

# PUTTING PURPOSE FIRST

# Contents



06

*Letter from the MD & CEO*

- 02 About the Report
- 04 Chair's message
- 06 Letter from the MD & CEO
- 10 Key highlights of the year
- 12 Letter from the DMD



22

*Realising our ESG strategy*

- 20 Creating Long-term Value
- 22 Realising our ESG strategy
- 34 Economic value added
- 36 Stakeholder engagement and materiality
- 40 Fostering Strong Corporate Governance
- 46 Driving Positive Financing
- 52 Leveraging Digital Leadership
- 60 Strengthening Human Capital
- 72 Building Resilient Communities
- 84 Committing to Operational Excellence



72  
*Building Resilient Communities*



14

*India's Preferred Banking Partner*

# PUTTING PURPOSE FIRST

As the world moves forward, putting the aftermath of the pandemic behind us, calls for building more resilient economies and communities have been gaining steady ground. This global shift in perception is translating into concrete actions as governments, corporations and civil society come together to build more inclusive and equitable systems.

The omni-present rise of Environmental, Social, and Governance (ESG) in many ways, conveys the expectations for the business sector in India to play a more participative role in driving the socio-economic, low-carbon transition of the Indian economy. Today, ESG is becoming a key aspect of regulatory and corporate decision-making and is shifting how India's businesses, including the banking sector, think of themselves and of their role in India's future.

In its latest report, the IPCC of the United Nations has flagged the complex, unequal, and compounding risks that lay ahead of us if we do not act on climate change with a much-needed urgency. Simultaneously, rising geo-political uncertainties around the world have impacted aspects such as energy transition and social security, demonstrating the need for a unified front to commit towards a better tomorrow.

As a large-scale financial institution in India, we play a key part in shaping and driving positive

changes within the country. In this path, we remain 'Dil Se Open' to doing all that we must and to safeguard all those who continue to trust us throughout the challenges.

With our nation-wide physical and digital presence, powered by a team of 85,000+ Axis'ians united by singular values, we are in a unique position to lead the transition towards a sustainable business. We believe that such a shift is in complete sync with our organisational philosophy and vision for the future.

Adding to the clarity of purpose that already resides within us as an organisation, we took a material step this year, towards formally and clearly defining our purpose statement by inculcating the resolve into every layer of our operations. Our purpose statement 'Banking that leads to a more inclusive and equitable economy, a thriving community, and a healthier planet' shall continue to guide our approach and serve as the plank on which our decisions are based for action-taking.

The theme of our eighth Sustainability Report, 'Putting Purpose First', aims to share with all our stakeholders about our efforts throughout the year, to institutionalise our purpose into our governance, strategy, and systems, along with some of the outcomes of these purpose-driven actions.

## ***Our Purpose Statement***

***Banking that leads to a more inclusive and equitable economy, a thriving community and a healthier planet.***

**'Putting Purpose First'** is our eighth Sustainability Report for the annual financial cycle of the Bank from April 2021 to March 2022. The Report is based on the Integrated Reporting (<IR>) framework of the IFRS Foundation and the Global Reporting Initiative's GRI Standards for sustainability reporting.

Sustainability Reporting aims to provide shareholders and external stakeholders with relevant information to take well-informed investment decisions, and makes the best effort to address all the qualitative requirements of the GRI (Global Reporting Initiative) and Integrated Reporting (IR) frameworks. There is one restatement made with regards to the Bank's Scope 3 emissions from employee commute, on page 86 of this Report.

In the previous year, the Bank released its seventh Sustainability Report for the financial year 2020-21, which is available on the Bank's website at <https://www.axisbank.com/Sustainability-Reports/2020-2021/index.html>.

## REPORTING GUIDELINES AND PRINCIPLES

The Report has adopted GRI standards for sustainability reporting to disclose its sustainability performance of identified material topics and selected "Comprehensive" option of GRI Standards. Further, we have considered GRI Reporting Principles for Stakeholder Inclusiveness, Sustainability Context, Materiality, and Completeness for developing this Report, along with the Principles of the <IR> framework.

The GRI Content Index, which specifies the GRI Standards used and the disclosures made under them in the Report, has been provided on our website and can be accessed at <https://www.axisbank.com/csr/csr-reports-disclosures>.

Under the <IR> framework, the Report also maps our performance aligned to the six capitals – Financial, Manufactured, Intellectual, Human, Social and Relationship, and Natural. The Report also meets the recommendations for adopting <IR>-based reporting made therein the SEBI Circular SEBI/HO/CFD/CMD/CIR/P/2017/10, dated 6 February 2017, on 'Integrated Reporting by Listed Entities.'

## REPORTING BOUNDARY

The reporting boundary for this Report is the Indian operations of Axis Bank Limited and the Axis Bank Foundation (ABF). Our environmental data includes the performance of large offices, regional offices, and branches within the scope.

This Report has been prepared internally and includes data and information from our Annual Report 2021-22 as well as that shared by various business verticals and has been reviewed by the leadership and Board members. We welcome all feedback and comments from our stakeholders, which may be addressed to [sustainability@axisbank.com](mailto:sustainability@axisbank.com).

→ This Report can also be accessed online on our website at <https://www.axisbank.com/csr/csr-reports-disclosures>.

## INDEPENDENT ASSURANCE

The Report has been externally assured by Ernst & Young Associates LLP (EY). 'Limited Assurance' was provided in accordance with international assurance best practice including International Standard on Assurance Engagements 3000 (ISAE 3000).

→ The complete Assurance Statement by EY has been provided on our website at <https://www.axisbank.com/csr/csr-reports-disclosures>.

## SAFE HARBOUR

Except for the historical information contained herein, statements in this Report which contain words or phrases such as "will", "aim", "will likely result", "would", "believe", "may", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "contemplate", "seek to", "future", "objective", "goal", "strategy", "philosophy", "project", "should", "will pursue" and similar expressions or variations of such expressions may constitute "forward-looking statements". These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include, but are not limited to, our ability to successfully implement our strategy, future levels of non-performing loans, our growth and expansion, the adequacy of our allowance for credit losses, our provisioning policies, technological changes, investment income, cash flow projections, our exposure to market risks as well as other risks. Axis Bank Limited undertakes no obligation to update forward-looking statements to reflect events or circumstances after the date thereof.

## OUR ESG CREDENTIALS

### FTSE4Good

We have been included in the prestigious FTSE4Good Emerging Index series for the fifth consecutive year in 2021. Created by FTSE Russell, the FTSE4Good Index series is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practice globally.

### CDP

The CDP (Carbon Disclosure Project) is the world's largest disclosure system for investors, corporate sector, cities, states, and regions to manage their environmental impact. We have been communicating our environmental performance to the CDP since 2015. In its latest response to CDP, for 2021, the Bank scored B-.

### MSCI ESG Rating

MSCI ESG Rating is a global rating platform that rates a company's management of financially relevant ESG risks and opportunities. We were rated A in MSCI 2021.

### DJSI

We have been participating in the corporate sustainability assessment towards inclusion in the DJSI (Dow Jones Sustainability World Index) since 2015. In its latest assessment for FY 2021-22, Axis Bank was placed in the 78<sup>th</sup> percentile among global banks, with the score improving from 51 to 60.

### Sustainalytics ESG Risk Rating

Axis Bank has an ESG Risk Rating of 26.1 by Morningstar Sustainalytics ESG Risk Rating, placing it in the Medium Risk category, as per the latest update on April 25, 2022. We are categorised under the 'comprehensive universe' of Sustainalytics wherein we have been assessed on 70+ management indicators.



- National Winner
- Leadership in social Impact
- Leadership in Transparency



Among top 10 constituents of S&P BSE 100 ESG Index



Constituent of Nifty 100 ESG Sector Leaders Index

Among Top 10 Constituents of MSCI India ESG Leaders Index

## OUR CAPITALS

F

### Financial Capital

The financial resources implemented and created by us are used to sustain the economy while creating and distributing sustainable, long-term values to our stakeholders.

N

### Natural Capital

We promote the transition to a low-carbon economy through our lending and financing activities, and limit our own environmental footprint, supporting environmental protection through CSR.

M

### Manufactured Capital

We have established a strong national presence over the years, and with the help of our value chain partners, we offer a variety of products and services to serve a diverse range of customers, including the underserved.

S

### Social and relationship Capital

We are well-positioned to play a pivotal role in fostering the growth and resilience of India's society as an institution that works with people from all walks of life in both rural and urban settings. We aim to have a positive impact on society by investing in improving the lives of people and business operations.

I

### Intellectual Capital

We are making significant investments in digital innovation and best-in-class banking technology to deliver services to our customers in a simpler and safer manner.

H

### Human Capital

We support our dynamic workforce throughout their career in order to strengthen their competencies, foster diversity and inclusion, and improve quality of life and well-being.

# Catalysing Positive Transformation



**In alignment with our purpose statement, we announced a series of ESG-aligned commitments that we believe will contribute to India's Sustainable Development Goals and commitments under the Paris Agreement. These commitments range across our core activities of banking and financing, risk management and operations, to human capital and CSR. We shall continue to communicate our performance on these commitments to our stakeholders.**

**Rakesh Makhija**  
Chair

## DEAR STAKEHOLDERS,

I am pleased to present Axis Bank's Sustainability Report for FY 2021-22. This is the eighth year of publishing this report, which highlights the key milestones and acts as a report card, for our strategy and actions on making ESG an integral part of our way of doing business.

The pandemic, coupled with heightened geopolitical instability, rapidly manifesting climate change, and their multi-dimensional compounding effects brought forth the many social, economic and environmental inequities that exist across the world. The silver lining perhaps has been that the corporate sector, governments, regulators and civil society have acknowledged the need and urgency for transformative action. We recognise that collectively we are at a turning point in history, and the decisions we make now shall shape the course of the future.

The year gone by has been significant in firmly anchoring Axis Bank on the path to achieving its purpose of 'Banking that leads to a more inclusive and equitable economy, a thriving community and a healthier planet'. Our aspirations are not only of being an industry leader, but to truly catalyse positive transformation across the community and the economy.

I am pleased with the considerable progress we have made on our ESG agenda. While many ESG-aligned elements have always been a part of the decision making at the Bank, this year marked the beginning of a comprehensive integration of E, S & G in everything we will do as an institution.

The journey started with the adoption of our Purpose statement that clearly outlines our larger intent and longer-term goals. We became the first bank in India to constitute an ESG Committee of the Board, demonstrating unequivocal leadership endorsement. The Committee met thrice during the year and its guidance has been key in catalysing and influencing our broader ESG strategy and action plans.

In alignment with our purpose statement, we announced a series of ESG-aligned commitments that we believe will contribute to India's Sustainable Development Goals and commitments under the Paris Agreement. These commitments range across our core activities of banking and financing, risk management and operations, to human capital and CSR. We shall continue to communicate our performance on these commitments to our stakeholders.

Along with my dual role as Chair of the CSR Committee, I am happy that the Bank's CSR interventions during the year reached millions of citizens across the country, directly as well as through our Axis Bank Foundation (ABF). Our key CSR themes encompass Rural Lives & Livelihoods, Financial Inclusion & Literacy, Education and Environment & Relief programs.

The Bank continued to support government and allied agencies against the pandemic and supported vaccination drives for the economically weaker sections. ABF actively supported the most vulnerable population in rural areas, facilitating diverse interventions including vaccine awareness, access to medical facilities, providing grocery, medical support and creating and supporting quarantine centres. The adoption of 'work from anywhere' during the pandemic presented new gig opportunities for Persons with Disabilities (PwDs) and was a key focus of ABF's skilling interventions.

The year gone by was also significant in expanding the Bank's horizons on education. Our flagship education program, Axis Dil Se, that aims to drive education-led development in the very remote parts of our country, increased its footprint in the North East by launching a program in Majuli, Assam. During the year, we expanded the Axis Bank scholarship program for

scholars, primarily women, pursuing higher education in STEM, which is now active at Ashoka University and Plaksha University.

The Bank's Financial Literacy and Financial Inclusion Program, primarily focused on women from economically weaker sections in rural and semi-urban India, reached 1.37 million participants in 21 states in FY22. As a part of our larger ESG agenda, we have also committed to planting 2 million trees by 2027, thereby contributing to India's reforestation and carbon sink.

The Bank also achieved significant milestones towards financing sectors with positive social and environmental impact. We issued India's first Sustainable AT1 Notes for US\$ 600 million and announced blended finance facilities with marquee partners including PIDG (through its guarantee arm, GuarantCo), ADB and IPE Global towards sectors that support India's sustainable transition.

Our Bank continues to take steady steps towards being recognised as an ESG frontrunner in India. We have consistently been strengthening our performance on leading global ESG assessment platforms including the FTSE4Good Index Series and the Dow Jones Sustainability Indices. The Bank was also independently assessed and emerged as the sole national winner in two categories at the 1<sup>st</sup> ESG India Leadership Awards, hosted by Acuite Ratings & Research Ltd.

I would like to take this opportunity to thank our teams who have been true ambassadors of our 'Dil Se Open' philosophy during the past two years when the pandemic disrupted almost every aspect of our lives. Their courage and ownership of the difficult task during these trying times has been truly overwhelming. Our pioneering efforts in reshaping workplaces with differentiators such as GIG-A opportunities as well as the Diversity, Equity and Inclusion (DEI) agenda that the Bank has adopted has been very noteworthy.

'Putting Purpose First', the theme of this year's report, is not just a statement but a rousing call to action for us at the Bank. We are ready and look forward to the road ahead.

Warm Regards,

**Rakesh Makhija**  
Chair

# Honouring Our Commitments



**In addition to the pandemic, several other adverse macro-economic disruptions plagued the economy during the last two financial years. As a result of our GPS strategy, we were better equipped, and in fact, achieved accelerated growth momentum across various segments, gained market share in our focus segments and accomplished several all-time highs while improving key operating metrics.**

**Amitabh Chaudhry**  
MD & CEO

## DEAR STAKEHOLDERS,

It gives me immense pleasure to present to you Axis Bank's eighth Sustainability Report, for FY 2021-22.

The theme for this year's report, 'Putting Purpose First', aims to convey our continued commitment to purpose-aligned action towards building an equitable economy, fostering a thriving community and nurturing a healthier planet.

The year 2022 has been a defining moment in Axis Bank's journey as an organisation. I am proud to share with you that this year, we became the first Indian bank to establish a standalone ESG Committee of the Board, which is now playing the pivotal role in steering our intent and focus on ESG not only as a future-oriented organisational strategy but also as a strategic differentiator in the banking space. The Committee is enabling a pan-Bank ESG integration and affords a 360-degree monitoring and review of our performance. Under the guidance of the Committee, we announced a series of ESG-focused commitments this year, which are also aligned to the Sustainable

Development Goals & India's climate commitments under the Paris Agreement & COP26, Glasgow. We shall share our progress on our commitments with all our stakeholders periodically.

Throughout this second consecutive COVID year, the Axis family has delivered on its promise of being 'Dil Se Open' while adapting to the new normal. The first half of the fiscal 2022 saw nation-wide vaccination against COVID-19, thus averting a potentially severe impact of any subsequent wave. While the society and the economy continue to recover from the aftermath of the global pandemic, we cannot and must not let our guards down; and we shall continue to invest in strengthening ourselves, our stakeholders, and the nation.

It is a matter of pride that a situation that could have otherwise proven to be a deterrent to our progress, was taken in stride and, in turn, used as a fuel for innovation and motivation for positive cultural and long-term change. It is indeed the joint efforts of our employees and our partners that we continue to reap favourable outcomes towards our GPS (Growth, Profitability, Sustainability) strategy. Despite facing diverse macro-economic disruptions over the past two years, we were better equipped and, in fact, achieved accelerated growth momentum across various segments, gained market share in our focus segments and accomplished several all-time highs, while improving key operating metrics.

Technology continues to be an enabler for accelerating the Bank's GPS journey and during the last few years, we have achieved significant progress in building our digital and tech abilities and emerging as an industry leader in the digital banking space. Our valued customers have readily embraced the digital opportunity with us. Even 91% of the Bank's total financial transactions by individual customers were digital in the year and our year-on-year growth in mobile banking transaction volumes was at 97% as of March 2022. In the UPI ecosystem, we are among the frontrunners with more than 312 million customer VPAs (Virtual Private Addresses) and continue to hold a strong position with overall market share of 15% as

Payer PSP and 19% on P2M acquiring side. The digital transition also helps lower our own environmental footprint as well as that of our customers by bypassing the need for paper or to physically visit branches, for example.

To further prioritise our focus on building distinctiveness, we have identified 'Bharat Banking' and 'Customer Obsession' as two such areas and we are strengthening as well as realigning our leadership to deliver on these priorities. During the year, we created a 'Bharat Bank' unit to drive growth and deeper penetration in Rural and Semi-Urban markets, and are developing a wide bouquet of products and services that can meet all the requirements of 'Bharat'. Axis Sahyog, our retail microfinance program, is now under Bharat Banking and was associated with over 1.6 million women customers across India at the end of this fiscal.

Through our distinctiveness program 'Spars', we are driving customer experience as a true differentiator for the Bank, with our credo being to, 'delight our customers and fulfil their dreams, through smart banking everyday'.

As a financial institution, we remain committed to enabling India's transition to a sustainable economy by investing in sectors aligned to positive climate action. As on 31 March 2022, our total outstanding 'green' portfolio was little over ₹12,255 crores, up from ₹9,753 crores in the previous fiscal and we are optimistic about scaling this further.

During this fiscal, we made significant strides in financing for India's equitable and low-carbon economic transition. Notably, in September 2021, we raised US\$ 600 million in India's first Sustainable AT1 Notes issuance in the overseas market. Prior to the issuance, we published the Sustainable Financing Framework that shall serve to guide our future sustainable financing efforts; and established a cross-functional ESG Working Group to drive it forward.

In November 2021, we announced our partnership and intent to execute an umbrella guarantee framework of US\$ 200 million with PIDG, through its guarantee

arm GuarantCo, to finance the E-Mobility eco-system in India. In March 2022, we committed US\$ 150 million to the 'SAMRIDH' blended finance facility to strengthen financing to India's healthcare sector. We also signed a partial guarantee facility agreement with ADB with an initial outlay of US\$ 150 million towards supporting supply chain financing in impact sectors.

Our employees play the most significant role in enabling progress on the Bank's aspirations. We have strived to create a workplace that nurtures talent and offers an environment conducive for holistic development and well-being of our employees. I am proud to share with you that Axis Bank is now a Great Place to Work-Certified™ organisation.

**The launch of our Diversity Charter '#Comeasyouare' is an industry-first commitment that we have taken towards creating an inclusive workplace that goes beyond the binary template.**

This year has been phenomenal in terms of the progress we have made towards modernising our workplace practices, placing us among the industry leaders on several aspects. We now have over 3,600 employees working from anywhere under GIGA-Anywhere and over 12,000 employees in our large offices are part of a permanent hybrid working model. The launch of our Diversity Charter '#Comeasyouare' is an industry-first commitment that we have taken towards creating an inclusive workplace that goes beyond the binary template. By the end of the fiscal 2022, our workforce consisted of 24.6% women, as we remain focused on achieving our commitment of having 30% women representation in the workforce by 2027.

The Community remains one of our most important stakeholders and we remain committed to partnering with them to enable meaningful change. We continued to support front line warriors and the vulnerable sections of the community during the year to overcome the effects of the COVID-19 pandemic.

Our flagship program in education, Axis Dil Se, completed its second year of intervention at the Lyzon Friendship School in Manipur, supporting over 300 children in this remote corner of the country. We also expanded Axis Dil Se to Majuli, Assam, India's only island district and home to the Mising tribe, where we are supporting the Hummingbird School with over 230 children. Under the Axis Bank Scholarship

Programme this year, the Bank supported 10 female undergraduate scholars from economically weaker backgrounds pursuing STEM (Science, Technology, Engineering and Mathematics) disciplines at Ashoka University, Haryana. We also launched the scholarship program at Plaksha University, Punjab, supporting 16 scholars, predominantly women from economically weaker backgrounds. We continue to support the first-of-its-kind Museum of Solutions for children in Mumbai which is scheduled to go live next fiscal.

Under the Financial Inclusion and Financial Literacy program, we reached over 1.37 million participants in close to 340 districts in 21 states and union territories during the year. We have also committed to planting 2 million trees by 2027 towards contributing to India's carbon sink.

During the year, Axis Bank Foundation achieved a significant milestone of supporting over 1 million households under its 'Mission 2 Million' commitment by 2025 for the Sustainable Livelihoods program.

We have continued our endeavour to enhance operational efficiencies and minimise carbon emissions from our operations. Particularly, the Bank's corporate office in Mumbai achieved the prestigious Platinum rating in IGBC's Green Existing Buildings rating system this year, and our three large offices, two in Mumbai

and one in Bengaluru, are now running entirely on renewable power.

I am delighted to share that we continue to be recognised for our ESG performance. Notably, we were recognised as sole winners at the 1<sup>st</sup> ESG India Leadership Awards, hosted by Acuite Ratings and Research, in two categories - Leadership in Social Impact and in Transparency. We are on the prestigious FTSE4Good Index for the fifth consecutive year in 2021. We improved our performance at the Dow Jones Sustainability Indices, moving to the 78<sup>th</sup> percentile among banks globally, have an ESG Rating of A by MSCI ESG Ratings and scored B- on the CDP.

To conclude, I would like to extend my heartfelt gratitude to all Axis'ians and all our stakeholders for their relentless support in our journey. We remain committed to maintaining our growth momentum and optimism as we look confidently to the future.

Warm Regards,

**Amitabh Chaudhry**  
MD & CEO

# Highlights

## Driving Positive Financing

□ PG 49

**~₹12,255 CRORES**

Green Corporate Lending Portfolio

(F) (N)

**1.87 MILLION**

Women borrowers under Axis Sahyog

(F)

**12,76,117**

Total Active Accounts under PMJDY

(F) (S)

**80%**

Growth in Asha Home Loans Book Size between FY 2019-20 and FY 2021-22

(F) (S)

**US\$ 200 MILLION**

Programme Size for Capex Financing to Accelerate EV Ecosystem in India

(F) (S)

## Leveraging Digital Leadership

□ PG 52

**780/900**

BitSight Rating for our Cyber Security

(I)

**ZERO**

Customer Privacy Breach Complaints

(S)

**DATA ARCHITECTURE 3.0**

Future ready Initiative to Auto Underwrite the next 100 million Consumer

(I)

**₹15,765 CRORES**

Value of Digital Channel Transactions

(F) (S) (I)

**91%**

Share of Digital Financial Transactions

(F) (S) (I)

## Strengthening Human Capital

□ PG 60

**24.6%**

Overall Diversity Ratio

(H)

**55**

Training Hours per Employee

(H)

**3,600+**

Employees took part in the GIG-A Anywhere Programme

(H)

**~12,000 EMPLOYEES**

Continued to Work in the Hybrid Model

(H)

**36,941 EMPLOYEES**

Participated in 187 'Pause for Bias' Seminars, a self-Reflection Training Programme

(H) (S)

## Building Resilient Communities

□ PG 72

**15.86%**

Increase in Overall Share of Women Borrowers

(S)

**1.37 MILLION**

Rural Women Participants in Financial Literacy and Health Awareness Programmes

(S)

**1.03 MILLION**

Households Across 12,436 Villages Reached Through ABF's Mission 2 Million

(S)

**0.11 MILLION**

Participants Impacted under ABF's Sustainable Livelihoods Programme

(S)

## Committing to Operational Excellence

□ PG 84

**100%**

Powered by Renewable Energy- Axis House, Mumbai, MIDC, Andheri, The Ruby, Dadar

(N)

**13,970 GJ**

Electricity Sourced from Renewable Energy Avoiding ~3,066 tCO<sub>2</sub>e of Carbon Emissions

(N)

**1.91 tCO<sub>2</sub> PER FTE**

Indirect- GHG Emission Intensity

(N)

**0.16 tCO<sub>2</sub> PER FTE**

Direct- GHG Emission Intensity

(N)

**PLATINUM CERTIFICATION**

To Axis House Mumbai

(N)

# Leveraging Distinctiveness



***Our ability to amalgamate the strengths of all businesses and our subsidiaries into a 'One Axis' approach has helped build an organisation-wide culture of resilience, ambition and determination as we endeavor to deliver excellence and cater to a myriad of stakeholders. Our digital-first approach and focus on reimagining customer journeys remain the foundational planks in our aspiration of building the bank of the future.***

**Rajiv Anand**  
Deputy Managing Director

## DEAR STAKEHOLDERS,

I am pleased to share with you Axis Bank's eighth Sustainability Report, 'Putting Purpose First', for fiscal 2022.

