

C0. Introduction

C0.1

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

Established in 1985, Kotak Mahindra Group is one of India's leading financial services conglomerates. In February 2003, Kotak Mahindra Finance Ltd. (KMFL), the Group's flagship company, received banking license from the Reserve Bank of India (RBI), becoming the first non-banking finance company in India to convert into a bank - Kotak Mahindra Bank Ltd. ('Kotak' / ' Bank')

The Bank has four Strategic Business Units – Consumer Banking, Corporate Banking, Commercial Banking and Treasury, which cater to retail and corporate customers across urban and rural India. The premise of Kotak Mahindra Group's business model is *concentrated India, diversified financial services*. The bold vision that underscores the Group's growth is an inclusive one, with a host of products and services designed to address the needs of the unbanked and insufficiently banked. As on 31st March 2020, Kotak Mahindra Bank Ltd has a national footprint of 1,600 branches and 2,519 ATMs, and branches in GIFT City and DIFC (Dubai).

For more information, please visit the company's website at <https://www.kotak.com/>

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 2019	March 31 2020	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
Other, please specify (CSR Committee Directors)	The Bank has established a Board level Corporate Social Responsibility (CSR) committee in FY 2014-15. 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 abides by the highest standards of governance and comprises of three senior executives and is chaired by a full-time director. The individual reporting to the committee is a senior executive appointed as the Head of Corporate Responsibility and CSR. Kotak's Environmental, Social and Governance (ESG) performance, which covers GHG emissions as well, is reviewed by the CSR Committee.

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	<ul style="list-style-type: none"> Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding annual budgets Monitoring implementation and performance of objectives Overseeing major capital expenditures, acquisitions and divestitures 	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 Business Responsibility Report which also includes the Bank's disclosures on Climate Change related information to the Bank's Board. Kotak'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. 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. ERM comprises of sound management of a broad range of inter-related risks, including climate change.

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
Other, please specify (Jt. President)	Corporate Sustainability/CSR reporting line	Assessing 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 Jt. President & Chief Communication Officer and Head- Corporate Responsibility & CSR, Kotak Mahindra Group 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 Governance (ESG) practice, 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 working with the Head CR and CSR also looks into matters of reducing emissions, supporting community outreach and implementing the Group's flagship corporate social responsibility programmes, and advancing environmental stewardship by introducing new initiatives in the areas of renewable energy, energy conservation through digitalisation, optimum resource utilisation and waste management. Kotak's strategy for managing environmental performance revolves around three broad categories:

1. Leveraging digital banking solutions
2. Green infrastructure and associated initiatives
3. Environmental impacts of investment activities

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 novel coronavirus pandemic impacted new normal, 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	Every employee across manufacturing and services industry including our bank 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, our bank encourages and communicates to employees to consider subscribing to 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 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 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 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?

Bank operates within board approved risk appetite limits that covers material risk areas like credit, interest rate, market risk, liquidity, operational risk. Further the bank has a policy of zero tolerance towards regulatory non-compliance. Accordingly, substantive impact on business is determined if the impact falls outside the range of risk appetite of the bank.

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

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 Bank understands that managing risk is key to the financial services industry and imperative for a sustained business growth and profitability. The Enterprise wide Risk Management framework aides the bank to identify and manage risks that may arise due to unintended consequences of internal actions or external events. As per the framework, climate related issues are managed under the operational risk category. The Bank has a comprehensive Operational Risk Management (ORM) Framework which clearly defines the objectives, strategy and governance structure. 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. As per the ORM framework, Business Impact Analysis (BIA) is carried out to identify impact of risks related to climate change on our facilities. Accordingly, Business Continuity Plan (BCP) is developed including mitigation plans for inherent risks such as 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. In order to identify the impact of climate risk in our lending activities, the Bank uses a credit rating model for obtaining the internal credit rating of each corporate borrower. The model is all encompassing with respect to economic, environmental and social risk parameters covering polluting industries, labor union harmony etc.

