and lack of fresh water. The Bank has adequate building codes, insurance covers and emergency evacuation plans in place to safeguard itself against this climate risk

C-FS2.2b

(C-FS2.2b) Do you assess your portfolio's exposure to climate-related risks and opportunities?

	We assess the portfolio's exposure	Please explain
Bank lending (Bank)	Yes	Currently, for Environment and Social management, the Bank has a section in the Credit Assessment that needs to be filled up for all term loan proposals above a certain threshold. The current and prospective state of the business is evaluated in detail in the main section of the credit appraisal. There are specific questions that the credit analyst fills in on Environmental and Social Assessment, Hazardous Materials, Pollution Prevention & Waste management. This Framework includes a comprehensive exclusion list and was expanded for deeper analysis during the reporting period. Currently, there is a lot of uncertainty on climate change impact assessment. Hence, the Bank does not propose to treat this as a Material Pillar II risk. However, the Bank will monitor this area of climate change and will consider including this as part of Pillar II risks, once there is more clarity and guidance from the regulator.
Investing (Asset manager)	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>
Other products and services, please specify	Not applicable	Not Applicable. There are no other products or services that have a portfolio.

C-FS2.2c

(C-FS2.2c) Describe how you assess your portfolio's exposure to climate-related risks and opportunities.

	Portfolio coverage	Assessment type	Description
Bank lending (Bank)	Unknown	Qualitative and quantitative	Currently, for Environment and Social management, the Bank has a section in the Credit Assessment that needs to be filled up for all term loan proposals above a certain threshold. The current and prospective state of the business is evaluated in detail in the main section of the credit appraisal. There are specific questions that the credit analyst fills in on Environmental and Social Assessment, Hazardous Materials, Pollution Prevention & Waste management. This Framework includes a comprehensive exclusion list and was expanded for deeper analysis during the reporting period. Currently, there is a lot of uncertainty on climate change impact assessment. Hence, the Bank does not propose to treat this as a Material Pillar II risk. However, the Bank will monitor this area of climate change and will consider including this as part of Pillar II risks, once there is more clarity and guidance from the regulator.
Investing (Asset manager)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other products and services, please specify	<Not Applicable>	<Not Applicable>	<Not Applicable>

C-FS2.2d

(C-FS2.2d) Do you assess your portfolio's exposure to water-related risks and opportunities?

	We assess the portfolio's exposure	Portfolio coverage	Please explain
Bank lending (Bank)	Yes	Minority of the portfolio	Currently, for Environment and Social management, the Bank has a section in the Credit Assessment that needs to be filled up for all term loan proposals above a certain threshold. The current and prospective state of the business is evaluated in detail in the main section of the credit appraisal. There are specific questions that the credit analyst fills in on Environmental and Social Assessment, Resource Efficiency Pollution Control & Waste management including water and energy efficiency. Water-related industries like construction of dams and reservoirs, major irrigation projects or other projects affecting water supply in a given region, domestic or hazardous waste disposal operations are considered relatively higher risk and stringent review processes are adopted for these industries.
Investing (Asset manager)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other products and services, please specify	Not applicable	<Not Applicable>	Not Applicable. There are no other products or services that have a portfolio.

C-FS2.2e

(C-FS2.2e) Do you assess your portfolio's exposure to forests-related risks and opportunities?

	We assess the portfolio's exposure	Portfolio coverage	Please explain
Bank lending (Bank)	Yes	Minority of the portfolio	Currently, for Environment and Social management, the Bank has a section in the Credit Assessment that needs to be filled up for all term loan proposals above a certain threshold. The current and prospective state of the business is evaluated in detail in the main section of the credit appraisal. There are specific questions that the credit analyst fills in on Environmental and Social Assessment, Pollution Control & Waste management. Industries that impose risks to forests and biodiversity are considered relatively higher risk and stringent review processes are adopted for these industries.
Investing (Asset manager)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other products and services, please specify	Not applicable	<Not Applicable>	Not Applicable. There are no other products or services that have a portfolio.

C-FS2.2f

(C-FS2.2f) Do you request climate-related information from your clients/investees as part of your due diligence and/or risk assessment practices?

	We request climate-related information	Please explain
Bank lending (Bank)	Yes, for some	We collect climate related information during our credit assessment process for borrowings above a certain threshold. We intend to enhance our due diligence/ credit risk assessment processes and will increase our focus on climate related risk in our lending processes, over the next few years.
Investing (Asset manager)	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>
Other products and services, please specify	Not applicable	Not Applicable. There are no other products or services that have a portfolio.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Emerging regulation	Enhanced emissions-reporting obligations

Primary potential financial impact

Increased indirect (operating) costs

Climate risk type mapped to traditional financial services industry risk classification

Reputational risk

Company-specific description

Although currently, emissions reporting is not a mandatory obligation in India, we foresee it becoming compulsory in the near future. India has voluntarily committed to reduce its GHG emissions intensity by 30-35% below 2005 level by 2030 as per India's Nationally Determined Contributions (NDCs) as per Paris Agreement, 2015. This may result in some form of voluntary or mandatory emissions disclosure in India- potentially extending the obligations to financial institutions.