Last year was all about slow but hopeful steps towards normalcy. Axis Bank continued to live by its 'Dil se Open' philosophy, keeping our customers at the center of everything we do.

Fiscal 2022 witnessed a strong rebound from the Indian corporate sector after the second wave of the pandemic hit in the first half of the calendar year 2021. Corporates delivered strong financial performance and its free cash flow generation helped them deleverage balance sheets. Buoyant equity markets were a reflection of this. On the consumer side we continued to see a strong rebound in spending for both goods and services.

For Axis Bank, the pandemic, in many ways, accelerated the reimagining of the Bank's organisational systems and processes that we had initiated under the GPS (Growth Profitability and Sustainability) strategy.

Our ability to amalgamate the strengths of all businesses and our subsidiaries into a 'One Axis' approach has helped build an organisation-wide

culture of resilience, ambition and determination as we endeavor to deliver excellence and cater to a myriad of stakeholders. Our digital-first approach and focus on reimagining customer journeys remain the foundational planks in our aspiration of building the bank of the future.

On the wholesale banking side, our focused segments such as mid-corporate, MNC and CBG (SME Banking) grew by 45%, 49% and 26%, respectively, as compared to previous year, riding on the back of strengthened leadership, processes, risk management and improved customer engagement.

We also continue to be among leading private sector banks dealing with the Government businesses in the country. Our approach in this sector has evolved over time, from being deposit-centric entity to offering more solution-centric services. For examples, we introduced a new and improved FDMS (Fund Disbursal Management System) solution to execute bulk transactions with minimal intervention, and integrated Bharat Bill Pay System (BBPS) for various Municipal Corporations and government agencies as an online collection method.

Such structural initiatives in the Government's financial management machinery translate into improved delivery of services and fulfilment of obligations to citizens, and we are proud to have been able to contribute to this movement. To share a notable highlight from our work in this space, we remain one of the leading banks in the Bharat Bill Payment ecosystem and are contributing among the highest number of new biller additions to the platform.

Our efforts in the transaction banking space have made us the bank of choice for the corporate sector, and the strong focus on people and technology over the last three years is yielding strong results across the board. The new digital service architecture also contributes to more resource-efficient banking. During the year, we became the first Indian bank to execute an entirely paperless Import transaction with host-to-host connectivity. Project 'Neo', aimed at building a world class digital corporate bank, also made substantial progress during the year.

We took significant strides this year in integrating ESG principles and practices from the Board to the process levels. We are the first Indian bank to have a standalone ESG Committee at the Board level that is now guiding a unified ESG agenda across the Bank.

We are cognizant that the Sustainable Development Goals and the Paris Agreement are driving a global transition towards an inclusive and low-carbon economy. Under the Committee's guidance, we have committed ourselves to ambitious targets across business and non-business verticals. We are currently working towards strengthening ESG risk management at the enterprise level and have expanded the scope and coverage of the ESG Policy for Lending. The Bank has committed to achieving an incremental lending of ₹30,000 crores by 2026 in sectors with positive green and social outcomes. In addition, we have also committed to scaling down exposure to carbon intensive sectors over time.

This year was a landmark one for the Bank on many fronts. As we continue to build distinctiveness and deliver 'One Axis' to all our stakeholders, I am confident that we are well on our way towards building a future-ready bank. I am grateful to all our stakeholders for placing their confidence in us and standing by us in our transformational journey.

Warm Regards,

**Rajiv Anand**  
Deputy Managing Director



# India's Preferred Banking Partner

*We are India's third-largest private sector bank, offering a vast array of financial services to large and mid-sized corporations, MSMEs, government sector, agriculture, and retail businesses.*

Axis Bank was incorporated in 1993, and commenced operations in 1994 with the opening of the first branch at Ahmedabad, Gujarat. As a leading Indian financial conglomerate, we are successfully catering to our corporate, government and retail customers through a variety of online and physical delivery channels.

During the year, we added 164 new branches to our network, with a geographical reach of 2,596 centres in 669 districts across 35 States and Union Territories in India.

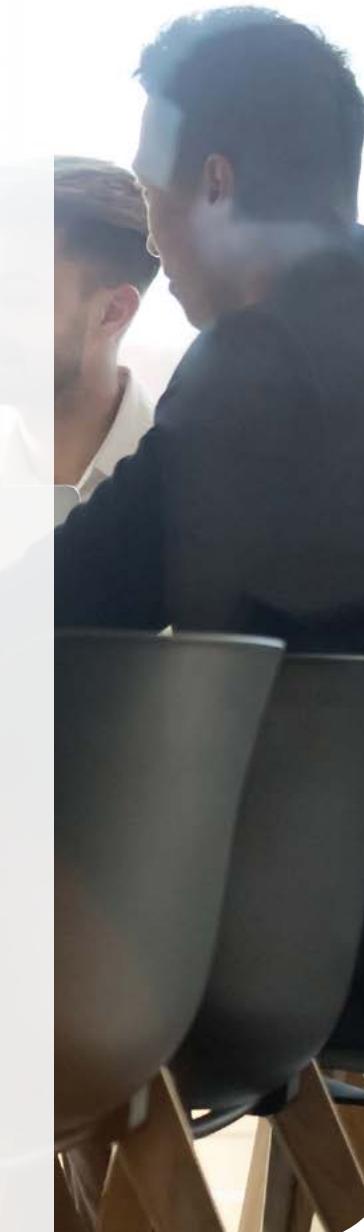
As on March 31, 2022, we have overseas branches at Singapore, DIFC - Dubai and an offshore banking unit at the International Financial Service Centre (IFSC), Gujarat International Finance Tec-City (GIFT City), Gandhinagar, India. We have also been investing in developing alternate channels like Axis Virtual Centres to reach out to our expanding customer base and strengthen the relationships further. Axis Virtual Centre (AVC) is an omni-channel platform that leverages technology to provide a solution-centric approach to customer conversations. Currently it operates from six locations with a strong team of 5,000+ members that include 1,500 staff comprising RMs.

**4,758**  
Branches and  
Extension Counters  
in India

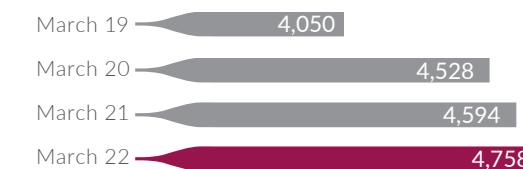
**5,972**  
Number of self-service  
Recyclers

**10,990**  
Number of ATMs  
across India

**145+**  
SME Centres

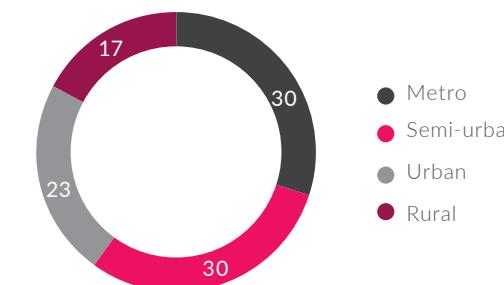


## Domestic Branch Network\*



\*Includes extension counters

## Region-wise branches (%)



## Business Performance

Our business performance for FY 2021-22, and details on our various products, services, and departments, have been provided in the Business Overview section of the Management's Discussion and Analysis in the Bank's Annual Report 2021-22 on pages 81-101.

## Ownership and Subsidiaries

We are publicly listed on the BSE (532215) and NSE (AXISBANK). Our ownership structure, shareholding pattern, list of subsidiaries and other material information have been provided in our Annual Report 2021-22, within the Director's Report on pages 67-91.



→ The Bank's Annual Report 2021-22 can be accessed online at <https://www.axisbank.com/annual-reports/2021-2022>

Additional details on our physical retail footprint have been provided in the 'Retail Deposits' section of the Management's Discussion and Analysis in the Annual Report 2021-22 on pages 101-102.

## SIGNIFICANT DEVELOPMENTS IN FY 2021-22\*

### 2021

**June** → Prof. S. Mahendra Dev was appointed as an Independent Director of the Bank

**August** → Established a standalone ESG Committee of the Board, chaired by Independent Director, Prof S. Mahendra Dev

**September** → Munish Sharda appointed as Group Executive and Head, Bharat Banking

Issued India's first Sustainable AT1 Notes for US\$ 600 million

**October** → Rajiv Anand, ED-Wholesale Banking, redesignated as the Deputy Managing Director

**November** → Axis Bank and PIDG, through their guarantee arm GuarantCo, announce an umbrella guarantee scheme of US\$ 300 million to finance e-mobility in India

**December** → Ashish Kotecha appointed as an Non-Executive Director of the Bank

Rajesh Dahiya, Executive Director (Corporate Centre), retires from the Bank

### 2022

**March** → Axis Bank signed definitive agreements for the proposed acquisition of Citi's consumer businesses in India

\* Compiled in alignment with GRI Standards Disclosure 102-10: Significant changes to the organisation and its supply chain

# Leading Partnerships of Change

We consistently contribute towards the development of an eco-system that supports innovation and change. As an industry leader, we play a significant role in championing sustainability, enabling digital advancement and providing solutions that shape the collective development of the banking sector. We constantly nurture collaborations that positively impact the value-creation process for all stakeholders.

Axis Bank contributes its expertise and experience to key committees, associations and other formal and informal industry or multi-disciplinary bodies on pertinent topics. Its leadership sits in or leads pertinent committees at national as well as international bodies.

## Key Memberships

Axis Bank Representative	Committee	Organising Body
<b>Amitabh Chaudhry</b> Managing Director & CEO	Chairman, FICCI National Banking Committee for FY 2021-22	FICCI
	Member, CII National Committee on Financial Inclusion and Fintech	CII
<b>Rajiv Anand</b> Deputy Managing Director	Co-Chair, CII Task Force on Banking & Finance of CII Western Region for FY 2021-22	CII
	Member, CII National Committee on Banking for FY 2021-22	
	Member, CII National Committee on Financial Regulatory Compliance (Jan 2022 to Dec 2022)	
<b>Neeraj Gambhir</b> Group Executive – Treasury & Markets and Wholesale Banking Products	Member, FICCI National Banking Committee	FICCI
	Member, Global Debt Market Initiatives	
	Board Member, FIMMDA (International)	FIMMDA
	Member, Treasury and Global Markets, RBI	RBI
<b>Rajkamal Vempati</b> President – Human Resources	Member, CII National Committee on Leadership and HR for FY 2021-22	CII
	Member, BITSoM Industry Advisory Council	BITSoM
<b>Ratan Kesh</b> Executive Vice President – Retail Operations	Member, Customer Advisory Board, Vernacular.AI	Vernacular.AI
<b>Anoop Manohar</b> Executive Vice President – Marketing	Member, ASSOCHAM National Branding and Marketing Council	ASSOCHAM
<b>Rajesh Thapar</b> Senior Vice President – Information Security System	Member, Sub-Committee on Cloud Adoption in PSBs	Indian Bank's Association (IBA)

## Representation on ESG committees and task force

Axis Representative	Committee/Council/Group	Organising Body
<b>Amit Talgeri</b> Chief Risk Officer	Ministry of Corporate Affairs Task Force on Sustainable Finance	MCA
	SEBI Advisory Committee on ESG Matters	SEBI
<b>Abhejit Agarwal</b> Head - Sustainability & CSR	CII Western Region ESG Sub-Committee	CII
	CDP India Working Group on Sustainable Financing	CDP India
Members from Sustainability vertical and the Wholesale Coverage vertical	Renewable Energy to Responsible Energy Initiative	Forum for the Future, TERI, WWF, WRI India, Landesa



## THOUGHT LEADERSHIP IN ESG

During the year, we consciously strived to scale our contribution to advancing ESG in India, participating in pertinent multi-disciplinary groups and events hosted by national and global entities while focusing on specific aspects of ESG. Notably, we have been represented on key national level and regional level committees and task forces on ESG.

## Key Activities in FY 2021-22

Our leadership team was invited to speak on ESG and related topics at prominent national and global summits, including the FICCI ESG Summit 2022, TERI World Sustainable Development Summit 2022 and TERI SAS Regional Policy Dialogue on Mobilizing Financing for SDG 12.

Submitted a Strategy Paper on strengthening ESG in the banking sector to the FICCI Banking Committee.

As part of the World Economic Forum, The Davos Agenda 2022, our MD & CEO authored an article titled 'Green finance can bolster India's transition to net-zero. Here's how' that was published on the WEF website in January 2022.

# Celebrating Inspired Actions

## Top Awards Won in FY 2021-22

### BRAND EQUITY



IFR Asia's Asian Bank of the Year and India Bond House Award

ICAI's Silver Shield for Excellence in Financial Reporting for 2020-21

Gold for Best Regional Communication Campaign at ET Brand Equity Kaleido Awards



### ESG

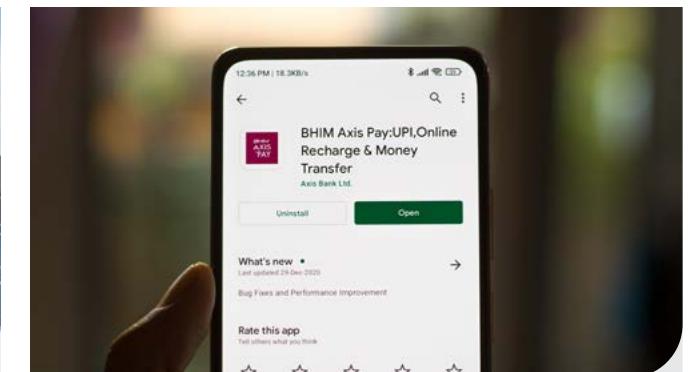


Leadership in Social Impact and Leadership in Transparency at the ESG India Leadership Awards

Most Helpful Bank During COVID-19 in India and fourth in Asia Pacific at the Asian Banker Bank Quality Consumer Survey on Retail Banks

Best Talent and Workforce in Banks in India at the BT-KPMG Best Bank Awards 2021

### TECHNOLOGY AND INNOVATION



Finacle Innovation Award for Customer Journey Reimagination

Best in Future of Operations at the IDC Future Enterprise Awards for India

Best Data Analytics Project Award (Multivariate Orthogonal Model) at The Asset Triple A Digital Awards

Best Digital Bank Award at The Asiamoney Banking Awards for the second consecutive year and for the fourth time in the last five years

The Best Bank in Innovation (Jury) Award at the Business Today and KPMG Best Bank Annual Survey

IDC Industry Innovation Award for Innovation in Data Intelligence

Best Digital Bank Award at the Financial Express Best Banks Awards for the third consecutive year

Best Digital Lending - Private Sector Bank Award at the ASSOCHAM National E-Summit and Awards

Best CRM System Implementation at the IBS Intelligence Global Fintech Innovation Awards

# Catalysing Growth that Lasts

*'Putting Purpose First' represents our continued commitment to conducting business that is aligned with our purpose – Banking for an equitable and inclusive economy, thriving community and a healthier planet.*

As an Indian bank, we recognise the critical role we play in nation building and strive to create and offer products and services that can contribute positively towards this agenda. We work tirelessly to address the diverse needs of our customers across the social and economic spectrum, ensuring that we can continue to deliver lasting collective value.

Our approach to value-creation is supported by decisions that are aligned to stakeholder needs and expectations, robust governance practices, ESG strategy, systems and policies aligned to national and international benchmarks, with a strong emphasis on effective risk management, and stringent adherence to the highest levels of ethical business conduct.

## OUR PURPOSE DRIVES OUR ACTIONS

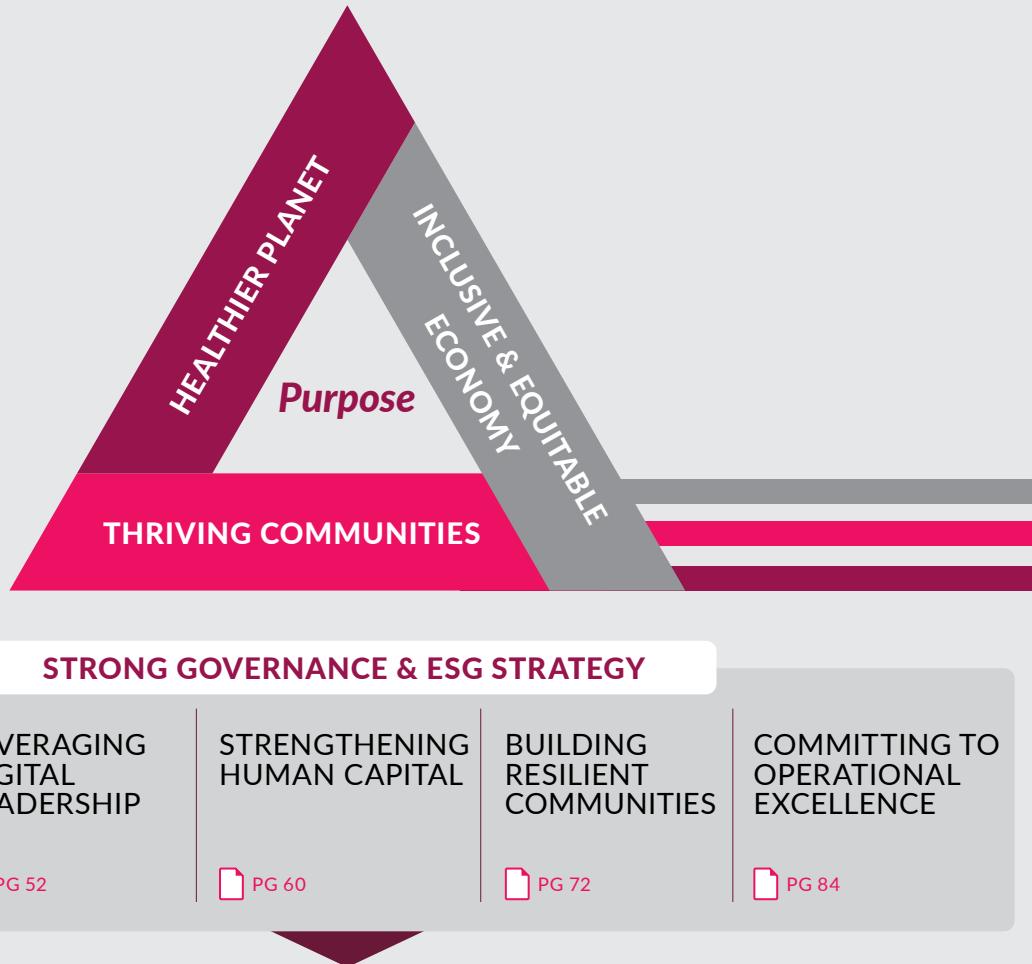
We are aware of the potential that financial institutions hold in driving change. We leverage our digital leadership to serve the unbanked and underbanked population in the country, helping them enter the financial mainstream.

Our lending portfolio has evolved over time to align with national and global call for action on ESG. We have committed to significant investments in sectors that create positive environmental and social impacts.

Our employees play a critical role in the entire ecosystem, and we strive to create an environment that is inclusive, diverse and promotes their overall well-being, while providing them with opportunities to grow.

Our vision of delivering the best to our customers is also a result of the constant support received from our value chain partners, and we continue to create platforms for mutual growth.

We are directly connected with communities across India through focused interventions that aim at improving their socio-economic conditions and help create new, often unprecedented opportunities for economic progress and well-being.



### Stakeholders impacted



Customers



Government/  
Regulatory Bodies



Communities



Employees



Investors

### Capitals Mapped impacted



Financial Capital



Manufacturing Capital



Intellectual Capital



Human Capital



Social &  
Relationship Capital



Natural Capital

This report is aligned to the Integrated Reporting framework by the International Integrated Reporting Council (now merged with SASB to form the Value Reporting Foundation which is now consolidated into IFRS Foundation), thereby mapping the relevant capitals addressed and stakeholders impacted. Relevant stakeholder and capital icons are used to connect them to the appropriate strategy chapters in the report.

# Putting ESG at Our Core

*We are consistently working towards institutionalising our ESG-focused leadership and governance. We have strengthened our decision-making process through the ESG lens and swiftly enabled their translation into impactful action on ground.*

*During FY 2021-22, we made great strides in our ESG journey, which included formalising our ESG governance at the highest levels, introducing and expanding ESG-aligned policies and taking ESG-aligned commitments that support the Sustainable Development Goals (SDGs) and the Paris Agreement. This year has also been significant as we have begun integrating ESG risks and opportunities, including climate-related risks, into our risk architecture.*



## KEY MILESTONES IN ESG IN FY 2021-22

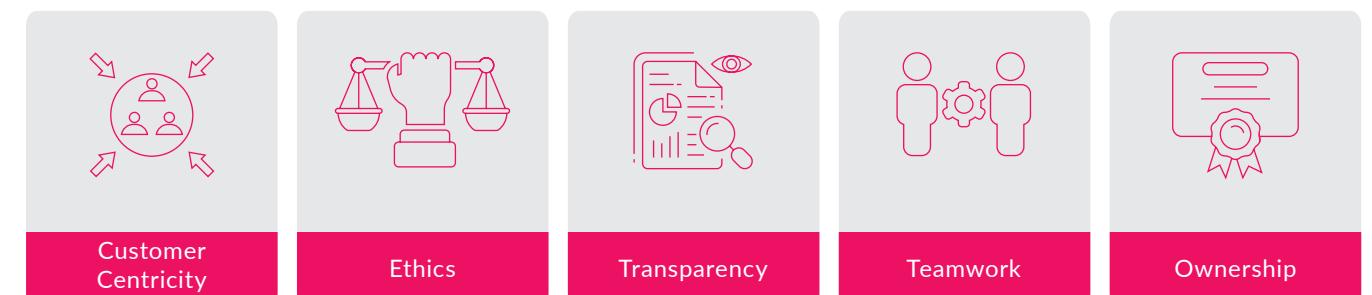
Aug' 21	Sept' 21	Nov' 21	Jan' 22	Mar' 22	Apr' 22
Established the ESG Committee of the Board	Announced ESG-aligned commitments	Announced US\$ 300 mn guarantee platform with GuarantCo	Great Place to Work certified	Committed US\$ 150 mn SAMRIDH Healthcare Blended Finance to Strengthen India's Healthcare Infrastructure	Signed US\$ 150 mn Deal for Sustainable Supply Chains with ADB
	Launched #ComeAsYouAre Diversity Charter				
	Issued US\$ 600 mn ESG AT1 Notes				

The integration of ESG into regulatory and corporate action is gaining impetus around the world. This demonstrates how globally, stakeholders consider ESG as an effective and non-negotiable factor for achieving sustained, equitable and inclusive growth. Stakeholders today, expect businesses to adopt responsible oversight and long-term vision and demonstrate ESG-aligned decision-making processes.