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	Compliance to regulation is inherent to Bank's culture. Accordingly, any regulation that impacts the bank are always included in climate risk assessments. Some of the Bank's lending activities could include lending to sectors which may be prone to the risks posed by climate change related regulations. This includes regulations around renewable purchase obligations, energy efficiency, e-waste management etc. The country's commitment to the growth of renewable energy as well as the reduction of per capita emissions also presents risks to various sectors where the Bank may have an exposure.
Emerging regulation	Relevant, always included	Complex regulatory environment, including those related to Climate Change and GHG emissions targets can have a direct impact on Kotak's business. Non-compliance to statutory regulations can affect Kotak's overall financial performance and reputation. The Bank's risk, legal and compliance team ensures that Kotak strictly meets the requirements of all regulations. Additionally, stringent climate regulation can also create significant pressure on a number of sectors to which the Bank lends. This can lead to a risk of increase in NPAs. Having said this, Kotak has one of the lowest NPAs in the Indian banking industry and is well respected for its governance and risk management practices.
Technology	Relevant, always included	Amid the rapid digitalisation of India's financial sector, Kotak has readied itself for disruption by undertaking game-changing digital Initiatives. We are fronting adoption of leading technologies to deliver superior customer experience, drive business efficiency and assist business collaborations. Technology is a key aspect in our climate risk and opportunity assessments. We developed innovative digital products and services for the client which help us reduce the overall carbon footprint.
Legal	Relevant, always included	In the current Indian Banking industry, there are no obligations pertaining to climate change with respect to any regulator or other stakeholder groups. Thereby, there is no material risk of litigation related to climate change.
Market	Not evaluated	In the current scenario we do not perceive climate related aspects to influence customer decision when it comes to financial products and services. Thereby, we do not perceive any material market risk pertaining to climate change.
Reputation	Relevant, always included	Trust is the foundation for the banking industry and is critical to building a strong customer franchise. Reputation risk is the risk of current or prospective loss arising from stakeholder's adverse experience while dealing with the institution or which resulted in an adverse perception / loss of Trust on the institution. Failing to incorporate Climate change and other associated risks into the Bank's operation and take the necessary mitigation action plans can also contribute to negative publicity being associated with our Group. 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. Further, we undertake programmes surrounding climate action as part of community outreach to mitigate reputation risk from climate change.
Acute physical	Relevant, always included	The Bank has established a robust and resilient Business Continuity Management (BCM) programme that proactively identifies and mitigates risks that can cause disruption as well as minimizes the impacts during such disruption and ensure continuity of its key products and services at an acceptable level while meeting the expectation of stakeholders within the prevailing legal and regulatory framework. This includes all types of physical risks as well. The primary objective of the BCM is to manage any incident effectively and efficiently to minimize the impact on the assets and resources such as people, infrastructure, data and other supporting assets. It also safeguards 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 overall Bank's BCM process operative ownership will be with the Business Continuity Co-ordinator. The proper functioning of the BCM framework is tested out annually. Simulations for specific tests are sometimes also carried out quarterly and bi-annually. These tests are done to primarily ensure that the framework is continuously aligned to the objectives and policies of the BCM and its components and current and complete.
Chronic physical	Relevant, always included	Globally the mean annual temperature has increased. Unusual and unprecedented spells of hot weather are expected to occur far more frequently and cover larger areas. Under the 4°C warming, urban areas across the country are rapidly becoming "heat-islands" due to which urban planners will need to adopt measures to counteract this effect. Un-predictable precipitation patterns have also been witnessed. Some regions across India are experiencing a shortage of rainfall and longer periods of drought. Other regions are experiencing heavy rainfall leading to unprecedented flooding. Due to the change in weather patterns, the overall availability of fresh ground water is reducing rapidly. Cities like Bangalore and Chennai are already facing socio-economic crises due to the lack of fresh water for consumption. Further, With India close to the equator, the sub-continent will be susceptible to much higher rises in sea levels than higher latitudes. Sea-level rise and storm surges would lead to saltwater intrusion in the coastal areas, impacting agriculture, degrading groundwater quality and contaminating drinking water. As Kotak has large corporate offices and branches across India, including coastal regions, its infrastructure and people will be severely impacted by the increase in heat waves, heavy rainfall, flooding, rising sea levels and lack of fresh water. Building codes and emergency evacuation plans have been developed to ensure that the office infrastructures and its employees are not at risk while providing service to consumers in these regions.

