

Sustainability Report
2022-2023

PROGRESSING ON PURPOSE

Living the *open* philosophy



Progressing on Purpose

Axis Bank has been serving the needs and aspirations of millions of Indians in each and every corner of the country for close to three decades. As India's third largest private sector bank, we have always believed we have a central role to play in helping India move on a path towards inclusive and equitable development.

Guided by our purpose statement – Banking that leads to be a more inclusive and equitable economy, a thriving community, and a healthier planet', our diversified and integrated business model combines our experience, our strengths as a financial institution, our stakeholders' trust in us, and a spirit of innovation, to support our myriad of stakeholders, including our customers, employees, and the community at large move forward on this pathway.

The path to an inclusive and sustainable India is laden with difficult challenges and tough choices, filled with complexities that are dynamic and which will require us to think strategically and act cohesively.

As an organisation, our 'OPEN' philosophy has been the source of our ability to truly embrace the unknowns and continually adapt and evolve towards the best outcomes for the economy, the community, and the only planet that we share with each other.

The theme of this Report – Progressing on Purpose, aims to underscore our commitment to our Purpose and our efforts during the year across corporate governance, diverse banking activities, employee initiatives, physical operations, and community interventions as we progress on our chosen pathway.

Our Purpose Drives Our Actions

- 1 We leverage our digital leadership to serve the unbanked and underbanked population in the country, helping them enter the financial mainstream.
- 2 We continue to create platforms for mutual growth, which results in the constant support received from our value chain partners.
- 3 We have committed to significant investments in sectors that create positive environmental and social impacts.
- 4 We aim to improve the socio-economic conditions and help create new, often unprecedented opportunities for economic progress and well-being for communities across India.
- 5 We strive to create an environment that is inclusive, diverse and promotes the overall well-being, while providing our employees with opportunities to grow.

Our Purpose



Inclusive and equitable economy

We are committed to providing opportunities that help the most economically disadvantaged achieve prosperity



Thriving communities

We are committed to working with communities across the country to help them thrive on a sustainable basis.



Healthier planet

We are committed to consciously nurture the planet we live in and make it a better place for future generations.

Sustainability is deeply engrained in our organisational philosophy as we move forward on the three core areas of execution towards achieving our GPS strategy

Deepening a performance driven culture	Strengthening the core	Building for the future
Lifted the growth trajectory across business segments	Built a strong balance sheet	Digital continues to be an area of relentless focus
Improving profitability metrics	Building next generation technology architecture	Bank-wide programmes to build distinctiveness
Fostering a winning mindset	Organisation-wide transformation projects to accelerate our GPS journey	ESG has Bank-wide sponsorship

Please refer to **page 8** (Letter from MD and CEO) of this report to know more.

About the Report

'Progressing on Purpose' is our ninth Sustainability Report for the annual financial cycle of the Bank from April 2022 to March 2023. This 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 and <IR> frameworks. There are no significant restatements made in this Report with respect to the previous report.

In the previous year, the Bank released its eighth Sustainability Report, for the financial year 2021-22, which is available on the Bank's website at https://www.axisbank.com/Sustainability-Reports/2021-2022/Axis-Bank_SR.pdf

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-reportsand-disclosures>

Under the <IR> framework, this report includes our performance under the six capitals – Financial, Manufactured, Intellectual, Human, Social & Relationship, and Natural. This 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 2022-23 as well as that shared by various business verticals and reviewed by the leadership and Board members. We welcome all feedback and comments from our stakeholders, which may be addressed to sustainability@axisbank.com.

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

Independent Assurance

This Report has been externally assured by TUV SUD South Asia Private Limited (TUV). '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 TUV has been provided on our website at <https://www.axisbank.com/csr/csr-reports-and-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.

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Mapping our Progress

All figures reported here are for FY 2022-23 or as on 31st March 2023



Inclusive and Equitable Economy

2.2 million

Borrowers who are women under Axis Sahyog retail microfinance program

₹13,428 crore

Book value for Asha Home Loans in affordable housing

25.7%

Women representation in the workforce

1.15 million women

Participants under Bank's Financial Literacy Program



Thriving Community

1.24 million households

Reach of Axis Bank Foundation's Sustainable Livelihoods program

15,606 villages

Where Axis Bank Foundation's interventions are underway

~2,500

Children and Youth in the Northeast covered under Axis DilSe interventions

Established the Axis Bank Centre for Mathematics and Computing at the Indian Institute of Science, Bengaluru



Healthier Planet

0.83 million saplings

planted under target Mission 2 Million by 2027

₹18,142 crore

Wholesale lending portfolio towards green sectors

~1.1 million sheets

of paper avoided per branch under Branch of the Future initiative

~ 12,152 MT

of GHG emissions avoided through internal energy efficiency measures and green energy consumption



Our ESG Credentials



FTSE4Good

6th

Consecutive year of inclusion in the prestigious FTSE4Good Emerging Index series



A

Rated 'A' in MSCI ESG Rating 2022



Medium Risk 24.2

Rating from Morningstar Sustainalytics ESG Risk Rating



C

CDP score for our responses for 2022

CRISIL

An S&P Global Company

71

Score in the CRISIL ESG Scores 2022 (Placed it the 'Leadership' category for being among Top-12 performers among 586 companies across 53 sectors)



54

DJSI score for FY 2021-22 (Placed in the above 80th percentile among global banks)



79/100

Score in the Refinitiv ESG Scores (79th position out of 1,116 banking services companies scored)



Among Top-3

Most Sustainable Companies in Banking and NBFC category in BW Inida's Most Sustainable Companies 2023



Constituent

Of NIFTY100 ESG Sector Leaders Index



Among Top-10

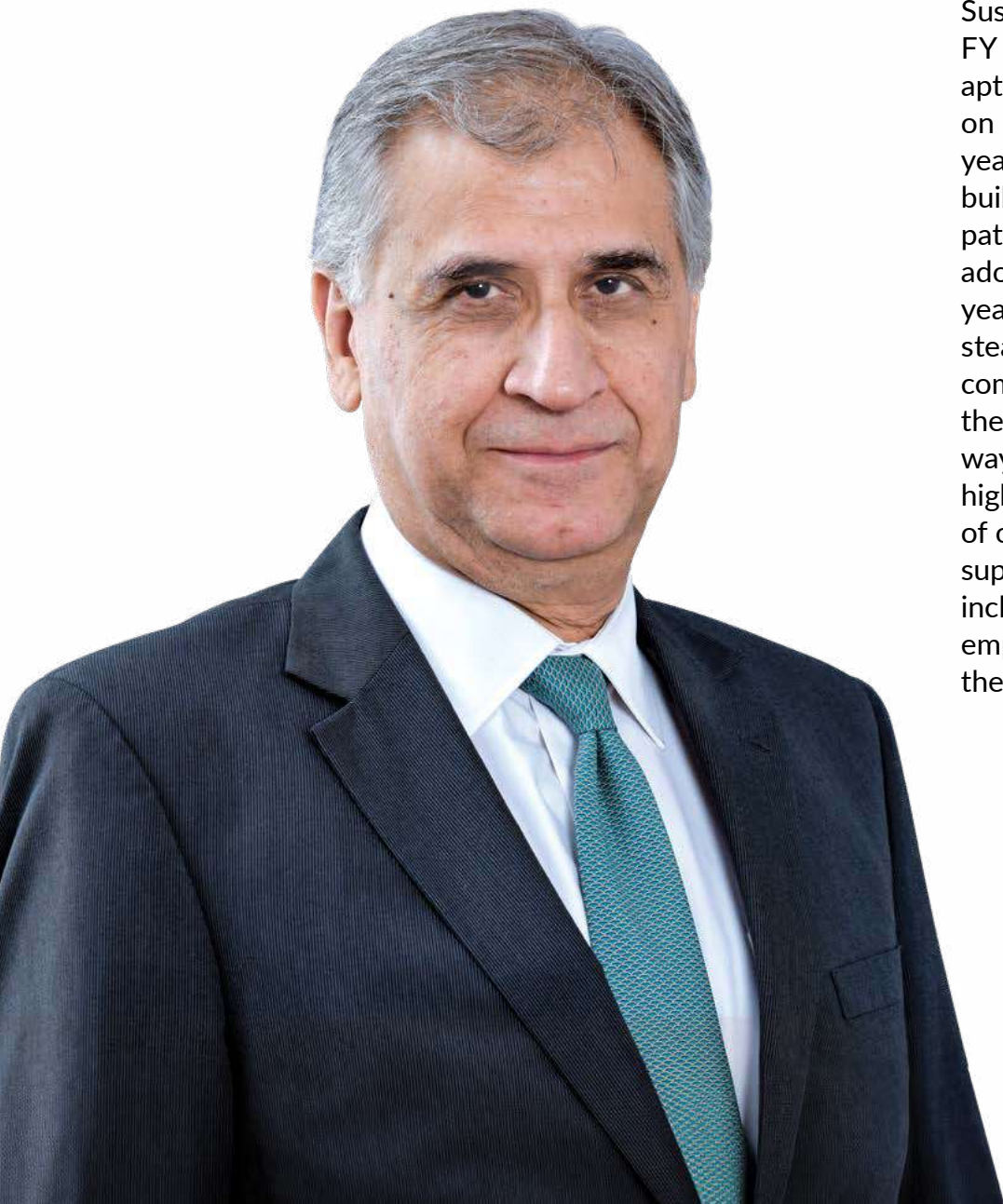
Constituents of S&P BSE 100 ESG Index



Among Top-10

Constituents of MSCI ESG Leaders Index

Creating Impact, Far and Wide



Dear Shareholders,

I am very pleased to present Axis Bank's ninth Sustainability Report for FY 2022-23, which is aptly titled 'Progressing on Purpose'. During the year we continued to build on the sustainability pathway that we formally adopted during the previous year, demonstrating steady progress on our commitments and laying the foundation for the way forward. The report highlights key milestones of our strategy and actions, supporting our stakeholders including our customers, employees, communities and the environment.

As one of the foremost financial institutions in India, we remain committed to playing a leading role in enabling a low-carbon, equitable economic transition of India, whilst being a reliable partner to our millions of customers and offering the right solutions to meet their goals and aspirations. We continue to focus on aligning our larger intent and longer-term goals to our purpose statement of 'banking that leads to a more inclusive and equitable economy, thriving community and a healthier planet'.

I am pleased to report that we continue to make steady progress in breaking down silos around ESG and climate actions within our organisation. Key ESG-aligned goals and actions, especially around risk management, lending and financing activities, and community interventions have strong board-level oversight. The ESG Committee of the Board, constituted in 2021, has strengthened the Bank's strategic thinking and decision making around ESG. The Committee met four times during the year and continues to guide the Bank on new initiatives and interventions that the Bank is actively pursuing.

We remain on track towards achieving our commitments we undertook in FY 2022, aligned to the Sustainable Development Goals and India's climate action priorities. Our performance on the commitments in this fiscal have been highlighted in this report. At the same time, we continue to pursue new opportunities aligned to our purpose, especially around sustainable lending and financing.

Additionally, as Chair of the CSR Committee, I am pleased that the Bank's CSR interventions during the year reached the vulnerable and disadvantaged communities across the country. Our key CSR themes encompassing Rural Lives & Livelihoods, Financial Inclusion & Literacy, Education, and Environment Sustainability & Humanitarian programs continue to go deeper and wider across the country.



Our interventions now cover every state that constitutes India's North-East, which has perennially remained the most under-funded region of the country in terms of CSR investments."

The Bank's flagship program in education, Axis DilSe, now covers hundreds of schools, reaching lakhs of school children, youth as well as teachers across the states of Madhya Pradesh, Sikkim, Nagaland, Assam, Manipur, and Arunachal Pradesh. During the year we entered into a partnership with the Indian Institute of Science, Bengaluru to establish the 'Axis Bank Centre for Mathematics and Computing' as a centre of excellence for leading cutting-edge research and offering first-of-the-kind degrees in this multi-disciplinary space. In the North-east, we have found a strong partner in the Armed Forces with whom we are coaching and mentoring the bright but disadvantaged youth in the region towards a better future.

We continue to support women and underprivileged students in STEM at Ashoka University and Plaksha University. In Madhya Pradesh, we have committed to an ambitious program focused on professional teacher development of over 1 lakh primary school teachers in the entire state, who together teach close to 1 million school children.

Additionally, the Bank has significantly expanded its scope under biodiversity conservation and habitat restoration during the year, working in biodiversity hotspots such as the riverine ecosystems in Assam or coastal mangroves in Tamil Nadu.

During the year, we significantly scaled our participation in and contribution to policy advocacy and thought leadership on topics around ESG, climate action and CSR. The Bank is formally represented on diverse policy-level, industry, and academic fora, such as the World Economic Forum, SEBI, CII and FICCI, contributing to advancing the agenda at the national level.

I am also very pleased to report that the Bank was recognised on the prestigious FTSE4Good Emerging Markets Index for the 6th consecutive year this fiscal and recognised among the top performers in India in the CRISIL ESG Ratings 2022.

In conclusion, we remain excited and committed to taking our sustainability mandate forward, and towards being always 'OPEN' to doing what is right for all our stakeholders.

With regards and warm wishes,

Rakesh Makhija
Chair



Shaping a Sustainable Tomorrow



Dear Shareholders,

I am happy to share with you Axis Bank's ninth sustainability report, Progressing on Purpose, for FY 2022-23.

The theme of this year's Report aims to convey our unwavering commitment to align ourselves and all that we do, to our purpose, that is 'banking that leads to an equitable and inclusive economy, a thriving community, and a healthier planet'. The Report is aligned to the GRI standards and the <IR> framework and has been externally assured.

Amitabh Chaudhry
Managing Director & CEO

Fiscal 2022 had been a landmark year for the Bank, as we became the first Indian Bank to establish a standalone ESG Committee of the Board. Under the Committee's oversight, we had also announced a series of commitments aligned to achieving the Sustainable Development Goals and contributing to India's climate commitments and our progress has been highlighted in this Report.

I am pleased to share with you that we continue to make progress in breaking down silos not only within the organisation but also with our myriad of partners and other stakeholders towards adopting a cohesive and unified approach to our ESG strategy and actions. We also recognise that this is a journey of continual improvement with many material factors outside our direct control, but we are also convinced that as we keep moving onwards, we shall emerge as a more resilient and future-proof Bank.

In Fiscal 2023, we continued to make progress on our public ESG-aligned commitments pertaining to sustainable banking and financing activities, Diversity, Equity and Inclusion, and CSR, while exploring new initiatives and mandates, which have been highlighted in this Report.



The Bank's outstanding 'green' portfolio in wholesale lending, aligned to eligible categories included in our Sustainable Financing Framework, was a little over ₹18,100 crore."

We recognise our role in supporting India's low-carbon transition and are committed to scaling down the exposure in our wholesale book to coal and thermal power, and moving on a glide path till 2030 under the ESG Committee's oversight.

We recognise that data security, risk control measures, and demonstrating a strong ethics and compliance culture across the board, are some of the key material issues that have been highlighted by our stakeholders in the materiality assessment exercises we have conducted in the past. Over the last three years, we have been focusing on scaling our capabilities towards achieving best-in-class resilience across our business operations. We continue to invest in new-age digital and technological infrastructure, strengthen our data protection capabilities, and accord the highest priority to information and data security.



During the fiscal, we improved our BitSight rating to 800 from 770 in the previous year, an important indicator highlighting the success of our efforts so far."

We also make significant progress in strengthening our capabilities and capacity towards managing ESG and climate-related risks at the enterprise level. We are undertaking pilots around climate-related stress testing and scenario analysis and launched an ESG Rating Model that we are piloting with our top wholesale banking clients. Strengthening the understanding of our Board and senior management on climate-related risks and opportunities remains a focus for us.

Our approach is completely in alignment with the 'Open' philosophy that guides our GPS journey, which is grounded in our fundamental belief that we succeed only when our stakeholders succeed and through the year, we made considerable progress in each of our four chosen areas of distinctiveness – Customer Obsession, Bharat Banking, Digital Bank, and One Axis.



From a business perspective, fiscal 2023 has been a very successful year, with significant growth momentum, leadership across key business streams, and acquisition of Citibank India's Consumer Business. On both the Retail and Wholesale banking franchises, we delivered strongly, backed by transformational initiatives focused on agility, innovation and, just as importantly, unification across platforms.

As an Indian financial institution, we operate in a wide range of sectors and sub-sectors which are crucial to India's inclusive, equitable and sustainable economic progress, and are consciously striving to scale our activities that contribute to a positive downstream impact for its citizens.

Bharat Banking, our distinct initiative to catalyse the entrepreneurial spirits of rural and semi-urban, or what we call 'Bharat', markets, made strong progress during the fiscal.

“We have over 2.2 million women associated with our Axis Sahyog retail microfinance program and disbursed over 1.3 million loans under the PM MUDRA Yojana, focused on small and micro-enterprises, to share two key indicators.”



“We operate in these markets through over 2,100 branches complemented by over 60,600+ Common Service Centres run by VLEs (Village Level Entrepreneurs).”

As a Bank, we are now almost at 1 lakh employees, and greatly value the wealth of knowledge, perspectives, and experience that our employees, the first and true ambassadors of the 'Open' philosophy, bring with them. We are committed to maintaining a culture that inspires them as well as provides them the platform for them to learn, to engage, and perform at their peak potential. Therefore, the voice of our employees becomes one of our most important sources of feedback as an organisation. It is a matter of great

pride for us that we ranked amongst the top 10 in the Kincentric Best Employers in India Survey and certified a 'Great Place to Work' for the second consecutive year. Our efforts towards strengthening our employee-related practices and pertinent performance parameters have been highlighted in this Report. I am also happy to share that we successfully integrated over 3,200 colleagues from Citibank India's Retail Banking into the Axis family during the year.

Over at least the last three fiscals, we have been driving the Future of Work initiative that aims to build a future-ready workforce that is agile, inclusive, and equipped with the right skills. Under the GIGA-anywhere program, we have over 3,500 employees and freelancers working from their own homes on diverse mandates across the organisation.

The Community has always been one of our most important stakeholders. Under the oversight of the CSR Committee of the Board, our CSR interventions are under five key themes – Lives and livelihoods, Education, Financial Inclusion and Financial Literacy, Environment, and Humanitarian and Relief Activities. Our community interventions, led directly and through the Axis Bank Foundation, reach almost each and every corner of the country. A detailed overview of our CSR activities is provided in this Report.

Guided by our CSR Committee, over the last two fiscals, we adopted a conscious strategy to scale our interventions in India's North-east, a culturally and environmentally-rich region that has historically lagged the rest of the country on key socio-development parameters. I am pleased to note that today we have thriving

programs in every state of the region across all our thematic focus areas positively impacting thousands of children and community members.

“This year, we entered a landmark partnership with the prestigious Indian Institute of Science, Bengaluru, to establish the Axis Bank Centre for Mathematics and Computing on their campus. We envision this Centre to develop the future scientists and technocrats who shall lead cutting edge research and innovation that can serve not only India's but also the world's needs.”

Rationalising the carbon emissions from our operations that also help achieve technical efficiencies and greater customer delight remains a strong focus for us and we continued to focus on energy efficiency, green power procurement and other such green initiatives. Through our strategic initiatives such as Saksham and 'Branch of the Future', we are able to avert the use of millions of sheets of paper across our branches while also improving customer convenience.

I am happy to note that we continue to be ranked competitively across external ESG ratings and rankings. We were on the prestigious FTSE4Good Emerging Markets Index for the sixth consecutive year and are above the 80th percentile among global banks on the DJSI corporate sustainability assessment, for 2022. I am also pleased to share that during the year, we also scaled our efforts towards policy advocacy and thought leadership around sustainable development and climate action. We are represented on prestigious national associations and industry groups where we are contributing to driving this critical agenda.

In conclusion, I would like to thank all our stakeholders for their support, wishes and good counsel as we strive forward towards delivering on our Purpose.

Warm regards,
Amitabh Chaudhry
Managing Director & CEO



Executing our Strategy



Dear Shareholders,

I am pleased to share with you Axis Bank's ninth Sustainability Report, 'Progressing on Purpose', for fiscal 2023.

As the title of the Report suggests, this fiscal we focused on aligning our strategy and actions to our purpose and progress on the ESG-aligned commitments taken in the previous fiscal.

India's resilience as a global economy was a distinguishable feature of fiscal 2023, as she weathered the uncertainty in the geo political and macro environment and was the fastest growing large economy. We witnessed a strong uptick in key macro-indicators including domestic consumption and exports, and robust corporate performance. In this fiscal, India's regulators too stepped up the push to strengthen governance and risk management benchmarks around ESG and climate action. RBI's discussion paper on climate risk and sustainable finance, in particular, was perhaps the clearest indication of its intent in this direction.

At Axis Bank, we continued to make steady progress toward integrating ESG and climate-aligned strategies and practices from policy to process levels. The ESG Committee of the Board has been consistently guiding the ESG agenda not just for the Bank but also across the Axis group. We continue to work on aligning our business activities to the SDGs and India's climate commitments and have made progress towards achieving our public ESG-aligned commitments that we had taken in fiscal 2021, which has been highlighted in this Report. We continue to focus on strengthening our ESG and climate risk management capabilities from the enterprise right down to the project levels. Our ESG Policy for Lending which has been in place since fiscal 2016 has also steadily expanded its scope as well as coverage.

As a Bank, we have always recognised the leading role that the MSME sector will likely play in driving the next stage of India's economic growth

and remains a segment of strategic importance for us. We also recognise that the MSME segment, which employs 45% of the Indian working population and accounts for close to half of its exports, also remains more vulnerable to economic shocks and supply chain disruptions, which are also increasingly being linked to climate-related risks and events. In our role, we believe we also have an opportunity and a role to play in helping the segment mitigate some of such challenges and are actively exploring new business opportunities supporting their green growth. Through initiatives such as Axis Evolve, we strive to go beyond just business mandates to engage with MSME leaders and strengthen their awareness and capacity.

As an institution that works closely with practically all facets of the Government sector, ranging from village panchayats at the grassroots to Union ministries in New Delhi, and recognise the complexity of the Sector's needs as well as the scale at which the solutions are required. With a solution-focused approach, we collaborate with a myriad of government organisations, offering solutions that can deliver good governance, transparency and efficiency to the last mile. We recognise technology has been a great enabler for India's vision and stated goals for good public governance. During the year, we launched an end-to-end digital payment system capable of managing public funds, and the tracking and payments for a wide variety of centrally- and State-sponsored government projects and schemes.



A large part of what we do in the Government sector is direct correlated with improved delivery of services to citizens with greater transparency and efficiency. Our work in the Government space has been highlighted in this Report. We also won notable government mandates for our Transactions Banking solutions and continue to be among the leaders in citizen-centric solutions such as IMPS with ~31% market share and the Bharat Bill Pay ecosystem with 20% market share.

I believe India is now favourably placed to accelerate its equitable and low-carbon economic transition, emphasised by wider technology adoption for public good and more ambitious ESG strategies adopted by the corporate sector.

As we remain committed to building a future-proof 'One Axis,' I appreciate our stakeholders' faith in us and thank them for their support in journey.

Warm Regards,

Rajiv Anand
Deputy Managing Director

Holistic Banking



Dear Shareholders,

The Bank's ninth sustainability Report, 'Progress on Purpose' for FY 2022-2023 adheres to the GRI Standards and is aligned to the Integrated Reporting framework. The Report has been prepared and presented by applying our collective minds towards ensuring its integrity.

We remain committed to our vision of building a Bank that is resilient and delivers on our Purpose of 'banking that leads to an inclusive and equitable economy, a thriving community, and a healthier planet.' As we continue to take strong strides in line with the GPS strategy, we also remain firmly anchored to our core values of Customer Centricity, Ethics, Transparency, Teamwork, and Ownership.

We have consciously moved forward on our ESG and climate action agenda over the last few years, with the ESG Committee of the Board playing a pivotal role in guiding the Bank on material topics and identifying potential opportunities. The Committee is playing an especially important role in helping break down the silos around ESG and climate-aligned action and binding all stakeholders cohesively to a common agenda. During the year, we demonstrated progress towards the ESG commitments that we had taken in fiscal 2022, around sustainable banking and financing, risk management, human capital, and CSR.

We recognise that ESG and climate action are increasingly becoming material factors for policy making in India. In Fiscal 2021, SEBI had introduced the Business Responsibility and Sustainability Reporting (BRSR) guidelines that were applicable for the top one thousand listed entities from fiscal 2022 onwards with a requirement to report on key ESG parameters for the first time ever.

With SEBI introducing the mandate for reasonable assurance for the BRSR Core and ESG disclosures for value recently, the market regulator has set an even more ambitious disclosure pathway for the Indian corporate sector. We are already actively working on strengthening our reporting capabilities to align with the guidelines and have put in place a cross-functional BRSR working group to take this forward.



We continue to be recognised at national and global ESG ratings and assessment platforms. To share two notable examples, we were included in the FTSE4 Good Emerging Markets Index for the sixth consecutive year in 2022 and were among the top five overall performers in India in the CRISIL ESG Scores for 2022. We aspire to be recognised as an ESG leader in India and globally and are making efforts to strengthen our performance on globally recognised ESG rating platforms.

We continue to invest in and scale up initiatives that can make our business operations more resilient, sustainable and efficient through digitisation and energy efficiency measures. The Bank is actively working towards reducing its operational carbon emissions, resource consumption and greening of our physical infrastructure.

We remain committed to contributing to a 'thriving community' through our CSR efforts. Under the guidance of the CSR Committee and through interventions led directly by the Bank or through the Axis Bank Foundation, we are actively working with communities in some of the remotest parts of the country. Over the last two years, our strategic focus on the North-east, historically among the lowest recipients of CSR investments, is bearing fruit and we are now active in each of the eight states that comprise this region.

I firmly believe that as we continue to enhance our all-round capabilities as an organisation, our ability to positively contribute to India's progress towards achieving the Sustainable Development Goals and its climate commitments shall also continue to strengthen. I express my gratitude to all my colleagues and partners for their contribution and thank all our stakeholders for their unwavering trust.

Regards,

Subrat Mohanty
Executive Director – Business Operations and Transformation

Opening the Path to a Dynamic Future

As India's third-largest private sector bank in terms of total assets, our wide network reaches over a billion Indians, covering every major region in the country, including the hinterlands. With **One Axis**, we offer the entire spectrum of financial services to varied customer segments. Our passionate and empowered teams, along with the use of technology enable us to deliver delight to our customers across India.



4,910

Branches (including 7 foreign offices and extension counters)

145

New domestic branches added during FY 2022-23

6,151

Number of self-service recyclers

9,802

ATMs and cash deposit/withdrawal machines

6

Axis virtual centres

Our Integrated Business Lines



Retail Banking

Our retail franchise aims to strengthen our relationship with individuals, small businesses, and Bharat customers through innovative products and transformational initiatives that can be accessed at our branches and through mobile app. Our offerings include loans, savings, retail term deposits, credit and debit cards, forex cards, bill payment services, wealth management, and distribution of third-party products such as life and non-life insurance, mutual funds, government bonds, and more.

21%

Growth in CASA y-o-y

22%

Growth in Retail loan book y-o-y



Wholesale and Commercial Banking

We cater to the banking requirements of Indian corporates and MSMEs by capitalising on our robust value proposition in transaction banking and digital transformation. Our offerings encompass loans, current and corporate term deposits, payment solutions, trade finance products, letters of credit, bank guarantees, foreign exchange services, derivatives, cash management, and commercial cards.

24%

Growth in domestic corporate loans y-o-y

38%

Growth in mid-corporate book y-o-y



One Axis

Within the 'One Axis' framework, we offer a wide range of products and solutions through our business segments and subsidiaries, including investments, broking, asset management, insurance, an MSME digital invoice discounting platform, trustee services, and various payment solutions, alongside the services provided by our banking segments.

₹2,955 crore

Total investments in subsidiaries

₹6,409 crore

Combined net worth of domestic subsidiaries



We are driven by Our Purpose
of banking that leads to a more inclusive and equitable economy
PG 22 →

We are guided by Our Vision
to be the preferred financial services provider excelling in customer service delivery through insight, empowered employees, and smart use of technology

We are responsive to The needs and expectations of our stakeholders
and fulfil them by fostering meaningful engagement with all concerned

Customers

Government/
Regulatory
Bodies

Communities

Employees

Investors

Partners and
vendors

We have identified Our key material topics
through a comprehensive material assessment exercise, in lieu of the internal and external developments

- Customer privacy and data security
- Transparency, accountability, and disclosures to stakeholders
- Risk control measures for fraud and money laundering
- Regulatory compliance and ethical business practices
- Customer satisfaction
- Digital transformation
- ESG governance and Board oversight

We are focused on Our GPS strategy of One Axis

Growth

Profitability

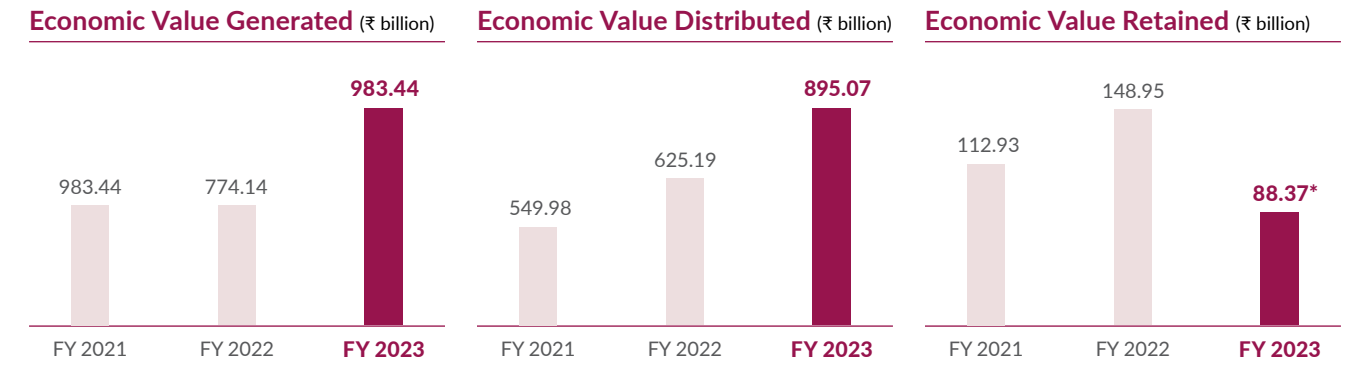
Sustainability

Our strategic pillars

- S1 Customer-centricity
- S2 Tech-led banking
- S3 Bharat Banking

- S4 Distinctive solutions
- S5 Empowered employees
- S6 One Axis ecosystem

Direct Economic Contribution***



**During the year, the Bank acquired on a going concern basis the business assets and business liabilities of Citibank's India Consumer Business from Citibank N.A. (acting through its branch in India) and the NBFC Consumer Business from Citicorp Finance (India) Limited, effective beginning of day March 1, 2023 without values being assigned to individual assets and liabilities.