Our ESG strategy is strongly aligned with our Growth Profitability Sustainability (GPS) strategy.

## GPS STRATEGY

### One Axis



## ESG Governance

*While our leadership has provided a broader oversight and direction to our ESG strategy for over a decade, it was only in FY 2020-21 when ESG was formally included in the Charter of the CSR Committee of the Board. In the same year, at the management level, we had established the ESG Steering Committee comprising senior officials from the Bank that support the Board and champion ESG imperatives across the organisation.*

Significantly, we also adopted our purpose statement, ‘Banking that leads to a more inclusive and equitable economy, a thriving community and a healthier planet’ in FY 2021-22. We shall endeavour to align our decision-making and activities to this purpose. The theme of this Report has also been derived from our Purpose Statement.

### ESG COMMITTEE

During the year, we became the first Bank in the Indian banking sector to constitute a standalone ESG Committee of the Board, working towards enabling a strategic vision and direction for ESG, pan-Bank ESG integration and affording a 360-degree monitoring and review. The Committee is chaired by an Independent Director and has met thrice during the reporting year.

**Axis Bank becomes the first Indian Bank to constitute a standalone ESG Committee of the Board**



### THEMATIC MANAGEMENT GROUPS

To drive action on focused themes under the larger ESG agenda, specific groups have been set up at the management level. These include the ESG Working Group to drive sustainable financing initiatives and the Diversity, Equity & Inclusion (DEI) Council to drive our focus on diversity.

### KEY POLICIES

We have also introduced, revised and made publicly available, key ESG-aligned policies that demonstrate our commitment to our stakeholders. These include Policy on Environmental Management, Human Rights Policy, Diversity Equity and Inclusion Policy, Sustainable Lending Policy and Procedures, Tax Policy and Anti-Corruption and Anti-Bribery Policy.

These can be accessed online on our website at [www.axisbank.com](http://www.axisbank.com).

### ESG COMMITMENTS SUPPORTING GLOBAL AND NATIONAL ESG AGENDA

As a financial institution, we are cognizant of our role in furthering equitable and sustainable economic growth in the country. In September 2021, under the oversight of the ESG Committee, we announced a series of commitments to achieve the Sustainable Development Goals (SDGs) and bolster India’s commitments under the

Paris Agreement. These commitments were announced ahead of the United Nations Climate Change Conference (COP26) at Glasgow, UK.

We report on the progress against these commitments every quarter, to the ESG Committee of the Board.

#### ESG Commitments, Progress and Aspiration

ESG-aligned Commitments	Progress in FY 2021-22	Aspiration for FY 2022-23
Incremental financing of ₹30,000 crores under Wholesale Banking to sectors with positive social and environmental outcomes by March 2026	We achieved a disbursement of ₹10,414 crores in FY 2021-22, exceeding the target disbursement of ₹7,500 crores for the year	Target disbursement for FY 2022-23: ₹15,000 crores cumulatively
Making 5% of our retail Two-Wheeler loan portfolio as electric by March 2024	Electric vehicle penetration of 0.82% of the overall two-wheeler business achieved, as of March 2022	Achieve over 2% EV penetration
Incremental disbursement of ₹10,000 crores by FY 2023-24 March 2024 under Asha Home Loans, for affordable housing; increasing share of women borrowers from 13.9% to 16.9%	The Bank achieved a disbursement of ₹4,710 crores Share of women borrowers increased to 15.86% as of March 2022	Target disbursement for FY 2022-23: ~₹4,700 crores for the year
Scaling down exposure to carbon-intensive sectors	We have committed to scaling down our exposure in four identified carbon-intensive sectors – Coal (mining, logistics and trade), thermal power, shipping and aviation)	Glide path shall be finalised
Reaching 30% female representation in our workforce by March 2027	Our overall diversity stood at 24.6% as of March 2022 while the hiring diversity was 27.6% 10,673 women were hired during the year	Achieving 30% diversity in hiring by March 2023
Planting 2 million trees by March 2027 across India towards contributing to creating a carbon sink	MoUs with all implementation partners are in place and site preparation has begun across targeted geographies	~8,75,000 saplings to be planted in FY 2022-23 across five states

\*The Russia-Ukraine crisis in 2022 has impacted commodity prices and hit energy security as well as the transition to clean energy, globally. In addition, the heat wave in India in April-May 2022 triggered an acute energy crisis that forced the country to respond by scaling up its coal-fired thermal power production and ramping up its coal stocks. The Bank is closely watching these developments and under the advice of the ESG Committee, has chosen to making public the contours of its commitment at a more appropriate time.

→ The Bank’s commitments may be accessed online at <https://www.axisbank.com/about-us/press-releases/axis-bank-commits-to-positive-climate-action-and-sustainable-development-goals>.

## Climate Risk and Opportunities

**We have a Comprehensive Risk Management Framework to strengthen our risk identification and mitigation capabilities. The Board is the apex governance body on all matters of risk management, driven by an independent Risk function led by the Chief Risk Officer.**



The Risk Governance structure of the Bank can be accessed on page 115 -118 Risk Governance, in its Annual Report 2021-22.



## Embedding ESG into Risk Management

In FY 2021-22, we have worked towards strengthening the governance layer over ESG Risk Management and have firmly and formally placed it at the Board level. Apart from the guidance of the Board on the Bank's larger ESG strategy, three of the Board-level committees are providing oversight and guidance on specific aspects of ESG risk management.

In August 2021, we became the first Indian bank to establish a standalone ESG Committee of the Board. Having a Board-level Committee unifies our overall ESG strategy and direction at the highest level of the organisation.

Under the Committee's oversight, we have announced a series of ESG commitments that aim to support the expansion of our lending portfolio towards positive climate action and sustainable developments, strengthen our climate-related risk management capabilities at the enterprise level, strengthen our organisational core, and contribute to India's larger climate goals.

We have also strengthened the integration of ESG risks into our overall risk management frameworks that are under the oversight of the Risk Management Committee (RMC). The Bank's ICAAP now includes enhanced ESG-linked assessments that are presented to the RMC.

The Committee of Directors (COD) is the approving Committee for the ESG Policy for Lending, which was strengthened and expanded during the year.

Additionally, the discussion and approval of large proposals at the Committee of Directors now includes a review of the environment and social due diligence of the eligible proposals.

We have also made efforts towards strengthening our own capacity and capabilities in ESG Risk Management, providing training and awareness interventions for pertinent departments.

## Our Approach to Managing Climate-related Risks and Opportunities

Under the oversight of the ESG Committee of the Board, we have been working towards a more informed and comprehensive approach towards transitioning to a low-carbon economy. We are cognizant of the wider economic, technological, social and physical shifts taking place globally, in response to the climate change and are weaving them into our decision-making and longer-term strategy.

In the Sustainability Report for FY 2020-21, we had announced our action plan to strengthen our ESG-related Risk Management capabilities at the enterprise level. We continue to make steady progress on this action plan and an update on its key aspects is presented in the following section.

### Key Aspects of ESG-related Risk Management



## A INCLUDING CLIMATE-RELATED RISKS AND OPPORTUNITIES IN THE ICAAP

From this fiscal, we have started incorporating ESG- and climate-related risks and opportunities as part of our annual ICAAP assessment (Internal Capital Adequacy Assessment), which is a primary tool for the RBI in conducting its supervisory review and evaluation process.

We recognise that risks related to climate change play out primarily through credit, operational, market and reputational risks, among others. We are also cognizant of the fact that environmental and social risks to our business operations, portfolio and personnel, including those due to climate change, are material and warrant due recognition and independent assessment.

As a part of our assessment, we have attempted to identify the impact that physical and transition risks related to climate change can have on our business operations and the current controls in place to manage them.

Our assessment also recognises that climate change is an opportunity for the global economy to transition to a low-carbon, equitable pathway. Under the ESG Committee's oversight, we have announced key commitments that aim to expand our financing activities towards projects and sectors with a stronger environmental and social impact, while scaling down our financial activities in highly carbon-intensive sectors. We align our business and non-business activities, systems and policies to the pertinent Sustainable Development Goals and to India's commitments under the Paris Agreement.

Our ESG-aligned commitments and progress towards each have been highlighted in respective sections of this Report, and a summary has been provided on

[PG 25](#)



## B STRENGTHENING THE ESG POLICY FOR LENDING

We put in place an 'ESG Policy for Lending' in 2015, integrating environmental and social risk assessment into our credit appraisal mechanism. The Policy, which was until recently called the 'Sustainable Lending Policy and Procedures', conforms to the IFC Performance Standards Framework 2012, among other national and international guidelines and is implemented by the Environmental and Social Management Group, a team of specialists housed in the Credit vertical at the Bank.

With the guidance of the ESG Committee, we have expanded the scope and boundary of the ESG Policy for Lending during the year. The updated policy has lowered the coverage threshold for all project/non-project loans and NCDs and all incremental exposures (including NCDs) and assesses all proposals in four risk categories of A, B+, B and C, in line with the IFC Performance Standards. The Policy also covers overseas funding and syndicated funding as applicable.

The updated policy has further lowered the threshold for incremental exposures in identified high risk sectors such as coal mining, coal-based power plants, and hazardous chemicals, among others and such exposures shall now mandatorily require scrutiny under the Policy.

## Key Developments in FY 2021-22

From this year on, the discussion on large value proposals at the Board level includes an assessment of their environmental and social due diligence. During FY 2021-22, a total of 292 proposals were assessed under the Policy, with 210 cases discussed at the Board-level. Two cases were rejected subject to non-compliance with the Exclusion List of the Policy.

During the year, we undertook a self-assessment under the IFC's ESMS Diagnostic Tool that is designed to assess or self-assess the quality of an environmental and social management system (such as our ESG Policy for Lending) and benchmark it against IFC's performance standards and good market practices. The Diagnostic tool assesses any system on nine parameters including the policy document, due diligence process, organisational structure, capacity and control environment and categorises them into 'State of the Art', 'Developed' and 'Emerging'. Our ESG Policy for Lending scored 'State of the Art' on four parameters and 'Developed' on three parameters, and we are currently embedding the learnings into our processes.

→ The summary of overall process under ESG Policy for Lending is also accessible here: <https://www.axisbank.com/docs/default-source/default-document-library/esg-policy-and-procedure.pdf>

## C ADOPTING THE SUSTAINABLE FINANCING FRAMEWORK

In July 2021, we launched the Sustainable Financing Framework with an aim to reinforce our capabilities and experience in financing sectors with a strongly positive social and environmental impact.

We had in place a Green Bond Framework under which we issued US\$ 500 million green bonds in 2016 and the US\$ 40 million privately placed green bonds in 2019. The Sustainable Financing Framework aims to provide a more comprehensive and contemporary framework that is clearly aligned with the pertinent UN Sustainable Development Goals as well as India's commitments under the UN Paris Agreement.

Green and social project categories included in Sustainable Financing Framework



### Eligible Green Projects

Renewable Energy: Solar, Wind, Small Hydro and Run of the River Water Power

Waste Management

Clean Transportation

Green Buildings

Sustainable Agriculture



### Eligible Social Projects

Socioeconomic advancement and empowerment

Health, healthcare and wellbeing

Employment Generation, including through the potential effect of SME financing and microfinance (including ECLGS)

Education and Vocational training

Affordable housing (focusing on Pradhan Mantri Awas Yojna- PMAY) and Social infrastructure

→ Additionally, the Framework also includes a list of industries that are excluded from consideration.

The Framework can be accessed online on the Bank's website at <https://www.axisbank.com/docs/default-source/default-document-library/axis-bank-sustainable-financing-framework.pdf>.

## D ALIGNING TO THE TCFD

We acknowledge the role of the TCFD in developing globally acceptable climate-related financial disclosures. Its recommendations around the four pillars of Governance, Strategy, Risk Management and Metrics, and Targets are now being widely adopted by regulators, investors and financial institutions to guide climate-related disclosures within their respective geographies or portfolios, as the case may be.

The Task Force also recommends undertaking climate-related scenario analysis as a way for reporting organisations to further strengthen their longer-term strategy. Under the guidance of the ESG Committee, we continue to work towards developing our capabilities to conduct climate-related stress testing and scenario analysis for our lending portfolio, as a part of our long-term action plan.

We believe that we are steadily strengthening our alignment to the TCFD recommendations and have put in the necessary levers around each of the four core elements of Governance, Strategy, Risk Management and Metrics and Targets. We are also participating in the wider discussion on Climate Risk Management at the national level and have engaged with our peers, industry associations and regulators. We have called for a unified and equal approach that provides all stakeholders a level-playing field while helping move the needle on climate action.

## E CAPACITY BUILDING

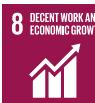
Key members from our Risk, Corporate Credit and Sustainability verticals participated in an intense training programme on ESG/Climate Risks under the UK PACT a Government of the UK initiative that aims to help developing economies in Asia, Latin America and Africa accelerate their low-carbon transition. The training programme was conducted by ESG/climate experts from ODI, Climate Bonds Initiative and AuctusESG.



## Alignment with Global Sustainable Development Agenda

The principles of equitable and sustainable development are the most prominent tenets guiding global economic activity today. As large organisations move from 'profit' to 'purpose' and investors, regulators and civil society rapidly adopt the principles of E, S and G, we remain cognizant of our responsibility to actively participate in and nudge forward India's equitable and sustainable economic transition. We have aligned pertinent business and non-business activities to the Sustainable Development Goals.

SDG	Axis Bank Programs	Output and Outcome*	Page #
	Coverage of national social security schemes under Axis Sahyog programme  Building rural resilience under ABF's Sustainable Livelihoods Programme	<b>12.8 lakhs</b> savings accounts under PMJDY <b>9.9 lakhs+</b> borrowers under MUDRA Scheme  <b>1.03 million</b> households reached under ABF's Mission 2 Million Across 12,436 villages where ABF is active	47
	Strengthening India's Healthcare Infrastructure through SAMRIDH Healthcare Blended Finance to Strengthen India's Healthcare Infrastructure	<b>150 Million</b> to SAMRIDH Healthcare Blended Finance to Strengthen India's Healthcare Infrastructure	49 & 50
	Axis DilSe Programme in Manipur  Axis Bank Scholarship Programme at Ashoka University  Museum of Solutions for children at Mumbai  Axis Bank Scholarship Programme at Plaksha University  CSR programme in Financial Literacy and Financial Inclusion under Axis Sahyog	<b>300+</b> students  <b>10 women</b> Axis Bank Scholars  Under construction, scheduled to open in FY 23  <b>16 Axis Bank Scholars</b>  <b>13.7 lakhs+</b> participants reached	81  82  82  82
	Retail Loans in Education sector  Women-led SHGs under Axis Sahyog Microfinance Programme  Diversity, Equity, and Inclusion at Axis Bank	<b>~23,000</b> customers  <b>18.7 lakhs+</b> women borrowers  Axis Women in Motion programme We Lead initiative D, E & I Policy launched ComeAsYouAre Charter Launched	49  47  61 & 63
	POSH Policy and governance mechanisms  Solar power generation and renewable energy procurement at branches and offices  Wholesale Lending and financing Portfolio in renewable energy  Internal energy efficiency initiatives	Mandatory, Bank-wide POSH training in place  <b>7.05 MW</b> in-house solar capacity  <b>~₹12,255 crores</b> green corporate lending portfolio  <b>~ 9745 tCO<sub>2</sub>e</b> emission avoided	66  87  49  89

SDG	Axis Bank Programs	Output and Outcome*	Page #
	Skill development interventions under Sustainable Livelihoods Programme by ABF	<b>~38,000</b> Youth Trained <b>~14,000</b> PwDs Trained	77
	Lending and financing to greener infrastructure, including mass transport and green buildings	<b>~₹12,255</b> green corporate lending portfolio	49
	Axis Sahyog Microfinance programme	<b>~3.6</b> lakhs new <b>₹3,074 crores</b> disbursed	47 & 48
	Lending to the affordable housing sector by Axis Bank  Urban Development partnerships under Government Coverage	<b>~69,000 customers</b> , with outstanding portfolio of ~₹7,800 crores  Pan-India mandates under Aadhar-enabled services, Smart-Cities Mission, Government e-Marketplace, FDMS	48 & 49  55 & 56
	Lending to Mass Rapid Transport and green buildings under sustainable portfolio  Promoting sustainable agricultural practices, watershed development and soil conservation under ABF's Sustainable Livelihoods programme	<b>~₹12,255 crores</b> green corporate lending portfolio  Management of natural resources among rural communities	49
	Waste management initiatives in Axis Bank offices  Lending and financing to Renewable energy sectors under sustainable finance portfolio	<b>31.29 tonnes</b> of wet and dry waste processed from 13 large offices across India  <b>83.12 tonnes</b> of e-waste responsibly disposed  <b>₹ 12,255</b> green corporate lending portfolio	49
	Climate resilience interventions under Sustainable Livelihoods programme by ABF  Interventions under Rural Livelihoods by ABFs	Watershed management Conservation and regeneration of natural resources  BOOSTING ACCESS TO NATURAL RESOURCES  Developing rural economies Ensuring long-term impact Empowering future generations	75 & 77

\* As on March 31, 2022 or in FY 2021-22, as applicable

# Towards an Equitable Economy

*As India's third largest Bank, our activities and offerings cater to an assortment of segments and sectors of the economy. Our purpose bolsters our resolve to conduct business in a manner that creates profitability while strengthening our positive impact in the communities in which we operate.*



Our Growth, Profitability and Sustainability (GPS) strategy plays an important role in shaping our approach towards economic-value generation for our stakeholders, including but not limited to, the providers of financial capital.

Our Financial Performance is discussed in detail in the Management's Discussion and Analysis in the Annual Report 2021-22 on pages 92-100.

The shareholding pattern has been represented on page 157 of the Annual Report 2021-22.

## INDIRECT ECONOMIC CONTRIBUTION

Through our banking and financing activities, we support various socio-economic endeavours across the length and breadth of India. We cater to diverse needs of the nation by financing infrastructure development, enabling entrepreneurs and small enterprises in accessing business-critical finance and supporting the expansion of commerce and industry. Most importantly, we bridge the gap between the formal economy and the unbanked and underbanked population of the country. Our services to the Government sector assist the State's ability to deliver services to the citizens more efficiently and transparently. Further, our involvement in microfinance space has proven to help millions of women from financially weaker backgrounds, primarily from rural India, helping them to achieve financial freedom and gain a stronger social standing within their families and communities.

### DIRECT ECONOMIC CONTRIBUTION\*

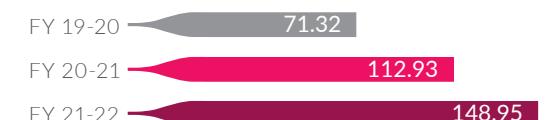
#### Economic Value Generated (In ₹ billion)



#### Economic Value Distributed (In ₹ billion)



#### Economic Value Retained (In ₹ billion)



\* The values reported above have been calculated by the Bank as per the GRI Standards – Disclosure 201 requirements basis its financial results reported in its Annual Reports.



# Fostering Impactful Dialogues

*Our purpose is meaningless without the active participation of our stakeholders in the course of its realisation. We continue to engage with them to account for their needs, expectations and aspirations, taking care to uphold them in all our decision-making. Such meaningful engagements shape our processes and enhances the value we create.*

SHAREHOLDERS & INVESTORS	CUSTOMERS	SENIOR MANAGEMENT	EMPLOYEES	REGULATORY AUTHORITIES
<b>Modes of engagement</b>				
<ul style="list-style-type: none"> <li>Investor meets</li> <li>Top Management roadshows</li> <li>Investor grievance channels – Whistleblower mechanism, emails</li> <li>Face-to-face meetings</li> <li>Annual General Meeting</li> <li>Annual Report and Sustainability Report</li> <li>ESG assessment by investor-focused agencies such as MSCI ESG Research and Sustainalytics</li> <li>Investor relations information portal on website</li> </ul>	<ul style="list-style-type: none"> <li>Formal and informal means at branches</li> <li>Social media communications</li> <li>Print and Television marketing campaigns</li> <li>Customer care channels – Telephone, email, on-website</li> <li>Customer satisfaction surveys</li> </ul>	<ul style="list-style-type: none"> <li>Board meetings</li> <li>Management committee meetings</li> <li>Axis Blitz programme</li> </ul>	<ul style="list-style-type: none"> <li>Town-hall meetings</li> <li>Training and capacity development programmes</li> <li>Whistle-blower mechanism</li> <li>Annual performance appraisals</li> <li>Intranet portal – MyConnect</li> <li>Internal communications - webcasts, newsletters, surveys, mails</li> <li>Axis cares - Employee volunteering &amp; payroll giving</li> <li>Senior management visits to branches</li> </ul>	<ul style="list-style-type: none"> <li>One-on-one meetings and group meetings</li> <li>Email and mail correspondence</li> <li>Periodical submission of business &amp; operational performance</li> <li>Mandatory regulatory filings including to RBI and SEBI</li> <li>Engagement at banking platforms and meetings</li> </ul>
<b>Frequency</b>				
<ul style="list-style-type: none"> <li>Need-based</li> <li>Periodic</li> <li>Annual</li> <li>Ongoing</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> <li>Eventual</li> <li>Periodic</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> <li>Eventual</li> </ul>	<ul style="list-style-type: none"> <li>Periodic</li> <li>Need-based</li> </ul>

We are aware of the potential direct and indirect impact our operations can have on our key stakeholders. We are also cognizant of the insights that regular, structured engagement with stakeholders can bring to our approach towards sustainability. Their concerns, inputs and feedback guide our sustainability strategy and help identify areas that we need to focus on, for long-term, sustainable growth.

COMMUNITY & NGO'S	INDUSTRY & PEERS	VENDORS AND SERVICE PROVIDERS	MEDIA	ACADEMIA
<ul style="list-style-type: none"> <li>Axis DilSe initiative in Ladakh region</li> <li>Axis Cares - Employee payroll giving</li> <li>Financial literacy &amp; Inclusion initiatives</li> <li>CSR interventions led by Axis Bank Foundation</li> </ul>	<ul style="list-style-type: none"> <li>Industry and trade associations such as CII, FICCI</li> <li>Participation in multilateral platforms</li> </ul>	<ul style="list-style-type: none"> <li>One-on-one vendor meets</li> <li>Techno-commercial discussions and service engagements</li> <li>Meetings related to audits, governance, compliance</li> <li>Supplier sustainability assessments</li> <li>Email communications</li> <li>Whistleblower mechanism</li> </ul>	<ul style="list-style-type: none"> <li>Press releases</li> <li>Interviews of top management in print and television</li> <li>Emails and telephonic communications</li> <li>PR agency partnerships</li> <li>Media days</li> </ul>	<ul style="list-style-type: none"> <li>Campus placements</li> <li>Common industry forums</li> <li>CSR engagements</li> </ul>

## Determination and Prioritisation of Material topics

The Stakeholder Engagement and Materiality Assessment exercise was previously conducted by us in FY 2017-18. We have revisited the process in FY 2021-22 to identify and account for externalities and internal developments that have taken place over a period of time.