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. 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. Currently, there is 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	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. 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. Currently, there is 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)	No, we don't assess this	<Not Applicable>	Currently, there is lot of uncertainty on water related risk. Hence the Bank does not propose to treat this as a Material risk. However, the Bank will monitor this area of water risk and will consider including this as part of 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. 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)	No, we don't assess this	<Not Applicable>	Currently, there is lot of uncertainty on forests related risk. Hence the Bank does not propose to treat this as a Material risk. However, the Bank will monitor this area of forests' related risk and will consider including this as part of 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. 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)	No, and we don't plan on requesting climate-related information	In view of novel coronavirus pandemic impacted new normal, we will review seeking climate related information from clients, when the entire ecosystem stabilises to normalcy.
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, and we don't plan on requesting climate-related information	In view of novel coronavirus pandemic impacted new normal, we will review seeking climate related information from clients, when the entire ecosystem stabilises to normalcy.

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
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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 to become 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

Kotak 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'. 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
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Primary potential financial impact

Increased direct costs

Climate risk type mapped to traditional financial services industry risk classification

Operational risk

Company-specific description

There is a rising energy security issue 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**

The Bank has taken various energy efficiency measures to reduce its energy intensity in primary areas of energy consumption like consolidating and greening the Data Centers, using energy efficient air conditioning and lighting, server virtualization, open access power supply, etc. Two of Kotak's offices in Mumbai and Bangalore are LEED certified. The Bank has not yet estimated 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
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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 a growing trend of investors closely monitoring the use of their funds from the perspective of their climate related impacts. A larger carbon footprint may limit our ability to attract funds from institutional investors which 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 not yet estimated cost of management for emissions reporting.

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
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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

Unpredictable changes caused by global warming are causing calamities like extreme precipitation and droughts which have an adverse effect on sectors like agriculture and healthcare. This in turn creates vulnerability for banks in terms of credit risks associated with such sectors. Kotak has a large Agribusiness division which is divided into three main verticals: • Small scale credit line is made available for crop cultivation and to finance a tractor • 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 the bank 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)
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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 arises 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 has adopted Policy Statement on Environment to express its commitment towards sound environmental management. The Bank also discloses on Business Responsibility initiatives through Business Responsibility Report and emissions reporting through CDP.

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

New product efficiency regulations and standards may require companies to adopt new technologies and implement new projects.

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 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 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 climate change agenda.

Comment

The potential cost to realize the opportunity has not been evaluated as of 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 has adopted a Policy Statement on Environment to express its commitment towards sound environmental management, disclose on Business Responsibility initiatives through Business Responsibility Report and emissions reporting through CDP.

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

C3.1a

(C3.1a) 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

C3.1c

(C3.1c) Why does your organization not use climate-related scenario analysis to inform its strategy?

From Bank's business perspective, Climate Change may lead to change in mix of lending (as certain businesses become viable and attractive while other become unattractive). However, in view of 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.