The fall in Retained EVA from ₹148.95 billion in March 2022 to ₹88.37 billion in March 2023 is attributable to exceptional items arising from the aforesaid acquisition having impact on the P&L involving full amortisation of Intangibles and Goodwill of ₹119.49 billion and one-time stamp duty cost and harmonisation of provisioning and expense policies of ₹5.41 billion. Excluding these exception items (net of tax), Retained EVA would have been ₹211.91 billion as on March 2023.

** 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 Report 2022-23.

Indirect Economic Contribution

Our business activities are conducted through our 5,000 offices and branches, driven by close to a lakh dedicated Axis Bank employees and thousands of other business partners and agents, and backed by a strong digital infrastructure, to cater to every diverse economic requirement of the Indian economy and its citizens. Our activities support the largest of global

conglomerates to the smallest of rural enterprises in some of the remotest parts of the country. Our activities support the development of critical social and physical infrastructure in the country, the creation of new jobs and opportunities, and towards bridging the gap between the formal economy and the unbanked and underbanked population of the country. Our work through Bharat Banking, which has been highlighted

in this report (read page 72), serves millions of women and the unbanked and underbanked population of India. We work closely with the public sector in India, with our services and solutions supporting the government at all levels - from the local panchayat to the Union of India, strengthening their ability to serve the people of India effectively, transparently and efficiently.

Significant Developments during FY 2022-23

Month	Events
June	Manoj Kohli appointed as Independent Director of the Bank on June 17, 2022 for a period of four years Vide its letter dated June 24, 2022, RBI approved the re-appointment of Rajiv Anand as the Deputy Managing Director of the Bank for a further period of three years
July	Vide its letter dated July 12, 2022, RBI approved the re-appointment of Rakesh Makhija as Non-Executive (Part-Time) Chairman of the Bank, with effect from July 18, 2022 up to October 26, 2023
October	P.N. Prasad appointed as Independent Director of the Bank on October 20, 2022 for a period of four years
November	S&P raises Axis Bank's long-term and short-term issuer credit rating to 'BBB-/A-3' from 'BB/B', and long-term issue rating on the Bank's senior unsecured notes to 'BBB-' from 'BB+' Bain Capital sells 0.5% stake in Axis Bank via bulk deal on the BSE Government of India sells its entire stake of 1.55% in Axis Bank, held through SUUTI
December	Axis Bank raises ₹12,000 crore via Tier-II Bonds as part of its goal to raise ₹35,000 crore through debt instruments
January	CH SS Mallikarjunarao appointed as an Independent Director of the Bank on January 24, 2023, for a period of four years
March	Axis Bank announces the completion of its acquisition of Citibank's consumer banking business in India



CREATING VALUE WITH PURPOSE >

Our approach to Value-Creation is underpinned by our decisions that take into account stakeholder interests, and are backed by a robust ESG strategy and best-in-class governance practices. All our actions are supported by our over-arching purpose of creating positive economic, social and environmental impact.

In this section

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- ▶ 36 MATERIALITY ASSESSMENT

Reaffirming our Growth Objectives

Our purpose – banking for an equitable and inclusive economy, thriving communities, and a healthier planet – underscores our role as a responsible financial institution. Our ESG policy upholds this role enables us to contribute to the country’s economic growth by driving financial inclusion and providing sustainable finance, and promote sustainability principles across the industry.

Purpose

INCLUSIVE & EQUITABLE ECONOMY



THRIVING COMMUNITIES



HEALTHIER PLANET



Strong Governance & ESG Strategy

Driving Positive Finance
Leveraging Digital Leadership
Committing to Operational Excellence

Strengthening Human Capital
Building Resilient Communities

Stakeholders Impacted

Community/Investors/
Borrowers (Customers)/Vendors
Customers/Investors
Employees
Community
Investors/Customers/Rating Agencies

Capitals Impacted

Financial Capital
Human Capital
Manufactured Capital
Social and Relationship Capital
Natural Capital
Intellectual Capital

ESG Governance

While the Bank’s leadership has provided a broader oversight over its ESG strategy and direction for over a decade, it was only in FY 2021 that ESG was formally included in the Charter of the Bank’s CSR Committee of the Board in FY 2021, and the Bank established the ESG Steering Committee at the management level. In FY 2022, we adopted our purpose statement, ‘Banking that leads to a more inclusive and equitable economy, thriving community and a healthier planet’ and became the first Bank in the Indian banking sector to constitute a standalone ESG Committee of the Board.

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 the diversity focus.



ESG Committee of the Board



Prof. S. Mahendra Dev
Independent, Non-Executive
Director (Chairman)



Ketaki Bhagwati
Independent,
Non-Executive Director



Amitabh Chaudhry
Managing Director
& CEO



Ashish Kotecha
Non-Executive
(Nominee) Director

Our ESG is guided by the Board and the Senior Management

62%
Proportion of
Independent, Non-
Executive Directors

23%
Women Directors
on the Board

ESG Steering Committee

- Advisor – Transition & Sustainability
- Head - Digital Banking
- President - Wholesale Credit
- Head – Human Resources
- Chief Risk Officer
- Head - Investor Relations

Rooting the ESG Culture

We have steadfastly embedded ESG at every level of the organisation, becoming the first bank in India to have a standalone, Board-level ESG Committee in 2021. We are the first among Indian banks to have a Sustainable Financing Framework, the first to receive Second Party Opinion and the only Indian bank in the FTSE4Good Emerging Index for six consecutive years.



FY 2022-2023

- Launch of ESG Rating Model in Wholesale Banking vertical
- Upgrading ESG Policy for Lending
- Integrated pertinent climate-related levers in quarterly stress testing in accordance with TCFD recommendations

ESG Journey

FY 2005-2006

Established the Axis Bank Foundation

FY 2012-2013

Published first Business Responsibility Report

FY 2014-2015

Established BR & Sustainable Development Department Published first Sustainability Report

FY 2015-2016

Launched Sustainable Lending Policy and Procedures

FY 2016-2017

Issued \$500 million certified green bond (June '16)

FY 2020-2021

Established the ESG Steering Committee (Aug '20) Announcement of ESG-aligned commitments

FY 2021-2022

- Established the ESG Committee of the Board (Aug '21)
- Launched #ComeAsYouAre Diversity Charter (Sept '21)
- Announced \$300 million guarantee platform with GuarantCo (Nov '21)
- Great Place to Work certified (Jan '22)
- Committed \$150 million to SAMRIDH Healthcare Blended Finance (Mar '22)
- Signed \$150 million deal for Sustainable Supply Chains with ADB (Apr '22)

Advancing our ESG Agenda

In FY 2022-23, we continued to stride ahead on our ESG journey, progressing on our stated ESG-aligned commitments, contributing to the national and international dialogue on sustainable development and climate action and strengthening our overall climate and ESG-related risk architecture.



By meeting our commitments

Our ESG strategy is aligned to both national and international sustainability goals. In September 2021, under the oversight of the ESG Committee, we announced a series of commitments to achieve the UN Sustainable Development Goals (SDGs) and bolster India's commitments under the Paris Agreement. We regularly report our progress on these commitments to the ESG Committee of the Board.

We recognise that we have an opportunity, as well as a responsibility, for catalysing a low-carbon, equitable and sustainable economic transition. As a leading financial institution, Axis Bank facilitates financial flows into diverse aspects of the Indian economy, touching myriad sections of society across all regions.

ESG-aligned Commitments

Our key ESG-aligned commitments, announced in 2021, commit us to scale our business activities in support of India's sustainable and equitable transition to a green economy. We continue to actively explore specialised products and services that specifically align to the SDGs and climate action, with emerging regulatory guidance and market practices also guiding our actions.

Progress on our ESG-aligned Commitments

Our Commitment	Unit	Progress as of March 2022	Progress as of March 2023
Incremental financing of ₹30,000 crore under Wholesale Banking to sectors with positive social and environmental outcomes, by FY 2026	Cumulative Exposure	₹10,414 crore (from August 2021)	~₹20,400 crore
Making 5% of its retail Two-Wheeler loan portfolio as electric by FY 2024	EV % as share of TW loan portfolio	0.82%	2.52%
Incremental disbursement of ₹10,000 crore by FY 2024 under Asha Home Loans; increasing share of borrowers who are women from 13.9% to 16.9%	<ul style="list-style-type: none"> Incremental disbursement Share of borrowers who are women 	<ul style="list-style-type: none"> ₹3,359 crore 5.86% 	<ul style="list-style-type: none"> ₹6,602 crore 15.69%
Scaling down exposure to carbon-intensive sectors, including Coal and Thermal Power	Progress on Glide Path	Glide path till 2030 created	Exposure below FY 2023 Target
Reaching 30% women representation in its workforce by FY 2027	Overall diversity	24.6%	25.7%
Planting 2 million trees by FY 2027 across India towards contributing to creating a carbon sink	Saplings planted	Site preparation completed at 5 locations	~0.83 million saplings

Adherence to compliance norms included as non-financial goal for all employees



Progress on our Goals aligned to UN SDGs

We are committed to supporting the UN Sustainability Development Goals for 2030 and consciously align our activities to pertinent SDGs.

At present, our activities are aligned to 12 SDGs. Our progress on these goals is tabled here and the relevant pages for further reference are marked out.

SDG	Axis Bank Programmes	Output and Outcome*	Page
	Coverage of Government sponsored schemes under Bharat Banking	4.58 lakh customers under PM Suraksha Bima Yojana 12.41 lakh customers under PM Jan Dhan Yojana 13.36 lakh loans disbursed under MUDRA Scheme 9.66 lakh customers under Atal Pension Yojana	73
	Rural Livelihoods outreach under Axis Bank Foundation's Sustainable Livelihoods Programme is on target by 2027	1.24 million households reached as of March 31 st 2023	102
	Skilling program under Axis Bank Foundation's Sustainable Livelihoods Programme's Mission 2 Million target by 2027	57,539 participants skilled in FY 2023 Of the above, 17,665 PwDs skilled	106
	ABF's health and nutrition interventions under the Sustainable Livelihoods Programme	~30,600 households with access to clean drinking water ~27,900 households using alternative or improved cooking fuel ~2,200 health camps ~21,600 households supported to address anaemia	105
	Health awareness interventions as part of Axis Sachetna – Financial Literacy Programme	~ 1.15 million reached in FY 2022-23	117
	Support to the Lyzon Friendship School in Manipur and Hummingbird School in Assam under Axis DiSe	700+ school students	114
	Axis Bank Assam Rifles Centres for Excellence in Education at Manipur, Arunachal Pradesh and Nagaland	100+ students from marginalised communities being coached for competitive exams	114
	Axis Bank Scholarship Programs at Ashoka University and Plaksha University	74 Scholars which are primarily women from weaker economic background	115
	Museum of Solutions for children at Mumbai	Under construction, scheduled to open in FY 2023-24	116
	CSR programs for financial literacy and financial inclusion under Axis Sahyog	~1.15 million participants reached	72
	Banking and financing services for women-led SHGs under Axis Sahyog Microfinance Program	2.2 million + borrowers who are women	72
	Axis Women in Motion outreach initiative	~20,000 women from 53 institutions	92
	#HouseWorksWork hiring campaign	~3,400 applications received in FY 2023	92
	Axis Bank Scholarship Programme for women pursuing degrees in STEM	48 women scholars supported in FY 2023	115
	Axis Sachetana financial literacy program for women from economically weaker sections	1.15 million women reached in FY 2023	117
	In-house Solar power generation	2 MW in-house solar capacity	124
	Wholesale Lending Portfolio towards Renewable Energy generation	~ ₹17,100 crore of wholesale lending portfolio as of March 2023	66
	In-house solar power generation	2 MW in-house solar capacity	124

SDG	Axis Bank Programmes	Output and Outcome*	Page
	Skill development interventions under Sustainable Livelihoods Programmes by ABF	57,539 participants in FY 2023 at 98 training centres	106
	Lending and financing to sustainable infrastructure development, including mass transport and green buildings	~₹18,142 crore wholesale lending portfolio as of March 2023	66
	Lending and financing to MSME sector	₹92,723 crore of SME advances as of March 2023, a growth of 23% y-o-y	
	Axis Sahyog Microfinance Programmes	₹4,768 crore disbursed in FY 2023 1.29 million women account holders	72
	SHG creation and capacity-building in rural India by ABF	68,784 Self Help Groups with 7.8 lakh members supported by ABF	115
	Asha Home Loans - affordable housing loans	Loan book of ₹13,427 crore as of March 31, 2023	79
	Urban Development partnerships under Government Coverage	Pan-India mandates with Union Ministries, CBDT, GST, EPFO, PFRDA, among others	74
	Lending to clean transportation	Over ₹1,000 crore wholesale portfolio as of March 2023	66
	EV financing under Retail Lending	2.52% of Retail two-wheeler portfolio is electric in value as of March 31, 2023	66
	Lending to waste management projects	₹11 crore under wholesale portfolio as of March 2023	66
	Promoting sustainable agricultural practices, natural resource management under ABF's Sustainable Livelihoods Programme	17,959 households supported with micro-irrigation systems 25,276 households with agroforestry	119
	Waste management initiatives at Axis Bank offices	Conversion of ~64 MT food/wet waste at Axis House, in Mumbai, into compost 122 MT of dry waste collected at large offices sent for recycling. Collection and disposal of 38.45 tonnes of e-waste during FY 2022-23	127
	Lending and financing to renewable energy generation, clean transportation and waste management	₹18,140 crore under wholesale banking portfolio as of March 31, 2023	66
	Climate resilience interventions under Sustainable Livelihoods Programme by ABF	~27,900 households using alternate or improved cooking fuel	
	Interventions under Axis Bank Foundation's Sustainable Livelihoods Programme	~109.5 million litres water harvesting potential created ~4 million trees planted under horticulture and agroforestry	119
	Committed to planting 2 million trees by 2027 under CSR	0.83 million trees planted as of March 2023	119
	Restoration and protection of sensitive biodiversity hotspots in India	Restoration of mangrove habitat in Tamil Nadu Restoration and protection of riverine ecosystem in Majuli, Assam Avoiding human-animal conflicts and habitat restoration in national parks in Karnataka and MP	119
	Providing solar cold storage units for rural farmers	Installing 16 solar cold storage units in Nagaland towards strengthening market linkage for rural farmers and farmer producer organisations	

* As on March 31, 2023 or in FY 2022-23, as applicable

Through Thought Leadership and Advocacy

During the year, we participated in several relevant industry groupings and associations, including engagement groups as part of India's G20 presidency, to drive forward the dialogue on sustainability and climate action. We also participated in policy-making discussions and groupings to uphold the core themes of our stated purpose and lead transformation in the banking sector.

Participation in Key Global and National Platforms o Sustainable Development, ESG and Climate Action



World Economic Forum's Alliance of CEO Climate Leaders

Axis Bank is a member of the World Economic Forum's Alliance of CEO Climate Leaders and participates in the Alliance's research and policy advocacy efforts. The Alliance is focusing on three key thematic areas for driving action

- Decarbonising materials and the supply chain
- Catalysing India's hydrogen economy, and
- Creating a business model to protect old forests and catalyse afforestation.

The Bank sat on the steering committee that helped shape the joint industry survey by CII and WEF on National Climate Solutions, which aims to feed into a white paper that shall provide insights and recommendations to facilitate private sector investments in natural climate solutions.



Indian Banks' Association Standing Committee on ESG

During the year, the Indian Banks' Association (IBA) formed the IBA Standing Committee on ESG to drive the adoption of ESG frameworks and best practices by Indian banks, with a strong focus on climate risk and sustainable finance. The Managing Director, Axis Bank, was nominated as the Alternate Chair of the committee, with two other senior leaders also nominated as members.

The Committee contributed to the 'Finance Track' of the G20, which was led by Finance Ministers and Central Bank Governors of G20 member states. Under the Finance Track, the IBA Standing Committee engaged with the RBI and provided its inputs, through discussions and reports, towards supporting the regulator's actions.

Upholding India's G20 Presidency with Active Participation

In 2022, India assumed the G20 presidency for a period of one year and adopted 'Vasudhaiva Kutumbakam' or 'One Earth. One Family. One Future' as its theme, bringing into focus the interconnectedness of life on earth.

As part of its presidency, India facilitated meetings of Business 20 (B20), a prominent engagement group established in 2010 as the official G20 dialogue forum with the global business community. The B20 dialogue was led by the Indian industry, with eminent industry leaders chairing various taskforces and action councils. The theme for B20 under India's G20 presidency was 'R.A.I.S.E.', which stands for Responsible, Accelerated, Innovative, Sustainable, Equitable Businesses.

Among the seven taskforces of B20 was the India Task Force on Financial Inclusion for Economic Empowerment. The Deputy Managing Director, Axis Bank, was a member of this taskforce and ably furthered the group's objectives. Among the key objectives were (i) to develop a framework for financial inclusion and economic empowerment; (ii) to define current priorities to advance financial inclusion leveraging progress achieved so far; and (iii) to make specific policy recommendations and corresponding KPIs for G20 countries.



The policy paper of the taskforce and its final recommendations are accessible on the India B20 2023 website at <https://api.b20india2023.org/b20docs/e8094854-30ba-4509-8400-2a891e2ccfa6.pdf>



B20 India ESG in Business Action Council

India ESG in Business Action Council was another group set up as part of B20. The Deputy Managing Director, Axis Bank, was a member of the council. Among the key objectives of the council was the promotion of a level playing field through integrative and inclusive standards, definitions, ESG principles, taxonomies, transparent disclosures and rating methodologies for developed and emerging markets, large and small businesses, and supply chains. The council also looked at ways to encourage transparent, consistent, and measurable reporting and implementation of ESG processes and prioritise immediate actions on pressing ESG-related societal issues and business resilience. The council's final recommendations can be accessed at <https://api.b20india2023.org/b20docs/c86f83b6-bd8e-4d57-a54e-4313b30a373f.pdf>

G20 Alliance for the Empowerment and Progression of Women's Economic Representation (EMPOWER)

EMPOWER, an alliance of G20 business leaders and governments, aims to accelerate women's leadership and empowerment in the private sector. The G20 EMPOWER 2023 under India's presidency prioritised the shift from women's development to women-led development, aiming to transform challenges into opportunities, accelerate women-led entrepreneurship, and greater inclusion of women in the workforce.

The Bank's senior women leadership participated in a number of national-level events held under the alliance and contributed to its deliberations and outcomes.

FICCI National Committee on Banking

The FICCI National Committee on Banking aims to support and accelerate the Indian banking sector's contribution to India's economic progress. The Managing Director, Axis Bank is the Chair of the Committee. At the request of the committee, Axis Bank co-authored and submitted a policy recommendation paper on ESG and climate action, which has been submitted to the government of India and the RBI.

FICCI CFO Council

The FICCI CFO Council is a grouping of the country's leading CFOs with a focus on thought leadership, knowledge sharing and advocacy of good governance, transparency and disclosures. Under the council's aegis, Axis Bank helped develop a white paper on how to strengthen SEBI's BRSR regulation, introduced in 2021, and help companies align with the regulation more effectively. The paper was formally submitted to the regulator.

The Bank was a speaker or panelist at the following key conferences and seminars during the year

Event	Organiser	Topic
Regional Policy Dialogue: Mobilising Finance for SCP and SDG 12	TERI	Driving sustainable consumption and production (SCP) and achieving SDG 12
Roundtable on Sustainable and Climate Finance	UNDP India	Capacity building for sustainable and climate finance
Virtual Roundtable on Managing Climate Risks	ODI, Climate Bonds Initiative and AuctusESG	Policy recommendations towards strengthening climate risk management
BNEF Summit New Delhi 2022	Bloomberg NEF	Financing India's energy transition
Greening the Financial System: High-Level and Technical Workshop, Paris	AFD, SIDBI, Shakti Foundation	Managing the climate financial risks
Roundtable on aligning business and climate, how State and business will respond to the decarbonising agenda, Davos	World Economic Forum, ODI	Financing India's low-carbon transition
Virtual Event: "Growing the Gender Bond Market in India"	UN Women, Citi	Growing the gender bond market in India
Positive Impact Seminar	Société Générale	Growing the sustainable financing market in India
J.P. Morgan 2022 Asia Banking Forum	J.P. Morgan	What's next after the COVID-19 pandemic for the banking sector

The details of paid memberships by the Bank for FY 2022-23:

The details of paid memberships by the Bank for FY 2022-23:
 ASSOCHAM - Membership Fee paid - ₹1, 25,000 plus GST
 FICCI - Membership Fee paid - ₹1, 20,000 plus GST
 CII - Membership Fee paid - ₹3, 00,000 plus GST

BCCI - Membership Fee paid for the month of Feb and March 2022 - ₹12,500 plus GST
 Additionally, following event was supported by way of sponsorship for Advocacy and Thought Leadership activities from the Corporate Communication Budget: FICCI-IBA FIBAC 2022 - ₹5,00,000 plus GST

Participation of our Key Leaders

The Bank's leadership sits in or leads important committees at national as well as international bodies. During FY 2022-23, we renewed our membership of ASSOCHAM, FICCI, CII and BCCI. Additionally, we sponsored a FICCI-IBA event for advocacy and thought leadership

Membership in key national level and regional level committees and taskforces on ESG

<p>1</p> <p>Amitabh Chaudhry</p> <p>FICCI Chair FICCI National Banking Committee</p> <p>CII Member CII National Committee on Financial Inclusion and Fintech</p>	<p>2</p> <p>Rajiv Anand</p> <p>CII Member CII National Committee on Financial Regulatory Compliance</p> <p>Member CII National Committee on Banking</p>	<p>3</p> <p>Neeraj Gambhir</p> <p>FICCI Member FICCI National Banking Committee</p> <p>FIMMDA Board Member</p>	<p>4</p> <p>Anoop Manohar</p> <p>ASSOCHAM Member ASSOCHAM National Branding and Marketing Council</p>
<p>5</p> <p>Munish Sharda</p> <p>ICC Member ICC India Working Group on Digitalization and FinTechs</p>	<p>6</p> <p>Amit Talgeri Chief Risk Officer</p> <p>MCA Ministry of Corporate Affairs Task Force on Sustainable Finance</p> <p>SEBI SEBI Advisory Committee on ESG Matters</p>	<p>7</p> <p>Anand Vishwanathan Designation</p> <p>IBA IBA Standing Committee on ESG</p>	<p>8</p> <p>Prashant Murkute</p> <p>IBA IBA Standing Committee on ESG</p>
<p>9</p> <p>Abhejit Agarwal Head - Sustainability & CSR</p> <p>FICCI FICCI Task Force on ESG 2022-23</p> <p>CDP CDP India Sustainable Financing Working Group</p>	<p>10</p> <p>Rajiv Anand Designation</p> <p>NIIF NIIF Green Frontier Working Group</p>		

Read more about our thought leadership and advocacy of sustainability and climate action on [PG 30](#) →

Going the Extra Mile for our Stakeholders

As an institution of public trust, we are cognisant of the importance of open communication and two-way engagement with our stakeholders to be able to truly create shared value. Regular, structured engagements with our stakeholders help us understand their needs, gauge the external environment and mitigate risks. Open communication also enables us to communicate our priorities, and our sense of purpose and create positive impact.

We engage with our stakeholders in myriad ways, often on very specific aspects through one-to-one engagements but also on broader aspects at wider and common platforms, each of which are important and must be paid attention to.

Stakeholders	Modes of Engagement	Frequency
Shareholders & Investors 	<ul style="list-style-type: none"> Investor meets Management roadshows Investor grievance channels – Whistle Blower mechanism, e-mails Face-to-face meetings Annual General Meeting Annual Reports and Sustainability Reports Investor-led conferences or round tables IR portal on website 	<ul style="list-style-type: none"> Need-based Periodic Annual Ongoing
Customers 	<ul style="list-style-type: none"> Face-to-face interactions at branches Phygital engagements with Relationship Managers Axis Virtual Centre Social media communications Print, Television and online Marketing campaigns Customer care channels – Telephone, e-mail, website Customer satisfaction surveys 	<ul style="list-style-type: none"> Ongoing Eventual Periodic
Senior Management 	<ul style="list-style-type: none"> Board meetings Management committee meetings Strategy meets 	<ul style="list-style-type: none"> Ongoing
Community and NGOs 	<ul style="list-style-type: none"> CSR programmes underway pan-India Axis Cares - Employee payroll giving CSR interventions by Axis Bank Foundation Conferences and roundtables 	<ul style="list-style-type: none"> Ongoing

Stakeholders	Modes of Engagement	Frequency
Employees 	<ul style="list-style-type: none"> Town-hall meetings Training and capacity development programmes Whistle Blower mechanism Mid-year and Annual performance appraisals Intranet portal – MyConnect Internal communications – webcasts, newsletters, surveys, mails Axis cares - Employee payroll giving Management visits to branches 	<ul style="list-style-type: none"> Ongoing Eventual
Regulatory Authorities 	<ul style="list-style-type: none"> One-on-one meetings and group meetings Email and mail correspondence Periodical submissions of business & operational performance Mandatory regulatory filings including to RBI and SEBI Engagement at banking platforms and conferences Regulatory reviews 	<ul style="list-style-type: none"> Periodic Need-based
Industry and Peers 	<ul style="list-style-type: none"> Industry and trade associations such as CII, FICCI Under the Indian Banks Association Multilateral platforms 	<ul style="list-style-type: none"> Eventual
Vendors and Service Providers 	<ul style="list-style-type: none"> One-on-one vendor meets Techno-commercial Discussions and service engagements Audit, governance, compliance meetings Supplier sustainability assessments Email communications Whistleblower mechanism 	<ul style="list-style-type: none"> Ongoing Periodic
Media 	<ul style="list-style-type: none"> Press releases Management interviews in print, television and online Emails and telephonic communications PR agency partnerships Media days 	<ul style="list-style-type: none"> Eventual Ongoing
Academia 	<ul style="list-style-type: none"> Campus placements Common industry forums CSR engagements 	<ul style="list-style-type: none"> Eventual Ongoing



Determination and Prioritisation of Material Topics

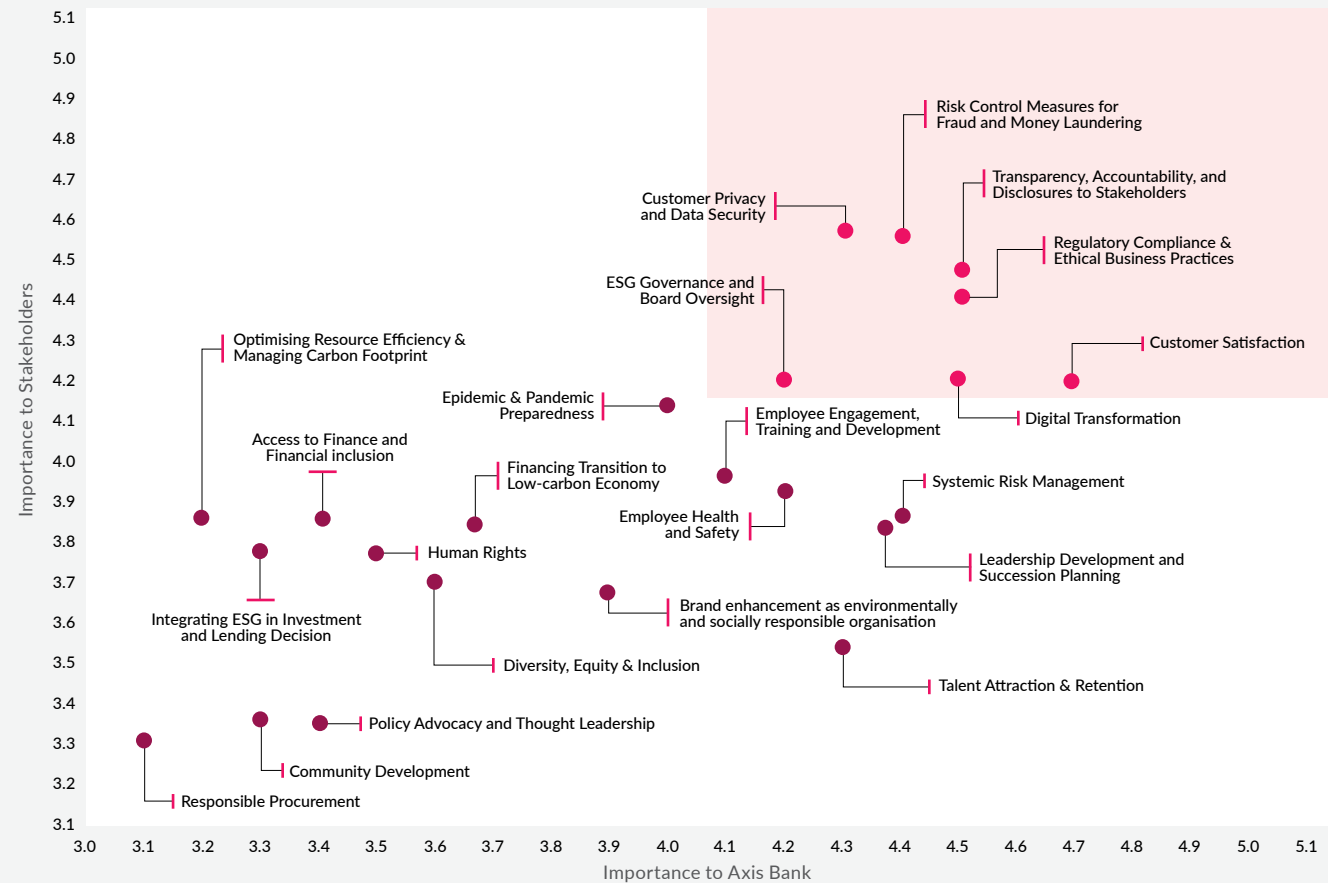
In FY 2022-23, we adopted a new methodology to assess the material issues relevant for the Bank.