### PROCESS FOR DEVELOPING MATERIALITY MATRIX

#### Identification of key stakeholders

Based on previous engagement and peer review

#### Identification of potential material E,S and G topics

- SASB guidelines, WBCSD Macro Trends & Disruptions 2020-30, World Economic Forum's
- The Global Risks Report and peer review of International banks and Indian banks

#### Prioritisation of key stakeholders and ranking of identified material topics

Prioritisation done by Senior Management

#### Finalise materialise ESG topics

Based on feedback collection from identified stakeholders through a detailed questionnaire

#### Develop materiality matrix of prioritised material topics

Based on the responses received from the Senior Management and our key Stakeholders

### KEY MATERIAL TOPICS

#### Risk Control Measures for Fraud and Money Laundering

As the uptake of anywhere - banking and digital channels rise, the risks of fraudulent transactions have grown manifold. We have a process of monitoring customer transactions through a combination of value-thresholds, velocity-checks and real-time decline of transactions to help mitigate the fraud risk. Please refer to page 43 (Fraud Detection and Mitigation) to know more about the governance mechanisms and initiatives implemented during the year.

#### Customer Privacy and Data Security

Maintaining the privacy of millions of our customers with the highest standards of data security are material issues of the top priority for us. We continually invest in upgrading our core systems for better scalability, stability and enhanced security. Our systems are further bolstered by a variety of internal audits as well as external certifications. Please refer to page 65 of the Annual Report 2021-22 and page 44 (Customer Privacy & Data Security) of this report to know more about our actions.

#### Transparency, Accountability, and Disclosures to Stakeholders

Transparency, accountability and disclosures are a critical aspect of good governance practices, allowing key stakeholders, especially investors and regulators, to get a complete picture of our performance and value creation. Axis Bank was recognised as the national winner in 'Transparency' and 'Leadership in Social Impact' at the ESG India Leadership Awards in 2021. We publish a Sustainability Report annually which contains disclosures on our ESG strategy, commitments, our performance and initiatives. Please refer to page 02 of this report to know more about Our Report.

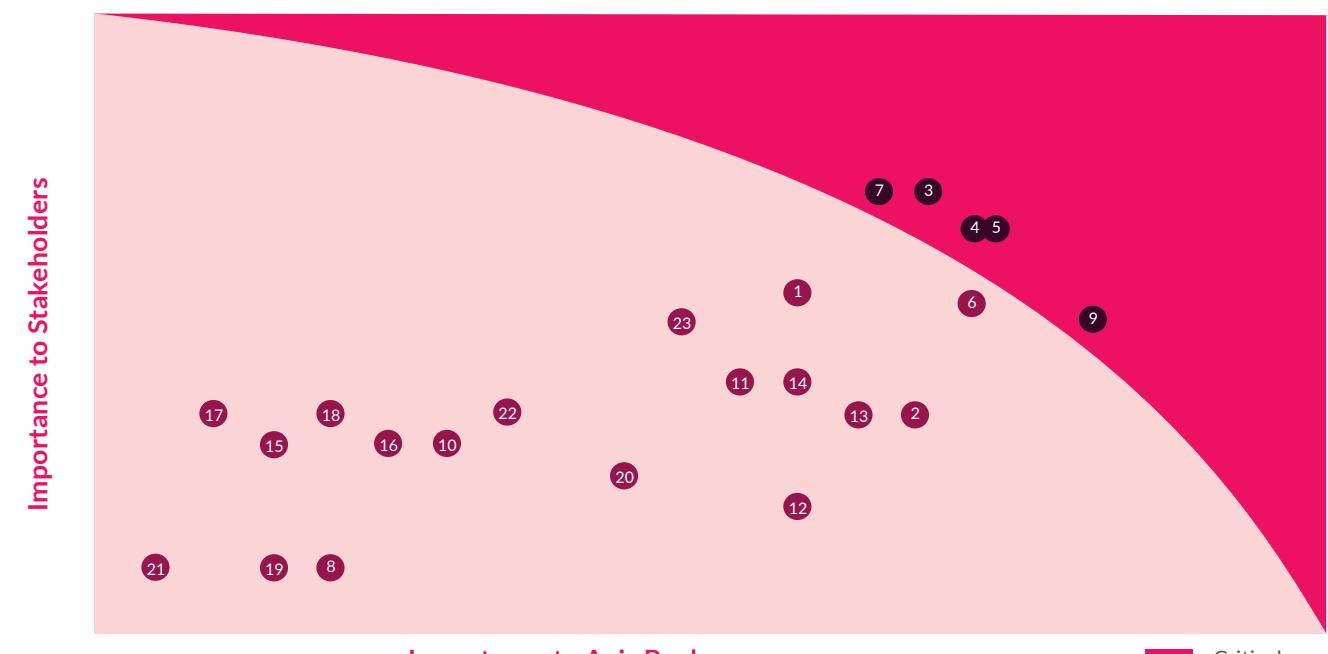
#### Regulatory Compliance and Ethical Business Practices

We are committed to achieving and adhering to the highest standards of corporate governance. Compliance to applicable regulatory requirements is a non-negotiable imperative at the Bank. The Code of Conduct defines the standards expected of all employees to ensure that the right decisions are taken while performing their roles and responsibilities. Please refer to page 40 (Fostering Strong Corporate Governance) to know more.

#### Customer Satisfaction

We are committed to delivering the greatest levels of customer-experience and satisfaction to our user base, and have put in place the requisite frameworks and measurements to gauge customer satisfaction across key journeys, touch points and business lines. Please refer to page 58 (Customer Satisfaction) of this report to know more.

### MATERIALITY MATRIX



#### Importance to Axis Bank

Critical

- 1 ESG Governance and Board Oversight
- 2 Systemic Risk Management
- 3 Risk Control Measures for Fraud and Money Laundering
- 4 Regulatory Compliance & Ethical Business practices
- 5 Transparency, Accountability, and Disclosures to Stakeholders
- 6 Digital Transformation
- 7 Customer Privacy and Data Security
- 8 Policy Advocacy and Thought Leadership
- 9 Customer Satisfaction
- 10 Diversity, Equity & Inclusion
- 11 Employee Engagement, Training and Development
- 12 Talent Attraction & Retention
- 13 Leadership Development and Succession Planning
- 14 Employee Health and Safety
- 15 Integrating ESG in investment and Lending Decisions
- 16 Human Rights
- 17 Optimising Resource Efficiency & Managing Carbon Footprint
- 18 Access to Finance and Financial inclusion
- 19 Community Development
- 20 Brand Enhancement as Environmentally and Socially Responsible Organisation
- 21 Responsible Procurement
- 22 Financing Transition to Low-carbon Economy
- 23 Epidemic & Pandemic Preparedness

In this report, a brief discussion on the material topics most prioritised by our stakeholders is provided.



# Bringing Responsible Banking to the Fore

*Our strong corporate governance framework forms the bedrock of our successful value-creation strategies. We have stringent policies, systems, protocols and reporting mechanisms to ensure that we adhere to the highest standards of ethical-business practices. We imbibe transparency into our operations to foster the trust of our stakeholders and take significant strides to enhance their awareness on the security, ethics and best practices implemented by us.*



The objectives of our policy on Corporate Governance are as follows:

- To enhance the long-term interest of our shareholders, provide good management, adopt prudent risk management techniques and comply with the required standards of capital adequacy, thereby safeguarding the interest of our stakeholders such as shareholders, depositors, creditors, customers, suppliers and employees.
  - To institutionalise accountability, transparency, and equality of treatment for all our stakeholders, as central tenets of good corporate governance and to articulate this approach in our day-to-day functioning and in dealing with all our stakeholders.
  - The Report on Corporate Governance for FY 2021-22, along with a Certificate issued by the Statutory Auditors of the Bank confirming compliance with the mandatory requirements relating to Corporate Governance as stipulated under Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, forms part of our Annual Report 2021-22.
- The Report on Corporate Governance can be accessed from page 127-164 onwards of the Bank's Annual Report 2021-22 at <https://www.axisbank.com/annual-reports/2021-2022/Axis%20Bank%20AR%202021-22.pdf>

## CODE OF CONDUCT

Axis Bank's Code of Conduct and Ethics demonstrates its commitment to the highest standards of ethical practices and integrity, further supported by the five Core Values of the Bank. The Code lays down standards of conduct expected of all employees to ensure ethical decision making while carrying out their roles and responsibilities. It serves as a charter that emphasises on the fundamental commitment to compliance with regulatory guidelines, outlines basic parameters of ethical and acceptable social behaviour and establishes a system for detection and reporting of known or suspected ethical or violations of regulations. New employees at the Bank must mandatorily affirm to the Code, and we mandate all employees to re-affirm to the Code at least once annually. As a part of the annual Code of Conduct training,

all employees are sensitised on prioritising transparent and fair business practices, at all times.

→ Our Code of Conduct and Ethics is accessible on our website at <https://www.axisbank.com/docs/default-source/quarterly-reports/03code-of-conduct-and-ethics-senior-mgt.pdf>.

## WHISTLE BLOWER POLICY AND VIGIL MECHANISM

We have zero tolerance towards the breach of Code of Conduct and have in place a Whistle Blower Policy and Vigil Mechanism to encourage reporting of suspected or actual occurrence of illegal, unethical, or inappropriate actions, behaviour, or practices by our employees, without fear of retribution.

→ Stakeholders may choose to anonymously report on an independently managed web-based application – <https://whistleblower.axisbank.co.in/index.php/portalComplaints/index?cta=code-of-commitment-whistleblower-policy>.

In case of a concern against a senior management of the Bank, they can also be directly reported to the Chairperson of the Audit Committee of the Board.

**406**  
Total incidents reported under Whistle Blower Policy

**87**  
Incidents reported by external stakeholders

**2**  
Cases of potential corruption

**13**  
Pending incidents; disciplinary action underway for 6 cases and investigation underway for 7 cases

## VIGILANCE, ANTI-BRIBERY AND ANTI-CORRUPTION

The Vigilance Function of the Bank is governed by a Board-approved Internal Vigilance Policy. The Policy outlines the Internal Vigilance Framework and the roles and responsibilities of the Vigilance Function. The function is managed by the Chief of Internal Vigilance (CIV), who is a senior official of the Bank and reports to the Group Executive. The roles and responsibilities of the CIV include assisting the Management of the Bank in formulation, implementation and review of Internal Vigilance Policy, creating awareness about vigilance and implementation of a preventive culture in the Bank and arrange for submission of necessary reports to the Audit Committee of the Board.

We have taken several measures for creating a preventive vigilance culture. All Bank officials execute vigilance declaration on joining, and thereafter, on an annual basis, in which acts constituting the vigilance angle are clearly articulated.

→ We also have in place an Anti-Bribery and Anti-Corruption Policy that is available on its website - <https://www.axisbank.com/docs/default-source/quarterly-reports/anti-bribery-and-anti-corruption-policy.pdf>.

Every official commits to adhere to the same and report any violations through our Whistleblower Mechanism, as part of the declaration. Anti-bribery and Anti-corruption are an integral part of the e-learning modules, and feature a training sessions for employees to sensitise them in vigilance practices. Anti-Bribery and Anti-Corruption requirements are also advised and incorporated in agreements executed by us with our service providers.



240

Total cases handled in FY 2021-22

115

Cases under vigilance

373

Officials investigated for vigilance and violation of Code of Conduct cases

316

Officials underwent disciplinary actions for vigilance and violation of Code of Conduct cases

110

Cases under violations of Code of Conduct

117

Cases handled under corruption/ bribery and 92 cases were found to be true

151

Officials underwent disciplinary actions for corruption/ bribery

## TAX STRATEGY

We are committed to staying responsible in relation to our tax affairs at all times to maintain our reputation as a responsible taxpayer. Our Tax Policy addresses management of tax risks that arise for the Bank and its various operations. It is also aligned with relevant global standards such as the OECD guidelines. The Policy also addresses disclosures related to tax payments made in each country that we operate in (known as Country-by-Country Reporting).

→ As a governance best practice, we have placed our Tax Policy on our website and can be accessed at <https://www.axisbank.com/docs/default-source/quarterly-reports/tax-policy-of-the-bank.pdf>.

## FRAUD DETECTION AND MITIGATION

Fraud detection and mitigation is an organisational priority at Axis Bank and its driven from the highest level by our Board of Directors.

We constantly expand our geographical reach, customer base and product offerings. Anywhere-banking and increase in digital channels of transactions have led to the creation of a complex banking environment, fraught with risks that require all stakeholders, especially customers, to remain vigilant and take all the necessary precautions.

In line with this, we have a framework that focuses on seven pillars; deterrence, prevention, detection, investigation, staff accountability, recovery, and reporting. Fraud Risk has an independent oversight within the operational framework.

As part of the framework, we have taken measures to strengthen prevention, detection, and response to incidents in order to protect and minimise frauds via a process of monitoring customer transactions through a combination of value thresholds, velocity checks and real-time decline of transactions, to help mitigate the fraud risk.

**Under our customer engagement programme on fraud awareness, in FY 21-22, we undertook the following initiatives.**

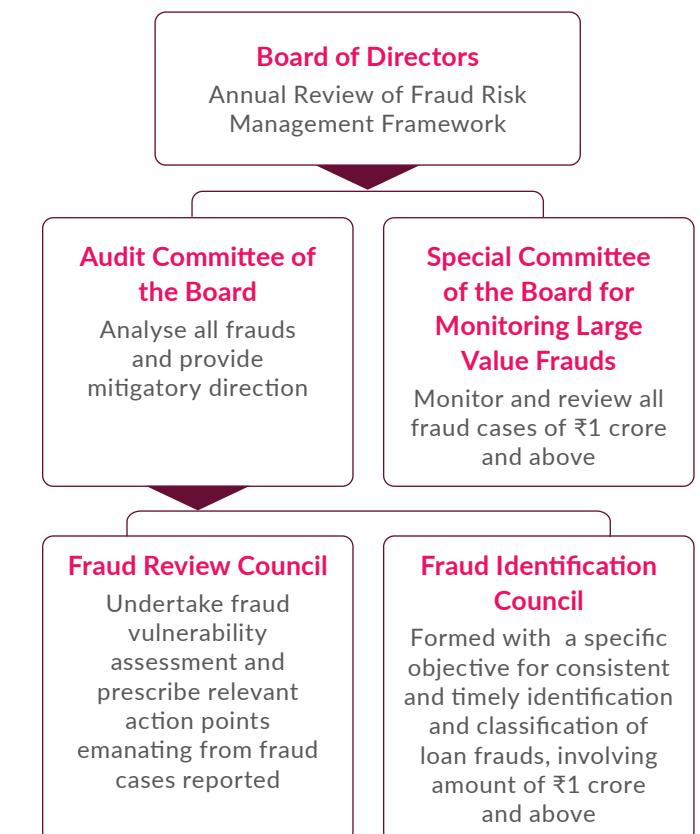
Circulation of 'Safe Banking Awareness' messages through SMS and Emails

Circulation of 'Fraud Awareness Campaigns' Messages  
Emails & Mobile banking

Safe Banking Video 'Muh Pe Taala' continues to play at all the Bank's branches

With a view to create awareness among employees, theme-based internal mails are shared regularly that cover recent fraud cases, key learnings points and best practices which would empower employees to educate customers for cultivating safe banking habits.

## Governance Framework for Fraud Risk Management



Our Policy on Fraud Management and Reporting serves as a reference document and guidance for the internal oversight and detection and an end-to-end Fraud Risk Management system for fraud detection and prevention is in place.

### Fraud Awareness

We use analytics to identify customers who have fallen prey to fraud schemes and design targeted awareness programmes for the customers who are more likely to be vulnerable to fraud.

In November 2021, which is also the International Fraud Awareness Month, we launched '#BankingDhyanaSe', (Hindi for 'banking carefully') a pan-India fraud awareness campaign aimed at creating awareness within our customers.

→ A key highlight of the campaign is the launch of a Fraud Awareness Booklet that has been made available in seven different languages and can be accessed by anyone on our website at <https://application.axisbank.co.in/webforms/axis-support/sub-issues/FND-Fraud-FAI.aspx>.

The campaign continues to be promoted actively through social media, mobile banking, corporate website, and other pertinent channels.

Engaging with the larger ecosystem, we have continually collaborated with the Law Enforcement Agencies (LEAs). We conduct workshops/training sessions for the officials of the LEA to ensure coverage of the entire ecosystem engaged in fighting frauds.

We also actively engage with VISA, MasterCard and NPCI to seek information on fraud trends along with the remedial measures needed to address key risks.

## INFORMATION TECHNOLOGY AND CYBER SECURITY

We have in place a holistic Information and Cyber Security Programme, supported by the Information Security Policy, Cyber Security Policy and standards based on industry best practices, with compliance to regulatory guidelines and in alignment to regulatory directives on Information and Cyber security.

Our cybersecurity strategy is guided by the Board and driven by the Senior Management. As part of the Information and Cyber Security Governance Framework, we have in place the Information System Security Committee at the executive level, constituting key business functions that meet at least once in a quarter to assess the threat landscape and validate the controls enforced in the Bank commensurate with the cyber risks. We are also compliant with ISO 27001 standard and PCI DSS standards.

Notably, our BitSight rating, a key risk indicator of overall cyber security, stood at 780 out of 900, highlighting our strong focus on managing cyber-related risk and governance issues.



Five cybersecurity incidents were reported in FY 2021-22, four in FY 2020-21 and two in FY 2019-20. However, none of them are related to data breach and, therefore, no customer was affected due to any data breach. There are no fines/penalties paid in relation to information security breaches or other cybersecurity incident.

→ Details of our Information Technology and Cyber Security governance, controls and initiatives during the year are provided in the 'Information Technology and Cyber Security' section of the Management's Discussion & Analysis on pages 114-115 in the Annual Report 2021-22, accessible online at <https://www.axisbank.com/annual-reports/2021-2022/Axis%20Bank%20AR%202021-22.pdf>

## 780/900

BitSight rating for our cyber security

## CUSTOMER PRIVACY AND DATA SECURITY

We have enhanced our customer privacy trust framework based on preparedness for emerging regulations, such as the Data Protection Bill in India. We updated our Privacy Policy in 2021 and incorporated key aspects of data privacy and security into our privacy framework. The scope of the control environment has been expanded to

ensure preparedness for expected data regulations in India and other countries with customer presence.

Key interventions for strengthening customer privacy and data security in FY 2021-22:

- In October 2021, the assessment of the risks pertaining to the processing of customers' personal data was re-initiated
- A control environment is being standardised that brings 43 business lines into the privacy environment
- Privacy Stewards, nominees from each business line, percolate privacy best practices within our businesses
- We have committed to investing in Privacy protection, to enhance our customer service and trust.

There have been no observations of non-compliance from regulatory bodies on Axis bank and disclosures on how personal data is collected and processed in a responsible manner are made available to customers through our website, and through tenets including Cookie Policy, Digital Privacy Policy, and European Privacy Policy, for customers in the European region.

No customer privacy complaints have been received from outside parties that were substantiated by the organisation in FY 2021-22. The number of complaints from regulatory bodies for breaches in customer privacy is zero in FY 2021-22.

For enabling our customers to exercise their rights, we equip them with an e-mail address to a specific privacy mailbox that is monitored daily. The mailbox assists customers for raising requests such as 'request to forget' and 'data subject access requests', which are tracked till closure. During the year, there was one customer request for 'Right to Forget' which was addressed in line with applicable regulations and guidelines.

Our Privacy Policy aims to enhance customer awareness towards our systems for protecting and processing personal data responsibly. We follow all regulatory norms on displaying privacy notices to customers for its products and services. We have an insurance cover of US\$ 60 million for information security breaches or other cybersecurity incidents.

## PRODUCT RESPONSIBILITY

We cater to a range of customers in the Indian economy through our products and services that are designed to best meet their customised needs and requirements, while upholding the stringent norms of

the market regulator. Our representatives, especially those dealing with customers directly, whether in person, on phone, or online, are adequately trained on critical Know Your Customer policies, and equipped with the relevant product information.

→ Our pertinent codes, policies and commitments towards customers, such as the Code of Commitment, Citizen's Charter, Customer Rights Policy, among others, are accessible on our website at <https://www.axisbank.com/webforms/code-of-commitment>.

We are cognizant of our responsibility to cater to Persons with Disabilities (PwDs). We are aware of our responsibility towards adequately catering to persons with disabilities, and our branches, ATMs, offices, and digital services, enable easier physical and digital access to our products and services. We have also made our corporate website more access-friendly.

→ Additional details on our services for customers with disabilities is provided on our website at <https://www.axisbank.com/services-for-customers-with-disabilities>.

## ENSURING BUSINESS CONTINUITY

The pandemic has reiterated the significance of deploying robust and agile business continuity mechanisms. The Business Continuity Planning Management Committee (BCPMC) exercises oversight on the implementation of the approved Business Continuity Plan (BCP) framework, which has been put in place to ensure continuity of service to its large customer base.

→ Our Business Continuity Management Statement can be accessed online at <https://www.axisbank.com/docs/default-source/noticeboard/customerserviceinformation/business-continuity-management-at-axis-bank-ltd.pdf>.

## HUMAN RIGHTS

We remain committed to respecting and imbibing internationally recognised human rights principles and standards and putting in place the systems and processes to ensure that no human rights violations occur across the range of our operations. We are guided by the Human Rights Policy which has been framed with references from key global human rights frameworks and principles of the UN, ILO and OECD.

→ The Policy can be accessed on our website at <https://www.axisbank.com/docs/default-source/default-document-library/human-rights-policy.pdf>.

## Lending a Hand for a Better World

**As a bank, we can play an important role in influencing and driving positive economic and societal impact. It is our fundamental priority to support India's transition to a more inclusive and sustainable economy that harbours positive environmental and social outcomes, especially through our lending portfolio. Our diverse range of financial products and services reach out and cater to millions of customers in hitherto unbanked and under banked sections of the population, making way for financial inclusion and literacy in society.**

### Capital linkage



### Stakeholder linkage



### BANKING FOR BHARAT

The diversity in our clientele presents us with an opportunity to serve a wide array of customers, ranging from Fortune 500 companies, multinational corporations to remote women-led self-help groups, entrepreneurs and small-scale farmers. By building unique relationships with our customers across sectors, we have managed to create lasting socio-economic impact.

During the year, we created a growth-focused 'Bharat Bank' with a vision to create an ecosystem for rural India or 'Bharat'. We introduced specific Bharat-centric products and expanded our reach by leveraging our strong physical distribution as well as digital channels. Bharat Banking will work towards unlocking the true potential of rural India. As of March 2022, we had 2,065 'Bharat' branches offering a range of rural products such as farm and agri-related loans, microfinance products, various bank accounts and payment solutions, among others.

During the year, we also scaled up our Common Service Centers (CSC) to 40,000+ outlets, allowing us to penetrate deeper into the rural and semi-urban markets. Additionally, we also partnered with India Post Payments Bank (IPPB) in FY 2021-22 to leverage the IPPB network to expand our presence. Through our partnership with Bayer Crop Science's Better Life Farming (BLF) initiative in India, we are connected with 299 BLF centres in FY 2021-22 across six states including Uttar Pradesh, Jharkhand, Bihar, Odisha, Maharashtra, and Madhya Pradesh.