C3.1d

(C3.1d) 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	Digital transformation has been one of the key areas of focus for the Bank. Kotak has developed various products and services that enable customers to conduct banking transactions on a digital platform. These digital products and services are energy efficient, resulting in reduction of carbon footprint and contribute to significant paper savings as well. The Bank encourages customers to choose e-statements for their credit cards. Kotak has modified its processes resulting in reduced environmental impacts associated with its products and services, while also improving customer experience. 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	The Bank has expanded its customer base who are more environmentally conscious and are getting increasingly oriented towards conducting banking services on digital applications.
Investment in R&D	Yes	In association with NAASSCOM, Kotak has launched a co-creation program for start-ups and fintechs in the digital payment space. This program aims to build an innovation ecosystem where start-ups get mentorship and an opportunity to launch their disruptive ideas. As of FY19, the lab has 50+ partners which has led to the launch of international remittance through Ripple and Keya on Google Assistant.
Operations	Yes	During the reporting period, several initiatives were undertaken to actively reduce electricity consumption at several Kotak offices. For example, Kotak's server windows landscape was extensively virtualized, energy efficient HVAC systems were introduced and systems were put in place for careful monitoring and reporting of electricity consumption. The Bank also ensures that all its new offices across India are fitted with new and energy efficient technology. The Bank has undertaken several measures to address water management at its large offices. The Bank's initiative to save water includes installation of Auto Power, Generated & Conserved (APGC) and urinal flushing sensors in specific offices. Rainwater harvesting structures have also been installed at some office premises.

C3.1e

(C3.1e) 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 allocation Access to capital	Kotak considers climate related issues while monitoring its carbon footprint and in its credit appraisal for term loans. As part of being energy efficient, Kotak allocates a portion of its annual budget towards investment in deploying energy efficient infrastructure and increasing the use of green technology. Accordingly, capital expenditure is impacted. Kotak is also focused on reducing emissions through energy savings and reduced paper consumption. These initiatives helped decrease indirect costs at the bank. Kotak goes beyond statutory compliance by implementation of responsible environmental and social management practices within its business operations. This will help the Bank improve its market value and enhance its access to capital from investors

C3.1f

(C3.1f) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).

C-FS3.2

(C-FS3.2) Are climate-related issues considered in the policy framework of your organization?

Yes, both of the above

C-FS3.2a

(C-FS3.2a) In which policies are climate-related issues integrated?

	Type of policy	Portfolio coverage of policy	Description
Bank lending (Bank)	Credit policy	All of the portfolio	The Bank's Credit Policy restricts against bank finance in certain segments. Further, the Bank had adopted Social Environmental Management System Plan (SEMS Plan), pursuant to agreement with International Finance Corporation (IFC). The SEMS Plan covers the scope & applicability, operational guidelines, roles & responsibilities, SEMS questionnaire to be answered, Exclusion list of activities, etc. These guidelines are applied in the wholesale banking business.
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-FS3.2b

(C-FS3.2b) 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 has 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 against bank finance in certain segments and as per RBI guidelines: Exclusion list of activities are: • Production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements; • Trade in wildlife or wildlife products regulated under CITES; • Production and trade in radioactive materials; • Production or trade in or use of un-bonded asbestos fibres; • Commercial logging operations or the purchase of logging equipment for use in primary tropical moist forest; Further, the Bank had adopted Social Environmental Management System Plan (SEMS Plan), pursuant to agreement with International Finance Corporation (IFC). The SEMS Plan covers the scope & applicability, operational guidelines, roles & responsibilities, SEMS questionnaire to be answered, Exclusion list of activities, etc. These guidelines are applied in Wholesale Banking Group of the Bank, dealing with 'Corporate' exposures. The SEMS Plan objectives are to ensure that the projects financed • are socially and environmentally sustainable; • do not fall under the exclusion list; • are designed and operated in compliance with applicable national regulatory requirements.

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	The footprint of the organisation has increased to 1,600 Branches and 2,519 ATMs spread across 700+ locations in India. While the Bank will continue to expand its presence, the increase in physical infrastructure will be limited due to our increased commitment of providing digital banking solutions. Hence, over the next five years, we do not see any significant increase in GHG emissions.	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	0	0
To be implemented*	0	0
Implementation commenced*	0	0
Implemented*	4	766
Not to be implemented	0	0

C4.3b

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

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)

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

Payback period

Please select

Estimated lifetime of the initiative

Ongoing

Comment

Procurement of renewable energy (wind energy) under open access scheme. Monetary savings from implementation of this initiative is yet to be estimated.