Time horizon

Medium-term

Likelihood
Very likely

Magnitude of impact
Low

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure

Cost of response to risk

Description of response and explanation of cost calculation
KMBL has been proactive in reporting voluntarily on its emissions. In addition to publishing a business responsibility report, it is also in the process of developing an 'Integrated Report' for its investors. The Bank is also establishing a comprehensive measurement, reporting and verification mechanism to report emissions as well as expand the scope and boundary of its reporting parameters. The Bank has not yet estimated the cost of management for emissions reporting.

Comment

Identifier
Risk 2

Where in the value chain does the risk driver occur?
Direct operations

Risk type & Primary climate-related risk driver

Technology	Transitioning to lower emissions technology

Primary potential financial impact
Increased direct costs

Climate risk type mapped to traditional financial services industry risk classification
Operational risk

Company-specific description
There are rising energy security issues related to the availability and affordability of fuels like coal, natural gas and diesel. This may lead to additional taxes and regulations on fuels and energy leading to an impact on operational costs of the Bank.

Time horizon
Medium-term

Likelihood
Likely

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
Fuel/Energy taxes can be directly proportional to an organization's carbon footprint. If Kotak's GHG emissions are substantial and not controlled, the taxed paid for the same can reduce the Bank's profit margin.

Cost of response to risk

Description of response and explanation of cost calculation
KMBL has nine LEED-certified offices across six cities and has installed carbon-neutral floors installed across multiple offices. Each of the LEED-certified offices meets the requirements of the green building rating system certification established by the U.S. Green Building Council and have best-in-class resource-efficient installations. These installations not only help monitor and control energy consumption but also help manage waste disposal processes and water consumption. KMBL is in the process of getting more of its large offices' LEED certified. Besides, the Bank has undertaken many initiatives to implement carbon-neutral solutions and manage hazardous e-waste. The key initiatives undertaken to drive energy efficiency across some of its office locations during FY 2020-21 include: • Procurement of renewable energy (wind energy / solar energy) in large offices • Installation of sensor-based lighting in branch offices to reduce electricity consumption • Installation of a digital platform for monitoring generators • Reduction of GHG emissions by optimising AC refrigerants emission for AC units • UPS battery refurbishment to reduce carbon footprint in branch offices • Digital LED signage to lower carbon emissions and improve energy optimisation • Initiatives to improve discipline to switch off power when not in use. The Bank has not yet estimated the cost of management for fuel/energy taxes and regulations

Comment

Identifier
Risk 3

Where in the value chain does the risk driver occur?
Direct operations

Risk type & Primary climate-related risk driver

Market	Inability to attract co-financiers and/or investors due to uncertain risks related to the climate

Primary potential financial impact
Decreased access to capital

Climate risk type mapped to traditional financial services industry risk classification
Market risk

Company-specific description
There is a growing trend of investors closely monitoring the end-use of their funds from the perspective of climate related impacts. A larger carbon footprint may limit KMBL's ability to attract funds from institutional investors who are sensitive towards climate change.

Time horizon
Medium-term

Likelihood
Likely

Magnitude of impact
Medium-low

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
The financial implications would be reflected in the increased cost of capital for the bank

Cost of response to risk

Description of response and explanation of cost calculation
The Bank is taking steps to enhance its investments in climate-friendly projects and technologies throughout its own operations as well as through its community-based interventions. The Bank has commenced evaluating and considering environmental and climate risks in its lending and credit risk processes to respond to this exposure. The Bank has not yet estimated the cost of management for this aspect

Comment

Identifier
Risk 4

Where in the value chain does the risk driver occur?
Direct operations

Risk type & Primary climate-related risk driver

Chronic physical	Changes in precipitation patterns and extreme variability in weather patterns

Primary potential financial impact
Decreased revenues due to reduced demand for products and services

Climate risk type mapped to traditional financial services industry risk classification
Capital adequacy and risk-weighted assets

Company-specific description
Climate changes lead to extreme weather events like extreme precipitation and droughts which have an adverse effect on sectors like agriculture. This in turn poses credit risks for banks and other financial institutions. KMBL has a large Agribusiness division which is divided into three main verticals: - Small scale credit line is made available for crop cultivation and tractor financing - Medium-scale credit line is made available to individuals, partnerships and propriety customers who focus on advanced agricultural activities - Large scale credit line is made available to organisations that focus on primary and secondary agro-processing under Agri Corporate.

Time horizon
Unknown

Likelihood
Likely

Magnitude of impact
Medium-high

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
The financial implications could be related to increased delinquency ratio of Bank's agriculture and allied sector loans and loss for business opportunities in these sectors

Cost of response to risk

Description of response and explanation of cost calculation
The credit risk for KMBL is being continually assessed through its credit portfolio to understand the credit risk. However, currently there is no risk assessment specific to climate change.