**2,065**  
Bharat Bank Branches

**40,000+**  
CSC Outlets

### AXIS SAHYOG- REACHING THE UNBANKED AND UNDERBANKED

We launched our Retail Microfinance programme under the flagship of 'Axis Sahyog' in 2013 with an aim to empower millions of families in underbanked geographies across India. By providing inclusive financial solutions, we are helping bring untapped segments of the population into the umbrella of formal financial avenues.

As on March 2022, the programme, driven by our Microfinance vertical under Bharat Banking, has served low-income households and catered to 1.87 million women borrowers. From covering four states in 2013-14, Axis Retail Microfinance is now present in 25 States and Union Territories through 1,000+ branches and four Business Correspondent Partners.

**1.87 MN**

Women borrowers under 'Axis Sahyog' Microfinance programme

Apart from its business activities, the Axis Microfinance team also delivers on our agenda of nurturing financial literacy and health awareness in its areas of operation. This has been highlighted in the 'Strengthening Communities for a Prosperous India' section of this Report.

We have evolved from physical banking to digital anchors, ensuring 'phygital' banking delivery to the last mile, with process improvements such as e-KYC-based onboarding, geo-location tagging, paperless operations and instant credit bureau checks. We also offer a wide range of products fulfilling the features of MUDRA - Shishu, Kishor and Tarun schemes.

**3,65,955**

Savings accounts opened under PMJDY in FY 2021-22

**12,76,117**

Total active accounts under PMJDY as on March 31, 2022

**₹3,074 CRORES**

Small loan disbursals to 0.94 lakhs customers in FY 2021-22

**₹5,251 CRORES**

Mudra Loans sanctioned to 9.9 lakhs+ borrowers as on March 2022

### PRIORITY SECTOR LENDING

We continued to pursue a focused strategy on Priority Sector Lending during the year, augmenting the small ticket - size loans, crop loans to small and marginal farmers and microfinance business, targeted at women borrowers from low-income households. For more details, please refer to the 'Priority Sector Lending' section on [page 107](#) of the Annual Report 2021-22.

### BANKING FOR INDIA'S MSME SECTOR

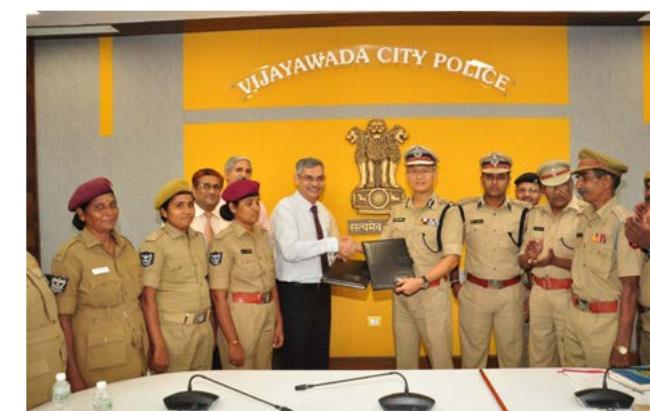
The overall progress of the Indian economy is greatly influenced by the development in the SME sector. The Commercial Banking Group (CBG) is of strategic importance to us and it caters to the SME sector. We strongly emphasise on building and deepening banking relations with small and medium businesses across India. Details on the performance of the Commercial Banking Group can be accessed in the 'Commercial Banking' section of the Management's Discussion and Analysis on [page 110](#) of the Annual Report 2021-22.

### PROJECT SANKALP

Project Sankalp is a tech-driven transformation initiative aimed at improving and enabling ease of business for our SME consumers, providing access to data driven credit decisions, a minimal documentation procedure and simplified products. During the year, the initiative was launched in the Small Business Banking segment to transform loan journeys and enhance customer experience. Through Project Sankalp, we have made significant progress in our digital transformation journey and we expect to roll it out nationally in FY 2022-23.

### SERVING OUR FORCES WITH PRIDE

We continue to be a partner of choice for the country's defence and police forces. Our differentiated product bouquet for the personnel includes complimentary personal accident covers (including child education benefits), and various health and wellness solutions.



### AFFORDABLE HOUSING

We are a significant lender in the affordable housing space, with our product offering, Asha Home Loans, targeted at first time home buyers from economically weaker sections.

The loan book size of Asha Home Loans has grown over 80% in the last two years alone, with 97,000+ customers, highlighting the strong demand for such a product in the target segments.

**80%**

Growth in Asha Home Loans book size between FY 2019-20 and FY 2021-22

**386**

BC points under PMJDY and various government mandates

**24,576**

New enrolments in Social Security Schemes

Asha Home Loans	FY 2021-22	FY 2020-21	FY 2019-20
Book Value (in ₹ crores)	11,312.24	9,578.31	7,844.22
Customer Base	97,246	83,029	69,645

As a part of strengthening our ESG focus, we have also committed to the incremental disbursement of ₹10,000 crores by March 2024 under Asha Home Loans. We are also determined to fulfil the following commitments:

1. Increase presence in Tier-2 and Tier-3 geographies
2. Incremental distribution coverage from 290 to 348 districts by FY 2023-24
3. Increase women customers from the current 13.9% to 16.9% by FY 2023-24

During the year, we achieved a disbursement of ₹3,359 crores against a target of ₹2,265 crores. The distribution coverage has been extended to 310 districts and the share of women borrowers has increased to 15.86% in FY 2021-22.

### EDUCATIONAL LOANS

Our Education Loan portfolio remains strong and addresses a wide variety of educational requirements of the student community.

Educational Loans	FY 2021-22	FY 2020-21	FY 2019-20
Book Value (in ₹ crores)	1,753	1,426	1,419
Customer Base	26,434	22,888	23,060

### SUSTAINABLE BANKING AND FINANCE

We remain committed to actively financing sectors that contribute to India's growth in a manner that creates positive social and environmental impacts. In our endeavour to fully integrate ESG into our strategy and growth plans, we have announced lending and financing commitments that are aligned with the Paris Agreement and SDGs:

- Incremental financing of ₹30,000 crores under Wholesale Banking to sectors with positive social and environmental outcomes by FY 2025-26
- Making 5% of our retail Two-Wheeler loan portfolio as electric by FY 2023-24 and offering 0.5% interest waiver on new EV loans

The total outstanding under our Corporate Advances book to sectors such as renewable energy generation, urban mass transport, electric mobility, and green

buildings, stood at ₹12,255 crores as on March 31, 2022, up ~26% from our previous year's outstanding of ₹9,753 crores.

While increasing financing to positive impact sectors, we also realise the need to move away from investments that could potentially create negative social and environmental impact. To address this, we have committed to scaling down exposure to carbon-intensive sectors over a period of time in our Wholesale banking business portfolio. This commitment has been approved and is being monitored by the ESG Committee of the Board. At present, we have chosen not to make the exact contours of our commitment public, in light of external factors, and shall look to disclosing the contours in the future.

**26%**

Growth in Corporate Advances to sectors with positive social and economic outcomes

### LANDMARK SUSTAINABLE FINANCE DEALS

In FY 2021-22, we initiated notable sustainable financing transactions that aim to contribute to India's sustainable and equitable economic transition.

**US\$ 600 MN**

Raised for India's first Sustainable AT1 issuance

**US\$ 200 MN**

Guarantee framework with GuarantCo for financing EV ecosystem in India

**US\$ 150 MN**

Partial Guarantee facility agreement with ADB for supply chain financing

**US\$ 150 MN**

Commitment to SAMRIDH blended finance facility to boost healthcare infrastructure

### India's First Sustainable AT1 Issuance

We raised India's first sustainable AT1 issuance priced at US\$ 600 million in the overseas markets in September 2021. With this issuance, India became the second jurisdiction in Asia with an ESG AT1 issuance. The offering witnessed an overwhelming response from investors, especially high-quality real money investors, with the order book being 3.8 times oversubscribed, ahead of the Final Pricing Guidance announcement.

For more details, please refer to this press release.  
<https://www.axisbank.com/about-us/press-releases/axis-bank-raises-indians-first-sustainable-usd-at-1-notes-of-600-million>

### Accelerating the EV Ecosystem in India

In November 2021, we announced a partnership with the guarantee arm of Private Infrastructure Development Group (PIDG), GuarantCo, with the intent to execute an umbrella guarantee framework of US\$ 200 million, creating a programme size of US\$ 300 million towards accelerating the e-mobility ecosystem in India. The guarantee will enable capex financing of a wide range of entities engaged in manufacturing, distribution and servicing of electric vehicles (EV), batteries and charging infrastructure. The disbursals under the framework are aligned with our commitment of incremental financing of ₹30,000 crores under Wholesale Banking, to sectors with positive social and environmental outcomes by March 2026.

For more details, please refer to this press release.  
<https://www.axisbank.com/about-us/press-releases/axis-bank-and-guarantco-through-pidg-announce-guarantee-platform-with-a-programme-size-of-usd-300-million-to-accelerate-transition-to-electric-vehicle-eco-system-in-india>



### Strengthening India's Healthcare Infrastructure

The COVID-19 pandemic has revealed the urgent need for boosting investments and partnerships in the healthcare sector in the country. To enable this change, we have committed to strengthen India's healthcare infrastructure by signing an MOU with IPE Global Ltd. for the SAMRIDH Healthcare Blended Finance Facility. Under this partnership, we will provide affordable finance, of up to US\$ 150 million through SAMRIDH, to support health enterprises and innovators who would otherwise be unable to access affordable debt financing.

For more details, please refer to this press release.  
<https://www.axisbank.com/about-us/press-releases/axis-bank-commits-150-million-to-samridh-healthcare-blended-finance-to-strengthen-india-s-healthcare-infrastructure>

### Strengthening Supply Chain Financing to Impact Sectors

We have signed a Partial Guarantee Facility Agreement (PGFA) with the Asian Development Bank (ADB) to support supply chain financing for impact sectors, under which ADB will provide guarantees (variable) to the lending done by us. The programme is scalable, with an initial foundational ramp up of ~US\$ 150 million.

For more details, please refer to this press release.  
<https://www.axisbank.com/about-us/press-releases/axis-bank-and-asian-development-bank-collaborate-to-offer-supply-chain-finance>

### Leadership in Green Debt Capital Markets

We continue to be a leading player in the ESG-aligned debt capital markets space, and have been a part of a number of record-setting deals in the sector.

Joint Arranger for Vector Green Energy's Rupee-denominated Certified Green Bonds – First AAA-rated deal in the Renewable Energy sector

Joint Arranger for Avaada Energy's Rupee-denominated Certified Green Bonds – India's largest AAA rated issuance by any Renewable Energy developer

Mandated Lead Arranger and Book Runner for US\$ 750 million Sustainability Linked Loan to SKI Carbon Black

## Implementation of the ESG Policy for Lending

*As highlighted in the 'Realising our ESG Strategy' section, we have expanded the scope and robustness of our ESG Policy for lending in FY 2021-22. The following case studies highlight the environmental and social due diligence (ESDD) conducted under the policy.*

### Case Study 1

#### Sector: Asbestos-based Products within the Specified Industrial Estate Limits

During the proposal discussion with a company, it was found that though the company is engaged in production/trade of asbestos material, it was not subject to the detailed due diligence as per the ESG Policy for Lending criteria. However, given the background, a detailed ESDD was conducted, and it was found that unbounded asbestos was used for the manufacturing of asbestos-based sheets, which is not as per the Exclusion List of our ESG Policy.

#### Key Mitigation Measures

It was decided that for all future proposals, no incremental financing shall be made to the asbestos sector, subject to the provisions in the ESG Policy Exclusion List.

### Case Study 2

#### Sector: Manufacturing of Steel Files

Our ESG assessment of a company's portfolio identified that as per the current status declared by the company, there were a few cases registered for the non-compliance of labour laws and are in violation of Factory Act/Rules.

Based on the information declared by the company, cases were discussed in detail with stakeholders of the company to understand the current status with respect to the regulatory compliances.

#### Key Clarification Measures

- From the nature of the cases discussed with the company, it became evident that all the cases did not violate the labour and working conditions, and hence, did not appear to be serious causes of concern.
- The company has established strict Occupational Health and Safety measures at the site. Stern supervision has been implemented, especially in the areas involving maintenance work at higher height levels. Standard operating procedures have also been displayed at all workstations.

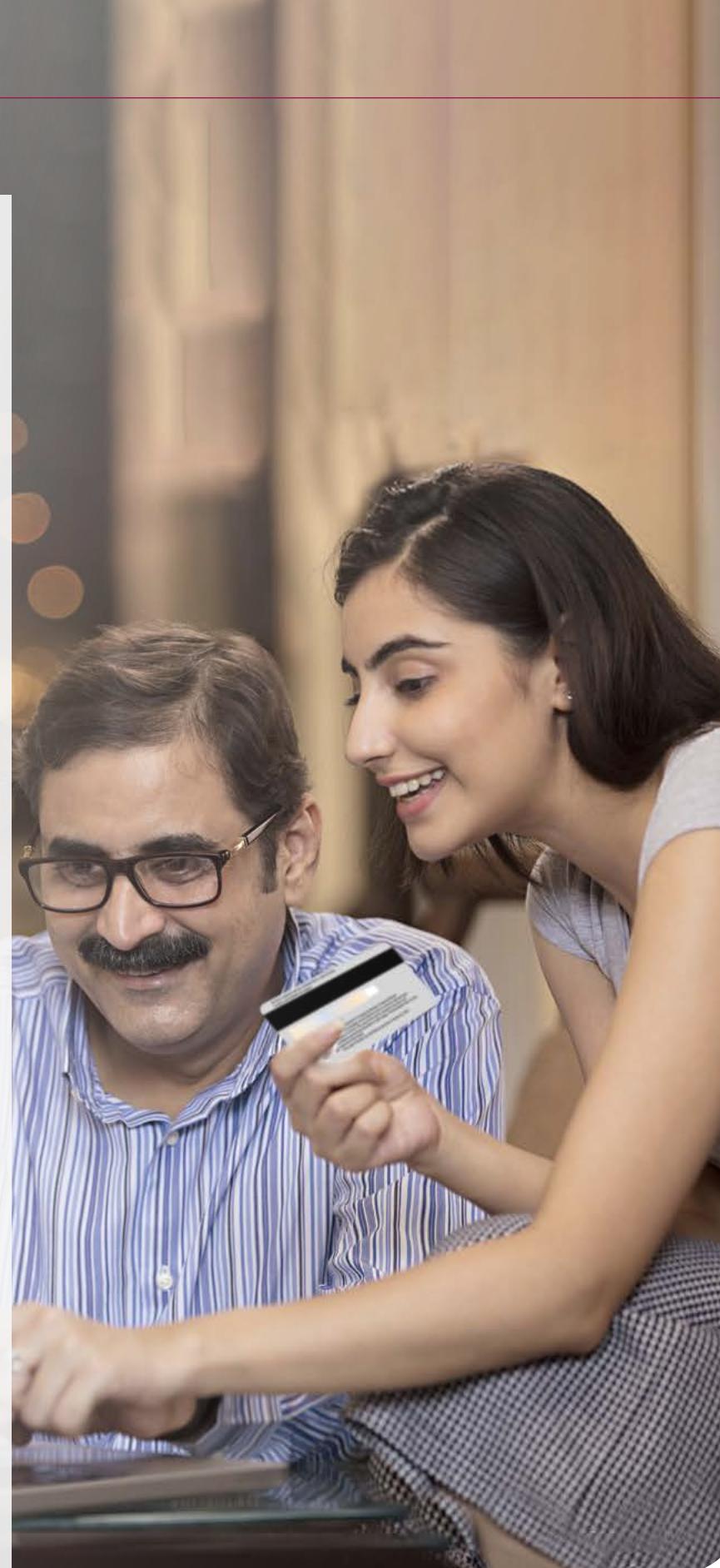
# Ushering in an Era of Tech-led Banking

*We have always focused on identifying opportunities to capitalise innovation for implementing industry leading systems. Enhancing user-experience, reach and efficacy is of utmost priority for us and we are leveraging next-gen technologies to realise our goals. We are committed to building operational architecture that accelerates delivery and caters to our ever-expanding, diverse customer base. We will continue to invest heavily in developing capabilities and introducing re-imagined customer journeys via improved digital adoption.*

## Capital linkage



## Stakeholder linkage



## DIGITAL BANKING

Digital leadership and technology driven transformation form the very foundation of our GPS strategy. We continue to invest in scaling our technological capabilities to enhance our digital platforms. Our OPEN approach drives each of our digital initiatives and stands for 'Zero' operations orientation using 'Proprietary' in-house capabilities, to deliver solutions that are 'Ecosystem' capable and 'Number'-led, i.e. metrics-driven.

### Key Performance Indicators

The efficacy of our digital initiatives prove that customers have embraced the opportunity to switch over to an end-to-end digital journey for banking transactions. Some of the key data points that serve as markers to demonstrate deeper digital integration are highlighted as below:

**91%**  
Share of digital transactions in total financial transactions by individual customers in FY 2021-22

**70%**  
Savings Accounts opened through tab banking in FY 2021-22

**~5,76,000**  
New CASA accounts opened via digital channels in FY 2021-22

**21.16 CRORES**  
Unique Mobile Banking financial transactions in FY 2021-22

**122%**  
Year-on-year growth in UPI transactions in Q4 FY22, with a market share of 15%

**68%**  
Retail term deposits (by volume) opened digitally in FY 2021-22

**~55,500**  
New Salary accounts opened via digital channels in FY 2021-22

**84.20 LAKHS**  
Unique Internet Banking users as on March 31, 2022

**97%**  
Year-on-year growth in mobile banking transaction volumes in FY 2021-22, with a market share of 14%

**46%**  
Share of new mutual fund SIPs sourced (by volume) through digital channels in FY 2021-22

**181.72 LAKHS**  
Unique Mobile Banking users as on March 31, 2022

**1.34 CRORES**  
Unique Internet Banking financial transactions in FY 2021-22

## BRING YOUR OWN DEVICE (BYOD)

Ever since the pandemic began, we have continued a large-scale Work-From-Home mandate for our employees, striving to provide all necessary enablers to support them in performing their duties effectively. One such initiative was to create a Bring-Your-Own-Device (BYOD) environment, providing pertinent frontline employees the convenience of using their personal devices for sales and servicing activities. To enable smooth operations, we rolled out compatible applications across products and businesses.

**99,550+** EMPLOYEES

Moved to the Bring-Your-Own-Device (BYOD) environment in FY 2021-22

## BUILDING NEXT-GENERATION-TECHNOLOGY ARCHITECTURE

We have made some significant investments in building digital and tech capabilities, nurturing talent. We have also made key transformational bets for the future, across our businesses. The strength of our IT team has increased by 75%, with spends up over 2x in last the last two years. We have also focused on modernising the core and scaling up our cloud portfolio to provide a better experience, resulting in multiple external recognitions. Please refer to page 13 of the Annual Report 2021-22 for more details.

## BUSINESS INTELLIGENCE UNIT

Our Business Intelligence Unit (BIU) has focused on creating distinctiveness in the areas of Cloud computing, Big-data platforms, Hyperpersonalisation and Alternate data, with the objective of creating differentiated customer experiences, in line with our focus on customer obsession and digitalisation. It has a team of 450+ members with expertise in distributed computing and algorithms catering to big data, new-age programming language and deep learning frameworks.

Details of BIU's work during the year are also provided in the 'Business Intelligence Unit' section of the Management's Discussion and Analysis, on pages 113-114 in the Annual Report 2021-22.

## COMPLIMENTING INDIA'S GOVERNMENT SECTOR

We have always played an important role as a leading banker to India's Government sector. Over the years, our primary objective has been to positively affect the Government and associated spaces, through the injunction of cutting-edge digital and financial solutions.

We are accredited with several Ministries and government bodies and are authorised for the collections of various taxes and schemes at the Central and State levels. Notably, Axis Bank is empanelled as the sole trustee banker for PFRDA for National Pension Scheme (NPS) collections and is one of the top five best performing banks in the Public Financial Management System (PFMS).

We are associated with 27 Smart Cities across India where we have implemented unique, tailor-made solutions to meet each of their specific requirements. Additionally, we also have strong working relationships with more than 50% of the Urban Local Bodies in the country.

### One Mumbai Metro Card

During the year, Axis Bank, Mumbai Metro and Mastercard launched the 'One Mumbai Metro Card' to ensure contactless and cashless travel for Mumbaikars. It is a prepaid, open loop and contactless card that enables a seamless daily transit for commuters.



## Supporting Urban Transformations

We engage with Urban Local Bodies (ULB) and Smart Cities missions across India, providing a wide range of digital and financial solutions benefiting millions of urban citizens in India.

### Key Government Engagements in FY 2021-22

Shimla Municipal Corporation	Gujarat Municipal Finance Board	Directorate of Municipal Administration, Government of Karnataka	Patna Municipal Corporation
Commissioner and Director of Telangana Municipal Administration	Bhopal Municipal Corporation	Commissioner Municipal Corporation Chandigarh	Greater Chennai Corporation
Aligarh Nagar Nigam	Nagar Nigam Lucknow	Satara Municipal Corporation	

### Railways E-freight

We have entered into an arrangement with the Indian Railways, world's largest national railways system, for provisioning electronic freight collection across 18 zones, becoming the first private sector bank authorised to collect e-freight, along with ancillary charges. Through this partnership, we aim to build an end-to-end paperless transportation and payment process, by enabling real time booking and digital fund flow between end-users and beneficiaries.

### Facilitating E-collection of Customs Duty and Other Taxes

We signed an MoU with the Central Board of Indirect Taxes and Customs (CBIC) that has authorised us to collect customs duty and other indirect taxes via CBIC's national portal, the Indian Custom's Electronic Gateway (ICEGATE). Through this we are providing e-filing services to Traders, Cargo Carriers and other Trading Partners, digitally.

### Odisha e-GRAS PG Integration for Digital Collections

We are the first private sector bank in Odisha to go live with Treasury Online integration, providing customised web-services, as per the requirements of the Odisha treasury Department. Taxpayers in the State can now make payments through the Axis Bank payment gateway using multiple digital banking options.

### 'E Grihanaksha': Online Single-window Building Plan Approval System (West Bengal State Tax Collection)

The Department of Urban Development and Municipal Affairs, Government of West Bengal, under the initiative of the project EoDB (Ease of Doing Business), has undertaken massive re-engineering of statutory procedures. SOPs relating to different urban services have been simplified, facilitating the compliance of entrepreneurs and industries setting up businesses to statutory municipal regulations and procedures. Under the EoDB initiative, Government of West Bengal has authorised us to collect fees for the issuance of online construction permits by the ULBs.

### State Tax Collection – Direct Integration in West Bengal

We have been authorised to collect state taxes by the West Bengal State Tax Collection Department. There has been direct integration between Axis Bank and GRIPS (Government Receipt Portal System) for the digital collection of taxes from the citizens of the state.

### Deploying Digital Fee Collection in Higher Education

We have been working with several educational institutes across India to enhance innovation, presenting smart solutions for their fees and overall financial management.

In FY 2021-22, our key mandates included Education ERP implementation at ANGRAU, Andhra Pradesh, to identify and bifurcate any fees collection according to pre-set regulations; Rashtriya Military schools; Kurukshetra University, Haryana; National Forensic Science University, Delhi and IIM Shillong.

### MOBILISING DIGITAL SOLUTIONS ACROSS AGRI SPACE

Agriculture is the backbone of the rural economy in India, and we strive to support these activities through our expertise in digital banking.