Process adopted for arriving at the Materiality Matrix

- Identification of key stakeholders based on previous engagement and peer review
- Identification of potential material E,S and G topics following 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 by Senior Management
- Feedback collection from identified stakeholders to finalise topics through a detailed questionnaire
- Based on the responses received from the Senior Management and our key stakeholders, a materiality matrix of prioritised material topics was developed

Material Matrix

□ Critical material issues



Customer Privacy and Data Security

Context for the Bank

As a provider of banking products and services, ensuring the privacy of each of our millions of customers is among our foremost priorities. As the banking sector continues to digitise as well as digitalise, and new digital and virtual channels for conducting banking and financing activities continue to emerge, the sanctity of financial, personal and institutional data is always a critical priority. We are bound to maintaining the highest standards of data security at all times.

100% of our digital products are under Dark Net/Deep Web monitoring

Comprehensive Cyber Security Policy in place

NIST standard-based cyber security structure in place

ISO 27001 certified

Compliant with PCIDSS standards

ISO27017 cloud security certification

BitSight rating of 800 out of 900, higher than 90% of banking and finance entities

All employees trained on cyber security measures

800+ mid and senior management employees trained through exclusive workshops on cyber security

Please refer to **page 65** of the Annual Report 2021-22 and **page 62** (Customer Privacy & Data Security) of this report to know more about our approach and actions.

Context for our Stakeholders

Our customers bank with us in myriad ways – either physically or virtually, on our mobile app or through our website – paying their bills and EMIs, making card or UPI transactions, and even paying through messaging services such as WhatsApp. Our customers expect such channels to be secure and their personal information and finances to be protected at all times.

Our Approach

We operate in a highly regulated sector with strong regulatory guidelines and international benchmarks focused on customer privacy and data security. As part of its comprehensive risk management systems and processes in place and guided by its Privacy Policy, the Bank works towards securing customer and financial data at all levels in both the physical and digital domains. The Bank continually invests to upgrade its core systems for better scalability, stability and enhanced security. The Bank's systems are further bolstered by a variety of internal audits as well as external certifications.



Transparency, Accountability, and Disclosures to Stakeholders 

Context for the Bank

As an institution of public trust, ensuring transparency, accountability, completeness and materiality in our disclosures are critical aspects of good governance. Timely and appropriate disclosures, both on financial and non-financial performance, enable our key stakeholders - customers, investors and regulators - to get a complete picture of our value creation and organisational performance. Also, as regulations around ESG- and climate-related disclosures continue to strengthen, it is important not only to be compliant but also to stay ahead of the curve.

Context for our Stakeholders

Our customers and our investors have entrusted us to promote their financial and economic well-being, and trust us to uphold their best interests. Our actions disclosures and overall transparency are important in maintaining this trust. In the highly regulated business environment that we operate in, our regulator, our most critical stakeholder, expects us to abide by the rules and regulations at all times and assesses our periodic disclosures to satisfy itself that we are meeting its expectations.

Our Approach

Even as we continue to follow all the necessary practices to ensure our overall governance and business-related disclosures practices remain timely and relevant and address the expectations of our stakeholders, we recognise that our non-financial disclosures, pertaining to our own organisational performance in environment, human capital, among others, are now just as important. We continue to report our ESG-related performance through our sustainability reports, investor disclosures, and other pertinent disclosures, as well as through our thought leadership and policy advocacy efforts.

Published our first TCFD-aligned report for FY 2021-22

Published our second SEBI-mandated BRSR for FY 2022-23

Have published 8 GRI reports till FY 2021-22, all of which are externally assured

Continued focus on strengthening ESG-related disclosures in the Annual Report

Participation in key ESG ratings and scores, including CDP, DJSI, FTSE4Good, and MSCI ESG Ratings

Risk Control Measures for Fraud and Money Laundering 

Context for the Bank

The Risk function is a critical nerve centre of the institution, providing comprehensive risk management for each financial product, service and activity of the Bank, and being the custodian of all risk-related policies, compliances and disclosures. As banking activities continue to grow both physically and digitally across each retail and wholesale sector, so do the associated risks. We continue to take proactive measures to strengthen prevention, detection and response to all incidents.

Context for our Stakeholders

Our stakeholders, especially those with a direct financial relationship with the Bank, expect us to have a strong risk mitigation and prevention system in place to ensure their capital and investments remain protected at all times. The deepening of technology and digital banking also raises the vulnerability of the banking system and it is important that there are adequate risk control measures protecting each and every step of a financial activity.

Our Approach

Given that the financial sector remains vulnerable to incidences of fraud and money laundering as it scales up digitally as well as physically, the Bank has in place robust policy and process mechanisms in place to eliminate such incidences from every sphere of its banking activities. We continue to invest in technologies and capabilities that strengthen our ability and oversight to manage such risks from digital banking activities and also focus on raising awareness among our stakeholders to ensure they too adopt safe banking practices and protect themselves.


Special Committee of the Board for large value frauds

Anti-Corruption and Anti-Bribery Policy in place

Advanced analytics deployed towards fraud detection

Anti-Money Laundering Policy in place

Policy on prevention and reporting of frauds in place

 Please refer to **page 59** (Fraud Detection and mitigation) to know more about the governance mechanisms and initiatives implemented during the year.



Regulatory Compliance and Ethical Business Practices

Context for the Bank

Demonstrating the highest standards of good corporate governance is important to us as a responsible corporate citizen. We recognise that poor compliance culture also increases our compliance-related and reputation risks and can potentially impact our business performance and damage the trust of our stakeholders. This also makes it imperative for us to align with the emerging ESG- and climate-related regulations and requirements, as well as meet the expectations of our stakeholders to act on sustainable development and climate action.

Context for our Stakeholders

We operate in a wider ecosystem where maintaining mutual trust amongst stakeholders and ensuring transparency is critical. We recognise that our stakeholders – customers, investors, regulators, and the wider community - expect us to always be compliant and transparent in all our activities and protect ourselves from any financial, reputational or other risks.

Our Approach

We remain committed to achieving and adhering to the highest standards of corporate governance and continue to implement robust policies and actions across all aspects of our organisational activities. Compliance to applicable regulatory requirements is a non-negotiable imperative at the Bank. Our Code of Conduct defines the standards of conduct that is expected of all employees to ensure that the right decisions are taken while performing their roles and responsibilities. We have in place robust Compliance, Legal and Ethics functions ensuring that we are compliant with all applicable rules and regulations at all times.

Code of Conduct applicable to all employees

Building a robust compliance culture across the Bank

Have published 8 GRI reports till FY 2021-22, all of which are externally assured

Adherence to compliance norms included as non-financial goal for all employees

Please refer to **page 58** (Fostering strong corporate governance) to know more.

Customer Satisfaction

Context for the Bank

We operate in a dynamic, technology-driven, and highly competitive space. We recognise that our stakeholders have many choices available to them and that their choice to entrust us with their business also depends on their experience of banking with us. Customer satisfaction also includes our ability to listen to our customers to best understand and act towards meeting their needs effectively, safely and smoothly. As an institution with a diverse customer base, this is an important material issue for us.

Context for our Stakeholders

We have millions of individual and institutional customers who bank with us for diverse requirements. They expect us to always safeguard their best interests in all our dealings with them, treat them fairly, be always transparent and ensure their savings or investments with us are protected while providing superlative service.

Our Approach

For us, customer satisfaction is about providing our customers with a banking service that is intuitive, seamless, and secure. As a Bank, we are committed to delivering the greatest levels of customer experience and satisfaction. We have put in place the requisite frameworks and measurements to gauge customer satisfaction across key journeys, touchpoints and business lines, which serve as the critical inputs for us to continually improve our ability to meet their requirements while delighting them.

Dun & Bradstreet BFSI and FinTech Awards

The Asian Banker Excellence in Retail Financial Services International Awards

2022 Greenwich Excellence Awards for Indian large corporate banking

Best BFSI Customer Experience of the Year for NEO API Banking Suite

'Most Recommended Retail Bank Priority Sector Lending in India' and 'Most Helpful Bank during COVID-19 in India'

Recognised for quality customer service

Please refer to **page 90** (Customer satisfaction) of this report to know more.



Digital Transformation 

Context for the Bank Digital integration has enabled banks to overcome the limitations of physical accessibility to reach millions of unbanked and underbanked Indians, helping them enter the financial mainstream. Digital transformation is also key to unlocking economic value and providing banking customers with a rich, personalised, and secure experience. As more and more customers bank digitally, and as we continue to digitalise our product and service offerings and launch new digital-only solutions, digital transformation remains a critical material issue for us.

55% of personal loans disbursed end-to-end digitally

30% two wheeler loans disbursed end-to-end digitally

94% in individual financial transactions done digitally

Context for our Stakeholders Technology is the foundation on which modern banking works, and as our customers bank with us through myriad of digital avenues, they expect us to offer a best-in-class digital experience while ensuring full protection against the heightened risks around customer privacy and data security.

'Axis Mobile' app has 4.8 rating on Google Play Store Highest rated banking app in India, with over 2 million+ reviews

Our Approach Digital is a key theme for us in building distinctiveness and driving business growth. We continue to build our digital capabilities, improving the overall technological framework, leveraging cutting-edge analytics and enhancing customer experience. With an increasing number of customers exclusively banking digitally with us, we continue to strengthen our digital customer experiences, build capabilities, improve our internal systems and processes, and remain committed to the highest standards of data security and customer privacy at all times.

644 million Customer VPA (Virtual Private Addresses) base in last fiscal

1st Blockchain-enabled domestic trade* transaction executed

*Transaction involved the process of Letter of Credit advising as well as digital presentation of underlying trade documents including invoice & transport document

ESG Governance and Board Oversight 

Context for the Bank As a financial institution, we recognise our central role in supporting India's equitable and low-carbon economic transition and acknowledge the importance of having a comprehensive and cohesive approach that addresses all the material priorities and expectations of our internal and external stakeholders. To ensure such cohesiveness in thought and approach, strong governance oversight at the highest level of the organisation is critical.

Management-level ESG Steering Committee established in 2020

Standalone ESG Committee of the Board established in 2021 First and only among Indian banks

Context for our Stakeholders Our relationships with our stakeholders go beyond monetary or obligatory concerns. These are also underscored by the common principles of transparency, fairness, and the importance of creating shared value. On their part, our stakeholders also recognise climate change as a common and universal challenge and expect us to adopt a strategic, proactive and focused approach.

ESG Working Group Cross-functional group to drive sustainable financing activities

Our Approach We are the first Indian bank to establish a standalone ESG Committee at the Board level in 2021. Even prior to that, we had established the ESG Steering Committee at the management level to drive and own ESG action at a vertical level. Since then, we have been focused on broad-basing ownership on ESG- and climate-aligned action across the organisation, taking and scaling our commitments under the oversight of the ESG Committee, and deepening our engagement and collaboration with our stakeholder ecosystem. As ESG- and climate-related risks continue to rise, our Risk function is scaling our ability to proactively manage such risks at the enterprise to portfolio to the project level.



MANAGING RISKS DILIGENTLY >

We fortifying our risk architecture and addressing climate-related risks responsibly. With a strategic focus on sustainability, we are proactively enhancing our systems to navigate environmental challenges, ensuring resilience and responsible banking practices.

In this section

- ▶ 46 STRENGTHENING OUR RISK ARCHITECTURE
- ▶ 52 STRENGTHENING CLIMATE-RELATED RISK MANAGEMENT AND REALISING OPPORTUNITIES
- ▶ 58 FOSTERING STRONG GOVERNANCE

Strengthening our Risk Architecture

Since 2021, when the ESG Committee was established, we have been actively pursuing our stated commitment to scale up our ESG and climate-risk related capabilities, capacity and frameworks at the enterprise level. Under the oversight of the ESG Committee of the Board, and led by its Risk function, we have built on our existing initiatives and launched new interventions. We are strengthening our climate-related Risk management and realising opportunities.

Actions undertaken under ESG Committee and Risk functions can be broadly placed into four focus areas



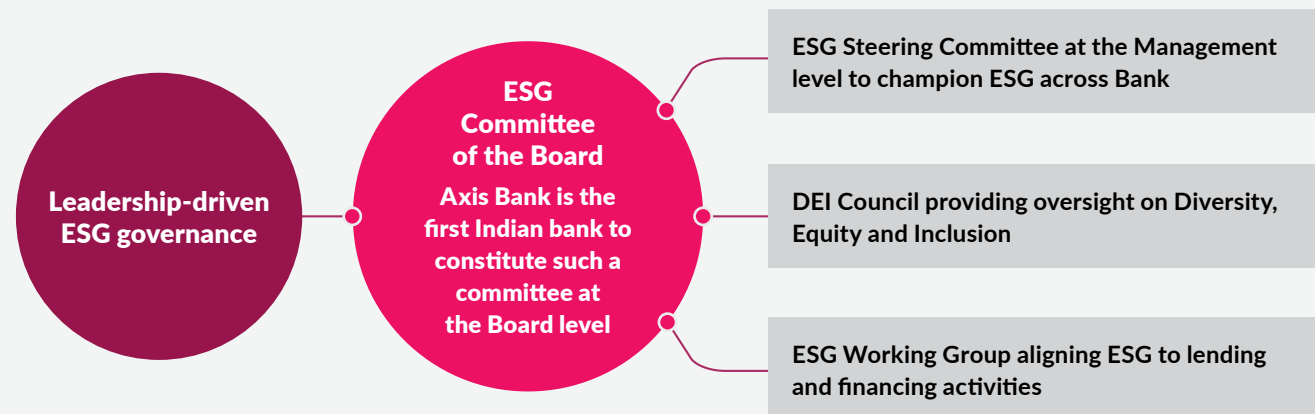
A Governance

A.1 Establishing the ESG Committee of the Board

In August 2021, we became the first Indian bank to establish a standalone ESG Committee at the Board level. This has enabled us to bring our diverse ESG contexts and impacts under a common umbrella and take a

unified approach. The Committee also provides an oversight and guidance on our overall approach to and initiatives around ESG and climate-related risks. The Chief Risk Officer is a permanent invitee to the ESG Committee

meetings and is leading a long-term strategic initiative to strengthen our capacity and capabilities for ESG and climate risk management at the enterprise level.



Risk & Compliance - Retail Lending Ops | 001 Wednesday, 17th May 2023



Our reputation is of utmost importance.

Axis Bank is entrusted by its customers to maintain strict privacy and data security norms. This risk and compliance culture applies to all employees, outsourced staff, and vendor partners.



A.2 Strengthening Board-level Oversight on Climate and ESG Risks

Sustainability and climate-related risks manifest themselves as part of our existing risk categories, including credit risk, operational risk, market risk and credit risk. Under our Risk Management Framework, the Risk Committee of the Board maintains its oversight over managing these risks. As we gradually expand our inclusion of climate and sustainability-related risks into these risk categories, we also seek to strengthen the Risk Committee's oversight over them. Pertinent cases that are discussed and approved at the Board's Committee of Directors include their assessment of our ESG Policy for Lending.

Read more about our ESG Policy for Lending on [PG 68](#) →

B Policies and Controls

B.1 Climate and Sustainability-related Risks and Opportunities included in ICAAP

The Board sets the overall risk appetite and philosophy for the Bank with its three sub-committees - the Committee of Directors, the Risk Management Committee, and the Audit Committee reviewing various aspects of risk arising from the businesses of the Bank.

Since FY 2021-22, our Internal Capital Adequacy Assessment (ICAAP) have been including an assessment of our ESG- and climate-related risks and opportunities, taking into account climate-related physical and transition risks that may have material impact on any aspect of the Bank, and the current controls in place to manage them.

As part of this assessment, we have analysed the impact of multiple physical risk factors including extreme weather events and natural disasters such as earthquakes, floods, droughts and cyclones, and factors generally attributed to anthropogenic climate change, such as heatwaves and water scarcity. The Bank has also conducted a mapping of disaster vulnerability at

the Pin code level on the basis of the World Bank tool Think Hazard and the publicly accessible All India Pin Code Directory on the Open Government Data (OGD) platform.

We have assessed the physical risk vulnerability of our physical operations basis extreme weather events, such as Cyclone Gulab in September 2021 or very heavy rains in specific parts of the country.

Our assessment of the impact of transition risk on our portfolio and operations has identified material risk from a wide variety of external factors that can potentially drive transition risk, such as emerging regulations, technology and innovation, or changing consumer or investor sentiment. We have classified these into 'High Risk' and 'Moderately High Risk' sectors.

For a detailed description of our Risk Management governance, architecture and our approach, read pages 74-75 and 126-129 in our Annual Report 2022-23 at <https://www.axisbank.com/docs/default-source/annual-reports/for-axis-bank/annual-report-for-the-year-2022-2023.pdf>

RISK ARCHITECTURE

B.2 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.

Key Development in FY 2022-23

Under the guidance of the ESG Committee, we 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). It 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.

The Policy can be accessed online at <https://www.axisbank.com/docs/default-source/default-document-library/esg-policy-and-procedure.pdf>

Read more on the Policy's performance in the Sustainable Finance section in PG 66 →

B.3 Adopting the Sustainable Financing Framework and establishing the ESG Working Group

In July 2021, we launched the Sustainable Financing Framework to guide our financing efforts in sectors and categories with a positive alignment to the SDGs and global climate commitments.

The Framework is aligned to 2021 ICMA Principles for Green, Social and Sustainable Bonds 2021 Green Loan Principles ASEAN Standards for Green, Social and Sustainability Bonds. 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>

The Framework obtained a Second Party Opinion from Sustainalytics, demonstrating its alignment to globally accepted norms and definitions of the ESG Working Group.

Together with adopting the Framework, we established the ESG Working Group as a cross-functional team comprising representatives from the Risk, Treasury, Wholesale Banking Coverage, Wholesale Underwriting, and the Sustainability verticals. This Working Group ensures that our existing and future issuances or other eligible activities conform to the Framework.

Key Developments

In FY 2022-23, we focused on strengthening our internal processes for tagging and tracking of pertinent transactions under the eligible categories defined in the Framework. The automation efforts are ongoing, and we expect to begin testing and debugging in the coming reporting year.



Calibrating Risk Architecture in accordance with Global Standards

We have made efforts to strengthen our approach to sustainability-related risks as distinct from climate-related risks, and we recognise that they are primarily associated with corporate governance and our relationship with and impact on customers, employees and the community.

Scenario Analysis and Stress Testing in alignment with TCFD Recommendations

We acknowledge the important role of the TCFD in developing globally acceptable climate-related financial disclosures and continue to strengthen our alignment to its recommendations around the four pillars of Governance, Strategy, Risk Management and Metrics and Targets. In FY 2021-22, we published our first TCFD-aligned disclosures, which were prepared as per the reporting framework provided in the RBI's Discussion Paper on Climate Risk and Sustainable Finance, published in July 2022.

In alignment with TCFD recommendations, we are undertaking climate-related scenario analysis as a way for reporting organisations to further strengthen their longer-term strategy. We are striving to advance as well as strengthen our approach in line with emerging best practices and insights provided by the regulators from time to time.

During the year, we began the process of integrating pertinent climate-related levers into our quarterly stress testing exercise as a pilot. Under the guidance of the ESG Committee, we continue to develop our capabilities to be able to undertake climate-related stress testing and scenario analysis for our lending portfolio, as a part of our long-term action plan.

The Bank's TCFD report for FY 2022-23 has been published as Annexure X to this Report.

Alignment to CDP Recommendations

We have been responding to the CDP since 2015, thus elucidating our overall climate-aligned governance, strategy, risk overview and performance on the platform. We have chosen to make our CDP responses accessible in the public domain.

Our CDP disclosures can be accessed on the CDP portal at www.cdp.net

C Risk Toolkit

C.1 Launching a pilot ESG Rating Model in FY 2022-23

During the reporting year, we achieved a significant milestone with the launch of a pilot ESG Rating Model based on the top 150 clients in the Wholesale Banking business vertical.

The model has been developed completely in-house and includes more than 60 parameters across the three pillars of E, S and G. Under the pilot, we intend to populate the model initially with publicly available information and continue to review its performance periodically basis the quality of data collection and the model's outputs.

We have also assessed the model's alignment with the IFC Performance Standards, which underpin our ESG Policy for Lending, and found the model to be strongly aligned to the eight standards.

60+

Parameters across ESG pillars included in ESG Rating Model launched in FY 2022-23

8

IFC Performance Standards align with the ESG Rating Model

C.2 Building Capabilities around Stress Testing

We have commenced building capabilities around stress testing and scenario analysis by putting in place data infrastructure to capture transition and physical risk in the various borrower portfolios. We are also reviewing external best practices in this area to accelerate our learning curve.

AXIS BANK
PRESENTS
Webinar on
ESG - Creating Value
The Key to Future Business Success

“ Are we ready to create a better world tomorrow? ”

In Conversation with



Pradyumna Sahu
Leader, ESG in Fin Services,
PwC India



Amit Talgeri
Chief Risk Officer,
Axis Bank



Prashanth T S
Head – Mid Corporate Group,
Wholesale Banking,
Axis Bank

AXIS BANK

D.3 Capacity-building

A landmark development in FY 2022-23 was the launch of a Bank-wide ESG e-learning module that is applicable to all Axis Bank employees. This module introduces the learner to the key contexts, definitions and global and

national priorities around ESG, and climate action, including pertinent global commitments, frameworks and regulations, and best practices adopted by the Bank as well as its peers in India and globally.

As a part of its curriculum, the module introduces all learners to the topics of climate-related risks and opportunities. This module is mandatory for all new employees joining the Bank and existing employees attempt it at least once annually.



ESG e-learning module launched in FY 2022-23 for all Bank employees

Climate Risk Training Programme under UK PACT

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

Future ESG Pathway

Under the oversight of the ESG Committee, we have set ourselves a pathway that will focus on each and every critical aspect that we believe is necessary to build a robust and future-ready sustainability and climate risk architecture.

Our focus shall include

- Strengthening our data foundations
- Strengthening our climate-related monitoring metrics for different business lines

- Strengthening our overall internal and external disclosures
- Focusing on building our internal capacity and capabilities through stakeholder engagement, focused training intervention
- Contributing to thought leadership and policy advocacy in the space
- Benchmarking ourselves continually with best practices

Strengthening Climate-related Risk Management and Realising Opportunities

Axis Bank's robust Risk Management Framework is overseen by its Board and guided by well-defined policies and supported by an independent Risk function.

The Bank's Risk Management approach is underpinned by four pillars



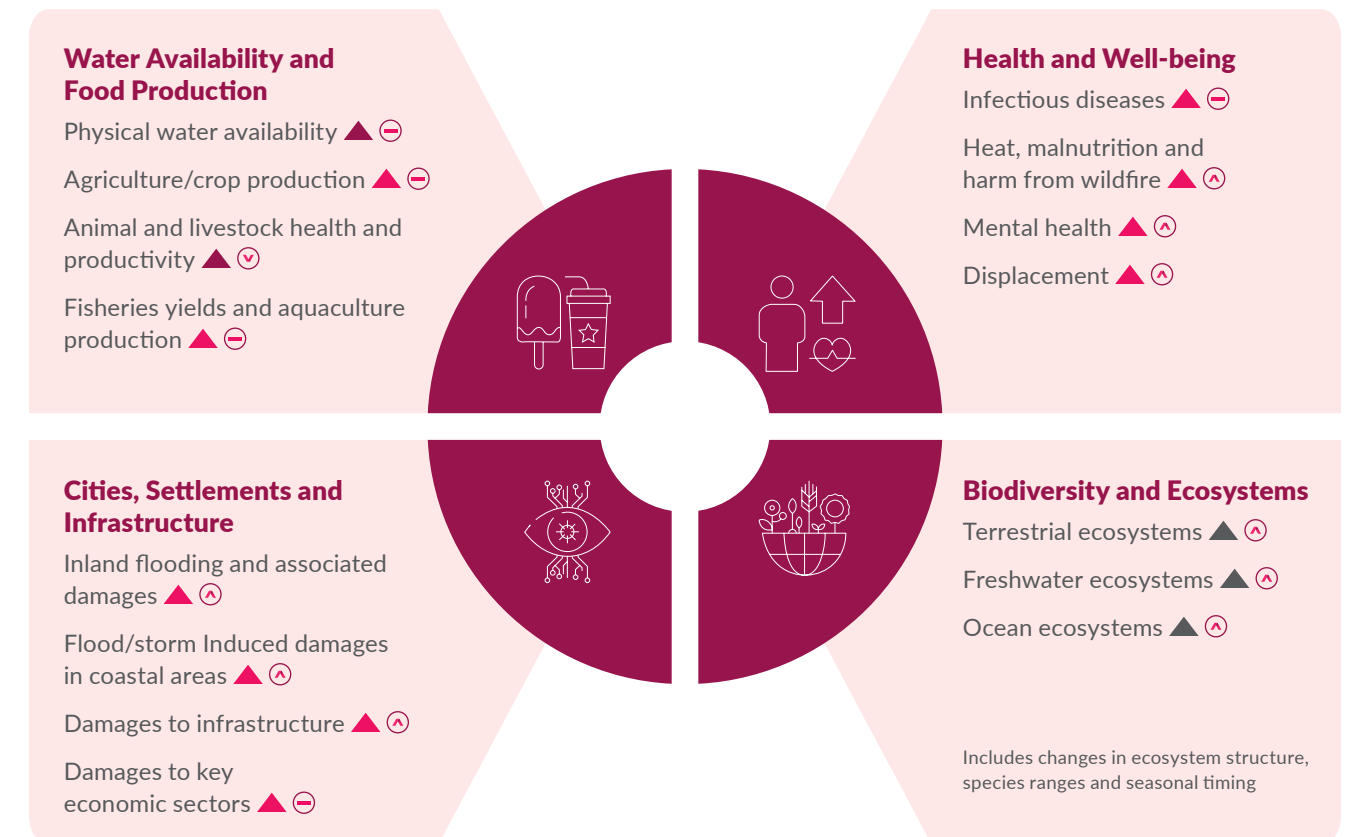
Our Approach to Climate-related Risks

The Intergovernmental Panel on Climate Change (IPCC) in its Sixth Assessment Report (AR6), published March 2023, builds on the findings published in the Fifth Assessment Report (AR5) published in 2018 that highlighted the unprecedented scale of the challenge of keeping global warming to below 1.5 °C. Since then, GHG emissions into the atmosphere have continued to rise and existing commitments and plans in place are proving to be more and more inadequate. The AR6 brings to focus the losses and damages that much of the world is experiencing already, with the vulnerable people and eco-systems "disproportionately affected".



As per the IPCC Report, adverse impacts from climate change, attributed to human activity, will continue to intensify, as categorised in the Report as below.

Observed widespread and substantial impacts and related losses and damages attributed to climate change



Key

Observed increase in climate impacts to human systems and ecosystems assessed at global level

- ▲ Adverse impacts
- ▲ ⊕ Adverse and positive impacts
- ▲ Climate-driven changes observed, no global assessment of impact direction

Confidence in attribution to climate change

- ⊕ High or very high confidence
- ⊖ Medium confidence
- ⊕ Low confidence

CLIMATE RISK

Impacts are driven by changes in multiple physical climate conditions, which are increasingly attributed to human influence.

Medium confidence	Likely	Very likely	Virtually certain
<ul style="list-style-type: none"> Increase in agricultural and ecological drought Increase in fire weather Increase in compound flooding 	<ul style="list-style-type: none"> Increase in heavy precipitation 	<ul style="list-style-type: none"> Glacier retreat Global sea level rise 	<ul style="list-style-type: none"> Upper ocean acidification Increase in hot extremes

India has been widely identified, in multiple studies, as among the most vulnerable land masses to climate change. Over the last decade, data shows that the incidences of extreme climate events in the country have risen steadily, and without adequate adaptation and mitigation measures, will continue to intensify. Now with

the world's largest population, millions are vulnerable to floods, droughts, heat-related ill-health, and subsequent impact on agriculture and overall economic activity.