Initiative category & Initiative type

Energy efficiency in production processes	Process optimization
---	----------------------

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)

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

Payback period

Please select

Estimated lifetime of the initiative

Ongoing

Comment

Optimizing operational hours of electrical equipment. Monetary savings due to the implementation of this initiative is yet to be estimated by Kotak

Initiative category & Initiative type

Energy efficiency in production processes	Process optimization
---	----------------------

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)

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

Payback period

Please select

Estimated lifetime of the initiative

Ongoing

Comment

Regular monitoring, evaluation, maintenance and timely replacement of electrical equipment by technicians. Monetary savings due to the implementation of this initiative is yet to be estimated by Kotak.

Initiative category & Initiative type

Energy efficiency in buildings	Other, please specify (Installation of 4,130 sq. m. of carbon neutral floor)
--------------------------------	--

Estimated annual CO2e savings (metric tonnes CO2e)

43

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

Installation of 4,130 sq. m. of carbon neutral floor. Monetary savings due to the implementation of this initiative is yet to be estimated by Kotak.

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 Kotak'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)
90.78

Start date
April 1 2019

End date
March 31 2020

Comment

Past year 1

Gross global Scope 1 emissions (metric tons CO2e)
70.19

Start date
April 1 2018

End date
March 31 2019

Comment

Past year 2

Gross global Scope 1 emissions (metric tons CO2e)
773

Start date
April 1 2017

End date
March 31 2018

Comment

Past year 3

Gross global Scope 1 emissions (metric tons CO2e)
138.78

Start date
April 1 2016

End date
March 31 2017

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 by all our locations is sourced through the national grid. We do not have any specific contractual instruments that may include energy attribute certificates or supplier specific emission factors.

C6.3

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

Reporting year

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 1

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 2

Scope 2, location-based

67593

Scope 2, market-based (if applicable)

<Not Applicable>

Start date

April 1 2017

End date

March 31 2018

Comment

Past year 3

Scope 2, location-based

21635.82

Scope 2, market-based (if applicable)

<Not Applicable>

Start date

April 1 2016

End date

March 31 2017

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

1,237 ATMs, 128 small offices, and 3 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

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 conduct a comprehensive carbon footprint to assess scope 3 emissions from its products and services

Capital goods

Evaluation status

Relevant, calculated

Metric tonnes CO2e

39.56

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 conduct comprehensive carbon footprint to assess scope 3 emissions from our fuel and energy related activities not included in scope 1 and 2

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 conduct comprehensive carbon footprint to assess scope 3 emissions from 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 conduct comprehensive carbon footprint to assess scope 3 emissions from our waste generated in operations

Business travel

Evaluation status

Relevant, calculated

Metric tonnes CO2e

4203.79

Emissions calculation methodology

For all business air travel, the sector of travel and distance traveled is recorded. Using passenger-kilometers 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: <http://archive.defra.gov.uk/environment/business/reporting/conversion-factors.htm>. Classification of emissions factors as per the distance traveled stays the same i.e. <463 km, >463km-<1108km, and >1108 km for international travel.

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

0

Please explain

Employee commuting

Evaluation status

Relevant, calculated

Metric tonnes CO2e

46.827

Emissions calculation methodology

For employee commute travel distance, we have considered two metros - Mumbai and New Delhi, for employee commute Scope 3 emissions. These two cities account for the majority number of the bank's workforce. Using the travel kilometers 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 conduct a comprehensive carbon footprint to assess scope 3 emissions for our upstream leased assets

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 conduct a comprehensive carbon footprint to assess scope 3 emissions for our downstream transportation and distribution