Comment

Identifier
Risk 5

Where in the value chain does the risk driver occur?
Direct operations

Risk type & Primary climate-related risk driver

Reputation	Negative press coverage related to support of projects or activities with negative impacts on the climate (e.g. GHG emissions, deforestation, water stress)

Primary potential financial impact
Decreased access to capital

Climate risk type mapped to traditional financial services industry risk classification
Reputational risk

Company-specific description
The Bank is aware of reputational risks that arise from an organisation's non-commitment to the cause of climate change mitigation and adaptation, and the indirect reputational risks that a financial organisation can be exposed to should it get involved in lending to environmentally sensitive projects which may have significant public opposition.

Time horizon
Medium-term

Likelihood
Likely

Magnitude of impact
Medium-high

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
The financial implications could be related to diminished brand value and low confidence of environmentally and social responsible investors.

Cost of response to risk

Description of response and explanation of cost calculation
The Bank's Policy on Environment elucidates its commitment on sound environmental management. The Bank also discloses on its Business Responsibility (including environmental initiatives) through its annual Business Responsibility Report and CDP responses. The Bank already has an annual action plan to reduce its paper, energy and water consumption, and reducing and avoiding its captive GHG emission, and the same is disclosed in the Bank's Business Responsibility Report.

Comment

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?
Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier
Opp1

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Products and services

Primary climate-related opportunity driver
Ability to diversify business activities

Primary potential financial impact
Increased revenues through access to new and emerging markets

Company-specific description
While there are risks, there are also new business opportunities arising from climate change. New product efficiency regulations and standards may require companies to adopt new technologies and implement new projects. This will create a demand for financing new technologies and infrastructure like renewable energy, green buildings, electric cars, new battery technologies, flood defences.

Time horizon
Short-term

Likelihood
More likely than not

Magnitude of impact
Medium-low

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
The financial implications would be related to increased lending portfolio and resultant business opportunities to lend to clients in adopting new technologies.

Cost to realize opportunity

Strategy to realize opportunity and explanation of cost calculation
Although there is no separate segregation of such business opportunities to be pursued under the climate change agenda, the Bank lends to all viable borrowers.

Comment
No additional costs of management might be required

Identifier
Opp2

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Energy source

Primary climate-related opportunity driver
Use of lower-emission sources of energy

Primary potential financial impact
Other, please specify (Increased lending opportunities)

Company-specific description
Increased fossil fuel/energy costs, taxes and regulations may lead to energy efficiency and renewable energy projects taken up by clients.

Time horizon
Short-term

Likelihood
Likely

Magnitude of impact
Medium-low

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
The financial implications would be related to an increased lending portfolio and resultant business opportunities to lend to clients for energy efficiency / renewable energy projects. The costs may also be related to technology upgrades made across the Bank.

Cost to realize opportunity

Strategy to realize opportunity and explanation of cost calculation
While the Bank lends to projects related to energy efficiency and renewable energy, there is no separate segregation of such business opportunities to be pursued under the climate change agenda.

Comment
The potential cost to realize the opportunity has not been evaluated yet

---

Identifier
Opp3

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Markets

Primary climate-related opportunity driver
Access to new markets

Primary potential financial impact
Increased revenues through access to new and emerging markets

Company-specific description
Participating in climate change advocacy and voluntary disclosures on climate change will help the Bank enhance its reputation as a responsible corporate citizen. This in turn will increase the Bank's opportunities to gain access to new markets.

Time horizon
Medium-term

Likelihood
Likely

Magnitude of impact
Medium-low

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
There might not be any direct financial implications but increased market and brand value of the Bank will indirectly enable the Bank to expand its business and attract and retain best talent.

Cost to realize opportunity

Strategy to realize opportunity and explanation of cost calculation
The Bank's Policy on Environment elucidates its commitment on sound environmental management. The Bank also discloses on its Business Responsibility (including environmental initiatives) through its annual Business Responsibility Report and CDP responses. The Bank already has an annual action plan to reduce its paper, energy and water consumption, and reducing and avoiding its captive GHG emission, and the same is disclosed in the Bank’s Business Responsibility Report.

Comment
The actual cost to realize the opportunity has not been evaluated as yet.

C3. Business Strategy

C3.1

(C3.1) Have climate-related risks and opportunities influenced your organization’s strategy and/or financial planning?
Yes

C3.1b

(C3.1b) Does your organization intend to publish a low-carbon transition plan in the next two years?

	Intention to publish a low-carbon transition plan	Intention to include the transition plan as a scheduled resolution item at Annual General Meetings (AGMs)	Comment
Row 1	No, we do not intend to publish a low-carbon transition plan in the next two years	<Not Applicable>	

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

No, and we do not anticipate doing so in the next two years

C3.2b

(C3.2b) Why does your organization not use climate-related scenario analysis to inform its strategy?