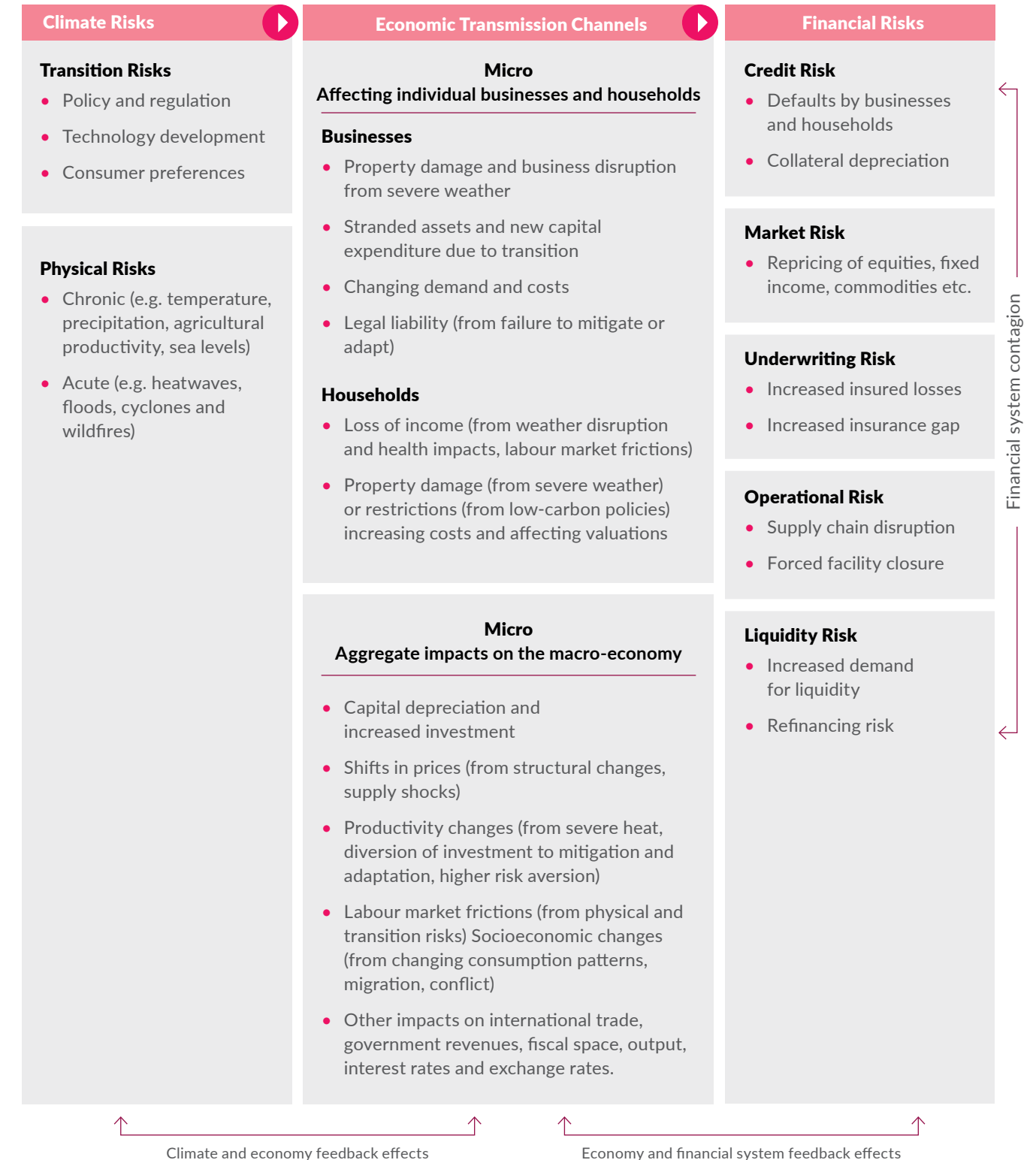
As a financial institution in India, we recognise that climate-related risks play out within credit, operational, market and reputational risks, among

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. This assessment is in line with the recommendations made by the TCFD.



Transmission Channels

Climate Risks to Financial Risks





The Bank has been responding to the CDP since 2015 and elucidates its overall climate-aligned governance, strategy, risk overview and performance on the platform. The Bank has chosen to make its CDP responses accessible in the public domain.

We have also made efforts to strengthen our approach to Sustainability-related risks as distinct from climate-related risks, and we recognise that they are primarily associated with corporate governance and our relationship with and impact on customers, employees and the community.

Aligning to the TCFD



We acknowledge the important role of the TCFD in developing globally acceptable climate-related financial disclosures and continue to strengthen our alignment to its recommendations around the four pillars of Governance, Strategy, Risk Management and Metrics and Targets.

In the previous reporting year, we published our first TCFD-aligned disclosures for FY 2022, that were prepared as per the reporting framework provided in the RBI's Discussion Paper on Climate Risk and Sustainable Finance, published in July 2022. The Bank's TCFD

report for FY 2023 is aligned to this Sustainability Report and has been published as Annexure X to this Report.

Scenario Analysis and Stress Testing

We recognise and align with the TCFD's recommendation on undertaking climate-related scenario analysis as a way for reporting organisations to further strengthen their longer-term strategy and are striving to advance as well as strengthen our approach in line with emerging best practices and insights provided by the regulators from time to time.

During the year, we began the process of integrating pertinent climate-related levers into our quarterly stress testing exercise as a pilot. Under the guidance of the ESG Committee, we continue to develop our capabilities to be able to undertake climate-related stress testing and scenario analysis for our lending portfolio, as a part of our long-term action plan.

Challenges to Accurately Assessing and Responding to Emerging Risks

"The horizon for monetary policy extends out to 2-3 years. For financial stability it is a bit longer, but typically only to the outer boundaries of the credit cycle – about a decade. In other words, once climate change becomes a defining issue for financial stability, it may already be too late."

- Mark Carney, Former Governor, Bank of England

We also recognise that there remain inherent challenges in being able to accurately assess emerging climate-related risks and, more importantly, incorporating such assessments into decision-making.

Notably, experts have highlighted the significant divergence between the current risk horizons adopted by the global financial system, which are relatively of shorter term, and climate-related financial risks and opportunities, that are expected to manifest over a much longer time horizon. Therefore, we recognise that policy-level levers may be required to enable and guide the global financial system to adopt greater long-termism in approach to climate risk management and manifesting of the opportunities.

Recognising Climate Opportunities

Financing Activities

We recognise that we have an opportunity, as well as a responsibility, for catalysing a low-carbon, equitable and sustainable economic transition. As a leading financial institution, Axis Bank facilitates financial flows into diverse aspects of the Indian economy, touching myriad sections of society across all regions. In alignment with the global sustainable development agenda led by the Sustainable Development Goals and the Paris Agreement, the Bank has strived to strengthen its sustainable financing practices and portfolio, lending to 'green' sectors, including renewable energy generation, mass transport, low carbon infrastructure and waste management, 'social' sectors such as healthcare, education and microfinance, as well as strengthening its overall environmental and social (E&S) risk assessment capabilities. The Bank has put in place a Sustainable Financing Framework which acts as a governance framework around the Bank raising money to support such financing. We recognise that globally, sources of capital are now increasingly aligning to this transition.



In 2016, the Bank raised its first green bond, a certified dollar-denominated bond for \$500 million, and since then, has accessed the global markets multiple times, underscoring its expertise and commitment to supporting India's sustainable and equitable transition.

The Bank had announced key ESG-aligned commitments in 2021 that commit us to scale our business activities in this direction. We continue to actively explore specialised products and services that specifically align to the SDGs and climate action, with emerging regulatory guidance and market practices also guiding our actions.

Own operations and CSR

We recognise the potential role of emerging technologies and innovations in shaping modern business practices and driving the low-carbon economic transition. As the Banking sector digitises and digitalises, it is not only able to lower its resource requirements, such as paper, but also improve its operational efficiency as well as reach the last mile more effectively.

Environmental sustainability is a key focus area for the Bank under CSR, and the Bank has focused interventions on afforestation, habitat restoration, biodiversity conservation and strengthening climate resilience among vulnerable communities in multiple regions in the country, including biodiversity hotspots such as the Sundarbans in West Bengal and the North East region.

Notably, in 2021, the Bank had committed to planting 2 million saplings across India by 2027 towards contributing to India's carbon sink.

Rationalising our environmental and emissions footprint remains a priority for us as we continue to implement initiatives around green energy procurement, energy efficiency, and resource management, among others, at our branches and locations. We have committed to ensuring that all our new branches adopt smart design practices and are outfitted with environment-friendly materials and energy-efficient appliances. As highlighted, new technology innovations and the greening of the electricity grid shall also support our efforts to lower our own carbon footprint over time.



Fostering Strong Governance

At Axis Bank, we recognise that the ESG pillars, particularly robust governance, are essential for fostering long-term resilience, creating enduring value for our stakeholders and executing our purpose. Upholding the highest standards of accountability has always been an intrinsic part of our operations, guiding our decision-making processes and ensuring ethical business practices at every level.

Robust Corporate Governance

We recognise our role as a responsible corporate citizen and endeavour to adopt and maintain the highest standards of corporate governance.

Our objective is 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 to safeguard the interests of all our stakeholders. We also aim 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 2022-23, 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 the Bank's Annual Report 2022-23. The Report can be

accessed from page 138 onwards in our Annual Report 2022-23 at <https://www.axisbank.com/docs/default-source/annual-reports/for-axis-bank/annual-report-for-the-year-2022-2023.pdf>

Code of Conduct

Our Code of Conduct and Ethics demonstrates our commitment to the highest standards of ethical practices and integrity, which is further supported by our five core Values. The policy lays down standards of conduct expected of all employees to ensure ethical decision-making while carrying out their roles and responsibilities. It also serves as a charter emphasising on the fundamental commitment to compliance with regulatory guidelines. It sets forth basic parameters of ethical and acceptable social behaviour at the Bank and establishes a system for the detection and reporting of known or suspected ethical misconduct or violations of regulations. New employees are required to mandatorily affirm to the Code, and existing employees have to affirm to the Code at least once annually.

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 practice zero tolerance towards the breach of Code of Conduct and Ethics. We have in place Whistleblower Policy and vigil mechanism to encourage reporting of suspected or actual occurrence of illegal, unethical, or inappropriate actions, behaviour, or practices by the Bank's employees, without fear of retribution. All internal and external stakeholders may choose to anonymously blow the whistle on an independently managed web-based application – <https://axisbank.whistleblownetwork.net>

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.

In FY 2022-23, 395 incidents were reported under the Whistle Blower Policy. Of the total reported incidents, 83 were reported by the Bank's external stakeholders; 61 incidents are pending as on March 31, 2023.

Vigilance, anti-bribery & 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. The roles and responsibilities of the CIV include assisting the Management in the formulation, implementation and review of the Internal Vigilance Policy, creating awareness about vigilance, creating a preventive vigilance culture in the Bank and arranging for the submission of necessary reports to the Audit Committee of the Board.

We have taken several measures to create 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 observe a Vigilance Awareness Week every year. A live banner was published on our website, guiding visitors to take the Integrity Pledge.

We also have in place an Anti-Bribery and Anti-Corruption Policy that is accessible online at <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 in 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.

In FY 2022-23, 179 cases were handled, of which the vigilance angle was established in 142 cases and other violations of the Code of Conduct were established in 26 cases. As many as 297 officials were examined during the investigation of cases and disciplinary action was initiated against 274 officials, resulting in punitive action. Of the 179 cases handled in FY 2022-23, 150 cases were handled in the category of corruption and bribery. Of these, 116 cases were found to be true, resulting in stringent disciplinary action against 189 officials.

Tax Strategy

We are committed to staying responsible in relation to our tax affairs at all times and maintaining 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 to relevant global standards such as the OECD guidelines. The policy also addresses disclosures related to tax payments made in each country where we operate in (known as Country-by-Country Reporting).

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

Fraud Detection and Mitigation

We have been constantly expanding our geographical reach, customer base and product offerings. The advent of digitisation has led to an increased digital uptake among customers who are using digital channels for their transactions, leading to increased complexities in the banking environment.

While it is our endeavour to ensure that there is no fraud vulnerability within our ecosystem, it is of

paramount importance that customers also remain vigilant while making online transactions and take necessary precautions advocated by the RBI/banks through various awareness campaigns, warning them to not fall prey to fraudsters.

Fraud detection and mitigation is an organisational priority for us and we make every effort to minimise any vulnerability, driven from the highest level, our Board of Directors.

We have a framework that focuses on seven pillars i.e. deterrence, prevention, detection, investigation, staff accountability, recovery, and reporting, with Fraud Risk having an independent oversight within the operational framework.

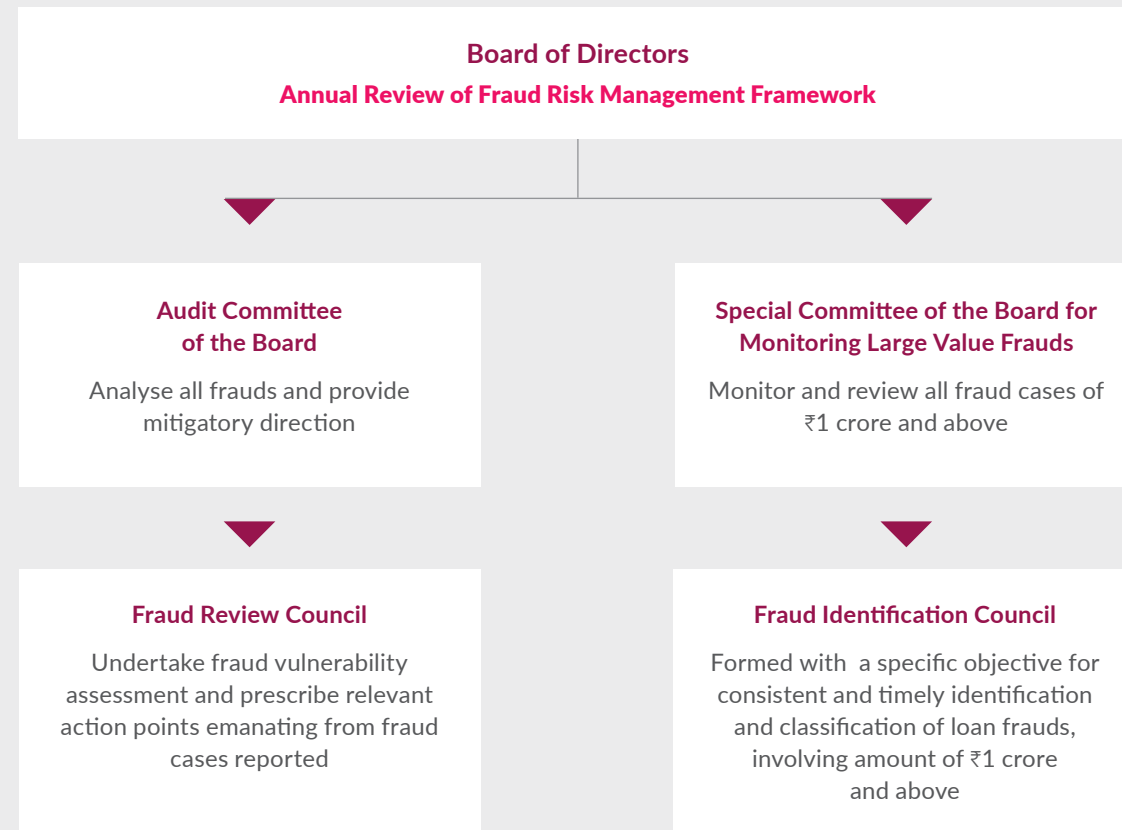
On an ongoing basis, we take measures to strengthen prevention and detection and respond to incidents with an objective to protect the Bank and our customers. These actions aim at minimising fraud by analysing such incidents, learning from these incidents and implementing control measures to prevent recurrence. We have established a combination of value thresholds, velocity checks and real-time decline of transactions to help mitigate the fraud risk.

As part of our transaction monitoring framework, we continuously endeavour to widen the scope of transaction monitoring. For this, we analyse reported frauds while looking at industry trends, market reports, customer complaints and cross-functional inputs to develop new scenarios and check the efficacy of existing scenarios for transaction monitoring.

Through the above framework, we also identify areas of vulnerability and strengthen the processes and procedures by implementing measures to address these gaps.



Governance framework for fraud risk management



Our policy on Fraud Management & Reporting serves as a reference document and guidance for internal oversight and detection. We have in place an end-to-end fraud risk management system for fraud detection and prevention.

On an ongoing basis, we deploy advanced technologies/tools to enhance the efficacy of fraud detection and prevention mechanism with a view to undertake behavioural monitoring and identify suspicious transactions on a real-time/near real-time basis.

Combating Financing of Terrorism (CFT)

The Government of India engaged the Prevention of Money Laundering Act, 2002 (PMLA) to prevent money laundering, which came into force on July 1, 2005. The Act clearly defines money laundering and terrorism financing and guides the Bank's approach to anti-money laundering (AML) and combating financing of terrorism.

The Bank's approach to Anti-Money Laundering, Combating Financing of

Terrorism and Know Your Customer (KYC) can be accessed in its AML Statement, available in the public domain at https://www.axisbank.com/docs/default-source/default-document-library/axis-bank-aml-statement.pdf?sfvrsn=57af6656_2

The Statement includes the Standards adopted by the Bank, the AML governance structure, and internal capacity-building and control measures.



Fraud awareness

We have created an environment of safe banking and we undertake initiatives to create awareness among customers as well as employees about frauds.

Key interventions in FY 2022-23

- 'Safe Banking Awareness' messages were circulated through SMS and e-mails to customers
- 'Fraud Awareness Campaigns' messages educating customers about fraud were circulated through e-mails and mobile banking push alerts
- Safe banking video, 'Muh Pe Taala', was played on branch LED screens at our branches
- Safety tips to protect oneself from digital frauds were put up on our website
- A special campaign, 'The 9 Modern Days' Demons', was launched on social media platforms such as Twitter, LinkedIn, Facebook and Instagram during the festival of Navratri in 2022, wherein on each of the nine days of the festival, customers were cautioned about a different fraudulent technique used by fraudsters

- We actively participated in the RBI awareness campaign organised in November 2022, wherein interactive fraud awareness activities were organised at our branches across the country
- Theme-based Electronic Digital Mailers (EDMs) sent to all the employees of the Bank during FY 2022-23 highlighting recent fraud cases, key learning points and best practices that would empower them to educate customers about cultivating safe banking habits
- A webcast that had the Chief Information Security Officer (CISO) addressing employees on 'Cyber Security Awareness' was also conducted during the year
- Employee awareness initiatives were organised during the Fraud Awareness Week held in November 2022, wherein personalised messages from senior Bank functionaries on fraud awareness were disseminated amongst our employees

Engagement with the ecosystem

We also constantly engage with law enforcement agencies (LEAs) and conduct workshops/training sessions for LEA officials to ensure coverage of the entire ecosystem engaged in fighting frauds.

Lastly, we actively engage with VISA, MasterCard and NPCI to seek information on fraud trends and remedial measures needed to address key risks. These initiatives have proven to be confidence building measures for our customers, helping them to collectively fight the fraud menace in banking.

ROBUST GOVERNANCE

Information Technology and Cybersecurity

We have in place a holistic Information and Cyber Security Program, supported by our 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 & Cyber Security Governance Framework, we have in place the Information System Security Committee at the executive level, constituting key business functions. The committee meets at least once in a quarter to assess the threat landscape and validate the controls enforced in our operations commensurate with the cyber risks. We are also compliant with ISO 27001 standards and PCI DSS standards.

Notably, our BitSight rating, a key risk indicator of overall cybersecurity, stood at 800 out of 900, highlighting our strong focus on managing cyber-related risk and governance. We have trained all our 87,000+ employees on cybersecurity measures and conducted exclusive workshops on cybersecurity for 800+ mid and senior management employees.

There were NIL cybersecurity incidents reported in FY 2022-23; 5 incidents were reported in FY 2021-22, and 4 in FY 2020-21. None of the incidents in the previous years were related to data breach, thus no customers were affected due to data breach. There are no fines/penalties paid in relation to information security breaches or other cybersecurity incidents.

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 Discussion & Analysis on pages 125-126 in the Annual Report 2022-23, and accessible online at <https://www.axisbank.com/docs/default-source/annual-reports/for-axis-bank/annual-report-for-the-year-2022-2023.pdf>

800/900

BitSight Rating, indicating our strong focus on cyber-related risk and governance

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. Our Privacy Policy aims to enhance customer awareness about our systems for protecting and processing personal data responsibly. We follow all regulatory norms on displaying privacy notices to customers for our products and services.

We updated our Privacy Policy in 2021 and incorporated key aspects of data privacy and security into our privacy framework. We have periodically been updating our Privacy Policy year on year with the latest update to the Policy in November 2022. The scope of the control environment has also been expanded to ensure preparedness for expected data regulations in India and countries of customer presence.

Key interventions for strengthening customer privacy and data security in FY 2022-23:

- We undertook in-depth assessments across people, process and technology through data protection impact assessments to identify potential risks to data privacy and identifying suitable measures to mitigate the same.
- The Bank has implemented processes that require privacy assessment of Vendors at the time of onboarding to identify and minimise risks associated with personal data processing undertaken by third-party service providers.
- Live instructor-led trainings were provided to 200+ employees as well as 20+ vendor organisations on topics of personal data protection, personal data lifecycle management, risk identification and incidence response strategies.
- We also celebrated 'Privacy Week' in January 2023 wherein we rolled out bank-wide contests and received 400+ participatory responses.

Axis Bank has institutionalised its commitment to preserving the privacy of its customers whilst providing them with innovative solutions to make banking seamless and inclusive for all through the focus on people, process, and technology. All the privacy-related complaints and queries have been responded to by the Bank. In addition we have not received any privacy complaints by the Bank in FY23. To enable 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 in raising requests such as 'request to forget'

and 'data subject access requests', which are tracked till closure. 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.

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

Relevant 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 aware of our responsibility towards adequately catering to persons with disabilities (PwDs), and our branches, ATMs, offices, and digital services enable easier physical and digital access towards 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 our 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

As an organisation, we remain committed to respecting and imbibing internationally recognised human rights principles and standards and putting in place systems and processes to ensure no human rights violations occur across the range of our operations. We remain guided by the Human Rights Policy, which has been framed with reference to 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>

Strengthening ESG Integration in Supply Chain

As a large bank with significant operational presence, we have a diverse network of value chain partners and service providers who are critical to our ability to serve our customers and other stakeholders. Our supply chain consists of providers of technology, human capital services, utilities and equipment, and office supplies, among others, and can range from multinational corporations to local independent suppliers.

We strive to build strong and long-term partnerships with our vendors and business partners and are committed to ethical and transparent business conduct. Vendor contracts for all our centralised departments handling bulk procurement of goods and services are handed under the Contract Management platform.

A Vendor Code of Conduct outlines our expectations from vendors to adopt sustainable practices. It also includes pertinent environmental and social (including human rights) clauses and requires vendor sign-off.



INCLUSIVE AND EQUITABLE ECONOMY >

We aim to foster a society where economic opportunities are accessible, regardless of social or economic background. The purpose is to create a more just and balanced economic landscape that empowers marginalised communities and ensures fair access to resources and opportunities. We aim to bridge the gap between different socio-economic groups through targeted financial programmes and inclusive policies, promoting equal participation and representation in economic activities. By championing diversity and advocating for fair economic policies, they aspire to cultivate an environment where everyone can thrive and contribute to the collective prosperity of society.

In this section

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Sustainable Banking and Finance

As a leading financial institution in India, we remain committed to actively financing sectors that contribute to India's growth in an equitable, sustainable manner and support India's commitments towards the Sustainable Development Goals and climate action under the Paris Agreement.



In 2021, under the oversight of the ESG Committee of the Board, the Bank had taken public commitments to accelerate its lending activities towards the following goals:

	GOALS	ACHIEVEMENTS (FY23)
Wholesale banking – sectors with positive social and environment outcomes	₹30,000 crore Incremental financing by FY26	₹20,400 crore Incremental financing in FY23
Retail two-wheeler loan portfolio	5% for electric vehicles by FY24, interest waiver of 0.5% on new EV loans	2.5% EV loan portfolio in rupee terms

Impetus to Retail EV Financing

Towards achieving our commitment to make 5% of our retail two-wheeler loan portfolio in rupee value as electric by March 2024, we have gradually scaled up on strengthening our product offerings and incentives to accelerate this sunrise sector. We have also scaled up our partnerships in this space with credible EV manufacturers and focused on making the customer journey seamless. We continue offering an industry-leading 0.5% interest rate discount on EV loans for retail two- and four-wheel vehicles.

~2,700

EV loans offered in FY23

3.26%

EV penetration

Exploring New Retail Products and Services Aligned to Positive ESG Action

We are actively exploring new products and services to augment our bouquet of offerings aligned to the SDGs or climate action. We are actively exploring the potential to finance rooftop solar for SMEs

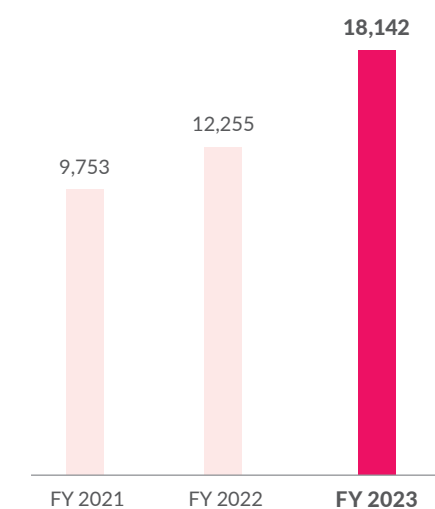
in India and are discussing with potential partners and developing the product proposition.

Scaling the Green Wholesale Portfolio

Overall, we continue to grow our wholesale banking lending portfolio aligned to the 'green' sectors, such as renewable energy generation, urban mass transport, electric mobility, and green buildings.

Green Lending Portfolio

■ in ₹ crore



Our View on Decarbonising our Lending Portfolio

As an Indian bank, we have a role in helping the Indian economy move forward on its net zero emissions pathway and are omitted to scale down our exposure to carbon-intensive sectors, including thermal power and coal, in our wholesale banking book. The commitment is being monitored internally by the ESG Committee of the Board.

We recognise that India's low-carbon transition must remain just to enable all parts of the economy, especially its most vulnerable sectors, communities, and regions, to transition surely but gradually. Even as India transitions, we recognise that over the medium term, thermal power shall remain a primary energy source for economic growth and that the Indian banking sector shall be called upon to support this growth. In addition, during the year, the global geo-political strife that affected commodity prices globally also nudged India to scale up its efforts to ensure the country's energy security.

Notwithstanding the challenges, we recognise that India has ambitious plans, including renewable energy

INCLUSIVE AND EQUITABLE ECONOMY

capacity expansion targets, green hydrogen, carbon trading mechanisms, and adoption of technology and innovation, among other focus areas that shall support India's low-carbon transition.

Landmark sustainable finance deals

In FY22, the Bank announced marquee sustainable financing deals and issuances aimed at accelerating India's low-carbon, equitable transition. In FY23, our focus was primarily on building a robust pipeline of ESG-compliant projects in conformance with our extant credit appraisal mechanism.

In brief, these marquee transactions included:

India's First Sustainable AT1 Issuance

The Bank raised India's first sustainable AT1 issuance priced at \$600 million in the overseas markets on September 1, 2021. With this issuance, India became the second jurisdiction in Asia with an ESG AT1 issuance.

ESG policy for lending

During FY23, a total of 383 proposals were assessed under the EPL, with 305 cases discussed at the Board-level. No proposals were rejected during the year subject to non-compliance with the exclusion list of the ESG policy.

Snapshot of proposal flow under the ESG policy for lending in FY23

	Category A	Category B+	Category B	Category C	Category FI	Total
Cases eligible for environmental and social due diligence	1	1	67	1	8	78
Review of project portfolio/group companies portfolio put up to the Board's COD under ESG policy						₹305
Total cases for FY23						383
Total value in INR of the total proposals, reviewed under the policy in FY23						₹48,477 crores

* The categorisation of cases reflects the status as of March 31, 2023. It is to be noted that due to material changes in the proposal or project, the categorisation of cases can also change over the duration of the loan.

** Categories A, B+, B, C are project risk categorisation as defined in the ESG policy for lending

In FY22, we undertook a self-assessment of the policy under the IFC's ESMS diagnostic tool, 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. It 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 project categories and the due diligence process under the policy is also accessible here: <https://www.axisbank.com/docs/default-source/default-document-library/esg-policy-and-procedure.pdf>

Our exposure to thermal power generation and coal mining and trading was 1.52% of the total wholesale banking book as of March 31, 2023.

Partnering to Accelerate Transition to Electric Vehicle Ecosystem in India

In November 2021, Axis Bank and the Private Infrastructure Development Group (PIDG) guarantee arm, GuarantCo, announced the partnership and intent to execute an umbrella guarantee framework of \$200 million with a programme size of \$300 million towards accelerating the e-mobility ecosystem in India. The guarantee will enable capex financing of diverse entities engaged in manufacturing, distribution and servicing electric vehicles, batteries and charging infrastructure.

Strengthening India's Healthcare infrastructure

The Bank signed an MOU with IPE Global Ltd for the SAMRIDH Healthcare Blended Finance Facility. Under this partnership, Axis Bank will provide affordable finance of up to \$150 million through SAMRIDH to support health enterprises and innovators who would otherwise not have access to affordable debt financing.

Collaborating to Offer Supply Chain Finance

Axis Bank has 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 Axis Bank. The programme is scalable, with an initial foundational ramp-up of nearly \$150 million.

