



HEALTHIER PLANET >

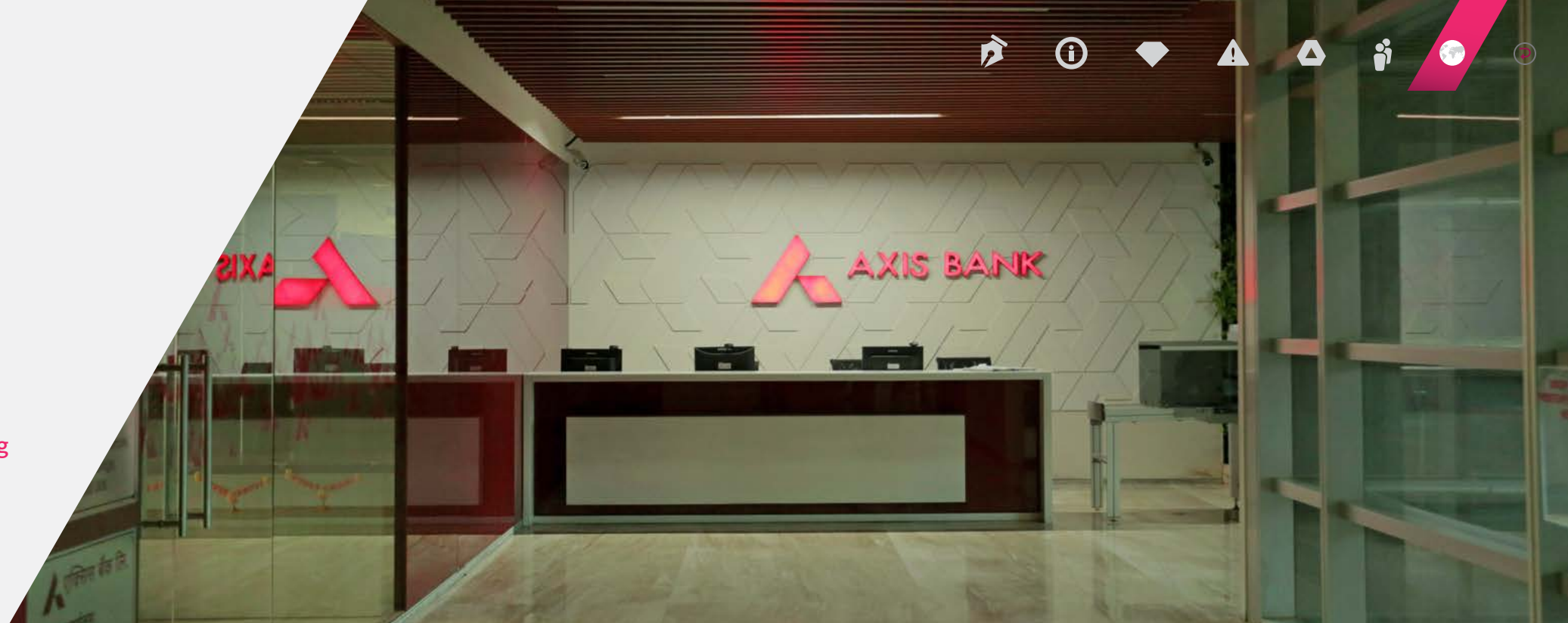
Prioritising a reduction in our environmental and emissions impact, we are actively engaged in initiatives such as green energy procurement, energy efficiency measures, and resource management at our branches and locations. Ensuring a commitment to sustainable practices, all new branches incorporate 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	tCO2e	1,220.14	3,813.90
Bus travel - employee commute	tCO2e	298.46	74.00
Paper usage	tCO2e	3,775.71	2,995.10
Local conveyance	tCO2e	1,859.20	1,965.83
Upstream fuel and energy related - T&D loss (electricity and diesel)	tCO2e	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.