From the Bank's business perspective, Climate Change may lead to change in the mix of lending (as certain businesses become viable and attractive while others become unattractive). However, in view of the absence of specific regulatory direction and guidelines on climate change and market situation realities, climate-related scenario analysis hasn't been built up as yet. The Bank will monitor this area of climate change and will consider including this as a material risk, once there is more clarity and guidance from the Reserve Bank of India.

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	Deployment of digital products and solutions to reduce overall operational carbon footprint Digital transformation has been one of the key areas of focus for the Bank. This is embedded in KMBL's core business strategy. The Bank aims to head towards a 'Digital Everything' experience and plans on continuing to invest in the delivery of multiple products and services through an integrated value proposition across acquiring, lending and transactions. The Bank's investments in digitisation over the past few years have helped the Bank respond to the COVID-19 crisis without any substantial disruptions. It enabled the organisation to stay resilient and provide last mile financial access to customers remotely when social distancing, and digital and contactless solutions were the norm. During FY 2020-21 alone, 116 new digital initiatives were launched. KMBL has developed various products and services that enable customers to conduct banking transactions on a digital platform. The Bank's initiatives on digital and video KYC for its customers, digital (paperless) home and personal loans, e-signatures, WhatsApp banking, mobile banking etc. have not only helped save paper but also reduced the Bank customers' carbon footprint by avoiding physical visits to Bank branches. The Bank also encourages its customers to choose e-statements for their periodic account statements. This reduces paper waste, ensures data security, and provides customers with the ability to store and retrieve statements electronically, at their convenience. To illustrate, one business vertical alone saved ~35,000 sheets of paper during FY 2020-21 under their 'go green' initiative, as a substantial number of customers opted for e-statements. For example, project velocity was launched to encourage a paperless environment. The project ensured that all types of physical and call-based service requests are processed digitally with minimal manual intervention. This led to a significant reduction of physical forms, thereby reducing paper consumption.
Supply chain and/or value chain	Yes	1. Educating Customers to leverage digital solutions to reduce carbon footprint (through a reduction in travelling and paper saving) The Bank has been encouraging and educating its customers to use digital channels for their banking needs to avoid physical branch visits (thereby reducing carbon footprint). As mentioned above customers are also encouraged to switch to e-bank statements. This has helped save large amounts of paper at Bank offices. The Bank has received a good response on these initiatives from its customers. In fact, 90% of transactions during FY 2020-21 were completed through digital channels. This has also helped the Bank in enabling last-mile financial access to people who found it difficult to visit bank branches. 2. Review of ESG risks as a part of the credit risk review process Currently, for Environment and Social management, the Bank has a section in the Credit Assessment that needs to be filled up for all term loan proposals above a certain threshold. The current and prospective state of the business is evaluated in detail in the main section of the credit appraisal. There are specific questions that the credit analyst fills in on Environmental and Social Assessment, Hazardous Materials, Pollution Prevention & Waste management. This Framework includes a comprehensive exclusion list and was expanded for deeper analysis during the reporting period.
Investment in R&D	Yes	The Kotak Innovation Lab based out of Bangalore continues to contribute to unique digital solutions that in turn contributes to reducing its operational carbon footprint. has The Innovation Lab was awarded Best Innovation Centre by The Asian Banker in FY 2019-20.
Operations	Yes	Efforts to reduce energy consumption, switch to cleaner energy alternatives and invest in resource efficiency initiatives. In FY 2020-21 , several initiatives were undertaken to actively reduce energy consumption and manage e-waste at several KMBL offices. For instance, the Bank has installed green data centres which have been optimised for power use through implementation of 'cold aisle' containment across high-density and low-density data centres. This initiative has helped KMBL significantly reduce power consumption over the past few years. In addition, KMBL has nine LEED certified offices across six cities and installed carbon neutral floors installed at multiple office locations. Each of the LEED certified offices meet the requirements of the green building rating system certification established by the U.S. Green Building Council and have best-in-class resource efficient installations. These installations not only help monitor and control energy consumption but also help manage waste disposal processes and water consumption. KMBL is in the process of getting more of its large offices LEED certified. The Bank's other ongoing efforts in energy management and resource efficiency include: - Procurement of renewable energy (wind energy / solar energy) in large offices - Installation of sensor-based lighting in branch offices to reduce electricity consumption - Installation of digital platform for monitoring generators - Reduction of GHG emissions by optimising AC refrigerants emission for AC units - UPS battery refurbishment to reduce carbon footprint in branch offices - Digital LED signage to lower carbon emissions and improve energy optimisation - Initiatives to improve discipline to switch off power when not in use.