We also present three case studies highlighting the environmental and social due diligence (ESDD) conducted under the policy:

CASE STUDY 1

Sector: Chemical sector within the specified industrial estate limits

During the proposal discussion with a company, we found that a fire broke out in the premises of the chemical manufacturing facility despite having a well-planned and functional fire-fighting system in place. This accident led to damage to certain property, plant and equipment, inventory and interrupted business but no loss of human life.

Key mitigation measures

The Bank decided to investigate the fire accident in this proposal and all such future proposals of chemical sectors for these types of accidents/incidents. Details of the accident, the accident's root cause, loss/injury at the accident site, the corrective action plan/mitigation plan taken by the company and the current status of the corrective action plan were part of the detailed investigation.

CASE STUDY 2

Sector: Manufacturing of drugs

Our ESG assessment of the company's portfolio identified that, per the current status declared by the company, there was one case of non-compliance with environment norms. Based on the information declared by the company, the site was visited to discuss the cases in detail with stakeholders of the company and to understand the current status, concerning regulatory compliances.

Key mitigation measures

From the nature of the cases discussed with the company, we have seen that those letters were from the regulator for effectively implementing a pollution control system with the latest technology available in the market.

The company has established strict environmental compliance at the site by implementing all mitigation measures with the latest technology. Axis is regularly monitoring the status of the environmental compliance of the company.

CASE STUDY 3

Sector: Onward lending to NBFC, which funds infrastructure projects

We engaged in onward lending to an NBFC involved in infrastructure projects across various phases with a mix of operating, brownfield and greenfield assets. Since infrastructure projects potentially impact the environment and society, we conducted detailed due diligence to access its policies and commitments within the bank and in further lending.

Key mitigation measures

The company has undertaken the necessary steps to mitigate potential environmental and social risks. The company has established strict environmental compliance at the site by implementing all mitigation measures with the latest technology. Axis is regularly monitoring the status of the environmental compliance of the company.

The Company has taken all the necessary steps to access the environmental and social risks in onward lending.

Building Bharat

Bharat banking is one of Axis Bank's three strategic priorities. It has been our foremost pillar towards driving the economic integration of rural and semi-urban India (RuSu) and supporting the financial aspirations of its millions of inhabitants.



During the year, Bharat banking continued to move in the right direction with robust growth across assets and liabilities, and on the back of focused investments aimed at increasing the distribution footprint, launching new products and propositions, digitising the customer journeys to ease out processes, improving visibility, and forging relevant partnerships in the RuSu markets.

Highlights for FY23

26% Growth in rural advances	15% Growth in rural deposits	37% Growth in disbursements
60,600+ CSC outlets in rural and semi-urban India	2,137 Bharat banking branches	660 Districts served by Bharat banking
2.2 million Borrowers who are women under Axis Sahyog retail microfinance programme	400 Pradhan Mantri Jan Dhan Yojana (PMJDY) outlets	156 Business correspondent banking outlets (BCBO)

Building Bharat-centric Propositions

We have endeavoured to launch customer-centric propositions, serving the specific needs of our diverse customers and delivering in a manner that suits them across products and processes, with many more new initiatives in the pipeline. Milestones during the year included:

- eKYC biometric-based process that enables third-party networks to source current and savings accounts, enabling the bank to mobilise deposits from the last mile customer in an efficient manner
- Digital co-lending platform that gives access to new segments in the RuSu markets
- Launched new products in the retail and MSME space, such as FPO financing, small ticket business

loans, agri commercial vehicles, used farm equipment, base metal-based financing, and lease rent discounting, among others

- Enabling policy-related changes to improve coverage in retail products
- Increasing vernacular content in customer communication, thereby improving visibility in the RuSu markets
- Launching a new rural-centric branch design

Deepening Distribution in Bharat

We continue to invest in building a deep organic distribution in RuSu markets and opened 72 new branches. The distribution is further complemented by the BCBO's and PMJDY outlets and the partnerships network. In FY23, our number of CSC VLE (Village Level Entrepreneur) increased by 54% y-o-y, and several new partnerships were launched, such as with ITC MAARS and Airtel Payments Bank.

We are also focusing on strengthening our presence in critical and emerging ecosystems such as mandis, pre-harvest, and horticulture, among others.

2,317
Total Bharat banking branches in FY23



Axis Sahyog – Empowering Women

Axis Sahyog, our flagship retail microfinance programme, completes ten years in FY23. The programme has played a leading role in helping bring millions of women from economically weaker and socio-economically marginalised backgrounds, particularly in rural India, into the formal credit system. Under the programme, the Bank provides micro-loans to Joint Liability Groups (JLG's) comprised of women for undertaking an economic enterprise such as tailoring, setting up a small shop, or purchasing cattle, among other requirements.

Key performance indicators for Axis Sahyog

2.2 million

Women participants in Axis Sahyog

20

States that Axis Sahyog is present in

58%

Growth in disbursements

In addition to the microfinancing facilities that the programme provides, the Bank also augments its influence and impact in the communities that these women belong to through focused training on financial literacy, personal savings, awareness of government schemes and programmes, and the importance of keeping oneself and one's family healthy. The programme has been named 'Axis Sachetna', and a detailed description of the programme is provided in Section 7 – Thriving Communities, in this Report.



Customer testimonial of Axis Sahyog

Bhagya, a resident of Davangere, Karnataka, availed a microfinance loan with Axis Bank in 2020 to start a small grocery shop. With the knowledge from the financial literacy programme, she could repay instalments on time and create a good repayment record. Furthermore, she also availed of a second cycle loan from Axis Bank to buy additional stock in her shop with more variety of items. She can send her children to an English medium school with her business doing well. In her own words: "Credit support from Axis Bank MFI has helped my grocery store to gain popularity in the area, as I can keep my shop well stocked, with the help of loans received. I, along with all my centre members, prefer to take loans from Axis Bank rather than from the local money lenders of the village. Every time, the process and service are very smooth and fast. My shop and business make me feel proud and self-confident".

Partnership with the CSC Academy to Drive Financial Inclusion

During the year, we partnered with the CSC Academy, the CSR wing of CSC, by supporting the deployment of 20 mobile vans as our CSR programme that shall provide digital and financial literacy and related services among citizens in rural and remote areas of Uttar Pradesh, Rajasthan, Bihar, Madhya Pradesh, Chhattisgarh, Odisha, Maharashtra, and Uttarakhand. Under the programme, the mobile vans shall be managed by CSC's trained Village Level Entrepreneur (VLEs), who shall focus on educating the RUSU citizens with concepts like digital devices, safe internet search, digital transactions, financial management, planning, and savings.

20

Mobile vans deployed in 8 states with CSC Academy

Priority Sector Lending (PSL)

The Bank's focus on promoting credit flow to India's priority sectors, such as small and marginal farmers, weaker sections, agriculture, and micro enterprises, yielded strong results in the reporting year. We continue to give strategic importance to the PSL portfolio across segments, complemented by several initiatives such as launching new product lines catering to targeted sub-segments, driving higher growth in PSL accretive businesses such as Bharat Banking, increasing distribution through our branches and partnerships network in RuSu markets, and launching digital propositions to improve the economics of the low-ticket PSL accretive business.

The Bank will continue to focus on increasing the PSL penetration, aiming to move towards self-sufficiency across segments. For more details, please refer to the 'Priority Sector Lending' section on page 119 of the Annual Report 2023 at <https://www.axisbank.com/docs/default-source/annual-reports/for-axis-bank/annual-report-for-the-year-2022-2023.pdf>

Awarded as the winner in 'Priority Sector Lending by Banks (Private)' at the Inclusive Finance India Awards 2022

Enabling Customer Welfare through Government-sponsored Schemes

Under Bharat banking, the Bank has a dedicated team that promotes customer welfare through various government-sponsored schemes (GSS) for national and state-level schemes, driven across the country through the Bank's distribution and partnerships network. GSS play a critical role in providing a socio-economic safety net to millions of Indians at the bottom of the pyramid across rural and urban India.

During the year, we took several initiatives to promote GSS, including adding new schemes such as the PM Svanidhi Scheme, digitising customer journeys, and strengthening the process flows. Importantly, the bank also regularly drives digital and financial literacy through financial literacy camps (FLCs) using its business correspondent banking outlets (BCBO) and BC CSPs. In FY23, more than 62,000 participants in small towns and villages across the country benefitted from the literacy programmes.

Key performance indicators for GSS

4.58 lakh

Customers under Pradhan Mantri Surakha Bima Yojana

12.41 lakh

Customers under Pradhan Mantri Jan Dhan Yojana

1.55 lakh

Customers under Pradhan Mantri Jeevan Jyoti Yojana

13.36 lakh

Loans disbursed under MUDRA Scheme in FY23

9.66 lakh

Customers under Atal Pension Yojana

Partnering for Progress

We have always been a trusted banking partner to India's public sector, offering diverse products and services curated to the requirements of government entities and citizens.



We have received accreditations from the Ministry of Urban Development, the Ministry of Housing and Urban Affairs, the Office of Controller General of Accounts and the Institute of Government Accounts and Finance under the Ministry of Finance. We are authorised for Central Board of Direct Taxes (CBDT), Goods and Services Tax (GST), Employee Provident Fund Organisation (EPFO) and Employees' State Insurance Corporation (ESIC) collections, as well as collection of state taxes in 13 states and union territories. The Bank is also empanelled as the sole trustee banker for PFRDA for National Pension Scheme (NPS) collections and is an active player in the Government e-Marketplace (GeM).



We have been recognised as one of the top-five best-performing banks in the public financial management system (PFMS) as adjudged by the Office of Controller General of Accounts."

27
smart cities
where we have implemented unique, tailor-made solutions

~50% urban bodies in India
have robust working relationships with us

SPARSH

Axis Bank signed an MOU with the Controller General of Defence Accounts (CGDA), offering all its branches across India as SPARSH service centres for defence pensioners. SPARSH is a digital pension disbursement system that has automated the entire pension process for defence pensioners, including defence civilians and families, enabling easy access to all details and availing various services.

IPO Drive for Life Insurance Corporation (LIC)

The Bank successfully executed the IPO of India's largest insurance provider, LIC, in May 2022, where it additionally introduced special offers on salary and demat accounts to increase the reach of the IPO and onboarded over 2 lakh new demat accounts, helping to make this IPO easily accessible to all the stakeholders of LIC as well as interested investors.

Indian Railways EPPO

Axis Bank partnered with the Indian Railways ePPO (e-Pension Pay Order), serving pensioners of the Indian Railways. An ePPO facilitates faster commencement of pensions by banks and is secured with multi-level security, eliminating data tampering, saving time, costs and the need for human movement.

14 lakh
Pensioners served

Chhattisgarh Minor Forest Department

Axis Bank partners with the Chhattisgarh Minor Forest Department and developed a customised solution for the collection and beneficiary payments system for tendu patta and other minor forest produce (MFP) items, which are the biggest module (by scale and volume) being adopted in India in the Forest domain, wherein all collections, storage, transportation and payment of all species is managed through this solution.

66
Species

13 lakh
Beneficiaries

State AIDS Control Society, Mizoram

Axis Bank facilitates the State AIDS Control Society (SACS) under the National AIDS Control Organisation in Mizoram, supporting its mandate to decrease and stop the spread of AIDS and provide medical and other necessary assistance to the people. Along with SACS units set up in each district hospital in the State, it also works with close to 30 NGOs in the state to deliver on its mandate.

Telangana State Sheep and Goat Development Cooperative Federation Limited

The Telangana State Sheep and Goat Development Cooperative Federation (TSSGDCF) implements the sheep rearing development programme (SRDP), supporting identified communities in their traditional sheep and goat rearing. The Bank helped the Federation move away from manual processes and adopt its 'Power E-collection' solution, eliminating most manual interventions and digitising the end-to-end collection process.

Naval Group Insurance Fund

Axis Bank signed an MOU with the Naval Group Insurance Fund (NGIF) towards offering customised home loans and education loans to the Indian Navy, specifically created for the navy personnel and their families.



Digitising Education

Eklavya Model Residential School (EMRS)

The Eklavya Model Residential School (EMRS) is a central scheme to provide quality education to scheduled tribes (ST) students (sixth to twelfth standards) in remote areas. Currently, 690 schools across 28 states and UTs have been sanctioned with 401 EMRS functional with 113,275 enrolled students. The Bank is associated with EMRS in 16 states, wherein we facilitate their digital banking solutions and salary accounts of teachers.

Skill Development Institute (SDI), Bhubaneswar

The SDI-B has been developed as a mega model skill institute primarily aimed at skilling society's unemployed and underprivileged youth, focusing on making them job-ready. Axis Bank has facilitated SDI-B with easy pay digital fee collection solution.

National Forensic Science University, Delhi

The National Forensic Science University, Delhi campus is an institution of national importance under the Ministry of Home Affairs focused on criminology and forensic science, where the Bank has facilitated the 'UniPg' solution for online collection of registration and examination fees.

Dr. Sarvepalli Radhakrishnan Rajasthan Ayurved University, Jodhpur

The university is a public institution with 42 affiliated colleges in Rajasthan offering degree courses in Ayurved, Unani and Homeopathy. The Bank has facilitated PoS machines and payment gateway for digital fee payment across all colleges.

Transforming Agriculture in Digi-culture

Supporting India's agri-space through e-procurement

The e-procurement platform is fully integrated and digitised, enabling fund disbursement and all procurement-related payments to farmers against government purchases. The platform can safely and securely handle bulk payments and direct benefit transfer (DBT) within prescribed timelines. Key engagements for this platform include:

- Uttar Pradesh Upbhokta Sahakari Sangh
- Food & Civil Supplies Corporation, West Bengal
- Bihar State Vegetable Processing & Marketing Co-operative Federation
- Andhra Pradesh State Farmers eVikraya Corporation
- Himachal Pradesh State Agriculture Marketing Board

AIC of India - Madhya Pradesh

Agriculture Insurance Company of India Limited provides farmers with insurance coverage and financial support while encouraging them to adopt technology and progressive farming practices to stabilise farm incomes. Axis Bank partnered with AIC in Madhya Pradesh to process payments through a customised digital solution.

50 lakh
Farmers directly disbursed credit

Assam Rural Infra Society

ARIAS (Assam Rural Infrastructure and Agriculture Services) Society, under its scheme 'Assam Rural Infra' is focused on accelerating agricultural growth through improved resource use and quality. The society aims to offer better opportunities for poorer farmers and women to contribute to agriculture growth and income generation. The project has achieved significant success in its mission by focusing on expansion in the shallow tube well (STW) method among small and marginal farmers.

Axis Bank is the principal banker of the scheme, ensuring timely disbursement of funds through Bulk NEFT and DBT to beneficiaries across the state of Assam. The Bank also supports the society with strategic inputs towards better planning and execution.



Other Important Breakthroughs

Advertisement auction for urban local bodies, Haryana

Axis Bank is the sole relationship holder for the advertisement e-auction platform for urban local bodies, in Haryana and has an MOU with the Haryana Urban Infrastructure Development Board. The Bank facilitates end-to-end digitalisation of e-auctioning for all advertisement sites across Haryana with real-time information available to all 93 ULBS and participating bidders.

Rural Development and Panchayat Raj Department, Karnataka

Axis Bank has partnered with the Rural Development and Panchayat Raj Department, Karnataka, towards laying down the basic structural framework for decentralised governance at district and lower levels in the state. The Bank has activated BBPS and payment gateway for ~6,000 gram panchayats across the state and has deployed ~2,000 Android PoS machines to collect property tax and other fees.

State Transport Commissioner, Punjab

Axis Bank signed an MOU with the State Transport Commissioner, Punjab, authorising the Bank for collection of fees through e-challan. The Bank has facilitated ~500 NIC app-integrated Android PoS machines, deployed in 23 districts for traffic challan payments and RTO compounding fees, enabled citizens to make digital payments seamlessly.



Chhattisgarh Rajya Sahakari Bank Limited

Digital Bharat Initiative is a flagship programme of the Ministry of Electronics & Information Technology (MEITY) aimed at transforming India into a digitally empowered society. Under this mission, the Government of Chhattisgarh has mandated all primary agricultural cooperative societies (PACS) to use the QR platform for all agri-input transactions. The Bank has partnered with Chhattisgarh Rajya Sahakari Bank Limited for a digital, contactless collection solution enabling seamless payments through QR codes.

Chennai Metropolitan Water Supply and Sewerage Board

Axis Bank has partnered with Chennai Metropolitan Water Supply and Sewerage Board to provide collection services through integrated PoS machines (120 terminals), enabling door-to-door collection of municipal taxes and highlighting the benefits of hassle-free and cashless transactions.

Kendriya Bhandar, Delhi

Kendriya Bhandar, Delhi, was set up in 1963 as a welfare project for central government employees and the public under the aegis of the Union Ministry of Personnel, Public Grievances & Pensions. Axis Bank has integrated an Android POS solution across its scores in Delhi, providing 80 Android PoS terminals for digital payment collection.

Uttarakhand Institute of Rural Development

Axis Bank has successfully onboarded the central nodal account of UIRD, a state institute established for focused training of government officials. The Bank has facilitated the integration of the Institute with the PFMS portal for fund disbursement and provisioning of regular MIS reports.

Banking for India's MSME sector

Axis Bank's commercial banking group (CBG) caters to the critical SME sector of the country, working with SME businesses across regions and myriad business activities. CBG has a deep geographical reach (189 centres across India) with an extensive product suite to address diverse customer requirements.

Details on the performance of the Commercial Banking Group can be accessed in the 'Commercial Banking' section of the Management Discussion and Analysis on page 121 of the Annual Report 2022-23 at <https://www.axisbank.com/docs/default-source/annual-reports/for-axis-bank/annual-report-for-the-year-2022-2023.pdf>



Affordable housing

Axis Bank is a significant lender in the affordable housing space through its flagship product offering, Asha home loans, targeted at first-time home buyers from economically weaker sections.

	₹ Billion		
Asha home loans	FY 2022-23	FY 2021-22	FY 2020-21
Book value (in ₹ crore)	13,427.75	11,312.24	9,578.31
Customer base	99,754*	97,246	83,029

Borrowers who are men : 83,130
Borrowers who are women : 16,624

As a part of our larger ESG commitments, we have also committed to incremental disbursement of ₹10,000 crore by FY24 under Asha Home Loans, as well as the following supporting commitments:

- Increase penetration in Tier 2 and Tier 3 geographies
- Incremental distribution coverage from 290 to 348 districts by March 2024
- Increase women customers from current 13.9% to 16.9% by March 2024

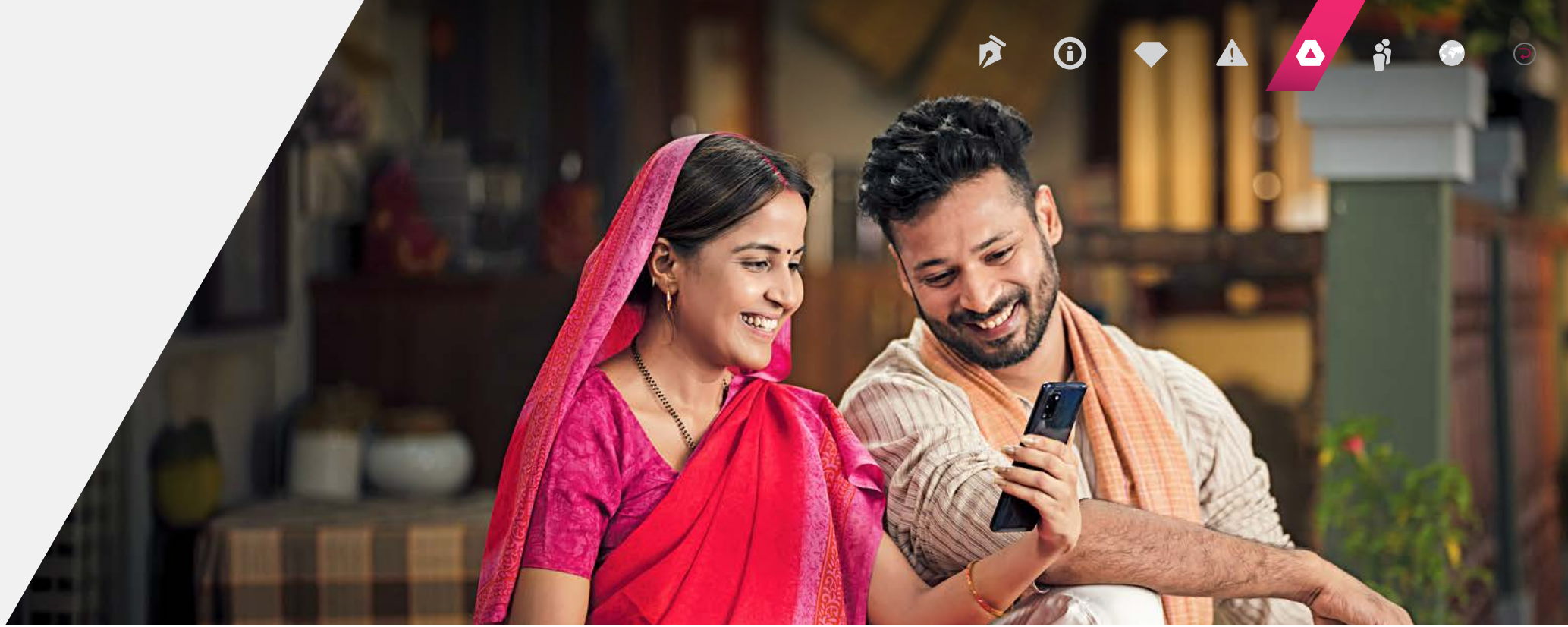
During FY23, we achieved an incremental disbursement of ₹3,243 crore, with overall women customers as of March 31, 2023, at 15.7% and a distribution spread in 325 districts in India.

Serving India's 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.

Leveraging Our Digital Leadership

Since 2019, we have been on a journey to build a dynamic, digital future to realise the true potential of brand Axis, built around the philosophy of 'Open' and guided by the GPS strategy, standing on its three pillars of growth, profitability, and sustainability. Two key objectives of the GPS strategy are to deliver a world-class customer experience and emerge as a leader in digital and technology.



We recognise the potential role of emerging technologies and innovations in shaping modern business practices and driving the low-carbon economic transition. As the banking sector digitises and digitalises, it can lower its resource requirements, such as paper, improve its operational efficiency and reach the last mile more effectively.

On the retail and wholesale fronts, we have focused on building our capabilities, adopting and implementing cutting-edge technologies across all products,

services and processes, and building a world-class digital bank. Our digital banking focus is also clearly aligned with our larger sustainability goals, as we have penetrated the unbanked and underbanked Indian population in the remotest of corners through digital solutions, overcoming the limitations of distance and the need for brick-and-mortar branches. This focus on digital and analytics is a crucial factor in the success of the Bank's Bharat banking.

Digital banking has also simplified how our customers bank with us while maintaining the highest levels

of cybersecurity and data privacy. Today, we can meet our customers' requirements in many aspects without exchanging a single piece of paper.

At the back end, through the digitalisation of processes and systems, we have reduced the use and exchange of paper in many use cases, resulting in avoiding the use of tonnes of paper collectively. The KYC process, for example, is now fully virtual for millions of our customers.

Axis Bank's digital leadership

650+

Members in BIU driving new-age data science

80%

Percentage of loan disbursements backed by Bank's proprietary scorecard

Winner

Economic Times DataCon awards

Winner

Cypher - Data Engineering Excellence Awards

390+

Members in the in-house full stack engineering team

~12 million

Monthly active users on Axis Mobile app

~7.8 million

Non-Axis Bank customers using Axis Mobile and Axis Pay apps

22.6 million

Registered customer base for mobile banking (MB)

250+

DIY services available on MB platform

4.8/5

Axis Mobile is the world's highest-rated mobile banking app on the Google Play Store

55%

Personal loans sourced digitally

24%

Credit cards issued digitally end to end

5.5 lakh

Virtual KYCs done monthly

644 million

Cumulative VPA base in the UPI space

~6 million

Merchants transacting daily on our UPI stack

A Bank that speaks your language

AXIS Bank Support Website is now available in 9 regional languages

Scan the QR code for an enhanced customer support experience.

An initiative by RBO - Digital Servicing and Communication.

Digital banking and transformation – building an end-to-end digital experience for customers

Axis Bank’s digital business and transformation (DBAT) team builds new end-to-end customer propositions with the ambition of delivering new-age financial services directly to the customers. The DBAT team has invested in digital capabilities that includes building the bank’s engineering team, adapting new-age engineering practices and building an API-centric architecture to improve customer experience, employee experience and efficiencies.

The DBAT constantly endeavours to smoothen all digital services offered to customers. The team continually adds new value-added services to its customer-facing channels like mobile apps and internet banking sites. The site design and UI/UX are regularly updated to ease customer pain points and ensure accessibility to the underserved categories. The team periodically tracks customer feedback through various channels, including Play Store/App Store comments and service requests.

Strengthening our operational core for superior customer experience

Scaling the Saksham platform

Saksham is an in-house developed robust and simplified application, which is the primary application used by branch banking users for processing financial transactions, non-financial service requests, customer servicing and converting pre-approved sales offers. It has a unified platform that fetches information from various applications/databases and gives users 360-degree view of the customer relationships on a single screen.



Saksham has the capability and design to use new-age digital authentication technology, which reduces the transaction time and makes the process paper-free. It uses the services of UIDAI for customer authentication. It can also fetch customer details using the bio eKYC service of UIDAI and use the same for seamless processing of various customer service requests.

Straight-through processing (STP) for service requests has been developed on Saksham, focusing on instant processing and reducing paper-based requests. This approach directly impacts processing TAT, first-time right control and enhancing customer experience.

20 lakh
Pages saved during FY23

Automating Branch Services

We are expanding our automated branch services, enabling our customers to avail the most required services, such as passbook printing and cheque deposits, digitally and immediately. As of March 31, 2023, deposit kiosks are in service, servicing 32.01 lakh and 41.91 lakh transactions, 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 opt for every service we offer remotely. By virtually accessing our services, they do not need to interact with a branch representative, freeing up saved time for other activities. In addition to many benefits, it saves thousands of litres of fuel by cutting down the need for travelling to a branch.

21
Services live under BOF

3,500
Man-days saved per month across branches and clearing centres

80%
Transactions at the branch covered digitally

~1.1 million sheets
Estimated monthly paper savings per branch



THRIVING COMMUNITIES >

Under thriving communities, we prioritise genuine care for our customers, employees, and the broader community. We believe that by placing the well-being of our customers at the forefront, we can build lasting trust and loyalty, creating a mutually beneficial relationship. Nurturing our employees is a core value, fostering a positive work environment that encourages innovation and productivity. Extending our care beyond our organisational boundaries, we actively contribute to the broader community, aiming to create a sustainable and interconnected ecosystem where collective well-being is a shared goal.