We engage with Uttar Pradesh Cooperative Union to carry out all procurement related payments to farmers for the wheat and paddy purchases. Through this partnership, we have successfully completed the disbursement of funds into each farmer's account within 72 hours of the procurement, as per the Minimum Support Price guidelines set by the Government.

Our partnership with the Directorate of Fisheries PMMSY, Kerala, was a key milestone for us. In FY 21-22, we opened 1 SNA account and 16 Child Accounts for the department, successfully completing beneficiary payments for 1.5 lakhs fishermen in a single month.

Telangana State Sheep and Goat Development Cooperative Federation (TSSGDCF) implemented the scheme of livestock development. The aim is to strengthen the rural economy by empowering the Golla and Kurma communities in their traditional occupation of sheep and goat rearing. We are the sole banker for this mandate across all 33 districts, for both collections and payments through digital modes.

We onboarded Andhra Pradesh State Cooperative Marketing Federation, more popularly known as 'AP MARKFED', facilitating the merchant with a 'Payment Gateway' solution. The main object is to help the farmers

secure a better price for their products, by taking care of their market needs and providing agricultural inputs.

### Government e-Marketplace (GeM) Account for Northern Coalfields Limited (NCL)

Northern Coalfields Limited (NCL), Singrauli, which is wholly - owned by Coal India Limited, is a major contributor towards fulfilling the energy requirements of the nation. We are one of the principal partners in the GeM (Government e-Marketplace) and have opened a GeM pool Account for NCL, creating a digital presence for them in the public procurement space.

Other important breakthroughs include the integration of SBMS for the finance department, along with providing payment gateway and digital solutions for the Government of West Bengal, the World Skill Centre, Chhattisgarh State Power Distribution Company Limited, Electricity Department of Goa, Cochin Smart City Mission, Gujarat State Road Transport Corporation and RCF Kapurthala.

### FDMS - Fund Disbursement and Management System

In FY 2021-22, the Indian Government issued an official memorandum prescribing the procedure for the release of funds under Centrally Sponsored Schemes (CSS). It also specifies the procedures for monitoring the utilisation of funds through the Public Finance Management System (PFMS) to bring more efficiency into Public Expenditure Management. We are developing FDMS, a web portal solution that caters to the requirements of all institutions covered under the guidelines. We have also delivered specific solutions to entities such as the National Health Mission Nagaland, SBM Punjab and PMAY Gujarat.

### Supporting Government Agencies during COVID-19

We firmly stood by the nation in the collective battle against the COVID-19 pandemic. We initiated multi-pronged responses that included supporting our customers, employees, business partners, government agencies and the community at large.

Our Government Coverage Group, owing to its nationwide footprint, extended support on our behalf to various government agencies/departments, such as the Kochi Corporation, State Health Department Uttarakhand, and Ghaziabad Nagar Nigam and East Delhi Municipal Corporation.

### SCALING THE SAKSHAM PLATFORM

Saksham is our self-developed, robust and simplified application, that is used at our branches for processing

financial transactions and all other customer-related services and requests. The unified platform provides a 360 degree view of customer relationships to users on a single screen.

Solutions designed with AI and OCR-based technologies are integrated into Saksham to further reduce the time lag. Additionally, services from UIDAI for biometric-based customer authentication and bio eKYC are incorporated to make requests paperless and automated. Through Saksham, we are the first bank to introduce locker operations via biometric authentication, creating a truly digital and instant customer experience. We are also the first in the industry to launch a teller automated solution called iBAS (intelligent Branch Automation Solution), where transactions are created and processed using OCR-based images. This has been implemented in 250 branches, as on March 2022.

Through its varied applications, Saksham has helped us achieve an estimated paper savings amounting to ~14 lakhs pages annually.

### AUTOMATING BRANCH SERVICES

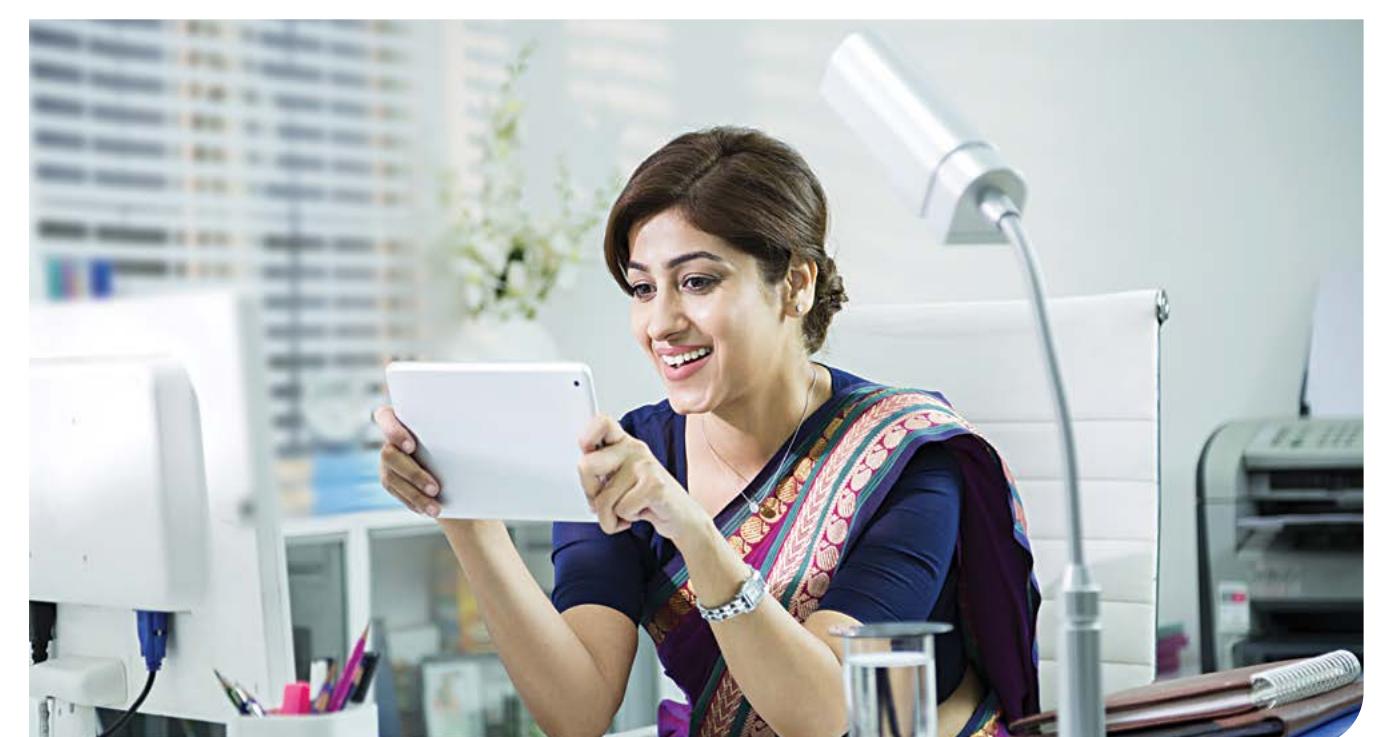
We continue to expand our automated branch services, enabling our customers to avail the most commonly required services, such as passbook printing and cheque deposits, digitally and immediately. As on March 31, 2022,

there were 569 Passbook Printing Kiosks and 287 Cheque Deposit Kiosks in service, with both servicing 38.68 lakhs and 41.62 lakhs transactions, respectively, higher than the previous year's transactions of 37.86 lakhs and 41.48 lakhs respectively.

### BRANCH OF THE FUTURE INITIATIVE

Through our Branch of the Future (BOF) initiative, we provide our customers with the experience of visiting a branch virtually. Access to the internet allows our customers to remotely opt for each and every service offered by us. By virtually accessing our services, they do not need to interact with a branch representative, freeing up saved time for other activities. Currently, a total of 21 services are live under the BOF concept, thus covering ~80% of the transactions at branches under the digital umbrella. About 3,500 man-days per month have been saved across our clearing centres and branches through BOF.

The initiative has also helped reduce the use of paper while processing requests. As per our estimates, the Branch of the Future initiative helps one branch save ~1.1 million sheets of paper per month. Additionally, it is also saving thousands of litres of fuel by cutting down the need for travelling to a branch, thereby also reducing the use of resources at the branches.





## STRENGTHENING CUSTOMER OBSESSION

We aspire to be India's most customer-obsessed bank, and have embarked on a journey to deliver world-class customer experience through interventions across 4 inter-linked layers – listening to and acting on what the customers are telling, optimising all journeys where customers interact with us, enabling colleagues who are engaging with customers and transforming the core operations that support all experiences.

## GAUGING CUSTOMER SATISFACTION

We have a measurement framework to gauge customer satisfaction across key journeys, touchpoints and business lines. The score is referred to as the Customer Experience Index (CX index).

The framework captures feedback across the following aspects:

Onboarding process	Time taken by the Bank to connect after placing the request	Application & documentation process	Awareness about key charges, features & benefits
Experience with the time taken to open the account/get the card/loan	Loan sanction & disbursement (applicable for asset products)	Time taken by the Bank to provide sanction	Verification & documentation process
Communication from the Bank on the loan status	Experience on the first transaction - Getting the card activated/PIN setting experience	Transaction experience at ATM, Branch, loan centre & digital channels	Ongoing usage experience
	We collect feedback from our customers via online surveys and telephonic interviews (for select segments). Surveys are sent over SMS and e-mail, covering Retail Banking customers (retail liabilities, lending, cards & payments) during on-boarding (Application / Sanction / Disbursement), Activation, Usage/Transaction Experience and Servicing.		

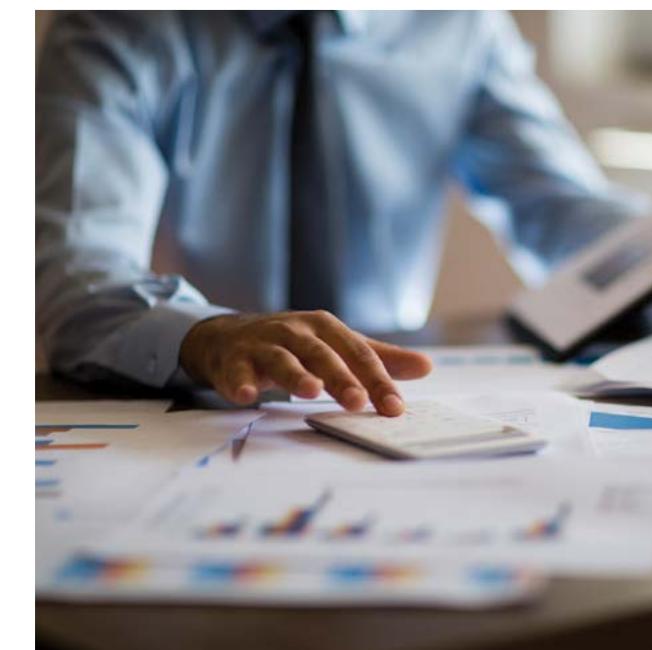
More than 85 lakhs responses were received throughout the year for adjacent business lines under Retail Banking. The overall CX Index for FY 2021-22 stood at 73, achieving our customer satisfaction target for the year.

For the Wholesale Bank vertical, the CX annual programme for FY 2021-22 have been covered in the following segments.

Strategic Client Group (SCG)	Large Corporates (LC)	Multinational Corporates (MNC)	Mid Corporates (MC)
Financial Institution Group (FIG)	Financial Institution Group (FIG) – PSU*	Commercial Banking Group (CBG)	GCG (Government Coverage Group)*

3,100+ corporate customers Across the mentioned segments participated in the survey; overall CX Index\* for Wholesale Bank improved from 68 in FY 2020-21 to 70 in FY 2021-22.

\*FIG-PSU and GCG segments were added in FY 2021-22 and hence not considered in like-to-like comparison of WB CX Index.



## LISTENING TO CUSTOMERS

Our Voice of Customer (VoC) programme has been systematically designed around the concepts of 'Listen', 'Learn' and 'Act'. We are building an omni-channel, real-time customer feedback capability to augment our existing VoC programme (which already covers all segments and products). This helps ensure that we are listening to our customers through their preferred channels, immediately after their interaction with us. The Net Promoter Score (NPS) will be the guiding metric to assess the impact of our programme.

We are also enhancing our ability to extract insights by analysing all forms of written and verbal customer feedback, through artificial intelligence and machine learning. Drawing on these insights, actions will be triggered to allow near real-time responses by relevant colleagues to customers providing feedback. The process will be tracked and reported through a live platform at all levels of disaggregation, down to every individual.

# Nurturing a Thriving Workforce

*We believe that an organisation is as good as its people. For us, our employees are the backbone of our success story and we take all necessary measures to consistently elevate their experience at the workplace. We have a vision to make Axis Bank a melting pot of talent, and we always strive to create an environment that is fair, safe, inclusive, and diverse. We remain committed to investing in our people, presenting them with the best of opportunities to grow, both personally and professionally.*

Capital linkage



Stakeholder linkage



## OUR MOST IMPORTANT ASSET

Our Equal Employment Opportunity Policy guides us towards developing a workplace that recognises and values diversity and inclusion. It reinforces our focus on merit as the sole criterion for employment and advancement within the organisation.

→ The policy can be accessed at: [https://www.axisbank.com/docs/default-source/default-document-library/Equal\\_opportunity\\_policy.pdf](https://www.axisbank.com/docs/default-source/default-document-library/Equal_opportunity_policy.pdf)

85,815

Total Employees

9,791

Total Contractual Workforce

24.66%

Women Employees

## DIVERSITY, EQUITY AND INCLUSION

As a Bank, our culture encourages an inclusive workplace that not only allows diversity to exist, but to thrive. Our practices are in line with our policies and we ensure equity by providing a level-playing field for every employee. We value individuality and cherish the fact that every employee is different and brings unique value to the table. While Diversity, Equity and Inclusion have always been central to our ethos, it was formalised as a commitment in FY 2020-21, with the release of the Diversity, Equity and Inclusion Policy.

→ The Policy can be accessed here <https://www.axisbank.com/docs/default-source/default-document-library/diversity-equity-and-inclusion-policy.pdf>

We also have in place a Policy on Board Diversity to ensure that the Board is endowed with an appropriate balance of skills, experience and diversity of perspectives.

→ Please refer to the Board Policy on Diversity here <https://www.axisbank.com/docs/default-source/corporate-governance/policy-on-board-diversity.pdf>

*As a part of our ESG agenda, we have committed to a target of having 30% women in the workforce by 2027.*





**"The onus of inclusion lies on those who are included, not on those who are excluded"**

#### Our focus is to go:

##### Beyond the Binary

- We have updated our policies for gender inclusiveness beyond the binary of man and woman (Our total count of women and men includes a transman and a transwoman). At work, people are recognised in alignment with their self-identified gender and not the sex assigned at birth.

##### Beyond Biases

- We created our signature DE&I awareness programme 'Pause for Bias' to help our employees rise beyond their inherent unconscious biases.
- We are setting up 'Inclusion Circles' with gender-diverse members, people with varied abilities, different cognitive and sexual orientations and those from diverse functions, to ensure that we get a wider perspective to realise our inclusive vision.

##### Beyond Abilities

- We recognise that disability is not a monolith, and so, we are identifying roles for Persons with Disabilities.
- We have initiated the creation of signages for inclusive restrooms in our large offices, which are accessible to persons with physical disabilities. The signage has a braille script for easy navigation for persons with visual impairment.

##### Beyond Stereotypes

- We have created signages for inclusive 'all gender' restrooms in our large offices, which are accessible to persons with disabilities. The signage has a braille script for easy navigation for persons with visual impairment.

**24.66%**

Overall Diversity Ratio  
as on March 31, 2022

**56%**

Women in Frontline staff<sup>1</sup>

**22%**

Women in STEM<sup>2</sup>

<sup>1</sup>Frontline Staff consists of Sales Channels, Retail RMs, BRO/Tellers

<sup>2</sup>STEM for Axis Bank consists of IT, BU, Dbat, ISS, BSG and CXT functions

##### #COMEASYOUARE CHARTER

In a pathbreaking move, we announced the #ComeAsYouAre charter on September 06, 2021, which is the third anniversary of the historic section 377 verdict that paved the path for LGBTQIA+ rights in the country. This charter is a preamble of policies and practices for employees and customers from the LGBTQIA+ community to make them feel welcome and included.

👉 For more details, please access our press release on the same. <https://www.axisbank.com/about-us/press-releases/axis-bank-announces-comeasyouare-a-charter-of-policies-and-practices-for-employees-and-customers-from-the-lgbtqia-community>

Through our overarching Diversity Equity and Inclusion Policy and Human Rights Policy, we are building an ecosystem that protects the rights of each employee, specifically those who belong to historically marginalised identities and communities.

We ensure affirmative action through our inclusive messaging as well as hiring mechanisms. All our job posts go with the prompt, "#ComeAsYouAre Women, LGBTQIA+ and PwD (People with Disabilities) candidates of all ages are encouraged to apply". As a part of the #ComeAsYouAre charter, a job walk-in drive was organised at our branches on National Coming Out Day. Through prior intimation to branches, key considerations were discussed with Branch Heads for conducting LGBTQIA+ inclusive interviews. The drive received 1,431 walk-in applicants across 15 Tier-1 and Tier-2 cities.

Right from the induction of new joiners to the regular programmes for existing employees, we diligently conduct our 'Pause for Bias' sessions to get our employees in a self-reflective mood about their unconscious biases.

**In FY 2021-22, 36,941 Employees Participated in 187 'Pause for Bias' seminars.**

We have put in place policies and have undertaken campaigns to promote inclusivity in the workplace. We also put emphasis on differential hiring, allowing access to a wider talent pool while creating opportunities for individuals from diverse backgrounds.

All our employees are free to exercise the lawful right to Freedom of Association. However, we do not have any trade union.

We have undertaken flagship initiatives to drive our DE&I agenda forward, taking forward our aspiration to be the front runner in building a diverse, equitable and inclusive workplace within the banking sector in India.

##### #HOUSEWORKISWORK

Under our new initiative #HouseworkIsWork, we invited job applications from homemakers with a minimum graduation qualification from recognised institutes. The underlying objective is to offer them an opportunity to re-join the workforce. The campaign received 3,000+ applications through job links, direct reach outs and employee references. These included details of the

applicants' previous work experience, work format preferences (such as WFH, GIG-A or full time), and preferred functions/departments. The applications were appropriately segregated and tagged to relevant internal recruiters.

**~3,000**

Applications received under the #Houseworkiswork campaign

#### BUILDING AN INCLUSIVE ECOSYSTEM

We realise that to create true value, we need to expand awareness and conversations beyond our own premises. To this end, we undertook several programmes during the year.

##### LinkedIn Advocacy

To create awareness about our approaches, we organise special conversations of social significance on our official LinkedIn page.

##### Axis VIBE

VIBE, in our parlance, stands for Varsity of Inclusive Business Enterprises. Through Axis VIBE, we create a consortium of inclusive businesses who engage and learn from each other about inclusive and equitable practices.

##### Axis Women in Motion

We launched an outreach initiative, Axis Women in Motion (WiM), to build awareness in women students across the country so they can stay engaged in society as economic entities. As a part of WiM, women leaders of the Axis Group interact and engage with students and faculty members, share their life stories and inspire them to develop into economically and emotionally independent entities. These conversations have been conducted across 41 institutes, covering 10,200+ students and 248 faculty members.

## STRENGTHENING HUMAN CAPITAL

### WORKFORCE DIVERSITY

#### Diversity in Workforce

Gender Diversity (%)		FY 2020-21	FY 2021-22
Male	76.61	75.34	
Female	23.39	24.66	
Others	0.00	0.00	
<b>TOTAL</b>	<b>100.00</b>	<b>100.00</b>	

#### Workforce by Age

By Age (%)	<30 years	30-50 years	>50 years	TOTAL
2020-21	46	53	1	100
2021-22	41	58	1	100

#### <sup>1</sup> Employee Gender and Category Wise (Numbers)

	FY 2020-21	FY 2021-22
<b>Male</b>		
Top Management	7	9
Senior Management	187	198
Middle Management	6,377	7,521
Junior Management	25,888	29,864
Frontline Staff	27,536	27,063
<b>SUB-TOTAL</b>	<b>59,995</b>	<b>64,655</b>
<b>Female</b>		
Top Management	0	0
Senior Management	15	20
Middle Management	1,144	1,388
Junior Management	7,278	7,902
Frontline Staff	9,875	11,848
<b>SUB-TOTAL</b>	<b>18,312</b>	<b>21,158</b>
<b>Others</b>		
Frontline Staff	0	2
<b>SUB-TOTAL</b>	<b>0</b>	<b>2</b>
<b>TOTAL</b>	<b>78,307</b>	<b>85,815</b>

#### Age and Gender Wise (Numbers)

	FY 2020-21	FY 2021-22
<b>Male</b>		
<30 years	25,260	23,649
30-50 years	34,096	40,278
>50 years	639	728
<b>SUB-TOTAL</b>	<b>59,995</b>	<b>64,655</b>
<b>Female</b>		
<30 years	10,840	11,929
30-50 years	7,419	9,157
>50 years	53	72
<b>SUB-TOTAL</b>	<b>18,312</b>	<b>21,158</b>
<b>Others</b>		
<30 years	0	2
<b>SUB-TOTAL</b>	<b>0</b>	<b>2</b>

	FY 2020-21	FY 2021-22
<b>TOTAL</b>	<b>78,307</b>	<b>85,815</b>

#### Region Wise (Numbers)

	FY 2020-21	FY 2021-22
<b>Central Office</b>	3,643	4,472
Regional Offices (Navi Mumbai + Hyderabad)	4,378	4,803
<b>North</b>	21,064	23,391
<b>East</b>	13,820	14,778
<b>West</b>	17,381	19,127
<b>South</b>	17,860	19,109
<b>Overseas</b>	161	135
<b>TOTAL</b>	<b>78,307</b>	<b>85,815</b>

<sup>1</sup> Employees in the roles of Sales Channel, Retail RMs, BRO/Tellers are categorized as Frontline Staff effective FY2022. Corresponding figures for FY2021 have been published.

### NEW HIRES

#### Age and Gender Wise (Numbers)

	FY 2020-21	FY 2021-22
<b>Male</b>		
<30 years	8,245	10,407
30-50 years	5,892	11,412
>50 years	17	18
<b>SUB-TOTAL</b>	<b>14,154</b>	<b>21,837</b>
<b>Female</b>		
<30 years	3,473	5,980
30-50 years	1,005	2,433
>50 years	2	4
<b>SUB-TOTAL</b>	<b>4,480</b>	<b>8,417</b>
<b>Others</b>		
<30 years	0	2
<b>SUB-TOTAL</b>	<b>0</b>	<b>2</b>
<b>TOTAL</b>	<b>18,634</b>	<b>30,256</b>

#### Turnover— Age and Gender Wise (Numbers)

	FY 2021-22
<b>Male</b>	
<30 years	1,406
30-50 years	1,053
>50 years	0
<b>SUB-TOTAL</b>	<b>2,459</b>
<b>Female</b>	
<30 years	600
30-50 years	168
>50 years	0
<b>SUB-TOTAL</b>	<b>768</b>
<b>TOTAL</b>	<b>3,227</b>

#### Employee Category Wise (Numbers)

	FY 2020-21	FY 2021-22
<b>Top Management</b>	1	1
<b>Senior Management</b>	29	19
<b>Middle Management</b>	790	1,440
<b>Junior Management</b>	6,496	12,693
<b>Frontline Staff</b>	11,318	16,103
<b>TOTAL</b>	<b>18,634</b>	<b>30,256</b>

<sup>2</sup> New Hires denote employees who have joined during the year and are on-roll as on 31 March 2022. Total New hires for the FY2021-22 were at 33,483.