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Indirect costs Capital expenditures Capital allocation Access to capital	Capital Expenditure and Indirect costs: KMBL considers climate-related issues while monitoring its carbon footprint and in its credit appraisal for term loans. As part of being energy efficient, KMBL allocates a portion of its annual budget towards investment in energy-efficient infrastructure and increasing the use of green technology. Accordingly, capital expenditure is impacted. KMBL is also focused on reducing emissions through energy savings and reduced paper consumption. Over the past few years, KMBL has invested in LEED certification of its buildings, installation of carbon-neutral floors, sensor-based lighting across its offices and a digital platform for monitoring generators. These initiatives helped decrease indirect costs at the bank. Access to Capital: KMBL goes beyond statutory compliance by implementing responsible environmentally sustainable practices. in all its business operations With the introduction of the ESG Management Systems Plan, the access to capital and loans will increase for the borrowers who have sound sustainability and ESG practices in place.

C3.4a

(C3.4a) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).

C-FS3.6

(C-FS3.6) Are climate-related issues considered in the policy framework of your organization?

Yes, both of the above

C-FS3.6a

(C-FS3.6a) In which policies are climate-related issues integrated?

	Type of policy	Portfolio coverage of policy	Description
Bank lending (Bank)	Credit policy	Minority of the portfolio	Currently, for Environment and Social management, the Bank has a section in the Credit Assessment that needs to be filled up for all term loan proposals above a certain threshold. The current and prospective state of the business is evaluated in detail in the main section of the credit appraisal. There are specific questions that the credit analyst fills in on Environmental and Social Assessment, Hazardous Materials, Pollution Prevention & Waste management. This Framework includes a comprehensive exclusion list and was expanded for deeper analysis during the reporting period.
Investing (Asset manager)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other products and services, please specify	Please select	Please select	Not Applicable. There are no other products or services that have a portfolio.

C-FS3.6b

(C-FS3.6b) Describe your exclusion policies related to industries and/or activities exposed or contributing to climate-related risks.

Type of exclusion policy	Portfolio	Application	Description
Other, please specify (Sectors that have direct and indirect impact on climate change)	Bank lending	Other, please specify (New and existing business/investment for new and existing projects)	The Bank's Corporate Credit Policy restricts lending exposures in certain sectors either entirely or upto certain thresholds.

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

No target

C4.1c

(C4.1c) Explain why you did not have an emissions target, and forecast how your emissions will change over the next five years.

	Primary reason	Five-year forecast	Please explain
Row 1	Important but not an immediate business priority		We are currently focusing on implementing environmental management systems and energy saving initiatives across all our facilities in India in a phased manner. Through these initiatives, we intend to measure energy usage and capture associated savings within our operations. Post the successful execution of these programmes, we anticipate to set realistic targets to reduce our emissions and carbon footprint.

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

No other climate-related targets

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation		
To be implemented*		
Implementation commenced*		
Implemented*	4	1607
Not to be implemented		

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Energy efficiency in buildings	Lighting

Estimated annual CO2e savings (metric tonnes CO2e)

1188

Scope(s)

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

Investment required (unit currency – as specified in C0.4)

Payback period

<1 year

Estimated lifetime of the initiative

Ongoing

Comment

Energy Conservation initiatives like installation of sensor-based lighting in branch offices to reduce electricity consumption, UPS battery refurbishment, installation of a digital platform for monitoring generators, digital LED signage to lower carbon emissions and improve energy optimisation through other active energy conservation practices. The monetary savings due to this initiative is yet to be determined.

Initiative category & Initiative type

Other, please specify	Other, please specify (Installation of Carbon Neutral Floors)

Estimated annual CO2e savings (metric tonnes CO2e)
121

Scope(s)
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

Investment required (unit currency – as specified in C0.4)

Payback period
Please select

Estimated lifetime of the initiative
Ongoing

Comment
KMBL has installed carbon-neutral floors across multiple large offices.

Initiative category & Initiative type

Low-carbon energy consumption	Wind

Estimated annual CO2e savings (metric tonnes CO2e)

Scope(s)
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
0

Investment required (unit currency – as specified in C0.4)
0

Payback period
No payback

Estimated lifetime of the initiative
Ongoing

Comment
KMBL procured 3,337 MWh of electricity generated from wind energy through open access arrangements. However, due to the unavailability of specific emission factors ,the grid emission factor is used to calculated Scope 2 emissions even for that part of the electricity procurement.

Initiative category & Initiative type

Waste reduction and material circularity	Other, please specify (Paper Saving)

Estimated annual CO2e savings (metric tonnes CO2e)
297.9

Scope(s)
Scope 3

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
8500000

Investment required (unit currency – as specified in C0.4)
0

Payback period
<1 year

Estimated lifetime of the initiative
Ongoing

Comment
A total of 33 metric tons of paper was saved due to our efforts to reduce paper consumption.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Financial optimization calculations	The processes implemented and activities conducted towards energy savings helps reduce KMBL's operational costs.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?