In this section

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- ▶ 90 PROMOTING OUR PEOPLE
- ▶ 102 BUILDING RESILIENT SOCIETIES

Creating a New Customer Paradigm

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



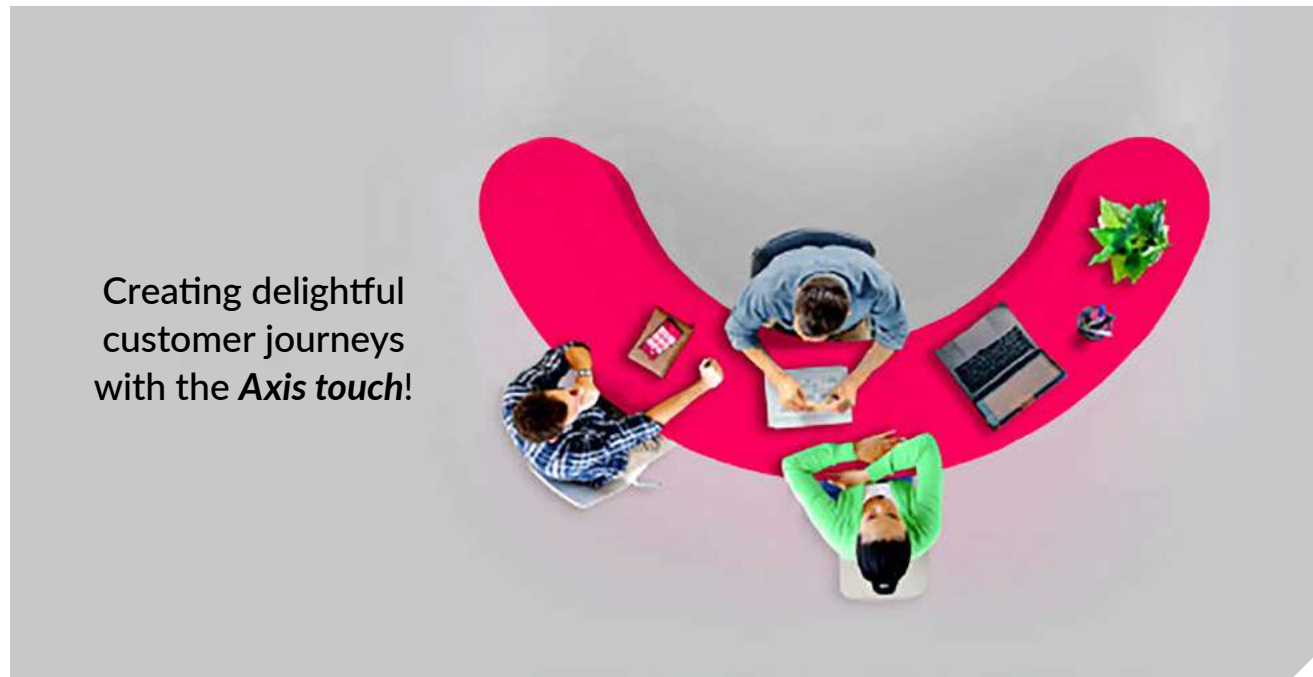
Customer obsession measurement

Axis Bank measures customer obsession by using four critical metrics:

Metric	Result
<p>Net Promoter Score This metric is used to gauge the likelihood of recommending by the customer basis their experience with a journey or touchpoint.</p> <p>Axis promise This metric is used to monitor the reduction in turnaround time in all processes. We follow a three-pillar framework for monitoring Axis promise:</p> <ul style="list-style-type: none"> Define customer E2E (end-to-end) TATs (turn-around time) in line with competition <ul style="list-style-type: none"> Independent system-led measurement TAT to be end-to-end from customer request to customer delivery Baseline based on business intelligence unit data and competition benchmarking Measure performance and ensure consistent performance <ul style="list-style-type: none"> Set up differentiated queues for the identification of premium/urgent requests for the back-end Alerts/Triggers for front-end/back-end to deliver on promises Transparently communicate to customers and employees <ul style="list-style-type: none"> Unified view for customers on digital Uniform view for employees and customers Uniform communications across all modes (SMS/e-mail) 	<p>Complaints To reduce the number of gross and net complaints.</p> <p>Social Media Sentiments We measure the net positive sentiments of Axis Bank across all social media platforms.</p>
<p>Net Promoter Score</p> <ul style="list-style-type: none"> Outside-in view: Within a year of the launch of our customer obsession programme, Axis Bank has become third best bank in India in terms of customer obsession from fourth in the previous year. Internal NPS scores has improved in all the businesses, for instance, retail banking, Burgundy cards and assets in the range of 10% to 35% over a baseline of 100. 	<p>Axis promise</p> <ul style="list-style-type: none"> Saving account onboarding: P75 TAT improved/reduced by 50% from December 2022 to April 2023; P95 improved by 30% We service our flagship customers, known as Burgundy, within six hours. Burgundy promise is sustained at 95%+ Corporate banking group renewal TAT improved/reduced by 75% in terms of days; STP renewal at 50% Trade and forex promise adherence at 78% for IBG and FLC
	<p>Complaints</p> <ul style="list-style-type: none"> Reduced gross complaints by 41% and net complaints by 35% Different parts of the Bank came together to deliver on the 'Set Goal' Social media sentiment Negative sentiment reduced by 12%, in the right trajectory along with complaints Positive sentiments increased by a massive 101% (Q4 vs Q1 baseline) Overall net positive sentiments now ~6%

Net promoter score (MPS)

FY 2022-23 **100** → FY 2021-22 **133**



Creating delightful customer journeys with the *Axis touch!*

SPARSH - Deepening Customer Obsession Across the Bank

SPARSH is the Bank's multi-year customer obsession journey focused on driving cultural transformation and crafting customer delight journeys. A specialised SPARSH behaviours framework has been created to support employees to deeply embed basic but critical behaviour when they engage with customers so that our myriad of customers receives the same superlative experience whenever and wherever they engage with us.

SPARSH is critical in helping strengthen our Net Promoter Score.

For more details on SPARSH, please refer to page 124 of the Annual Report 2022-23 at <https://www.axisbank.com/docs/default-source/annual-reports/for-axis-bank/annual-report-for-the-year-2022-2023.pdf>

The #ComeAsYouAre Charter

In 2021, we released a charter of policies and practices called #ComeAsYouAre, specifically articulating how we aim to make a more inclusive space for people from the LGBTQIA+ community as our customers and as our employees. For customers and potential customers, we introduced the following changes:

- **Joint Accounts:** The Bank opened its doors to same-sex partners who wanted to open a joint savings or term deposit account with each other or wished to list each other as nominees.
- **Mx as honorific:** Considering that there are varied genders, gender identities and sexes, the Bank introduced the title Mx for customers who identify as non-binary or transgender. By the end of the year, our customer base included 1,956 customers who either listed themselves as transgender or opted for the honorific Mx.



Promoting our People

Our employees remain our most important asset and ambassadors of our 'Open' philosophy. We recognise and appreciate the wealth of knowledge, perspectives and skills that our close to a lakh employees bring, and we strive to embrace this diversity to build a personal and professional environment where each of our employees feels empowered and supported.



~91,900

Employees

200+

Freelancers working under GIG-Anywhere

656

Graduates welcomed from campus hiring programmes

18,792

Frontline bankers hired during the year

25.7%

Percentage of women as of March 31, 2023

Great Place to Work Certified for FY 2023

Axis Bank earned its certification as a 'Great Place to Work' once again for FY 2023, demonstrating its strong performance across the certification's 5 Dimensions of a high-trust and high-performance culture - Credibility, Respect, Fairness, Pride and Camaraderie.

We have also been recognised as India's Best Workplaces in BFSI for 2023, twice in a row!

We were also recognised among India's Best Employers among Nation Builders 2022.



Diversity, Equity, and Inclusion

25.7%

Overall diversity ratio of as on March 31, 2023

56%

Women in frontline staff ⁷

22%

Women in STEM ⁸

30%

Women in workforce by 2027

As an organisation, we value individuality and cherish that every employee brings unique value to the Axis philosophy. While diversity, equity and inclusion has always been central to the Bank's ethos, we formally committed to it in FY 2020-21 with the release of the diversity, equity and inclusion policy. The policy can be accessed at <https://www.axisbank.com/docs/default-source/default-document-library/diversity-equity-and-inclusion-policy.pdf>

Our focus is to go

- 1 Beyond the Binary
- 2 Beyond Biases
- 3 Beyond Abilities
- 4 Beyond Stereotypes

We also have a policy on board diversity to ensure that the Board is endowed with an appropriate balance of skills, experience and diversity of perspectives. The policy on diversity can be accessed at <https://www.axisbank.com/docs/default-source/corporate-governance/policy-on-board-diversity.pdf>

#ComeAsYouAre charter

In a path-breaking move, we announced the #ComeAsYouAre charter on September 6, 2021, 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 of this community that has faced ostracisation and ignominy for centuries.

We ensure affirmative action through our inclusive hiring mechanism and inclusive messaging. Right from the induction of new employees through programmes for existing ones, we ensure that our pause for bias sessions gets employees in a self-reflective mood about their unconscious biases.

Pause for Bias sessions

104

Sessions held

20,800

Employees participated

⁷Frontline staff consists of sales channels, retail RMs, BRO/tellers

⁸STEM for Axis Bank comprises IT, BU, DBAT, ISS, BSG and CXT functions

Employee Resource Group

Over 1,000 members have proactively signed up to be a part of Pride365 - an employee resource group for employees who identify as LGBTQIA+ and/or as allies.

At the Bank, employees can exercise the lawful right to freedom of association. However, the Bank does not have any trade union.

There are flagship initiatives underway to drive our DEI agenda forward as we aspire to be the frontrunner in building a diverse, equitable and inclusive workplace in the banking sector in India:

#HouseworksWork

We launched our initiative #HouseworksWork in FY22 as a focused hiring programme for women who are home-makers with a minimum graduation qualification from recognised institutes, towards providing them with an opportunity to rejoin the corporate workforce

3,400

Applications received for the #HouseworksWork initiative

Building an Inclusive Ecosystem

We realise that to create true value, we need to extend awareness and conversations beyond our own premises. Thus, we have undertaken the following programs during the year:

Axis Women in Motion

We launched an outreach initiative, Axis Women in Motion (WiM), aimed at raising awareness among women students in India through deep and insightful interactions with the Bank's women leaders.

Interactions

20,000 women from 53 institutions
Covered under interactions

226 students from 3 institutions

Interactive certification courses for DE&I enthusiasts

Axis DE&I Curriculum

Notably, we have also initiated a 6-hour long interactive certification course for DE&I enthusiasts. In the year, 226 students from 3 institutes were certified.

Axis VIBE

It is a 'think-tank' aiming to further ESG and DE&I in the business ecosystem. A total of 58 participants from various business organisations participated in a networking soiree conducted during the year that included a workshop on developing a DE&I focus in our daily practice.

Inclusive Hiring

We continue to emphasise differential hiring that allows access to a broader talent pool while creating opportunities for individuals from diverse backgrounds.

Our inclusive hiring policy mandates all job descriptions to have the following prompt - "#ComeAsYouAre - Women, LGBTQIA+ and PwD candidates of all ages are encouraged to apply". This focused approach has led to rise in women hires to 25% up from 19% in the previous year.

Our equal employment opportunity policy guides us to develop a workplace that recognises and values diversity and inclusion. It reinforces the Bank's focus on merit as the sole criterion for employment and advancement. The policy can be accessed at: https://www.axisbank.com/docs/default-source/default-document-library/Equal_opportunity_policy.pdf

Axis ARISE

We launched ARISE on May 31, 2022 as our newest and most unique campus programme to provide employment opportunities to all youth aspiring to join the Bank regardless of their educational backgrounds. Under ARISE, candidate selection is based on their performance in three rounds - cognitive assessment, functional assessment, and elevator pitch. We welcomed 74 young and bright individuals as the first batch of ARISE in the year. Notably, 80% of the pool was from colleges not empanelled with the Bank.

The Future of Work

Post-pandemic, we were among the first banks to fully adopt the hybrid way of working. We launched the unique GIG-A model for hiring professionals with niche skills working for the Bank from anywhere in the country. In this model, the Bank has maintained a gender diversity ratio 1:1 and has hired about 35% of freelancers from non-metro cities.

3,500+
GIG-A employees at the Bank

200+
Freelancers

35%
Freelancers from non-metro cities

Catalyst

The Bank's internal job platform - Catalyst provides mobility for employees seeking different and more challenging roles internally. In FY 2022-23, the Bank filled 981 vacancies through internal job postings, up from 802 postings in FY 2021-22 and exponentially higher than the 80 postings in FY 2020-21.

Details of our workforce are presented below:

New Hires

Age and gender wise

Men		2021-22	2022-23
<30 years	Numbers	10,407	13,348
30-50 years	Numbers	1,1412	1,126
>50 years	Numbers	18	60
Women			
<30 years	Numbers	5,980	6,690
30-50 years	Numbers	2,433	2,743
>50 years	Numbers	4	19
Others*			
<30 years	Numbers	2	1
30-50 years	Numbers	0	2
>50 years	Numbers	0	0

*Individuals who identify as transgender or non binary

Employee category wise

		2021-22	2022-23
Top management	Numbers	1	1
Senior management	Numbers	19	99
Middle management	Numbers	1,440	2,070
Junior management	Numbers	12,693	15,200
Frontline staff	Numbers	16,101	16,756

New hire turnover - age and gender-wise

Men		2022-23
<30 years	Numbers	1,391
30-50 years	Numbers	800
>50 years	Numbers	0
Women		
<30 years	Numbers	668
30-50 years	Numbers	186
>50 years	Numbers	
Others		
<30 years	Numbers	1
30-50 years	Numbers	0
>50 years	Numbers	0

Campus Hiring Programmes

AHEAD

Catering to students from Tier 1 B-schools of the country like IIMs and equivalent campuses

ABLe

Cadre programme for recruiting post-graduates (MBA/PGDM/MMS) from Tier 2 B-schools across the country

ASPIRE

Focused on institutes that broadly cover the spectrum of new IIMs and departments of management studies in established IITs

We Lead

Specialised hiring programme for women management graduates from Tier B-schools, offering them rich and challenging roles in the middle-management level



New hire turnover* - employee category-wise

Total		2022-23
Top management	Numbers	0
Senior management	Numbers	0
Middle management	Numbers	40
Junior management	Numbers	970
Frontline staff	Numbers	2,036

Attrition

Workforce turnover - age and gender-wise

Men		2022-23
<30 years	Numbers	11,744
30-50 years	Numbers	11,101
>50 years	Numbers	27
Women		
<30 years	Numbers	5,578
30-50 years	Numbers	2,449
>50 years	Numbers	
Others		
<30 years	Numbers	5
30-50 years	Numbers	0
>50 years	Numbers	0

Workforce turnover - employee category-wise

		2022-23	% Rate
Top management	Numbers	0	NA
Senior management	Numbers	24	7.7%
Middle management	Numbers	1,358	12.7%
Junior management	Numbers	11,573	27.9%
Sales channel	Numbers	17,952	45.4%

Turnover rate

	2023		
	Men	Women	Total
Permanent employees	34.4%	35.9%	34.8%

The average hiring cost per FTE for FY23 was

₹5,936

We also deploy a contractual workforce indirectly through outsourced agencies. This number stood at 9,132 as on March 31, 2023 of whom 13.2% were women.

Diversity in our workforce

Gender diversity (%)	2021-22	2022-23
Men	75.34	74.33
Women	24.66	25.67
Others	0.002	0.003

Workforce by age

By age (%)	<30 years	30-50 years	>50 years
2022-23	45.37	53.75	0.89

Workforce diversity - age and gender-wise

Men		2021-22	2022-23
<30 years	Numbers	23,649	27,645
30-50 years	Numbers	40,278	39,934
>50 years	Numbers	728	729
Women			
<30 years	Numbers	11,929	14,046
30-50 years	Numbers	9157	9,456
>50 years	Numbers	72	85
Others			
<30 years	Numbers	2	1

Workforce diversity- employee gender and category-wise

Men		2021-22	2022-23
Top management	Numbers	9	11
Senior management	Numbers	198	262
Middle management	Numbers	7,521	8,851
Junior management	Numbers	29,864	32,539
Frontline staff	Numbers	27,063	26,645
Women			
Top management	Numbers	0	0
Senior management	Numbers	20	48
Middle management	Numbers	13,88	18,05
Junior management	Numbers	7,902	8,880
Sales channel	Numbers	11,848	12,854
Others			
Junior management		1	2
Frontline staff	Numbers	2	1

Ensuring a Harassment-free Workplace - POSH

The Internal Committee has continued striving to work on its objective on making Axis Bank Ltd a safe environment for women employees. The internal committee has worked on various aspects to make employees aware of what amounts to sexual harassment and enlightened them on reporting it. Along with creating a safe environment for women staff members, the Internal Committee also guided employees on the forum for addressing Sexual Harassment complaints received by men employees.

Details on the number of POSH complaints filed during the year and those pending at the close of the year are provided in the BRSR disclosures on page 181 of the Annual Report 2022-23.

Below is a brief description on the initiatives taken by the internal committee

Display of Posters

Posters are displayed at various branches across India and in the Corporate Office, Axis House, Mumbai. The primary purpose of displaying the posters is to make all employees aware that Axis Bank has zero tolerance towards sexual harassment. Along with a visual design explaining the purpose, a list of all the Committee members too are displayed.

POSH Awareness Sessions

A number of POSH awareness sessions have been conducted in all the circles across India via the Microsoft Teams application.

These sessions were conducted by our in-house internal committee members, who are trained officials on the subject matter. The POSH awareness sessions were conducted in all four regions

i.e. North, South, East and West. Each session covered branch heads, operations heads, sales managers, circle heads, cluster heads and heads of different business verticals from that region. An initiative has also been taken to conduct POSH training for all the outsourced vendors. The main objective of these sessions was to understand the Bank's POSH policy among the participants.

After that, the above sessions were cascaded down the hierarchy to the team members.

Listening to our Employees - the values scorecard

The Bank has been running its biannual engagement survey, Values Voices, measuring the organisation's sentiment on the five core values - customer centricity, ethics, teamwork, transparency, and ownership. There are 16 value behaviours and 43 anchors in the values framework. The survey results and certain operating metrics, such as the customer experience index and our process first-time-right ratios, are presented to the Board and leadership as the values scorecard.

4.2%

Improvement in the values scorecard in FY23

Reshaping our Workplace

Axis Bank has been a market leader in the future of work with the launch of GIG-A opportunities. Under this flagship initiative, we continued hiring skilled specialists as freelancers to contribute to strategic projects on the premise that, for specific roles, employees can work from anywhere. Furthermore, the hybrid way of work is here to stay at Axis Bank. Despite normalcy post-pandemic, employees in our large offices continue to work from the office for two or three

days and the remaining out of home. Department rosters enable space management in larger office set-ups.

To sustain virtual working, we continued to advocate initiatives to ensure employees maintain a healthy work-life balance. These initiatives included programmes across the organisation, like a silent hour in the afternoon, a 7up programme indicating an end to the day, and WeekendYourWay - a campaign to stop work on the weekend.

106

Freelancers

~2,700

Employees working from anywhere

~12,000

Employees working in hybrid mode

Deepening Employee Engagement

Committed to a culture of continuous listening and feedback from employees, we launched 'Open to Listening', an initiative aimed at accelerating our listening capabilities. We partnered with a SaaS-based tech firm that enables real-time employee pulse sensing through milestone-based digital HR conversations. Apart from providing thematic insights to the leadership team on people sentiment and potential attrition across business cohorts and demographic segments, this tool has augmented existing HR capabilities around targeted employee conversations and feedback mechanism. Key metrics tracked include overall employee sentiment, mood, and engagement across core experience drivers. Apart from regular tenure based connects, we have additionally launched specific pulse surveys to gain deeper insights around employee experiences from

THRIVING COMMUNITIES

various cohorts including employees undergoing transitions at work (role/location changes), working remotely through GIG-A, those in specific business roles, and new employees joining us post the Citibank acquisition. Over 2,25,000 chats have been triggered to employees during FY23 that have played an integral role in re-shaping the people plan and social fabric of the organisation.

Benchmarking Ourselves with the Best

At Axis Bank, we believe in creating a culture that fuels pride and

advocacy among employees. A culture that creates innumerable opportunities where employees can grow through experimentation and build lasting careers. Our five core values – customer centricity, teamwork, ethics, transparency and ownership form this culture’s bedrock and help steer employee behaviour. Evangelised through a strong network of 1,300+ Axis value realisers (AVRs), we can create a space for conversations around culture on the ground. The AVRs exemplify their passion and highlight stories wherein employees have embodied values regularly during virtual and in-person

employee connects. As an impetus to our value-driven culture, an apex recognition property, the Champions Award is centred around felicitating value champions.

Additionally, we conduct confidential biannual surveys to understand employee perceptions, their engagement levels and alignment to strengthen our cultural fabric and people agenda.

Over the last year, we have witnessed a positive movement in each of our five values as shown in the table below:

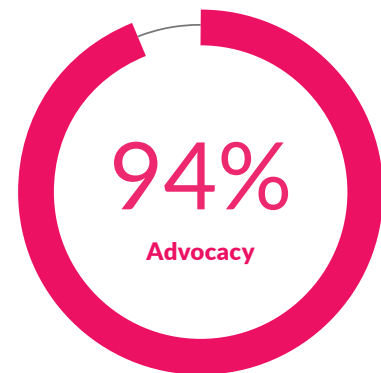
Our employee engagement scores

Core Value	FY23	FY22	FY21
Customer centricity	93	90	89
Ethics	85	59	68
Transparency	92	88	87
Teamwork	92	88	87
Ownership	92	88	87

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

Pride in Axis

Apart from the five core values, the survey also seeks to gauge the level of pride and advocacy that employees exude in the Bank.



93%

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

95%

believed Bank is well positioned to win in the future

95%

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

96%

are proud to represent brand Axis in conversations with customers

All of us, all the time

956 Axis value realisers serve as ambassadors to help achieve our overarching goal of ensuring that every Axis Bank employee lives their values and lets the values drive their behaviours at work – all of us, all the time. During FY 2022-23, we noted an overall improvement of 4.4% in the values scorecard, which tracks progress in the values framework.

Rewarding Meritocracy, Recognising the Extraordinary

The Bank’s performance management system focuses on developing a transparent, performance-driven culture which awards meritocracy. Our appraisal processes are designed to provide opportunities for employees to excel in their roles and redeem themselves in case of lower-than-expected performance.

Our annual Axis Champions Award is a platform recognising those employees who go beyond their calls of duty for their organisation and

their stakeholders. In FY23, 105 Axis Champions were recognised across the Bank.

Axis Anchors is our quarterly recognition programme for all employees up to the vice president level. In FY23, 2,459 anchors were recognised at the Bank.

During the year, we introduced a long-service segment in our recognition programmes, felicitating employees who have been with the bank for 5, 10, 15, 20 or 25 years. 5,523 such employees were recognised during the year.

Performance feedback-employee category-wise*

Received		2020-21	2021-22	2022-23
Top management	Numbers	7	9	10
Senior management	Numbers	186	205	210
Middle management	Numbers	6,937	8,068	8,914
Junior management	Numbers	44,385	46,016	47,796

* Employees who have joined the Bank after September 30 in a financial year are not included in the annual appraisal for that year

The nomination and remuneration committee of the Board is the Bank’s 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. In our focus on broad-basing ESG ownership across the organisation, the leaders of pertinent

verticals now own the Bank’s public ESG commitments and agendas set by the ESG committee of the Board.

The Bank’s remuneration policy can be accessed at:

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

Meritocracy remains the mainstay of our performance assessment and we strive to ensure that for the work of same value, an employee’s gender does not become the defining factor. We measure and track our gender pay ratio at the Bank and for FY 2023, it was 1:1 between women to men.

The ratio of fixed pay of women to men in comparable grades* is as below:

Grade Category	Ratio of fixed pay of women to men
Senior Management	0.97
Middle Management	1.01
Junior Management	0.96
Non - supervisory staff	1.06

* Grades with either no men employees or no women employees have been excluded from above

Note - Fixed pay does not include variable pay, stock-linked instruments and other benefits

Accessibility at Axis Bank

We are also making conscious efforts towards Persons with Disability. We are steadfast in our focus that we design KRAs basis every person's capacity and ability. In keeping with this thought, we ensure that people who identify as neurodivergent, deaf, blind or as persons with low vision, people with locomotor disability and all other disability - all find an accessible space to be themselves and find personalised growth and opportunity that are based on their individual limits and achievements and not based on an external benchmark.

Our LinkedIn Live series highlights diverse experiences at the workplace and ways on how we could build an inclusive environment for persons with disability.

People Analytics

We have begun using People Analytics to track and deliver on our key people proposition - including strategic workforce and talent planning. The people analytics function reviews the productivity levels, anticipated skill demand during the year, and the business growth targets to assess the talent demand for the upcoming period. Additionally, the function also undertakes the talent planning exercise to develop plans for the supply of talent and preferred intake. The management of the Bank reviews all such analyses and then approves the workforce plans for the period under review.

Investing in the Development of our People

As a Bank, we believe that adequate, need-based training is essential 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.

Headstart - organisational induction programme

A unique online organisational induction programme up to VP grade with focus on Axis values, Axis culture, compliance, cybersecurity, anti-money laundering and KYC, risk, among others, direct interaction of new joiners with senior leaders of the Bank.

Headstart - functional induction programme

Functional induction for branch relationship officers, liability sales frontline officers, retail assets, rural lending, corporate salary, priority, NRI, burgundy relationship managers, commercial banking group relationship managers, operations was conducted for role-specific training in products and processes for new joiners.

Learning Journeys

- **Branch relationship officers (BRO) programmes** 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.
- **Liability sales programme** - Go Beyond certification is a learning journey focused on employee capability building specific to frontline roles. The learning journey included programmes designed to develop the skillset, toolset, mindset, and knowledge required for their roles.
- **Relationship managers programme** covers the ongoing learning journey for priority, NRI and Burgundy with vintage of above six months.
- **Bharat banking programme** covers the ongoing learning journey for Bharat banking vertical comprising farmer funding, and gold loans, among others.

- **Operations programme** covers the ongoing learning journey for retail and corporate operations vertical.
- **Wholesale banking products and commercial banking group** comprise a combination of functional and behavioural inputs, the learning journeys seek to build capabilities among key customer-facing roles in these business lines.
- **Compliance learning journey** - Specialised learning journey for compliance and AML department employees to train and equip them with necessary skills to monitor transactions.

Leadership Ecosystem

- **Leadership basecamp** for frontline managers was launched in FY23 for branch banking, liability sales, commercial banking group, Bharat banking, operations to inculcate them in leadership ecosystem of the Bank.
- **Leadership collective** is an intervention created for the leaders in middle management in the bank to develop a leadership mindset, enhance capabilities and enable them to synergise to outperform the leadership ecosystem. The learning journey is launched for various cohorts using a blended approach through virtual workshops, webinars, e-learning modules and success stories of applications.
- **Leadership signature** was launched for the senior management to develop a strategic mindset and vision to lead the Bank into the future.

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 VP and below) across 1,600+ roles were eligible for the assessment. There were 368 profilers and 80,000+ questions spread across three difficulty levels.

The assessment was launched in a phased manner in November 2022 and continued till March 2023.

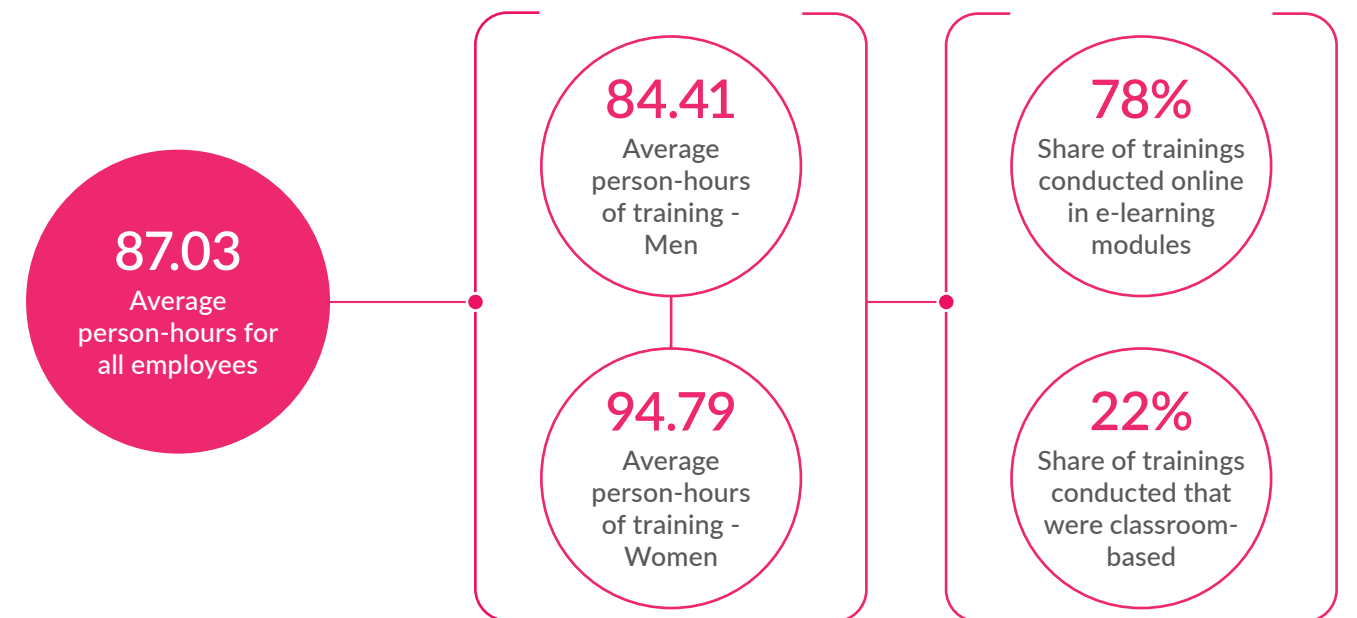
Mandatory compliance certifications in line with regulatory requirements as well as corporate governance continued in FY 2022-23, with 96% certification of designated staff on KYC and AML. 90% of total employees of the Bank undertook the eight mandatory compliance courses, customer obsession, grievance handling, cybersecurity awareness for senior management and Board members and assessments on code of conduct and ethics and other governance areas.

Employee training - category and gender-wise

Men		2021-22	2022-23
Top management	Person-hours	51	28.5
Senior management	Person-hours	2,105.54	5714.1
Middle management	Person-hours	2,38,408	3,77,347.9
Junior management	Person-hours	9,12,708	21,70,115.1
Sales channel	Person-hours	23,35,729	31,24,961.1
Women			
Top management	Person-hours	0	0
Senior management	Person-hours	168.5	755
Middle management	Person-hours	44,714.8	68,097.7
Junior management	Person-hours	2,34,470	5,00,904.6
Sales channel	Person-hours	11,39,270	15,89,170.6

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

Total training imparted





Prioritising Employee Health and Well-being Always

Axis Bank has a wellness policy focusing on the 360-degree wellness of our employees in their personal and professional lives. We have on board professional counsellors offering confidential and unconditional support to employees and/or their families on diverse issues. We also extended the mental health services to include group therapies, couple therapy and grief counselling. In six months, close to 600 employees sought counselling therapy individually or in group sessions.

As highlighted in the Sustainability Report for FY 2021-22, we have strived to make our employee policies more inclusive and equitable. This approach includes introducing or expanding leaves available for childbirth and adoption and available to non-binary couples as well. We have increased our paternity leave from 15 to 30 days.

Absentee

1.6%

Absentee rate for FY 2022-23

Employee benefits (₹ million)	2021-22	2022-23
Gratuity benefit plan expenses*	711.8	877.0
Compensated absences expenses*	NA#	NA#
Contribution to employees' superannuation plan for the year*	141.0	137.1
Provident fund benefit plan expenses*	1,709.6	1,948.4

* Section 4.9 – Employee Benefits, as part of 'Notes Forming Part of the Financial Statements' on pages 297 of the Annual Report 2022-23.