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

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

69870

Metric denominator

unit total revenue

Metric denominator: Unit total

Scope 2 figure used

Location-based

% change from previous year

Direction of change

<Not Applicable>

Reason for change

Intensity figure

1.396

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

69870

Metric denominator

full time equivalent (FTE) employee

Metric denominator: Unit total

50034

Scope 2 figure used

Location-based

% change from previous year

43

Direction of change

Decreased

Reason for change

Scope 1 and 2 Emissions decreased by 10% and the number of employees has increased by 58% due to considering the entire workforce. The significant increase in the number of employees due to an increase in the reporting boundary has resulted in a decrease in the emissions intensity per FTE

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		<Not Applicable>		
Divestment		<Not Applicable>		
Acquisitions		<Not Applicable>		
Mergers		<Not Applicable>		
Change in output		<Not Applicable>		
Change in methodology		<Not Applicable>		
Change in boundary	7951.06	Decreased	10	The bank has increased the scope of reporting and changed the methodology for calculating the emission data for branches.
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)		340.29	340.29
Consumption of purchased or acquired electricity	<Not Applicable>		84072	84072
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>		84412.29	84412.29

C9. Additional metrics

C9.1

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

Description

Waste

Metric value

128.25

Metric numerator

Tons

Metric denominator (intensity metric only)

% change from previous year

220

Direction of change

Increased

Please explain

The waste sources part of the calculation includes: construction and demolition waste, food waste, and paper waste. We account for the food waste generated in canteens of large offices. We display the quantity of food wasted by employees on a daily basis to sensitize employees towards reducing food wastage. This awareness drive has contributed to a decrease in food wastage in FY 2019-20

Description

Waste

Metric value

0.83

Metric numerator

KL

Metric denominator (intensity metric only)

% change from previous year

Direction of change

<Not Applicable>

Please explain

The bank measures and monitors the used oil generated from the DG sets at large offices and disposes them to an authorized vendor.

Description

Other, please specify (water)

Metric value

102252

Metric numerator

Metric denominator (intensity metric only)

% change from previous year

0.6

Direction of change

Increased

Please explain

In FY 2019- 20, Kotak has enhanced coverage to include drinking water consumed across 14 large offices, ground water in 6 major office, and also included tanker water consumed in additional two large offices. The increasing trend in overall consumption is largely due to increase in coverage and additional sources being included. Historical data is thus not strictly comparable.

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

Underway but not complete for reporting year – previous statement of process attached

Type of verification or assurance

Limited assurance

Attach the statement

KMBL_CDP2020-Assurance Statement_11.09.2020.pdf

Page/ section reference

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

Underway but not complete for current reporting year – first year it has taken place

Type of verification or assurance

Limited assurance

Attach the statement

KMBL_CDP2020-Assurance Statement_11.09.2020.pdf

Page/ section reference

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: Business travel

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Underway but not complete for current reporting year – first year it has taken place

Type of verification or assurance

Limited assurance

Attach the statement

KMBL_CDP2020-Assurance Statement_11.09.2020.pdf

Page/section reference

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

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?

We have adopted a Policy Statement on Environment to express its commitment towards sound environmental management. Kotak has initiated the process of managing its environmental footprint and has implemented several initiatives to ensure management of its energy consumption. However, the Bank is yet to develop a strategy specifically related to Climate Change and associated issues. 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

Kotak Mahindra Bank Ltd_BRR_FY2019-20.pdf

Page/Section reference

Content elements

Governance
Strategy
Emissions figures

Comment

In the Bank's Business Responsibility Report for FY 2019-20 (attached), the emissions data is limited to Bank's 15 large offices.

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))	The bank follows International Finance Corporation (IFC) guidelines in devising its Social Environmental Management System Plan (SEMS Plan). The SEMS Plan covers the scope & applicability, operational guidelines, roles & responsibilities, SEMS 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 & Chief Communication Officer, and Head - Corporate Responsibility & CSR, Kotak Mahindra Group	Other C-Suite Officer

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 confirm below

I have read and accept the applicable Terms