No

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start

April 1 2013

Base year end

March 31 2014

Base year emissions (metric tons CO2e)

56.82

Comment

Scope 2 (location-based)

Base year start

April 1 2013

Base year end

March 31 2014

Base year emissions (metric tons CO2e)

14003.28

Comment

Scope 2 (market-based)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

India GHG Inventory Programme

IPCC Guidelines for National Greenhouse Gas Inventories, 2006

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

C6. Emissions data

C6.1

(C6.1) What were your organization’s gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)
1214

Start date
April 1 2020

End date
March 31 2021

Comment
The scope 1 emission is higher in comparison to previous year due to increase in boundary. The number here comprises of two components emission due to Diesel consumption – 64.13 (comparable to last year’s response) and emissions due to consumption of Refrigerant – 1150 (started disclosure for data with effect from the reporting period i.e. FY 2020-21)

Past year 1

Gross global Scope 1 emissions (metric tons CO2e)
90.78

Start date
April 1 2019

End date
March 31 2020

Comment

Past year 2

Gross global Scope 1 emissions (metric tons CO2e)
70.19

Start date
April 1 2018

End date
March 31 2019

Comment

Past year 3

Gross global Scope 1 emissions (metric tons CO2e)
773

Start date
April 1 2017

End date
March 31 2018

Comment

C6.2

(C6.2) Describe your organization’s approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based
We are reporting a Scope 2, location-based figure

Scope 2, market-based
We have no operations where we are able to access electricity supplier emission factors or residual emissions factors and are unable to report a Scope 2, market-based figure

Comment
Electricity purchased for our locations is primarily sourced through the national grid.

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based
57484

Scope 2, market-based (if applicable)
<Not Applicable>

Start date
April 1 2020

End date
March 31 2021

Comment
KMBL procured 3,337 MWh of electricity generated from wind energy through open access arrangements. However, due to the unavailability of specific emission factors ,the grid emission factor is used to calculated Scope 2 emissions even for that part of the electricity procurement.

Past year 1

Scope 2, location-based
69780

Scope 2, market-based (if applicable)
<Not Applicable>

Start date
April 1 2019

End date
March 31 2020

Comment

Past year 2

Scope 2, location-based
77750.41

Scope 2, market-based (if applicable)
<Not Applicable>

Start date
April 1 2018

End date
March 31 2019

Comment

Past year 3

Scope 2, location-based
67593

Scope 2, market-based (if applicable)
<Not Applicable>

Start date
April 1 2017

End date
March 31 2018

Comment

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?
Yes

C6.4a

(C6.4a) Provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure.

Source
1273 ATMs, 123 small offices and 60 other offices

Relevance of Scope 1 emissions from this source
Emissions are relevant but not yet calculated

Relevance of location-based Scope 2 emissions from this source
Emissions are relevant but not yet calculated

Relevance of market-based Scope 2 emissions from this source (if applicable)
No emissions from this source

Explain why this source is excluded
The emissions from this source are yet to be calculated

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status
Not evaluated

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
The bank is yet to estimate the Scope 3 emissions accounted due to purchased goods and services

Capital goods

Evaluation status
Relevant, calculated

Metric tonnes CO2e
3.43

Emissions calculation methodology
Kotak accounts spending for IT-related purchases and is classified in two groups: purchases related to IT hardware such as Desktop, Laptop, Printers, Scanners, Servers, Storage devices, Firewalls, Network devices, etc. and purchases related to spare parts i.e. consumables including ATM spare parts end-user spares, and tapes . The emission factor used is from DEFRA 2012 - kgCO2e per unit expenditure. The DEFRA 2012 emission factor is for the complete life cycle of goods from extraction and production to transportation and distribution.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status
Not evaluated

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
The bank is yet to estimate the Scope 3 emissions accounted due to fuel and energy related activities

Upstream transportation and distribution

Evaluation status

Not evaluated

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

The bank is yet to estimate the Scope 3 emissions accounted due to our upstream transportation and distribution.

Waste generated in operations

Evaluation status

Not evaluated

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

The bank is yet to estimate the Scope 3 emissions accounted due to waste generated in our operations

Business travel

Evaluation status

Relevant, calculated

Metric tonnes CO2e

185.9

Emissions calculation methodology

For all business air travel, the sector of travel and distance travelled is recorded. Using passenger-kilometres and default emission factors, the emissions generated are estimated. Source of Emission Factors for domestic travel: http:/ / www.ghgprotocol.org/ calculation tools/all-tools - Emission Factor from cross-sector tools excel. Under this methodology the travels are categorized as Domestic (<463 km), Short Haul >= 463 km & <1108 km) & Long Haul (>= 1108 km). For each journey, the distance between the starting point and destination is calculated and the total passenger-km in each category is used to calculate the total emissions by multiplying with the emission factors given in the above tool. The emission factors have also been selected as per the class of travel i.e. economy class or business class. Similarly, the source of emissions factors used for international travel is Guidelines to DEFRA's / DECC's Greenhouse Gas Conversion Factors for company reporting:

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Since employees were working from home for part of the year due to the COVID-19 pandemic and the ensuing lockdown, out of station travel requirements significantly reduced.