Axis Bank has discontinued PL encashment from 2019-20

Parental leaves taken

		2021-22	2022-23
Paternal	Numbers	2,726	2,453
Maternal	Numbers	1,439	1,721
Employees returning to work after availing parental leave as on March 31, 2023			
Paternal	Numbers	2,726	2,421
Maternal	Numbers	13,03	10,52

Employees who availed of parental leaves in FY 2020-22, returned to work and are still employed as on March 31, 2023 include 1,491 men and 880 women.

The Bank measures its absentee rate using the number of sick leaves availed by its full-time employees during the reporting period. Given that nature of the sector and profile of the employees, work-related injuries and diseases may not be considered material to its absentee rate.

Listening to our Employees

An important step in our endeavour to achieve our philosophy of 'DiSeOpen' 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 the Bank's HR app, One Axis, or the intranet portal.

H-Response received 140,224 queries within various categories during the year, of which 139,890 queries were resolved as on March 31, 2023. Categories include retiral benefits, salary, tax exemption, investments, transfer, attendance, learning and development, resignation, leaves, mediclaim and insurance, and performance management.

During the year, we introduced an AI Bot called Amber for pulse sensing, under an 'Open to Listening' initiative. The tool reaches out to selected employees and has regular conversations around their experiences and concerns. In FY 2022-23, Amber reached out to 75,212 employees. Under the initiative, the Bank also conducts periodic surveys across employee cohorts to gauge their key concerns and challenges and initiate appropriate responses.

Protecting Health and Safety at the Workplace

Ensuring the health and safety of our employees is one of our key responsibilities as an organisation. We continue to make efforts to strengthen our policies, frameworks and processes around occupational health and safety (OHS).

After the pandemic, we have adopted the 'Visit' app as the central platform providing all our employees a single window for availing doctor consultations, enrolment of dependents under mediclaim, annual health check-up for applicable employees, personal medical care, doorstep pharmacy delivery, fitness workout videos, mindfulness podcasts and more.

Fire Safety and Prevention

Our safety and security team focuses on various aspects of physical security, fire safety and fire prevention at the workplace. We focus on certain critical parameters to ensure mitigation of threats, risks, and vulnerabilities, emanating from tangible acts of wilful and unlawful interference including fire-related incidents and accidents.

Central Command Centre

The Bank's as a state-of-the-art, central command centre at Navi Mumbai, provides risk-based security surveillance, remotely, to over 4,000 branches, offices, and currency chests. The Bank deploys state of the art surveillance and safety tech at its branches that are overseen at the command centre, including IP-based cameras, intrusion alarm systems connected over IP, motion sensors, panic switches, smoke detectors, seismic ATM sensors and sound hooters. Notably, the Bank has a quick response team mapped to each branch to extend on-field support to branches if and when required. The centre plays a key role during any natural or social exigency.

Building Resilient Societies

As one of India's largest financial institutions, we are committed to driving meaningful and sustainable change across each layer of our society, especially the most vulnerable or disadvantaged.

Our community interventions, under the oversight of the Board's CSR Committee and guided by our CSR Policy, are focused on reaching the unreached and working with communities across both urban and rural India to create new livelihoods, provide new opportunities for education or new skills, and build their resilience to existing and emerging challenges.



Our interventions are driven by us directly as well as through the Axis Bank Foundation, along with experienced partners across the themes of Lives and Livelihoods, Education, Financial Inclusion and Financial Literacy, Environmental Sustainability, and Humanitarian and Relief interventions.

Axis Bank Foundation Message from the Chair



It gives me immense pride to share the profound commitment of Axis Bank Foundation (ABF) towards addressing the multifaceted challenges rural livelihood earners face. Our relentless pursuit of impactful solutions has been made possible through strategic partnerships and adaptive strategies.

ABF's approach entails building community capacities, meticulous planning, and diversifying livelihood opportunities through community collectives. By synergising contextual coping strategies with traditional knowledge, we design local interventions that resonate with the unique needs of each community.

Our focus on resilience drives us to adopt measures for managing natural resources, developing sustainable irrigation facilities, and embracing eco-friendly agricultural practices. Creating a diverse basket of livelihood opportunities and promoting economic inclusion while strengthening local governance further reinforces the sustainability of our initiatives.

We recognise the pivotal role of grassroots involvement and integration of solutions to address the intricate inter relationships between water, agriculture, forests, and livestock. This deep understanding of communities' everyday challenges and evolving ecological dependencies has been instrumental in building sustainable and diversified livelihoods for rural communities.

With immense gratitude for your support and collaboration, we strive to continue making a positive impact on the lives of those we serve.

Sincerely,
Mr. S Ramadorai
Chairman - Axis Bank Foundation



Axis Bank Foundation is committed to enabling solutions for communities in rural geographies with the thematic focus of rural livelihoods for improving farm and non-farm livelihoods. We strive to promote inclusive growth for rural communities through knowledge transfer on multi-disciplinarity to empower communities for livelihood diversification, decentralised management, and local governance. It ensures the development of pertinent and stable livelihood solutions that facilitate multiple sources of income for these vulnerable communities and skill development for rural and semi-urban youth. The Foundation's efforts to ensure sustainable livelihoods enable economic, social, and ecological security anchored through community-based institutions and people-led collectives towards our commitment to a better world.

Ms. Dhruvi Shah
ET & CEO - ABF

The Axis Bank Foundation empowers vulnerable rural communities by facilitating steady and sustainable livelihoods. Our approach involves establishing systems to raise the incomes of small and marginal farmers, landless rural citizens, and unemployed youth in urban and rural India.

We help realise economic prospects in agri and agri-allied work, natural resource management, and livestock initiatives by forging enduring and mutually beneficial ties with our stakeholders nationwide. Collaborating with a network of NGO partners, we devise tailor-made programmes to address specific issues faced by different communities in different parts of India.

Consequently, we extend our impact to the most marginalised communities, striving to create lasting socioeconomic improvements and bring discernible change for the better to their lives.

THRIVING COMMUNITIES

The Axis Bank Foundation (ABF) was registered as a charitable trust in 2006 to lend focus and structure to Axis Bank's CSR activities. ABF constituted its flagship sustainable livelihoods programme to enable economic inclusion through the livelihood-generation initiatives for rural communities. The programme supports rural communities to overcome their socioeconomic and ecological challenges by stabilising their incomes. Under this overarching goal of 'sustainable livelihoods', ABF enables support for small, marginal, and landless farmers to enhance their earnings from agriculture, natural resource management, livestock, linkages for finance and markets. ABF helps equip young unemployed people with vocational skills so that they could find gainful employment. This includes able bodied persons and persons with disability.

ABF partners with a network of grassroots NGOs, government departments, and community institutions to co-create and co-design projects based on each community's varied requirements, aspirations and needs through partners in 26 states. ABF has recently initiated a programme to improve health and well-being of rural communities within its livelihoods programme for a holistic development.

1 million households

impacted through ABF programmes towards its Mission 2 Million commitment by 2027

Programmatic Approach

ABF has been working to create resilient and sustainable communities that community members themselves manage. The goal is to enable communities to envision a different future and ignite their confidence in their ability to drive change. The complex challenges and risks that rural communities face necessitate a long-term approach. Hence, the programme fosters robust partnerships extending five to ten years. ABF hopes to create trustworthy associations to ensure government and collaborator funding while placing the interests of the communities at the forefront. The programme aims to accelerate growth and progress of communities by collaborating with different stakeholders such as funders and governments. ABF works through a block concentration model across different states, leveraging bank credits and enabling the convergence of various government programmes and schemes. ABF recognises this as an opportunity for NGO partners and implementers to scale their impact in a holistic manner. The projects are also funded and supported by donors based on interventions, initiatives, synergies, and partnerships for ushering in positive change in people's lives and livelihoods.

Axis Bank Foundation's Sustainable Livelihood Programme

ABF's initiatives towards creating sustainable livelihoods start with water security. Availability and access to water enable the rural population to build incomes.. These initiatives also lead to improved agriculture, livestock development, agro forestry, access to drinking water and drudgery reduction.. The programme emphasises developing youth employability skills, linking them to jobs, and encouraging entrepreneurship. Some of the key interventions include the following.

Managing Natural Resources

The high dependence of rural livelihoods on natural resources such as land, biodiversity and water makes protecting these resources from exploitation and degradation imperative. Most rural communities earn their livelihood from agriculture, livestock rearing and harvesting non-timbre forest produce (NTFPs) – all of which are intricately reliant on the area's natural resources. Natural resource management in this context means managing the eco-system services that are essential;

- To the key livelihoods of the community
- To meet the requirement of fuel and fodder
- To the utilisation and management of the resources

ABF leverages the cohesiveness of these communities to form village-level institutions, committees, and water user groups to prioritise and devise local solutions to resolve their issues based on their traditional knowledge, local culture, and willingness to participate.

Strengthening Agriculture

Income from agriculture is the single most significant contributor to a rural household income, ensuring food security for the household and enhancing revenues with surplus yields. Participant households are informed about better crop management practices, crop diversification and productivity improvement measures as part of the sustainable livelihood programme.



Basket of Livelihoods

Diversifying the income streams is a way to mitigate both climate and market induced risks. With this focus, participant households are introduced to livestock rearing (both small and large ruminants), apiculture, sericulture, fishery, NTFP collections, microenterprises, and ancillary services providers to these value chains. Communities are exposed to these livelihood opportunities based on cultural acceptance and conduciveness to the local environment. They are then linked to financial institutions or applicable government programmes for funds and then to the market for the sale of produce.

Diversifying Income Sources – Agri-allied Livelihoods

86% of the farmers in India own less than five acres of land. Thus, improving farm-based livelihood and encouraging is essential farmers to increase their income streams. Farmers are encouraged to diversify crops and cultivate as part of the sustainable livelihood programme.

They are encouraged to plant vegetables, fruits and flowers in addition to their primary crop. This method reduces farmers' reliance on a single crop for income, as the sale of vegetables, fruits, and flowers will provide a steady flow of cash income. Furthermore, incorporating vegetables and fruits in their daily diet will improve the nutritional intake of the household.

Diversifying Livelihood – Livestock

Livestock is a crucial source of income and nutrition for rural families. Livestock management is an integral component of the sustainable livelihood programme, wherein communities are supported to develop livestock as a dependable and viable source of income and food security.

Promoting Microenterprises

We facilitate microenterprises in collecting produce for aggregating and onward linkage to mainstream markets. On the one hand, the presence of microenterprises is a viable alternative income source for farming households and an

opportunity for local youth and women to participate in the value chains as entrepreneurs across various markets and cash-based economies. The potential of these opportunities is more significant for households which are landless or own marginal land holdings. Small home-based enterprises have proved very effective as a secondary source of income for farming households.

Improving Water Security and Watershed Development

Water is essential element for rural livelihoods and enables job opportunities across the rural economy. Lack of adequate water or irrigation is also one of the causes for migration of rural communities in search of livelihoods. ABF's sustainable livelihood programme works on developing watershed for rural livelihoods and links communities to various schemes within MNREGS

THRIVING COMMUNITIES

Strengthening Collectives

Collectivising communities and bringing them on a single platform is crucial for rural development. ABF's programme supports SHGs, farmer collectives, farmer producer groups to bring everyone on a single platform and discuss common issues. The groups enable access to credit, improve financial literacy, encourages microenterprises and helps women explore their potential.



Health and Nutrition

The quality of health of a family determines the quality of lives and livelihoods. Recognising the interdependence between health and livelihoods, we have initiated support to improve knowledge and awareness on health and enable better access to healthcare services. This strategy also includes focusing on the nutrition security of the family, especially children.



Extending Rural Livelihood Outreach

As on March 31, 2023, the rural livelihood programme under Mission 2 Million had an outreach of 12,39,180 households spread across 15,606 villages, 128 districts in 18 states of the country.

Skill Development for the Youth and People with Disabilities (PwDs)

Society often marginalises vulnerable and young people with disabilities. This marginalisation is attributable to their inadequate skills and subsequent unemployment. ABF's programme trains the youth with new-age, technical and soft skills to improve their employability. As of March 31, 2023, the skill development programme under Mission 2 Million had trained 57,539 participants, of which 39,874 are youth, 17,665 are PwDs, and had 98 training centres across 25 states.



CASE STUDY 1

Diversifying Livelihoods

Shivratiya Devi, a farmer from Dumka District of Jharkhand, was grappling with financial insecurity and vulnerability due to loss of income. She worked as a migrant labourer in Rajasthan and had to return owing to the COVID-19 pandemic. She could access information about vegetable cultivation and training on better farming practices through Axis Bank Foundation's sustainable livelihood programme.

She participated in capacity-building workshops to learn about advanced agricultural techniques, and practices to identify and adopt better alternatives for income generation. With better skills and knowledge, she set up a vegetable cultivation nursery and improved household income. The programme also helped her improve market linkages and earn a fair share for the produce. As Shivratiya Devi's income increased, she diversified her livelihoods to livestock and bio-input making. These efforts helped her improve nutritional security, income, and quality of life for the family.

CASE STUDY 2

Gentle Nudge for Big Change

A self-help group led by women in Aadgoan, Maharashtra, had to stop its operation due to low savings post the COVID-19 pandemic. When the group identified an opportunity for a flour mill in the village community, they overcame the challenge and set up a unit. Through our sustainable livelihood programme, the group could access credit and information about flour mill machinery, its operation and maintenance.

The women's group underwent capacity-building and gained knowledge and skills through entrepreneurial workshops for setting up and running the enterprise. This microenterprise helped the women in the group become self-reliant and contribute to the household income. These efforts also got the SHG back into operation.

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:

Child Needs You	A Hand for the Elderly	Sports for Everyone
Nurture Nature	Wildlife and Us	Preserve Heritage Converse India

AXIS BANK'S CSR

We are committed to making meaningful impacts on the lives of resource deprived communities. Our corporate social responsibility (CSR) philosophy is to create significant and measurable contributions in the lives of country's socially, economically, financially, and physically excluded, disadvantaged, and challenged communities.

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 provides a detailed breakdown of our CSR spending and thematic disbursement forms a part of our Annual Report 2022-23 and can be accessed on pages 97 of the Annual Report 2022-23.

You can find more about our social responsibility policy on the website - <https://www.axisbank.com/csr/social-responsibility>

Over the last two years, the Bank has strived to adopt a more focused approach to its CSR strategy and has identified four key themes – Lives and Livelihoods, Financial Inclusion and Financial Literacy, Education, and Environment, to focus its efforts on. In addition, the Bank also supports humanitarian causes and disaster relief on a needs basis.



Education

Education helps reduce inequalities and empowers people everywhere to live healthier and sustainable lives. We consider it as our responsibility to help develop India and concentrate specifically on the area of education in CSR interventions.

Under education, our primary focus is to support educational initiatives that benefit underprivileged students and to provide access to quality education for students in remote locations. We channel these initiatives through Axis DilSe and students' scholarship programmes. The secondary focus is to support educational initiatives that help strengthen the educational system including R&D support, supporting educational technologies, research, and incubation, among others.

Axis Bank Centre for Mathematics and Computing

We have partnered with IISc to establish the Axis Bank Centre for Mathematics and Computing (ABCMC) at the IISc campus. The centre aims to promote cutting-edge research in applied mathematics and computing through research activities, and to train human resources in this field. It will play a vital role in building the nation's future as many contemporary and futuristic areas such as artificial intelligence and data science rely on the foundations of mathematics and computing.

Spread over 1.6 lakh square feet of space, the centre will have state-of-the-art labs and programmes that



benefit faculty and students from more than twenty departments of IISc. The centre will offer the new IISc B.Tech. programme in mathematics and computing and the ongoing Interdisciplinary Ph.D. programme in mathematical sciences.

The governing board of ABCMC included nominated members from the Bank (Mr. Subrat Mohanty – Group Executive, Banking Operations and Transformation and Mr. Neeraj Gambhir – Group Executive – Treasury, Markets & Wholesale Banking Products, and other relevant stakeholders.

The Centre's website is at <https://abcmc.iisc.ac.in/>

1.6 lakh sq ft

Total area of the Axis Bank Centre for Mathematics and Computing

>500

Expected beneficiaries from the Centre annually

“It is an extremely proud moment for us to be part of IISc’s journey while they are building one of the largest dedicated centres for studying mathematics and computing. The higher education ecosystem is a space that is constantly evolving, especially post-COVID-19, and India has huge potential to stand out as a global hub for new-age, innovative and quality education. For us, this is one small way to play our part in supporting and nurturing the country’s future generations.”

Amitabh Chaudhry
MD and CEO of Axis Bank



Supporting Science Research at Ashoka University

The Bank has partnered with Ashoka University to support science and research activities at the University. The Program aims to provide financial aid to women undergraduate students who have chosen majors in science and to support new research projects, lab consumables, events and conferences, and faculty salaries.

48 scholars from the class of 2022-25 are under the Axis Bank ‘Women in Sciences’ scholarship support. Moreover, three research projects viz. Artificial Spin Ice, Photon up conversion, and Anti-Microbial Resistance are being supported. 29 faculties members across 6 departments are being supported by this contribution in FY 2022-23.



Axis DilSe – Connecting Remote Communities

Axis DilSe is a philosophy which marries the Bank’s DilSe Open strategy to the social responsibility of reaching the remotest regions of the country and to create significant effect on the populace residing in these states.

We launched the first programme under Axis DilSe umbrella in 2017 where the Bank supported over 100 government primary schools in Ladakh. The three-year long programme, was completed in 2020.

Looking at the DilSe impact, we significantly scaled up the programmes covering North East and particularly the conflict-hit states near country’s borders.

>5,000

Children and teachers directly covered under all Axis DilSe interventions



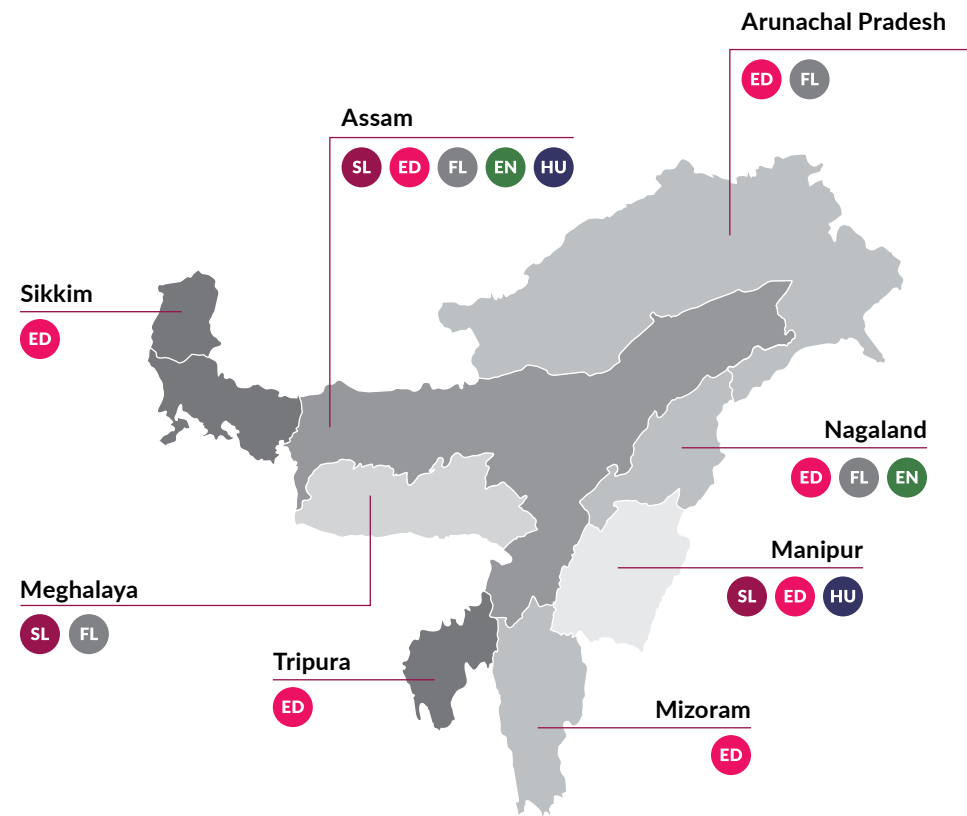
Our focus on North Eastern India

- The Northeastern region of the country is a unique landscape enriched with distinct culture and multiple ethnic communities, representing a fine example of unity in diversity in every aspect.
- Due to its isolated location and challenging terrain, the region has lacked holistic development and governance. Moreover, the region also receives minimal support from organisations. According to the National Portal of CSR India, set up by the Ministry of Corporate Affairs, North Eastern states have received the lowest CSR funding as per state-wise data.
- To address these challenges, the Indian Government has prioritised improving physical infrastructure, connectivity, healthcare, education, and sustainable tourism and agriculture as key aspects of its Act East policy, aiming to boost development in the region.
- As one of the largest banks, we already have a significant presence in these states and are well placed to also augment the efforts of the government and expand our presence in each state of the Northeast.

In line with this, we initiated our DilSe programme in 2017, to bring forth education-led socio-economic development and bring the entire region into the mainstream.

- Our other thematic intervention areas are also in sync with the focus on the north-east in financial inclusion and literacy, the Bank in partnership with NISM has conducted financial literacy sessions for students in multiple colleges in the region. With Axis Sachetna, the focus on the northeast has started to take shape with multiple FI FL sessions in the remotest of regions.
- Prioritising environmental conservation, we aim to plant 2 million trees by 2027 in Assam and Nagaland, among others We built flood resilience systems around Majuli to fight climate change.
- We run multiple programmes in Sikkim, Arunachal Pradesh, Assam, Nagaland and Manipur and expect to extend our footprint across North Eastern India soon.

Axis Bank's Presence in North Eastern India



Focus Areas

- SL Sustainable Livelihoods
- ED Education
- FL Financial Literacy & Inclusion
- EN Environment
- HU Humanitarian

“Axis Bank’s partnership with Sunbird Trust over the past four years through their DilSe initiative has been instrumental in curating and creating a sustainable school transformation programme. The success of this one-of-a-kind endeavour in Lyzon Friendship School in remote and conflict-affected Singngat in Manipur is now enabling Sunbird Trust to replicate the model in other partner schools in the region. Considering northeastern India has historically remained below the national trajectory of growth and development, it is truly commendable that Axis Bank has reached out to support some of our country’s least privileged and marginalised folks. I can say with confidence, that, in Axis Bank, we have found a committed and dependable partner to journey with for the development of the educational landscape in northeastern India and to share our vision of peace through education.”

Col. Christopher Rego (Retd)
 Founder and CEO, Sunbird Trust



Axis DilSe – Majuli

Continuing with Axis DilSe Philosophy, we are helping upgrade and expand the Hummingbird School in Majuli, Assam. Through our support, various infrastructural developments like science labs, children’s hostels, kitchen-cum-dining halls have taken place.

The students have achieved remarkable accomplishments in various fields. At the 30th National Children’s Science Congress, a team of sixth grade students secured the ‘A’ grade, showcasing their exceptional scientific aptitude. Additionally, two students excelled in martial arts by winning one silver and one bronze medal in the National Penchak Silat Championship. Furthermore, they have earned a spot in an international tournament in Uzbekistan. The school also witnessed a significant increase in the demand for admissions, underscoring the widespread recognition.

Axis DilSe - Captain (Late) Kenguruse, MVC Centre of Excellence and Wellness at Army Campus, Nagaland

Axis Bank collaborated with the Assam Rifles (under the aegis of the Eastern Command, Indian Army), as our facilitating and monitoring partner in Nagaland.

Under the initiative, we have established a residential centre at the army campus in Chisewema, Nagaland. It provides educational and mentoring facilities for 32 underprivileged students to prepare them for NEET, JEE and related streams.

Three students from this centre have applied and cleared the JEE mains (session 1). The remaining 29 students have appeared for NEET 2023 whose results are yet to be declared.



Axis DiISe - Assam Rifles Centre of Excellence at Manipur

The initiative is in partnership with the Assam Rifles (under the aegis of Eastern Command, Indian Army) who are acting as the facilitating and monitoring partner.

Under this, we have founded a residential centre at the army campus in Kangvai. It provides educational and mentoring facilities for 30 underprivileged NEET aspirants.

Axis DiISe - Sentinel Centre of Excellence, Arunachal Pradesh

This project is in partnership with the Assam Rifles (25 Sector Assam Rifles/IGAR (N)/DGAR under the aegis of the Eastern Command, Indian Army) who are acting as the facilitating and monitoring partner.

In phase 1 of the programme, the residential centre has been set up at the army campus in Jairampur. It will provide educational and mentoring facilities for 30 underprivileged students to prepare them for NEET,

JEE and related streams. The centre covers the syllabus of JEE laid down by the NTA viz. BS-MS dual degree in Indian Institute of Science Education and Research (IISER) and National Institute of Science Education and Research (NISER).

Axis DiISe - Manipur

We support the Lyzon Friendship School in Singnat, Churachandpur, Manipur.

The programme has achieved multiple milestones this year. The construction of a toilet has improved sanitation facilities, ensuring a hygienic learning environment for students and staff. The newly-constructed auditorium provides a dedicated space for various school events, fostering community engagement and showcasing students' talents.

These efforts have resulted in an impressive increase in school enrolment, with 485 students now benefiting from this initiative.

Axis DiISe - Manipur programme has also received a special jury commendation - FICCI CSR award for FY 2020-21.

Axis DiISe - Sikkim

We launched Axis DiISe programme in partnership with the 17000 ft Foundation to ensure that the children studying in 50 government schools of Sikkim have access to quality infrastructure and better learning resources.

As part of the programme, we undertook a comprehensive survey of 150 schools and shortlisted 50

schools in consultation with multiple stakeholders. Notable milestones include installing digital lab facilities to enable cutting-edge learning experiences for students. Additionally, we established libraries, enhancing access to educational resources and fostering a culture of reading. To promote physical well-being, outdoor playground equipment was provided, encouraging active play and recreation among the students.

~1,800 children from 50 schools

Beneficiaries



Axis Bank Scholarship Programmes

Ashoka University

We partnered with Ashoka University to promote the scientific ecosystem in the country by supporting students in STEM disciplines, faculties and research activities. Under this programme, the Bank enrolled and helped 48 women undergraduate students from 17 Indian states in science subjects. Moreover, we support three research projects, artificial spin ice, photon upconversion, and anti-microbial resistance, for 29 faculties members across six departments.

Plaksha University

We launched a scholarship programme for students from economically weaker backgrounds pursuing undergraduate degree programs at Plaksha University, Sahibzada Ajit Singh Nagar, Punjab.

Axis DiISe - Odapada block, Odisha

We launched Axis DiISe block transformation programme at Odapada block, Dhenkanal district, Odisha. The programme aims to identify students who have dropped out or not enrolled in the education system, provide age-appropriate learning to the selected students, and enrol them in the conventional educational system. The programme also aims to offer students foundational literacy and numeracy skills.

We identified 351 out-of-school children from this block as on March 31, 2023. Recognising the importance

of providing them with a bridge to integrate into the schooling system, we established 15 non-residential bridge course centres to cater their needs and help them catch up with their peers.

The programme also emphasised the significance of collaboration and engagement with various stakeholders, leading to ~1,000 meetings conducted with school management committee (SMCs), self-help groups (SHGs), youth organisations, and other concerned parties. These meetings served as crucial platforms for exchanging ideas, gathering valuable insights, and fostering a collective effort towards the cause.

351

Out-of-school children identified till March 31, 2023

~1,000

Total meetings conducted for various stakeholders

CASE STUDY 1

During my recent visit to Juangasahi Jaripal Habitation in the Kottam Panchayat of Odapada block, I met Vijay*, a 12-year-old boy from the Junga community toiling in the fields. Despite completing fifth grade, Vijay encountered barriers to further education due to financial constraints and the distance to the nearest school. They couldn't afford the bus fare, and due to the COVID-19 pandemic, he had not been enrolled in school and was still working. Despite these difficulties, when I asked Vijay about his interest in pursuing his studies, he responded "yes". Understanding his potential, I advocated for educational support and,

with the help of Aspire and the local community, an NRBC centre was established. Over six months, Vijay displayed remarkable progress, eventually expressing a keen interest in attending a regular school. Thanks to the combined efforts of Aspire, Axis Bank Limited (ABL), and Tata Steel Foundation (TSF), Vijay now attends Kottam Government High School, supported by the sarpanch, headmaster, and PRI members who acknowledged Aspire's valuable contribution to the community's educational progress.

Arun Kumar Baral
Block coordinator, Odapada

CASE STUDY 2

During a community hall discussion in Indipur gram panchayat of Odapada block, we witnessed a young girl struggling to fetch water with her mother, who reprimanded her. Concerned, an Aspire team member intervened, advocating for the girl's education. The mother, citing financial struggles and traditional gender roles, was initially hesitant. However, the team emphasised the benefits of education, including government support like the mid-day meal programme and study materials. After convincing the mother, the Aspire team helped enrol the girl in the sixth

grade at a nearby school, addressing her learning gap at the NRBC centre in Juangasahi, Indipur gram panchayat. Recognising the need for further assistance, the NRBC teachers recommended transferring her to an RBC. After discussions involving the school headmaster, sarpanch, ward members, her parents, and PRI members, the decision was made, receiving appreciation from the community and the sarpanch.

Arun Kumar Baral
Block coordinator, Odapada



Museum of Solutions, Mumbai

In collaboration with the JSW Foundation, we are building the Museum of Solutions (MuSo) at the Victoria Mills compound, Lower Parel, Mumbai. MuSo will be a unique, first-of-its-kind children's museum aiming to inspire, enable and empower children to make a meaningful change in the world collectively.

*Note: The name has been changed to protect the child's identity.