#### Employee Category Wise (Numbers)

	FY 2021-22
<b>Top Management</b>	0
<b>Senior Management</b>	0
<b>Middle Management</b>	59
<b>Junior Management</b>	1,089
<b>Frontline Staff</b>	2,079
<b>TOTAL</b>	<b>3,227</b>

<sup>3</sup> New Hires Turnover denotes employees who joined and resigned within the same year.

### ATTRITION

#### Workforce Turnover<sup>4</sup> – Age and Gender Wise (Numbers)

	FY 2021-22
<b>Male</b>	
<30 years	10,052
30-50 years	9,302
>50 years	50
<b>SUB-TOTAL</b>	<b>19,404</b>
<b>Female</b>	
<30 years	4,532
30-50 years	2,020
>50 years	4
<b>SUB-TOTAL</b>	<b>6,556</b>
<b>TOTAL</b>	<b>25,960</b>

<sup>4</sup> Denotes voluntary attrition and includes New Hire exits.

### TURNOVER RATE

#### Turnover Rate for Permanent Employees and Workers (%)

	FY 2021-22		
	Male	Female	Total
<b>Permanent Employees</b>	31.1	33.2	31.6

Voluntary exits considered which exclude exits on account of demise, retirement, and termination.

### CATALYST

Catalyst, our internal job platform, provides mobility to employees seeking different and more challenging roles internally.

In FY 2021-22, we filled 802 vacancies through internal job postings 10x times higher than internal moves during FY 2020-21, which was 80.

## SECURING THE WORKFORCE FROM COVID-19

We continued with our hybrid working model through most of the fiscal, after having initiated a complete 'work from home' mandate well before the surge of the second and third waves of COVID-19. Under the oversight of CERT, that was formed in FY 2020-21, we issued regular and timely health advisories, monitored staff health, focused on maintaining social distancing, sanitised all our business locations and undertook other safety measures throughout the year. The initiatives undertaken during FY 2020-21 continued to be applicable during the year and can be accessed on page 67 of the Sustainability Report 2020-21.

## ENSURING A HARASSMENT-FREE WORKPLACE

We are committed to creating a healthy, safe and secure workplace that fosters respect and dignity for all individuals. We have a zero tolerance towards any forms of harassment and constantly strive to create an environment that is free from unwelcome, offensive and discriminatory behaviour. We also take measures to ensure that no human rights violations of any sort can occur, knowingly or unknowingly, across our operations and value chain.

The Policy on Prevention of Sexual Harassment (POSH) is applicable to all our employees and is aligned with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Internal Complaints Committee, along with the policy, create a safe workplace for our female employees. We work towards building awareness, training and redressal, putting in place mechanisms that prevent any adverse consequences on the complainant. A mandatory, bank-wide training programme on POSH is conducted on the Learning Management System for employees, to create awareness about the policy, its provisions and mechanisms, to prevent and deal with cases of harassment.

The primary interventions to raise awareness on our POSH Policy and redressal systems continued to be implemented across the Bank, including awareness posters at all branches and offices, screen savers on all computers, periodic publication of Ethical Times, and most importantly, POSH training and awareness sessions, which continued to be conducted virtually.

## RESHAPING OUR WORKPLACE

We have initiated several programmes to reshape the way we work, making way for a productive and driven workplace.

### GIG-A Opportunities

The GIG-A opportunities, launched in FY 2020-21, generated positive results, opening a completely new pool of talent for us. As of March 2022, 3,600+ employees were part of GIG-A Anywhere, of which 42% were women, 41% were from non-metro towns and 71% were non-bankers. Additionally, 110+ freelancers are with us now under the GIG-A Freelancer programme. 92% of the participants in the GIG-A programmes were satisfied with their roles and overall experience.

**3,600+**

Employees took part in the GIG-A Anywhere programme

### Hybrid Work Model

We continue to operate under a hybrid work model which was launched last year in large offices. As per the model, our employees have the choice to attend office for two days a week.

**~12,000 EMPLOYEES**

Continued to work in the hybrid model, as of March 2022.

## EMPLOYEE SATISFACTION

We work tirelessly to create a workplace that induces pride within all our employees. We conduct confidential surveys to better understand their perception and sentiments regarding our alignment of culture and actions, adhering to our five Core Values – Customer Centricity, Teamwork, Ethics, Transparency and Ownership. We score our employees' favourable responses as shown in the following table.

## Employee Engagement Scores (%)

Core Value	FY 2021-22	FY 2020-21	FY 2019-20
Customer Centricity	90	89	86
Ethics	59	68	67
Transparency	88	87	83
Teamwork	88	87	83
Ownership	88	87	84

Through focused employee initiatives such as the Compliance Culture Project, we are working on improving the Engagement Score in Ethics.

Additionally, the surveys also seek to gauge the level of pride that employees exude in their Bank.



### Advocacy

**89%** ▲1%

would recommend Axis as a great place to work to friends

### Pride in Axis

**89%** ▲1%

felt their friends and family believe that Axis is a great place to work

**91%** ▲1%

felt good about the ways in which Bank contributes to the society

**92%**

believed Bank is well positioned to win in the future

**94%**

are proud to represent brand Axis in conversation with customers

## REWARDING MERITOCRACY

Our Performance Management System focuses on developing a transparent, performance-driven culture which awards meritocracy. Our appraisal processes are designed to provide opportunities for employees, not just for excelling in their roles, but also to give them an opportunity to redeem themselves in case of lower-than-expected performances.

### Performance Feedback – Employee Category Wise\* (Numbers)

Received	FY 2020-21	FY 2021-22
Top Management	7	9
Senior Management	186	205
Middle Management	6,937	8,068
Junior Management	44,385	46,016

\*Employees who have joined the Bank after 30<sup>th</sup> September in a financial year are not included in the annual appraisal for that year.

The Nomination and Remuneration Committee of the Board is the highest body governing remuneration and is guided by the Remuneration Policy. We are also working towards integrating ESG imperatives and commitments into the goal sheets and KRAs of pertinent leaders and departments, as a part of our overall ESG strategy.

Bank's Remuneration Policy can be accessed at:

→ <https://www.axisbank.com/docs/default-source/quarterly-reports/comprehensive-remuneration-policy.pdf>

## Use of Analytics for Workforce Management

We rely on data-based insights for decision-making. The Human resources team uses analytics to determine pay ranges, predict manpower requirements, and distribute rewards to ensure meritocracy and differentiation. The department also utilises analytics to track its overall manning, attrition, and transfers across the organisation. Further, the scope of analytics is expanded as and when a use case emerges.

## INVESTING IN THE DEVELOPMENT OF OUR PEOPLE

We firmly believe that adequate, need-based training is an important tool for our employees to grow at work. Over the years, our approach towards employee learning and development has evolved from episodic learning interventions to integrated journeys with milestones.

In line with this thought, we initiated and conducted several key training and competency assessment programmes.

### Leadership Ecosystem

#### Leadership Basecamp

Leadership Basecamp for frontline managers was launched for Liability Sales and Retail Lending SM and ASM. The objective was to help these managers get inducted into the Leadership ecosystem of the Bank. The same will be launched for Branch Banking and other roles in FY 2022-23.

#### Leadership Collective

Leadership Collective is an intervention created for our leaders in middle management to develop leadership mind-set, enhance capabilities and enable them to synergise to outperform as per the Leadership Ecosystem. It is a 12-month long learning journey launched for various cohorts, and it uses a blended approach with virtual workshops, webinars, e-learning modules and success stories of application.

#### Leadership Signature

The programme was launched for Senior Management to develop strategic mindset and vision to lead us into the future.

#### Induction

##### Headstart – Organisational Induction Programme

This is a unique, online organisational induction programme going up to the Deputy Vice President grade, with focus on Axis Values, Axis Culture, Compliance, Cybersecurity and AML KYC, among other key priorities. Headstart was introduced in June 2020 with a unique Stay Positive Programme, for increasing mindfulness and direct interaction between new joiners and senior leaders.

##### Headstart – Functional Induction Programme

This is a functional induction programme for new joiners in specific business units such as Rural Lending, Retail Assets, and Corporate Salary, among others, for role-specific training in Products and Processes.

### Axis Competency Profiler

Axis Competency Profiler (ACP) is an assessment engine focused on building functional competencies specific to every role. The assessment is directly linked with promotions and role transitions. Employees (up to grade of DVP and below) across 1,600+ roles were eligible for the assessment in FY 2021-22. There were 368 profilers and 80,000+ questions spread across three difficulty levels in the assessment, which was launched in a phased manner in November 2021, and continued till March 2022.

### Mandatory Compliance Certifications

Certifications in line with regulatory requirements as well as corporate governance took place throughout the year. Specifically, 100% certification was achieved by designated staff on KYC and AML and 86% of all our employees completed the five mandatory Compliance courses, Cyber Security awareness for Senior Management and Board members, and assessment on Code of Conduct and Ethics.

### Compliance Culture Project

The Compliance Culture project for Branch Banking, implemented in association with an expert, was launched in FY 2020-21, with a focus on building a strong culture of compliance among branches through a host of micro-projects that have addressed key compliance and audit issues. The Project has achieved substantial success in addressing critical compliance issues in each region and promoting a culture of adhering to compliance.

### Go Beyond – Wholesale Banking

Learning journeys for Wholesale Banking Products and Commercial Banking Group were launched under the Go Beyond Initiative during the year, comprising a combination of functional and behavioural inputs. The learning journeys seek to build capabilities among key customer-facing roles in these business lines.

### Silver Certification BRO Programme

Learning journeys for the BRO Channel were launched under the Go Beyond Initiative. Comprising a combination of functional and behavioural inputs, the learning journeys seek to build capabilities among key customer-facing roles in these business lines.

### Silver Certification

Silver Certification is a learning journey focused on employee capability-building specific to frontline roles. This included programmes designed to develop the skillset, toolset, mindset and knowledge required for respective roles. In FY 2021-22, we started with a total of 5,500 eligible employees (with a tenure of 6 months and above). The learning journey is directly linked with promotions and role transitions.

### RM Programmes

RM (Relationship Manager) learning journey covers the induction and the ongoing learning journey for Priority, NR and Burgundy business verticals.

### Employee Training – Employee Category and Gender Wise (Person-hours)

	FY 2020-21	FY 2021-22
<b>Male</b>		
Top Management	22	51
Senior Management	1,908	2,105.54
Middle Management	314,730	2,38,408
Junior Management	1,511,332	9,12,708
Frontline Staff	988,352	23,35,729
<b>Female</b>		
Top Management	0	0
Senior Management	268	168.5
Middle Management	59,609	44,714.8
Junior Management	654,060	2,34,470
Frontline Staff	187,044	11,39,270

\* Training numbers include person-hours spent for induction and refresher courses

For FY 2021-22, average person-hours of training was 51.49 for males, 63.57 for females, and 54.61 person-hours for all employees overall. Out of all training given to employees, 62% were conducted online, in the form of e-learning modules and remaining 38% were classroom-based training.



## PRIORITISING EMPLOYEE HEALTH AND WELL-BEING

The well-being of our employees continues to be one of our top priorities. We are constantly working towards making our workplaces safer and our welfare policies much more inclusive. We invest in engaging with our employees through various initiatives to not just boost productivity at work but to also ensure holistic physical and mental well-being.

We kickstarted several key initiatives to fulfil this agenda, during the year.

### Wellness Webinars

Through these webinars conducted by medical professionals and health and wellness partners, we stress on the importance of keeping fit and fine.

### Emphasising Mental Health

We have deployed an app-based employee assistance programme service that ensures access to mental health professionals for online consultations. We have also onboarded individual counsellors to offer proactive, personal one-on-one talk therapy and group sessions on specific needs including Stress Therapy, Relationship and Marriage Counselling, Child and Adolescent behaviour, Personal Coaching, Gender and Sexuality counselling, Pet therapy and more.

### Multi-Modal Therapeutic Practices

In our group coaching sessions, we deploy multi-modal therapeutic practices like Dance Movement Therapy and Psycho Drama to address the opportunities that exist within ourselves.

### Co-creation

At Axis Bank, we co-create possibilities and opportunities for our stakeholders. Recreation is an important component of co-creation.

### Employee Benefits

Employee Benefits (₹ million)	FY 2020-21	FY 2021-22
Gratuity benefit plan expenses*	352.9	711.8
Compensated absences expenses*	NA #	NA
Contribution to employees' superannuation plan for the year*	154.2	142.3
Provident Fund benefit plan expenses*	1,353.9	1709.6

\*Section 2.2.12 – Employee Benefits, as part of 'Notes Forming Part of the Financial Statements' on pages 190-192 of the Annual Report 2021-22.

#Axis Bank has discontinued PL encashment from FY 2019-20.

### Parental Leave

The parental leave policy instituted by us has evolved over time, becoming more inclusive and providing leaves for single parents and for parents who are adopting, while being gender inclusive. The policy is as follows:

- Maternity leaves have been renamed as 'Leaves for birthing parents' to include transmen who could be birthing parents.
- Paternity leave or leave for partner of birthing parent can be availed by members of all genders regardless of marital status. This recognises all employees of all genders who have a birthing partner besides cismen in heterosexual relationships, and hence, can be availed by lesbian women, intersex persons and transgender men and women.
- Adoption leaves can be availed by all employees regardless of gender or marital status.
- Special leaves when employee is the partner of the birthing parent who is the primary care-giver due to the demise of their partner.
- Employees who are intersex and transgender persons can avail of Gender Affirmation leaves in many tranches as required for surgical interventions.
- The medical insurance covers Gender Affirmation surgery costs.

### Employees Availing Parental Leave

	FY 2020-21	FY 2021-22
Paternal	2,318	2,726
Maternal	448	1,439
<b>Employees Returning to Work after Availing Parental Leave as on March 31, 2022</b>		
Paternal	2,178	2,726
Maternal	352	1,303

**Employees who availed parental leave in FY 2020-21, returned to work and are still on company rolls as on March 31, 2022:**

**2,245**  
Male

**1,218**  
Female

### Grievance Redressal

An important step in our endeavour to achieve our philosophy of 'Dil Se Open' is establishing a robust grievance redressal mechanism that allows employees to share their concerns and receive timely resolution. This is facilitated through H-Response, an internal, confidential, and secure employee grievance/query-redressal mechanism that is accessible to all employees through our HR app, One Axis, or the intranet portal.

H-Response received 138,371 queries within various categories during the reporting year, of which 137,040 queries were resolved as on March 31, 2022. Employee query categories include retiral benefits, salary, tax exemption, investments, transfer, attendance, learning and development, resignation, leaves, Mediclaim and insurance, and performance management.

**1,37,040**

Queries resolved in FY 2021-22

interference, including fire related incidences, and accidents.

→ A detailed commentary on our fire-safety processes is provided on page 65 of the Bank's Sustainability Report 2020-21, which can be accessed here [https://www.axisbank.com/Sustainability-Reports/2020-2021/Axis%20SR%202020-21\\_Final.pdf](https://www.axisbank.com/Sustainability-Reports/2020-2021/Axis%20SR%202020-21_Final.pdf)

### Central Command Centre

Our Airoli office is equipped with a 'state-of-the-art' system as Central Command Centre. This Command Centre currently provides risk-based security surveillance, remotely, to 3,999 branches, 102 offices, and 36 Currency Chests.

Command Centre connected branches use IP-based cameras, which operate through a Network Video Recorder, Intrusion Alarm System connected over IP to Motion sensors, Panic Switch, Smoke Detectors, Seismic ATM Sensors and Sound hooter. We have Quick Response Teams mapped to each branch which is further mapped to the Centre, to extend on-field support to branches. The Centre plays a key role during any natural or social exigency.

**The Command Centre averted potential fire incidents at 213 branches during the year.**

# Strengthening Communities for a Prosperous India

*As a large-scale financial institution, we have a responsibility of bringing about meaningful change within the different layers of society. We curate impactful initiatives that help inculcate resilience within communities by enhancing their knowledge, livelihoods and way of life. We work with people from diverse socio-economic backgrounds, across rural and urban India, and contribute significantly to the nation-building and equitable progress of our country.*

## Capital linkage



## Stakeholder linkage



## AXIS BANK FOUNDATION

### Message from the Chair



"Rural communities are at the heart of India's development journey. Over the years, we have witnessed their resilience in the face of challenges posed by economic fluctuations, climate change and the pandemic. The Axis Bank Foundation has been working towards empowering rural communities with the necessary tools and knowledge to diversify their income streams, enhance their livelihoods, provide access to opportunities and improve their quality of life, with the purpose of building an equitable, sustainable and inclusive society."

**S Ramadorai**  
Chair, Axis Bank Foundation

Our Corporate Social Responsibility (CSR) philosophy emphasises on measurable contribution to the progress of communities by creating timely and pertinent opportunities around the three thematic focus areas of Lives and Livelihoods, Education, and Financial Inclusion and Financial Literacy, as well as other needs-based interventions, especially in environmental sustainability. The programmes are driven directly by the Axis Bank Foundation, along with experienced implementation partners.

Our CSR interventions, aligned to Clause 135 of the Companies Act, 2013, and all the subsequent rules made thereunder, are overseen by our Board, guided by the CSR Committee, and are aligned with our CSR Policy.

The Annual Report on Corporate Social Responsibility that provides a detailed breakdown of our CSR spending and thematic disbursement, forms a part of our Annual Report 2021-22, and can be accessed on pages 85-88 of the Annual Report 2021-22.

## THE SUSTAINABLE LIVELIHOODS PROGRAMME

Registered as a charitable trust in 2006, the Axis Bank Foundation (ABF) works towards making rural communities self-reliant through its Sustainable Livelihoods Programme that was set up in 2011. For the last decade, ABF has been addressing the socio-economic and ecological challenges faced in some of the most remote regions in India.

Under the programme, the Foundation focuses on creating stable livelihoods for rural communities and skill development for rural and peri-urban youth. Every project is designed and implemented according to the varied requirements and aspirations of each community. This is achieved by working with several entities, ranging from NGO partners, government departments, residents of the village, on-ground community workers and members of collectives.

The Foundation is progressing towards its 'Mission 2 Million' – a goal set in FY 2017-18 to reach 2 million households by FY 2024-25.

**10,28,780 MN**

Households across 12,436 villages reached through the programme as of March 31, 2022

**Case Study****Encouraging Rural Entrepreneurship**

Barika Kurudi lives with his family of six in Karanja village, Odisha. He cultivates on 3.5 acres of land. However, income from the produce is insufficient to support the basic necessities and food requirements of his family. Determined to improve his agricultural productivity, he joined the ABF project in his village to learn new techniques. Through the project, Barika was introduced to vegetable cultivation, and he started cultivating on a small part of his land.

During several interactions, the project staff identified his popularity among his community and encouraged him to work as a para-worker to help fellow farmers adopt better agricultural practices. Barika participated in a five-day training programme on vegetable production and started disseminating his knowledge to farmers in three nearby villages. He soon came to be known as an expert in vegetable cultivation.

He was instrumental in mobilising 130 farmers and formed the Ganga-Jamuna Producer Group to provide better market linkages to farmers. Thereafter, through the project, he attended a seminar on vegetables and

fruits to learn about various post-harvest processes, along with credit and market linkages that could help the producer group function more effectively. Last year, the producer group was able to sell 45 tonnes of vegetables like cauliflowers and chillies under his leadership. The producer group has also been able to link different markets of Rayagada, Bhubaneswar and Berhampur in Odisha.

Due to these continuous trainings and exposure, Barika aspired to expand his scope of activities to become an entrepreneur and enhance his own income, as well as to provide better services to farmers. To develop his skills, he was sent for a 15-day residential agribusiness workshop after which he received a license for trading in seeds and fertilisers.

Today, Barika Kurudi has become an established entrepreneur and has transformed his life within three years, with the support from the ABF project. He has diversified his seed business and has also started a community facility centre in the village, to provide various services to farmers.

**BOOSTING ACCESS TO NATURAL RESOURCES**

ABF, through its work on Sustainable Livelihoods, seeks to provide rural communities with equitable access to natural resources, especially water. Over the last couple of decades, climate change, deforestation, pollution, and decreased groundwater have left India's rural communities grappling with a severe water crisis.

Farming communities heavily rely on local water bodies and rainfall as agriculture and allied activities are their primary source of income. Lack of water or erratic weather patterns has far-reaching effects on agricultural output and, consequently, on the lives and livelihoods of the communities.

ABF supports various interventions that are focused on the management of natural resources – land, soil, biodiversity and water. The programme has facilitated

watershed management, repair of existing structures, and tree plantation. Many watershed development activities have been implemented under the Mahatma Gandhi National Rural Employment Guarantee Scheme (MNREGS). Farmers have benefited greatly from the water management practices, which include solar-powered lift irrigation, levelling of fields to prevent water runoff, planning the equitable distribution of water resources and promoting less water-intensive crops. These practices have resulted in multiple cropping cycles, improved soil moisture and recharged groundwater levels.

Land use management entails the identification of common land for livestock grazing and the collection of Non-Timber Forest Produce (NTFP) and biomass fuel. Good practices around soil are aimed at preventing erosion, retaining moisture and sequestering carbon.

**Case Study****Increasing Access to Water**

Nikudin Mundu is a marginal farmer who lives with his wife and five children in Ruitola, a tribal village in Jharkhand. Agriculture is his primary source of income. Produce from his vegetable cultivation provided food for the family and a steady source of income. However, his produce was limited as part of his land was uneven, making it difficult to irrigate and cultivate on.

During a village meeting hosted by ABF's project staff, Nikudin expressed his challenges. The Vasundhara Sevak, a para-worker who liaises between the project and his fellow village residents, proposed digging a farm pond to resolve the issue. With support from the project, a farm pond was constructed on the uneven portion of Nikudin's land. Now, Nikudin is able to cultivate all year-round. His farm pond is also a source of water to neighbouring farmers for their agricultural activities.

This support has led to an increase in Nikudin's income and enabled him to diversify into pisciculture as an additional source of income.



## ENCOURAGING A 'BASKET OF LIVELIHOODS'

Agricultural productivity of small and marginal farmers is strengthened and increased through capacity building and awareness on crop-planning, mulching, use of organic inputs and adopting multi-cropping practices. Crop diversification is encouraged, along with the promotion of better seeds and crop varieties, which have water requirements in sync with the local conditions.

Improved availability of water has helped in mitigating the risk of crop failure and has encouraged multi-cropping. The use of organic inputs has enhanced soil fertility by improving its nutrient quality and water-holding capacity. These interventions have resulted in the sourcing of higher-quality inputs at lower costs, reduction in investment, higher yields, and increased income, and has overall eased the credit burden of farmers.

ABF supports and encourages rural households to establish a 'Basket of Livelihoods'. This entails diversifying

their income sources and reducing their dependence on a single source of income. Through the programme, communities are introduced to allied agricultural activities such as livestock rearing, horticulture, floriculture, sericulture, apiculture, and fisheries. These alternate means of income sustain their round-the-year food and cash availability, reduce forced migration and provide farmers with an additional livelihood avenue that is not season-specific.