Employee commuting

Evaluation status

Relevant, calculated

Metric tonnes CO2e

34.86

Emissions calculation methodology

For employee commute travel distance, we have considered two metros - Mumbai and Bengaluru, for employee commute Scope 3 emissions. These two cities account for the majority of the bank's workforce. Using the travel kilometres and default emission factors, the emissions generated are estimated. Source of Emission Factors: World Resources Institute {2015). GHG Protocol calculation tool for mobile combustion. Version 2.6, (http:/ /www.ghgprotocol.org/ calculation-tools/ all-tools). Under this methodology, the travels are categorized as diesel car travel hatchback and SUV (based on the capacity of the car) and diesel bus travel. For each journey, the distance between the starting point and destination is calculated and the total passenger-km in each category is then used to calculate the total emissions by multiplying with the emission factors given in the above tool.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Upstream leased assets

Evaluation status
Not evaluated

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
The bank is yet to estimate the Scope 3 emissions accounted due to our upstream operations

Downstream transportation and distribution

Evaluation status
Not evaluated

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
The bank is yet to estimate the Scope 3 emissions accounted due to our downstream operations

Processing of sold products

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
We are in the banking services industry which does not have significant processing of sold products

Use of sold products

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
We are in the banking services industry which does not have significant use of sold products

End of life treatment of sold products

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
We are in the banking services industry which does not have significant end of life treatment of sold products

Downstream leased assets

Evaluation status
Not evaluated

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
The Bank is yet to conduct comprehensive carbon footprint to assess scope 3 emissions for our downstream leased assets

Franchises

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
There are no franchise operations for the Bank.

Other (upstream)

Evaluation status
Not evaluated

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain

Other (downstream)

Evaluation status
Not evaluated

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure
1.13

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
58968

Metric denominator
full time equivalent (FTE) employee

Metric denominator: Unit total
51734

Scope 2 figure used
Location-based

% change from previous year
18.7

Direction of change
Decreased

Reason for change
Since employees were working from home for part of the year due to the COVID-19 pandemic and the ensuing lockdown, electricity consumption in our offices and branches reduced leading to a decrease in the total emissions whereas the total employee base increased .

Intensity figure
1.82e-7

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
58968

Metric denominator
unit total revenue

Metric denominator: Unit total
322994700000

Scope 2 figure used
Location-based

% change from previous year
16

Direction of change
Decreased

Reason for change
As banks were working in limited capacity due to Covid-19, there was a decrease in the overall emissions and consequently the intensity. In addition to this , the Bank has also taken energy conservation initiatives during FY 20-21.

C7. Emissions breakdowns

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?
Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption		<Not Applicable>		
Other emissions reduction activities	1188	Decreased		KMBL has taken multiple initiatives to reduce energy consumption and improve resource efficiency.
Divestment		<Not Applicable>		
Acquisitions		<Not Applicable>		
Mergers		<Not Applicable>		
Change in output	11135	Decreased	100	Due to Covid-19, KMBL was working in limited capacity due to increased WFH, hence there was a decrease in the Scope 2 Emissions due to decreased electricity consumption.
Change in methodology		<Not Applicable>		
Change in boundary	1150	Increased	100	In scope 1 emissions, refrigerant emissions were included. Though the overall emissions have decreased, scope 1 emissions have increased.
Change in physical operating conditions		<Not Applicable>		
Unidentified		<Not Applicable>		
Other		<Not Applicable>		

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	No

C8.2a

(C8.2a) Report your organization’s energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	LHV (lower heating value)		245.32	245.32
Consumption of purchased or acquired electricity	<Not Applicable>	3336.95	65932.68	69269.63
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Total energy consumption	<Not Applicable>	3336.95	66178	69514.95

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

Description
Waste

Metric value
83.99

Metric numerator
Tons

Metric denominator (intensity metric only)

% change from previous year
34.51

Direction of change
Decreased

Please explain
The waste includes construction and demolition waste, scrap, paper and other miscellaneous waste. Since employees were working from home for part of the year due to the COVID-19 pandemic and the ensuing lockdown, waste generated during FY 2020-21 was substantially lower than in the preceding years. The Bank has also been taking active steps to reduce paper waste and food waste through awareness initiatives. These have been discussed in detail in the Bank's annual Business Responsibility Report. Waste has been reported only for the Bank's large offices.

Description
Waste

Metric value
0.8

Metric numerator
KL

Metric denominator (intensity metric only)

% change from previous year
3.61

Direction of change
Decreased

Please explain
KMBL measures and monitors the used oil generated from the DG sets at large offices and disposes them to an authorized vendor. The used oil disposal data disclosed above represents waste generation due to scheduled and breakdown maintenance activities. Waste has been reported only for the Bank's large offices.