Financial Inclusion and Literacy

As a leading financial institution, Axis Bank is responsible for empowering communities and supporting the country in becoming financially stronger. Through various interventions, we raise awareness in economically weaker sections about the products and services available in the vast universe of banking space. Moreover, through the Bharat banking approach, we ensure access to such products and services in the remotest of regions.

Axis FLY - Strengthening Financial Awareness among Youth

India has embarked on a path towards innovation where youth would be job seekers and providers. In this era, young professionals must be financially aware. Consequently, we are trying to narrow the gaps in knowledge of graduates fresh out of college. We partnered with the National Institute of Securities Market (the educational arm of SEBI) to spread awareness about saving and investing among students. The focus is on colleges and fresh graduates, particularly from Tier-II and III cities.



Axis Sachetna

Despite being the caretakers of their respective families and households and supporting the men in agricultural or other commercial activities, rural Indian women remain socially and economically behind. Moreover, many are still feeling the repercussions of COVID-19 on their livelihoods. The impact of COVID and The Bank's desire to empower women in rural and urban India influenced Bank's Financial Literacy Programme (FLP) - Axis Sachetna.



Run by our microfinance Team, the bank has been undertaking FLP trainings across the country supporting millions of women. The FLP educates the women on the basics of personal financial management, healthcare awareness and Government Schemes like the Pradhan Mantri Jan Dhan Yojana (PMJDY) and Pradhan Mantri Mudra Yojana (PMMY).

>11.5 lakh
Women reached out to under the financial literacy programme

CASE STUDY



Geetha, aged 45 years, is one of the beneficiaries from Anberu village in Davangere. The major source of income for her family is from dairy farming and agriculture.

What was her initial reaction towards the training?

Initially, when the discussion opened on FLP and hygiene training, Geetha was hesitant. Through an interactive session, interest was generated. All the important factors of hygiene and financial planning were put forward in the session. The session was conducted for more than two hours along with other group members.

What insights did she derive from the training?

Controlling expenditure, keeping the surroundings clean and hygienic, using clean water, which helps keeping her family healthy.

Did she spread awareness among her peers/others?

Yes, Geetha informed other group members about the importance of FLP and hygiene and their benefits by showing the live example of her daily living/earning.

What were her takeaways from the training?

Improving the daily earnings and investing on necessary and needful things, avoiding the ill health by consuming good water and food by keeping the surroundings clean.



Axis Evolve

India is the hub of small and medium enterprises, which serve as source of innovation and create a competitive healthy economy. Under the objective of capability enhancement for SMEs, we organise an exclusive forum for the SME community titled Evolve. It is an event offering value addition to SMEs on current trends and insights, as well as on topics relevant to the growth of the SME business. The platform also imparts knowledge to SMEs on new-age strategies, case studies, operational know-how, regulatory and governmental affairs that impact their business.

2,000+
Entrepreneurs impacted



CSC Academy

Since the reach of financial institutions through brick-and-mortar presence remains limited, the role of physical and digital solutions to overcome last-mile hurdles is paramount. Under this programme, we are reaching out to the rural community through specialised mobile vans managed by local, trained VLEs under the oversight of CSC Academy. The programme plans to cover more geographies and have greater buy-in from community members to benefit from better delivery of financial literacy interventions and access various financial products and services available.

Environmental sustainability



Committing to Mission 2 Million Trees by 2027

As a part of Axis Bank's larger ESG agenda, we have committed to planting two million trees by 2027 to contribute to India's carbon sink and its commitments under the Paris Agreement.

Four of our existing partners are implementing this programme in the Sundarbans (West Bengal), Madhya Pradesh, Gujarat, Andhra Pradesh, Karnataka, and Rajasthan. We envisage achieving this programme in three cycles of three years each, with the first year for planting and the second and third years for monitoring, ensuring the planting of local species best suited to the geographical and climatic conditions.

Going Beyond Mission 2 Million Trees

We have taken a step further towards our commitment of habitat restoration. These programmes include the restoration of mangrove habitat in Tamil Nadu, habitat restoration and agroforestry in Assam, avoiding human-animal conflict through agroforestry in Karnataka and habitat restoration in Madhya Pradesh involving a total of additional 1.5 million trees by 2027.

Miyawaki plantation

Urban ecosystems are crucial for providing resilient and sustainable urban spaces where the nature and humans can coexist. As part of the Bank's commitment towards the larger goal of habitat restoration, we have planted about 53,000 saplings in Navi Mumbai using the Miyawaki method.



HEALTHIER PLANET >

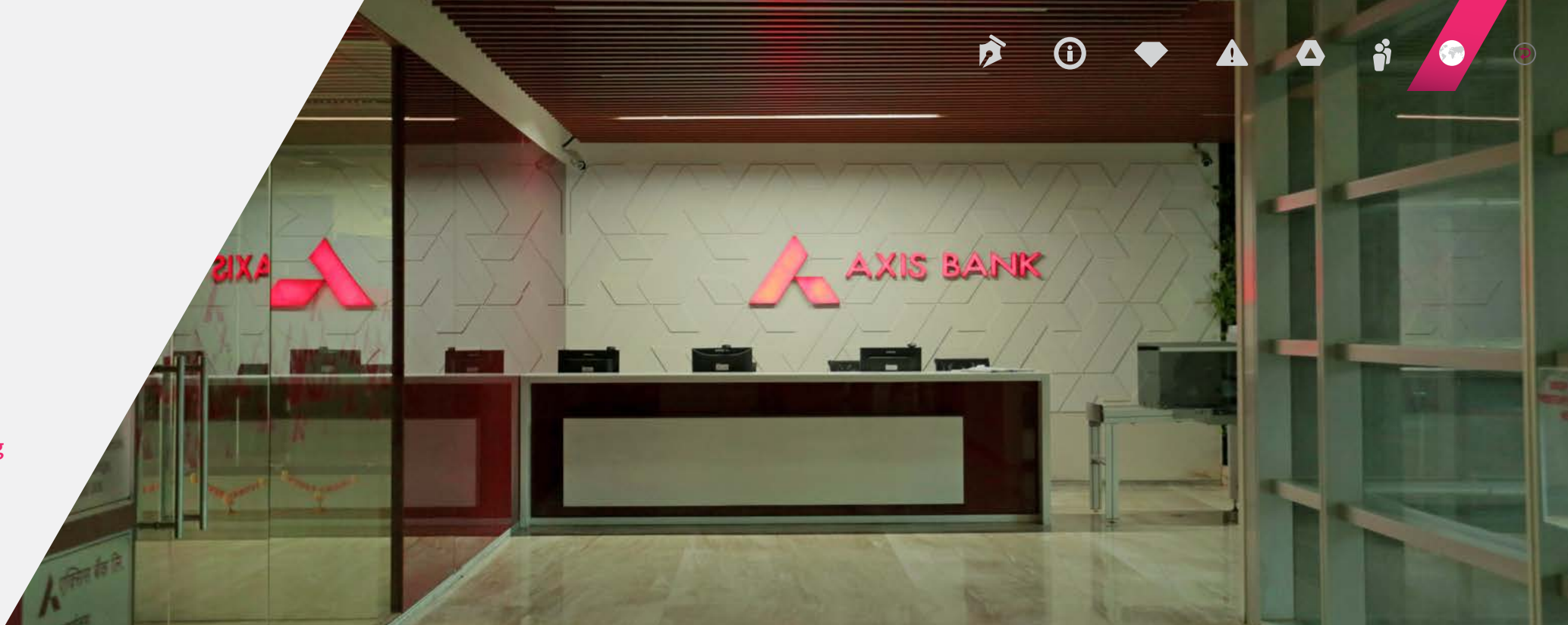
Prioritising a reduction in our environmental and emissions impact, we are actively engaged in initiatives such as green energy procurement, energy efficiency measures, and resource management at our branches and locations. Ensuring a commitment to sustainable practices, all new branches incorporate smart design principles and utilise eco-friendly materials and energy-efficient appliances. Embracing technological advancements and transitioning to a greener electricity grid further align with our ongoing efforts to progressively decrease our carbon footprint. Our targeted efforts include afforestation, habitat restoration, biodiversity conservation, and enhancing climate resilience in vulnerable communities across various regions.

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Embracing the Green Way

As a Bank, our direct environmental footprint is attributable to the resources we consume to run our operations and to serve our customers and other stakeholders. This primarily includes purchasing electricity, using diesel generator sets at our branches, and use of paper in banking forms, statements, and other documents.



The policy on environmental management guides the Bank's 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

The Bank has taken a target of 5% reduction in intensity emissions per employee year-on-year and is working towards aligning its various interventions towards achieving it.

The Bank is committed to following industry best practices, adopting pertinent technologies, and investing in solutions that can rationalise its resource requirements and lower its overall environmental footprint.

As the sector continues accelerating towards digitisation and digitalisation, we are investing in large-scale, strategic initiatives to make our systems and processes more agile and efficient and enhance our customers' experience.

All the emission calculations (including intensity calculations), energy calculations (including intensity calculations), water usage, and waste estimations (including e-waste) are limited to the Bank's operations in India. Also, these calculations do not include any subsidiaries and Axis Bank's acquisition of Citibank's Retail business in India, which was completed in April 2023, and its data will be reflected in the following Sustainability Report.

Our Approach to Decarbonisation

The Bank aims to reduce its operational GHG emissions by implementing various policies, procedures and initiatives. As a part of its commitment, the Bank is actively exploring the potential to adopt a decarbonisation pathway for its emissions in alignment with the requirements of the SBTi, which will further strengthen the Bank commitment of Environmental Sustainability. In its assessment, the Bank has ascertained that the most significant emissions reduction the Bank can achieve is by procuring green power from the grid at its branches and other locations, which gets hampered by a lack of a conducive policy environment at a national level.

The Bank is actively exploring green power procurement at locations where state-level policies enable it.

The Bank notes that the draft of The Electricity (Amendment) Bill, 2022, which is currently with the Standing Committee on Energy aims to introduce several interventions that shall support the procurement of green power from the grid and greater availability of green power.

Green Energy Open Access (GEOA) Rules, 2022

The GEOA rules are a significant step towards increasing renewable energy components in overall energy usage and reducing emissions. Even though,

these rules empower the consumer, the exact implementation strategy may differ, as each state may have a different level of preparedness and readiness for the supply of renewable energy. This aspect shall be essential in the Bank's adoption of GEOA across its operations.

Under CSR, the Bank supports India's overall carbon goals through its flagship programme of Mission 2 Million, which has committed to planting two million saplings by 2027. Additionally, during FY 2022-23, the Bank has further strengthened its tree plantation programme by adding new tree plantation programmes which shall add about 1.5 million trees by 2027.

Energy Performance and Efficiency

Energy from the grid and energy generated using fossil fuels are the primary resources that the Bank uses to run its operations. The overall contribution of grid electricity in overall energy consumption is about 89%, whereas renewable energy accounted for about 1.1%, and ~ 9.9% of the energy was generated using diesel.



Energy consumption (terajoules)

	Electricity purchased	Electricity generated*
2020-21	859.98	87.17
2021-22	745.30	171.13
2022-23	894.19	111.23

* This includes electricity generated through diesel consumption and installed renewable energy capacity at the Bank, having generated approximately 111,230 gigajoules of electricity.

Energy intensity (gigajoules per employee)

	Direct Energy	Indirect Energy
2020-21	1.11	10.98
2021-22	1.99	8.68
2022-23	1.21	9.73

*The scope of energy intensity calculation is limited to the Bank's operations in India. Also, these calculations do not include any subsidiaries and recent Citibank merger.



Key Initiatives towards Achieving Energy 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.

To reduce its carbon footprint, the Bank undertook many energy efficiency initiatives. The bank is also exploring options to expand Green Power Purchase at all possible locations.

Key energy efficiency interventions and emissions avoided during the reporting year include:



Renewable Energy

- Implementation of Solar energy project at Solapur, aggregating ~2 MW, which helped save ~2,584.90 tCO₂e of carbon emissions during FY23.
- Axis Bank has started procuring solar power of ~1 MW (3.50 lakh units p.a.) under the power purchase agreement (PPA) model from fiscal 2020 for the Bank's data centre in Bengaluru. The Bank has consumed 35.40 lakh units of electricity for its data centre alone during FY23, which helped save ~2870 tCO₂e of emissions.
- Three large offices in Mumbai - Axis House Mumbai, MIDC Andheri and The Ruby, Dadar are operational on 100% renewable energy.

Energy Efficiency

- In fiscal 2023, implementing CEMS in 600 branches helped save 40.02 lac units of electricity, saving ~3242 tCO₂e of emissions.
- Existing conventional light fittings were replaced with LED bulbs in ~908 branches across India, which saved around 31.91 lakh units of electricity and around 2,521 tCO₂e of emissions.
- During the reporting period, old ACs were replaced with star-rated energy-efficient across 650 branches. Installation of motion sensors for workstations and common area lighting at Axis House, Mumbai, and the regional office in Bengaluru. The Bank shall introduce sensors in additional locations.

- Maintenance of unity power factor through APFC panels in auto mode for optimum use of power at Axis House Mumbai and Axis House Noida.
- Complete replacement of conventional lights with LED lights at all branches/offices.
- Inverter-based air conditioning machines with green refrigerant gas (R32/R410A) provided for all new installations and existing replacements.
- Electrical vehicle charging facility available at large buildings i.e., Axis House, Mumbai, Andheri MIDC and Axis House Noida.

Centralised Energy Management System (CEMS)

In FY23, the Bank utilised 1,005,420 GJ of energy, of which 88.94% was grid electricity, consumed primarily at our offices, branches and ATM locations. Since 2014-15, the Bank has adopted a centralised energy management system (CEMS) at its 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, CEMS has helped reduce our consumption by approximately 10% from the baseline in those branches where it is installed.

As of March 2023, CEMS is implemented in 600 branches, with electricity savings of approximately 40.02 lakh units and monetary savings of ~ ₹4 crore in FY23 on an annualised basis. Approximately 4,002 MWH of energy was saved through these installations cumulatively in FY23, helping avoid 3,241.93 tCO₂e of emissions.

Greener Data Centres

The Bank has a data centre in Bengaluru, where it has already incorporated various energy efficiency initiatives. The Bank is further expanding the data centre activities in Bengaluru and has already initiated below initiatives in the expansion of the Centre:

- The centre is design and planned with air cooled chillers to reduce PUE (power usage efficiency).
- There will be an estimated power saving of 1,401,600 units per year.
- Cold air will be contained within an aisle to avoid hot and cold air mixture to improve cooling and power efficiency.
- The racks will have temperature and humidity and their feedback will be provided to the BMS system for better control and optimisation.
- Floor and ceiling will be insulated with Insulation to avoid latent energy losses.
- Partitions are thermally insulated to avoid latent heat losses.

- UPS selected are highly efficient modular systems with operating efficiency of more than 97%.
- The lighting system is LED controlled with motion sensors to reduce power usage.
- All the material used at the site is environment friendly.
- Low VOC primer and paints are used.
- Replaced batteries will be 100% recycled.
- There will be no water usage for running the DC as the chilled water lines will be closed loop circulation with no evaporation.
- Additional solar panels will be installed on the terrace as additional area on terrace is being created.
- Existing DC is using green power through open access.
- Additional power will also be green power.
- The Bank has planned the building to be a certified green building, for which the process has already begun.



Emissions

GHG Emissions

GHG emissions (1,000 tonnes of CO2e)

	Direct emissions#	Indirect emissions##
2020-21	5.56	195.88
2021-22	13.85	163.55
2022-23	9.44	201.19

*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.
Direct emissions are Scope 1 emissions, which include CO₂, N₂O and CO₂e 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 and accounts department, which handles monthly accounts and billing. The cost of diesel the Bank consumes is converted into quantities consumed using state-level diesel

prices. Furthermore, the average rate per litre of diesel is calculated as per Petroleum Planning & Analysis Cell (Ministry of Petroleum & Natural Gas, Government of India) diesel monthly rates for four metro cities. The emission factors and GWP (Global Warming Potential) values have been taken from IPCC guidelines. The Bank has used a financial control approach for measuring and managing these emissions; hence diesel consumed by leased branches is covered under the Scope 1 category. We also have included emissions resulting from refrigerant leaks under Scope 1 and plan to include the use of fire extinguishers in drills in Scope 1 in the future and are putting necessary measurement systems in place.

Indirect emissions are Scope 2 emissions, which include CO₂ emissions from purchased electricity consumed by Axis Bank. The month-wise electricity consumption data is extracted from the CAPHUB team under the finance and accounts department, which handles monthly accounts and billing. The cost of electricity consumed by the Bank is converted into quantities consumed by state-level tariffs. The emission factors have been taken from CEA's (Central Electrical Authority) CO₂ database, version 18. The Bank has used a financial control approach for measuring and managing these emissions.

GHG emissions intensity (tCO₂e per FTE) *

	Indirect emissions	Direct emissions
2020-21	2.50	0.07
2021-22	1.91	0.14
2022-23	2.19	0.10

*Above consumption and emission data are pertaining to pan-India Axis offices and branches.

Scope 3 Emissions

Activity	Unit	2021 - 2022	2022 - 2023
Air travel	tCO ₂ e	1,220.14	3,813.90
Bus travel - employee commute	tCO ₂ e	298.46	74.00
Paper usage	tCO ₂ e	3,775.71	2,995.10
Local conveyance	tCO ₂ e	1,859.20	1,965.83
Upstream fuel and energy related - T&D loss (electricity and diesel)	tCO ₂ e	39,329.40	45,896.86

The Bank is committed to strengthening our processes for monitoring and reporting additional Scope 3 emission categories. Furthermore, the Bank strives to make continuous efforts towards reduction

in its Scope 3 emissions. After easing COVID-19 restrictions, air travel has increased than during the pandemic. Additionally, the Bank is actively pursuing digital ways in its business

and operations. By expanding the scope of its digital lending activity, the Bank has reduced printing of stationery items in every business unit.

Waste Management

The Bank has expanded its reporting boundary for waste management this reporting period. In addition to reporting waste data from the Bank's headquarters, Axis House in Mumbai, the Bank also reports data from its 11 large offices across India. E-waste disposal continues to be reported at a pan-India level.

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

- Conversion of ~64 MT food/wet waste at Axis House, in Mumbai, into compost through composting machine used in landscaping/ gardening of premises.

- 122 MT of dry waste, such as newspapers, shredded documents, dry paper cups, cardboard boxes and tissues collected at large offices across India, were sent for recycling.
- Collection and disposal of 38.45 MT of e-waste during FY23 from all large offices and branches pan-India through government-authorized vendors.

Together, the various initiatives have resulted in a significant amount of energy savings in FY23, avoiding ~12,152 MT of GHG emissions which 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, the primary use of water is for the drinking and hygiene of our employees and landscaping at some of our large offices. The Bank strives to follow best practices for efficient water use across its premises. Water usage and interventions for water conservation include:

- An estimated 4,135 KLD of water was consumed by 91,898 employees across all the offices and branches in India.
- Daily recycling of 81 KL of water through the sewage treatment plant at Axis House, Mumbai.
- Use of wash basin sensors, aerators and bio-blocks in washrooms at select large offices.
- Rainwater harvesting of ~200 KL annually at Axis House, Mumbai.



¹⁶ This is an estimated number basis per head – per day water supply as per National Building Code, 2016. This number is not assured.

TCFD Report Alignment

Task Force on Climate-Related Financial Disclosures (TCFD) has emerged as the apex, globally recognised disclosure framework for communicating an organisation's position and plans on climate-related Governance, Strategy, Risk Management and Metrics & Targets, with a clear focus on the financial implications. The discussion paper on climate risks Sustainable Finance ("Discussion Paper") released by the RBI in July 2022 also recommends TCFD-aligned disclosures as a step towards ensuring uniformity in reporting on climate-related risks and opportunities by India's banking sector.

Axis Bank released its first TCFD-aligned disclosures for FY 2022, as a standalone report, that adopted the reporting format as recommended in the said Discussion Paper. The Bank's TCFD-related disclosures for FY 2022-23 are included as a part of this Sustainability Report and the responses are referenced to pertinent sections and disclosures made in this report, the Annual Report FY 2023, and other relevant public disclosures.

Governance - Disclose the organisation's governance around climate-related risks and opportunities.

a) Describe the Board's oversight of climate-related risks and opportunities.	<p>Climate action is a core component of Axis Bank's ESG strategy and action, which is a Board Level agenda at the Bank.</p> <p>In FY 2022, the Bank became the first Indian bank to establish a standalone ESG Committee of the Board to drive the ESG agenda, that includes oversight on its climate-related risks and opportunities. The Committee is composed of three independent directors and the MD & CEO. The Committee is chaired by Prof S. Mahendra Dev, an Independent Director. The ESG Committee provides the Bank a strategic vision and direction for ESG, enables pan-Bank ESG integration and affords a 360-degree monitoring and review. The Committee meets on a quarterly basis and met four times in FY 2023. At its meetings held in FY2023, the Committee reviewed several aspects of ESG, including adopting the Bank's Purpose Statement, the review of the Bank's proposed ESG commitments aligned to business, risk, HR and CSR. The Committee periodically reviews the Bank's progress on its commitments and assesses emerging ESG-related risks and opportunities. Under the guidance and oversight of the Board ESG Committee, the Bank has taken up strategic interventions around sustainable financing, climate risk management, building climate awareness within the organisation and strengthening climate resilience among communities. In addition, there are other Committees of the Board that provide an oversight over specific aspects of climate action. These include:</p> <ul style="list-style-type: none"> • CSR Committee: It formulates and recommends to the Board, the CSR Strategy, policy, themes, focus areas and review mechanisms. The Bank is currently implementing community programs that focus on strengthening climate adaption and mitigation and building climate resilience among communities. • Committee of Directors: It approves the Bank's ESG Policy for Lending that integrates environmental and social risk assessment into its credit appraisal. Additionally, during discussions on credit proposals put to the Committee for sanction, it, wherever applicable, reviews aspects of ESG associated with such proposals • Risk Management Committee: The Committee oversees the overall risk framework at the Bank. The Bank is now taking its E&S risk profile to the Risk Management Committee as part of its Internal Capital Adequacy Assessment Process (ICAAP) document. <p>Towards enhancing the understanding on ESG including climate change of the Bank's Board members and its leadership, the Bank held workshops and interactions with external ESG experts, focusing on global best practices, trends and material priorities for the Banking sector.</p> <p>b) The Bank's senior management provides pertinent oversight and leadership to drive forward the Bank's ESG and climate action agenda. As highlighted, the MD & CEO is a member of the ESG Committee of the Board and acts as an important bridge between the Board and the Management on climate-related matters. The Bank's management plays an important role in identifying and acting on ESG-aligned risks and opportunities. In 2020, the Bank had established an ESG Steering Committee comprising senior leaders of the Bank from business verticals, risk, underwriting, strategy and HR to champion the ESG agenda and priorities across the Bank. Members of the Steering Committee also participate in the meetings of the ESG Committee on pertinent initiatives and agendas. For more details, please refer to the "Advancing our ESG Agenda" on pages 24 of the Sustainability Report 2022-23.</p>
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b) Describe management's role in assessing and managing climate related risks and opportunities.

Strategy - Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.

a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	<p>The Internal Capital Adequacy Assessment Process (ICAAP) assesses all the significant risks associated with various businesses. The Bank has defined Physical and Transition risks for itself and identified exposures/impact of these risks in its ICAAP document. In addition, the Bank also participates in the CDP questionnaire annually and communicates its key climate related risks and opportunities in the CDP document, which is publicly accessible on the CDP website at www.cdp.net</p> <p>The key climate-related risks identified by the Bank in its CDP disclosures and their corresponding impact include:</p> <ul style="list-style-type: none"> • Current and emerging climate-related regulations and their impact on the Bank's business decisions as well as the business activities of its customers. Emerging regulations may also impact the activities across entire sectors, both positively or negatively. For example, favourable regulations can support expansion of renewable energy generation and restrictive regulations may impact carbon intensive sectors such as thermal power. This regulatory transition is already playing out and is expected to continue in the medium and longer terms. • Acute physical risks and their impacts on the Bank's as well as its customers' physical assets and supply chains, as well as on its employees and society at large. Through the Bank's own employee safety policies and systems and its Business Continuity Management framework, the Bank works towards mitigating such physical risks on its own assets and personnel. Through the ESG Policy for Lending, the Bank applies the International Finance Corporation (IFC) performance standards on all lending decisions above a certain threshold that includes an environmental and social due diligence as well. These risks may become more prominent in the longer term. • Macro Risks – Driving positive climate action is among the largest global movements with governments, central banks and other regulators, businesses and civil society driving or influencing key shifts in policy, consumer preferences and corporate strategy. There is a paradigm move towards a low-carbon economic transition that will also require a significant re-tooling of existing systems and processes at financial institutions. The wider economic transition is already visible and is expected to continue in the near future. <p>Similarly, there are climate-related opportunities that have been elaborated on in the Bank's CDP response. These include:</p> <ul style="list-style-type: none"> • Expansion in demand for lower-emissions goods and services, such as electric vehicles or green power. The low carbon transition is altering consumer choices and driving a shift towards more sustainable production and consumption. For banks, such products and services may include green vehicle or housing loans or demand for sustainable financing. This is expected to continue to scale in the medium to longer terms. • Resource and energy efficiency in our own business operations that help lower carbon emissions while also potentially strengthening operational efficiency and customer experience. For example, lower paper requirements due to digital banking or procurement of green power at our large offices. This is already scaling up and is expected to continue to do so. • Diversification of financial portfolio and growth of green portfolio – ESG-focused financing is rapidly scaling up globally and a rapid shift towards more ESG-compliant assets is visible across the global economy. Axis Bank for example, issued a USD 600 million sustainable AT1 bond in 2021, and also committed to incremental financing of ₹30,000 crore by March 2026 in SDG-compliant project categories. In addition, the Bank has also scaled up the coverage of its ESG Policy for Lending, thus bringing a wider portion of its lending portfolio under environmental and social due diligence. These activities are expected to continue to scale up for the Bank. <p>The Bank recognises that the climate change space is evolving continually, including methodologies, pathways, data availability and regulatory environment. At present, the Bank has not attempted to formally align its climate action strategy with the 1.5-degree pathway, and it shall also be guided by market forces and regulatory guidance in this aspect.</p> <p>For more details, please refer to the section on "Strengthening our Risk Architecture" & "Climate Risk" on pages 46 & 52 of the Sustainability Report 2022-23.</p>
b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.	

c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

Risk management - Disclose how the organisation identifies, assesses and manages climate-related risks

a) Describe the organisation's processes for identifying and assessing climate-related risks. As a part of our larger ESG agenda, the Bank is working on strengthening the assessment and management of emerging climate-related risks. As highlighted earlier, the ESG Committee of the Board is leading the overall ESG agenda at the Bank wherein strengthening its climate risk management capabilities at the enterprise level is a key priority. Actions that are in place already include:

- ESG risk has been included in the Bank's ICAAP assessment from March 2020. This includes a review of the ESG - sensitive portfolio from a climate risk perspective - both for physical risk (for both Corporate as well as Retail Banking verticals) and transition risk (Corporate Banking).
- It also includes a review of the sensitivity of Bank's own operations to climate risk e.g. robustness of continuity and disaster recovery plans against floods or cyclones.

As highlighted, the Bank has in place an ESG Policy for Lending that is integrated into the Bank's credit appraisal mechanism for wholesale lending. The Policy has been in place since 2015 and adopts the IFC Performance standards and other such global benchmarks. The Board-approved policy is housed within the Credit vertical at the Bank and is implemented by the Environment and Social Management Group, a team of E&S risk experts.

As highlighted, over and above the implementation of the ESG Policy for Lending, the relevant sanctioning committee, during discussions on credit proposals put to it for sanction, wherever applicable, reviews aspects of ESG associated with such proposals.

Under the ESG Committee's oversight and led by the Bank's Chief Risk Officer, the Bank is implementing a multi-year project towards scaling up the integration of climate and ESG risks at the enterprise level. This includes building the necessary capabilities and tools for measuring ESG risk (with climate risk as an area of greater focus) and reporting climate risk. The Bank aims to have the necessary tools and frameworks in place to be able to take climate linked investment decisions at the portfolio level within a defined timeline and progress is being reported to the ESG Committee periodically.

b) Describe the organisation's processes for managing climate related risks.

c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the Organisation's overall risk management.

Metrics and Targets - Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

a) Disclose the metrics used by the organisation to assess and manage relevant climate-related risks and opportunities where such information is material. The Bank reports on its Scope 1, Scope 2 and Scope 3 emissions. Please refer to page 122 (Embracing the Green Way) of the Sustainability Report 2022-23 for these emissions for the year. The data is externally assured. As highlighted, the Bank has taken ESG-aligned commitments supporting the SDGs and India's commitments under the Paris agreement. The Bank's performance against the commitments is reviewed by the ESG Committee of the Board periodically. The details on the targets set and the progress against them as of March 2023 has been reported in the section "Advancing our ESG Agenda" on pages 26 of the Sustainability Report 2022-23. The Bank has also taken an aspirational target to reduce its specific emissions (total Scope 1 and Scope 2 emissions per employee) by 5% year on year. The Bank's performance as on March 2023 can be accessed in section "Embracing the Green Way" on page 122 of the Sustainability Report 2023. The Bank strives to benchmark its performance with global best practices and shall continue to explore and identify the appropriate metrics that can adequately capture its climate-related risks and opportunities.

b) Disclose Scope 1, Scope 2 and, if appropriate and feasible, Scope 3 GHGs emission, and the relevant risks.

c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.

Thriving
Communities

Healthier
Planet

Inclusive &
Equitable Economy



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