Livestock rearing has especially proven to be a value-addition. With soil and water conservation practices in place, there is better availability of natural fodder in the surrounding areas. There is a strong focus on capacity building and training while supporting a range of inputs such as animal sheds, provision of feed, along with access to credit for acquisition, maintenance and marketing of livestock assets. Additionally, veterinary support such as deworming and vaccinations is made available through a cadre of para-vets who are trained in livestock health management and have experience across different regions.

## DEVELOPING RURAL ECONOMIES

ABF's focus on building integrated livelihood value chains has also supported and nurtured local entrepreneurs and microenterprises in rural communities. Through the programme, ABF has facilitated capacity building, improved access to technical and business management knowledge, provided credit linkages, and consistent handholding to stabilise operations of newly established enterprises. With this support, home-based micro-enterprises have leveraged locally available resources and traditional processing techniques, to process and add value to agricultural, livestock and other produce, before bringing them to local and external markets.

Micro-enterprise development has enabled financial independence and empowered rural communities to harness a better quality of life. It has translated into increased purchasing and savings capacity at the household level and increased women's participation in the market or cash-based economies. Local entrepreneurship has also opened up mass employment opportunities at a community level through direct employment as well as indirect employment via channels that source local raw materials.

## ENSURING LONG-TERM IMPACT

To sustain rural livelihoods, ABF equips volunteers from communities, also known as, Community Resource Persons (CRPs) and organises rural communities into groups to lead interventions in the future. The long-term goal of making communities economically stable requires community members to actively participate, imbibe new skills and incorporate new processes.

CRPs and community groups are trained to engage respective communities, plan and execute village development projects, maintain and ensure equitable usage of natural resources, access government schemes, avail affordable credit, and boost the bargaining power of communities in formal markets for selling their produce. The programme facilitates the formation and capacity building of community groups such as Self-Help Groups, Farmer Producer Organisations, Federations, Village Development Committees, Cooperatives, Cluster Level Organisations and Water User Associations.

Farmer Producer Organisations create market linkages to provide farmers with better prices on inputs and produce. Water User Associations are focused on watershed management and equitable access to water. SHGs give women a platform to hone their leadership skills while promoting savings and access to affordable credit to expand their livelihood opportunities. This also furthers Axis Bank Foundation's aim to ensure gender equality.

The Foundation's long-term partnerships seek to ensure that the community groups and processes outlive the project period and are independently continued by the communities.

## EMPOWERING FUTURE GENERATIONS

India's youth are one of the most vital assets of the nation's economy. Recognising their significance and potential, ABF has been investing in skill development for rural and peri-urban youth and Persons with Disabilities (PwDs), to increase their employability in the organised sector and support them in achieving their aspirations. Skill centres across the country, which are run in partnership with NGOs, train youth in various vocational skills and guide them towards career paths aligned with their interests and talents.

Post-training, they are provided with job linkages or assisted in setting up their entrepreneurial ventures. PwDs are supported to find employment in work environments where employers are sensitised to adopt a more inclusive work culture.

Youth Trained

38,009

PwDs Trained

14,114

Number of Skill  
Centres

97



## Case Study

**Boosting Agriculture through Innovative Irrigation Techniques**

Many small and marginal farming households from the rural hinterlands suffer crop losses due to erratic rainfall. Excess water or the lack of water can both affect crop yield and erode topsoil. Hence, proper irrigation is one of the crucial inputs in agriculture.

In Waghale village of Maharashtra, the soil is conducive for cultivating commercial crops such as onion, garlic and vegetables that can be harvested in shorter cycles, providing regular year-round income to farmers.

To combat the challenge of erratic and unpredictable rainfall, sprinklers for irrigating farms are an option. Yet these can become an expensive investment for farmers. The ABF project collaborated with the farming community to explore alternative, low-cost irrigation models that would address their needs. Rain pipe irrigation came up as an affordable technological solution. Farmers under the project were provided a set of 7 pipes that would irrigate half an acre of land

at a time. The rain-pipe structure could be easily lifted and placed in a different part of the farm once the half acre was irrigated. This has enabled farmers to cultivate throughout the year without any hassle.

Dharmadas, a marginal farmer in the area, had adopted flood irrigation for cultivating vegetables on his plot. However, excess water increased the soil moisture making his crop vulnerable to pest attacks. He had to invest in pest management, and also suffered crop losses.

Through the project, he was introduced to rain pipe irrigation and learned of its advantages. He laid rain pipes in his half acre farm where he grew fenugreek and onions. He has been able to save labour costs associated with flood irrigation and has witnessed a significant decrease in pest attacks. He has been able to produce more of both the crops and fetch higher prices for his produce.

## Case Study

**Diversifying Livelihoods – Livestock Rearing**

Kamali Ahari and her husband Chunilal Ahari hail from Jamun village in Rajasthan. Agriculture is the family's primary source of income, with animal rearing supplementing their livelihood, as is the case with many households in the village. They earned a meagre income from their farm produce and were unable to support their family of four or invest in their children's education, due to the uncertainty in income.

Although Kamali reared 10 goats as a source of income, high mortality rates and poor health conditions of the herd resulted in low reproduction and more challenges rather than steady income. Accessing medical services for the community's livestock was a major issue because of the village's remote location. Timely treatment for sick animals was near impossible to arrange, and residents of the village faced major losses with daunting regularity.

Kamali joined a Self-Help Group (SHG) promoted by ABF through which she was introduced to better livestock health and feed management practices. She also gained access to a livestock community resource person in the village, colloquially known as Pashu Sakhis or 'friends of animals' who provide primary healthcare services and guide livestock farmers when they need

it most. The Livestock CRP provided vaccination and deworming services to Kamali as well as guided her on disease prevention and management of livestock. This hand-holding support helped Kamali significantly reduce mortality rates in her herd and increase profit. As a part of the SHG, she also began saving ₹50 per month.

The ABF project provided Kamali with Sirohi (improved breed) male goats which helped her address the reproduction issues in her herd. Kamali expressed that the new variety of goats was highly profitable. She noted that the indigenous variety of goats produced 2 kids in 24 months but Sirohi breeding goats produced 2 kids in 18 months. Since adopting better healthcare practices learned through the project, Kamali reports that she has not experienced any miscarriages and her herd is now regularly vaccinated and disease-free. She is also able to sell and consume goat milk and uses the increased manure from goat rearing on her farm.

At present, Kamali owns 14 healthy goats. Livestock rearing has enabled her to pay for her son's B.Ed. course. She plans on selling milk and using the profit for her daughter-in-law's education.

## AXIS CARES

Axis Cares is our employee engagement programme that encourages and enables all employees to fulfil their Personal Social Responsibility and contribute towards building a better tomorrow.

Under Axis Cares, each project has been carefully hand-picked to reflect our ethos for our community, categorised into six themes –

1. Child Needs You
2. A Hand for the Elderly
3. Sports for Everyone
4. Nurture Nature
5. Wildlife and Us
6. Preserve Heritage Converse India

## MITIGATING THE EFFECTS OF COVID-19 PANDEMIC

As the world continued to grapple with the pandemic and its effects, India witnessed a deadly second wave that left households across the country in a difficult and desperate situation. This intensive and widespread wave resulted

in a massive shortage of resources and over-burdened healthcare systems.

This ended up deeply affecting the health, well-being and livelihoods of rural communities. Poor treatment facilities and weak infrastructure in rural areas made the situation drearier. The death toll in rural India was at its peak since the pandemic began.

To support those adversely and severely impacted, ABF partnered with grassroots NGOs who directly work with rural communities. This ensured faster delivery and agility in responding to the evolving needs on multiple fronts.

ABF, with the help of its partner NGOs, provided kits, with food, medical and hygiene supplies to economically-disadvantaged households and vulnerable rural communities and helped set up isolation centres in villages, provided access to ambulance support, supplied oxygen cylinders as well as refilling facilities. NGOs were able to disseminate timely, accurate and transparent information about vaccines, alleviate apprehensions about it and encourage communities to reduce risks via vaccination. The Foundation's support facilitated vaccination drives in rural communities and supported remote artisan communities in timely medical aid.



## AXIS DILSE

### Axis DilSe (Manipur)

Our flagship programme in education, Axis DilSe, aims to provide children from remote regions in India with opportunities of better learning. It recently completed its second year of partnership with the Sunbird Trust to support the Lyzon Friendship School in rural Manipur. Under the programme, the infrastructural expansion of the school and its hostel, and pedagogical and training support to its teachers and pupils, enabled it to expand its capacity to 300+ students, all of whom hail from tribal and rural communities.



### Axis DilSe (Majuli, Assam)

During the year, we expanded the Axis DilSe programme to Majuli, India's only island district, in Assam. In the region, we are supporting the Hummingbird School established by Ayang Trust, which has 238+ children from the predominantly tribal inhabitants on the island, of which 78 children stay at the hostel.

## AXIS BANK SCHOLARSHIP PROGRAMME

We support scholarships that can enable youth, especially women, from economically weaker sections and from Tier-2/3 towns and below, to pursue undergraduate degrees in leading universities.

**Ashoka University:** The Axis Bank Scholarship programme at Ashoka University, Haryana, continued this year, providing scholarships to 10 female undergraduate students pursuing STEM-related disciplines at the University, in addition to the continuing scholarships to the 10 female students from the previous year.

**Plaksha University:** During the year, we initiated the Axis Bank Scholarship Programme at Plaksha University, Punjab, providing scholarships to 16 students who are pursuing undergraduate degree programme, from economically weaker backgrounds from Tier-2/3 towns.

## COLLABORATING FOR EXPERIENTIAL LEARNING

We continued to provide support towards setting up of the 'Museum of Solutions (MuSo)' in Mumbai with JSW Foundation. The Museum, scheduled to open its doors in

## NEED-BASED HEALTHCARE INTERVENTIONS

The COVID-19 pandemic continued to impact lives and livelihoods of millions of Indians during FY 2021-22. For the second consecutive year, our CSR initiatives focused on ameliorating the hardships of communities most affected due to COVID. We continued to extend our support to front-line warriors including police departments, Urban Local Bodies, government departments, and hospitals, among others, to combat the second wave of the pandemic. This year, we also supported vaccination drives for economically weaker sections in urban areas, in partnership with pertinent government and healthcare entities.

We also supported 120 paediatric cardiac surgeries for children from economically weak backgrounds diagnosed with Congenital Heart Diseases (CHD), in three states.

## EMPOWERING COMMUNITIES THROUGH THE FINANCIAL LITERACY PROGRAMME

The COVID-19 pandemic severely affected the livelihoods of the base of the pyramid, forcing millions of labourers, vendors, small producers and many others to dig into their meagre savings, or borrow from others, to make ends meet, as income dried up. Many continue to remain below their pre-COVID levels of prosperity even today.

FY 2022-23, aims to provide experiential learning beyond classrooms to children from all backgrounds and age groups.

## COMMITTING TO MISSION 2 MILLION TREES BY 2027

Under our larger ESG agenda, we have committed to planting 2 million trees by 2026, with an aim to contribute to India's carbon sink, in alignment with the Paris Agreement.

The programme is being implemented by four of our existing implementation partners in the Sundarbans (West Bengal), Madhya Pradesh, Gujarat, Karnataka and Rajasthan.

The programme is envisaged to be achieved in three cycles of three years each, with the first year for planting and the second and third years for monitoring. The programme design weaves in active community participation and ensures that local species that are best suited to the geographical and climatic conditions are planted.



PAN-India beneficiaries of the Financial Literacy Program (FLP)

## SACHETANA – PREVENTIVE HEALTH CARE AWARENESS

In FY 2020-21, in light of the pandemic, we introduced the 'Sachetana' initiative to educate participants on ways to protect themselves and their families through better health and hygiene, be aware of the facilities in their vicinity, and remove their apprehensions about vaccination. Sachetana also has a broader focus on aspects such as leading healthy lifestyles through good nutrition and good hygiene.



# Choosing green. Creating impact.

*Our physical presence and outreach extends to the farthest corners of the country. With such wide-scale operations, we are aware of the impact we have on the environment and hence take all necessary measures for the responsible consumption of resources. We continue to invest in best-in-class technologies to optimise our operations, minimise our ecological impact and cut down on our overall carbon footprint.*

## Capital linkage



## Stakeholder linkage



Our direct environmental footprint is attributed to the resources we consume to effectively run our operations and serve our customers and other stakeholders. This primarily includes purchased electricity and the use of diesel generator sets at our branches, along with the use of paper in banking forms, statements, and other such documents.

The Policy on Environmental Management guides our strategy and action towards being an environmentally responsible organisation.

→ The Policy can be accessed online at [https://www.axisbank.com/docs/default-source/default-document-library/axis-bank\\_policy\\_on\\_environmental-management\\_2020.pdf](https://www.axisbank.com/docs/default-source/default-document-library/axis-bank_policy_on_environmental-management_2020.pdf).

We are committed to following industry best practices, adopting pertinent technologies, and investing in solutions that can rationalise our resource requirements and lower our overall environmental footprint.

As the sector continues to move at a rapid pace towards digitisation and digitalisation, we are investing in large-scale, strategic initiatives that can not only make our systems and processes more agile and efficient, but also enhance the experience of our customers. The Bank is currently discussing a pathway for reducing carbon emissions from its own operations at the ESG committee of the Board.

*We have set a target of 5% reduction in intensity emissions per employee year-on-year and are working towards aligning our interventions to achieving this.*

## Energy Consumption (terajoules)

	Electricity Purchased	Electricity Generated*
FY 2019-20	737.75	102.49
FY 2020-21	859.98	87.17
FY 2021-22	745.30	171.13

\* This includes electricity generated through diesel consumption and installed renewable energy capacity at the Bank having generated approximately 171,130 GJ of electricity.

## Energy Intensity (GJ per FTE)

	Direct Energy	Indirect Energy
FY 2019-20	1.38	9.95
FY 2020-21	1.11	10.98
FY 2021-22	1.99	8.68

## GHG Emissions (1000 tonnes of CO<sub>2</sub>e)

	Direct Emissions <sup>#</sup>	Indirect Emissions <sup>##</sup>
FY 2019-20	6.25	168.04
FY 2020-21	5.56	195.88
FY 2021-22	13.85	163.55

\*As a service organisation, the emissions such as ozone-depleting substances (ODS), Nitrogen oxides (NOx) and Sulphur oxides (SOx) and other air emissions are relatively not materially significant.

<sup>#</sup> Direct emissions are scope 1 emissions which includes CO<sub>2</sub>, N<sub>2</sub>O and CO<sub>2</sub>e emissions from Axis Bank's diesel usage in its large offices including both owned and leased branches. The month-wise diesel consumption data is extracted from the Caphub Team under the Finance & Accounts Department, which handles monthly accounts and billing. The cost of diesel consumed pan bank is converted in quantities consumed by using state level diesel prices. Further, the average rate per litre diesel is calculated as per IOCL rates for diesel every month for 4 metro cities. The emission factors and GWP (Global Warming Potential) values have been taken from IPCC guidelines. The Bank has used financial control approach for measuring and managing these emissions, hence diesel consumed by leased branches are covered under Scope 1 category. We plan to also include emissions resulting from refrigerant leaks and use of fire extinguisher in drills in Scope 1 in the future and are putting necessary measurement systems in place.

<sup>##</sup> Indirect emissions are scope 2 emissions which include CO<sub>2</sub> emissions from electricity consumed by Axis Bank. The month-wise electricity consumption data is extracted from Caphub Team under the Finance & Accounts Department, which handles monthly accounts and billing. The cost of electricity consumed pan bank is converted in quantities of electricity consumed by using state level tariffs. The emission factors have been taken from CEA's (Central Electrical Authority) CO<sub>2</sub> database, version 17. The Bank have used financial control approach for measuring and managing these emissions.

### GHG Emissions Intensity (tCO<sub>2</sub>e per FTE)

	Indirect Emissions	Direct Emissions
FY 2018-19	2.27	0.11
FY 2019-20	2.27	0.08
FY 2020-21	2.50	0.07
<b>FY 2021-22</b>	<b>1.91</b>	<b>0.16</b>

\*Above consumption and emission data are pertaining to PAN India Axis offices and branches.

Scope 3 GHG emissions, related to Employee Commuting (we provide shuttle bus or traveller services for employees) were 298.45 tonnes of CO<sub>2</sub>e and Business Travel (Business Air Travel and Employee Local

(Restatement: The Greenhouse Gas (GHG) emissions, associated with Scope 3 - Employee Commuting (Company provided shuttle bus or traveller services for employees) are restated as 339 tCO<sub>2</sub>e against the 2021 figures released in Sustainability Report 2020-21. The restatement is only for the above-mentioned category of emissions. This restatement has been assured under third party verification process for this year.)

Conveyance for official visits to offices/branches) were 1,220.14 and 1,859.20 tonnes of CO<sub>2</sub>e respectively.

Scope 3 GHG emissions also include purchased goods and services (paper consumption) which was 3,776 tonnes of CO<sub>2</sub>e. We are committed to strengthening our processes for monitoring and reporting additional Scope 3 emission categories.

We strive to make continuous efforts towards reducing our Scope 3 emissions. Post easing out of COVID-19 restrictions, air travel has again increased. Furthermore, we are actively imbibing digital modes into our business and operations. By expanding the scope of our digital lending activity, we have managed to reduce the printing of stationery items in every business unit.

### ENERGY

Key interventions in place or scaled up during the reporting to achieving greater environmental efficiency in our operations.

- Implementation of Solar energy projects across select Axis Bank branches and offices, aggregating to ~7.05 MW, helped save ~3,066 tCO<sub>2</sub>e of carbon emissions in FY 2021-22.
- We are procuring solar power of ~1 MW (3.50 lakhs units p.a.) under Power Purchase Agreement (PPA) Model since FY 2019-20 for our Data Centre in Bengaluru. We have consumed 39.76 lakhs units of electricity for our Data Centre in FY 2021-22, which helped save ~3,141 tCO<sub>2</sub>e of carbon emissions.
- IOT-based monitoring of power generated through solar installations across rooftops in 245+ branch locations.
- In FY 2021-22, the implementation of CEMS in 600 branches helped save 38.87 lakhs units of electricity, which resulted in saving ~3,071 tCO<sub>2</sub>e of carbon emissions.
- Existing conventional light fittings replaced with LED fittings in 1,789 branches PAN India, helping save 67.59 lakhs units of electricity and thus ~5,340 tCO<sub>2</sub>e of carbon emissions.
- Maintenance of unity power factor through APFC panels in auto mode for optimum use of power at Axis House Mumbai and Axis House Noida.
- Installation of motion sensors for workstations and common area lighting at Axis House, Mumbai and Regional Office Bengaluru
- We have installed Electrical Vehicle charging facility at our offices in Mumbai and Noida, and our back-office at Mumbai.

### KEY INITIATIVES TOWARDS ACHIEVING RESOURCE EFFICIENCY

We are committed to investing in digital solutions and multi-pronged energy-conserving initiatives to further our commitment to achieving greater environmental efficiency in our operations.

*During the year, our corporate head office, Axis House Mumbai, achieved Platinum certification Under the IGBC (Indian Green Building Council) Green Existing Building Rating System for 'Energy and Operational Efficiency'. This makes us the only private sector bank to achieve such a Rating.*



<EV Charging station installed at Axis House, Worli, Mumbai>



## CENTRALISED ENERGY MANAGEMENT SYSTEM (CEMS)

In FY 2021-22, we utilised a total of 916,430 GJ of energy, out of which 81.32% was grid electricity, consumed primarily at our offices, branches and ATM locations. Since FY 2014-15, we had adopted the Centralised Energy Management System (CEMS) at our large branches and offices as a cloud-based solution that remotely controls and manages temperatures of AC systems as well as pertinent lighting installations, thereby rationalising electricity consumption and maintaining ambient temperatures. Since its implementation at 246 branches in 2015, we estimate that CEMS has helped reduce our consumption by ~10% from the baseline in those branches where it is installed.

As on March 2022, CEMS is implemented in 600 branches, with electricity savings of ~38.86 lakhs units and monetary savings of ~₹3.42 crores in FY 2021-22, on an annualised basis. ~3,887 Mwh energy was saved through these installations cumulatively in FY 2021-22, helping avoid 3,070.56 tCO<sub>2</sub>e of emissions.

**38.86 LAKHS UNITS**  
Electricity savings

**3,887 Mwh**  
Total energy savings

**3,070.56 tCO<sub>2</sub>e**  
Reduction in emissions

## ENERGY CONSERVATION

We are striving to scale our existing commitments and take new initiatives that can rationalise our operational carbon footprint, while also ensuring that the maintenance of our existing infrastructure and future expansion is greener in nature. Key initiatives include:

- Lithium-based battery backup provided for all new UPS installations and existing replacement
- Invertor-based air conditioning machines with green refrigerant gas (R32/R410A) provided for all new installations and existing replacements
- Complete replacement of conventional lights to LED lights at all Branches/Offices
- Electrical vehicle Charging facility available at large buildings i.e Axis House, Mumbai, Andheri MIDC & Axis House, Noida

## PAPER AND WASTE MANAGEMENT

- Conversion of 2.31 MT food/wet waste at Axis House in Mumbai, into compost through composting machine, used in landscaping/gardening of premises.
- 23.83 MT of dry waste such as newspapers, shredded documents, dry paper cups, cardboard boxes and tissues collected at all large offices across India, were sent for recycling.
- Collection and disposal of 83.12 tonnes of e-waste during FY 2021-22 from all large offices and branches PAN India through government-authorised vendors.

We have expanded our reporting boundary for paper and waste management in this reporting period. In addition to reporting on waste data from our headquarters, Axis House in Mumbai, we are also reporting data from our nine large offices across India. E-waste disposal continues to be reported at a pan-Bank level.

As highlighted in the 'Doing Business Sustainably' section of this Report, the implementation of strategic business initiatives such as Saksham, and the growth in digital banking products and services have also contributed to significant paper savings.

Together, these initiatives have resulted in a significant amount of energy savings in FY 2021-22, avoiding 9745 MT of GHG emissions. Our host of initiatives comprises solar power generation, renewable power purchase arrangements, implementation of CEMS, procurement of wheat straw-based paper, and digital banking services such as Saksham initiative and issuances of e-statements and e-welcome kits under digital banking products and services.

## WATER CONSUMPTION

As a service sector organisation, our primary use of water is for drinking and ensuring the hygiene of our employees, as well as for landscaping at some of our large offices. We strive to follow best practices for efficient water use across our premises. Interventions in place for water conservation include:

- Daily re-cycling capacity of 110 KL of water through Sewage Treatment Plant at Axis House, Mumbai
- Use of wash basin sensors, aerators and bio-blocks in washrooms at select large offices
- Rain water harvesting capacity of ~2,000 KL annually at Axis House, Mumbai

## NOTES

## NOTES

## NOTES



AXIS BANK

REGISTERED OFFICE  
'Trishul', 3<sup>rd</sup> Floor,  
Opp. Samartheshwar Temple,  
Law Garden, Ellisbridge,  
Ahmedabad - 380 006

Tel. No. : 079-6630 6161  
Fax No. : 079-2640 9321  
Email: [sustainability@axisbank.com](mailto:sustainability@axisbank.com)  
Website: [www.axisbank.com](http://www.axisbank.com)

CORPORATE OFFICE  
'Axis House', C-2  
Wadia International Centre,  
Pandurang Budhkar Marg,  
Worli, Mumbai - 400 025

Tel. No. : 022-2425 2525  
Fax No. : 022-2425 1800

INCLUSIVE & EQUITABLE ECONOMY  
THRIVING COMMUNITY  
HEALTHIER PLANET