Description
Other, please specify (Water)

Metric value
70682

Metric numerator
KL

Metric denominator (intensity metric only)

% change from previous year
30.87

Direction of change
Decreased

Please explain
Water is not a direct input for KMBL's business operations. However, it is required for employee and customer consumption, cleaning operations and toilet use. The Bank has installed recycling facilities at offices to reduce fresh water consumption. Since offices remained partially shut because of the COVID-19 pandemic, overall water consumption in offices was low during FY 2020-21. KMBL has reported consumption of drinking water, groundwater, tanker water, municipality water across 14 large offices.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
KMBL_CFP Assurance Statement.pdf

Page/ section reference
Page 1-3

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach
Scope 2 location-based

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
KMBL_CFP Assurance Statement.pdf

Page/ section reference
Page 1-3

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
100

C10.1c

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category
Scope 3: Capital goods

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
KMBL_CFP Assurance Statement.pdf

Page/section reference
Page 1 to 3

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
100

Scope 3 category
Scope 3: Business travel

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
KMBL_CFP Assurance Statement.pdf

Page/section reference
Page 1 to 3

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
100

Scope 3 category
Scope 3: Employee commuting

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
KMBL_CFP Assurance Statement.pdf

Page/section reference
Page 1 to Page 3

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
100

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?
No, we do not verify any other climate-related information reported in our CDP disclosure

C11. Carbon pricing

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?

No, and we do not currently anticipate doing so in the next two years

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

No, we do not engage

C12.1e

(C12.1e) Why do you not engage with any elements of your value chain on climate-related issues, and what are your plans to do so in the future?

We are in the process of devising strategies to reduce our carbon footprint through effective collaborations with our customers and supply chain partners. We are currently working on mapping our climate change impact across our value chain as we are in the service sector and our supply chain is complex

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

Trade associations

C12.3b

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?

No

C12.3f

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

The Bank's Policy on Environment elucidates its commitment on sound environmental management. KMBL's Environment Policy and Health, Safety & Welfare at Work-Place Policy governs KMBL and its subsidiaries' environment related strategy and initiatives. The Corporate Social Responsibility (CSR) team leads the environment sustainability initiatives across KMBL's banking operations. KMBL has identified and defined a set of Key Performance Indicators (KPI) that they regularly monitor to manage environmental performance. The Board reviews KMBL's environmental performance at a group level on an annual basis. With the adoption of the ESG Management Systems Plan, KMBL has initiated the process of assessing the environmental footprint of its borrowers too.

The Bank already has an annual action plan to reduce its paper, energy and water consumption, and reducing and avoiding its captive GHG emission, and the same is disclosed in the Bank's Business Responsibility Report.

Whilst engaging with industry trade associations, Kotak supports industry level initiatives towards mitigating the negative effects of Climate change in addition to the occasional thought leaderships published. The Bank does not directly influence policies or policy makers on issues such as Climate Change.

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication
In mainstream reports

Status
Complete

Attach the document
KMBL_Business Responsibility Report_FY2020-21_28.07.pdf

Page/Section reference

Content elements
Governance
Strategy
Emissions figures

Comment

C-FS12.5

(C-FS12.5) Are you a signatory of any climate-related collaborative industry frameworks, initiatives and/or commitments?

	Industry collaboration	Comment
Reporting framework	Please select	
Industry initiative	Other, please specify (International Finance Corporation (IFC))	KMBL has followed International Finance Corporation (IFC) guidelines in devising its ESG management Systems Plan. The plan covers the scope & applicability, operational guidelines, roles & responsibilities, questionnaire to be answered, exclusion list of activities, etc.
Commitment	Please select	

C14. Portfolio Impact

C-FS14.1

(C-FS14.1) Do you conduct analysis to understand how your portfolio impacts the climate? (Scope 3 portfolio impact)

	We conduct analysis on our portfolio's impact on the climate	Disclosure metric	Comment
Bank lending (Bank)	No	<Not Applicable>	
Investing (Asset manager)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other products and services, please specify	Not applicable	<Not Applicable>	

C-FS14.1c

(C-FS14.1c) Why do you not conduct analysis to understand how your portfolio impacts the climate? (Scope 3 Category 15 "Investments" emissions or alternative carbon footprinting and/or exposure metrics)

This is an open text question with a limit of 5,000 characters. Please note that when copying from another document into the ORS, formatting is not retained.

C-FS14.3

(C-FS14.3) Are you taking actions to align your portfolio to a well below 2-degree world?

	We are taking actions to align our portfolio to a well below 2-degree world	Please explain
Bank lending (Bank)	No	
Investing (Asset manager)	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>
Other products and services, please specify	No	

C15. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C15.1

(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Jt President & Group Chief CSR Officer	President

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission
I am submitting my response	Investors	Public

Please state the main reason why you are declining to respond to your customers

Prefer to work directly with customer, not through a third party

Please confirm below

I have read and accept the applicable Terms